



With Local Communities, with Customers

As a corporate citizen, J. Front Retailing uses the resources of the companies in the Group and implements initiatives through business activities to contribute to revitalizing local communities and resolving various social issues.

① Contribution to revitalizing local communities

Our Urban Dominant Strategy is a “business model for growing with local communities” by enhancing the appeal of the whole area with the stores at its core. Implementing the strategy helps attract more customers to the area and contribute to the area.

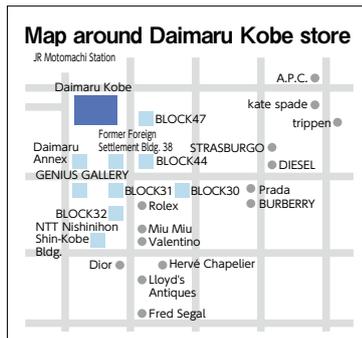
*For Ginza Six and Ueno Frontier Tower, please see pages 26 and 27.

● Shop development around the Daimaru Kobe store

The Daimaru Kobe store has developed shops around it since 1987, about 30 years ago. Cutting-edge fashion brands are invited to open their boutiques in exotic buildings in Motomachi, Kobe, which historically developed as a foreign settlement, to



attract more customers to the area. Currently approximately 60 shops operate around the store and the area combining shopping and sightseeing



attracts customers from a wider area. The store organizes events using the appeal of the Former Foreign Settlement on a regular basis. In March 2017, Vogue’s shopping event “Vogue Fashion’s Night Out” was held. It was the first time in the world that the event was held in spring.

● Kyoto Machiya project

In 2016, Daimaru opened the “Daimaru Kyoto Store Gion Machiya” as a special project celebrating the 300th anniversary of its foundation. In Gion, which has a taste of the old capital, we revived a dilapidated *machiya* (a Japanese traditional townhouse) and operate a luxury

brand boutique that matches Kyoto, which combines “tradition” and “innovativeness” (Hermes from November

2016 to July 2017 and Hublot from August 2017). By preserving and using the *machiya*, we inherit historical value and contribute to revitalizing the



Daimaru Kyoto Store Gion Machiya (Hublot Boutique Kyoto)

area. And we are well received by people in Japan and abroad as well as residents in Kyoto.

● Proposal for local production for local consumption

“Local production for local consumption” helps revitalize the local economy. It also helps reduce environmental emissions from transportation and refrigeration decrease



Event to recommend the products produced in Yamaguchi (Shimonoseki Daimaru)

due to short transportation distance. Each of the Daimaru and Matsuzakaya stores organizes events to provide a wide range of products including food, clothing and crafts and expand their sales.

② Contribution to resolving the issues of the child-raising generation

With the aim of taking away some of the worries and inconveniences that accompany early childhood parenting, we launched the operation of unlicensed infant child care facilities that provide both enhanced early-childhood education and extended-hour child care. We will operate the facilities under franchise in collaboration with Tact

Kodomomirai Co., Ltd., a group company of Yaruki Switch Group Holdings Co., Ltd., to provide a curriculum



including not only “intellectual training” but also “physical exercise” and “English.” The first facility named “Daimaru Matsuzakaya Kids Duo International Aobadai” will open in Aoba-ku, Yokohama in April 2019.

③ Contribution to the safety and security of customers

● Operation of Customer Service Office

At the “Consultation Corners for Consumers” of the Daimaru and Matsuzakaya stores, consultants certified as advisory specialists for consumers’ affairs



accept comments from customers regarding product quality. Comments from customers are sent to Consumer Product End-Use Research Institute online for scientific quality inspection. Consultants inform customers of the results. These test results are also provided to relevant stores and manufacturers to prevent recurrence and improve quality.

● “Consumer Product End-Use Research Institute” as a quality professional in the retail industry

Consumer Product End-Use Research Institute (the “Institute”) operates in Osaka, Tokyo and Nagoya. Its operations include tests to identify product performance and the causes of complaints, the verification of product labels and expressions in sales promotion media under relevant laws and regulations, and consulting, trainings and seminars concerning product control in general.

For the companies in the Group, the Institute conducts various tests to ensure the safety of products in use including quality tests of various products for sale, load bearing tests of wrapping paper and shopping bags and color fastness tests, as well as pre-sale tests, product label checks at stores and hygiene inspections of food floors and restaurants.

● Creation of safe and secure store environment

At department stores and other stores and offices, we organize self-defense fighting teams and conduct emergency drills and BCP trainings* in preparation for earthquakes and fires. We also promote the improvement of systems by introducing an earthquake early warning alert system, a safety confirmation system for all employees and satellite-based mobile phones. Self-defense firefighting teams at stores carry out drills on a regular basis with the participation of all workers including people from suppliers to ensure that we can take prompt and appropriate actions including firefighting, evacuation guidance for customers and information collection. AED (automatic external defibrillator) units

are installed mainly in department stores and we continuously train employees in their use.

*BCP: A plan that allows an organization to continue to operate or restore business early in the event of disaster

④ Social contribution activities with customers

J. Front Retailing continuously conducts social contribution activities with customers through business activities.

The unnecessary PET bottle caps collected mainly in the Daimaru and Matsuzakaya stores are recycled through the nonprofit organization “Re Lifestyle” and we donate the full amount paid for them to the authorized nonprofit organization “Japan Committee Vaccines for the World’s Children” to fund vaccines for children around the world. Since we started this initiative in December 2009, the total amount donated through the collection of caps and other activities reached the equivalent of polio vaccines for 260,000 children in May 2018. Our other charity support activities include the “Pink Ribbon Campaign” and “Blue Clover Campaign” that promote early diagnosis, detection and treatment of breast cancer and prostate cancer, respectively, the “Table for Two” program that helps provide school meals for children in developing countries and support for people in the areas affected by the Great East Japan Earthquake, the Kumamoto Earthquake and other disasters.



Blue Clover Campaign

Major charity support in FY2017 (Daimaru Matsuzakaya Department Stores)

(Unit: ¥1,000)

Recipient	Description	Amount donated
Japanese Red Cross Society "We will never forget." - Project for the future"	Supported the rehabilitation assistance project by announcing online, wearing awareness badges, putting stickers on cars and donating the full amount raised in stores and employee facilities	114
Scholarship funds to support children affected by the Great East Japan Earthquake	Donated a portion of the proceeds from the sale of the "charity pins celebrating the 10th anniversary of Sakura Panda's birth" under the intent of support for Tohoku "Smile for Japan"	1,699
Authorized NPO Orange Clover	Donated the money raised through the Love 49 campaign and a portion of the proceeds from the sale of original eco bags, etc. to support cervical cancer prevention awareness activities	288
Local Pink Ribbon support groups	Donated a portion of the proceeds from the sale of original pins, heart bread, beverages from Pink Ribbon vending machines, etc. to support breast cancer prevention awareness activities	1,081
Kumamoto Earthquake Relief Fund	Donated a portion of the proceeds from the sale of the "charity pins celebrating the 10th anniversary of Sakura Panda's birth"	992
Authorized NPO Table for Two International	Donated a portion of the proceeds from the sale of healthy meals to help provide school meals in developing countries	311
Authorized NPO Japan Committee Vaccines for the World's Children	Donated the full amount received at the auction of Rob Ryan's original drawings of Christmas promotion charity program "Baton Relay for the Future" and raised in conjunction with posting with hashtags and the view counts of special videos	1,126