

November 5, 2020

KANEKA CORPORATION

2020 green bond annual reporting

On September 2019, Kaneka issued a green bond (their 7th unsecured straight corporate bond) for the purpose of raising funds for manufacturing facilities and research and development related to Kaneka Biodegradable Polymer PHBH™ (referred to below as PHBH™). It was decided that during the period starting from a year after the green bond was issued up until when it's repaid, there would be reporting conducted annually on the status of business development (specifically about the allotment of raised funds, acquirement of different certifications for PHBH™, and examples of adopted usages), and a review would be undertaken by an external organization. The reporting for 2020 is as below.

1. Allotment of raised funds (as of end of September 2020)

(unit: 1 million yen)

Amount issued	Net amount *1	Amount allotted *2	Non-allotted remainder *3
5,000	4,970	4,442	528

*1: The net amount is the amount resulting after subtracting the issuing charges from the amount issued.

*2: Breakdown of the amount allotted:

	Scheduled to be allotted	Allotted	Non-allotted remainder
Facility funds	2,560	2,560	—
R&D funds	910	382	528
Facility and R&D funds before green bond issuance	1,500	1,500	—
Total	4,970	4,442	528

*3 The non-allotted remainder is managed through cash or equivalents.

2. Acquirement of different certifications for PHBH™ and examples of adopted usages (dates mentioned are the dates of announcement)

- September 3, 2019 [Listed in the Plastic Implement Measure of the European Commission for all food types](#)

Within all regions of the European Union, PHBH™ become able to be used with dry foods, for example as packaging for fruits and vegetables, as well as for contact with all foodstuffs, including usage in straws, cups and cutlery.

- October 31, 2019 [Target area expanded for Seven Café straws made from PHBH™](#)
Straws made from PHBH™ started to be used for “Seven Café” ice coffees and ice café lattes from Seven-Eleven Japan Co., Ltd.; first in stores within Kochi Prefecture, which started using them from August, and then in around 10,000 stores in Hokkaido, Hokuriku, Kansai, Chubu, Shikoku, Kyushu and Okinawa.
- May 29, 2020 [Applied to straws for Seven Café's new lineup](#)
8mm-diameter straws made from PHBH™ were adopted in the new “Seven Café” lineup “CAFÉ LATTE SWEETS” from Seven-Eleven Japan Co., Ltd., and they were introduced sequentially in 20,938 stores nationwide (as of April 2020).
- August 6, 2020 [Used in Shiseido's cosmetics packages](#)
PHBH™ was used in a product case for Shiseido Co., Ltd.’s new lip palette (used in the casing’s main body and lid); the first time PHBH™ was used in the field of cosmetics.

The latest acquired certifications are posted on the [Biodegradable Polymer PHBH™ feature page](#) on Kaneka’s homepage.

<About the external organization review>

Kaneka is scheduled to receive a regular review to assess their green bond from Rating and Investment Information Inc. (referred to below as R&I), and the results will be published through R&I’s website*.

*The R&I website: <https://www.ri.co.jp/rating/esg/greenfinance/index.html>

<Outline of the green bond>

- Name: Unsecured Straight Bond No. 7 of Kaneka Corporation (with special contract for preventing disadvantages among multiple unsecured bonds)
- Issue amount: 5 billion yen
- Issuance term: 5 years
- Issuance date: September 12, 2019
- Usage of funds: Costs for the manufacturing, research and development of PHBH™
- Acquisition rating: A (R&I)

Related links: [Kaneka issues the first green bond by a chemical company in Japan](#)
[Kaneka to issue a green bond](#)