Implementing GIS Projects through NEDO's Greenhouse Gas Emission Trading with Ukraine -Promising Outlook for Utilizing Japan's Cutting-edge Technologies-

Based on the Green Investment Scheme (GIS*1) agreement*2 concluded between the New Energy and Industrial Technology Development Organization (NEDO) and the National Environmental Investment Agency (NEIA), the two parties have agreed to implement a pilot project for coal mine water treatment using Japan’s advanced reverse osmosis membrane technology as well as socially committed energy conservation projects that improve the insulation in public facilities, such as schools and hospitals in Ukraine.

These will be the first projects to be implemented as GIS projects between NEDO and NEIA. In particular, the pilot project for coal mine water treatment could be expected to utilize Japan’s cutting-edge technology to address Ukraine’s environmental and water shortage issues. The project is also expected to contribute to social development in Ukraine.

Utilizing the opportunity of the seminar for investment to Ukraine held during the Ukrainian President’s visit to Japan, NEDO concluded documents concerning the implementation of the GIS projects with NEIA.

Project Outlines:

<table>
<thead>
<tr>
<th>Project name</th>
<th>Pilot Project for Coal Mine Water Treatment at the Voikov Mine</th>
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<tbody>
<tr>
<td>Project outline</td>
<td>Refine coal mine water at the Voikov Mine in the Luhansk region into safe drinking water using membrane technology and provide safe drinking water to neighboring regions, as an alternative to discharging untreated coal mine water into rivers.</td>
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<tr>
<td>Social Projects (Insulation Improvement Project for Public Facilities)</td>
<td>Aims to reduce greenhouse gas emissions by promoting energy conservation through the improvement of insulation of walls and windows in schools, hospitals and other public facilities (364 facilities) in Ukraine.</td>
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</tbody>
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Contact persons
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Glossary of Terms (Reference)
*1 GIS:
A Green Investment Scheme (GIS) refers to a plan for achieving environmental benefits from
emission trading under the Kyoto Protocol. Under Article 17 of the Kyoto Protocol, GIS is a
mechanism in the framework of international emission trading, which designates the use of
proceeds from AAU*3 transfers for greenhouse gas emission reduction and other
environmental projects.
Starting with the above project implementation agreement, NEDO will work to further
strengthen its cooperative ties with NEIA in an effort to actively promote additional GIS
projects utilizing Japan’s advanced and sophisticated technologies.

*2 GIS agreement:
On March 18, 2009, NEDO and NEIA concluded an AAU*3 purchase agreement for 30 million
tons. Through this agreement, NEDO’s funds for purchasing AAU are guaranteed to be
allocated to greenhouse gas emission reduction and other environmental projects.

*3 AAU:
Based on Article 3 of the Kyoto Protocol, an Assigned Amount Unit is a greenhouse emission
unit allocated to Annex B countries (countries committed to binding targets of quantitative
emission reduction) provided in the Protocol.