

Report on Phase 1 Demonstration Testing of the Scope 3 Environmental Value Trading Scheme Project to Promote SAF Use

ITOCHU Corporation

ENEOS Corporation

NIPPON EXPRESS HOLDINGS, INC.

Japan Airlines Co., Ltd.

Mizuho Bank, Ltd.

Mizuho Research & Technologies, Ltd.

NARITA INTERNATIONAL AIRPORT CORPORATION

July 2025



Scope 3 Environmental Value Trading Scheme Demonstration: Background and Overview

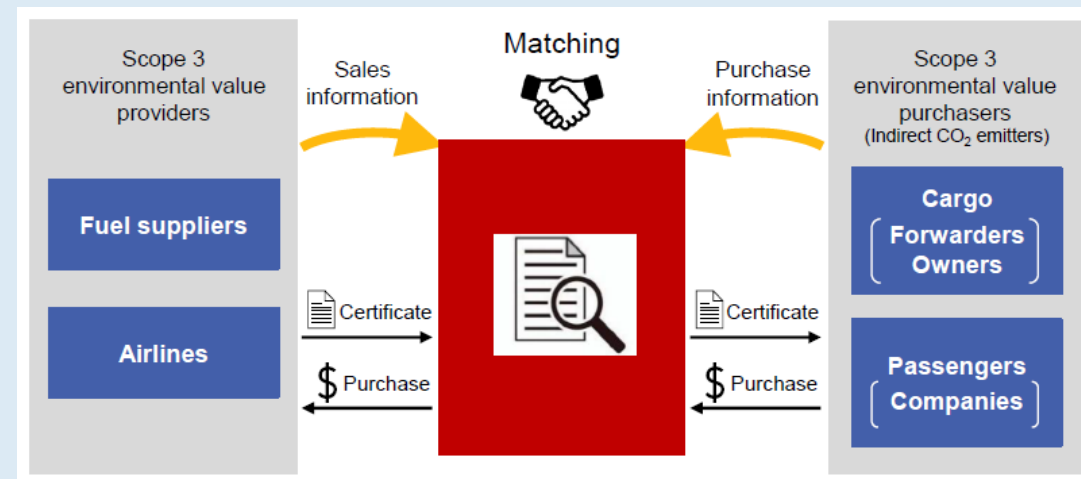
Background

- SAF use is essential to the decarbonization of the air transport supply chain. Involving companies throughout the supply chain in the decarbonization of air transport is crucial to promoting the use of high-cost SAF.
- There is a growing need for **an environmental value trading scheme** that allows aviation users to utilize the indirect CO₂ emission reduction effects (**Scope 3 environmental value**) of SAF use in their own decarbonization efforts, enabling cost-sharing for SAF.

Overview of Demonstration

- Objective: To build a new scheme for trading Scope 3 environmental value to encourage the use of SAF
- Specifics: Conducting trading in practice to verify the concept of the scheme, identify issues, and confirm effectiveness, and considering the direction of the future scheme
- Participating companies: NARITA INTERNATIONAL AIRPORT CORPORATION (NAA), ITOCHU Corporation (ITOCHU), ENEOS Corporation (ENEOS), Japan Airlines Co., Ltd. (JAL), NIPPON EXPRESS HOLDINGS, INC. (NX), Mizuho Bank, Ltd. (Mizuho Bank), and Mizuho Research & Technologies, Ltd. (Mizuho R&T)
- Phase 1 demonstration period: August 2024 – March 2025

Illustration of the environmental value trading scheme



Roles of each company

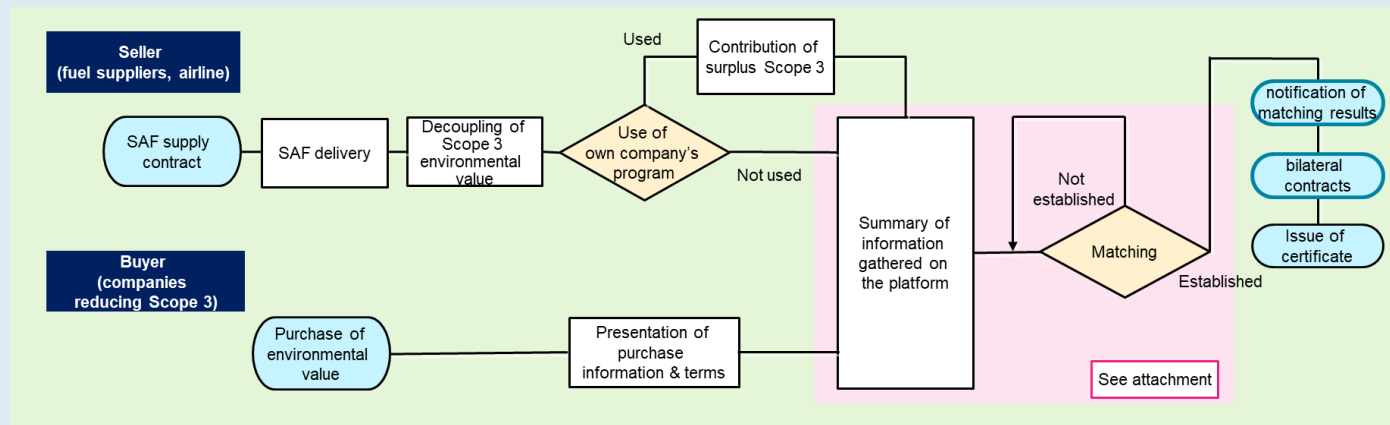
NAA	Platform operation , project planning , and purchase of Scope 3 environmental value associated with business travel by employees
ITOCHU	Supply of SAF and provision of Scope 3 environmental value
ENEOS	Supply of SAF and provision of Scope 3 environmental value
JAL	Provision of Scope 3 environmental value arising from the use of SAF
NX	Purchase of Scope 3 environmental value associated with air cargo transport and rollout of Scope 3 environmental value to cargo owners
Mizuho Bank	Support for the operation of the demonstration project and verification of the trading system
Mizuho R&T	Support for the operation of the demonstration project and verification of the trading system

Matching Process in the Phase 1 Demonstration

Matching Process

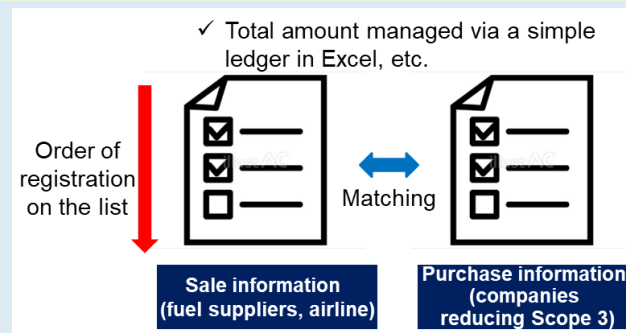
- Platform operator (role filled by NAA) gathers Scope 3 environmental value information from buyers and sellers, and manages the ledger.
- Matching takes place once a month based on the ledger.
- Platform operator provides notification of matching results.
- Bilateral contracts concluded between companies and environmental value transferred.
- Companies notify platform operator of results of contract conclusion.

Illustration of the matching process



	Information collected
Seller (fuel suppliers, airline)	(1) SAF-related information Volume delivered (kL), CO2 reduction effect, certification type, etc. (2) Total environmental value (tCO2)
Buyer (companies reducing Scope 3)	(3) Total environmental value requested for purchase (tCO2)

- ✓ Based on the information concerning (2) and (3), **matching** is carried out within a range that does not exceed the total for (2).



Results of Demonstration

■ Results of Matching

- Scope 3 buyers and sellers were ultimately **matched and concluded contracts**. Uncontracted environmental value has been returned.

■ Results of Demonstration Phase 1

- Platform-based trading system was built, and trading was actually carried out.
- Buyers and sellers registered sale/purchase information in accordance with the manual, and successful matching took place.
- Platform operating entity managed the ledger in accordance with the manual and issued matching notifications.
- Appropriate ledger management prevented double counting in the matching process.
- After matching, bilateral trading successfully took place in accordance with the contract forms drawn up by seller companies.
- Environmental value was transferred appropriately in each instance of matching.

Demonstration Outcomes and Issues

■ Outcomes of Demonstration Phase 1

- Confirmed that multiple companies wishing to trade in Scope 3 environmental value had successfully carried out trading using the platform system.
- Scope 3 sellers were able to find new sales contacts other than those involved in their own company's program through trading via the platform.
- Scope 3 buyers were able to purchase environmental value corresponding to their purchase conditions via the platform.
- Confirmed the successful execution of platform operation tasks focused on avoiding the double counting of Scope 3 environmental value and conducting appropriate matching, based on the current transaction volume.

■ Issues Identified via Demonstration Phase 1

- The number of participants in the platform needs to be increased. In particular, consideration must be given to the question of how to encourage buyers to participate in the platform. One method is to promote buyers' understanding of the significance of procuring Scope 3 environmental value.
- Systematization would be required in due course, once the scale of trading increases.
- Collaboration with the government or equivalent organization will be required, with a view to increasing the scale of trading and social implementation of the scheme.
- Consideration must be given to ensuring the environmental value stated on the certificate is appropriate, while ensuring consistency with other guidelines.

Third-Party Evaluation by ClassNK

- Third-party organization Nippon Kaiji Kyokai (ClassNK) was asked for assistance in conducting a review to verify the scheme used in the first phase of the demonstration.
- Results of Evaluation by ClassNK

- Comments on the demonstration as a whole

As checks of the materials (manual and final summary documents) provided concerning the trading carried out in this demonstration revealed no problems, the scheme employed in this demonstration project is judged to have been successfully established.