

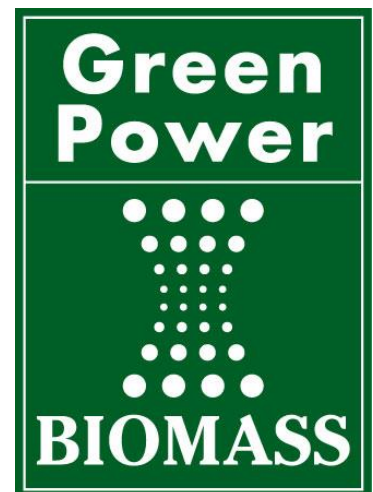
**Office Divisions of Five Otsuka Group Companies
to Switch to Green Power**

Otsuka Holdings Co., Ltd. (Head office: Chiyoda-ku, Tokyo, Japan; President and Representative Director, CEO: Tatsuo Higuchi) has announced purchase of Green Power Certificates to switch all electricity used by the office divisions of five group companies*¹ to green power. The Green Power Certificates are issued by Japan Natural Energy Company Limited (Head office: Shinagawa-ku, Tokyo, Japan; President : Atsushi Fukuta).

In the Green Power Certificate system, the environmental added value of power produced from renewable energy sources is certified by a third-party certification entity, with Green Power Certificates issued as tradable items. The purchase price of Green Power Certificates is channeled through the issuing organization to support maintenance and expansion of green power generation facilities. Though businesses purchasing Green Power Certificates might not have their own power generation facilities, they are considered to have contributed to the expansion of green power. In this way, trading of Green Power Certificates functions as a deterrent to global warming.

In the contract entered into by Otsuka, all electricity consumed by office divisions of five affiliated companies including branch and local offices (12,500,000kWh) will be replaced with green power, resulting in an annual reduction of 6,600 tons of CO₂ emissions (equivalent to annual emissions of approximately 2,300 households*²).

The Otsuka group of companies has identified climate change, resource recycling and conservation, and water conservation as important areas (materialities) for environmental initiatives. Regarding climate change, the goal of 30% reduction in CO₂ emissions by 2030*³ is the focus of proactive efforts to reduce CO₂ emissions across the value chain. Aiming for optimization of energy consumption, group-wide initiatives include introduction of CO₂-free electric power and fuel conversion through expansion of co-generation systems*⁴ and introduction of solar power generation. Going forward, we will continue to collaborate on environmental initiatives to contribute to the realization of a low-carbon, sustainable society.



Green Power certification mark
is certified from Japan
Natural Energy Company Limited

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

*2: Calculated based on 2018 household sector CO₂ emissions.

*3 Compared to group company 2017 levels of CO₂ emissions in Japan and overseas.

*4 Systems that use fuels such as natural gas, petroleum and LP gas to generate power via engines, turbines, fuel cells etc., and recover waste heat as part of the process. Recovered waste heat can be used in factories in the form of steam or hot water as heat sources, air conditioning, hot water supply, etc. The aim is zero-waste use of heat and electricity to achieve high-level comprehensive energy efficiency.

[Reference information]

Major domestic efforts related to climate change by the Otsuka group companies

- July 2019 : CO₂-free electricity introduced at factories and research institutes of Otsuka Pharmaceutical, Otsuka Pharmaceutical Factory, Taiho Pharmaceutical, Otsuka Chemical, and Otsuka Foods in Tokushima and at Fukuroi Factory of Otsuka Pharmaceutical
- November 2019 : CO₂-free electricity introduced at Shiga Factory of Otsuka Foods
- February 2020 : Cogeneration system introduced at Toyama Factory of Otsuka Pharmaceutical Factory
- April 2020 : CO₂-free electricity introduced at Takasaki and Saga Factories of Otsuka Pharmaceutical
- July 2020 : CO₂-free electricity introduced at Kushiro Factories of Otsuka Pharmaceutical Factory and Otsuka Foods
- September 2020 : Self-consuming solar power generation facility introduced at Kushiro Factory of Otsuka Pharmaceutical Factory
- September 2020 : Carbon-neutral electricity introduced at Taiho Pharmaceutical in Tsukuba area
- January 2021 : Carbon-neutral electricity introduced at Taiho Pharmaceutical in Saitama area