

September 1, 2021  
Taiho Pharmaceutical Co., Ltd.  
Otsuka Holdings Co., Ltd.

## Taiho Pharmaceutical's Drug Discovery Site in Tsukuba Fully Switches to Carbon-Neutral Electricity, and Newly Adopts Carbon Neutral City Gas

### Annual CO<sub>2</sub> Emissions of the Tsukuba Area to Decline by Approximately 56%

Taiho Pharmaceutical Co., Ltd. today announced the 100% introduction of carbon-neutral electricity utilizing certificates equal to renewable energy that does not emit CO<sub>2</sub>, and also the introduction of carbon neutral city gas in its drug discovery site, the Tsukuba Area (Ibaraki Prefecture), beginning this September.

Through the expansion of carbon-neutral electricity introduction, annual CO<sub>2</sub> emissions in the Tsukuba Area are predicted to decrease by approximately 5,900 tons (about 56%\*<sup>1</sup>) including the amount of emissions previously introduced. As a result, the annual CO<sub>2</sub> emissions of Taiho Pharmaceutical (including its subsidiary Okayama Taiho Pharmaceutical) are expected to fall by approximately 17,800 tons (about 38%\*<sup>2</sup>).

In addition, Taiho Pharmaceutical newly adopted the "carbon neutral city gas" from Tokyo Gas Co., Ltd. Carbon neutral city gas uses natural gas, which is deemed to produce no CO<sub>2</sub> on a global scale when burned, by offsetting (carbon offset) greenhouse gases generated in the process from extraction to the burning of natural gas with CO<sub>2</sub> credit.

The Otsuka group, of which Taiho Pharmaceutical is a member, has identified "climate change", "resource recycling and conservation" and "water conservation" as material issues for developing environmental initiatives. With regard to climate change, the group is working hard to achieve its target of reducing CO<sub>2</sub> emissions by 30% by 2030\*<sup>3</sup> and is actively pursuing renewable energy adoption and efficient energy use. New systems such as carbon neutral city gas will contribute to the realization of a sustainable society, in addition to being related to the reduction and curbing of greenhouse gas emissions on a global scale. The Otsuka group will continue to make group-wide efforts to reduce its environmental impact by using new technologies and solutions.

To achieve greenhouse gas reduction targets\*<sup>4</sup> certified by the Science Based Targets (SBT) initiative\*<sup>5</sup>, Taiho Pharmaceutical is optimizing energy use and expanding the introduction of renewable energy to promote greenhouse gas reduction throughout its value chain. Furthermore, the Tsukuba Area, being certified as the Tsukuba SDGs Partners\*<sup>6</sup> in October 2019, will continue to contribute to the realization of a sustainable society through various activities.

\*1 From Taiho Pharmaceutical Tsukuba Area 2020 levels.

\*2 From Taiho Pharmaceutical (including its subsidiary Okayama Taiho Pharmaceutical) 2017 levels. Applies to CO<sub>2</sub> emissions in Japan.

\*3 From the Otsuka group's 2017 levels. Applies to CO<sub>2</sub> emissions both in and outside Japan.

\*4 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>

\*5 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 CO<sub>2</sub> emission reduction targets of companies that are in line with emissions reduction scenarios based on scientific facts. <https://sciencebasedtargets.org/companies-taking-action/>

\*6 Tsukuba SDGs Partners <https://www.tsukuba-sdgs.jp/index.html>