Tokyo Century

NEWS RELEASE

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Formulation of Medium- to Long-Term Targets for Carbon Neutrality

Expanding Coverage to Scope 3 Emissions Across the Entire Supply Chain,
Aiming for Carbon Neutrality by FY2050

Tokyo Century Corporation (“Tokyo Century”) has formulated Medium- to Long-Term Targets for Carbon Neutrality (the "Targets") covering its entire supply chain. Building on the "Carbon Neutrality Policy for Fiscal 2040" established in September 2022, these Targets cover the direct and indirect emissions (Scope 1 and Scope 2) of the Tokyo Century Group (the "Group") as well as its supply chain emissions (Scope 3). They also set an interim target for fiscal 2040 toward achieving carbon neutrality by fiscal 2050.

1. Background

(1) Expansion of Coverage to Scope 3 Emissions Across the Entire Supply Chain

Amid growing societal demands for GHG emission reductions across entire supply chains, Scope 3 accounted for approximately 91% of the Group's total GHG emissions in fiscal 2024. Reflecting these business characteristics, Tokyo Century has expanded the scope of its targets to include Scope 3. It aims to promote decarbonization not only by reducing its own emissions but also through co-creation with clients and partner companies.

(2) Establishment of the FY2040 Interim Target Focused on Effectiveness

The business landscape for biomass co-firing power generation, which accounts for the majority of the Group's Scope 1 and 2 emissions, is changing in terms of widespread adoption of transition technologies, fuel procurement, policies, and regulations. In light of these changes in the external environment, the Group has updated its targets with a focus on effectiveness. It has established an interim target of a 62% reduction in GHG emissions by fiscal 2040 compared to fiscal 2024 levels, aiming for carbon neutrality by fiscal 2050.

2. Overview of the Targets

The Group[*1] aims to achieve carbon neutrality by fiscal 2050 by reducing GHG emissions[*2] from its own operations and across its supply chain. To realize this, Tokyo Century has set emission reduction targets for Scope 1 and Scope 2 and relevant KPIs for Scope 3, through which it will manage progress.

(1) Scope 1 and Scope 2 (Direct and Indirect Emissions of the Group)

- Achieve net-zero emissions from company vehicles and office electricity consumption by fiscal 2030.
- Target a 62% reduction in GHG emissions by fiscal 2040 compared to fiscal 2024 (Interim Target)[*3].
- Achieve carbon neutrality by fiscal 2050.

(2) Scope 3 (Supply Chain Emissions)

Category 13 "Downstream Leased Assets" accounted for the majority of the Group's Scope 3 emissions in fiscal 2024[*4]. For key businesses related to this category, Tokyo Century has set the

following interim targets for fiscal 2040.

Target Business	Related KPI	FY2040 Interim Target
Domestic Auto Leasing & Car Rental Business	Electric vehicle ratio*5	60%
Domestic Leasing Business	Effective utilization rate of expired leased assets*6	95% or higher

*1 Target scope includes Tokyo Century Corporation and its consolidated subsidiaries (97 companies in total).
*2 Scope 1 refers to direct GHG emissions by the business operator itself; Scope 2 refers to indirect emissions associated with the use of electricity, heat, and steam supplied by other companies; and Scope 3 refers to supply chain emissions.
*3 Total Scope 1 and Scope 2 emissions (Scope 2 on a market basis) in fiscal 2024 were 1.348 million t-CO2.
*4 Scope 3 emissions in fiscal 2024 were 13.01 million t-CO_2, of which Category 13 "Downstream Leased Assets" accounted for 12.00 million t-CO_2.
*5 Electric vehicles: EVs, FCEVs, PHEVs, and HVs.
*6 The effective utilization rate is calculated as "(Lease contracts transitioned to re-lease contracts + Sale or disposal of expired leased assets) / Total expired lease contracts," indicating the proportion of expired lease assets (equipment, facilities, etc.) that were reused or recycled through re-leasing, sale, or disposal.

3. Key Initiatives to Achieve the Targets

(1) Initiatives to Reduce Scope 1 and Scope 2 Emissions

Based on the business characteristics of each Group company, Tokyo Century will reduce emissions primarily through the following measures. These initiatives aim to fulfill the interim target for fiscal 2040 and achieve carbon neutrality by fiscal 2050.

- Drive low-carbon and decarbonization initiatives in biomass co-firing power generation.
- Electrify company vehicles.
- Switch to electricity derived from renewable energy.
- Utilize non-fossil certificates.

(2) Initiatives to Reduce Scope 3 Emissions

Tokyo Century will work to improve relevant KPIs through collaboration with clients and partner companies.

Domestic Auto Leasing & Car Rental Businesses

- Nippon Car Solutions Co., Ltd.: Promote the introduction of electric vehicles for clients' leased vehicles.
- Nippon Rent-A-Car Service, Inc.: Accelerate the adoption of electric vehicles in rental car fleets.

Domestic Leasing Business

- Promote the effective utilization of expired leased assets through reuse and recycling to expand resource circulation.
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(3) Prerequisites for Achieving the Targets

In addition to the Group's voluntary reduction efforts, the achievement of these Targets assumes that the following external environment, policies, and systems progress as planned:

- Adoption of technologies in society aligned with government transition roadmaps and the establishment of stable fuel procurement networks
- Decarbonization of grid power based on the government's Strategic Energy Plan
- Progress toward decarbonization among clients, including lease customers

4. Future Outlook

Tokyo Century aims to create a sustainable society under its Purpose, "Shaping Our Blue Planet," as "a Company Driving Solutions to Global Issues with an Entrepreneurial Spirit." The Medium-Term Management Plan 2030, announced in May 2026, designates "Commitment to Carbon Neutrality across Scopes" as a key theme in deepening sustainability management. The formulation of these Targets marks a crucial step toward achieving this vision.

Tokyo Century will continue to drive initiatives that promote decarbonization and resource circulation through the expansion of eco-friendly mobility services, renewable energy projects, IT asset disposition (ITAD), and other services. Through co-creation with partner companies, Tokyo Century will not only reduce its own emissions but also contribute to the decarbonization and green transformation of society as a whole.

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