Asahi Kasei Green Bond Annual Report (FY2021)

In June 2020, Asahi Kasei Corp. issued a green bond aimed at financing expenditures related to renovation of hydroelectric power facilities, and we announce how the procured funds are appropriated and the effects of environmental improvements on an annual basis.
The status for FY2021 (April 2021 to March 2022) is as follows.

1. Target Projects

We currently transmit electricity from a hydroelectric power plant constructed during the Taisho era to our factories in the Nobeoka district for use in our business activities. The renovation of the hydroelectric power generation facilities aims to upgrade the facilities, which are nearing the end of their lifespan in terms of aging and earthquake resistance, and increase their efficiency, which will allow us to increase our utilization of renewable energy over the next several decades to a century.
The Asahi Kasei Green Bond will cover the cost of renovating two of our hydroelectric power plants*, the Gokasegawa Power Plant and the Mamihara Power Plant. Changes have been made to the completion schedules of these works. Due to the COVID-19 pandemic, renovations of the Gokasegawa Power Plant, initially scheduled for completion in October 2021, were instead completed in April 2022 (with commercial operations beginning in May 2022). Changes to construction plans for buildings and other work on the Mamihara Power Plant have extended the construction period by 12 months, and completion is now scheduled for September 2023. *Asahi Kasei hydroelectric power plant renovations in the Nobeoka district

Project Category	Eligible Projects	Project	Type of Plant	Maximum Output After Renovation	Planned Completion
Renewable Energy	Hydroelectric power facilities	Gokasegawa Power Plant	Run-of-the-river type	14.5MW	Apr. 2022
		Mamihara Power Plant		5MW	Sep. 2023

2. Fund Allocation Status and Improvements to the Environment

2.1 Fund Appropriation Status (as of the end of March 2022)

In FY2021, 5.5 billion yen of the collected funds were allocated. We plan to complete the appropriation of the remaining funds by the end of FY2023.

	Proceeds (Hundreds of millions of yen)	Amount Appropriated (Hundreds of millions of yen)	Not Appropriated (Hundreds of millions of yen)	Appropriation Completion Period
Gokasegawa Power Plant	100	47	45	End of FY2023
Mamihara Power Plant		8		

2.2 Improvements to the Environment

In FY2021, the two projects for which the funds were appropriated were not yet operational. However, once operational, the following annual reductions in CO2 emissions are expected.

	Power generation capacity of renovated hydroelectric power generation systems (MW)	CO2 emissions reduction* (tons CO2 equivalent)	Total capacity of hydroelectric power generation (MW)
Gokasegawa Power Plant	14.5MW	40,000 tons	56.4MW
Mamihara Power Plant	5MW	11,000 tons	

*CO2 emissions reductions = Annual power generation (kWh) x CO2 emission factor (kg-CO2/kWh)
CO2 emission factor: CO2 emission factor from Kyushu Electric Power Co., Inc. (FY2020 results)

This report has been reviewed by Sustainalytics.
Japanese
English