Unofficial Translation

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To whom it may concern

Toyota Motor Corporation
Nissan Motor Co., Ltd.
Honda Motor Co., Ltd.
JX Nippon Oil & Energy Corporation
Idemitsu Kosan Company, Limited
Iwatani Corporation
Osaka Gas Co., Ltd.
Cosmo Oil Co., Ltd.
Saibugas Co., Ltd.
Showa Shell Sekiyu KK.
Taiyo Nippon Sanso Corporation
Tokyo Gas Company, Limited
TOHO GAS Co., Ltd

Joint Statement on the Introduction of Fuel Cell Vehicles into the Domestic Market and the Building of Hydrogen Supply Infrastructure

13 Japanese companies, Toyota Motor Corporation (President and Representative Director: Akio Toyota), Nissan Motor Co., Ltd. (President & CEO: Carlos Ghosn Bichara), Honda Motor Co., Ltd. (President & CEO: Takanobu Ito: Takanobu Ito), JX Nippon Oil & Energy Corporation (President: Yasushi Kimura), Idemitsu Kosan Company, Limited (President, Representative Director: Kazuhisa Nakano), Iwatani Corporation (President: Akiji Makino), Osaka Gas Co., Ltd. (President: Ozaki Yutaka), Cosmo Oil Co., Ltd. (President: Yaichi Kimura), Saibugas Co., Ltd. (President: Yuji Tanaka), Showa Shell Sekiyu KK. (President, Representative Director: Jun Arai), Taiyo Nippon Sanso Corporation (President: Yasunobu Kawaguchi), Tokyo Gas Company, Limited (Representative Director, President: Tsuyoshi Okamoto), TOHO GAS Co., Ltd (President: Takashi Saeki), made the joint statement that fuel cell Vhicles (FCVs), one of next-generation vehicles, will be launched in the domestic market and hydrogen supply infrastructures will be prepared by 2015.

1. Auto makers are working on the drastic cost reduction through technology advancement, aiming at the introduction and sales of mass-produced FCVs into the consumer market in 4 metropolitan areas in 2015. After the introduction, auto manufactures will continue to expand the sales in order to cope with energy and environmental problems.
2. Hydrogen suppliers will build around hundred hydrogen supply stations along with mass-produced FCV sales ramp-up in order to support the initial FCV market.
3. Auto manufactures and hydrogen suppliers, aiming to the reduction of CO_2 emissions from transportation sector, work together on nation-wide introduction of FCVs and hydrogen infrastructure building. For this purpose, we request the government to establish the public-private partnership to develop the commercialization strategies* including the sales support policy and social acceptance improvement.

* Note. 13 companies have started the discussion with stakeholders, together with local governments, to develop the commercialization strategies including initial demand creations of mass-produced FCVs and optimum distributions of hydrogen supply infrastructures to support the demand.

Back ground of statement

Coping with the global warming and overcoming the limitation of environment and resources is the common top priority issue for human-beings. Especially, the transportation sector consumes large volume of fossil energy and emits large amount of CO_2. Among 28 billion tons of CO_2 emitted from Japan in 2008, 200 million tons, 16% of the total, were from automobile sector. Since the Government is planning to set the CO_2 reduction target of 25% by 2020 and 80% by 2050 from 1990 level, the early introduction of the next-generation vehicles, which contribute to the large reduction of CO_2 emission, is expected.

The introduction of next-generation vehicles, hybrid vehicles, plug-in hybrid vehicles and battery electric vehicles, have already started, and the launch of fuel cell vehicles (FCVs), another option, will accelerate the introduction of the next-generation vehicles.

Compared with ICEs, FCVs have advantages like high energy efficiency, and zero emission except water while running. Hydrogen, FCVs' fuel, can be produced from reforming of fossil energies such as oil, natural gas and coal, and utilization of renewable energies such as solar, wind and biomass.

In addition, the building of the world's first FCV mass market will strengthen international competitiveness and create jobs, and also simultaneously achieve the economic grows and the overcoming of limitation of environment and resources.

From these points of views, the market introduction of FCVs and the implementation of the sustainable and stable hydrogen supply will contribute to the realization of the sustainable low-carbon society.

For the expansion of general users of FCVs, it is essential to reduce the cost of FCVs down to ICE level, to build the nation-wide retail-ready hydrogen infrastructures, and to ensure the stable supply of hydrogen at allowable cost. Especially at the initial stage of FCV introduction, it is important to pre-build the hydrogen infrastructure such as hydrogen production, delivery, transport and dispensing.

For that purpose, further cost reduction is necessary by developing hydrogen supply infrastructure technologies and by reviewing codes and regulations. Also, technology validation of hydrogen infrastructure (from production to dispensing), and social acceptance validation are required.

As the government policy measures to address these issues, "Strategic Energy Plan of Japan" was reviewed and approved by the Cabinet on June, 2010, indicating the policy that hydrogen supply infrastructure should be built toward the FCV commercialization in 2015, and hydrogen energy-based social energy system should be build in the medium-long term. The Plan also indicates that for further cost reduction of hydrogen supply infrastructures, concrete actions, such as regulation reviews, technology development and technology validation, are necessary.

Furthermore, the Cabinet Office's Council for the Promotion of Regulatory Reform issued the regulatory reform strategy, including the regulations which currently prohibit the diffusion of FCVs in 2015. With inter-ministerial negotiation, the roadmap, which itemize major regulatory barriers to be reviewed by 2012, was finalized and announced last December.

Based on these issues and situations, this joint statement indicates the initiation of the business evaluation.

For the time-being, mainly led by 13 companies of auto manufactures and hydrogen supplies, four regional study groups have been formed to study the creation of the initial demands of mass-produced FCVs and the development of the commercialization strategy including the optimum distributions of hydrogen stations.

In order to create the initial demand of mass-produced FCVs, prior to the FCV commercialization in 2015, it is necessary to deploy retail-ready hydrogen infrastructure especially in four metropolitan areas.

The companies, together with local governments in four metropolitan areas, are planning to develop concrete deployment strategies based on local/regional situations. Though these studies, the companies will plan develop the proposal on nation-wide FCV commercialization.

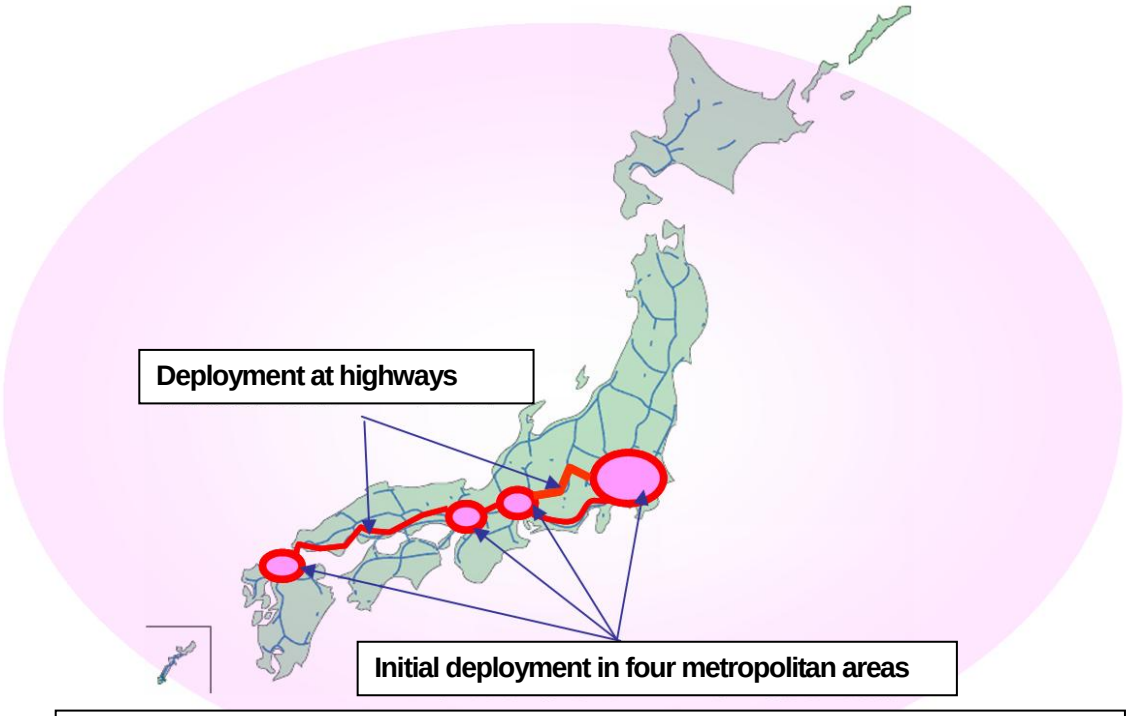

Image of initial deployment of hydrogen supply infrastructure