Marubeni

August 26, 2019

Marubeni Corporation

Participation in PoC for Fluorocarbon Recovery and Destruction Business in Vietnam

-Contributing to Climate Change Countermeasures-

Marubeni Corporation (hereinafter, “Marubeni”) hereby announces plans to participate in a fluorocarbon recovery and destruction business in Hanoi, Vietnam in FY2020. Marubeni will first conduct a demonstration experiment seeking to prove the effectiveness of this business by introducing dedicated fluorocarbon destruction equipment for the purpose of destroying fluorocarbons recovered from discarded home appliances and large air conditioning equipment; this will be the first time such equipment has been employed in a developing country. Following the previous year, part of the project cost will be covered by a subsidy from the Japanese Ministry of the Environment's “Joint Crediting Mechanism”[1] (hereinafter, “JCM”).

Fluorocarbons have a global warming potential of up to ten thousand times that of carbon dioxide, and the amount of fluorocarbon emissions worldwide is approximately 900 million tons per year when converted to carbon dioxide. In the future, this number is estimated to exceed 2 billion tons (1.5 times the annual greenhouse gas emissions in Japan). Promoting measures to reduce fluorocarbon emissions in developing countries leads to a reduction in greenhouse gas emissions on a global scale and is an extremely important measure towards countering the effects of global warming.

In Japan, the Act on Rational Use and Proper Management of Fluorocarbons was revised on May 29th of this year. Japan has a comprehensive system that controls the emissions of fluorocarbons throughout the life cycle; this is a groundbreaking mechanism unlike any other in the world for the recovery and destruction of this compound.

On the other hand, in many developing countries including Vietnam, there is no regulation on the recovery and destruction of fluorocarbons, and as such, all of the fluorocarbons contained in things like air conditioning equipment, refrigerators and automobiles are eventually released into the atmosphere. In developing countries where machinery that tends to trap fluorocarbons are becoming more and more widely used, there are concerns that the fluorocarbon emissions in these places will eventually turn into a serious environmental problem in the future.

Through demonstration experiments, confirm the effectiveness of the dedicated fluorocarbon destruction equipment and establish a fluorocarbon recovery and destruction scheme using regulations and incentive. Marubeni will then make policy proposals and conduct enlightenment activities targeted at the Vietnamese government and other organizations and bodies. After confirming the effectiveness in the demonstration experiment, the project will be expanded to Ho Chi Minh and Da Nang, with the goal of further commercialization in other developing countries in the future.

Marubeni will also contribute to the achievement of Japan's greenhouse gas reduction targets by implementing projects through the JCM framework.

Footnotes:

1. Joint Crediting Mechanism

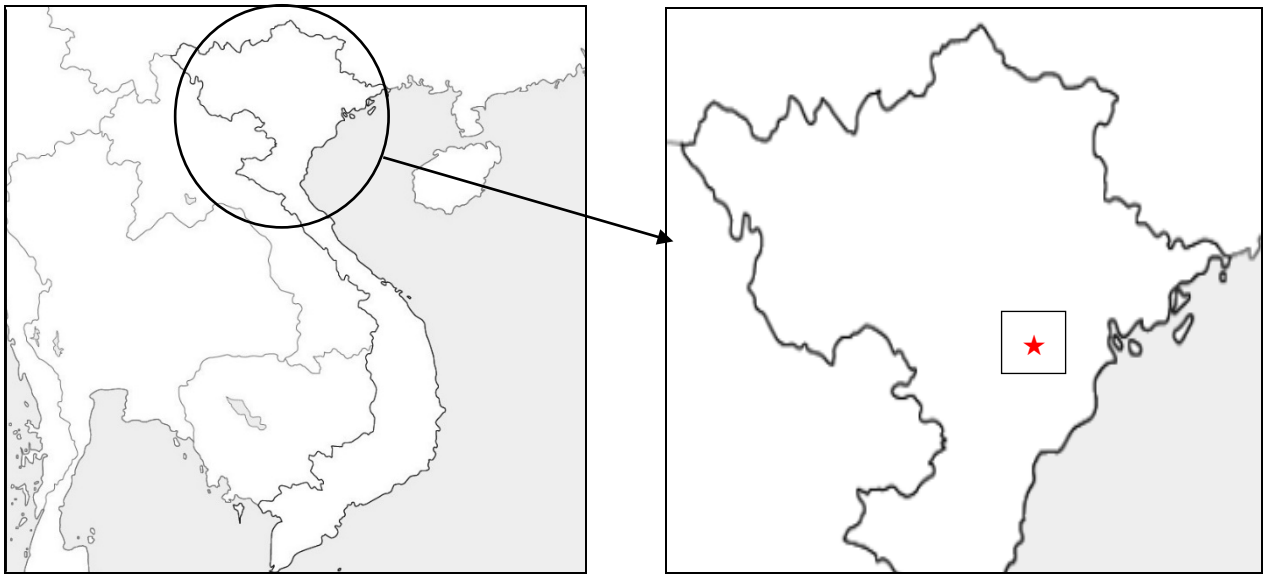
Contributing to sustainable development, such as reducing greenhouse gas emissions in developing countries, by providing Japan with excellent low-carbon technologies, products, systems, services and infrastructure to developing countries. Sharing system. (Source: Ministry of Economy, Trade and Industry website)

【Project site】

Vietnam

Hanoi

（Thuan Thanh, Bac Ninh）



【Fluorocarbon Destruction Equipment（Made by DAIOH SHINYO CO.,LTD）】