

“Experimental Introduction of an Integrated Domestic Market for ET”

Result of an Intensive Recruitment (Oct. 21~Dec. 12) (Dec. 13, 2008)

(1) Participants with Targets 446 (Applicants with Targets: 317)
 (2) Trading Participants 50
 (3) Other Participants 5 (Participants of the Domestic Credits Scheme)
Total Number of Participants 501

※In addition, 1,052 companies and organizations (including the participants) are going to join “Trial Emissions Trading Conference” (Public-private cooperative organization for outreach, identification of problems, and informational exchange on this scheme)

(Ref. 1) Number of Participants with Targets in Each Sector

Industrial Sector	Number of Applicants	Number of Participants
Electricity	9	9
Oil Refinery	8	8
Gas	4	4
Steel	2	74
Chemical	41	41
Paper	12	12
Cement	11	11
Electric Appliances	16	16
Automobile Manufacturing	1	58

Industrial Sector	Number of Applicants	Number of Participants
Rubber	21	21
Trading Companies, Convenience Stores	13	13
Aviation, Construction, Transportation, Residence	7	7
Industrial Waste Disposal	1	1
Other Industrial Sectors	53	53
Other Office Sectors	13	13
MOE: Voluntary Emissions Trading Scheme (JVETS)	120	120
Total	317	446

(Ref. 2) Coverage of Emissions from Participating Applicants (Estimates)

More than 50% of CO2 emissions from Japan in FY2007. About 70% of CO2 emissions from Industry in FY2007.

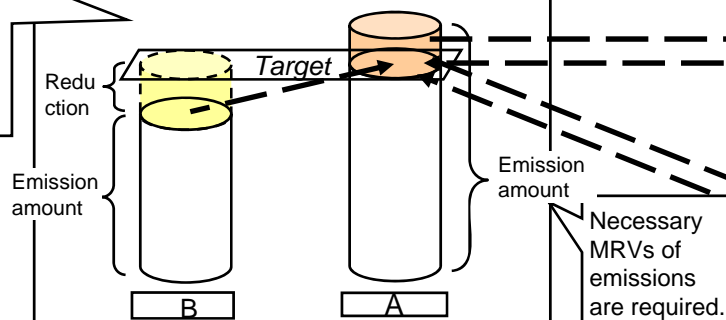
Experimental Introduction of an Integrated Domestic Market for Emissions Trading

Integrated Domestic Market

Experimental emissions trading scheme

Participating corporations set their own emission reduction targets (absolute- or intensity-based) and make efforts to achieve. The following allowances and credits can be used to achieve the targets.

Target is set consistently with VAPs. Government examines each target's validity.



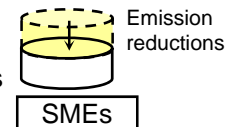
Domestic Credits

Joint reduction projects by large corporations and small- and medium-scale enterprises (SMEs)

Joint projects

Financial, Tech. Resources

Domestic credits



Kyoto Mechanisms Credits

[GHG reduction from projects abroad]

JVETS is incorporated into this scheme as one of participating options.

Target achievement can be reflected to VAP and KPTAP

Key points

- This scheme prepares various options for **substantial emissions reduction** by various entities including large corporations and SMEs in every sector.
- In the **integrated domestic market**, various allowances and credits are available for target achievement.
- Follow-up is scheduled at the beginning of 2009 and in the fall 2009.