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Farming the Future:

Leveraging Agriculture-based Carbon Credits for Sustainable Agriculture

August 2025

Faeger Co.Ltd.

CONFIDENTIAL

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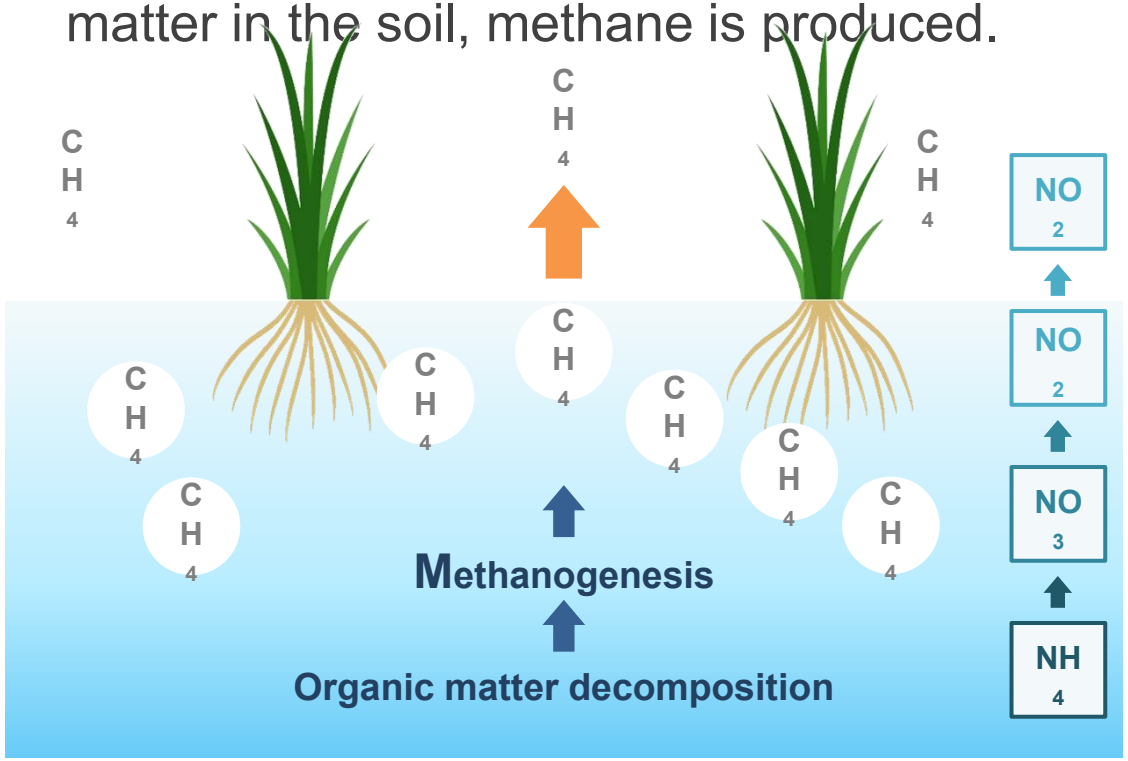
We put the farmers at the center

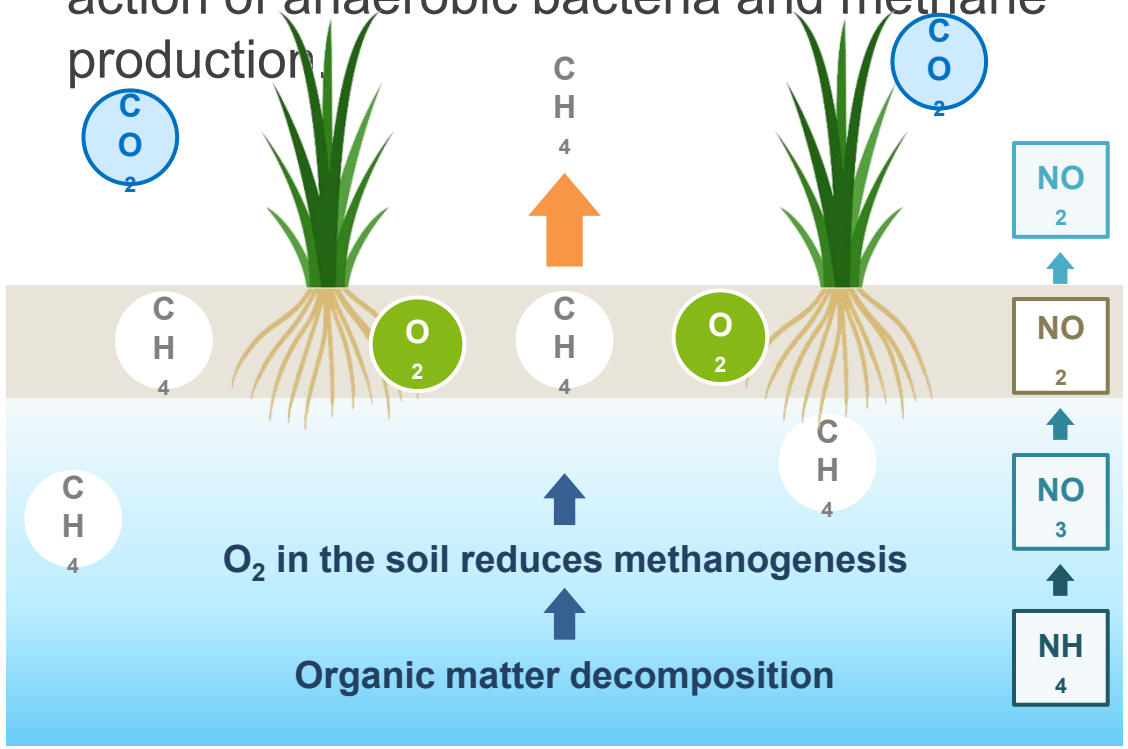
What is Alternate Wetting and Drying?

- AWD(Alternate Wetting and Drying) involves periodically drying the rice paddies and supplying oxygen to the soil, thus inhibiting the activity of these bacteria and reducing methane emissions compared to constant flooding. **Reduce CH4 (Methane) by 30-70% and water usage by 30%, without causing a yield reduction**

- As anaerobic bacteria break down organic matter in the soil, methane is produced.



- AWD exposes the soil to oxygen, reducing the action of anaerobic bacteria and methane production.



At Faeger, we make sure the farmers are paid first

Work with farmers to generate carbon credits

Help enterprises promote their environmental values

Farmers

1 **Work with farmers to promote decarbonised agriculture**

2 **Issue carbon credits based on results**

J-credit, JCM, etc.

3 **Return profits**

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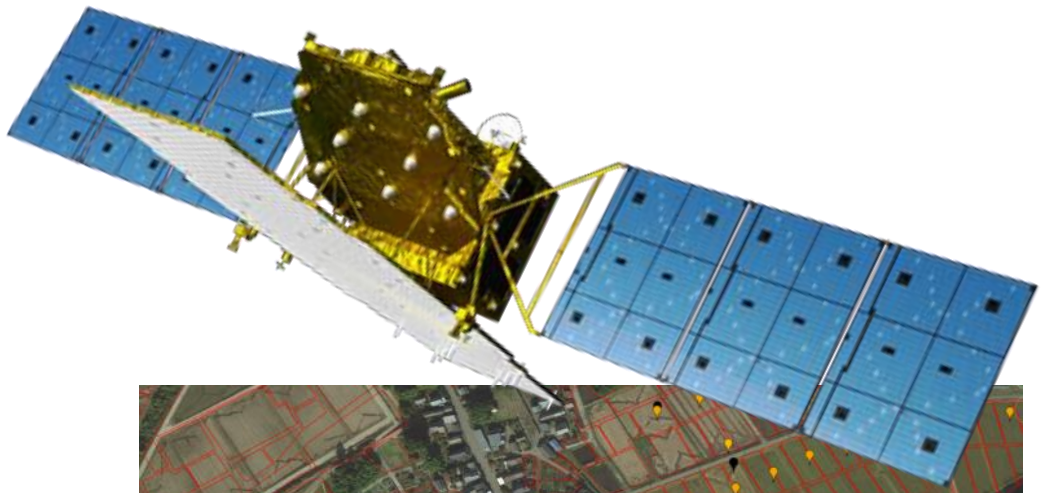
4 **Sell agriculture-based credits**

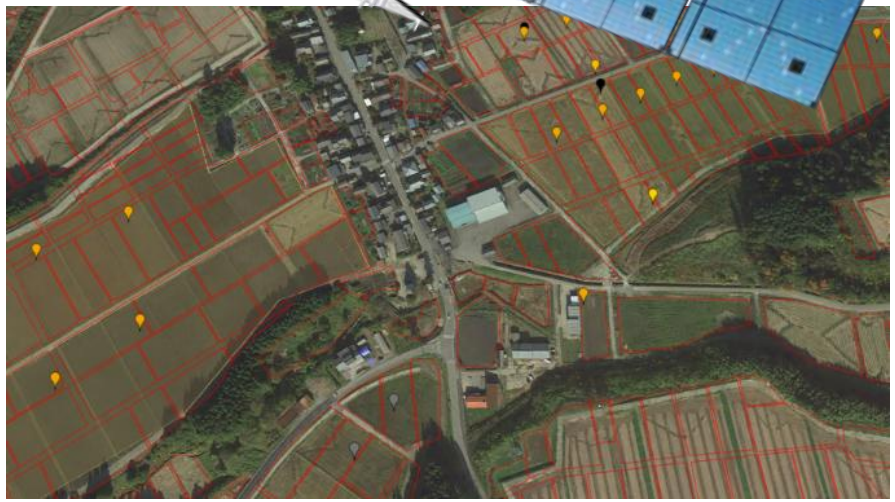
sales

Buyers

Faeger leverages technology to facilitate AWD

Faeger uses proprietary mobile applications, AI, and satellite imagery to monitor, review, and verify AWD implementation.





Faeger is largest carbon credit developer from agriculture in Japan

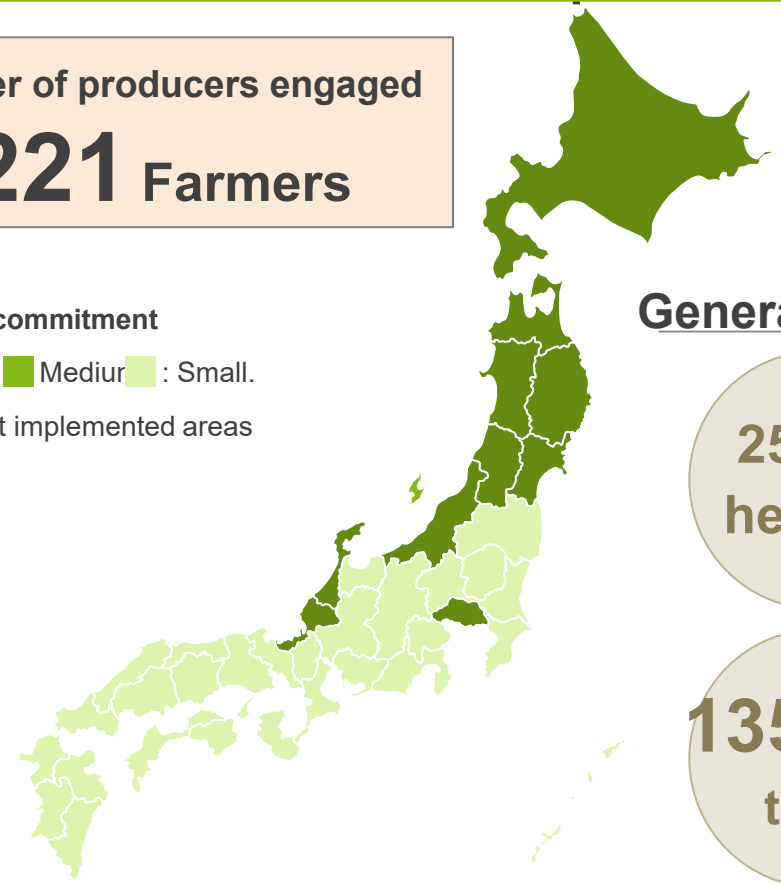
Faeger is the largest agriculture-based carbon credit developer and is actively operating in the Philippines (through JCM) and in Vietnam.

2024 result in Japan

Number of producers engaged

1,221 Farmers

35
Cooperated JA

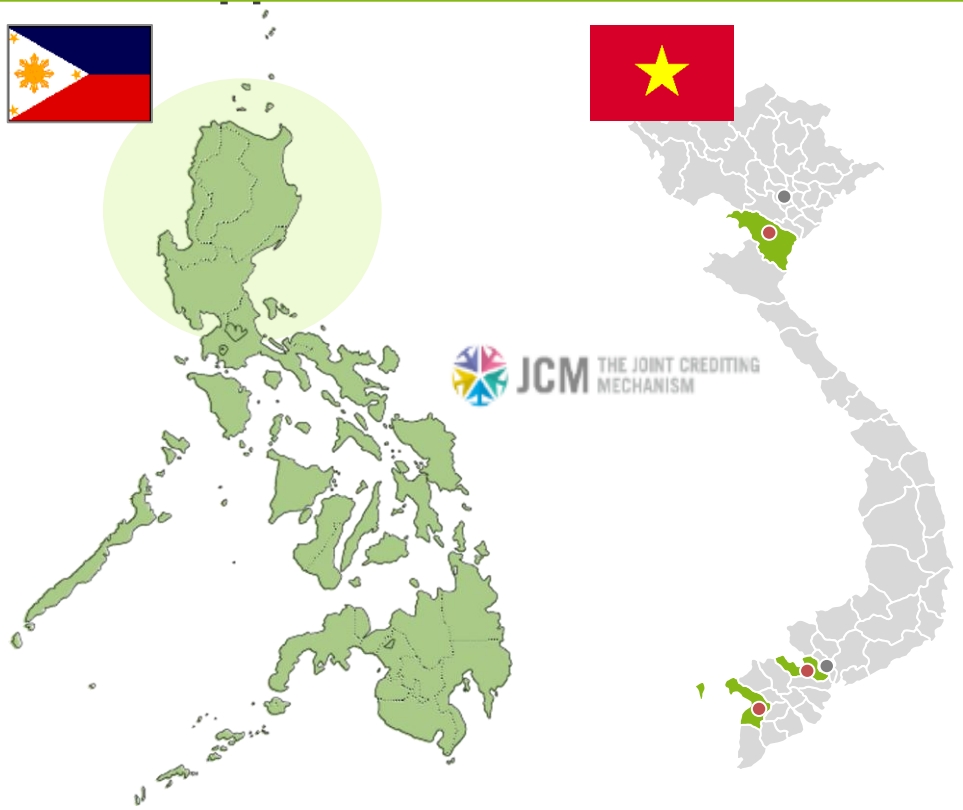


Generated credits

25,202 hectare

135,944 t-CO_2

Philippines and Vietnam



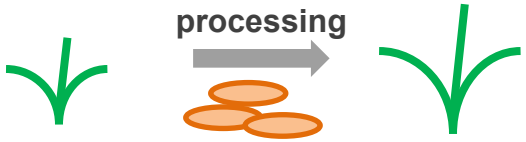
Faeger's investors and business partners

Faeger's mission and vision resonates with many companies in Japan. We work together to achieve sustainable agriculture.

R&D to build sustainable farming systems (in progress)

With the farmers whom we connect with through carbon credit, we'd like to share practices to yield improvement.

environmental memory seed
Environmental stress tolerance



Reduced environmental impact / increased productivity

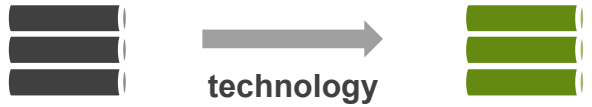
biostimulant
Provides heat resistance/drying properties

Reduced environmental impact / increased productivity / Reduced workload

P-DDS
Reduced use of pesticides and fertilisers

Reduced environmental impact / Reduced production costs
Reduced working time / Avoided health hazards

Functional biochar
Increased revenue and carbon sequestration



Environmental impact reduction / Resource recycling / Productivity gains

Indonesia has great potential in reducing GHG emission through AWD

Adopting AWD on Indonesia's irrigated rice field could cut methane emissions by over 26 million t-CO2 each year, while saving water.

Estimated irrigated rice paddies in Indonesia	**4.8 million ha**
	✖
Yearly GHG reduction per ha via AWD	**5.2 tCO2**
	=
Estimated GHG reduction from AWD	**26 million tCO2**

Source: Alternate wetting and drying reduces methane emission from a rice paddy inCentral Java, Indonesia without yield loss (JIRCAS, 2018), Agricultural Statistics 2010, Ministry of Agriculture & Database of Directorate of Irrigation, PU

With JCM, AWD can be expanded broadly and quickly

Premium Carbon Pricing: JCM carbon credits can command **$25+/ton**, enabling robust farmer incentives to transition to AWD practices

JCM THE JOINT CREDITING MECHANISM

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- We advocate for AWD methodology inclusion in the Japan-Indonesia JCM.
- We welcome collaboration with local partners who have extensive networks with rice farmers.




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