

Top Commitment	Sustainability Promotion System	JFR Materiality Issues	Contribution to a Low-Carbon Society	Management of the Entire Supply Chain	Coexistence with Local Communities	Promotion of Diversity	Realization of Work-Life Balance	Operating Companies' ESG Initiatives	Outside Director's Message	Governance	Data
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Working Combined with Child and Family Care → **Initiatives to Improve Productivity** Promoting Health Management

Initiatives to Improve Productivity

Work Styles for Better Productivity

The Group seeks not only to correct long working hours but also to realize creative and productive work styles as well as better lifestyles for our employees through a good work-life balance, which will ultimately lead to growth for the company. In order to achieve this, our aim is to streamline both our operations (with greater efficiency) and our work styles, by promoting reforms in management, systems and rules, plus mechanisms and tools.

Management reforms have taken the form of management line training and revised regulation of working hours. Reforms to systems and rules are promoting paperless operations and initiatives such as thoroughly implementing no-overtime days. Reforms to mechanisms and tools include such changes as adopting digital offices and free address layouts to create better environments in each company, promoting better operations systems through the adoption of robotic process automation (RPA), and innovations in groupware to achieve more efficient and more productive work styles.

Introduction of Teleworking

The five companies including J. Front Retailing, Parco, Daimaru Kogyo, Dimples', and JFR Information Center have adopted teleworking from home in order to build working environments for better productivity and job satisfaction. Allowing flexibility in work allows more efficient work styles. Employees of J. Front Retailing can work from their own or their parent's homes, enabling teleworking when they return for long vacations to their hometowns.

J. Front Retailing is also active in reforms to work styles. A free

address system where anyone can sit anywhere was adopted on the move to a new office in January 2018. The promotion of digital meetings further promoted paperless operations, reducing around 50% of documents.



Meeting spaces at J. Front Retailing

Encouraging the Taking of Paid Leave

The Group is actively striving to promote the taking of consecutive days off to increase the taking of paid leave. Eight statutory holidays can be combined with paid leave as two 10-day or four 5-day consecutive holidays each year. Workers at Daimaru Matsuzakaya Department Stores can use three of their paid leave days as event leave.

Employees reaching the ages of 30, 40, or 50 can take consecutive holidays as refreshment leave. The utilization rate of paid leave in fiscal 2018 at Daimaru Matsuzakaya Department Stores was 44.5%.

Reducing Overtime Work

J. Front Retailing, Daimaru Matsuzakaya Department Stores, Daimaru Kogyo, and Dimples' are reducing overtime by adopting diverse working shifts and a super flexi-time system with no core times. The super flexi-time system allows all

employees to adjust their working hours. Outside training or sales work can be attended straight from home with no need to return to the workplace afterward, for a more efficient use of time. Employees engaged in child or family care can match their work styles to their individual circumstances, by adjusting job times in units of hours so that they can attend events or meetings without having to lose an entire day of work.

Other measures include keeping track of individual working times with IC cards, warning on computer screens, and no overtime days. Teleworking is also being considered for use in operating companies, to further reduce overtime.

Average monthly overtime (Daimaru Matsuzakaya Department Stores)

Fiscal 2016	5.2 hours
Fiscal 2017	5.3 hours
Fiscal year 2018	5.3 hours

* Calculated as the prescribed overtime work

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Use of Technology

The Group will streamline operations using technologies including AI and RPA and shift man-hours created by increased efficiency to high value-added operations or reassigned to creative jobs. Mobile PCs and a new videoconferencing system were adopted to enable flexible work styles such as teleworking, while digital meetings are helping to achieve paperless operations.

Work Style Reform through RPA

The Group is achieving work style reforms by adopting robotic process automation (RPA) to streamline the administrative operations system and shift to high-value added services.

The three companies including J. Front Retailing, Daimaru Matsuzakaya Department Stores, and JFR Service are steadily adopting RPA for routine tasks, such as calculation of expenses, system input of orders, or collecting the information required to be input in planning documents. By shortening task times, workers formerly busy with input can now shift to productive tasks like sales and planning, leading to work style reform. In fiscal 2018, 42 tasks worth approximately 8,000 hours were automated through the introduction of new software or streamlining organizational structures. This is to be expanded to 300 tasks for the entire Group over the five years of the Medium-term Business Plan, to automate 30,000 man-hours for enhanced productivity.

External recognition

● Certified for 4 stars in the Nikkei Smart Work management survey (2019)

We received four stars in the Third Nikkei Smart Work management survey, which selects companies leading the way in the productivity revolution through work style reform.



Work style reform using ICT

Radical overhaul of operation frames centered on paperless operations using ICT



Promoting operation process reform using ICT

