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Internet Initiative Japan Inc.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

The “Lao PDR Energy Efficient Datacenter Project” Registered as the First JCM Project Between Lao PDR and Japan

TOKYO—September 20, 2017—Toyota Tsusho Corporation, Internet Initiative Japan Inc.(IIJ), and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. , today announced that the Lao People's Democratic Republic (Lao PDR) Energy Efficient Datacenter Project (*1) was officially registered as a Joint Crediting Mechanism (JCM *2) project by the JCM's Joint Committee held on July 31, 2017. This project is the first JCM project to be registered in Lao PDR. The project is expected to reduce carbon dioxide (CO2) emission by 2,269 tons between 2017 and 2020 and we plan to apply for carbon credits once the demonstration period ends in February 2018.

Under the JCM established between Lao PDR and Japan, the three companies along with the New Energy and Industrial Technology Development Organization (NEDO) are currently conducting the Lao PDR Energy Efficient Data Center Project demonstrating the evaluation of the effectiveness for greenhouse gas emission reductions by the construction and operation of modular-type datacenters in the Lao PDR. (The relevant press-releases have been previously announced on January 26, 2016 and November 30, 2016.)

The IIJ's excellent high-quality and high-efficiency modular datacenter (*3) technologies made it possible to construct the first Lao PDR government-operated eco datacenter in Vientiane. The project is in the process of the facilities' operation adjusted to the local environment and the evaluation of the impact to CO2 emission reduction. It is estimated that this datacenter could achieve approximately 40% of energy efficiency compared to conventional datacenters, which would lead to CO2 emission reduction. Furthermore, the datacenter is also expected to strongly contribute to sustainable socio-economic development in the Lao PDR. Accordingly, as the fundamental social infrastructure for the IT strategies in the Lao PDR, the datacenter is intended to be utilized not only for government use, but also for the development of future IT professionals and for the further acceleration of private-sector businesses.

Toyota Tsusho, IIJ, and Mitsubishi UFJ Morgan Stanley Securities keep combating with variety of global warming issues such as the CO2 emission reduction.

(*1) This project was among those chosen by the New Energy and Industrial Technology Development Organization (NEDO) as part of its Global Warming Mitigation Technology Promotion Project in July 2015. The governments of Japan and Lao PDR have signed a bilateral document(*) concerning establishment and implementation of JCM , and this project is one that uses a JCM (validation, project registration, monitoring and reporting of emissions reductions attributed to the project,

and verification) meant to support the efficient and effective implementation of specific, provable greenhouse gas emissions reduction projects that use low-carbon technologies and products from Japan that have not been introduced or have seen little penetration in developing nations.

- (*) Bilateral Document: This refers to the document signed on August 7, 2013, in which Japan and Lao PDR agreed upon a credit system between the two countries for partnership in low-carbon growth.
- (*2) Joint Crediting Mechanism: Mechanism for facilitating diffusion of low-carbon technologies, products, systems, services, and infrastructure, as well as implementation of mitigation actions in developing countries and appropriate evaluation of Japan's contributions to greenhouse gas emission reductions or removals in a quantitative manner to achieve Japan's emission reduction target.
- (*3) The datacenter integrates IT and cooling systems, with both IT equipment and an indirect outside-air cooling system in easy-to-ship 20-foot containers (ISO compliant). This project uses IJ's co-IZmo/I modular datacenter.

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