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Company Name: Tokyo Century Corporation

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(Securities Code: 8439; Tokyo Stock Exchange Prime Market)

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Carbon Neutrality Policy for Fiscal 2040

By upholding “Contribution to a decarbonized society” as its materiality, Tokyo Century is promoting its contribution to spreading clean energy through its initiatives on climate change and the environment. To coincide with the start of commercial operation of a biomass co-firing power plant owned by Shunan Power Corporation (hereinafter referred to as “Shunan Power”), a consolidated subsidiary, we have established our Carbon Neutrality Policy for Fiscal 2040, which includes a transition roadmap for the power plant and is intended to achieve net-zero greenhouse gas (GHG) emissions for Tokyo Century Group.

- ◆ We will reduce GHG emissions in our business activities, with the aim of achieving carbon neutrality in fiscal 2040 (net-zero GHG emissions).
- ◆ As an interim goal toward carbon neutrality, we will aim to reduce GHG emissions by 50% in fiscal 2030 (compared to fiscal 2021).

Fiscal 2021 (Base Year) Target	Fiscal 2030 (Interim) Target	Fiscal 2040 Target
GHG emissions: 1,365,000 t	GHG emissions: reduce by 50%	GHG emissions: reduce by 100%

*Applies to direct GHG emissions (Scope 1) by Tokyo Century Corporation and major consolidated subsidiaries in terms of GHG emissions, and indirect emissions from the use of electricity and other resources supplied by other companies (Scope 2).

Approximately 98% of the 1,365,000 tons of GHG emissions in fiscal 2021 came from Shunan Power’s biomass co-firing power plant. In the years ahead, the plant will raise its biomass co-firing ratio, and based on future technological progress, introduce black pellets with high thermal efficiency and prepare for the transition to ammonia co-firing, which does not emit GHG, in an effort to achieve net-zero GHG emissions as early as possible by targeting fiscal 2040. In addition, we will simultaneously increase the ratio of renewable energy sources, mainly for electricity used by our domestic and overseas consolidated subsidiaries, with the goal of achieving carbon neutrality for the Tokyo Century Group in fiscal 2040.

As a leader in the financial services industry working to realize a decarbonized society, we will promote our unique business model of “Finance × Services × Business Expertise,” seize opportunities presented by changes in the business environment such as Green Transformation (GX) to achieve further growth, and continue contributing to solutions to address the global challenge of climate change.

Tokyo Century Group's Carbon Neutrality Policy

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Tokyo Century Group*¹ will reduce its own GHG emissions*² toward achieving **carbon neutrality by fiscal 2040.**

As our interim goal toward carbon neutrality, we will aim to reduce GHG emissions in fiscal 2030 by 50% (from fiscal 2021*³)

- *1 Applies to manned bases of consolidated subsidiaries (including Shunan Power's biomass co-firing plant).
- *2 Applies to direct GHG emissions by the company (Scope 1) and indirect emissions from the use of electricity, heat, and steam supplied by other companies (Scope 2).
- *3 Emissions in fiscal 2021: 1,365 kt-CO₂ (Baseline of emissions reduction for carbon neutrality: actual emissions for fiscal 2021 + estimated annual emissions from Shunan Power's biomass co-firing plant and hotel business)

Image Diagram

Tokyo Century Group's Carbon Neutrality Policy (Reduction Plan for GHG Emissions)

