

An aerial photograph of a winding asphalt road that snakes through a series of rolling, vibrant green hills. The hills are covered in dense vegetation, and the road's path creates a series of sharp curves and loops across the landscape. The lighting is bright, highlighting the textures of the grass and the shadows cast by the terrain.

SDG
Impact Japan

**SDG Impact Japan
Introduction of “JCM Enabling Platform”**

January 2025

About us

Company Profile

Established: January 2021

Capital: 100 million yen

Shareholders: founding members, employees, strategic partners



Characteristics

- Experienced management team in finance, sustainability, and business
- Global strong network in the sustainability domain
- Capturing global sustainable investment opportunities



Business Overview

A Incubate and develop businesses that contribute to improving sustainability

- Identify and develop sustainable new businesses using management networks and VCs

RIMM, a sustainability evaluation tool for financial institutions and companies

- Established a joint venture in Japan with a FinTech company in Singapore to provide sustainability assessment tools for financial institutions and companies

AI Energy Management SaaS Business

- Establishing a joint venture in Japan with an AI based Energy Management solution provider in Singapore to expand its business in Japan

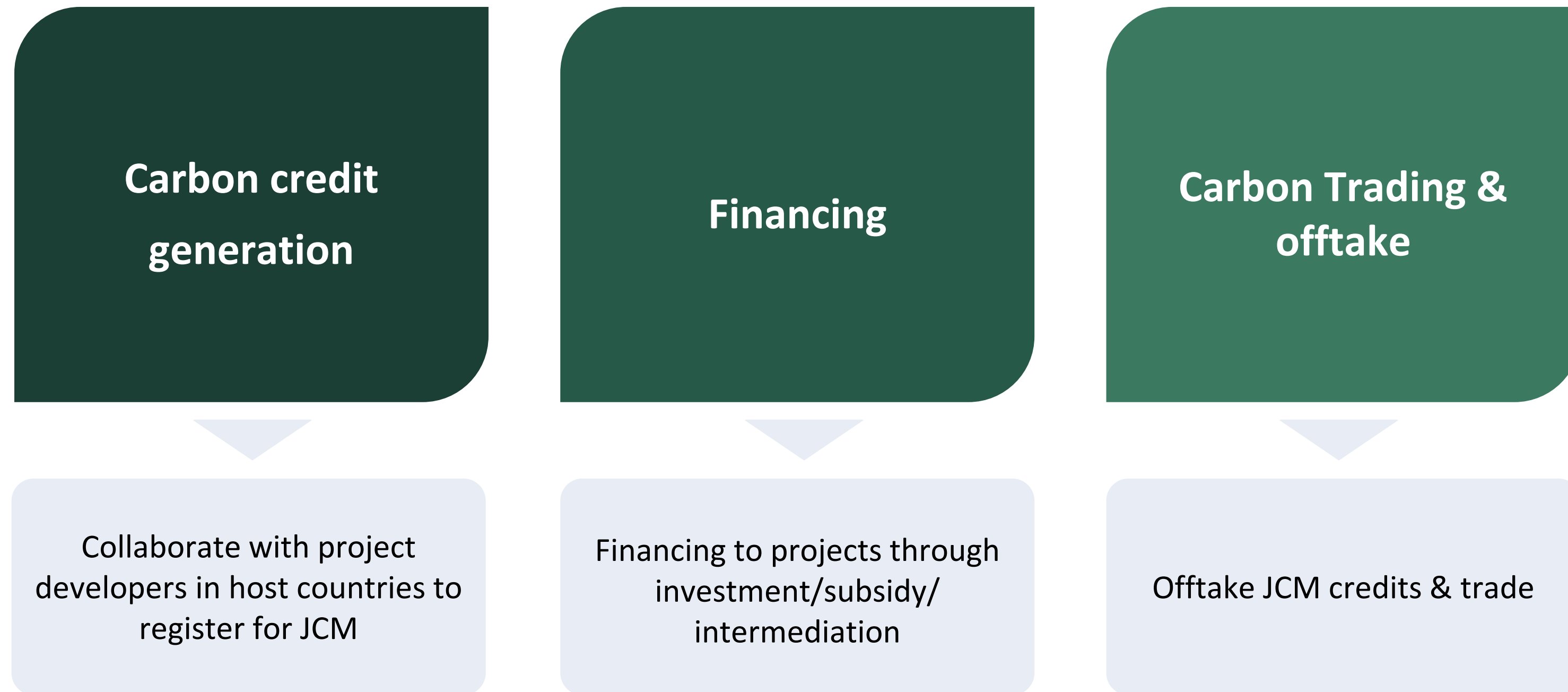
B Promote establishment and management of investment strategies focused on sustainability

- Listed equity investments: Engagement strategy with ESG impact angle
- Venture investments: sustainability-focused venture funds in partnership with leading global VCs etc.

C Sustainable finance advisory

- Provide advisory services to financial institutions and companies with experts in sustainable finance and ESG themes (climate change, diversity, human rights, etc.)

JCM Enabling Platform Service: **what we do**



JCM Enabling Platform Service: our strength

① Unique investment strategy using carbon credit as leverage to boost financial returns

- Joint Crediting Mechanism, Article 6.2 credit, serves as crucial credit offset scheme for coming GX-ETS scheme
- Potential for 70 million tons of JCM credit generated until 2030

② Established partnerships with large corporations, financial institutions, asset owners in Japan

- Capital & strategic partnerships with major players in the financial sector & corporates



Meiji Yasuda Life



Mitsubishi UFJ Bank



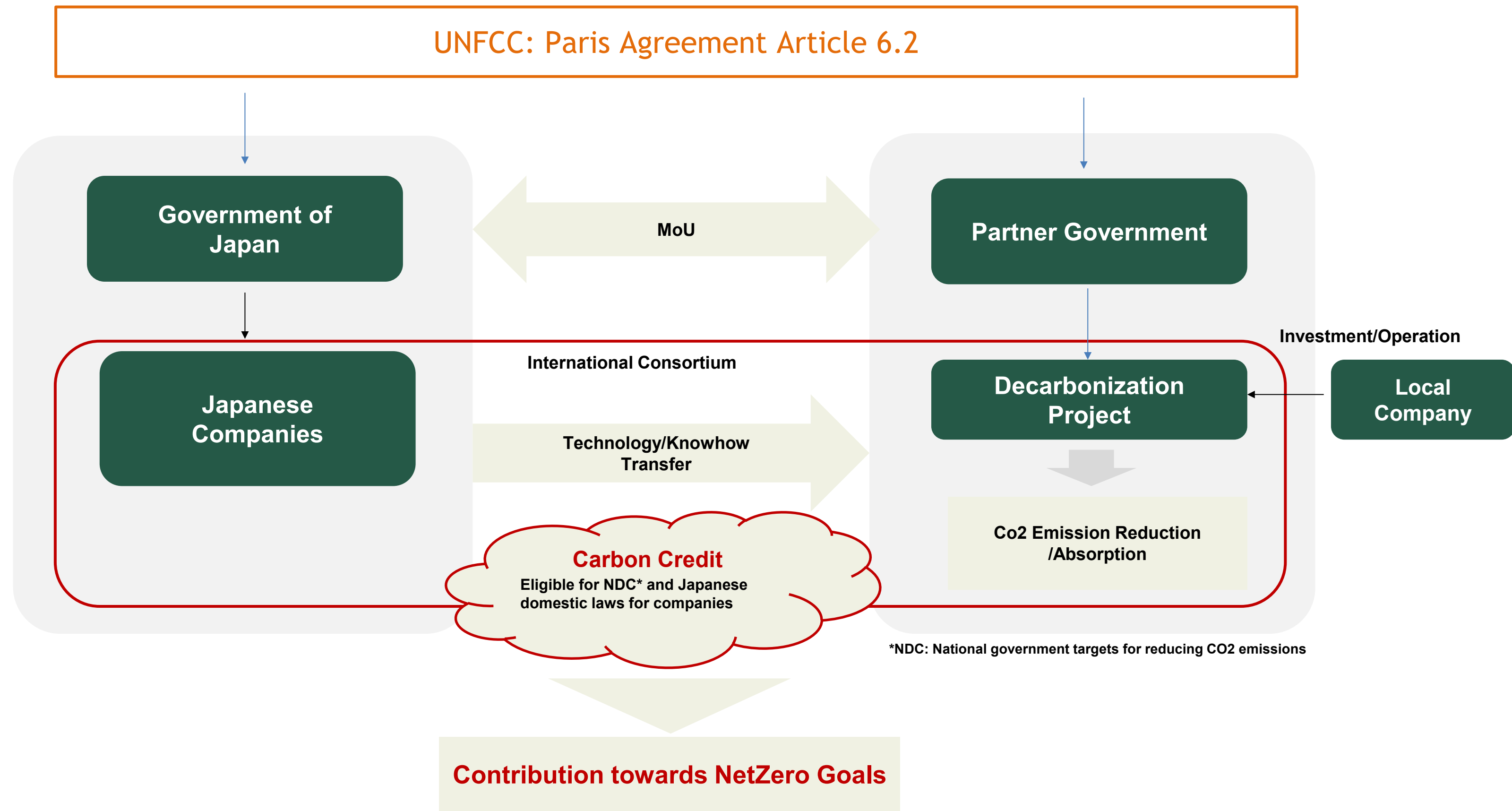
Sojitsu

③ Experienced professionals in carbon credit, emerging market investment and impact investing

- Team comprise of carbon credit specialist, emerging market investment and impact investing
- Experience in developing JCM projects working with relevant ministries in Japan

Joint Crediting Mechanism (JCM) : Article 6.2 aligned carbon credit

JCM Credit is the Japan's carbon credit scheme aligned to Article 6.2 of Paris Agreement, focused on developing decarbonization project outside of Japan (mainly emerging countries).



Private Sector JCM & JCM Subsidy

Our service focuses on creating enabling environment for Private Sector JCM, however JCM subsidy can be supported depending on the project

Private Sector JCM

<Overview>

- Japanese representative participant and local participants will form international consortium to finance/develop/implement JCM project
- JCM credit obtained can be traded in GX-ETS scheme

<Benefit>

- ✓ More JCM credit allocated to private sector (Japanese government will not claim the subsidy)
- ✓ Flexible & speedy processing

<Contains>

- ✓ Does not involve any financial support by the government

JCM Subsidy

<Overview>

- Japanese representative participant and local participants will form international consortium to develop/implement JCM project
- Japanese government will provide subsidy to representative participant to supplement the financing to the project

<Benefit>

- ✓ Lower initial CAPEX for project development

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- ✓ JCM credit will be allocated to Japanese government
- ✓ Heavy Documentation, Long procedure for approval
- ✓ Clarity of the approval

Extensive experience and track record in JCM projects

Track record in investment, financial intermediation & subsidy as a representative participant (MoE/GEC, METI/NEDO, Private Sector JCM etc)

Year	Category	Country	Project Name	Funding
2022	Finance	Global	Formation of the Carbon Neutral Infrastructure Fund, a fund for investment in JCM projects	Corporate/Individual investors
2022	Finance	Indonesia	Financing of convertible loan to Indonesian Small Hydro Power Producer	Carbon Neutral Infrastructure Fund
2022	Subsidy	Indonesia	3.5MW Small Hydro Power Project in Punga River, North Sumatra Province	JCM Subsidy Program (MOE/GEC)
2023	Finance	Vietnam	Financing for a roof-mounted solar project at a beverage factory in Vietnam	Overseas investor
2023	Subsidy	Moldova	JCM feasibility study for biogasification project using ethanol distillation residue	JCM Feasibility Study (METI)
2024	Subsidy	Moldova	Demonstration Project of Methane Fermentation System for Utilization of Waste Energy at Ethanol Brewery Plant	JCM Technology Demonstration Project (NEDO)
2024	Private Sector JCM	Indonesia	HFC Recovery and Destruction Project in Indonesia	TBD
2024	Climate Finance	Indonesia	Joint Investment in Indonesian Small Hydro Power Generation Company	J-Power
2025	Private Sector JCM	Moldova	Landfill gas(LFG) capture from landfill site and generating electricity by utilizing the biogas	Self-financing

Indonesia HydroPower Project: JCM Subsidy Program by MoE/GEC

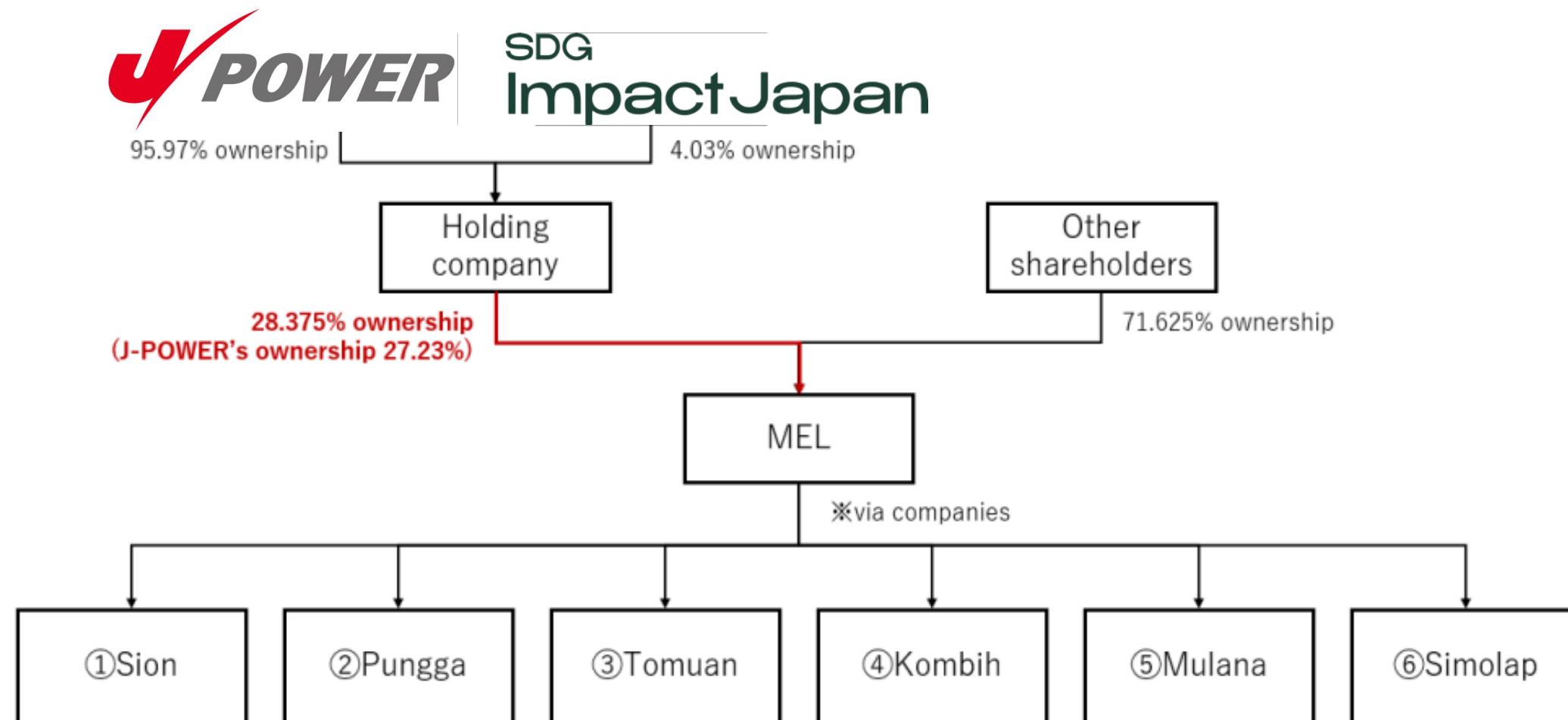


Project Overview

- PT Mulya Energi Restari is the hydro power developer in Indonesia
- The company was looking for investors to develop their pipeline projects
- SIJ made investment to their holding company in their early stage and arranged JCM Subsidy for their project
- After their initial projects, SIJ invited J-Power to speed up the growth

Approach by SDG Impact Japan

- SIJ provide early stage financing and arrangement of JCM subsidy to develop their small project
- SIJ brought J-Power to co-invest through JV
- JV intends to gain income from
 - Return on investment from hydropower
 - Additional revenue through JCM credits



Indonesia HydroPower Project: JCM Subsidy Program by MoE/GEC

3.5MW Mini Hydro Power Plant at Pungga River in North Sumatra

Representative Participant

SDG Impact Japan Inc.

Partner Participant: PT. Raisan Energi Indonesia

Host Country	Indonesia
Selected Year	2022
Type	JCM Model Project
Sector	Renewable Energy

Outline of GHG Mitigation Activity

Installing

Not registered

The Project aims to reduce greenhouse gas(GHG) emissions by development and operation of a 3.5MW run-of-river mini hydro power plant at Pungga river in North Sumatra. The plan is to sell annually 19.2GWh of electricity to PLN, the national electric power supplier in Indonesia.

Indonesia sets its goal to achieve carbon neutral by 2060. Under the goal, the country aims to increase renewable energy share to 48% out of it's energy mix. The project is to contribute to the country's national energy policy. The project also plans to provide the Indonesian participant partner with technical assistance for the partner to be able to keep operation of the plant independently. In addition, it aims to contribute to local economy, by creating employment.





Project Overview

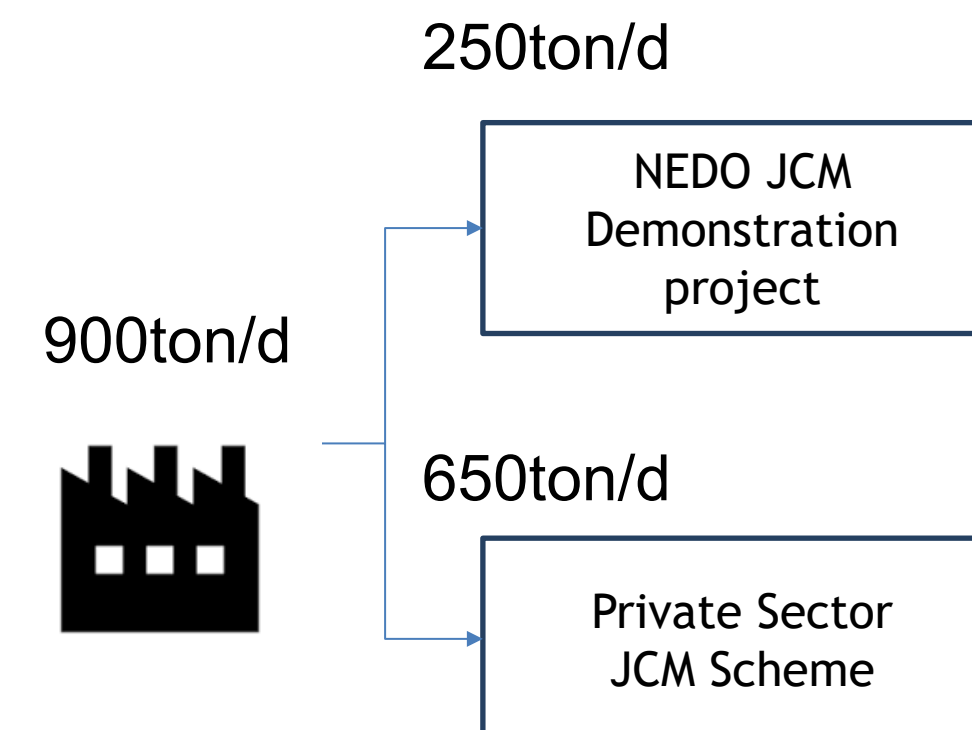
- Zernoff is the largest producer of ethanol in Moldova
- The company produces ethanol from distillation using natural gas
- Natural gas price surged by 7x due to the Ukraine invasion
- Zernoff intends to shift from natural gas to renewable gas (biogas) through methane fermentation of cereal residues

Impact

- Reduction in energy cost for their operation
- Lower initial CAPEX by utilization for JCM subsidy
- Additional income by the sale of JCM credit
- Reduction of CO2 emission by Zernoff factory.
- Circular economy through recycle the waste cereals

Approach by SDG Impact Japan

- Arrangement of JCM subsidies program by NEDO (METI)
- The NEDO project will be a pilot project to test the biogas technology from Japan
- After the NEDO project is successful, SIJ plans to create JCM credit at full capacity.
- Financing could be arranged from Japanese companies / financial institutions.



Over 20 years of experience in climate, finance & development



Nagayuki Kurita

Over 20 years of experience in the field of climate change including trading of carbon credits (CDM during Kyoto Protocol Period) with carriers including as an environment expert at Mizuho Corporate Bank, chief consultant at Mizuho Information & Research Institute ,



Daichi Hirose

3 years of experience in JCM, carbon credit market. Specialized investment, M&A and corporate administration for emerging markets. With carrier in various financial firms and international NGO specialized in financial access.



Solene Peticol

Experience in delivering policy analysis on regional energy policies in OECD. As French national living in Japan, ability to deliver the outputs in French, Japanese and English. Currently involved in implementation of NEDO JCM Demonstration program.