ICEF 2023 CDR session

Mitsubishi Corporation CDR activities

October 2023

Mitsubishi Corporation
Mitsubishi is committed to (1) fulfilling our responsibility as a reliable supplier of energy, and (2) taking global initiatives to double our renewable power capacity and to create next-generation energy supply chain.
### Mitsubishi Corporation CDR activities

Vision to become one of the largest CDR project developer in the world by leveraging our knowledge/Network in multiple industries.

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<thead>
<tr>
<th>Category</th>
<th>Mitsubishi Corporation’s Activities</th>
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<tr>
<td>Afforestation Reforestation</td>
<td>• Investment in AI Carbon (Australian NBS Developer)</td>
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<tr>
<td>Biochar</td>
<td>• Business Development</td>
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<tr>
<td>Mineralization</td>
<td>• Investment and Business Development with multiple CCU technologies</td>
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<td>Enhanced Weathering Ocean</td>
<td>• Seeking new Investment and Business Development opportunities</td>
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<td>BiCRS/BECCS</td>
<td>• Investment and Business Development</td>
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<td>DACCS</td>
<td>• Participation in Breakthrough Energy Catalyst</td>
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<td>Carbon Credit</td>
<td>• NextGen CDR Facility</td>
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<td>• Steering Committee member of CCS+ Initiative</td>
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Supply and Demand Forecast of CDR

Supply of Tech CDR is limited due to high cost. However, a significant supply shortfall is forecasted due to rapid demand growth and slow development of projects.

Supply and demand range (Mt CO2 per annum) for 2030 market as of June 2023

- Pipeline for CDR project is insufficient to meet the demand in 2025.
- Demand of CDR will increase rapidly to achieve net-zero.

Sources: CDR.fyi; BCG Survey and Analysis, 2023.
“Chicken-and-egg dilemma” between Supply and Demand, preventing Tech CDR industry to scale.

Reason why Tech CDR not scaling up

Chicken-and-egg dilemma

Supply

We can scale and reduce cost if there are premium price buyers....

Demand

We can purchase CDRs if the price was cheaper....

Tech CDR not scaling
### Solution to scale the Tech CDR

Both ➊ Government-initiated incentives and ➋ Private-initiated incentives is necessary.

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<th>Public and Private incentives to scale Tech CDR</th>
<th>Experience carb of renewable-energy/FIT</th>
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<tr>
<td><strong>➊ Government (financial support)</strong></td>
<td>&lt;Ex : Renewable energy/FIT&gt;</td>
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<td>• Government-initiated incentive helps demand and supply to reduce cost, and to expand markets.</td>
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<td>• Government procurement of renewable energy at fix price</td>
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<tr>
<td><strong>➋ Private sector (Green premium)</strong></td>
<td>Credit buyers</td>
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<td>• Tech CDR procurement at a premium price (US$100-2,000/CO2-t) to support the industry.</td>
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NextGen CDR Facility

NextGen is a carbon credit offtake platform jointly established by Mitsubishi Corporation and South Pole to cultivate technology-based carbon dioxide removal (CDR) credit industry. NextGen conducts/supports carbon credit offtake and CDR methodology creation. NextGen has secured five foundation buyers and acts as the third largest credit off taker in the world.

Certification partner

Initiative to develop methodology for CDR projects which South Pole and Mitsubishi are a member of

Buyers

- BCG
- Swiss Re
- MOL
- UBS
- IGI

Buyers’ partner

First Movers Coalition

Projects

- Summit Carbon Solutions
- 1PointFive
- Carboculture

Initiative led by the U.S. government and the World Economic Forum to bring together major companies that commit to purchasing green products with green premium.