

June 9, 2021

Taiho Pharmaceutical Co., Ltd.

Otsuka Holdings Co., Ltd.

Taiho Pharmaceutical Adopts Carbon-Neutral Electricity at Inuyama Plant

Taiho Pharmaceutical Co., Ltd. today announced the introduction of carbon-neutral electricity beginning this June at its Inuyama Plant*¹ (Aichi Prefecture), utilizing certificates equal to renewable energy that does not emit CO₂ (carbon-neutral electricity). Through this initiative, annual CO₂ emission at the Inuyama Plant is predicted to decrease by approximately 100 tons (about 60%*²). Taiho's Tokushima and Kitajima Plants, Tsukuba Area and Saitama Site have already adopted either CO₂-free or carbon-neutral electricity, and therefore the introduction of this new system at the Inuyama Plant is expected to reduce the total annual CO₂ emissions of Taiho Pharmaceutical (including its subsidiary Okayama Taiho Pharmaceutical) by approximately 13,300 tons (about 28%*³). As a result, all of Otsuka Holdings' major operating companies' domestic production bases (5 companies *⁴, 23 bases in total) now have introduced either CO₂-free or carbon-neutral electricity.

The Paris Climate Change Agreement ratified by Japan in 2016 sets down the long-term goal of holding increases in global average temperature to well below 2°C above pre-industrial levels, endeavoring to limit the increase to 1.5°C. In order to achieve this goal, global peaking of greenhouse gas emissions must be achieved as soon as possible, with greenhouse gas emissions to be balanced with their absorption (via forests etc.) in the second half of the 21st century. Climate change issues need to be addressed at a global level, and the movement to introduce renewable energies that do not emit greenhouse gases, including carbon dioxide, is expanding. The Otsuka group, of which Taiho Pharmaceutical is a member, has identified “climate change” and “resource recycling and conservation” and “water conservation” as CSR Materiality for developing environmental initiatives. With regard to climate change, the group is actively endeavoring to achieve its target of reducing CO₂ emissions by 30% by 2030*⁵.

To achieve greenhouse gas reduction targets*⁶ certified by the Science Based Targets (SBT) initiative*⁷, Taiho Pharmaceutical is optimizing energy use and expanding the introduction of renewable energy to promote greenhouse gas reduction throughout its value chain. Taiho Pharmaceutical will continue to view environmental issues as one of its priorities and continue its environmental activities to help realize a sustainable society.

*¹ Taiho pharmaceutical HP Inuyama Plant https://www.taiho.co.jp/csr/environment/site_report/inuyama/ (Japanese only)

*² From Taiho pharmaceutical Inuyama Plant 2020 levels.

*³ From Taiho pharmaceutical (including its subsidiary Okayama Taiho Pharmaceutical) 2017 levels. Applies to CO₂ emissions in Japan.

*⁴ Otsuka Pharmaceutical Co., Ltd.; Otsuka Pharmaceutical Factory, Inc.; Taiho Pharmaceutical Co., Ltd.; Otsuka Chemical Co., Ltd.; Otsuka Foods Co., Ltd.

*⁵ From the Otsuka group's 2017 levels. Applies to CO₂ emissions both in Japan and overseas.

*⁶ The SBT initiative is a collaborative effort between the nongovernmental organization CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and the World Wildlife Fund for Nature (WWF) for achieving the Paris Agreement-mandated objective of limiting the average global temperature rise to below 2 degrees Celsius. It certifies the CO₂ emission reduction targets of companies that are in line with emissions reduction scenarios based on scientific facts.

<https://sciencebasedtargets.org/companies-taking-action/>

*⁷ October 28, 2019, News Release “Taiho Pharmaceutical Greenhouse Gas Emissions Reduction Targets Earn Science Based Targets (SBT) Initiative Certification” <https://www.taiho.co.jp/en/release/2019/20191028.html>