# TCFD Report

In 2019, JFR Group endorsed the final report (TCFD Recommendations) of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD Recommendations are a global, comparable climate-related disclosure framework that recommends companies to disclose information according to four categories: governance, strategy, risk management, and metrics and targets. The Group will use the TCFD recommendations as guidelines for verifying the appropriateness of its climate change response, and will engage in active dialogue with institutional investors and others to carry out effective information disclosure.

### Four recommended disclosure items required of companies in the TCFD recommendations

| Disclosure item | Specific disclosure details |
|---|---|
| Governance | (a) Process by which the Board of Directors receives reports on climate-related issues, frequency with which these issues are placed on the agenda, and monitoring |
| | (b) Management's responsibility for climate-related issues, process for receiving reports, and monitoring methods. |
| Risk Management | (a) Details of the process for identifying and assessing climate-related risks |
| | (b) Details of the process for managing significant climate-related risks |
| | (c) Status of integration into the company-wide risk management framework |
| Strategy | (a) Details of short-, medium-, and long-term risks and opportunities |
| | (b) Nature and extent of impact of risks/opportunities on business, strategy, and financial plans |
| | (c) Risks/opportunities and financial impact based on relevant scenarios and strategies/resilience against them |
| Metrics and Targets | (a) Metrics used to manage climate-related risks and opportunities |
| | (b) Greenhouse gas emissions (Scope 1, 2, and 3) |
| | (c) Targets and results used to manage climate-related risks and opportunities |

Source: Climate-related Financial Disclosure Task Force, "Recommendations by the Climate-related Financial Disclosure Task Force (Final version)" (2017)

## Recommended Disclosure Item① Governance

### a Process by which the Board of Directors receives reports on climate-related issues, frequency with which these issues are placed on the agenda, and monitoring

To promote sustainability management across the entire JFR Group, discussions on and decisions about specific measures to address environmental issues are made in the Group Management Meeting, the highest decision-making body for business execution. Furthermore, the Sustainability Committee, which meets at least twice a year, shares the policies on environmental issues discussed and decided by the Group Management Meeting, formulates action plans for the Group's environmental issues, and monitors the progress.

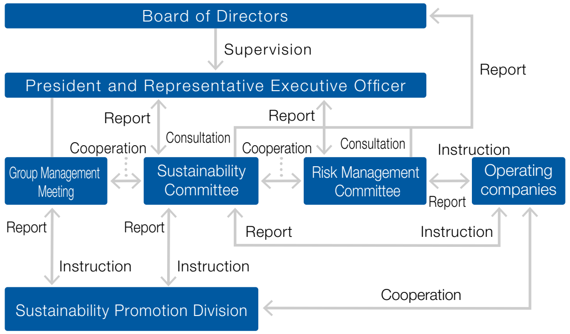
The Board of Directors receives reports on the discussions and decisions made by the Group Management Meeting and the Sustainability Committee, and discusses and oversees the Group's policies and action plans for addressing environmental issues.

In selecting candidates for the Board of Directors, we use a skill matrix to clarify the expertise and experience we expect from directors, and "environment" is one of the items. By appointing directors capable of providing appropriate supervision of 1) specific action plans, 2) regular reviews, and 3) the status of initiatives for continual improvement regarding environmental plans, including the setting of medium- to long-term targets, we are enhancing the effectiveness of our efforts to address environmental issues.

### b Management's responsibility for climate-related issues, process for receiving reports, and monitoring methods.

The President and Representative Executive Officer chairs the Group Management Meeting as well as the Risk Management Committee and the Sustainability Committee, which are both advisory panels under his direct control. He thus bears final responsibility for management decisions related to environmental issues. Details of matters discussed and decided by the Group Management Meeting and the Sustainability Committee are reported to the Board of Directors for final approval.

JFR Group Environmental Management System




Meeting bodies and their roles in the environmental management system

| | Meeting body and system | Role |
|---|---|---|
| Meeting body | Board of Directors | Supervises the progress of environment-related initiatives discussed and approved by those who execute business. Meets monthly. |
| Meeting body | Group Management Meeting | Discusses measures related to Group-wide management including specific environment-related initiatives. The decisions are reported to the Board of Directors. Meets weekly. |
| Meeting body | Risk Management Committee | Extracts comprehensive risks and discusses and decides measures against them. The decisions are reported to the Board of Directors. Meets as needed. |
| Meeting body | Sustainability Committee | Discusses and decides policy to address environmental issues discussed by the Group Management Meeting. Formulates the long-term plans and KGIs/KPIs related to environmental issues and monitors the progress of operating companies. The decisions are reported to the Board of Directors. Meets semiannually. |
| Executing entity | President and Representative Executive Officer | Chairs the Group Management Meeting, and also the Risk Management Committee and the Sustainability Committee. Assumes the ultimate responsibility for business decisions related to environmental issues. |
| Executing entity | Operating companies (Management Meeting, Risk Management Committee, Sustainability Committee, etc.) | Plan and execute initiatives for environmental issues as operating companies based on the policy for responding to environmental issues that have been discussed and decided by the Group's Risk Management Committee and Sustainability Committee. In addition, reports on the status of progress to the Group's Risk Management Committee and Sustainability Committee. |
| Executing entity | Sustainability Promotion Division | Promotes the Group-wide response to environmental issues. Collects environment-related information and reports to the Group Management Meeting, the Sustainability Committee and the Risk Management Committee. |

Major agenda items in the Sustainability Committee Meetings

| | | |
|---|---|---|
| FY2022 | April | ●Lecture on "ESG/sustainability management" by an external instructor ●Action Plan for FY2022 ●Report on results of FY2022 supplier assessment (including environment) ●Group-wide KPI progress for FY2021 |
| FY2022 | September | ●Group-wide KPI progress for first half of FY2022 |
| FY2023 | April | ●Action Plan for FY2023 ●Group-wide KPI progress for FY2022 |
| FY2023 | September | ●Lecture on "Outline and Necessity of Biodiversity Response" by external instructor ●Second supplier assessment ●Group-wide KPI progress for first half of FY2023 |

## Recommended Disclosure Item② Risk Management

### a Details of the process for identifying and assessing climate-related risks

The Group considers risk to be the starting point of strategy, and we have defined it as "uncertainty that affects the corporate management's achievement of goals, having both positive and negative sides." We believe that appropriate handling of risk leads companies to sustainable growth.

With the recognition that climate-related risks and opportunities have a great impact on our business strategies, the Group identified climate-related risks and opportunities through the process shown below and assessed their importance.

Firstly, the Group extracted a comprehensive set of climate-related risks and opportunities exhaustively for each activity item of the supply chain process: "product procurement," "transportation and customer movement," "in-stores sales," "use of products and services," and "disposal." Next, from those we identified the risks and opportunities that are important for the Company. Finally, we assessed the importance of the identified climate-related risks and opportunities based on two assessment criteria, "degree of impact on the Group and the probability of occurrence" and the "degree of impact on stakeholders."

Risk management system

| Risk management process | Responsible meeting bodies and executing entities |
|---|---|
| Identification/ assessment/ narrowing down of risks | ●Board of Directors<br>●Group Management Meeting<br>●Risk Management Committee (Overall management risk)<br>●Sustainability Committee (Environmental risks) |
| Response to risks | ●Operating companies (Management Meeting, Risk Management Committee, Sustainability Committee, etc.) |
| Monitoring/ reporting | ●Board of Directors<br>●Group Management Meeting<br>●Risk Management Committee (Overall management risk)<br>●Sustainability Committee (Environmental risks) |

### b Details of the process for managing significant climate-related risks

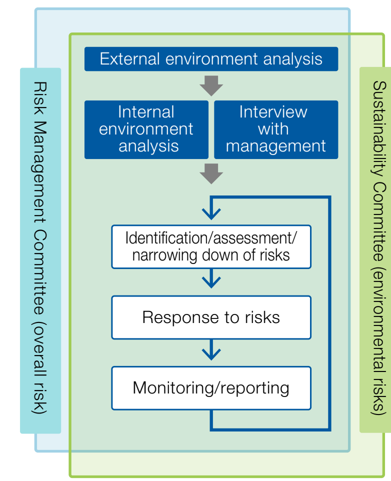
The Group is working to share environmental-related risks with each operating company through a more detailed study of these risks within the Sustainability Committee. Each operating company incorporates climate change initiatives into their action plan and checks the progress of the action plan through discussions in meetings headed by the president of each operating company. Progress is monitored by the Group Management Meeting, the Risk Management Committee, and the Sustainability Committee, and is finally reported to the Board of Directors.

### c Status of integration into the company-wide risk management framework

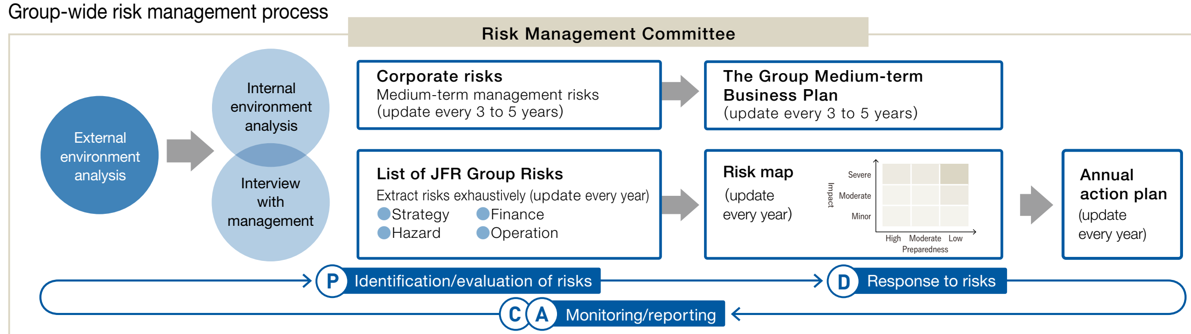
The Group has established the Risk Management Committee based on the importance of building a Group-wide structure for managing risk. The Risk Management Committee identifies comprehensive risks and opportunities, including climate-related risks, and discusses countermeasures from the perspective of the likelihood and timing of potential risks and the business impact, based on environmental analysis conducted annually. Also, those risks that are extremely important to the Group's management over the medium term are reflected in the medium-term business plan as "corporate risks" and are addressed accordingly. The discussions of the Risk Management Committee are reported to the Group Management Meeting and shared with the Sustainability Committee.

The contents of discussions by the Risk Management Committee and the Sustainability Committee in the above series of processes, as well as resolutions by the Group Management Meeting, are reported to the Board of Directors in a timely manner, and are reflected and addressed in the Group's strategies under the supervision of the Board of Directors.

Environmental risk management process




Group-wide risk management process



## Recommended Disclosure Item③ Strategy

### a Details of short-, medium-, and long-term risks and opportunities

The Group considers it important to examine climate-related risks and opportunities at the appropriate milestone occasions because of the potential impact on its business activities over the long term. Accordingly, the Group has positioned the implementation term of the Medium-term Business Plan up to FY2023 as the short term, the period up to FY2030, which is set by SBTi, as the medium term, and the period to FY2050, which is the SBTi net zero target year, as the long term.

The Group has formulated the group strategy for climate-related risks and opportunities by backcasting from fiscal 2050, the target year for realizing net zero, and is working to implement the strategy.

Definition of the periods for considering climate-related risks and opportunities in the Group

| Periods for considering climate-related risks and opportunities | | The Group's definition |
|---|---|---|
| Short term | Until FY2023 | Execution period of the Medium-term Business Plan |
| Medium term | Until FY2030 | Period until the SBT target year for Scope 1, 2, and 3 emissions |
| Long term | Until FY2050 | Period until the SBT net-zero target year for Scope 1, 2, and 3 emissions |

### b Nature and extent of impact of risks/opportunities on business, strategy, and financial plans

The Group conducts scenario analysis to understand the risks, opportunities, and impact of climate change on the Group, and to examine the resilience of the Group's strategies and the necessity of further measures by envisioning the world in fiscal 2030.

In the scenario analysis, we referenced multiple existing scenarios announced by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), then considered two world scenarios: the below 1.5˚C/2˚C scenario that envisages the goal of the Paris Agreement of striving to limit the increase in the global average temperature to below 2˚C above pre-industrial levels; and the 4˚C scenario that envisages the GHG emissions on the present basis.

Based on these two scenarios, the Group extracted climate-related risks and opportunities according to the TCFD recommendations for each activity in its supply chain process. In addition, we defined the transition risks (technology, market, reputation, policy regulation) and physical risks (acute, chronic) arising from climate change, as well as the opportunities (resource efficiency, energy sources, products and services, markets, and resilience) arising from responding appropriately to it.

Existing scenarios referenced

| Possible world | Existing scenarios |
|---|---|
| Below 1.5˚C/2˚C scenario | "Net-Zero Emissions by 2050 Scenario (NZE)" (IEA、2022) |
| | "Representative Concentration Pathways (RCP2.6)" IPCC、2014) |
| 4˚C scenario | "Stated Policy Scenario (STEPS)" IEA、2022) |
| | "Representative Concentration Pathways (RCP6.0, 8.5)" (IPCC、2014) |

Overview of climate-related risks and opportunities in the Group

| Types of climate-related risks and opportunities | | | Timing of occurrence: Short-term | Medium-term | Long-term | Overview of JFR Group's climate-related risks and opportunities |
|---|---|---|---|---|---|---|
| Risks | Transition risk | Policy and regulation | ● | ● | | •Increase in energy costs associated with the introduction of policies to control GHG emissions, such as carbon taxes and the strengthening of regulations<br>•Increase in energy procurement costs due to geopolitical risks |
| | | Technology | ● | ● | ● | •Increase in costs due to decentralization of renewable energy procurement and energy generation (e.g., PPA)<br>•Increase in costs associated with the development of properties with high environmental performance and the installation of equipment<br>•Increased investment for the introduction of high-efficiency energy-saving equipment |
| | | Market | ● | ● | | •Increase in costs for procurement of renewable energy due to increased demand for electricity derived from renewable energy<br>•Loss of growth opportunities due to delayed response to market changes such as increased demand for low-carbon products |
| | | Reputation | ● | ● | | •Risk of lost reputation due to delayed response to environmental issues and diversification of consumption behavior<br>•Negative impact on financing due to inadequate response to investor requests for environmental information disclosure<br>•Negative impact on recruitment of new employees and employee engagement due to loss of reputation among stakeholders |
| | Physical risk | Acute | ● | ● | | •Disruption of distribution routes due to natural disasters<br>•Decrease in revenues due to store closures caused by natural disasters |
| | | Chronic | | ● | ● | •Increase in procurement costs due to unstable yields and quality of agricultural, livestock, and fishery products resulting from changes in rainfall and other weather patterns<br>•Increase in health risks to employees due to infectious disease risks caused by climate change |
| Opportunities | Resource efficiency | | ● | ● | | •Decrease in energy procurement costs due to strengthening of energy-saving measures<br>•Decrease in energy procurement costs due to conversion to stores and business sites with high environmental value |
| | Energy sources | | ● | ● | ● | •Decrease in energy procurement costs through the introduction of the latest high energy efficiency equipment<br>•Decrease in energy procurement costs through the introduction of energy-creating equipment<br>•Decrease in renewable energy procurement cost associated with the development of new policies and systems related to renewable energy |
| | Products and services | | ● | ● | | •Increase in revenue due to acquisition of new customers by proposing sustainable lifestyles<br>•Decarbonization of the entire supply chain and increased earnings by responding to increased demand for environmentally friendly products and services |
| | Market | | ● | ● | ● | •Expansion of financing sources through green bonds, etc.<br>•Expansion of new growth opportunities by entering new circular-type businesses<br>•Improvement in profitability by restructuring the business portfolio beyond retailing and by entry into and expansion of the market for low carbon products<br>•Increase in earnings through increased opportunities to acquire new tenants by converting to stores with high environmental value |
| | Resilience | | | ● | ● | •Improvement of energy resilience through promotion of renewable energy, energy conservation, and energy creation and diversification of procurement sources |

**Short-term**: Until FY2023 (implementation period of the medium-term business plan)
**Medium-term**: Until FY2030 (period set by SBTi)
**Long-term**: Until FY2050 (period until SBTi's target year for Net Zero)

## C Risks/opportunities and financial impacts based on relevant scenarios and strategies/resilience against them

The Group exhaustively extracted climate risks and opportunities and assessed their importance based on two assessment criteria: the "degree of impact on the Group and the probability of occurrence" and the "degree of impact on stakeholders." For items that were evaluated to be particularly important, the Group has conducted both quantitative and qualitative analyses of the financial impact in fiscal 2030 assuming a 1.5˚C/less than 2˚C scenario and a 4˚C scenario.

The qualitative financial impact is presented in three levels by the direction of the arrow symbols.

### Climate change risks and opportunities of particular importance to the JFR Group and their financial impacts in FY2030

↑ Impact on JFR Group's business and finance expected to be very large
↗ Impact on JFR Group's business and finance expected to be somewhat large
→ Impact on JFR Group's business and finance expected to be negligible

| | Climate-related risks and opportunities of particular importance to the JFR Group | Financial impact | | Measures |
|---|---|---|---|---|
| | | Below 1.5˚C/2˚C scenario | 4˚C scenario | |
| Risks | ● Increased costs associated with introduction of carbon tax, etc. | Approximately ¥1,400 million*1 | Approximately ¥900 million*1 | ● Reduction of GHG emissions through aggressive energy conservation measures in stores and expansion of renewable energy switching to achieve the 2050 net-zero target |
| | ● Increased costs associated with the development of properties with high environmental performance and the installation of equipment | ↑ | ↑ | ● Financing through Green Bonds, etc.<br>● Cost-effective equipment installation |
| | ● Increased investment for introduction of high-efficiency energy-saving equipment | ↗ | ↗ | ● Consideration of introducing internal carbon pricing<br>● Cost-effective and well-planned investment considerations |
| | ● Increase in renewable energy procurement costs due to increased demand for electricity derived from renewable energy | Approximately ¥700 million*2 | Approximately ¥300 million*2 | ● Reduction of renewable energy procurement risk and mid- to long-term costs through diversification of renewable energy procurement methods<br>● Improvement of energy self-sufficiency through installation of renewable energy equipment in the company's facilities, etc. |
| | ● Decrease in revenue due to store closures caused by natural disasters | Approximately ¥5,200 million*3 | Approximately ¥10,300 million*3 | ● Increased resilience of stores and business sites through BCP preparation<br>● Improvement of disaster prevention performance of stores |
| Opportunities | ● Decrease in energy procurement cost due to introduction of high-efficiency energy-saving equipment | Approximately ¥500 million*4 | | ● Replace with high-efficiency energy-saving equipment at the appropriate time |
| | ● Expansion of earnings by acquiring new customers by proposing sustainable lifestyles | ↑ | ↗ | ● Expansion of circular businesses such as sharing and upcycling |
| | ● Decarbonization of the entire supply chain and expansion of earnings by responding to increased demand for environmentally friendly products and services | ↑ | ↗ | ● Expansion in handling of environmentally friendly products and services, including switching to environmentally friendly packaging materials<br>● Collaborating with suppliers to decarbonize, including the introduction of AI demand forecasting services to reduce waste |
| | ● Expansion of new growth opportunities through new entry into the circular businesses | ↑ | ↗ | ● Launching circular businesses through effective use of M&A and CVC* investments<br>● Diversification of sales channels through promotion of Real × Digital Strategy formulated in the Medium-term Business Plan |
| | ● Expansion of earnings due to increased opportunities to acquire new tenants through conversion to stores with high environmental value | Approximately ¥1,000 million*5 | — | ● Acquisition of environmental certifications for newly developed properties (ZEB, CASBEE, etc.)<br>● Promoting the use of renewable energy in stores to achieve RE100 |

※CVC (Corporate Venture Capital): A mechanism to efficiently and effectively promote business co-creation through investment in promising start-ups. In FY2022, the Company established the "JFR MIRAI CREATORS Fund" to promote open innovation.
Basis for calculation of quantitative financial impacts expected in FY2030
*1 Calculate by multiplying JFR Group Scope 1 and 2 GHG emissions as of FY2030 by the carbon price per t-CO
*2 Calculated by multiplying the JFR Group's electricity consumption in FY2030 by the price per kWh of electricity derived from renewable energy compared to the regular electricity rate.
*3 Calculated by multiplying the amount of sales loss due to store closures caused by past natural disasters by the frequency of flooding
*4 Calculated by multiplying energy procurement costs by the amount of energy saved by the JFR Group as of FY2030.
*5 Calculated by multiplying the JFR Group's real estate revenues as of FY2030 by the rate of change in new contract conclusion fees for buildings with environmental certification.

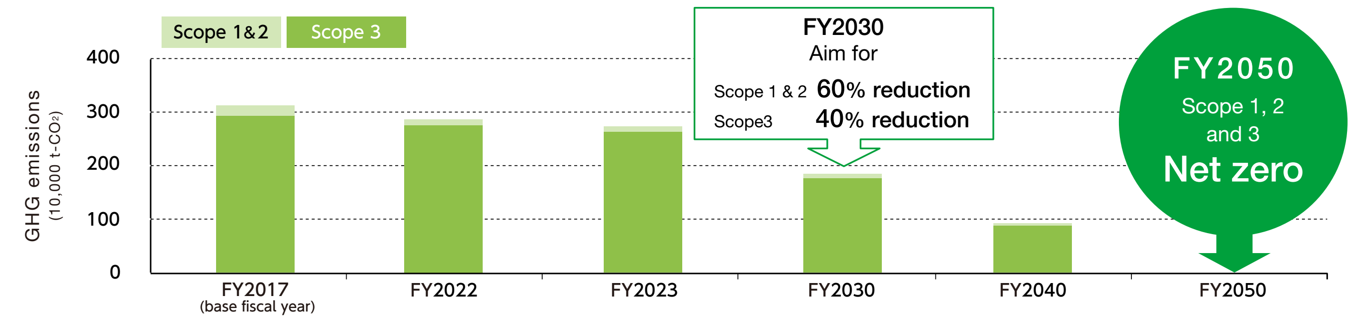
To achieve the materiality issue of "Realization of decarbonized society," the Group analyzed the impact of climate change on the Group's business activities, based on the above scenarios, then examined our countermeasures to verify the Group's strategy resilience.

## JFR Group FY2050 Net Zero Transition Plan

The Group believes that it is necessary to strengthen its strategic resilience from a medium- to long-term perspective under both the 1.5°C/less than 2°C scenario and the 4°C scenario to achieve net-zero emissions in 2050.

To this end, we have formulated a transition plan that identifies specific initiatives from short-, medium-, and long-term perspectives to capture new growth opportunities such as proactively responding to market changes in response to positive opportunities while developing appropriate measures to avoid negative risks in our business strategy.

### JFR Group FY2050 Net Zero Transition Plan




| Phase | Results (FY2017 to FY2022) | | 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 194,154 t-$CO_2$ | Scope 1 & 2 FY2022 43.5% reduction | Scope 1 & 2 FY2030 60% reduction | | Scope 1 & 2 FY2050 Net zero |
| | Scope 3 FY2017 2,927,320 t-$CO_2$ | Scope 3 FY2022 5.7% reduction | Scope 3 FY2030 Aim for 40% reduction | | Scope 3 FY2050 Net zero |
| Priority measures | **Scope 1, 2 and 3 reduction by continuing and strengthening energy-saving measures**<br>•Scope 1, 2 and 3 (Category 3) reduction by expanding the switching to LED lighting in stores and introducing energy-saving, highly efficient equipment<br>•Scope 1 & 2 reduction by shifting to electric vehicles for company use | | | | |
| | | **Scope 2 reduction by expanding renewable energy**<br>•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**<br>•Scope 3 (Categories 1, 4, 5 and 9) reduction through the advancement of the existing 3 Rs in collaboration with suppliers and customers<br>•Scope 3 (Category 1) reduction in collaboration with suppliers<br>•Scope 3 (Category 5) reduction by reducing amount of waste disposal and improving recycling rate | | | |
| | | | | **Scope 2 reduction by introducing an energy creation system**<br>•Scope 2 reduction through renewable energy capital investments, etc. in our own facilities<br>•Scope 2 reduction by establishing corporate power purchase agreements (PPAs) | |
| | | | | | **Utilization of latest technologies, etc. and offsets**<br>•Use of electricity from new non-carbon energy sources, such as hydrogen and ammonia<br>•Offsets through tree planting activities to absorb $CO_2$ |

The plan is current as of the end of May 2023, and may be revised depending on business strategies going forward.

# Recommended Disclosure Item④ Metrics & Targets

## a Metrics used to manage climate-related risks and opportunities

The Group has established two metrics for managing climate-related risks and opportunities: Scope 1, 2 and 3 GHG emissions and the ratio of renewable energy to total electricity used in business activities.

Also, to clarify the responsibility of executive officers regarding the issue of climate change, Scope 1 and 2 GHG emission reduction targets were set as one of the non-financial indicators for determining performance-linked remuneration in officer remuneration.

WEB ➡ Executive compensation and non-financial information

## b GHG emissions (Scope 1, 2, and 3)

Since fiscal 2017, the Group has been calculating its total emissions. Our Scope 1 and 2 emissions in fiscal 2022 were 109,785t-CO2 (down 10.6% from fiscal 2021 and down 43.5% from fiscal 2017). Furthermore, our Scope 3 emissions in fiscal 2022 were 2,761,669t-CO (up 14.1% from fiscal 2021 and down 5.7% from fiscal 2017). The ratio of renewable energy was 33.6%.

The Group has received third-party assurance for its Scope 1, 2, and 3 GHG emissions and renewable electricity consumption in FY2022.

JFR Group's Scope 1, 2 and 3 GHG emission results and forecast*1

(Unit: t-$CO_2$)

| | | FY2017 | FY2021 | Forecast in FY2022 | |
|---|---|---|---|---|---|
| | | Results | Results | Forecast | Compared with FY2017 (compared with base fiscal year) |
| Total Scope 1 and 2 emissions | | 194,154 | 122,812 | 109,785 | -43.5 % |
| Breakdown | Scope 1 emissions | 16,052 | 14,004 | 13,714 | -14.6 % |
| | Scope 2 emissions | 178,102 | 108,808 | 96,071 | -46.1 % |
| Total Scope 3 emissions*2 | | 2,927,320 | 2,420,492 | 2,761,669 | -5.7 % |
| Ratio of renewable energy (%) | | – | 20.3 | 33.6 | – |

*1 Obtained third-party assurance from LRGA Limited.

*2 Calculated in accordance with "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain ver. 3.3 (March 2023, Ministry of the Environment and Ministry of Economy, Trade and Industry)" IDEAv2.3 (for supply chain GHG emissions calculation).

## c Targets and results used to manage climate-related risks and opportunities

Since fiscal 2018 the Group has set long-term GHG emission reduction targets to achieve the global below 1.5 ℃ /2℃ target, and its Scope 1, 2, and 3 emission reduction targets were certified by the SBTi in fiscal 2019. In fiscal 2021, in line with the advancement of our materialities, we raised our target for reducing 2030 Scope 1 and 2 emissions from the previous 40% reduction to a 60% reduction compared with fiscal 2017 (base year), and it was approved as the 1.5°C target that is the new standard set by the SBTi. Moreover, in February 2023, we also obtained certification for the 2050 Net Zero Target for Scope 1, 2, and 3 greenhouse gas emissions.

To achieve these long-term targets, the Group started procuring renewable energy-sourced electricity for its own facilities in fiscal 2019, and in October 2020 we joined RE100*, which aims to achieve a 100% renewable energy share for electricity used in business activities by fiscal 2050. Moreover, as an interim target, we aim to achieve a 60% renewable energy share for electricity used in business activities by fiscal 2030.

Looking ahead, we will work to expand procurement of renewable energy-sourced electricity towards achieving net zero by fiscal 2050.

Targets used by the JFR Group to manage climate-related risks and opportunities

| Metrics | Target year | Details of targets |
|---|---|---|
| GHG emissions | 2050 | Net zero Scope 1, 2, and 3 emissions |
| | 2030 | 60% reduction of Scope 1 and 2 emissions (vs. FY2017)*1<br>40% reduction of Scope 3 emissions (vs. FY2017)*1 |
| Renewable energy share | 2050 | 100% renewable energy share in electric power used in business activities*2 |
| | 2030 | 60% renewable energy share in electric power used in business activities |

*1. Certified by SBT

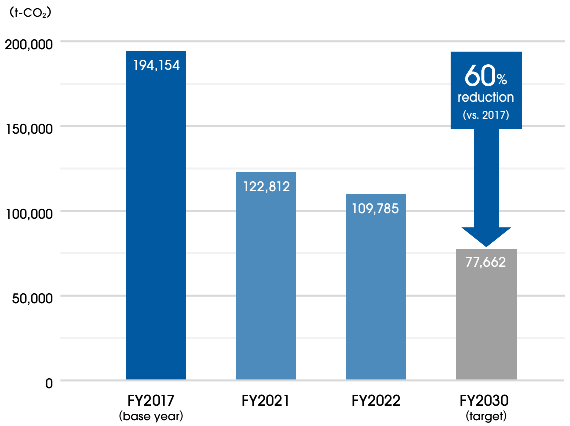
*2. Joined RE100 in 2020.

*A global initiative with the goal of 100% renewable energy for electricity used in business activities.

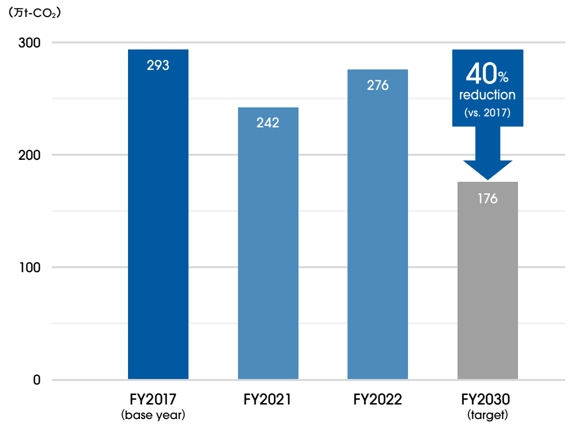
RE100 | CLIMATE GROUP | CDP

## FY2022 Results and Future Targets

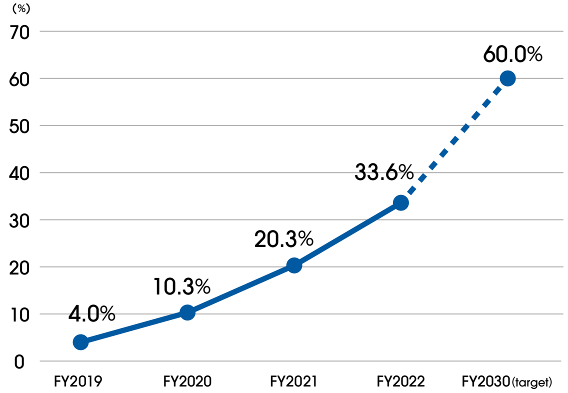
### Scope 1 and 2 emissions




### Scope 3 emissions




### Ratio of renewable energy




### Briefing Session for Suppliers to Realize a Decarbonized Society

(Held in April 2022, 253 companies participated)

### FY2022 Scope 3 Emissions by Category (Unit: t-$CO_2$, %)

| Category | | Emissions | Percentage of emissions |
|---|---|---|---|
| 1 | Purchased goods and services | 2,596,485 | 94.02 |
| 2 | Capital goods | 47,246 | 1.71 |
| 3 | Energy excluding Scope 1 and 2 | 23,566 | 0.85 |
| 4 | Upstream transportation and distribution | 27,892 | 1.01 |
| 5 | Waste from operations | 1,262 | 0.05 |
| 6 | Business travel | 2,755 | 0.10 |
| 7 | Employee commuting | 1,644 | 0.06 |
| 8 | Upstream leased assets | — | 0.00 |
| 9 | Downstream transportation and distribution | 15,862 | 0.57 |
| 10 | Processing of products | — | 0.00 |
| 11 | Use of sold products | 1,209 | 0.04 |
| 12 | End-of-life treatment of sold products | 12,499 | 0.45 |
| 13 | Downstream leased assets | 31,249 | 1.13 |
| 14 | Downstream franchising | — | 0.00 |
| 15 | Investments | — | 0.00 |

*Category 8 is excluded from the calculation because it is calculated under Scope 1 and 2.

*Category 10, 14, and 15 are excluded from the calculation because they are not applicable to the JFR Group's business processes.