

22.06.07

Z Holdings Corporation

Z Holdings Corporation Joins RE100, a Global Initiative Promoting 100% Renewable Energy Use by Businesses

- Aims to achieve carbon neutrality throughout the Group by FY2030

Z Holdings Corporation (hereinafter "ZHD") has today joined RE100, a global initiative committed to shifting the electricity used in business activities to 100% renewable energy. In light of this, ZHD will steadily implement its "2030 Carbon Neutrality Declaration"^{*1} to reduce greenhouse gas (GHG) emissions from the business activities of all Group companies, including Yahoo Japan Corporation (hereinafter "Yahoo Japan"), LINE Corporation (hereinafter "LINE"), ZOZO, Inc. (hereinafter "ZOZO"), and ASKUL Corporation (hereinafter "ASKUL"), to net-zero by FY2030.



RE100 (100% Renewable Electricity) is a global initiative bringing together companies that aims to convert to 100% renewable energy sources for electricity used in their business operations. It is operated through a partnership between the Climate Group, an international environmental non-profit working to reduce global emissions, and CDP, a not-for-profit charity which runs an information disclosure system on environmental impacts. Following ZHD's commitment, RE100 now has 372 member companies globally, including 72 companies from Japan.

[Achieving carbon neutrality throughout the Group by FY2030]

In order to achieve carbon neutrality by FY2030, the Z Holdings Group is in the process of converting at least 80% of the electricity sources of its major companies to renewable energy by around FY2025, and to convert the remaining electricity used to 100% renewable energy over the following five years. So far, the Group is working steadily towards these targets, and ZHD plans to disclose information on the progress of its shift to renewable energy sources during the first half of FY2022. Furthermore, in order to absorb the GHG emissions of other Group companies that are aiming to convert to 100% renewable energy in the 2030s, Yahoo Japan is now leading carbon negative^{*2} efforts to enable the entire Group to achieve carbon neutrality by FY2030. Moreover, the ZHD Group cooperates with the companies operating businesses together to reduce the indirect GHG emissions^{*3} of collaborating companies.

[Fulfilling responsibilities for the global environment and future generations: a management materiality issue]

ZHD envisions a future in which everyone can be free and be in control, utilizing the power of the Internet in safety. To fulfill the Group's responsibilities and contribute to the sustainable development of the society and environment, ZHD formulates its priority issues as materiality through dialogues with its stakeholders. Taking into account the new management structure following the business integration with LINE Corporation in March 2021, ZHD re-examined and revised its priority issues, and announced a new set of materiality issues in March 2022^{*4}.

In this revised materiality, ZHD recognizes that reducing the environmental impact and considering its effect on the ecosystem is an important responsibility of the Group, and identifies "fulfilling responsibilities for the global environment and future generations" as one of its six key materiality issues. Using the power of IT, ZHD will continue working as a Group and with all its supply chain partners, to realize a decarbonized society. It will also continue to take on challenges based on an acknowledgment that caring for the natural capital is a business opportunity that will reinforce the ties with diverse stakeholders in the society.

As a company committed to RE100, ZHD will promote the introduction of renewable energy throughout the Group in order to achieve carbon neutrality by FY2030. Furthermore, ZHD will contribute to the realization of a sustainable society by promoting carbon neutrality initiatives both within and outside of the Group.

[Comment by Ryosuke Sakaue, Senior Managing Corporate Officer, GCFO (Group Chief Financial Officer)]

ZHD upholds "UPDATE THE WORLD - Unleashing the infinite potential of all people, with the power of information technology" as its mission. Putting users first is one of ZHD's core values, and the company believes that fulfilling its social responsibilities and accountability toward its stakeholders in the area of ESG will also lead to enhanced shareholder value. ZHD has established an "ESG Management Committee" owned by the GCFO, and the effort to realize a sustainable society is pursued collectively by the division in charge of CSR as well as the division in charge of finance. Under this structure, the entire Group is working toward the sustainable development of the society and environment by aiming to achieve carbon neutrality by FY2030. By joining RE100, ZHD will further strengthen collaborations, not only with its own Group companies, but also with a wide range of stakeholders, to achieve sustainable growth.

[Sam Kimmins, Director of Energy at Climate Group said:]

We are delighted that Z Holdings Corporation has joined RE100 the global initiative led by the Climate Group in partnership with CDP. By committing to 100% renewable electricity by 2030, Z Holdings is taking leadership in climate action. It joins over 60 Japanese RE100 companies who collectively, send a powerful message that renewable electricity makes good business sense.

[Climate change action initiatives by major Z Holdings Group companies]

■Yahoo Japan

- Yahoo! JAPAN Declares "FY2023 100% Renewable Energy Challenge"

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

Yahoo Japan declared to transition to 100% renewable energy for electricity used in its business operations by the end of FY2023. Implementation of RE100-compliant renewable energy began in May 2021, in the company's Shirakawa Data Center.

- "Yahoo! JAPAN Regional Carbon Neutrality Promotion Project" delivered through Japan's enterprise hometown tax donation program

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

In order to support the expansion of renewable energy supply sources and local government initiatives to promote carbon neutrality, Yahoo Japan opened the "Yahoo! JAPAN Regional Carbon Neutrality Promotion Project" to the public, in which the company donated a total of approximately JPY270 million to 10 local governments in FY2021. An open call for FY2022 began in April 2022.

- Yahoo! JAPAN SDGs: medium for communicating social issues around SDG themes

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

Yahoo Japan launched "Yahoo! JAPAN SDGs," a medium for communicating social issues and initiatives themed around SDGs. In addition to introducing examples of how issues are being addressed, some articles have links directing users to pages such as donation and e-commerce, encouraging users to act in support of people and organizations tackling the challenges.

■ASKUL

- "2030 CO2 Zero Challenge," RE100 and EV100

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

In 2017, ASKUL simultaneously joined RE100 and EV100^{*5}, international initiatives led by the UK's 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, while for EV100, it aims to replace all last-mile delivery vehicles owned or leased by ASKUL and ASKUL LOGIST with EVs by 2030.

ASKUL started introducing renewable energy to its distribution centers from 2018, and the energy source of the head office in Toyosu, Tokyo was fully converted to renewable energy in May 2022. At present, 65% of the group's total electricity consumption, including the head office, distribution centers, and subsidiaries, has been switched to renewable energy. In 2016, ASKUL also began introducing EVs for deliveries, which emit no CO2 and exhaust gas, and currently a total of 21 such vehicles are in operation.

Furthermore, in the area of resource recycling, an "ASKUL Resource-Recycling Platform" was launched to collect, recycle, and re-commercialize used plastic products, to fully drive the group's plastic recycling efforts.

■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 energy-efficient data centers equipped with highly efficient equipment. It strives to operate highly efficient data centers by selecting servers with high energy-saving performance and by 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 Narashino 1 and ZOZOBASE Tsukuba 1 from January 2022, and ZOZOBASE Tsukuba 2 from June 2022. As a result, more than 70% of the electricity consumed by ZOZO's bases is now derived from renewable energy sources.

<https://corp.zozo.com/news/20220601-21134/> (Japanese only)

- ZOZOUSED's Sustainable Framework

In ZOZOUSED, a used brand clothing zone within ZOZOTOWN, ZOZO deploys a trade-in discount service called "Replacement Discount" for items previously purchased from ZOZOTOWN. Items traded-in from customers are sold in ZOZOUSED, building a system for clothes to be recycled. Items that cannot be redistributed are given over to several clothing buyers who can process them appropriately. In FY2020, the number of such items reached approximately 1.49 million, and when converted to CO2 emissions from incineration or disposal, this would result in an annual reduction of approximately 3,221 tons (FY2020).

<https://corp.zozo.com/en/sustainability/initiative/20210902-19544/>

^{*1} See below for the ZHD's "2030 Carbon Neutrality Declaration" outlining the Group's plan to reduce GHG emissions to net-zero by FY2030:

<https://www.z-holdings.co.jp/en/news/press-releases/2022/0202/>

^{*2} 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

^{*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} See "Basic Policy" page below for ZHD's materiality issues:
<https://www.z-holdings.co.jp/en/sustainability/stakeholder/01/>

^{*5} EV100 is a global initiative operated by the Climate Group and CDP which aims to promote the use of electric vehicles by businesses and develop the necessary infrastructure.

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