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Mitsubishi Electric's ME Innovation Fund Invests in Carbon Credit Monitoring Startup Archeda

Will advance the use of satellite data in the carbon credit sector to help achieve carbon neutrality

TOKYO, June 10, 2025 – <u>Mitsubishi Electric Corporation</u> (TOKYO: 6503) announced today that its <u>ME</u> <u>Innovation Fund</u> has invested in Archeda, Inc., a Japan-based startup that uses satellite data to develop and provide monitoring and analysis tools for carbon credits. The carbon credit system enables companies and other entities to buy and sell greenhouse gas-reduction outcomes (reduced or sequestered volumes) as emissions-allowance credits. This is the eleventh investment that the fund has made to date.

As global efforts toward achieving carbon neutrality gain momentum, carbon offsetting has emerged as an effective strategy. Under this concept, companies, etc. strive to reduce their greenhouse gas emissions as much as possible and then compensate for any remaining emissions by investing in sustainable projects that reduce or sequester an equivalent amount of greenhouse gases. In Japan, an increasingly active market is developing for nature-based carbon credits, including activities to manage, conserve and protect the natural environment. The demand for carbon offsets and nature-based credits in Japan is expected to rise significantly with the planned launch of a national emissions trading scheme in fiscal 2027. The scheme, which will apply to companies that emit over 100,000 tons of CO₂ annually, will set a cap on each company's CO₂ emissions and allow them to trade surplus or deficit emissions allowances. However, challenges remain, such as the lack of clarity regarding how credits will be issued, highlighting the urgent need for mechanisms to ensure the trustworthiness of carbon credits.

Archeda contributes to the trustworthiness of carbon credits by leveraging satellite data, including that obtained from Advanced Land Observing Satellite-2 "DAICHI-2" (ALOS-2), which was developed by Mitsubishi Electric. In particular, Archeda applies proprietary AI-based analysis technology to monitor environmental changes and carbon sequestration at project sites. The company also facilitates efficient, high-precision baseline assessments, another key factor in ensuring credit trustworthiness. The method involves estimating the greenhouse gas emissions that would occur in the absence of a reduction initiative and then uses the estimated amount as the baseline to evaluate the reduction by comparing it to actual emissions after

measures are implemented.

Through this investment, Mitsubishi Electric aims to deepen its collaboration with Archeda by applying its own satellite data analytics expertise, thereby contributing to the realization of a more carbon-neutral society.

Hiromasa Tsumura, CEO, Archeda, Inc., said, "We are truly encouraged to receive the support of Mitsubishi Electric, a company with world-class satellite technology, as we work toward building a foundation for natural capital assessment. By combining satellite data with AI, we aim to establish a highly trustworthy system for evaluating natural capital in Asia, and to pursue a future that balances environmental protection with economic value."

Komi Matsubara, Executive Officer (Vice President, Business Innovation), Mitsubishi Electric Corporation, said, "Archeda is at the forefront of satellite-based environmental monitoring and plays a key role in improving the trustworthiness of carbon credits, which is a mission closely aligned with our own. We are confident that this investment and collaboration will enhance the competitiveness of our satellite data utilization business. By maximizing the synergies between our companies, we look forward to growing this field and expanding the use of satellite data worldwide, including in Japan, ultimately for increased carbon neutrality."

About Archeda, Inc.

Company name	Archeda, Inc.
CEO	Hiromasa Tsumura
Location	36F Kasumigaseki Building, 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo, Japan
Established	2022
Business	Environmental analysis using remote sensing data
	Support and monitoring for carbon credit generation

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About Mitsubishi Electric Corporation

With more than 100 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. Mitsubishi Electric enriches society with technology in the spirit of its "Changes for the Better." The company recorded a revenue of 5,521.7 billion yen (U.S.\$ 36.8 billion*) in the fiscal year ended March 31, 2025. For more information, please visit <u>www.MitsubishiElectric.com</u>

*U.S. dollar amounts are translated from yen at the rate of ¥150=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2025