

July 18, 2008

**Development by Mitsubishi Corporation of the first JI Project
In the Republic of Poland**

Mitsubishi Corporation (“MC”) signed a contract with Zakłady Azotowe w Tarnowie Mościcach S.A. (“ZAT”), a Polish state-owned chemical company, on July 4, 2008, for the development of JI Project (*1) at its nitric acid plant in Tarnow, Poland. After the installation of the secondary catalyst to reduce N₂O (*2), this project was launched on July 5, 2008 to gain ERU (*3) issued under the Kyoto Protocol. This JI project was approved by the Japanese government on December 27, 2007, and by the Polish government on June 19, 2008, and is now in the process of receiving approval from the JISC (*4). MC has been involved in five similar CDM (*5) projects to reduce N₂O, which are among the nine projects approved by the United Nations. This project is also the first JI Project for MC and the first JI Project between Poland and Japan approved by the Polish Government, in which a Japanese company is independently providing a Polish company with total solutions, including preparation of the Project Design Document (PDD), implementation of the project, and sales of ERU.

Different from the procedure of CDM, ERU can be issued retroactively from the date of start-up on July 5, 2008.

The expected total emissions reduction from this project is approximately 2,580,000 (CO₂ ton equivalent) ERU by the end of 2012, which is the end of the first commitment period of the Kyoto Protocol.

Taking this opportunity, MC will seek to launch new JI projects in Middle-Eastern Europe and Russia.

(*1) Joint Implementation Project (JI Project)

An arrangement to reduce greenhouse gases under the Kyoto Protocol, where Annex I Parties stipulated in the Kyoto Protocol which have emission caps assist other Annex I Parties to implement project activities to reduce greenhouse emissions, and where credits (ERU) are issued based on the amount of emission reductions achieved by the project activities.

(*2) Nitrous Oxide (N₂O)

One of the six greenhouse gases regulated under the Kyoto Protocol which contribute to global warming. N₂O is 310 times more harmful than CO₂, and is formed as a by-product at Nitric Acid plants.

(*3) Emission Reduction Unit (ERU)

The unit of credit for emission reduction issued for JI projects.

(*4) JI Supervisory Committee (JISC)

The supervisory board for the approval of JI projects and the verification of ERU issuance.

(*5) Clean Development Mechanism (CDM)

An arrangement to reduce greenhouse gases under the Kyoto Protocol, where Annex I Parties which have emission caps assist non-Annex I Parties which don't have emission caps to implement project activities to reduce greenhouse gases, and where credit (CER) is issued based on emission reductions achieved by the project activities.

<Reference>

1. Project details

- (1) Host Party: Zakłady Azotowe w Tarnowie Mościcach S.A.
- (2) Place: ul. Kwiatkowskiego 8, 33-101, Tarnow, Poland
- (3) Chairman: Mr. Jerzy Marciniak
- (4) Establishment: 1927
- (5) Employee: 2,500
- (6) Main business: Production of Polyamide, Acetal Copolymer, fluoroplastic, Caprolactam, Fertilizer
- (7) Turnover: 1,218 Mil. PLN (Fiscal Year 2006)
- (8) Operating profit: 60 Mil. PLN (Fiscal Year 2006)

2. Date of implementation

July 5, 2008

3. N₂O Abatement technology

Secondary Catalyst

4. Expected CO₂ reduction

575,000 Ton-CO₂e/Year (Total 2,580,000 Ton-CO₂e/4.5 years)

5. Role of participants

(1) MC:

The feasibility study for the JI project, N₂O gas measurement, preparation of Project Design Document (PDD), gain of approvals from the Japanese Government and JISC, support to obtain approvals from the Polish Government,

support for the secondary catalyst selection, support to obtain ERUs and sales of ERUs.

(2) ZAT

Implementation of the secondary catalyst, measurement of N₂O gas emission and gain of approval from the Polish government.

6. Panoramic view of the plant



7. Map of the plant

