



J. FRONT RETAILING ESG Data Book 2026

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 FY2025 Data

Environment

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

Total GHG emissions for FY2025 (Scope 1, 2 and 3) amounted to 2,289,733 t-CO₂, representing a 26.6% reduction, or 831,741 t-CO₂ less, compared to baseline year FY2017.

● Combined Scope 1 and Scope 2 emissions totaled 59,241 t-CO₂, representing a 69.5% reduction of 134,913 t-CO₂ compared to baseline year FY2017, largely due to a switch to renewable energy sources.

● Scope 3 emissions totaled 2,230,492 t-CO₂, reflecting a 23.8% reduction of 696,828 t-CO₂ compared to baseline year FY2017.

This calculation utilized primary data from 50 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 a result, we incorporated primary data from 50 companies in our calculations for FY2025.

► 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 FY2025 was 415,773 MWh (down 2.5% year-on-year, a reduction of 10,742 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 FY2025 reached 215,897 MWh (a 9.2% increase year-on-year, up 18,151MWh), with the renewable energy ratio of total electricity usage reaching 75.2% (a 8.0 points increase year-on-year). This enabled us to achieve our 2030 target of 75% ahead of schedule.

Major stores switching to renewable energy (as of the end of February 2026)

Daimaru & Matsuzakaya	PARCO
Shinsaibashi/Umeda/Kyoto/Kobe/Tokyo/Suma/Nagoya (excl. North Building)/Ueno/Shizuoka/Takatsuki (10 out of 15 stores)	Sapporo/Sendai (excl. main store)/Ikebukuro/Ueno/Kichijoji/Chofu/Shizuoka/Nagoya/Shinsaibashi/Hiroshima/Fukuoka/Hibarigaoka/(12 out of 15 stores)

► 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 in business activities by 2050. To support this goal, we have established interim targets for renewable electricity ratio of 75% by 2030 and 90% by 2040.

*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 FY2025 Data

Scope 1, 2, and 3 GHG emission results (consolidated)

(Unit: t-CO₂)

		FY2017	FY2024	FY2025	
		Actual	Actual	Actual	Compared with FY2017 (base year)
Scope 1 emissions		16,052	14,430	13,635	-15.1 %
Scope 2 emissions	(market-based)	178,102	52,695	45,606	-74.4 %
	(location-based)	184,047	136,692	133,887	-27.3 %
Scope 1 and 2 emissions total* ¹		194,154	67,125	59,241	-69.5 %
Scope 3 emissions* ²		2,927,320	2,247,051	2,230,492	-23.8 %
Scope 1, 2, and 3 emissions total* ¹		3,121,474	2,314,176	2,289,733	-26.6 %
Renewable energy ratio (%)		—	67.2	75.2	—

*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 2.8 (March 2026, 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 3.6 (March 2026)," and IDEAv3.5 (for calculating greenhouse gas emissions in the supply chain)

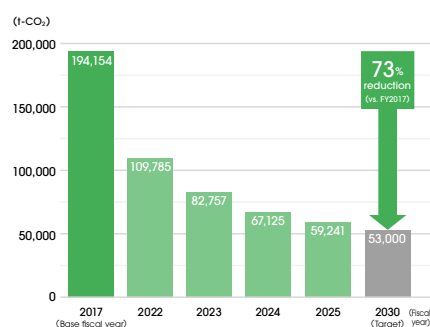
Scope 3 emissions by category (consolidated) (Unit: t-CO₂, %)

Category		Emissions	Percentage of emissions (%)
1	Purchased goods and services	1,934,925	86.7
2	Capital goods	64,266	2.9
3	Energy excluding Scope 1 and 2	30,322	1.4
4	Upstream transportation and distribution	3,556	0.2
5	Waste from operations	9,502	0.4
6	Business travel	5,101	0.2
7	Employee commuting	2,169	0.1
8	Upstream leased assets	—	—
9	Downstream transportation and distribution	8,604	0.4
10	Processing of products	—	—
11	Use of sold products	16,111	0.7
12	End-of-life treatment of sold products	142,304	6.4
13	Downstream leased assets	13,632	0.6
14	Franchising	—	—
15	Investments	—	—
Total Scope 3		2,230,492	100.00

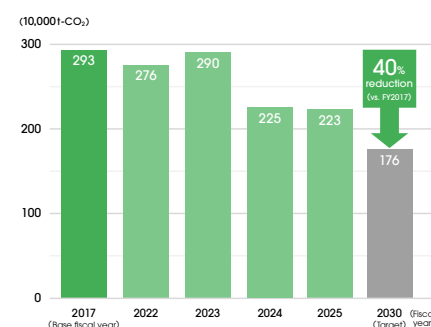
*Category 8 is excluded from the calculation because it is calculated under Scope 1 and 2

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

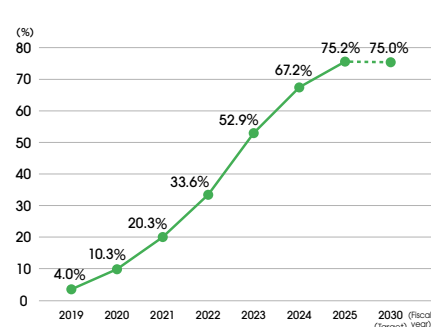
Scope 1 and 2 emissions



Scope 3 emissions



Ratio of renewable energy



► Volume of Food Waste Generation and Food Recycling Rate

The amount of food waste generated in FY2025 was 4,309 tons (a 6.1% reduction year-on-year, equivalent to 278 tons). This was achieved by expanding the number of stores with a 100% food recycling rate.

- Food recycling volume reached 4,004 tons (down 1.2% year-on-year, a reduction of 47 tons), while the final disposal volume was 305 tons (down 43.1% year-on-year, a reduction of 231 tons).
- Consequently, the food recycling rate reached 92.9% (up 4.6 points year-on-year), achieving the 2030 target of 85% ahead of schedule.

	Daimaru Matsuzakaya Department Stores	PARCO
Food recycling rate	90.2%	97.1%
Stores achieving 100% food recycling rate	8 out of 15 stores	12 out of 15 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 FY2025 Data

Society

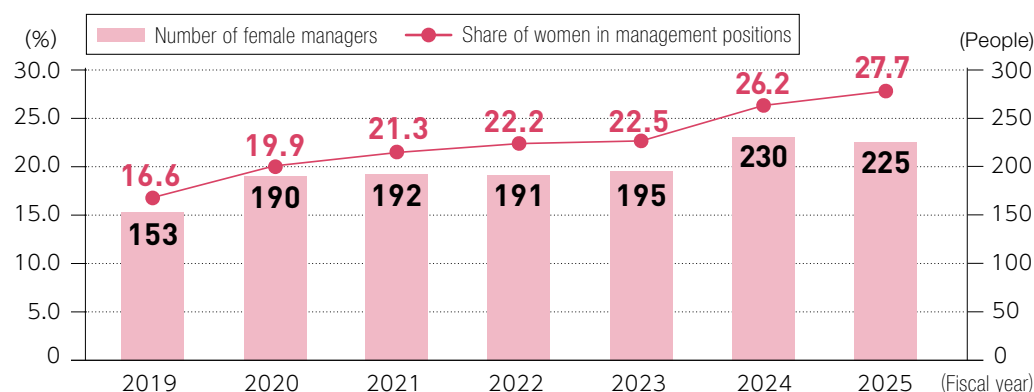
► Women's Empowerment

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 statutory requirements.

Share of female employees (consolidated)

	Total	Male	Female	Female percentage
Employees	5,584	2,569	3,015	54.0

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



*Target 2026 : 31%, 2030 : 40%

Share of female managers by job level (consolidated)

	Total	Male	Female	Female percentage
Division manager	263	230	33	12.5 (3.0 ppt decrease)
Manager	548	356	192	35.0 (3.5 ppt increase)
Total	811	586	225	27.7 (1.5 ppt 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)

	FY2024	FY2025
Paternity leave usage rate (%)	132.5	95.5
Number of men taking the leave	53	42

*Target 2026 : 95%

*The childcare leave acquisition rate is calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991) and Article 71-6, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991).

Paternity leave usage rate by operating company (%)

Operating company	FY2024	FY2025
Daimaru Matsuzakaya	225.0	100.0
Hakata Daimaru	100.0	-
PARCO	109.1	100.0
PARCO Space Systems	100.0	50.0
J. Front Design & Construction	50.0	150.0
JFR Card	100.0	80.0
Daimaru Kogyo	100.0	-
J. Front One Partner	-	100.0

Review of FY2025 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 striving 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
65.1 (1.4 decrease)	74.0 (1.0 decrease)	69.2 (6.3 decrease)

• Target Period : FY2025 (March 1, 2025 – February 28, 2026)

• 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	61.1	72.2	77.5
Hakata Daimaru	76.3	78.1	76.7
PARCO	79.2	77.7	86.4
PARCO Space Systems	68.2	79.8	72.2
J. Front Design & Construction	75.5	74.2	81.9
JFR Card	65.3	68.0	188.8
Daimaru Kogyo	76.7	77.6	75.9
J. Front One Partner	62.0	85.8	63.3

► 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)

	FY2023	FY2024	FY2025
Number of new graduate hires	92	102	99
Share of female new graduates (%)	63.0	61.8	61.6

Employee turnover rate (consolidated) (%)

	FY2023	FY2024	FY2025
Turnover rate	5.4	4.6	3.9

*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	FY2025
Employee satisfaction	67.7	68.9	68.3
Employee recommendation rate	57.7	59.9	62.0

*Target for 2026 : Employee satisfaction 70%, Employee recommendation rate 60%

*Beginning in FY2025, following the introduction of a new employee survey, employee satisfaction is measured with the question item "Satisfaction (Sense of Achievement Derived from Work)."

► 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.

Training cost and time (consolidated)

Average training cost per employee	58,813 yen (16.0% year-on-year decrease)
Average training time per employee	8.26 hours (17.5% year-on-year decrease)

Training programs implemented (consolidated)

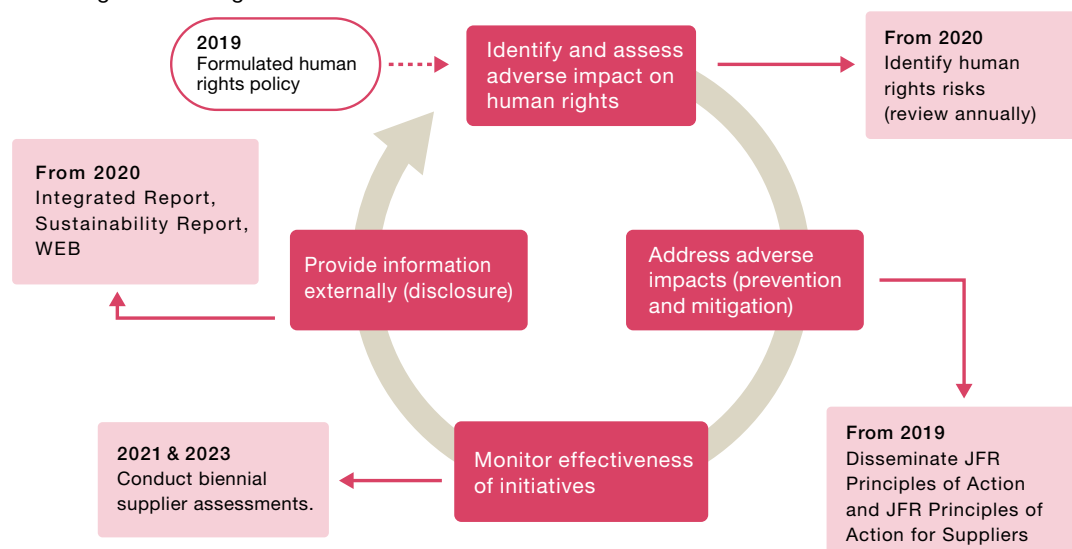
Main training programs	Number of participants
New employee training	98
JFR 3-year development program for new graduate employees	724
Career development training	2,294
Manager training	220
Newly appointed manager training	428
JFR Group open recruitment training	107
JFR College	1,142

Review of FY2025 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.

Overview of Human Rights Due Diligence



Measures to prevent and mitigate salient human rights risks in the JFR Group

	Business partners	Our Group	Customers
Stakeholders	Employees of suppliers, store operators, cooperating companies, and business partners *Includes second-tier and subsequent tiers	Employees of the JFR Groups including parttime workers in stores and temporary workers dispatched by suppliers	Customers and local residents
Content	Manufacturing, wholesales, service provision, and construction	Commercial facilities, store operations (including remodeling, advertising, facility management, sales promotion, etc.), sales (including e-commerce), planning and construction	Use of products and services
Salient human rights risks	- Forced labor - Child labor - Foreign labor conditions - Long working hours - Low wages - Right to access - Discrimination (gender, LGBTQ, etc.) - Harassment - Occupational safety and health	- Harassment - Long working hours - Discrimination (gender, LGBTQ, etc.)	- Violation of customer privacy (personal information and right of publicity) - Expressions of discrimination through advertisements, - Product safety and physical safety at facilities
Prevention and mitigation measures	► Dissemination of the JFR Principles of Action for Suppliers ► Implementation of human rights due diligence • Assessments.....2021, 2023 • Information briefings.....2019, 2022, 2025 • Seminars.....2024 ► Dialogue with business partners and requests for improvement • Dialogue based on assessment results and individual cases	► Dissemination of the JFR Principles of Action ► Implementation of human rights education (harassment prevention training, e-learning, etc.) ► Establishment of hotline and harassment consultation desk ► Conducting harassment surveys ► Formulation of a customer harassment response policy and utilization of the response guidelines ► Measures to prevent long working hours, monitoring employees who work long hours, and providing management training - Promoting the use of paid leave and implementing measures to reduce overtime	► Establishment of a customer service center ► Quality inspection of products (Consumer Product End-Use Research Institute) ► Protection of personal information ► Creation of safe, secure, and resilient stores ► Promotion of barrier-free store design

Review of FY2025 Data

FY2025 Human Rights Initiatives

Details	Results
Supplier briefing session on environmental and human rights issues	233 companies participated
Harassment prevention training	1273 people
e-learning on business and human rights for all Group employees	90.0% completion rate

► Promoting Stakeholder Engagement

● Supplier Briefing Session

In November 2025, we held a briefing session for major business partners of Daimaru Matsuzakaya Department Stores to explain our Group's approach to value co-creation, showcase specific examples of co-creation initiatives, and share our efforts related to environmental and human rights issues. We also received valuable feedback and perspectives from our suppliers.

FY2025 attendees : 233 companies, 336 people.

● Sustainability Awareness Survey (Customers and Employees)

Since FY2024, we have conducted surveys to assess customers' awareness of environmental issues and their perceptions of the contributions made by Daimaru, Matsuzakaya, and PARCO stores to the communities in which they operate.

FY2025 Responses: 8,505 people

https://www.j-front-retailing.com/_data_json/news/_upload/20250916sustainability.pdf (Japanese only)

In addition, we conduct an annual survey for all group employees to confirm their awareness, understanding, and actions regarding sustainability.

● Dialogue with Employees

To enhance employee engagement, we have held "Catch Ball Meetings" since FY2021, where the JFR President and the presidents of operating companies engage directly in dialogue with employees.

FY2025 Number of events : Eight sessions with total of 1,974 participants

● Dialogue with Investors

J. Front Retailing's efforts to improve communication include timely disclosure and information transmission on its website in combination with results presentations and presentation for individual investors, meetings with overseas investors and responses to inquiries from shareholders, investors and security analysts.

FY2025 Number of events: 3 briefings with individual investors; 275 meetings with institutional investors from Japan and abroad

► 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

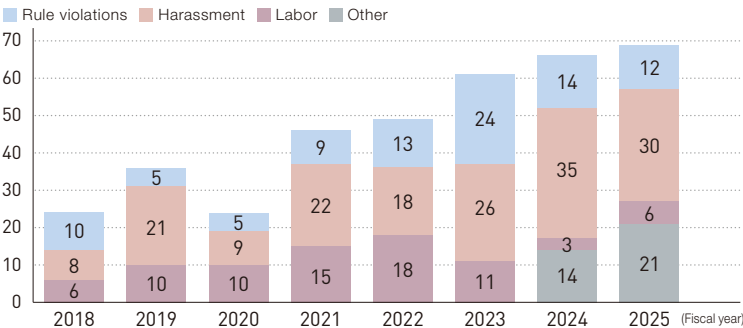
The Group has established a Whistleblowing System that allows all directors, officers, employees, and anyone working for the JFR Group (including part-time employees and temporary staff from suppliers) to directly contact the Compliance Committee and request corrective action regarding compliance-related 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.

FY2025 Whistleblowing Hotline Usage

Details	Number of cases
Rule violations	12
Harassment	30
Labor	6
Other	21
Total	69

*FY2024: 66 cases

Trend in usage



► Information Security

In recent years, we have implemented a range of initiatives in response to the growing information security risks associated with changes in the use of IT for business purposes, including the expanding use of cloud services and the development of generative AI services, as well as the heightened risks posed by the increasing sophistication and complexity of cyberattacks. These efforts are aimed at ensuring the proper management of information assets and maintaining their secure operation.

Organizational measures	•Development and enhancement of information security guidelines and regulations •Strengthening governance by establishing policies and rules aimed at enhancing authentication management •Enhancement of JFR-CSIRT (J. Front Retailing Computer Security Incident Response Team) framework to mitigate the risk of security incidents and enable a rapid response when incidents occur •Promoting the use of generative AI, including expanding the use of generative AI agents, while identifying and addressing the associated risks and revising usage guidelines to specify relevant considerations and precautions
Human-focused measures	•Implementing preventive measures, including information security training for all employees and officers, as well as simulated targeted phishing email exercises •Conducting incident response drills to prevent the spread and mitigate the impact of cyberattacks-related damage •Enhancing employees' security awareness and response capabilities through ongoing awareness-raising activities
Technical measures	•Strengthening device management by upgrading the information asset management tool •Implementing preventative measures to address vulnerabilities, including regular system assessments and updates •Strengthening backup and recovery measures to prevent the spread and mitigate the impact of incidents

FY2025 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/way_to_think.html#sustainability_contents_waytothink_04
	JFR Principles of Action https://www.j-front-retailing.com/english/sustainability/way_to_think.html#sustainability_contents_waytothink_13
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/way_to_think.html#sustainability_contents_waytothink_13
Chemical Policy	Same as above

GHG*¹ Emissions and Energy

		Boundary	Unit	2017 (base fiscal year)	2021	2022	2023	2024	2025
Scope 1 greenhouse gas (GHG) ★	CO ₂ emissions	Consolidated	t-CO ₂	14,548	12,368	11,958	11,459	11,551	10,736
	Hydrofluorocarbon (HFC) emissions	Consolidated	t-CO ₂	1,504	1,636	1,756	2,562	2,879	2,899
	SF ₆ (sulfur hexafluoride) emissions	Consolidated	t-CO ₂	0	0	0	0	0	0
	Scope 1 emissions	Consolidated	t-CO ₂	16,052	14,004	13,714	14,021	14,430	13,635
Scope 2 greenhouse gas (GHG) ★	CO ₂ emissions (market-based)	Consolidated	t-CO ₂	178,102	108,808	96,071	68,736	52,695	45,606
	(location-based)	Consolidated	t-CO ₂	184,047	149,690	146,810	142,935	136,692	133,887
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	59,241
	vs. SBT base year (FY2017)	Consolidated	%	-	-36.7	-43.5	-57.4	-65.4	-69.5
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	1,934,925
	Category 2 Capital goods	Consolidated	t-CO ₂	81,883	110,787	47,246	48,021	58,639	64,266
	Category 3 Energy excluding Scope 1 and 2	Consolidated	t-CO ₂	17,966	24,319	23,566	19,399	30,976	30,322
	Category 4 Upstream transportation and distribution	Consolidated	t-CO ₂	7,400	28,529	27,892	3,204	3,756	3,556
	Category 5 Waste from operations	Consolidated	t-CO ₂	845	1,191	1,262	1,439	12,838	9,502
	Category 6 Business travel	Consolidated	t-CO ₂	627	1,880	2,755	3,815	4,099	5,101
	Category 7 Employee commuting	Consolidated	t-CO ₂	1,158	1,442	1,644	1,736	1,825	2,169
	Category 9 Downstream transportation and distribution	Consolidated	t-CO ₂	21,086	16,330	15,862	38,196	6,336	8,604
	Category 11 Use of sold products	Consolidated	t-CO ₂	-	1,864	1,209	59,221	14,841	16,111
	Category 12 End-of-life treatment of sold products	Consolidated	t-CO ₂	68,423	9,974	12,499	15,564	140,487	142,304
	Category 13 Downstream leased assets	Consolidated	t-CO ₂	26,914	37,796	31,249	29,115	14,305	13,632
	Scope 3 emissions	Consolidated	t-CO ₂	2,927,320	2,420,492	2,761,669	2,898,436	2,247,051	2,230,492
	Compared to SBT base year 2017	Consolidated	%	-	-17.3	-5.7	-1.0	-23.2	-23.8
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	2,289,733
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	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	1.77

ESG Data Set

GHG*¹ Emissions and Energy

		Boundary	Unit	2017 (base fiscal year)	2021	2022	2023	2024	2025
Energy	★	Electricity	Consolidated	MWh	333,514	305,752	305,287	297,828	286,965
		City gas	Consolidated	MWh	70,353	64,632	63,516	61,488	61,681
		Liquefied Petroleum Gas			-	-	-	-	61
		Light oil	Consolidated	MWh	0	105	101	28	6
		Heavy Oil A	Consolidated	MWh	70	49	65	52	87
		Kerosene	Consolidated	MWh	-	-	-	0.1	0.05
		Gasoline	Consolidated	MWh	6,805	3,011	2,126	1,916	1,693
		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	415,773
	★	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	222,051
		Liquefied Petroleum Gas			-	-	-	-	221
		Light oil	Consolidated	GJ	0	379	365	100	23
		Heavy oil	Consolidated	GJ	253	175	234	187	313
		Kerosene	Consolidated	GJ	-	-	-	0.4	0.07
		Gasoline	Consolidated	GJ	24,497	10,840	7,653	6,899	6,093
		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	1,496,783
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	2025
Water	★	Tap water usage	Consolidated* ⁴	m ³	1,407,531	1,719,788	1,796,295	1,880,316	1,904,299
		Groundwater usage	Consolidated* ⁴	m ³	459,054	570,760	613,303	625,066	598,766
		Graywater usage	Consolidated* ⁴	m ³	198,882	158,848	151,017	140,709	153,350
		Total usage	Consolidated* ⁴	m ³	2,065,467	2,449,396	2,560,615	2,646,091	2,656,415
		Emissions* ³	Consolidated* ⁴	m ³	2,065,467	2,449,396	2,560,615	2,646,091	2,609,725

Resources and Waste

		Boundary	Unit	2020	2021	2022	2023	2024	2025
Packaging and material usage* ⁵	★	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* ⁶ (including food waste)	★	Amount generated	Consolidated* ⁴	t	21,694	26,637	29,855	29,814	48,201
		Amount recycled	Consolidated* ⁴	t	12,479	12,845	15,421	16,176	18,759
		Final disposal amount	Consolidated* ⁴	t	9,216	13,792	14,434	13,638	29,443
		Recycling rate	Consolidated* ⁴	%	57.5	48.2	51.7	54.3	38.9
Food waste	★	Amount generated	Consolidated* ⁷	t	2,886	4,394	4,753	4,943	4,587
		Amount recycled	Consolidated* ⁷	t	1,857	3,027	3,598	3,934	4,051
		Final disposal amount	Consolidated* ⁷	t	1,029	1,367	1,155	1,009	536
		Recycling rate	Consolidated* ⁷	%	64.3	68.9	75.7	79.6	88.3
Specified hazardous waste* ⁸		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: Water and waste have been certified by LRQA Limited since FY2020, and energy, renewable energy, and food waste have been certified 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, within the JFR Group's business processes, only CO₂, HFCs, and SF₆ are applicable and therefore included in the emissions calculation.

*2. Scope 2 emissions used in the total are calculated based on market standards.

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

*4. Daimaru Matsuzakaya Department Stores until FY2019

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

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

*7. Daimaru Matsuzakaya Department Stores until FY2020

*8. 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/way_to_think.html#sustainability_contents_waytothink_13
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 Policy 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/way_to_think.html#sustainability_contents_waytothink_13
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	2025
Number of employees	Consolidated	People	9,635	8,148	7,258	7,369	7,302	7,428
Regular employees	Consolidated	People	6,528	5,589	5,115	5,277	5,343	5,584
Dedicated employee	Consolidated	People	1,688	1,444	1,195	1,170	1,131	1,062
Fixed-term employee	Consolidated	People	1,419	1,115	948	922	828	782
Share of female employees	Consolidated	%	56.3	55.6	52.9	53.5	53.8	54.0
Share of women in management positions* ¹	★ Consolidated	%	19.9	21.3	22.2	22.5	26.2	27.7
Number of new graduate hires	Consolidated	People	94	68	107	92	102	99
Male	Consolidated	People	41	33	38	34	39	38
Female	Consolidated	People	53	35	69	58	63	61
Share of new women graduates	Consolidated	%	56.4	51.5	64.5	63.0	61.8	61.6
Employment rate of disabled people	★ Consolidated* ²	%	2.21	2.66	2.93	2.89	3.09	3.01
Number of foreign employees	Consolidated	People	40	42	50	50	27	57
Share of foreign employees	Consolidated	%	0.4	0.5	0.7	0.7	0.4	0.8
Employee turnover rate* ³	Consolidated	%	1.9	10.5	5.3	5.4	4.6	3.9
Turnover rate due to childcare and family care	Consolidated	%	1.1	1.4	1.8	2.0	2.3	1.5
Involuntary turnover rate	Consolidated	%	0	0	0	0	0	0
Number of employees taking childcare leave	★ Consolidated* ⁴	People	139	88	75	81	86	98
Percentage of women returning to work after taking childcare leave	★ Consolidated* ⁵	%	94.4	95.3	93.4	94.0	92.5	93.4
Percentage of male employees taking childcare leave	★ Consolidated	%	18.8	43.6	68.0	87.5	132.5	95.5
Number of employees taking family care leave	Consolidated* ⁵	People	2	12	8	10	17	10
Number of employees taking family care time off	Consolidated* ⁵	People	30	23	58	80	88	128
Wage differences between men and women* ⁶ (All workers)	Consolidated* ⁹	%	—	—	59.8	65.3	66.5	65.1
(Of which regular employees)* ⁷	Consolidated* ⁹	%	—	—	71.3	74.4	75.0	74.0
(Of which non-regular employees)* ⁸	Consolidated* ⁹	%	—	—	70.9	72.7	75.5	69.2
Employee engagement (Employee satisfaction level)* ¹⁰	Consolidated	%	—	—	—	67.7	68.9	68.3
(Work recommendation level)	Consolidated	%	—	—	—	57.7	59.9	62.0
Number of employees taking childcare leave	Daimaru Matsuzakaya	People	139	135	36	36	41	57
Number of employees working shortened hours for childcare	Daimaru Matsuzakaya	People	209	304	298	276	255	246
Return rate after childcare leave	Daimaru Matsuzakaya	%	94.4	93.0	93.0	95.0	92.7	95.6
Number of employees working shorter hours for family care	Daimaru Matsuzakaya	People	0	1	4	18	24	25
Percentage of employees earning minimum wage by region* ¹¹	Daimaru Matsuzakaya	%	0	0	0	0	0	0
Health examination participation rate	Daimaru Matsuzakaya	%	100	99.8	100	100	100	100
Stress check participation rate	Daimaru Matsuzakaya	%	97.4	97.13	96.3	97.2	95.2	95.7
Number of labor accidents (work accidents)	Consolidated* ¹²	Cases	81	51	40	50	8	50
Number of labor accidents (accidents while commuting)	Consolidated* ¹²	Cases	38	31	31	30	17	46
Lost time injury frequency rate (employees)	★ Consolidated* ¹³	—	1.74	1.85	0.88	0.79	0.55	1.87
Number of work-related fatalities (employees)	★ Consolidated	People	0	0	0	0	0	0
Number of work-related fatalities (contractors)	Consolidated	People	0	0	0	0	0	0
OHSAS1800/ISO45001 acquisition rate (calculated on a business site basis)	Consolidated	%	0	0	0	0	0	0
Number of harassment consultations	Consolidated	Cases	40	37	47	41	49	61
Number of JFR Group Compliance Hotline cases	Consolidated	Cases	24	46	49	61	66	69
Amount donated to communities	Consolidated	One million yen	62	75	87	36	57	63

★ 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 Beginning in FY2025, following the introduction of a new employee survey, employee satisfaction is measured with the question item "Satisfaction (Sense of Achievement Derived from Work)."

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

*12 Fiscal year 2018 reflects Daimaru Matsuzakaya Department Stores.

*13 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/way_to_think.html#sustainability_contents_waytothink_13

	Unit	2021	2022	2023	2024	2025	2026
Number of Directors	People	12	10	11	10	10	10
Male	People	9	7	8	7	7	6
Female	People	3	3	3	3	3	4
Number of Independent Outside Directors	People	6	6	7	6	7	6
Male	People	4	4	5	4	5	2
Female	People	2	2	2	2	2	4
Share of Independent Outside Directors	%	50.0	60.0	63.6	60.0	70.0	60.0
Number of Directors and Executive Officers	People	4	2	2	2	1	2
Share of Directors and Independent Outside Directors	%	33.3	20.0	18.2	20.0	10.0	20.0
Share of Female Directors	%	25.0	30.0	27.3	30.0	30.0	40.0
Number of Board Meetings	Frequency	15	15	15	15	14	—
Attendance rate of Directors	%	100	100	98.8	100	100	—
Average Duration Time Per Board Meeting	—	2h 24m	2h 12m	2h 28m	2h 12m	2h 10m	—
Number of Nomination Committee Meetings	Frequency	16	13	15	14	11	—
Attendance Rate of Nomination Committee	%	100	100	100	100	100	—
Average Duration Time Per Nomination Committee Meeting	—	1h 10m	1h 46m	1h 23m	1h 7m	1h 8m	—
Number of Audit Committee Meetings	Frequency	20	22	24	24	24	—
Attendance Rate of Audit Committee Meetings	%	100	100	97.3	100	99.1	—
Average Duration Time Per Audit Committee Meeting	—	1h 25m	1h 23m	1h 18m	1h 5m	1h 30m	—
Number of Remuneration Committee Meetings	Frequency	11	12	13	10	8	—
Attendance Rate of Audit Committee Meetings	%	100	100	100	100	100	—
Average Duration Time Per Remuneration Committee Meeting	—	39m	45m	55m	43m	1h	—
Number of shares held for policy reasons*1	Shares	21	16	11	10	10	—
Political donation expenses (consolidated)	One million yen	0.04	0.17	0.17	0.06	0.03	—
Fines related to corruption (consolidated)	One million yen	0	0	0	0	0	—
Disciplinary actions and dismissals due to anti-corruption violations (consolidated)	People	0	0	0	0	0	—
Environmental fines and penalties (consolidated)	Cases	0	0	0	0	0	—
Number of water-related violations (consolidates)	Cases	0	0	0	0	0	—
Environmental fines and penalties	One million yen	0	0	0	0	0	—
Number of compliance hotline usage cases (consolidated)	Cases	46	49	61	66	69	—
Number of information security data breaches (consolidated)*2	Cases	0	1	0	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#sustainability_contents_information_security

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#sustainability_contents_waytothink_09

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 (19th Fiscal Year)

https://www.j-front-retailing.com/english/ir/library/pdf/statement/19th_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 2025

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 2026, Environmental Report 2026 or the like ("the reports") for the fiscal year 2025 (1/3/2025-28/2/2026), 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) (GJ)
- 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 (Category 1, 2, 3⁷, 4, 5, 6, 7, 9, 11, 12, 13) (tonnes CO₂e)⁸
- Amount of water use (m³) and amount of waste water (m³)
- Amount of waste generation (tonnes), recycled waste (tonnes) and finally disposed waste (tonnes) ⁹
- Amount of food waste generation (tonnes), recycled food waste (tonnes) and finally disposed food waste (tonnes)

Social indicators: ¹⁰

- Share of women in management positions (%)
- Employment rate of disabled people (%)¹¹
- 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 2026, Environmental Report 2026 or the like.

² GHG quantification is subject to inherent uncertainty.

³ Items for which the company has management authority will be included. If there are sub-meters or similar devices that allow the use or discharge by tenants to be tracked, the tenant's portion will be deducted. If it is not possible to track tenants in this way, no deduction will be made.

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

⁵ The amount of fluorocarbons used is calculated in accordance with the Act on Rationalization of Use and Proper Management of Fluorocarbons (Fluorocarbon Emission Control Act) (Japan).

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

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

⁸ Although the validity of the application of the primary data used in Scope 3 was confirmed, this verification is independent of the verification of the primary data itself and does not guarantee the quality of the primary data itself.

⁹ The waste includes food waste.

¹⁰ 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.

¹¹ The value reported administratively (June 1, 2025) 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 assurance¹² 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 2025; and
- Visiting Daimaru Kobe Store of Daimaru Matsuzakaya Department Stores Co., Ltd., and Hiroshima 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

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

Dated: 24 June 2026

Saeko Shimizu
LRQA Technical Reviewer

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¹² 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.

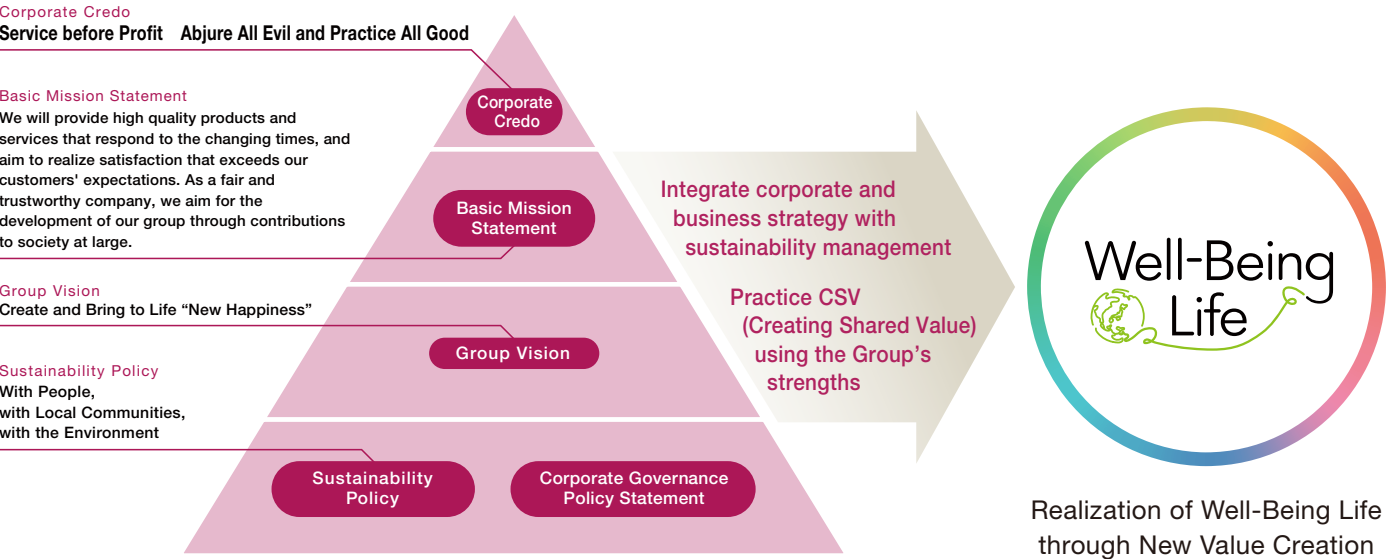
View of Sustainability

JFR Group’s Sustainability Management Goals

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 have returned to our Corporate Credo “Service before Profit” and “Abjure All Evil and Practice All Good,” conducting business activities honestly while responding quickly to the changing needs of our customers and society. This has led to 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 envision of what the company should be, a company with enduring social relevance. 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, ocean pollution, and 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 will promote sustainability management and contribute to the “Well-Being Life” of our stakeholders by practicing CSV (Creating Shared Value) that balances the resolution of environmental and social issues with corporate growth, towards the aim of realizing a sustainable society and new happiness in people’s lives.

Overview of sustainability management



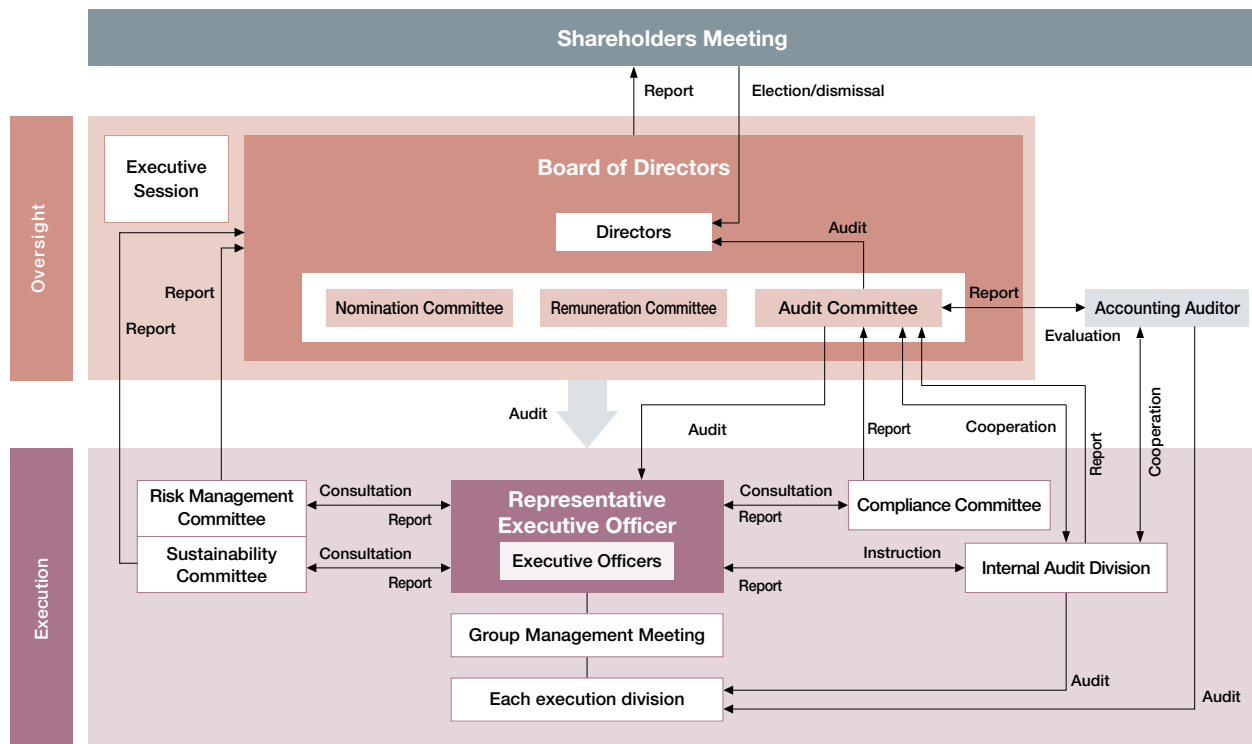
View of Sustainability

► Sustainability Governance

We have established a Sustainability Committee to serve as an advisory body to the President and Representative Executive Officer. The Committee discusses strategies that contribute to the sustainable growth of our Group's businesses, as well as sustainability-related matters, including environmental and human rights issues, and monitors the progress of Group-wide initiatives. Furthermore, matters deemed critical to promoting sustainability management across the entire Group are deliberated and approved by the Group Management Meeting, which serves as the highest decision-making body for business operations.

Meanwhile, the Board of Directors receives reports on matters discussed by the Sustainability Committee and those deliberated and approved by the Group Management Meeting, and oversees the setting of goals, response policies, and implementation plans.

JFR Corporate Governance System



Major agenda items of the Sustainability Committee

FY2024 (2 times)	•Employee engagement with materiality •Group-wide KPI progress report •Lecture by an external instructor on "The Relationship Between Long-Term Corporate Value Enhancement and Non-Financial Activities"
FY2025 (4 times)	•Future approaches to renewable energy procurement •Updates on environmental and human rights risks •Group-wide KPI progress report •Lecture by an external instructor on "Introducing Renewable Energy for the Net- Zero Transition," and, "Unconscious Bias"

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.

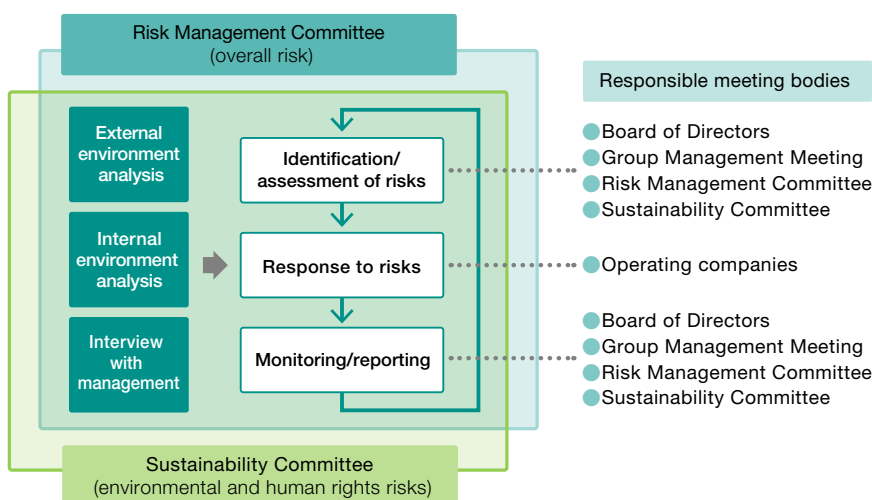
<https://www.j-front-retailing.com/english/company/governance/governance05.html>

► 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 to manage all sustainability-related risks, including those associated with environmental and human rights issues, in an integrated company-wide manner, based on the recognition that risk management is an extremely important for business operations. The Committee deliberates on important matters, including the identification and assessment of risks and the determination of risks to be reflected in the strategy. The details of its deliberations are 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 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

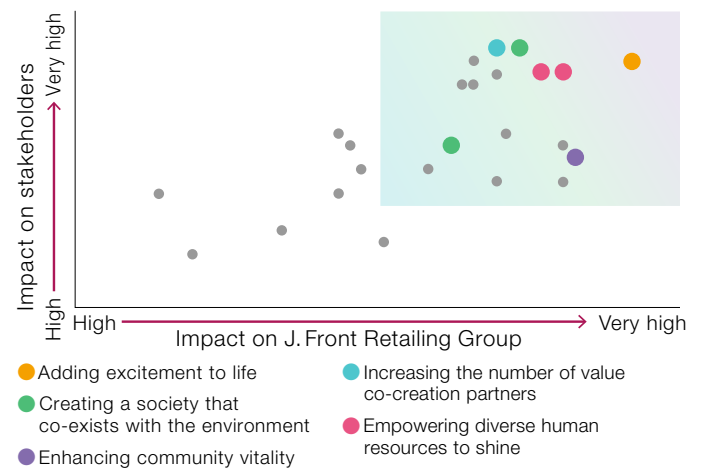
Identification of Materiality

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 materiality initiatives into our business strategy so that they not only so that they address these challenges but also drive 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 five materialities	Added two materialities and updated three materialities	Reorganized into five themes
- Questionnaire survey of stakeholders (4,250 people) - Interview with management - Discussion topics in the Management Meeting and the Board of Directors - Important risks of JFR Group - Materiality map preparations	- Discussion topics in the Management Meeting and the Board of Directors - Changes in the external landscape surrounding environmental challenges - Changes in society and people's attitudes due to impact of COVID-19 pandemic - Important risks of JFR Group - Enhancing initiatives in light of social changes - Communications with stakeholders	- Reorganization toward realization of the 2030 Future Vision (Co-creation of Excitement, Co-prosperity with Communities, Co-existence with the Environment) - Discussion topics in the Management Meeting and the Board of Directors - Important risks of JFR Group - Integration of sustainability and business strategy - Working to encourage employee action - Communications with stakeholders

View of Sustainability

Materiality Commitment

We believe that solving social issues is a common goal shared by 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	FY2025 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	Number of Group member customers (vs. FY2023)		15.7% increase	32.5% increase	25% increase	*1
		•Engaging and inspiring content	Customer survey (excitement/impression level)		Baseline survey conducted	70.5%	—	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	Customer traffic (vs. FY2023)		5.4% increase	8.8% increase	10% increase	*1
		•Revitalization of community communication	Customer survey (contribution to the community)		Baseline survey conducted	92.9%	—	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.	•Reduction of greenhouse gas emissions •Circular business models	Reduction of GHG emissions Scope 1 and 2 (vs. FY2017)		65.4% decrease	69.5% decrease	70% decrease	73% decrease
			Scope 3 (vs. FY2017)		23.2% decrease	23.8% decrease	—	40% decrease
			Percent of energy from renewable electricity used in business activities		67.2%	75.2%	72%	75%
			Food recycling rate		88.3%	92.9%	80%	85%
			Percentage of newly developed properties with environmental certification		No matching properties	No matching properties	—	100%
			Customer survey (Customer commitment to the environment)		Baseline survey conducted	63.8%	—	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	371	over 400	over 500
			Human rights assessment results		Dialogue in response to the FY2023 results (112 companies), Web seminar implemented (63 companies participated)	Business partner information briefing (233 companies/336 participants)	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%	68.3%*2	70%	Set based on achievement status in FY2026
				Employee recommendation rate	59.9%	62.0%	60%	
			Share of women in management positions		26.2%	27.7%	31%	40%
			Gender wage gap	All employees	66.5%	65.1%	Narrowing of differences*2	Set based on achievement status in FY2026
				Regular employees	75.0%	74.0%		
				Non-regular employees	75.5%	69.2%		
			Paternity leave usage rate		132.5%	95.5%	95%	

*1. To realize our materiality, we will consider metrics and targets that can be more closely linked to our business strategy.

*2. Beginning in FY2025, following the introduction of a new employee survey, employee satisfaction is measured with the question item "Satisfaction (Sense of Achievement Derived from Work)."

*3: The gender pay gap for FY2023 was as follows: All employees 65.3%, Full-time employees 74.4%, Non-regular employees 72.7%

Progress of Sustainability Initiatives

		2018-2020	2021-2023	2024-2026
		Laying the Foundation for Sustainable Management	Pursuing the Integration of Sustainability and Strategy (Sowing the Seeds for Realizing CSV)	Integrating Sustainability with Business Strategy (Realizing CSV)
materialit		● Identified materiality (2018)	● Revised materiality (2021)	● Revised materiality (2024)
Policy and structure		● Sustainability Policy (2018) ● Eco Vision and Social Vision (2018) ● JFR Principles of Action (2019) ● JFR Principles of Action for Suppliers (2019)	● Changed JFR Principles of Action and JFR Principles of Action for Suppliers (2021,2022)	● Revised Eco Vision and Social Vision (2024)
		● Started ESG briefings (2018) ● Established Sustainability Committee (2019)	● Changed name to Sustainability Promotion Division (2021) ● Incorporated non-financial indicators into executive compensation (2021)	● Sustainability Promotion transferred from Corporate Planning to Corporate Communications Division (2026)
Stakeholders	Customers			● Implemented customer survey on sustainability (since 2024)
	Business partners	● Held briefing sessions for suppliers (Daimaru Matsuzakaya Department Stores) (2019) ● Sent out JFR Principles of Action for Suppliers (2019)	● Held briefing sessions for suppliers (Daimaru Matsuzakaya Department Stores) (2022) ● Began supplier assessment (2021,2023)	● Held briefing sessions for suppliers (Daimaru Matsuzakaya Department Stores) (2025) ● Began supplier assessment on environment (since 2024)
	investors	● Held ESG briefings for investors (2018 to 2023)		● Hold IR Day for investors (since 2024)
	Employees	● Established an internal portal (2019) ● Introduced Sustainability training for management level employees (since 2019)	● Implemented awareness survey on sustainability (since 2021) ● Began E-learning on business and human rights (since 2023) ● Conducted employee satisfaction survey (since 2021)	● Internal e-magazine (since 2025)
Disclosure		● Commenced disclosing TCFD's annual securities report (since 2020) ● Commenced publication of Sustainability Report (2019 to 2024)		● Commenced disclosing TNFD's annual securities report (since 2024) ● Commenced disclosing TCFD-TNFD report (since 2024) ● Commenced disclosing ESG data book (since 2025)
Sustainable finance		● Positive Impact Finance concluded (2019)	● Issued Sustainability Bond (15 billion) (2021)	● Issued Sustainability Bond (20 billion)
Initiatives		● Switched over store lighting to LED (continued from before 2018) ● Started obtaining 3rd-party assurance (since 2019) ● Commenced transition to renewable energy for stores (since 2018) ● Commenced transition to EVs for company vehicles (since 2019) ● Switched to environmentally friendly packaging materials (since 2019) ● Introduced mandatory retirement age of 65 (JFR and some operating companies) (since 2020) ● Identified human rights issues (since 2020) ● Started Kyushu Tankentai (Hakata Daimaru) (since 2018)	● Formulated net-zero transition plan (2022) ● Obtained SBT Net Zero certification (2022) ● Launched fashion subscription business AnotherADdress (since 2021) ● Agreed to participate in "Fry to Fly Project" for the domestic production of SAF from waste cooking oil (since 2023) ● Established LGBT partnership rules, gender change support leave (2021) ● J. Front Retailing Declaration of Health (2021) ● Declaration of Partnership Building (2021) ● Implemented Women's Empowerment Program Projec (2022) ● HAB@KUMAMOTO open (since 2023)	● Reuse business: "JFR & KOMEHYO PARTNERS Co., Ltd." (since 2025) ● Formulation of Customer Harassment Response Policy (Daimaru Matsuzakaya Department Stores) (2024) ● Third-party review by external experts of our human rights due diligence initiatives (2024) ● Establishment of the business succession fund "Pride Fund" (since 2024) ● Osaka, Shinsaibashi area: Quartz Shinsaibashi (since 2026) ● Nagoya, Sakae area: HAERA (since 2026)

External Assessment

Selected for the Dow Jones Best-in-Class (DJ BIC) Asia Pacific Index (DJBIC Asia /Pacific) for the fourth straight year.	Selected as a constituent of MSCI Japan ESG Select Leaders Index  2026 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX	Selected as a constituent of MSCI Japan Empowering Women Index (WIN) 2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	Selected as a constituent of FTSE JPX Blossom Japan Index 
Selected as a constituent of FTSE JPX Blossom Japan Sector Relative Index 	Selected as a constituent of FTSE4 Good Index Series 	Selected as a constituent of S&P / JPX Carbon Efficient index 	Selected as a constituent of Morningstar Japan ex-REIT Gender Diversity Tilt Index 
Selected as an A-list Company for sixth straight year in CDP Climate Change Survey 2025 	Recognized as an ECO-First Company by the Ministry of the Environment 	Selected as an Environmentally Sustainable Company at the 7th ESG Finance Awards Japan 	Received "Gold" rating in the PRIDE Index for the 5th consecutive year. 

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Assessment Organization	Award Name	2018	2019	2020	2021	2022	2023	2024	2025
MSCI	MSCI Japan ESG Select Leaders Index								
	MSCI Japan Empowering Women Index (WIN)								
FTSE	FTSE Blossom Japan Index								
	FTSE Blossom Japan Sector Relative Index								
	FTSE 4Good Index Series								
Sustainalytics	Morningstar Japan ex-REIT Gender Diversity Tilt Index								
S&P Global	DJSI Asia / Pacific								
	S&P/JPX Carbon Efficient Index								
CDP (Climate)	A-list								



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