

Policy Statement on Japan's GHG Emissions Reduction Target and Basic Energy Plan

**JCLP calls for setting targets aligned with the 1.5°C goal
to achieve decarbonization, enhance energy security, and promote economic growth**

Japan Climate Leaders' Partnership is a coalition of 244 companies with total sales of 155 trillion yen that recognizes the threat of climate change and views a net zero transition as an opportunity for economic growth. We present the following proposals for Japan's next Nationally Determined Contribution (NDC) regarding GHG emissions reduction targets to be submitted next year and the 7th Basic Energy Plan to be formulated within this fiscal year.

Summary

1. Background

- An immediate response is necessary to address the climate crisis threatening the socioeconomic system.
- The progress of decarbonization, including procurement of renewable energy, significantly impacts corporate competitiveness.
- The integration of decarbonization and industrial policy is progressing globally. This is a moment for Japan to demonstrate a vision that drives economic growth.

2. Approach of the Proposals

- The proposals presented here are based on scientific knowledge and international agreements. They are formulated to ensure medium- to long-term foreseeability and outline concrete measures to achieve the targets.

3. Proposals for the 1.5°C-aligned NDC and Basic Energy Plan

Proposal (1): At least 75% reduction in GHG emissions by 2035 (compared to 2013 levels)

- The IPCC indicates a global GHG emissions reduction of 67% (compared to 2013 levels) is necessary. Given that the Paris Agreement mandates developed nations to take the forefront in climate action, Japan must achieve a reduction of 75% or more.
- Clarity in medium- to long-term outlooks are essential for corporate investment decisions. Therefore, consistent government targets aligned with the 1.5°C goal are imperative.

Proposal (2): Achieve a renewable energy share of at least 60% in the electricity mix by 2035

- To sustain and enhance corporate competitiveness, the swift establishment of an environment that enables stable and affordable renewable energy procurement is essential.
- Further deployment and domestic production of renewable energy will improve Japan's energy self-sufficiency and stimulate economic revitalization. Additionally, it can reduce the outflow of national wealth spent on fossil fuels by more than 15 trillion yen annually.

Proposal (3): Improve the policy-making process by increasing participation opportunities for demand-side actors

- Inputs into the policy-making decision process should be balanced across various industries and perspectives. Particularly, the demand-side voice should be further integrated into policy discussions, as they play an increasingly vital role in balancing supply and demand.

4. Measures Necessary to Achieve the 1.5°C-aligned Targets

- **Renewable Energy:** Accelerate the deployment of solar and offshore wind power and reform the electricity system to prioritize renewable energy.
- **Buildings:** Promote the adoption of Zero Energy Buildings (ZEB) and Zero Energy Homes (ZEH) with solar panels in new constructions, as well as the net zero retrofitting of existing buildings.
- **Automobiles:** Encourage the adoption of zero-emission vehicles and expansion of charging infrastructure.
- **Manufacturing:** Enhance energy efficiency, promote electrification, and invest in human resource development and innovation.
- **Carbon Pricing:** Implement an explicit carbon-pricing system, with a price set per ton of carbon emissions.

5. Conclusion: Toward the Implementation