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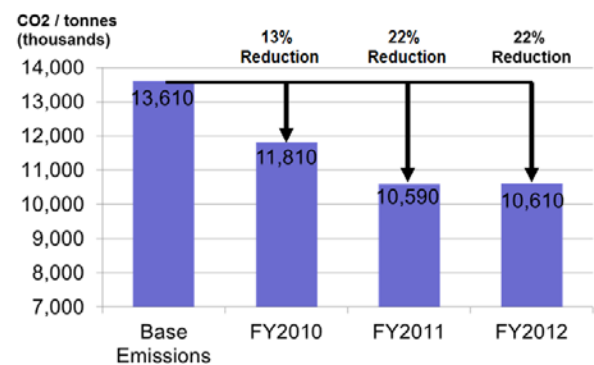
Tokyo Metropolitan Government
Bureau of Environment

Tokyo Cap-and-Trade Program achieves 22% reduction after 3rd year

A flash report published by the Tokyo Metropolitan Government (TMG) announced that the Tokyo Cap-and-Trade Program has achieved a 22% reduction in emissions after the 3rd year of the program compared to base-year emissions.

The flash report for fiscal year 2012 comprises 1,302 GHG Emissions Reports from covered facilities¹.

Total emissions of the covered facilities for fiscal year 2012 were reduced by 22% from base-year emissions², the same level of reductions seen in fiscal year 2011, in which significant energy savings were necessary after the power crisis following the Great East Japan Earthquake.



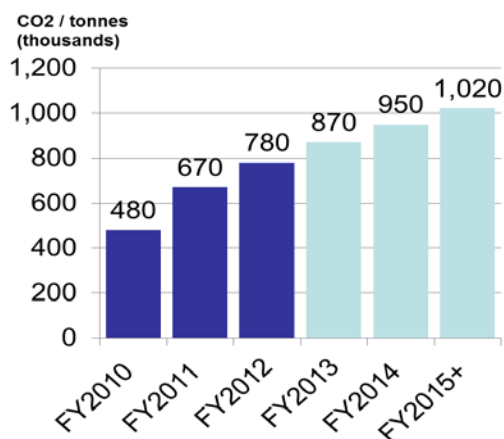
Covered facilities in the Tokyo Cap-and-Trade Program are required to reduce energy-related CO₂ emissions—for example, 8% reductions are required for business facilities such as office buildings, and 6% for industrial facilities such as factories—during a five-year compliance period from fiscal year 2010 through 2014. During the second period from fiscal year 2015 through 2019, the reduction obligations increase to 17% for businesses and 15% for industrial facilities. Owners of covered facilities must report the previous fiscal year's emissions to TMG by the end of November every year.¹

This achievement is down to companies continuing with measures taken during the power crisis even though such severe reductions are no longer as necessary. In some cases, measures that were implemented immediately after the earthquake and subsequent power crisis, such as setting higher than usual temperatures for air conditioning systems during the summer, were relaxed because they were seen as overburdening and an immediate response to the power crisis. Additional measures, such as LED installations and the introduction of more efficient equipment, have picked up the slack and carried on the reductions, and reports submitted by covered facilities show a continual planned take up of more measures in the coming years.

¹ Covered facilities of the program are facilities with 1,500 kL in crude oil equivalent or more annual energy usage. As of January 31st 2014, 1,325 facilities are covered by this program. This flash report is based on data collected from 1,302 of these facilities, with the remaining facilities' data still to be reviewed.

² Base-year emissions are the average emissions of three consecutive fiscal years selected between FY2002-FY2007.

Among the feedback resulting from a survey conducted by TMG, one owner of a commercial building mentioned that they have continued power saving measures taken following the earthquake, and also introduced LED lighting in the grocery and fashion sections of their buildings as new measures. A factory owner also mentioned that employees have already become accustomed to energy saving measures, and they voluntarily continued.



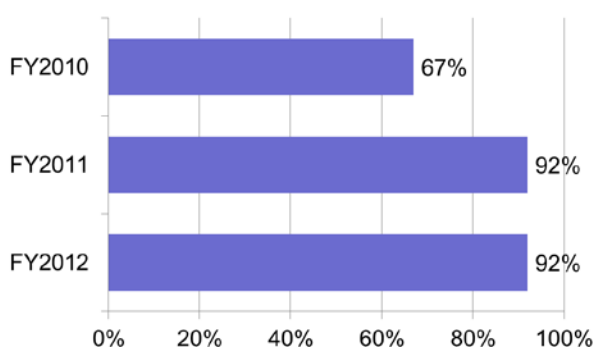
Accumulated Reductions (Implemented/Planned)

Measures	# of Measures	Reduction (t-CO2)
Introduction of LEDs	318	12,808
Introduction of high efficiency air conditioning	86	4,812
Introduction of high efficiency heat source equipment	66	14,689
Introduction of high efficiency pumps for air conditioning and energy-saving control	65	3,255
Introduction of high efficiency fans	51	1,038

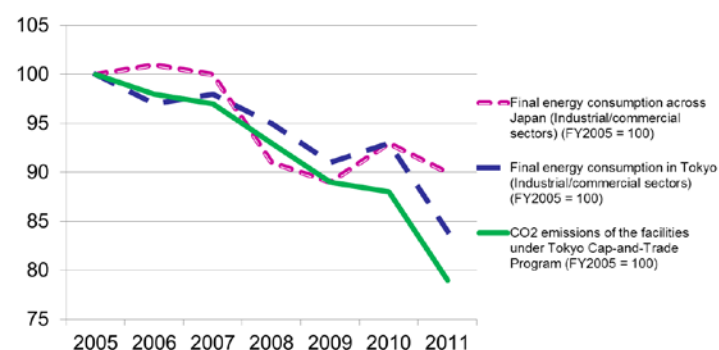
Example of new measures in FY2012

To date, over 92% of targeted facilities have surpassed their reduction targets of 6% or 8% for the first compliance period. What's even better is that already 71% of facilities have surpassed the second period targets of 15% or 17%. It seems clear that facility owners in Tokyo can see the long term benefits of reducing energy usage and have already taken steps to realize those goals.

The percentage of all facilities surpassing their obligations



Trends in CO₂ emissions



Ms. Yuki Arata, Director of Emission Cap and Trade section at the TMG Bureau of Environment, said, "the 22% reduction, which is comparable with the previous year, was the result of continuous efforts by the covered facilities. The drastic energy-saving measures after the 2011 earthquake were discontinued, but an equivalent reduction was maintained in 2012 thanks to the covered facilities' additional measures, such as the implementation of LED lighting. They are planning new energy-saving measures every year, and we expect to continue the reduction from now on."

Contact Information

International Relations, TMG Bureau of Environment

E-mail: S0000721@section.metro.tokyo.jp Phone: +81-3-5388-3501 Fax :+81-3-5388-1377