

October 31, 2008

The Japan Iron and Steel Federation
Suntory Ltd.
Idemitsu Kosan Co., Ltd.
Japan Petroleum Exploration Co., Ltd.
The Okinawa Electric Power Co., Inc.
Sumitomo Chemical Co., Ltd.
Sumitomo Joint Electric Power Co., Ltd.
Tokyo Electric Power Co., Inc.

The Government of Japan Approved Two CDM Projects for BioCF

It is hereby announced that on October 17 the Government of Japan has approved two CDM projects for the eight Japanese companies which are contributing to the Bio Carbon Fund of the World Bank (BioCF). Now they are able to receive the Certified Emission Reductions (CERs) from the Projects. In BioCF, foreign companies, governmental institutions, and domestic eight companies are participating. The domestic companies are: The Japan Iron and Steel Federation, Suntory Ltd., Idemitsu Kosan Co., Ltd., The Okinawa Electric Power Co., Inc., Sumitomo Chemical Co., Ltd., Japan Petroleum Exploration Co.,Ltd., Sumitomo Joint Electric Power Co. Ltd., and Tokyo Electric Power Co., Inc..

BioCF is a fund which supports greenhouse gas reduction projects (long-term projects such as forest conservation, facilitating sustainable agriculture and forestry) in developing countries and purchase the CERs from the CDM projects.

The CERs will be distributed to BioCF participants in prorata to the size of the financial contribution. In order to receive the CERs domestically, it is necessary to have the government's approval for the projects concerned in advance. The eight companies have acquired this approval.

The two projects which the Government of Japan has approved are as follows;

1. Moldova Soil Conservation Project (Moldova)
2. Facilitating Reforestation for Guangxi Watershed Management
in Pearl River Basin (China)

We, the eight Japanese companies, will be able to receive about 510,000 tCO₂ CERs through the projects until 2017 in Japan.

Reference on this matter

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• Present Investment to BioCF

Participants			Pledged Contribution
Governments	Italy		-
	Canada		-
	Spain		-
	Luxembourg		-
Private Entity	The Japan Iron and Steel Federation	Japan	US\$5.0 million
	Suntory Ltd.	Japan	US\$2.5 million
	Idemitsu Kosan Co., Ltd.	Japan	US\$5.0 million
	Japan Petroleum Exploration Co.,Ltd.	Japan	US\$2.5 million
	The Okinawa Electric Power Company, Incorporated	Japan	US\$2.5 million
	Sumitomo Chemical Company, Limited	Japan	US\$2.5 million
	Sumitomo Joint Electric Power Co., Ltd.	Japan	US\$2.5 million
	Tokyo Electric Power Company	Japan	US\$1.5 million
	Eco-Carbone	France	-
Total			US\$50.3 million

• Two Newly Approved Projects

	Countries	Projects	Amount of Reductions (tCO2 per annum)
1	Moldova	Moldova Soil Conservation Project	180,000 tCO2/year
2	China	Facilitating Reforestation for Guangxi Watershed Management in Pearl River Basin	26,000 tCO2/year

• From Investment to Receiving Emissions Credits

