

Please urge H.I.S. to withdraw from the palm oil power plant project that destroys tropical forests and climate.

Dear Sirs or Madams,

We are environmental groups and individuals who are deeply concerned about climate change, destruction of biodiversity and deforestation and want solutions.

H.I.S. Super Electric Power Company, which is invested by H.I.S., a major travel agency in Japan, has constructed a 41 megawatt power plant fueled by palm oil in Kakuda City, Miyagi Prefecture, and trial operation will start soon. About 70,000 tons of palm oil are burned annually as raw materials.

We oppose the power generation business, which burns palm oil, saying that it is "destroy tropical forests" and "generate more carbon dioxide than coal". We met with Mr. Sawada, CEO of H.I.S. and Mr. Akao, the president of H.I.S. Super Electric Power, to convey the problems. Despite that, it is very regrettable that the construction started. After that, we called for signatures against the project and twice submitted more than 200,000 signatures from all over the world. However, they refused to have meeting with us.

As you know, palm oil has been used mainly for food, but in recent years, along with the increase in demand for palm oil, oil palm plantations have been expanding rapidly, and this has become one of the major causes of destruction of tropical forests in Indonesia and Malaysia. In Indonesia and Malaysia, some 3.5 million hectares of tropical forest have been converted to oil palm plantations in the past 20 years.

Once a tropical forest consisting of diverse species is cut down and a single oil palm is planted in a plantation, the orangutans, elephants, and other wildlife that originally lived in the tropical forest will no longer be able to live there, and biodiversity will be lost.

H.I.S. says it uses RSPO (Roundtable on Sustainable Palm Oil) certified oil, but RSPO (2013) certified oil does prohibit conversion of high conservation value forest after 2005, but conversion of other forests is allowed. In addition, since there is a limited amount of land available for cultivation, there is a limit to the amount of oil certified by RSPO, and food companies are struggling to procure it.

In addition, if demand for palm oil expands, the development of tropical forests and peat lands for oil palm farmland will release enormous amounts of CO<sub>2</sub>. A large amount of methane and other greenhouse gases are also generated from the waste liquid generated in the processing stage. Taking these emissions into account over their life cycles, palm oil power plant generates far more CO<sub>2</sub> than coal-fired power generation.

We are very concerned that H.I.S.'s power generation using palm oil will destroy irreplaceable tropical forests and climate.

We believe that H.I.S.'s entry into this dangerous business represents a tremendous reputation and economic risk to the company. Over the next 20 years they will continue to import enormous quantity of palm oil from Malaysia and Indonesia, during which time growing demand for palm oil will be increasingly criticized for destroying climate and biodiversity. The Ministry of Economy, Trade and Industry of Japan indicated in the discussions on the sustainability of Feed in Tariff for renewable energy that it would also require GHG emission assessments over the life cycle. In the future, there is a possibility that palm oil power plant will be forced to withdraw as "objectionable" due to climate change. Toyo Keizai, Economist, NHK BS and others have already taken up the problems of palm oil power generation critically.

We believe that those who invest in H.I.S. also bear a great responsibility.

Based on your understanding of this situation, we would like you to consider asking H.I.S. to withdraw from this business, and if H.I.S. continues this business, we would like you to refrain from investing or financing.

We are very sorry to trouble you, but we would appreciate it if you could let us know by **September 18** how you would like us to respond to this matter.

Best Regards,