

Asahi Kasei Green Bond Annual Report (FY2024)

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 allocated and the effects of environmental improvements on an annual basis. The status for FY2024 (April 2024 to March 2025) 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 area 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 the Company 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 Operational
		Suigasaki Power Plant		19.1 MW	June 2025 Planned Completion
		First Kawabashirigawa Power Plant		2.4 MW	August 2026 Planned Completion
		Second Kawabashirigawa Power Plant		3.7 MW	August 2026 Planned Completion

2. Fund Allocation Status and Improvements to the Environment

2.1 Fund Allocation Status (as of the end of March 2025)

Gokasegawa Power Plant was allocated funds until FY2023. The other power plants are scheduled to complete their allocations by FY2026.

We have allocated 11.8 billion yen of the funds procured. Of this amount, refinancing will amount to 5.9 billion yen.

	Proceeds (billions of yen)	Amount Allocated (billions of yen)	Not Allocated (billions of yen)
Hydroelectric power facilities	20.0	11.8	8.2

2.2 Improvements to the Environment

Of the projects allocated funds, CO₂ emissions reduction figures shown for the Gokasegawa and Mamihara Power Plants are based on their period of operation during FY2024. Figures shown for other plants not currently in operation are their expected annual emissions reductions. The Mamihara Power Plant began operation in January 2025.

	Power generation capacity of renovated hydroelectric power generation systems (MW)	CO ₂ emissions reduction* (tons CO ₂ equivalent)
Gokasegawa Power Plant	14.5	32,000
Mamihara Power Plant	5	2,000
Suigasaki Power Plant	19.1	41,000
First Kawabashirigawa Power Plant	2.4	6,000
Second Kawabashirigawa Power Plant	3.7	10,000

* CO₂ emissions reductions = Annual power generation (kWh) × CO₂ emission factor (kg-CO₂/kWh)
CO₂ emission factor: CO₂ emission factor from Kyushu Electric Power Co., Inc. (FY2023 results)