

NEWS RELEASE

Jan. 29 2024

**Otsuka Chemical's New Cogeneration System Started Operation at Its
Tokushima Factory****Optimization of electricity and steam supply to the Otsuka group of companies cuts
CO₂ emissions by approximately 8,000 tons per year.**

Otsuka Chemical Co., Ltd. (Head office: Osaka-shi, Osaka Prefecture, Japan; President and Representative Director: Hiroyoshi Tosa; hereinafter "Otsuka Chemical"), a subsidiary of Otsuka Holdings Co., Ltd. (Head office: Chiyodaku, Tokyo, Japan; President and Representative Director, CEO: Tatsuo Higuchi), started operation of new Cogeneration System in January, 2024.

Otsuka Chemical introduced the cogeneration system in 2007 and has facilitated the efficient use of energy by supplying electricity and steam to neighboring factories of the Otsuka group companies. The cogeneration system of Otsuka Chemical generates power using city gas as a fuel and effectively uses the waste heat generated from the power generation for the factories' air-conditioning, steam, and other purposes.

With the collaboration of each group company, the new system started operation to control power generation for the optimal supply-demand balance according to the operation level of each group company's factories engaging in various businesses supply electricity and steam. This will maximize the efficiency of energy use. As a result of the introduction of this system, the CO₂ emissions of the Otsuka group companies are expected to decrease by approximately 8,000 tons a year*¹ (equivalent to the yearly emissions of approximately 3,000 households)*².

The Otsuka group of companies has identified *carbon neutrality*, *circular economy*, and *water neutrality* as material issues for environmental initiatives. In response to *carbon neutrality*, the group established the goal of a 50% reduction in CO₂ emissions by 2028*³ and is promoting the active introduction of renewable energy and efficient energy use.

The Otsuka group companies will continue to work in cooperation to reduce the environmental load through the use of new technologies and solutions with the aim of contributing to the realization of a low-carbon, sustainable society.

*1: Comparison with the 2019 data of the current system

*2: Calculated from CO₂ emissions of the household sector

*3: Comparison with the 2017 data of Otsuka group



Otsuka Chemical Co., Ltd

Established : August 29, 1950

Capital : 5 billion Japanese yen

Representative : Hiroyoshi Tosa, President and Representative Director

Head Office : 3-2-27, Ote-Dori, Chuo-Ku, Osaka-shi, Osaka 540-0021 Japan

Employees : 512 (as of Dec. 31, 2023)

Business Description : Manufacturing and marketing of chemical products

Otsuka Holdings Co., Ltd.

Established : July 8, 2008

Capital : 81.69 billion Japanese yen

Representative : Tatsuo Higuchi, President and Representative Director, CEO

Head Office : 2-9 Kanda-Tsukasamachi, Chiyoda-ku, Tokyo 101-0048, Japan

Employees : 154 (as of December 31, 2023)

Business Description : Holding company