

Asahi Kasei Green Bond Annual Report (FY2023)

In December 2023, 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 FY2023 (April 2023 to March 2024) is as follows.

1. Target Projects

We currently transmit electricity from hydroelectric power plants constructed during the Taisho era to our factories in the Nobeoka district for use in our business activities. The renovation of the hydroelectric power plants aims to upgrade the facilities, which are nearing the end of their service life in terms of aging and seismic resistance, and improve their efficiency, which will allow us to realize further utilization of renewable energy. Asahi Kasei Green Bond covers the five hydroelectric power plants in the table below. The total hydroelectric generation capacity owned by Asahi Kasei is 56.4 MW.

| 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 | 14.5 MW | May 2022 Operational |
| | | Mamihara Power Plant | | 5 MW | January 2025 Planned Completion |
| | | Suigasaki Power Plant | | 19.1 MW | April 2025 Planned Completion |
| | | First Kawabashirigawa Power Plant | | 2.4 MW | August 2025 Planned Completion |
| | | Second Kawabashirigawa Power Plant | | 3.7 MW | August 2025 Planned Completion |

2. Fund Allocation Status and Improvements to the Environment

2.1 Fund Appropriation Status (as of the end of March 2024)

Gokasegawa Power Plant was allocated funds until FY2023. The other power plants are scheduled to complete their appropriations by FY2025.

We have allocated 8.9 billion yen of the funds procured. Of this amount, refinancing will amount to 5.9 billion yen.

| | Proceeds (Hundreds of millions of yen) | Amount Appropriated (Hundreds of millions of yen) | Not Appropriated (Hundreds of millions of yen) |
|--------------------------------|--|---|--|
| Hydroelectric power facilities | 200 | 89 | 111 |

2.2 Improvements to the Environment

Of the projects allocated funds in FY2023, Gokasegawa Power Plant is expected to reduce CO₂ emissions during its operation period, and the following CO₂ reductions are expected for the other currently unutilized power plants per year of operation. After starting operations in May 2022, Gokasegawa Power Plant was shut down for repairs due to damage caused by a typhoon, but resumed operations in February 2024.

| | Power generation capacity of renovated hydroelectric power generation systems (MW) | CO ₂ emissions reduction* (tons CO ₂ equivalent) |
|------------------------------------|--|--|
| Gokasegawa Power Plant | 14.5 | 4,000 |
| Mamihara Power Plant | 5 | 11,000 |
| Suigasaki Power Plant | 19.1 | 48,000 |
| First Kawabashirigawa Power Plant | 2.4 | 7,000 |
| Second Kawabashirigawa Power Plant | 3.7 | 11,000 |

*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. (FY2022 results)