

ICEF 2023 CDR session

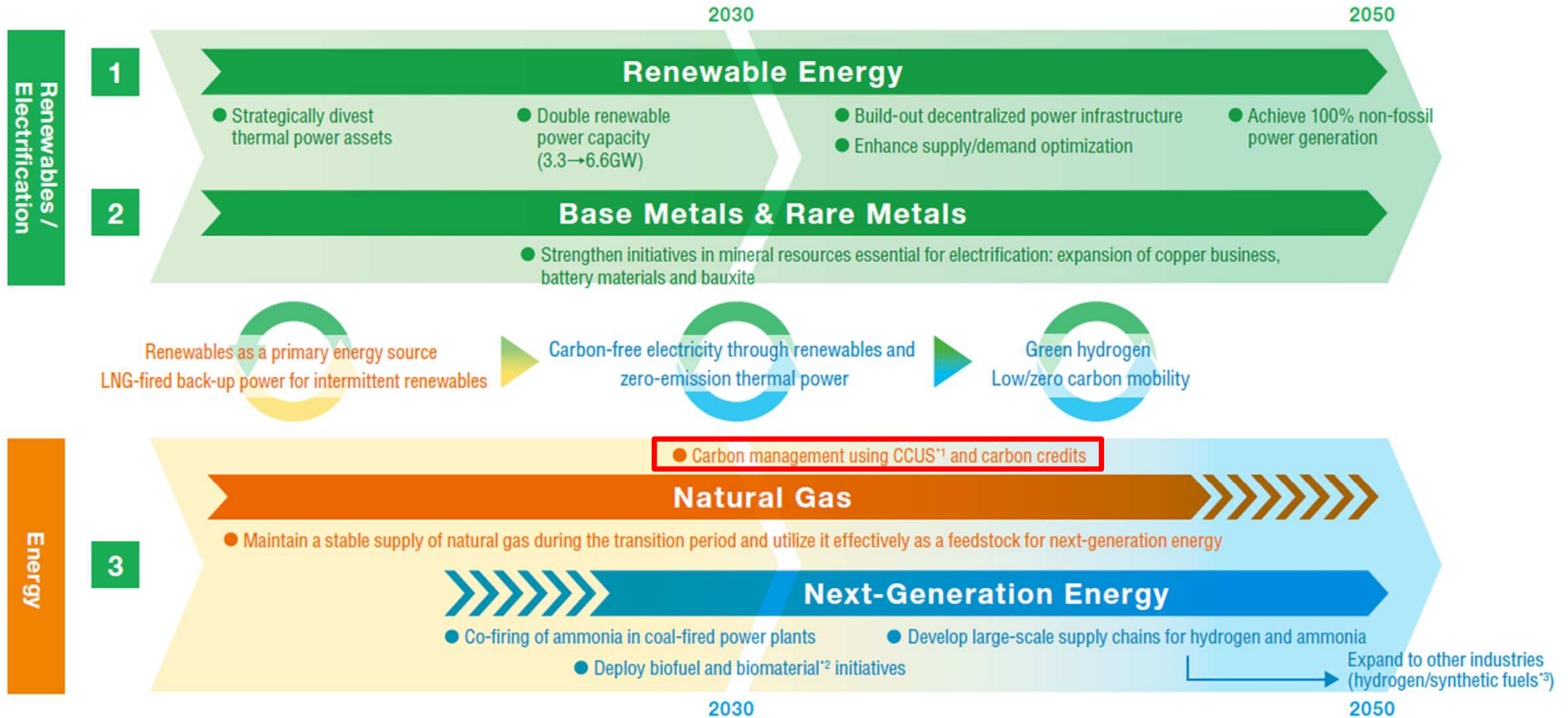
Mitsubishi Corporation CDR activities

October 2023

Mitsubishi Corporation

Mitsubishi's Carbon Neutral Roadmap

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.

Tech CDR

Category	Mitsubishi Corporation's Activities
Afforestation Reforestation	<ul style="list-style-type: none"> Investment in AI Carbon (Australian NBS Developer)
Biochar	<ul style="list-style-type: none"> Business Development
Mineralization	<ul style="list-style-type: none"> Investment and Business Development with multiple CCU technologies
Enhanced Weathering Ocean	<ul style="list-style-type: none"> Seeking new Investment and Business Development opportunities
BiCRS/BECCS	<ul style="list-style-type: none"> Investment and Business Development
DACCS	<ul style="list-style-type: none"> Participation in Breakthrough Energy Catalyst Investment and Business Development
Carbon Credit	<ul style="list-style-type: none"> NextGen CDR Facility Steering Committee member of CCS+ Initiative

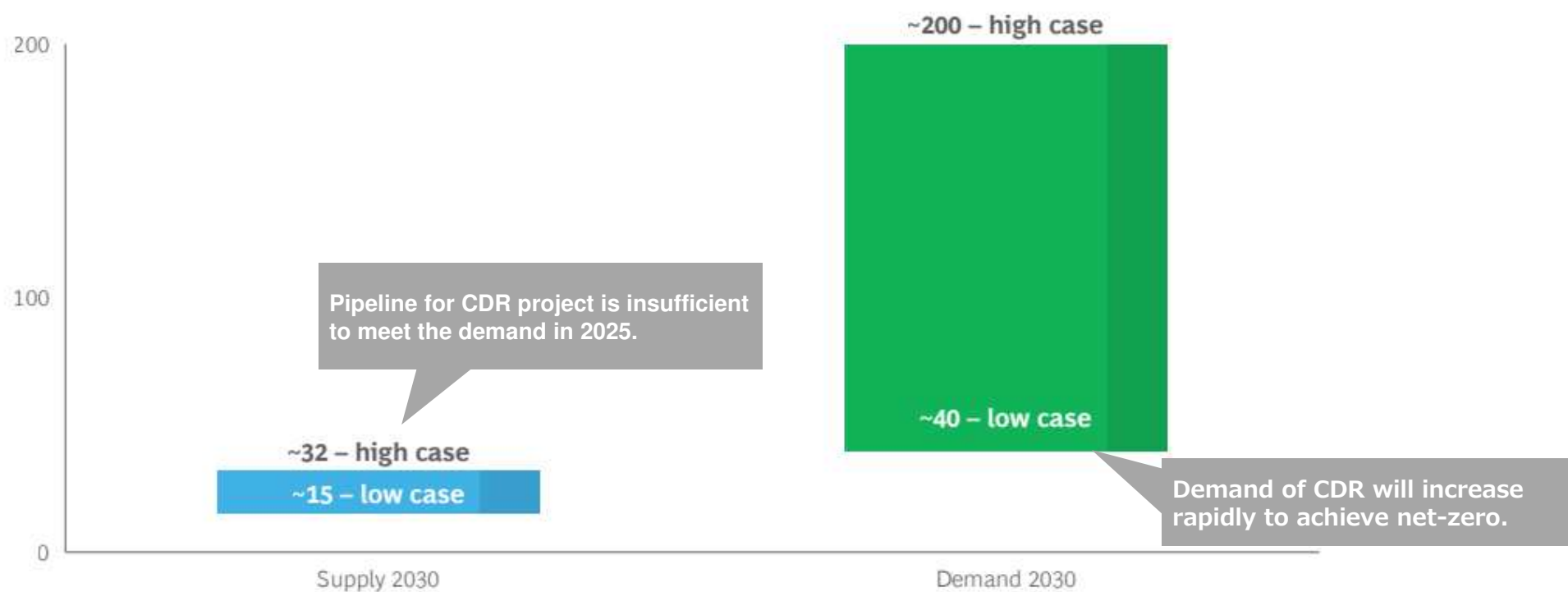


Supply and Demand Forecast of CDR

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



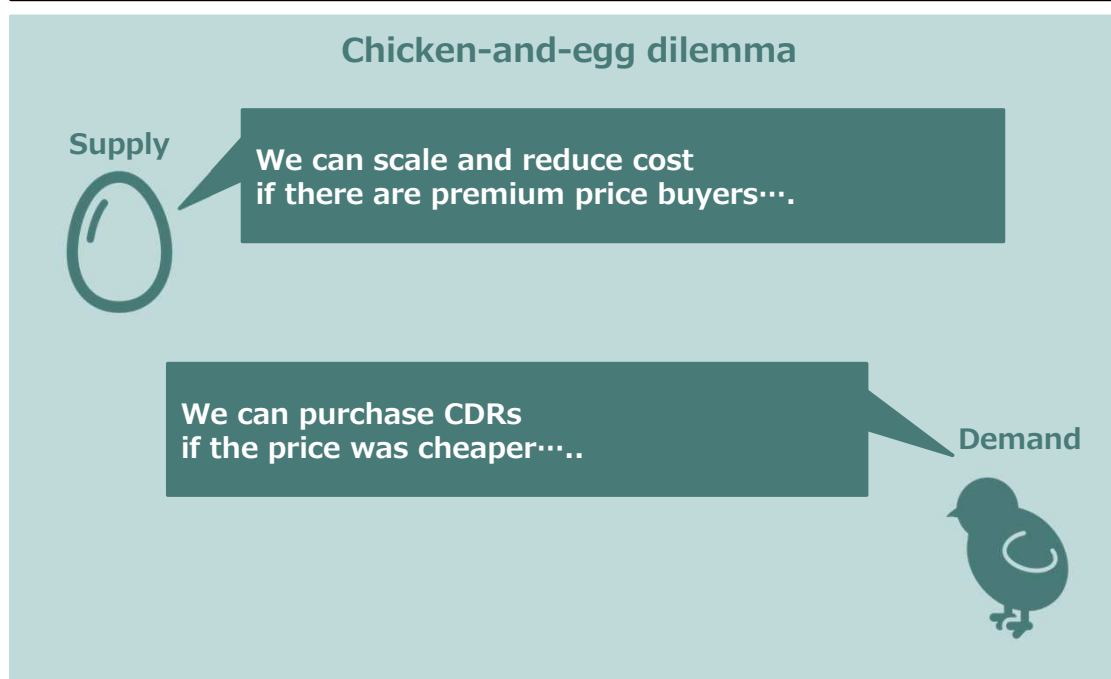
Sources: CDR.fyi; BCG Survey and Analysis, 2023.

Challenges to scale Tech CDR

"Chicken-and-egg dilemma" between Supply and Demand, preventing Tech CDR industry to scale.



Reason why Tech CDR not scaling up

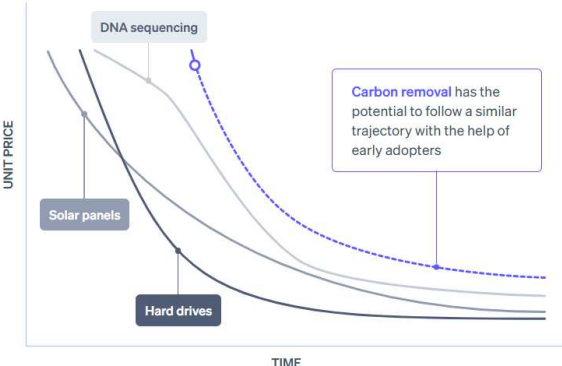



Tech CDR not scaling

Solution to scale the Tech CDR

Both ① Government-initiated incentives and ② Private-initiated incentives is necessary.

Public and Private incentives to scale Tech CDR

<p>①</p>	<p>Government (financial support)</p>	<ul style="list-style-type: none"> • Government-initiated incentive helps demand and supply to reduce cost, and to expand markets. <p><Ex : Renewable energy/FIT></p> <ul style="list-style-type: none"> • Government procurement of renewable energy at fix price 	<p><Experience carb of renewable-energy/FIT></p>  <p>The graph plots UNIT PRICE on the y-axis against TIME on the x-axis. Three solid lines represent the price trajectories of DNA sequencing, Solar panels, and Hard drives, all showing a downward trend over time. A dashed blue line represents Carbon removal, which starts at a higher price but follows a similar downward trajectory as the other technologies. A callout box points to the Carbon removal line with the text: 'Carbon removal has the potential to follow a similar trajectory with the help of early adopters'.</p>
<p>②</p>	<p>Private sector (Green premium)</p>	<ul style="list-style-type: none"> • Tech CDR procurement at a premium price (US\$100-2,000/CO2-t) to support the industry. 	<p><Credit buyers></p>  <p>The logos for the credit buyers are displayed vertically: First Movers Coalition (a circular pattern of dots), Microsoft (the four-colored square logo), stripe (the blue wordmark), and shopify (the green shopping bag logo).</p> <p>Our approach</p>

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.

