



J. FRONT RETAILING ESG Data Book 2025

Introduction

The JFR Group is committed to advancing sustainability management that balances corporate growth with efforts to address environmental and social challenges, all aimed at realizing a sustainable society and new happiness that contribute to the "Well-Being Life" of our customers, business partners, employees, and other stakeholders. This Data Book is published as a supplement to the Integrated Report, with the purpose of helping stakeholders gain a deeper understanding of JFR Group's initiatives and achievements related to sustainability (ESG information). Detailed data and past case studies are available on our website.

Create and Bring to Life "New Happiness."



J. FRONT RETAILING

Review of FY2024 Data

Environment

► Reduction of Greenhouse Gas (GHG) Emissions (Actual Results)

Total GHG emissions for FY2024 (Scope 1, 2 and 3) amounted to 2,314,176 t-CO₂, representing a 25.9% reduction, or 807,298 t-CO₂ less, compared to baseline year FY2017.

● Combined Scope 1 and Scope 2 emissions totaled 67,125 t-CO₂, representing a 65.4% reduction of 127,029 t-CO₂ compared to baseline year FY2017, largely due to a switch to renewable energy sources.

● Scope 3 emissions totaled 2,247,051 t-CO₂, reflecting a 23.2% reduction of 680,269 t-CO₂ compared to baseline year FY2017. This calculation utilized primary data from 41 suppliers concerning their Scope 1 and 2, and upstream Scope 3 emissions.*

*At Daimaru Matsuzakaya Department Stores, one of our core operating companies, we have been engaging in dialogues with business partners based on their specific circumstances. These included topics such as calculating emissions, setting reduction targets, and requesting primary data related to Scope 1 and 2 and upstream Scope 3. As of FY2024, we have held discussions with a total of 121 companies and reached agreement on the provision of primary data with 72 partners. As a result, we incorporated primary data from 41 companies in our calculations for FY2024.

► Reduction of GHG Emissions (Revised Target)

The 2030 target for Scope 1 and Scope 2 emissions was previously set at a "60% reduction (compared to FY2017)." However, this target was achieved ahead of schedule by the end of February 2025, with a 65.4% reduction. As a result, the 2030 reduction target is now set at "73%."

Target year	Targets with SBT certification
2050	● Scope 1, 2, and 3 GHG emissions reach net zero
2030	● 60% reduction of Scope 1 and 2 GHG emissions (vs. FY2017) ● 40% reduction of Scope 3 GHG emissions (vs. FY2017) New higher target 73% reduction

*1. Obtained SBT certification in FY2022 for net zero targets

*2. Obtained SBT certification in FY2021 for the "1.5°C target" (60% reduction vs. FY2017 before the target was revised)

*3. Obtained SBT certification in FY2021 for "1.5°C target"

► Energy Usage (Results)

Energy usage for FY2024 was 426,515 MWh (a 1.0% increase year-on-year, up 4,355 MWh).

► Renewable Energy Usage / Ratio of Renewable Energy to electricity used (results)

The Group began procuring renewable energy-sourced electricity for our own facilities in FY2019.

● Renewable energy usage in FY2024 reached 197,746 MWh (a 25.6% increase year-on-year, up 40,292 MWh), with the renewable energy ratio of total electricity usage reaching 67.2% (a 14.3% increase year-on-year).

► Renewable Energy Share (Revised Target)

The Company joined the RE100* initiative in October 2020 and aims to achieve a 100% renewable energy usage share for electricity used in business activities by 2050.

The 2030 target for the ratio of renewable energy was originally set at 60%. However, by the end of February 2025, we had already surpassed the target, reaching 67.2%. Consequently, we revised the 2030 target to 75%. Furthermore, to steadily advance toward achieving net zero by 2050, we have established a new intermediate target for 2040, aiming for a renewable energy ratio of 90%.

*R100 is a global initiative that aims for businesses to use 100% renewable electricity in their operations by 2050.

JFR Group Renewable Energy Targets (consolidated)

Metrics	Target year	Revised targets
Ratio of renewable energy in the electric power used in business activities	2050	100% renewable energy
	2040	90% renewable energy
	2030	75% renewable energy

Review of FY2024 Data

Scope 1, 2, and 3 GHG emission results (consolidated) (Unit: t-CO₂)

		FY2017	FY2023	FY2024	
		Actual	Actual	Actual	Compared with FY2017 (base year)
Scope 1 emissions		16,052	14,021	14,430	-10.1 %
Scope 2 emissions	(market-based)	178,102	68,736	52,695	-70.4 %
	(location-based)	184,047	142,935	136,692	-25.7 %
Scope 1 and 2 emissions total* ¹		194,154	82,757	67,125	-65.4 %
Scope 3 emissions* ²		2,927,320	2,898,436	2,247,051	-23.2 %
Scope 1, 2, and 3 emissions total* ¹		3,121,474	2,981,193	2,314,176	-25.9 %
Renewable energy ratio (%)		—	52.9	67.2	—

*1. Scope 2 emissions used in the total calculation are calculated with market-based data.

*2. Basic Guidelines on Calculating for Greenhouse Gas Emissions Throughout the Supply Chain, Version 2.7 (March 2025, Ministry of the Environment, Ministry of Economy, Trade and Industry),” and “Emissions Unit Database for Calculating Greenhouse Gas Emissions of Organizations Throughout the Supply Chain, Version 3.5 (March 2025),” and IDEAv3.3 (for calculating greenhouse gas emissions in the supply chain)

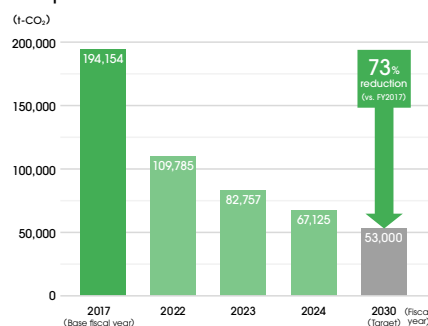
Scope 3 emissions by category (consolidated) (Unit: t-CO₂, %)

Category		Emissions	Percentage of emissions (%)
1	Purchased goods and services	1,958,949	87.18
2	Capital goods	58,639	2.61
3	Energy excluding Scope 1 and 2	30,976	1.38
4	Upstream transportation and distribution	3,756	0.17
5	Waste from operations	12,838	0.57
6	Business travel	4,099	0.18
7	Employee commuting	1,825	0.08
8	Upstream leased assets	—	0.00
9	Downstream transportation and distribution	6,336	0.28
10	Processing of products	—	0.00
11	Use of sold products	14,841	0.66
12	End-of-life treatment of sold products	140,487	6.25
13	Downstream leased assets	14,305	0.64
14	Franchising	—	0.00
15	Investments	—	0.00
Total Scope 3		2,247,051	100.00

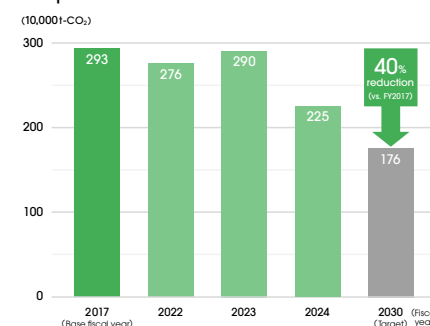
*Category 8 is excluded from the calculation because it is calculated under Scope 1 and 2

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

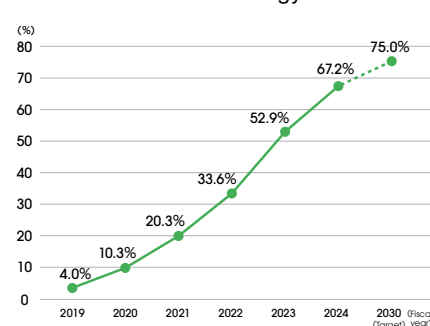
Scope 1 and 2 emissions



Scope 3 emissions



Ratio of renewable energy



► Volume of Food Waste Generation and Food Recycling Rate

The amount of food waste generated in FY2024 was 4,587 tons (a 7.2% reduction year-on-year, equivalent to 356 tons). This was achieved by expanding the number of stores with a 100% food recycling rate.

- Food recycling volume reached 4,051 tons (up 3.0% year-on-year, an increase of 117 tons), while the final disposal volume was 536 tons (down 46.9% year-on-year, a reduction of 473 tons).
- Consequently, the food recycling rate reached 88.3% (up 8.7% year-on-year), achieving the 2030 target of 85% ahead of schedule.

	Daimaru Matsuzakaya Department Stores	PARCO
Food recycling rate	83.2%	97.1%
Stores achieving 100% food recycling rate	7 out of 15 stores	12 out of 16 stores

► Third-Party Assurance

To ensure reliability, the following environmental data in this report have received independent third-party assurance from LRQA Limited .

- Energy usage
- Renewable energy usage
- Scope 1 GHG emissions
- Scope 2 GHG emissions (Market-based) (Location-based)
- Scope 3 GHG emissions
- Amount of water usage
- Amount of waste generation, recycled waste, and finally disposed waste
- Amount of food waste generation, recycled food waste, and finally disposed food waste

Review of FY2024 Data

Society

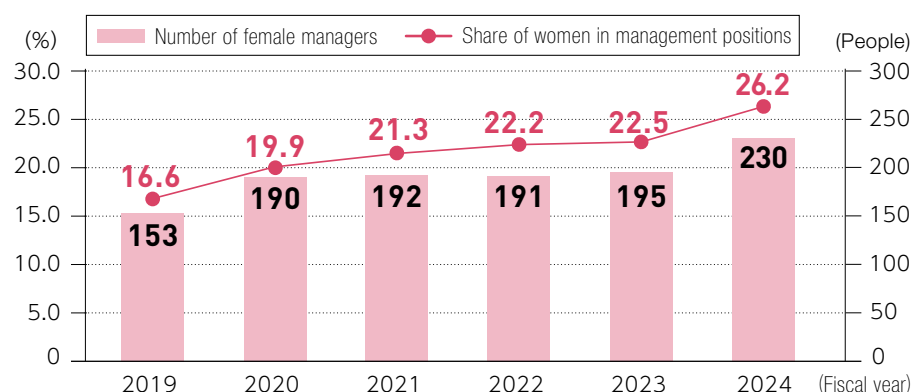
► Women's Empowerment

We believe that embracing a diverse range of individuals and turning their talents into organizational strength will lead to sustainable growth. Accordingly, we will create an environment where all employees can thrive by leveraging their unique abilities, motivation, and attributes. In particular, the active participation of women, who comprise more than half of our total workforce, is vital to the Group's growth. To ensure that everyone can succeed regardless of gender or life stage, we actively promote a variety of initiatives. These include flexible work systems such as telework, flex-time, career development training, and childcare leave and reduced working hours that exceed legal requirements.

Share of female employees (consolidated)

	Total	Male	Female	Female percentage
Employees	5,343	2,471	2,872	53.8

Trend in the share of women in management positions (consolidated)



Share of females managers by job level (consolidated)

	Total	Males	Females	Share of women (%)
Division manager	290	245	45	15.5 (1.4 increase)
Manager	587	402	185	31.5 (5 increase)
Total	877	647	230	26.2 (3.7 increase)

() Indicates year-on-year comparison

► Paternity Leave

Our Group strives to create an environment where every employee can find fulfillment in their work while balancing their personal life and career, free from traditional gender role expectations.

Paternity leave usage rate (consolidated)

	FY2022	FY2023	FY2024
Paternity leave usage rate (%)	68.0	87.5	132.5
Number of men taking the leave	34	42	53

Paternity leave usage rate by operating company (%)

Operating company	FY2024
Daimaru Matsuzakaya	225.0
Hakata Daimaru	100.0
PARCO	109.1
PARCO Space Systems	100.0
J. Front Design & Construction	50.0
JFR Card	100.0
Daimaru Kogyo	100.0

Review of FY2024 Data

► Gender Pay Gap

The main factors contributing to the current gender wage gap within our Group are the low share of female managers as well as the higher number of female employees who work reduced hours due to childcare responsibilities. We are working to narrow this pay gap by strengthening initiatives for career development and training programs for women and managers to prevent career loss.

Ratio of women's wages to men's wages (consolidated) (%)

All employees	Regular employees	Non-regular employees
66.5 (1.2 increase)	75.0 (0.6 increase)	75.5 (2.8 increase)

• Target Period: FY2024 (March 1, 2024 – February 28, 2025)

• Wages: Excluding commuting allowances, etc.

• Regular employees: Employees (including those seconded to external organizations)

• Non-regular employees: Dedicated employees, partners, contract employees, and retired employees re-employed on a contractual basis

* Gender wage gap = Average annual wage of women / Average annual wage of men × 100%

*() Indicates year-on-year comparison

Gender wage gap by operating company (%)

Operating company	All employees	Regular employees	Non-regular Employees
Daimaru Matsuzakaya	61.0	73.1	71.3
Hakata Daimaru	74.3	78.6	71.5
PARCO	79.5	76.2	103.4
PARCO Space Systems	66.1	79.5	79.3
J. Front Design & Construction	77.4	75.2	89.5

► Securing and Retaining Human Resources

For our Group to achieve sustainable growth in the future, securing and expanding our talent pool is indispensable. To this end, we are actively working to recruit new graduates, young talent, and highly specialized professionals, while also improving workplace environments, enhancing onboarding processes, and providing support to ensure talent retention.

New graduate hires (consolidated)

	FY2022	FY2023	FY2024
Number of new graduate hires	107	92	102
Share of female new graduates (%)	64.5	63.0	61.8

Employee turnover rate (consolidated) (%)

	FY2022	FY2023	FY2024
Turnover rate	5.3	5.4	4.6

* Number of retired employees during the year / Number of employees at the beginning of the year (The number of retired employees above excludes employees who retired because they transferred, reached retirement age, or became an officer.)

► Employee Engagement

We have been conducting a group-wide engagement survey since FY2023 to understand the overall state of employee motivation and company engagement across the entire organization. We will utilize the survey results to help each employee maximize their capabilities and achieve success.

Employee engagement (consolidated) (%)

	FY2023	FY2024
Employee satisfaction	67.7	68.9
Employee recommendation rate	57.7	59.9

► HR Development and Training

The Company is committed to maximizing the potential of each employee through development and training programs centered around our human resource management policy.

Average training cost per employee	69,998 yen (15.9% year-on-year increase)
Average training time per employee	10.01 hours (73.8% year-on-year increase)

Training programs implemented in FY2024

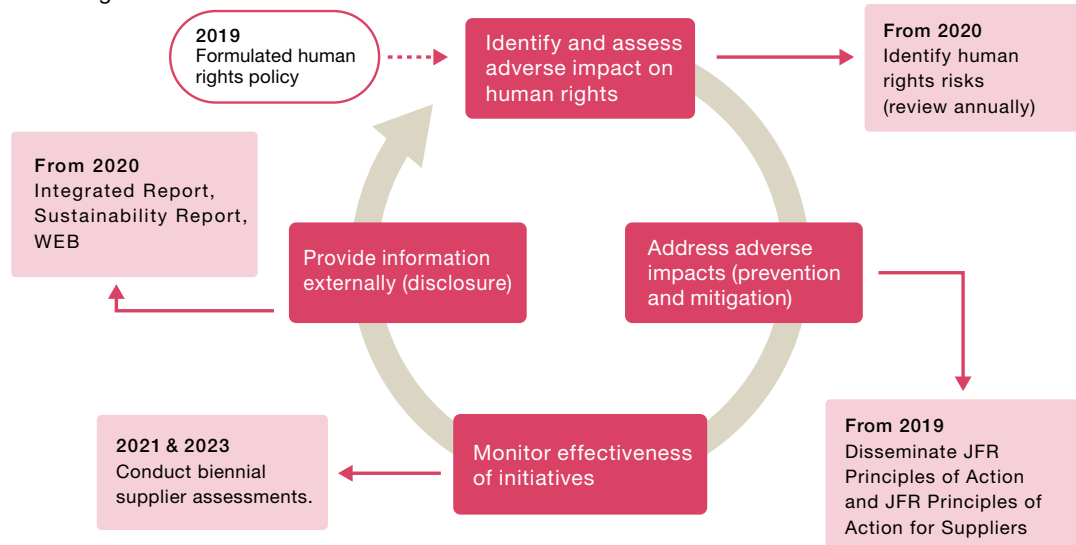
Main training programs	Number of participants
New employee training	92
JFR 3-year development program for new graduate employees	516
Career development training	2,104
Manager training	1,085
Newly appointed manager training	960
JFR Group open recruitment training	433
Career support college	1,279

Review of FY2024 Data

► Human Rights Due Diligence

Our Group recognizes the growing concern over forced labor, discrimination, and other human rights issues within supply chains. In response, we adhere to the UN Guiding Principles on Business and Human Rights. We place respect for human rights as the foundation of all our business activities. Through continuous engagement in human rights due diligence, we aim to work together with our suppliers to realize business operations that uphold respect for human rights.

Human Rights Due Diligence



FY2024 Human Rights Initiatives

Details	Results
Dialogues based on the FY2023 assessment results *Includes email exchanges and direct dialogue	112 companies
First-ever web seminar for suppliers conducted by external experts (January 2025)	63 companies
E-learning on business and human rights for all Group employees (December 2024)	83.6% (participation rate)
Third-party review by external experts on our human rights due diligence initiatives *As stated on page 42 of the 2024 Sustainability Report https://www.j-front-retailing.com/ir/library/pdf/sustainability/2024/J_FRONT_2024_E_38-42.pdf	
Formulation of Customer Harassment Response Policy (Daimaru Matsuzakaya Department Stores, December 2024) https://www.daimaru-matsuzakaya.com/customer-harassment.html	

► Third-Party Assurance

The following social data in this report have received independent third-party assurance from LRQA Limited to ensure reliability.

- Share of women in management positions (%)
- Employment rate of disabled people (%)
- Number of employees who took childcare leave (number of people)
- Female return rate after childcare leave (%)
- Paternity leave usage rate (%)
- Number of occupational fatal accidents (number of people)
- Lost-time injury frequency rate

Governance

JFR Group Compliance Hotline

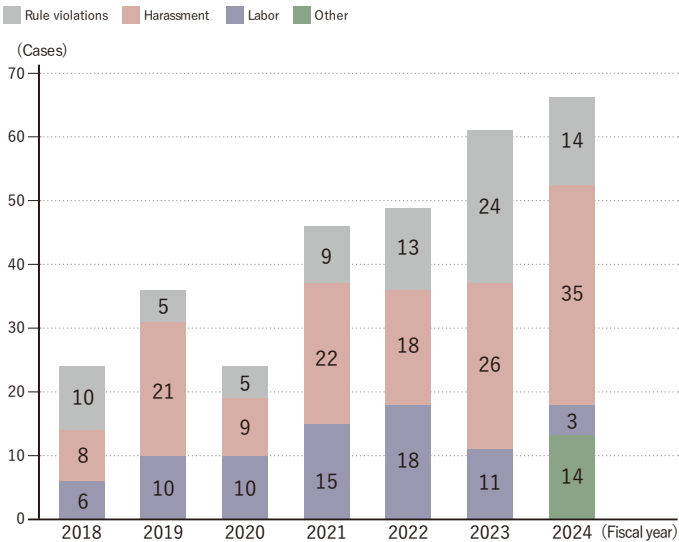
The Group has established a Whistleblowing System that allows all directors, officers, employees, and anyone working for the JFR Group (including part-time employees and temporary staff from suppliers) to directly contact the Compliance Committee and request corrective action regarding compliance-related issues, including human rights violations and corrupt practices within the Group. Reporting channels are available both internally and externally (through our legal counsel). In accordance with the Whistleblower Protection Act, the Group's internal reporting system ensures the confidentiality of whistleblowers and prohibits any unfair treatment of them. These protections are explicitly defined in the internal regulations of the JFR Group.

FY2024 Whistleblowing Hotline Usage

Details	Number of cases
Rule violations	14
Harassment	35
Labor	3
Other	14
Total	66

*FY2023: 61 cases

Trend in usage



Information Security

The Group is implementing various initiatives to appropriately manage information assets and safeguard them from information security risks, in response to recent changes in the IT environment and the increasing sophistication and complexity of cyberattacks.

Organizational measures	•Establishment of guidelines and regulations concerning information security •Strengthening of the CSIRT (Computer Security Incident Response Team) framework to mitigate the risk of security incidents and enable rapid response when incidents occur •Development of usage guidelines for generative AI that outline usage risks and define considerations and precautions when utilizing generative AI technology
Human-focused measures	•Implementation of regular information security training and targeted attack email drills (for all employees) •Implementation of incident response training for group companies
Technical measures	•Strengthening of authentication for internal Wi-Fi usage •Implementation of regular system diagnostics and updates as vulnerability countermeasures •Minimization of risks associated with generative AI technology, strengthening of information leakage prevention by establishing a secure, dedicated environment within our group to enhance productivity and operational efficiency

FY2024 Information security data breaches*	0 cases
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*Leakage of confidential and personal information

ESG Data Set

Environmental Data

Environmental Policy	JFR Group Eco Vision https://www.j-front-retailing.com/english/sustainability/top-commitment03.html
	JFR Principles of Action https://www.j-front-retailing.com/english/sustainability/principles-of-action.html
Climate Change Policy	Same as above
Raw Material Policy	Same as above
Waste Policy	Same as above
Biodiversity Policy	Same as above
Water Policy	JFR Principles of Action https://www.j-front-retailing.com/english/sustainability/principles-of-action.html
Chemical Policy	Same as above

GHG*¹ Emissions and Energy

		Boundary	Unit	2017 (base fiscal year)	2021	2022	2023	2024
Scope 1 greenhouse gas (GHG) ★	CO ₂ emissions	Consolidated	t-CO ₂	14,548	12,368	11,958	11,459	11,551
	Hydrofluorocarbon (HFC) emissions	Consolidated	t-CO ₂	1,504	1,636	1,756	2,562	2,879
	SF ₆ (sulfur hexafluoride) emissions	Consolidated	t-CO ₂	0	0	0	0	0
	Scope 1 emissions	Consolidated	t-CO ₂	16,052	14,004	13,714	14,021	14,430
Scope 2 greenhouse gas (GHG) ★	CO ₂ emissions (market-based)	Consolidated	t-CO ₂	178,102	108,808	96,071	68,736	52,695
	(location-based)	Consolidated	t-CO ₂	184,047	149,690	146,810	142,935	136,692
Scope 1+2 greenhouse gas (GHG)* ² ★	Scope 1 and 2 emissions	Consolidated	t-CO ₂	194,154	122,812	109,785	82,757	67,125
	vs. SBT base year (FY2017)	Consolidated	%	-	-36.7	-43.5	-57.4	-65.4
Scope 3 greenhouse gas (GHG) ★	Category 1 Purchased goods and services	Consolidated	t-CO ₂	2,701,018	2,186,380	2,596,485	2,678,726	1,958,949
	Category 2 Capital goods	Consolidated	t-CO ₂	81,883	110,787	47,246	48,021	58,639
	Category 3 Energy excluding Scope 1 and 2	Consolidated	t-CO ₂	17,966	24,319	23,566	19,399	30,976
	Category 4 Upstream transportation and distribution	Consolidated	t-CO ₂	7,400	28,529	27,892	3,204	3,756
	Category 5 Waste from operations	Consolidated	t-CO ₂	845	1,191	1,262	1,439	12,838
	Category 6 Business travel	Consolidated	t-CO ₂	627	1,880	2,755	3,815	4,099
	Category 7 Employee commuting	Consolidated	t-CO ₂	1,158	1,442	1,644	1,736	1,825
	Category 9 Downstream transportation and distribution	Consolidated	t-CO ₂	21,086	16,330	15,862	38,196	6,336
	Category 11 Use of sold products	Consolidated	t-CO ₂	-	1,864	1,209	59,221	14,841
	Category 12 End-of-life treatment of sold products	Consolidated	t-CO ₂	68,423	9,974	12,499	15,564	140,487
	Category 13 Downstream leased assets	Consolidated	t-CO ₂	26,914	37,796	31,249	29,115	14,305
	Scope 3 emissions	Consolidated	t-CO ₂	2,927,320	2,420,492	2,761,669	2,898,436	2,247,051
	Compared to SBT base year 2017	Consolidated	%	-	-17.3	-5.7	-1.0	-23.2
Scope 1+2+3 greenhouse gas (GHG)* ² ★		Consolidated	t-CO ₂	3,121,474	2,543,304	2,871,454	2,981,193	2,314,176
Scope 1 and 2 greenhouse gas emissions in original units	Gross sales per Unit	Consolidated	t-CO ₂ /million yen	0.17	0.14	0.11	0.07	0.05
Scope 1,2 and 3 greenhouse gas emissions in original units	Gross sales per Unit	Consolidated	t-CO ₂ /million yen	2.74	2.94	2.88	2.59	1.82

ESG Data Set

GHG*¹ Emissions and Energy

		Boundary	Unit	2017 (base fiscal year)	2021	2022	2023	2024	
Energy	★	Electricity	Consolidated	MWh	333,514	305,752	305,287	297,828	294,269
		City gas	Consolidated	MWh	70,353	64,632	63,516	61,488	66,599
		Light oil	Consolidated	MWh	0	105	101	28	5
		Heavy Oil A	Consolidated	MWh	70	49	65	52	64
		Kerosene	Consolidated	MWh	-	-	-	0.1	0.05
		Gasoline	Consolidated	MWh	6,805	3,011	2,126	1,916	1,793
		Natural gas	Consolidated	MWh	13	0	0	0	0
		Steam, cold water, hot water	Consolidated	MWh	64,758	54,500	59,344	60,848	63,785
		Total	Consolidated	MWh	475,513	428,049	430,439	422,160	426,515
	★	Electricity	Consolidated	GJ	1,200,651	1,100,707	1,099,032	1,072,181	1,059,368
		City gas	Consolidated	GJ	252,302	232,659	228,648	221,170	239,756
		Light oil	Consolidated	GJ	0	379	365	100	18
		Heavy oil	Consolidated	GJ	253	175	234	187	231
		Kerosene	Consolidated	GJ	-	-	-	0.4	0.2
		Gasoline	Consolidated	GJ	24,497	10,840	7,653	6,899	6,455
		Natural gas	Consolidated	GJ	45	0	0	0	0
		Steam, cold water, hot water	Consolidated	GJ	233,130	196,201	213,639	219,053	229,625
		Total	Consolidated	GJ	1,710,879	1,540,962	1,549,571	1,519,590	1,535,452
Renewable energy	★	Usage (purchased/generated)	Consolidated	MWh	0	62,156	102,676	157,454	197,746
		Ratio of renewable energy to electricity used Renewable energy ratio	Consolidated	%	0.0	20.3	33.6	52.9	67.2

Water

		Boundary	Unit	2020	2021	2022	2023	2024	
Water	★	Tap water usage	Consolidated	m³	1,407,531	1,719,788	1,796,295	1,880,316	1,904,299
		Groundwater usage	Consolidated	m³	459,054	570,760	613,303	625,066	598,766
		Graywater usage	Consolidated	m³	198,882	158,848	151,017	140,709	153,350
		Total usage	Consolidated	m³	2,065,467	2,449,396	2,560,615	2,646,091	2,656,415
		Emissions**3	Consolidated	m³	2,065,467	2,449,396	2,560,615	2,646,091	2,656,415

Resources and Waste

		Boundary	Unit	2020	2021	2022	2023	2024
Packaging and material usage* ⁴	Paper	Daimaru Matsuzakaya	t	815	929	953	973	961
	Cardboard	Daimaru Matsuzakaya	t	147	99	147	147	79
	Plastic packaging	Daimaru Matsuzakaya	t	113	101	100	101	99
	Total	Daimaru Matsuzakaya	t	1,075	1,129	1,200	1,221	1,139
Waste* ⁵ ★ (including food waste)	Amount generated	Consolidated	t	21,694	26,637	29,855	29,814	48,201
	Amount recycled	Consolidated	t	12,479	12,845	15,421	16,176	18,759
	Final disposal amount	Consolidated	t	9,216	13,792	14,434	13,638	29,443
	Recycling rate	Consolidated	%	57.5	48.2	51.7	54.3	38.9
Food waste ★	Amount generated	Consolidated* ⁶	t	2,886	4,394	4,753	4,943	4,587
	Amount recycled	Consolidated* ⁶	t	1,857	3,027	3,598	3,934	4,051
	Final disposal amount	Consolidated* ⁶	t	1,029	1,367	1,155	1,009	536
	Recycling rate	Consolidated* ⁶	%	64.3	68.9	75.7	79.6	88.3
Specified hazardous waste* ⁷	Emissions	Consolidated	t	0	6	0.2	0	0.01
NOx	Emissions	Consolidated	t	2.7	3.3	3.2	2.9	3.9
SOx	Emissions	Consolidated	t	0	0	0	0	0
VOC	Emissions	Consolidated	t	0	0	0	0	0

★ Third-party assurance obtained: LRQA Limited has certified water and waste since FY2020, as well as energy, renewable energy, and food waste since FY2021.

*1. Organizational boundaries in the GHG Protocol: Financial control criteria Scope 1 and 2 GHG emissions calculation scope: Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), HFCs (hydrofluorocarbons), PFCs (perfluorocarbons), SF₆ (sulfur hexafluoride), NF₃ (nitrogen trifluoride). However, in the business processes of the JFR Group, only CO₂ and HFCs are emitted.

*2. Scope 2 emissions used in total are market-based calculations

*3. Water emissions are equal to the amount of water used.

*4. Weight of wrapping paper, shopping bags, paper bags, plastic food bags, etc.

*5. Waste: Refers to general waste, industrial waste, and food waste

*6. Daimaru Matsuzakaya Department Stores until FY2020

*7. ①Waste containing PCB, etc. ②PCB-contaminated materials ③PCB-treated materials ④Waste containing mercury, etc. ⑤Waste containing mercury-treated materials ⑥Designated sewage sludge ⑦Waste asbestos ⑧Ash, sludge, mine tailings, dust, waste acid, waste alkali, etc., exceeding the specified standards

Social Data

Social Policy	JFR Group Social Vision https://www.j-front-retailing.com/english/sustainability/way_to_think.html#sustainability_contents_waytothink_06
	JFR Principles of Action https://www.j-front-retailing.com/english/sustainability/principles-of-action.html
Human Rights Policy	Human Rights Policy https://www.j-front-retailing.com/english/sustainability/pdf/diversity04/Human_rights_policy_e.pdf
Child Labor Prohibition Policy	Included in Human Rights Policies https://www.j-front-retailing.com/english/sustainability/pdf/diversity04/Human_rights_policy_e.pdf
Forced Labor Prohibition Policy	Same as above
Anti-discrimination Policy	Same as above
Overwork Prohibition Policy	Same as above
Freedom of Association Policy	Same as above
Collective Bargaining Rights Policy	Same as above
Responsible Marketing Policy	JFR Principles of Action https://www.j-front-retailing.com/english/sustainability/principles-of-action.html
Privacy Policy	Privacy Policy https://www.j-front-retailing.com/english/privacy.html
	Handling of Business Card Information and Client Information (Personal Information of Contact Persons) https://www.j-front-retailing.com/english/businesspartnerinfo.html
	Handling of Personal Information of Employees and Others (Japanese only) https://www.j-front-retailing.com/employee.html

ESG Data Set

	Boundary	Unit	2020	2021	2022	2023	2024
Number of employees	Consolidated	People	9635	8,148	7,258	7,369	7,302
Regular employees	Consolidated	People	6,528	5,589	5,115	5,277	5,343
Dedicated employee	Consolidated	People	1,688	1,444	1,195	1,170	1,131
Fixed-term employee	Consolidated	People	1,419	1,115	948	922	828
Share of female employees	Consolidated	%	56.3	55.6	52.9	53.5	53.8
Share of women in management positions* ¹	★ Consolidated	%	19.9	21.3	22.2	22.5	26.2
Number of new graduate hires	Consolidated	People	94	68	107	92	102
Male	Consolidated	People	41	33	38	34	39
Female	Consolidated	People	53	35	69	58	63
Share of new women graduates	Consolidated	%	56.4	51.5	64.5	63.0	61.8
Employment rate of disabled people	★ Consolidated* ²	%	2.21	2.66	2.93	2.89	3.09
Number of foreign employees	Consolidated	People	40	42	50	50	27
Share of foreign employees	Consolidated	%	0.4	0.5	0.7	0.7	0.4
Employee turnover rate* ³	Consolidated	%	1.9	10.5	5.3	5.4	4.6
Turnover rate due to childcare and family care	Consolidated	%	1.1	1.40	1.80	2.0	2.3
Involuntary turnover rate	Consolidated	%	0	0	0	0	0
Number of employees taking childcare leave	★ Consolidated* ⁴	People	139	88	75	81	86
Percentage of women returning to work after taking childcare leave	★ Consolidated* ⁵	%	94.4	95.3	93.4	94.0	92.5
Percentage of male employees taking childcare leave	★ Consolidated	%	18.8	43.6	68.0	87.5	132.5
Wage differences between men and women* ⁶ (All workers)	Consolidated* ⁹	%	—	—	59.8	65.3	66.5
(Of which regular employees)* ⁷	Consolidated* ⁹	%	—	—	71.3	74.4	75.0
(Of which non-regular employees)* ⁸	Consolidated* ⁹	%	—	—	70.9	72.7	75.5
Employee engagement (Employee satisfaction level)	Consolidated	%	—	—	—	67.7	68.9
(Work recommendation level)	Consolidated	%	—	—	—	57.7	59.9
Number of employees taking childcare leave	Daimaru Matsuzakaya	People	139	135	36	36	41
Number of employees working shortened hours for childcare	Daimaru Matsuzakaya	People	209	304	298	276	255
Percentage of employees returning to work after taking childcare leave	Daimaru Matsuzakaya	%	94.4	93.0	93.0	95.0	92.7
Number of employees taking family care leave	Daimaru Matsuzakaya	People	2	5	8	8	12
Number of employees taking family care time off	Daimaru Matsuzakaya	People	30	4	40	52	61
Number of employees working shorter hours for family care	Daimaru Matsuzakaya	People	0	1	4	18	24
Percentage of employees earning minimum wage by region* ¹⁰	Daimaru Matsuzakaya	%	0	0	0	0	0
Health examination participation rate	Daimaru Matsuzakaya	%	100	99.8	100.0	100	100
Stress check participation rate	Daimaru Matsuzakaya	%	97.4	97.13	96.30	97.2	95.2
Number of labor accidents (work accidents)	Consolidated	Cases	81	51	40	50	8
Number of labor accidents (accidents while commuting)	Consolidated	Cases	38	31	31	30	17
Lost time injury frequency rate (employees)	★ Consolidated* ¹¹	—	1.74	1.85	0.88	0.79	0.55
Number of work-related fatalities (employees)	★ Consolidated	People	0	0	0	0	0
Number of work-related fatalities (contractors)	Consolidated	People	0	0	0	0	0
OHSAS1800/ISO45001 acquisition rate (calculated on a business site basis)	Consolidated	%	0	0	0	0	0
Number of harassment consultations	Consolidated	Cases	40	37	47	41	49
Number of JFR Group Compliance Hotline cases	Consolidated	Cases	24	46	49	61	66
Amount donated to communities	Consolidated	One million yen	62	75	87	36	57

★ Received third-party assurance from LRQA Limited (Same assurance received for social data since FY2021 *Assurance for "Lost time injury frequency rate" received since FY2024)

*1 Manager level or above

*2 As of June each year, covering exceptions within affiliated companies.

*3 Number of retired employees during the year / Number of employees at the beginning of the year. (The number of retired employees above excludes employees who retired due to mandatory retirement age, were transferred, or became an executive officer)

*4 Until fiscal year 2020, figures reflect Daimaru Matsuzakaya Department Stores (Number of employees who continued to take childcare leave after the year of childbirth). Starting from fiscal year 2021, figures are consolidated (Number of employees who began childcare leave in the year of childbirth).

*5 Until fiscal year 2020, reflects Daimaru Matsuzakaya Department Stores.

*6 Wage differences between men and women = average annual wage for women / average annual wage for men × 100 % (excluding commuting allowance)

*7 Regular employee (including employees seconded outside the company)

*8 Dedicated employees, fixed-term employees, contract employees, retirees rehired on a contract basis

*9 Fiscal year 2022 reflects Daimaru Matsuzakaya Department Stores.

*10 Dedicated employees in grades 1 and 2 who use the regional salary table.

*11 Lost time injury (frequency) : The frequency of lost time injuries occurring in a workplace per one million hours work

Governance Data

Corporate Governance Policy	Corporate Governance Guidelines https://www.j-front-retailing.com/english/company/pdf/20250529_CG_Guidelines_E.pdf
Anti-Corruption Policy	JFR Principles of Action https://www.j-front-retailing.com/english/sustainability/principles-of-action.html

	Unit	2021	2022	2023	2024	2025
Number of Directors	People	12	10	11	10	10
Male	People	9	7	8	7	7
Female	People	3	3	3	3	3
Number of Independent Outside Directors	People	6	6	7	6	7
Male	People	4	4	5	4	5
Female	People	2	2	2	2	2
Share of Independent Outside Directors	%	50	60	63.6	60.0	70.0
Number of Directors and Executive Officers	People	4	2	2	2	1
Share of Directors and Independent Outside Directors	%	33.3	20.0	18.2	20.0	10.0
Share of Female Directors	%	25.0	30.0	27.3	30.0	30.0
Number of Board Meetings	Frequency	15	15	15	15	—
Attendance rate of Directors	%	100	100	98.8	100	—
Average Duration Time Per Board Meeting	—	2h 24m	2h 12m	2h 28m	2h 12m	—
Number of Nomination Committee Meetings	Frequency	16	13	15	14	—
Attendance Rate of Nomination Committee	%	100	100	100	100	—
Average Duration Time Per Nomination Committee Meeting	—	1h 10m	1h 46m	1h 23m	1h 7m	—
Number of Audit Committee Meetings	Frequency	20	22	24	24	—
Attendance Rate of Audit Committee Meetings	%	100	100	97.3	100	—
Average Duration Time Per Audit Committee Meeting	—	1h 25m	1h 23m	1h 18m	1h 5m	—
Number of Remuneration Committee Meetings	Frequency	11	12	13	10	—
Attendance Rate of Audit Committee Meetings	%	100	100	100	100	—
Average Duration Time Per Remuneration Committee Meeting	—	39m	45m	55m	43m	—
Number of shares held for policy reasons*1	Shares	21	16	11	10	—
Political donation expenses (consolidated)	One million yen	0.04	0.17	0.17	0.06	—
Fines related to corruption (consolidated)	One million yen	0	0	0	0	—
Disciplinary actions and dismissals due to anti-corruption violations (consolidated)	People	0	0	0	0	—
Environmental fines and penalties (consolidated)	Cases	0	0	0	0	—
Number of water-related violations (consolidates)	Cases	0	0	0	0	—
Environmental fines and penalties	One million yen	0	0	0	0	—
Number of compliance hotline usage cases (consolidated)	Cases	46	49	61	66	—
Number of information security data breaches (consolidated)*2	Cases	0	1	0	0	—

*1 Number of listed shares excluding deemed holdings (number of holdings)

*2 Disclosure of confidential information and disclosure of personal information

Related Links

Environmental

Aiming to Achieve Net Zero by 2050

<https://www.j-front-retailing.com/english/sustainability/low-carbon/low-carbon02.html>

Environment Management System

<https://www.j-front-retailing.com/english/sustainability/low-carbon/low-carbon05.html>

Reduction of Scope 3 GHG Emissions in Collaboration with Suppliers

<https://www.j-front-retailing.com/english/sustainability/supply-chain/supply-chain05.html>

Information Disclosure in Line with TCFD Recommendations (Climate change)

<https://www.j-front-retailing.com/english/sustainability/low-carbon/low-carbon06.html>

Information Disclosure in Line with TNFD Recommendations (Biodiversity conservation)

<https://www.j-front-retailing.com/english/sustainability/low-carbon/low-carbon07.html>

Resource Recycling

<https://www.j-front-retailing.com/english/sustainability/supply-chain/supply-chain06.html>

Social

Human Resources Strategy

<https://www.j-front-retailing.com/english/sustainability/diversity/diversity06.html>

Promoting Women's Empowerment

<https://www.j-front-retailing.com/english/sustainability/diversity/diversity01.html>

Work-Life Integration

<https://www.j-front-retailing.com/english/sustainability/work-life/work-life01.html>

Support to Help Employees Develop Their Careers

<https://www.j-front-retailing.com/english/sustainability/work-life/work-life03.html>

Human Rights

<https://www.j-front-retailing.com/english/sustainability/diversity/diversity04.html>

Employment of Disabled People

<https://www.j-front-retailing.com/english/sustainability/diversity/diversity02.html>

Actions on LGBT Issues

<https://www.j-front-retailing.com/english/sustainability/diversity/diversity05.html>

Health and Productivity Management

<https://www.j-front-retailing.com/english/sustainability/work-life/work-life02.html>

Creation of a Sustainable Supply Chain

<https://www.j-front-retailing.com/english/sustainability/supply-chain/supply-chain03.html>

Contribution to the Safety and Security of Customers

<https://www.j-front-retailing.com/english/sustainability/community/community03.html>

Development of Local Areas

<https://www.j-front-retailing.com/english/sustainability/community/community01.html>

Governance

Corporate Governance System

<https://www.j-front-retailing.com/english/company/governance/governance01.html>

Board of Directors

<https://www.j-front-retailing.com/english/company/governance/governance02.html>

Nomination Committee, Audit Committee, and Remuneration Committee

<https://www.j-front-retailing.com/english/company/governance/governance03.html>

Related Links

Nomination/Appointment/Success Planning

<https://www.j-front-retailing.com/english/company/governance/governance04.html>

Officer Remuneration System

<https://www.j-front-retailing.com/english/company/governance/governance05.html>

Evaluation of the Effectiveness of the Board of Directors

<https://www.j-front-retailing.com/english/company/governance/governance06.html>

Basic Capital Policy/Shareholder Return Policy/Cross-Shareholdings

<https://www.j-front-retailing.com/english/company/governance/governance07.html>

JFR Tax Policy

<https://www.j-front-retailing.com/english/company/governance/governance08.html>

Risk Management

<https://www.j-front-retailing.com/english/company/management.html>

Information Security Initiatives

<https://www.j-front-retailing.com/english/company/management.html>

Compliance

<https://www.j-front-retailing.com/english/company/compliance.html>

Internal Control

<https://www.j-front-retailing.com/english/company/internalcontrol.html>

JFR Group Sustainability

View of Sustainability

https://www.j-front-retailing.com/english/sustainability/way_to_think.html

Materiality Issues (Important Issues)

<https://www.j-front-retailing.com/english/sustainability/materiality.html>

Sustainability Committee

https://www.j-front-retailing.com/english/sustainability/way_to_think.html

External Recognition

<https://www.j-front-retailing.com/english/sustainability/outside-evaluations.html>

Participation in Initiatives

<https://www.j-front-retailing.com/english/sustainability/top-commitment02.html>

Guideline Index (GRI Standards Index, SASB Index)

<https://www.j-front-retailing.com/english/sustainability/guidelines.html>

JFR Group Reports

Annual Securities Report (18th Fiscal Year)

https://www.j-front-retailing.com/_data_json/news/_upload/18th_AnnualSecuritiesReport_E.pdf

Integrated Report

<https://www.j-front-retailing.com/english/ir/library/annual.html>

TCFD/TNFD Report

<https://www.j-front-retailing.com/english/ir/library/sustainability.html>

Third-Party Assurance

Independent Assurance Statement



LRQA Independent Assurance Statement

Relating to J. Front Retailing Co., Ltd.'s Environmental and Social Data for the Fiscal Year 2024

This Assurance Statement has been prepared for J. Front Retailing Co., Ltd. in accordance with our contract.

Terms of engagement

LRQA Limited ("LRQA") was commissioned by J. Front Retailing Co., Ltd. ("the Company") to provide independent assurance on its environmental and social data within its Integrated Report 2025, Environmental Report 2025 and so on ("the reports") for the fiscal year 2024 (1/3/2024-28/2/2025), against the assurance criteria below to a limited level of assurance and the materiality of the professional judgement of the verifier using ISAE3000(Revised) / ISO14064-3:2019 for greenhouse gas (GHG) emissions.

Our assurance engagement covered the Company and its consolidated subsidiaries' operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies
- Evaluating the accuracy and reliability of data for the selected indicators listed below: ¹

Environmental indicators: ^{2 3 4}

- Energy usage (MWh)
- Renewable energy usage (MWh)
- Scope 1 GHG emissions (tonnes CO₂e)⁵
- Scope 2 GHG emissions [Market-based]⁶ [Location-based] (tonnes CO₂e)
- Scope 3 GHG emissions (Category1, 2, 3⁷, 4, 5, 6, 7, 9, 11, 12, 13) (tonnes CO₂e)
- Amount of water use (m³) and amount of waste water (m³)
- Amount of waste generation (tonnes), recycled waste (tonnes) and finally disposed waste (tonnes) ⁸
- Amount of food waste generation (tonnes), recycled food waste (tonnes) and finally disposed food waste (tonnes)

Social indicators: ⁹

- Share of women in management positions (%)
- Employment rate of disabled people (%)¹⁰
- Number of employees who took childcare leave (number of people)
- Female return rate after childcare leave (%)
- Paternity leave usage rate (%)
- Number of occupational fatal accidents (number of people)
- Lost-time injury frequency rate

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

¹ LRQA undertook a limited assurance engagement of the environmental and social data marked with "✓" within its Integrated Report 2025, Environmental Report 2025 and so on.

² GHG quantification is subject to inherent uncertainty.

³ Daimaru Matsuzakaya Department Stores Co., Ltd. and other organizations (excluding PARCO Co., Ltd. and J. FRONT CITY DEVELOPMENT Co., Ltd.) include tenant amounts. PARCO Co., Ltd.'s water and waste figures include tenant amounts, but other items do not include tenant amounts. J. FRONT CITY DEVELOPMENT Co., Ltd. includes tenant amounts for water used by tenants, but other items do not include tenant amounts.

⁴ For overseas organizations, electricity and gasoline are included in the calculation.

⁵ Fluorocarbons are counted for the administrative fiscal year of Japan (April 1 2024 to March 31 2025).

⁶ The Scope 2 market standard is calculated based on the market standard for domestic sites in Japan and the location standard for overseas organizations.

⁷ Scope 3 Category 3 activity data uses values collected as Scope 1 and 2 activity data.

⁸ The waste includes food waste.

⁹ Except for Share of women in management positions and Number of occupational fatal accidents, the data covers only domestic companies in Japan, and the definition of the target individuals for each item follows the Japanese laws and guidelines on which each item is based. Executives are not included in the number of employees.

¹⁰ The value reported administratively (June 1, 2024) in accordance with the Japanese Act on Promotion of Employment of Persons with Disabilities.

Third-Party Assurance



LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:

- Met the requirements of the criteria listed above
- Disclosed accurate and reliable environmental and social data

The opinion expressed is formed on the basis of a limited level of assurance¹¹ and at the materiality of the professional judgement of the verifier.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISAE 3000 (Revised) and ISO 14064-3:2019. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced activity data back to aggregated levels;
- Verifying the environmental and social data and records of for the fiscal year 2024; and
- Visiting Matsuzakaya Shinsaibashi Store of Daimaru Matsuzakaya Department Stores Co., Ltd., and Shinsaibashi PARCO of PARCO Co., Ltd., in Japan to confirm the data collection processes, record management practices, and to physically check their facilities.

Observations

In addition to efficient data collection and management, rational calculations and improved data accuracy are expected.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO 17021-1 *Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LRQA for the Company and as such does not compromise our independence or impartiality.

Signed

Dated: 15 June 2025

Yoshinori Shibata

LRQA Lead Verifier

On behalf of LRQA Limited

10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LRQA reference: YKA00000726

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¹¹ The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

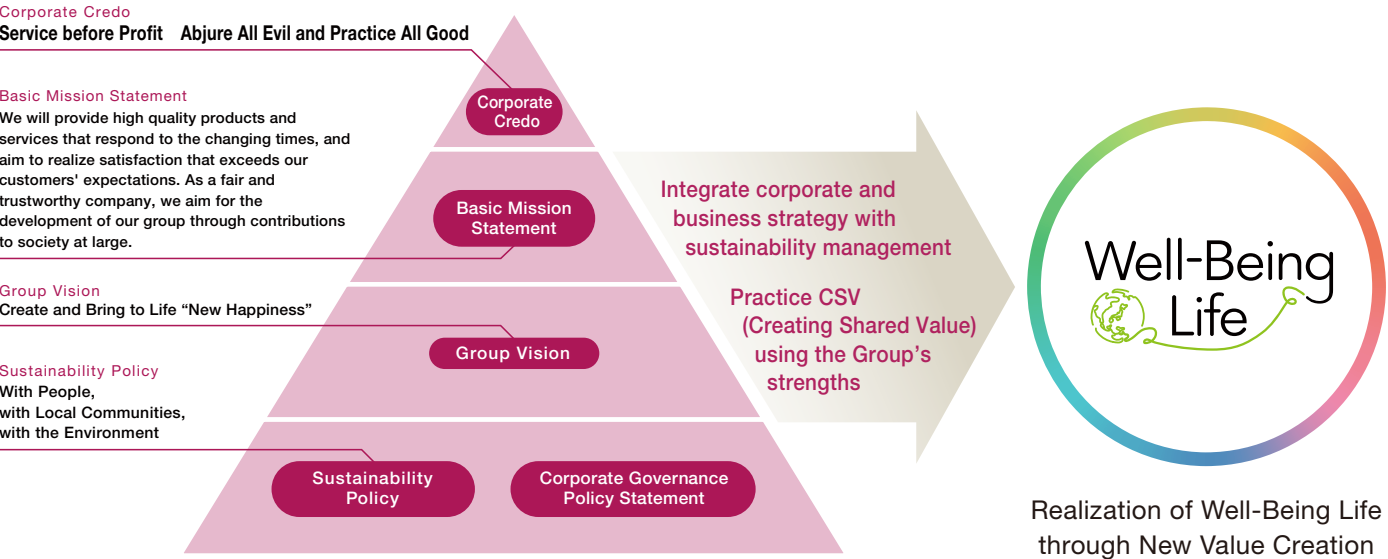
View of Sustainability

JFR Group Sustainability Management

Daimaru Matsuzakaya Department Stores, the main operating company of our Group, has encountered many crises over its 300 to 400-year history. Each time, we returned to our Corporate Credo “Service before Profit” and “Abjure All Evil and Practice All Good,” conducting our business activities honestly while quickly responding to changes in our customers and society. This forms the foundation of our Group’s current management. Companies cannot develop without coexisting with society. Today, it is essential for management to take a long-term perspective and create a vision of what the company should be for the future, a company that will have a prominent presence in society. It is evident that we cannot conduct business activities while turning a blind eye to the growing seriousness of global environmental issues such as global warming, marine pollution, and the loss of biodiversity, as well as human rights issues in the supply chain. We believe we can obtain a framework to realize sustainable management for future growth by integrating and promoting the concept of sustainability into our corporate and business strategies to resolve these issues.

Based on this belief, J. Front Retailing aims to realize a sustainable society and create new forms of happiness in daily life. We will promote sustainability management through CSV (Creating Shared Value) that balances the resolution of environmental and social issues with corporate growth, thereby contributing to the “Well-Being Life” of our stakeholders.

Overview of Sustainability Management



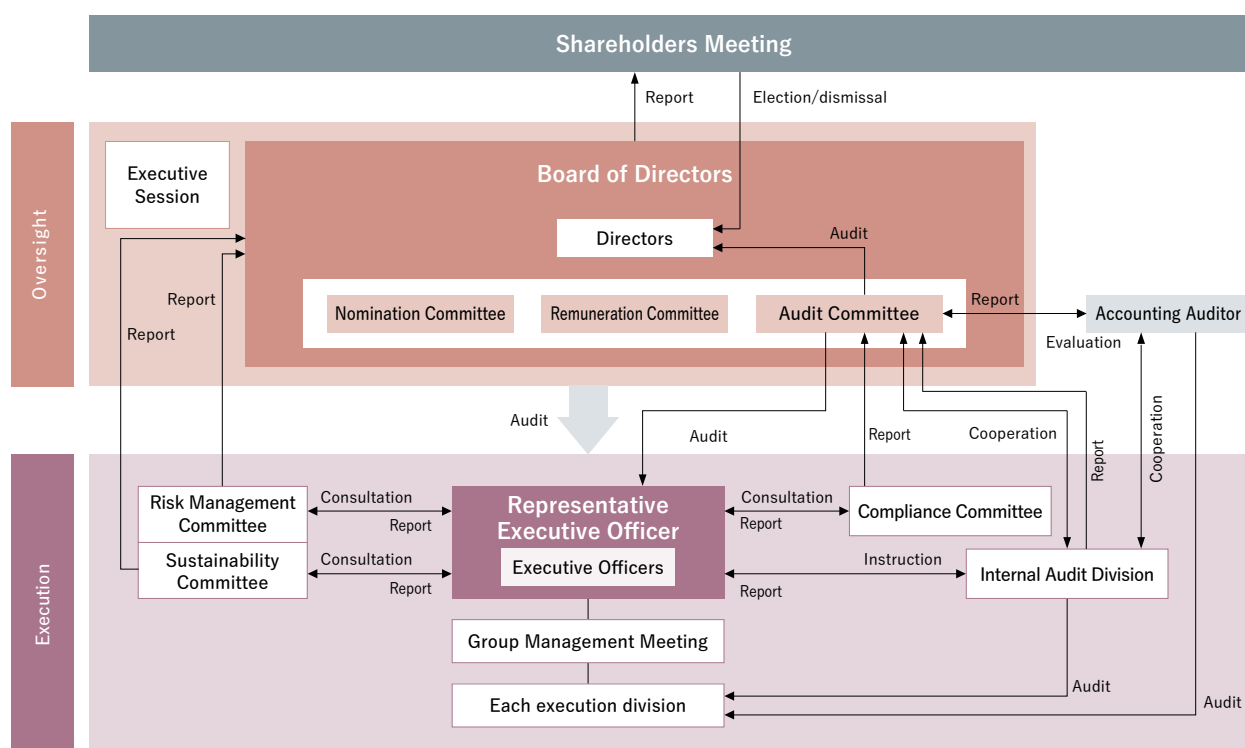
View of Sustainability

► Sustainability Governance

Our Group deliberates and approves specific sustainability initiatives, including responses to environmental and social issues, at the Group Management Meeting, the highest decision-making body for business execution. Matters approved there are shared with all operating companies through the Sustainability Committee (meets at least twice a year), which serves as an advisory body to the President and Representative Executive Officer. Additionally, the Sustainability Committee monitors the implementation plans and progress of each operating company, enhancing the effectiveness of the Group's overall sustainability initiatives.

The Board of Directors (meets monthly) receives reports on matters deliberated and approved by the Group Management Meeting and discussed by the Sustainability Committee, and supervises target setting, policies, action plans, and other related matters.

JFR Corporate Governance System



Major agenda items of the Sustainability Committee

FY2023	April	•Lecture by an external instructor on “Business and Human Rights” •Status of D&I initiatives at each operating company •Report on the results of the Employee Awareness Survey •Group-wide KPI Progress Report for FY2022 and FY2023 Sustainability Implementation Plan
	September	•Lecture by an external instructor on “Overview and Importance of Biodiversity” •Summary of the 2nd Supplier Assessment •Group-wide KPI progress report for 1H FY2023
FY2024	April	•Lecture by an external instructor on “The Relationship Between Long-Term Corporate Value Enhancement and Non-Financial Activities” •Group-wide KPI progress report for FY2023 •FY2024-2026 Medium-Term Sustainability Plan
	September	•Employee engagement with materiality •Group-wide KPI progress report for 1H FY2024

View of Sustainability

Board of Directors Skill Matrix

In selecting candidates for the Board of Directors, the Company uses a skills matrix to clarify the expertise and experience expected of directors. Given our promotion of sustainability management, we have identified “environment,” “society,” “governance,” and “human resources and organizational development” as skill categories, and we select directors who can appropriately oversee our sustainability initiatives.

*Please click the following link for details on the skill matrix.

<https://www.j-front-retailing.com/english/company/governance/governance02.html>

Incorporating Non-financial Indicators into the Officer Remuneration System

Since FY2021, “reduction of Scope 1 and 2 emissions” and “ratio of female managers” have been set as non-financial metrics for determining performance-linked remuneration under the officer remuneration system. These are linked to the KPIs in the Medium-term Business Plan to clarify the responsibility of executive officers for achieving the targets for climate-related issues and to function as an incentive for realizing and promoting sustainability management.

*Please click the following link for information on our officer remuneration system.

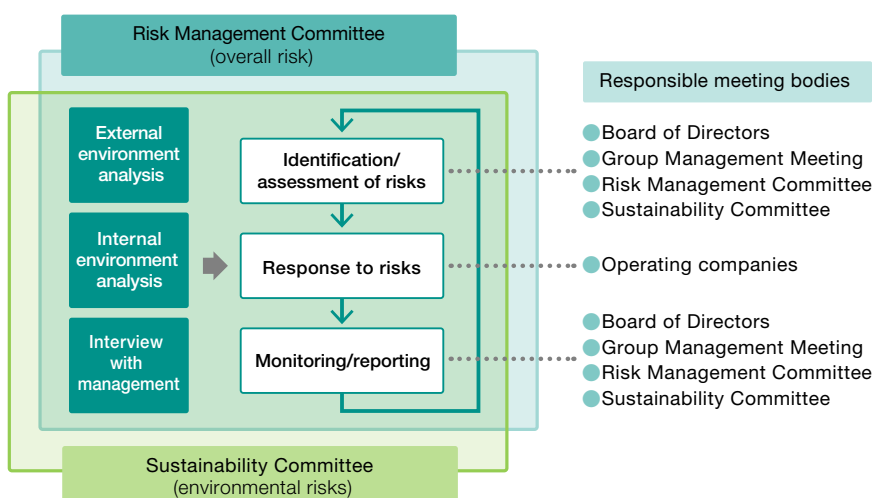
<https://www.j-front-retailing.com/english/company/governance/governance05.html>

► Risk Management

The Company defines risk as “uncertainty that affects the achievement of corporate management goals and has both positive and negative aspects.” Risk management is positioned as “activities to enhance corporate value by managing risk in a rational and optimal manner from a company-wide perspective.” The Company aims to achieve sustainable corporate growth by appropriately addressing both the positive and negative aspects of risk.

The Company has established a Risk Management Committee (meets three times per year) to manage various risks, including sustainability-related risks, in an integrated company-wide manner, based on the recognition that risk management is an extremely important for business operations. The deliberations of this committee are reported to the Group Management Meeting and shared with the Sustainability Committee.

Furthermore, the contents of the deliberations held by the Risk Management Committee and the Sustainability Committee, as well as matters approved by the Group Management Meeting, are reported to the Board of Directors (meets monthly) in a timely manner. Under the supervision of the Board of Directors, these matters are reflected in the Group’s strategies and appropriate measures are taken.



View of Sustainability

► Strategy

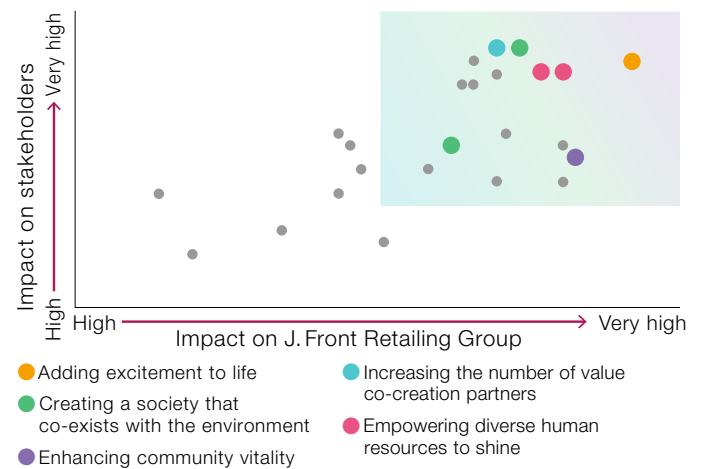
Identification of materiality

In our clarification of the relationship between environmental and social issues and the business activities of the Group, the materiality (important issues) we have identified are “sustainable growth of the company and society” and the realization of a “sustainable society.” Since 2018, we have reviewed them each time we formulate a new medium-term business plan.

In formulating the current medium-term business plan, which began in FY2024, we identified five themes based on a review of the JFR Group’s key risks and changes in the business environment. We are dedicated to integrating our approach to materiality into our business strategies and promoting it as a way of not only addressing these challenges but also driving corporate growth.

Through our efforts to address materiality, we aim to transform ourselves into a “Value Co-creation Retailer Group” that continues to deliver three types of co-created value centered on the retail business: “Co-creation of Excitement,” “Co-prosperity with Communities,” and “Co-existence with the Environment.”

Materiality Map



Changes in Materiality

2018–2020	2021–2023	2024–2026
Laying the Foundation for Sustainability Management	Challenging to Integrate Sustainability and Strategy Sowing the Seeds for Realizing CSV	Integration of Sustainability and Business Strategy Realizing CSV
	Realization of customers' healthy/safe/secure life	Adding excitement to life
Contribution to a low-carbon society	Realization of a decarbonized society Promotion of circular economy	Creating a society that co-exists with the environment
Coexistence with local communities	Coexistence with local communities	Enhancing community vitality
Management of the entire supply chain	Management of the entire supply chain	Increasing the number of value co-creation partners
Promotion of diversity	Promotion of diversity & inclusion	Empowering diverse human resources to shine
Realization of work-life balance	Realization of work-life integration	
Identified 5 materialities	Added 2 materialities and updated 3 materialities	Reorganized into 5 themes
•Questionnaire survey of stakeholders (4,250 people) •Interview with management •JFR Group important risks •Prepared materiality map •Discussed by the Management Meeting and the Board of Directors	•Changes in the external environment surrounding environmental issues •Changes in society and people's attitudes due to impact of COVID-19 pandemic •JFR Group important risks •Review from the perspective of upgrading efforts in light of social changes •Communication with stakeholders •Discussed by the Management Meeting and the Board of Directors	•Reorganization toward realization of the 2030 Future Vision (Co-creation of Excitement, Co-prosperity with Communities, Co-existence with the Environment) •JFR Group important risks •Review toward integrating sustainability and business strategy •Revision of wording to promote employee action •Communication with stakeholders •Discussed by the Management Meeting and the Board of Directors

View of Sustainability

Materiality Commitment

We believe that solving social issues is a shared goal for many individuals and organizations. Co-creation—collaborating rather than competing—is essential for making a meaningful impact on society. Thus far, our initiatives on materiality have concentrated on what we can achieve within our own business activities. Moving forward, we will align these efforts with our business strategy and work with our employees to engage more customers, business partners, and other stakeholders. By doing so, we believe we can achieve not only social sustainability but also create business opportunities and foster sustainable growth for the company.

Materiality	Commitment	Output	Metrics	FY2024 results	2026 target	2030 target
Adding excitement to life	Amidst diversifying values, JFR will provide places and spaces for new encounters with goods and things that stir people's hearts, and we will propose well-being and future lifestyles that are fulfilling and exciting for every consumer.	•High-quality products and services •Exciting content	Number of Group member customers	Growth rate 15.7% (vs. FY2023)	25% growth rate (vs. FY2023)	*1
			Customer survey (excitement/impression level)	Baseline survey conducted	—	75%
Enhancing community vitality	We will strengthen ties with regions, including our seven priority areas, and work with local communities, governments, NPOs, and others to enhance local vitality and create sustainable urban development. In addition, by discovering and communicating the appeal of local areas, we will offer new and exciting experiences for people who gather there.	•Vibrant city life •Revitalized community communication	Customer traffic	5.4% increase (vs. FY2023)	10% increase (vs. FY2023)	*1
			Customer survey (contribution to the community)	Baseline survey conducted	—	80%
Creating a society that co-exists with the environment	To achieve the 2050 net zero target, we will work toward both decarbonizing the entire supply chain and promoting a circular economy. At the same time, we will provide opportunities for everyone to contribute to the creation of a sustainable society, not only through our independent efforts, but also by working with our value co-creation partners.	•Reduced greenhouse gas emissions •Circular business models	Reduction of GHG emissions Scope 1 and 2	65.4% decrease (vs. FY2017)	70% decrease (vs. FY2017)	73% decrease (vs. FY2017)
			Scope 3	23.2% decrease (vs. FY2017)	—	40% decrease (vs. FY2017)
			Percent of energy from renewable electricity used in business activities	67.2%	72%	75%
			Food recycling rate	88.1%	80%	85%
			Percentage of newly developed properties with environmental certification	None	—	100%
			Customer survey (Customer commitment to the environment)	Baseline survey conducted	—	55%
Increasing the number of value co-creation partners	We will share our thoughts and ideas on sustainability with others and establish a partner foundation for the values of "Co-creation of Excitement," "Co-prosperity with Communities," and "Co-existence with the Environment" along with fulfilling our social responsibilities, such as human rights due diligence, toward the realization of a sustainable society.	•Broad partnerships across industries and business types •Sustainable supply chain	Number of stakeholder co-creations	351	over 400	over 500
			Human rights assessment results	Dialogue in response to the 2023 results (112 companies), Web seminar implemented	35% (B rating or higher)	45% (B rating or higher)
Empowering diverse human resources to shine	We will realize the sustainable growth of our human resources and the company by creating an environment and structure, including DEI and work-life integration, that enable each employee to play an active role and maximize their motivation, ambition, and abilities.	•Workplace well-being and job satisfaction	Employee engagement	Employee satisfaction	68.9%	70%
				Employee recommendation rate	59.9%	60%
			Share of women in management positions		26.2%	31%
			Gender wage gap	All employees	66.5%	Narrowing of differences*2
				Regular employees	75.0%	
				Non-regular employees	75.5%	
			Paternity leave usage rate		132.5%	95%

*1. We will consider metrics and targets within the mid-term business plan that can be more closely aligned with our business strategy to achieve materiality

*2. The gender pay gap for FY2023 is as follows. 65.3% for all employees, 74.4% for regular employees, and 72.7% for non-regular employees.



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