Asahi Kasei Green Bond Annual Report (FY2022)

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 FY2022 (April 2022 to March 2023) 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. The Gokasegawa Power Plant started operation in May 2022, but has been shut down due to typhoon damage (September 2022). Operations are expected to resume in the second half of 2023. The Mamihara Power Plant is scheduled to be completed in January 2025 owing to changes to construction plans for buildings and other work.
*Asahi Kasei hydroelectric power plant renovations in the Nobeoka district

Project Category	Eligible Projects	Project	Type of Plant	Maximum Output After Renovation	Status
Renewable Energy	Hydroelectric power facilities	Gokasegawa Power Plant	Run-of-the-river type	14.5MW	May 2022 Operation Started
		Mamihara Power Plant		5MW	January 2025 Planned Completion

2. Fund Allocation Status and Improvements to the Environment

2.1 Fund Appropriation Status (as of the end of March 2023)

All proceeds were allocated by FY2022.

	Proceeds (Hundreds of millions of yen)	Amount Appropriated (Hundreds of millions of yen)	Not Appropriated (Hundreds of millions of yen)	Appropriation Completion
Gokasegawa Power Plant	100	100	0	End of FY2022
Mamihara Power Plant				

2.2 Improvements to the Environment

Of the two projects for which funds were appropriated in FY2022, operational CO_2 reductions are displayed for the now started Gokasegawa Power Plant. Although the Mamihara Power Plant is not yet operational, we expect to achieve the following annual CO_2 reduction effects once it is up and running.

	Power generation capacity of renovated hydroelectric power generation systems (MW)	CO_2 emissions reduction* (tons CO2 equivalent)	Total capacity of hydroelectric power generation (MW)
Gokasegawa Power Plant	14.5MW	14,000 tons (In operation from May to September 2022)	56.4MW
Mamihara Power Plant	5MW	9,000 tons	

*CO_2 emissions reductions = Annual power generation (kWh) x CO_2 emission factor (kg-CO_2/kWh)
CO_2 emission factor: CO_2 emission factor from Kyushu Electric Power Co., Inc. (FY2021 results)

This report has been reviewed by Sustainalytics.
Japanese
English