

Asahi Kasei Corp.
November 1, 2023

Asahi Kasei to issue a green bond

Asahi Kasei is scheduled to issue an unsecured straight bond as a “green bond” through a public offering in the domestic Japanese market.

The Asahi Kasei Group operates business in harmony with the environment and local communities based on a Group Vision of providing new value to society by enabling “living in health and comfort” and “harmony with the natural environment.” Asahi Kasei aims to achieve a virtuous cycle of two mutually reinforcing aspects of sustainability: “contributing to sustainable society” and “sustainable growth of corporate value.”

Asahi Kasei has formulated a Green Bond Framework as a clear expression to a wide range of stakeholders of the company's posture of promoting initiatives for a carbon neutral and sustainable world, including from a financing perspective. By issuing the green bond, Asahi Kasei will raise funds to renovate its hydroelectric power plants which supply electricity to manufacturing plants in the Nobeoka area of Miyazaki Prefecture, Japan.

Outline of the green bond

Issuer	Asahi Kasei Corp.
Maturity	5 years (scheduled)
Issue amount	¥20.0 billion (scheduled)
Issuance	December 2023 (scheduled)
Use of proceeds	Renovation of hydroelectric plants
Lead bookrunners	Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Green bond structuring agent ¹	Daiwa Securities Co. Ltd.

¹ A green bond structuring agent supports the issuance of a green bond by giving advice regarding the formulation of a green bond framework and on obtaining a second-party opinion.

Green bond framework and obtaining second-party opinion

For the issuance of the green bond, Asahi Kasei formulated a Green Bond Framework which specifies its policy with respect to the 4 core components of the Green Bond Principles of the International Capital Market Association (ICMA): 1. Use of Proceeds, 2. Process of Project Evaluation and Selection, 3. Management of Proceeds, and 4. Reporting. For conformity assessment, we obtained a second-party opinion by Rating and Investment Information, Inc. (R&I), an independent organization, indicating that our green bond conforms with the Green Bond Principles 2021 of ICMA and with the Green Bond Guidelines 2022 of Japan's Ministry of the Environment.

The process of obtaining the second-party opinion was subject to a subsidy under the Fiscal 2023 Financial Support Programme for Green Bond Issuance, etc. (Subsidy Project) by Japan's Ministry of the Environment.

Use of proceeds

The funds raised by issuing the green bond will be used to renovate five out of Asahi Kasei's nine hydroelectric power plants located in Kyushu: the Gokasegawa Plant, Mamihara Plant, Suigasaki

Plant, First Kawabashirigawa Plant, and Second Kawabashirigawa Plant.² In addition to the green bond issued in June 2020 for the renovation of two hydroelectric plants,³ the green bond announced today will be used to renovate another three hydroelectric plants. Asahi Kasei's business operations in the Nobeoka area are supplied with electric power from its own hydroelectric plants which were built around a century ago. Renovation of the aging hydroelectric power plants will improve earthquake resistance and raise efficiency, enabling the ongoing use of renewable energy for decades or even a century to come. By continuing to proactively utilize clean energy sources, Asahi Kasei will conduct environmentally friendly business operations that contribute to the sustainability of society.

² Please refer to the press release "Asahi Kasei to renovate a hydroelectric power plant in the Nobeoka area" dated August 31, 2021

<https://www.asahi-kasei.com/news/2021/e210831.html>

³ Please refer to the press release "Asahi Kasei to issue a green bond" dated May 11, 2020

https://www.asahi-kasei.com/news/2020/e200511_2.html