

22.02.02

Z Holdings Corporation

Z Holdings Corporation Announces "2030 Carbon Neutrality Declaration"

- Plans to Reduce GHG Emissions to Net-Zero by FY2030

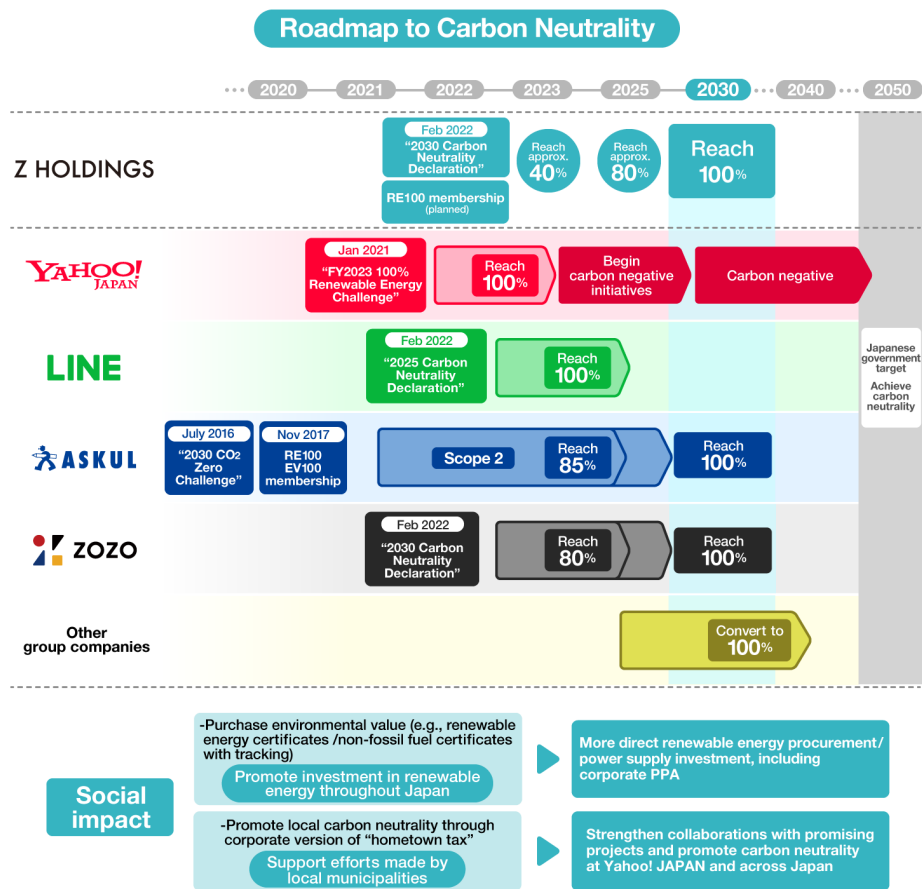
- Yahoo! JAPAN to Take the Lead to Become Carbon Negative, Aiming to Achieve Carbon Neutrality in the Entire ZHD Group

Z Holdings Corporation (hereinafter "ZHD") hereby announces its "2030 Carbon Neutrality Declaration"^{*1}, a commitment to reduce greenhouse gas emissions (GHG emissions) from the business activities of the entire ZHD Group—including Yahoo Japan Corporation (hereinafter "Yahoo! JAPAN"), LINE Corporation (hereinafter "LINE"), ZOZO, Inc. (hereinafter "ZOZO") and others—to net-zero. Furthermore, the ZHD Group also aims to join RE100^{*2}, a global initiative that aims to promote 100% renewable energy in the electricity used by the companies themselves, at the earliest possible stage.

Among the ZHD Group companies, Yahoo! JAPAN declared the "FY2023 100% Renewable Energy Challenge" in January 2021, aiming to achieve the shift to 100% renewable energy for electricity used for business operations such as in data centers by FY2023. In 2016, ASKUL declared the "2030 CO2 Zero Challenge" and has introduced renewable energy and electric vehicles (EVs) to fulfill its aim to achieve zero CO2 emissions from business sites and logistic centers that ASKUL has direct influence on, as well as from vehicles used to deliver goods from logistic centers to customers.

Carbon Neutrality Declarations have also been announced in other major ZHD Group companies such as LINE and ZOZO. LINE announced its "2025 Carbon Neutrality Declaration," committing itself to reducing GHG emissions to net-zero by FY2025. In addition to its operation of highly efficient data centers, LINE will work to convert to renewable energy. ZOZO also announced its "2030 Carbon Neutrality Declaration," declaring to reduce its GHG emissions to net-zero by FY2030. So far, ZOZO has worked on the recycling of clothing by offering a trade-in discount service, "Replacement Discount," and reselling collected items, as well as the introduction of renewable energy in its head office and logistic centers. ZOZO will continue to introduce renewable energy in other locations as well.

To achieve ZHD's goal by FY2030, first, more than 80% of the electricity used by major Group companies will be generated from renewable energy sources by around FY2025, and then the remaining electricity will be converted to 100% renewable energy sources over the following five years. In addition, to fulfill the "2030 Carbon Neutrality Declaration" by the entire ZHD Group, Yahoo! JAPAN will begin initiatives to become carbon negative^{*1} to absorb the GHG emissions from other Group companies that aim for 100% renewable energy in the 2030s. Moreover, the ZHD Group plans to cooperate with the companies operating businesses together to reduce the indirect GHG emissions^{*3} emitted by the collaborating companies.



In October 2020, the Japanese government declared its goal of reducing GHG emissions to net-zero by 2050^{*4} and moves towards decarbonization are accelerating in Japan.

Currently, of the GHG emissions from the business activities of the ZHD Group, more than 90% are from electricity and the rest from gasoline for automobiles and other sources.

Electricity used in business activities of the ZHD Group companies (mostly used in data centers) will be converted to renewable energy such as wind and solar power. In addition, some Group companies will aim to achieve net-zero GHG emissions by switching their data centers to Yahoo! JAPAN's Kitakyushu Data Center, which is already using 100% renewable energy.

Gasoline for automobiles is mainly used in ASKUL's delivery business. GHG emissions will reach net-zero by converting all delivery vehicles owned and leased by ASKUL and ASKUL LOGIST Co., Ltd. used in the last mile delivery, to EVs by FY2030.

Furthermore, through Yahoo! JAPAN Regional Carbon Neutrality Promotion Project^{*5} using the hometown tax donation program for enterprises, Yahoo! JAPAN will consider its carbon negative initiatives and generation of environmental value in cooperation with local governments, such as supporting innovative climate technologies and tree planting and aim to reduce GHG emissions in Japan as a whole.

Based on the "2030 Carbon Neutrality Declaration," the ZHD Group will remain committed to the realization of a sustainable society by promoting the introduction of renewable energy throughout the Group and encouraging carbon neutral initiatives beyond the scope of the ZHD Group companies.

[Ryosuke Sakaue, Senior Managing Corporate Officer, GCFO, Z Holdings Corporation]
 Z Holdings Corporation upholds "UPDATE THE WORLD - Unleashing the infinite potential of all people, with the power of information technology" as its mission and strives to realize a sustainable society by shaping the future with our technological capabilities and continuously solving social issues. In addition to Yahoo! JAPAN and ASKUL, which announced their carbon neutral initiatives ahead of time, the entire ZHD Group, including LINE, which was integrated in March 2021, and ZOZO, has decided to become carbon neutral by FY 2030. To realize a sustainable society, the companies of the Z Holdings Group will work together as well as with various stakeholders to achieve sustainable growth.

[Corporate Structures Reinforced to Achieve Carbon Neutrality]

Based on its Basic Environmental Policy^{*6}, ZHD and the ZHD Group continues to implement initiatives to protect the global environment for future generations using information technology.

- Management structure

The ZHD Group has established the ESG Management Committee, which is owned by the Group CFO, to fulfill its own social responsibilities and achieve sustainable development of the society and the environment. The Committee promotes ESG measures and the Four UPDATES^{*7} in cooperation with each Group company (divisions in charge of CSR management, corporate matters, and business matters).

- Risk Management Committee

The ZHD Group establishes the Risk Management Committee, and risks related to the Group's business activities are recognized, identified, and addressed under the leaderships of the Co-CEOs. In the environmental area, the Group conducts risk assessments of its environmental impact, on risks such as large-scale natural disasters associated with climate change and the spread of infectious diseases. The Group promotes its ESG initiatives in cooperation with the Risk Management Committee, which analyzes management risks.

[Initiatives Undertaken by Major ZHD Group Companies to Address Climate Change]

■Yahoo! JAPAN

- "FY2023 100% Renewable Energy Challenge"

<https://about.yahoo.co.jp/en/pr/release/2021/01/19a/>

Yahoo! JAPAN declared its commitment to totally shift the electricity used for its business operations to renewable energy by the end of FY2023. In May 2021, Yahoo! JAPAN started to introduce RE100-compliant renewable energy to its Shirakawa Data Center.

- Yahoo! JAPAN Regional Carbon Neutrality Promotion Project using the hometown tax donation program for enterprises

<https://about.yahoo.co.jp/csr/donationforcarbonneutral/> (Japanese only)

Yahoo! JAPAN opened "Yahoo! JAPAN Regional Carbon Neutrality Promotion Project" to the public to encourage the expansion of renewable energy sources and carbon neutrality measures by local governments. In FY2021, a donation totaling approximately JPY270 million was made towards ten municipalities.

- Yahoo! JAPAN SDGs-Media to communicate social issues under SDGs themes

<https://sdgs.yahoo.co.jp/> (Japanese only)

Yahoo! JAPAN launched Yahoo! JAPAN SDGs as media to communicate social issues and initiatives under SDGs themes. In this media, case studies that solve social issues are introduced. Moreover, links are placed in some articles that refer users to donation and e-commerce websites, supporting people and organizations involved in social issues and prompting users to take part in solving social issues.

■ASKUL

- "2030 CO2 Zero Challenge," RE100 and EV100

https://www.askul.co.jp/kaisya/english/ir/pdf/for_investor.pdf

In 2017, ASKUL joined both RE100^{*2} and EV100^{*8}, international initiatives led by the Climate Group. For RE100, ASKUL aims to convert the electricity used in all business sites and logistic centers, including its group companies, to renewable energy by 2030. For EV100, ASKUL aims to replace all last-mile delivery vehicles owned or leased by ASKUL and ASKUL LOGIST with EVs by 2030.

In December 2021, seven centers are operated by zero-CO2 electricity with environmental value (with renewable energy certificates or non-fossil fuel certificates) and the total renewable energy ratio reached approximately 57%. In addition, EVs that do not emit CO2 and exhaust gas have been introduced from 2016. Currently a total of 21 such EVs are in operation.

■LINE

- Announced "2025 Carbon Neutrality Declaration"

<https://linecorp.com/ja/pr/news/ja/2022/4101> (Japanese only)

LINE announced its commitment to reduce GHG emissions from electricity and other sources used in the LINE Group's business activities to net-zero by FY2025.

- Operation of highly efficient data centers

LINE uses data centers with high energy efficiency which are equipped with highly efficient equipment and strives to operate highly efficient data centers by selecting servers with high energy-saving performance and reducing energy consumption through consolidations of servers, etc.

■ ZOZO

- Introduction of electricity derived from renewable sources

ZOZO introduced 100% renewable energy-derived electricity to the new ZOZO Head Office in February 2021, and to its logistic bases ZOZOBASE Narashino¹ and ZOZOBASE Tsukuba¹ from January 2022. As a result, more than 60% of the electricity consumed by ZOZO's bases is now derived from renewable energy sources. Moving on, ZOZO will continue to promote the introduction of renewable energy at other locations with the aim of reducing GHG emissions.

<https://corp.zozo.com/news/20220120-17550/> (Japanese only)

- ZOZOUSSED's Sustainable Framework

In ZOZOUSSED, a brand-name used clothing zone within ZOZOTOWN, ZOZO deploys a trade-in discount service, "Replacement Discount." Items traded-in from customers are sold in ZOZOUSSED, enabling clothes to be recycled. Items that cannot be redistributed are given over to several clothing buyers who process the items properly. When converted to carbon dioxide emissions from incineration or disposal, this would result in an annual reduction of approximately 3,221 tons (FY2020).

<https://corp.zozo.com/en/initiative/20210902-7010/>

^{*1} GHG emissions subject to the GHG Protocol Scopes 1 and 2.

Scope 1: Direct GHG emissions from company-owned and controlled resources. (e.g., combustion of fuels, industrial process)

Scope 2: Indirect GHG emissions from the consumption of purchased electricity, heat, and steam

^{*2} RE100 is a global initiative led by the Climate Group and CDP to source 100% of electricity for business operations from renewable sources.

^{*3} GHG emissions subject to the GHG Protocol Scope 3.

Scope 3: Indirect GHG emissions not included in Scopes 1 and 2 that occur in the value chain of the reporting company, emitted by other companies.

^{*4} FYI: Japan's Ministry of the Environment - Carbon Neutrality Web Portal (Japanese only)

https://ondankataisaku.env.go.jp/carbon_neutral/about/

^{*5} Click [here](#) for more information on Regional Carbon Neutrality Promotion Project. (Japanese only)

<https://about.yahoo.co.jp/csr/effort/204.html>

^{*6} Click [here](#) for more information on the Basic Environmental Policy.

<https://www.z-holdings.co.jp/en/sustainability/stakeholder/11/>

^{*7} Click [here](#) for more information on the Four UPDATES.

<https://www.z-holdings.co.jp/en/sustainability/stakeholder/01/>

^{*8} EV100 is a global initiative led by the Climate Group and CDP in which companies promote the use of EVs and work to make improvements to the environment.

Unless otherwise specified, English-language documents are prepared solely for the convenience of non-Japanese speakers. If there is any inconsistency between the English-language documents and the Japanese-language documents, the Japanese-language documents will prevail.