



Marubeni

**ARR project in Negros Occidental
through the planting of native species**

Forest Resources Dept.
Forestry Business Section

Company profile

- Marubeni owns a total of 310,000 hectares of plantations in Indonesia and Australia, and has been managing plantation operations directly by dispatching head office employees to the sites.
- Marubeni will leverage its experience in forest management to work on a reforestation project in the Philippines.

Company profile

| | |
|---|--|
| Founded | May 1858 |
| President & CEO | Masayuki Omoto |
| Paid-in Capital | 263,711 million yen |
| Head Office | 4-2, Otemachi 1-chome, Chiyoda-ku, Tokyo, 100-8088, Japan |
| Number of Branches and Offices | 130 branches and offices |
| Number of Employees (non-consolidated) | 4,337 |
| Number of Employees (consolidated) | 50,200 |

(As of March. 31, 2025)

Our experience of forest management



Indonesia PT. Musi Hutan Persada

- Established in 1991. Marubeni began investing in 2003, and made it a wholly owned subsidiary in 2015.
- Managing an area about 1.3 times the size of Tokyo. (290,000 ha)
- Processes eucalyptus plantation timber into paper-grade pulp and sells it across Asia.



Australia WA Plantation Resources Pty Ltd

- Established in 2000. It became a wholly owned subsidiary in 2013.
- Own plantation area is approximately 13,000 hectares.
- Has stably supplied paper-grade woodchips.
- Since 2017, has effectively utilized previously unused materials from state forests to supply biomass chips.

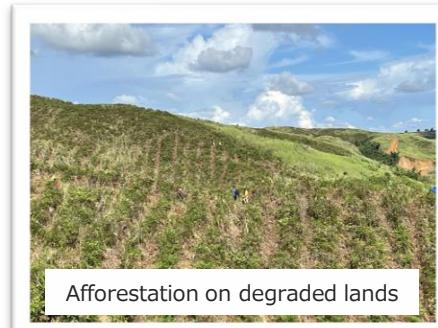
Project overview

- In February 2023, we agreed to promote carbon credit development through forest restoration in the Philippines, together with the DACON Corporation, the Department of Environment and Natural Resources (DENR), and the University of the Philippines Los Baños (UPLB).
- We will develop the afforestation project which is not intended for harvesting, aiming to generate removal carbon credits over 30 years.

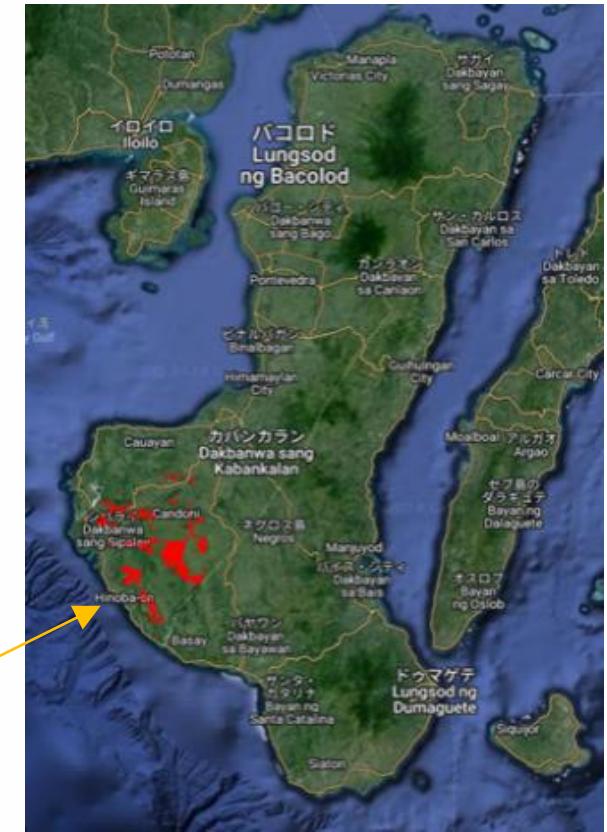
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|-------------------------------|---|
| Location | Negros Occidental, Philippines |
| Scale | 14,000 ha |
| Partner | DACON Corporation, University of Philippines LOS BANOS |
| Expected Credit amount | Approx. 7.3million tCO2 for 30 years |
| Timeline | 2026 : register the project for JCM 2030 : finish planting 14,000ha ~2055 : issuing JCM credits |



with President Marcos (Feb 2023)

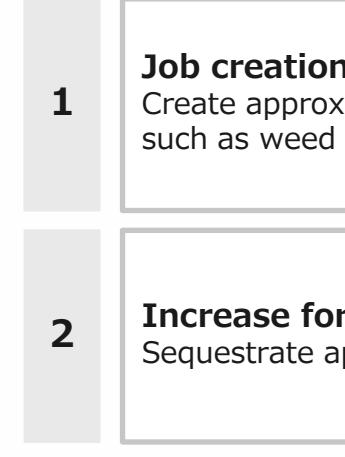


Afforestation on degraded lands



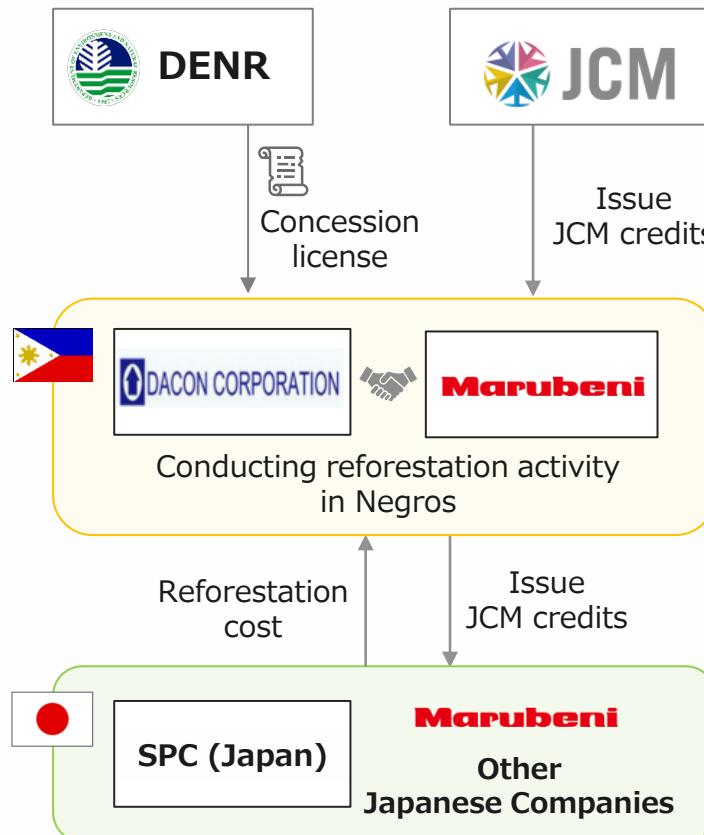
Project purpose

- In Philippines, forest cover has declined from about 70% in the early 20th century to about 20% in 2020, making forest restoration an urgent priority.
- Especially, in the southwestern part of Negros Island, land conversion policies led to the replacement of much of the tropical rainforest with sugarcane plantations, causing a significant decline in forest cover in the 2000s.
- Through this project, we aim to plant native species in the region with the lowest forest cover in the Philippines and to contribute to the environment and local communities through forest restoration.

| Steps of forest restoration | | | Contribution of this project |
|--|---|--|--|
|  |  |  | 1 Job creation for local residents Create approximately 1,000 jobs through field activities of 14,000ha such as weed clearing, seedling hauling, planting, and maintenance. |
|  |  |  | 2 Increase forest cover for 14,000 ha with native species Sequestrate approximately 9.8 million t-CO2 over 30 years. |
| Clear the weeds on degraded land | Plant the seedlings of native species | Continue protection and maintenance to restore the forest | 3 Biodiversity conservation and watershed recharge functions Restore biodiversity, and reduce risks of droughts, floods, and landslides by planting multiple native species. |

Project scheme

- This project aims to leverage Marubeni's expertise in plantation and forest management to restore forests in the Philippines, and utilize the resulting carbon credits in Japan through the Joint Crediting Mechanism (JCM).



- A joint venture formed by Marubeni and DAON will obtain land use rights from the Philippine government, to conduct reforestation activity.
- Furthermore, Marubeni will establish a SPC in Japan. The SPC will enter into purchase agreements with the JV in the Philippines to transfer credit rights and generate JCM credits.
- Several Japanese companies that are considering JCM offtake, will invest in this SPC. The SPC will bear the planting costs for the JV in accordance with the purchase agreements.