



July 23, 2024
Kureha Corporation

Notice Regarding Green Bond Issuance

Kureha Corporation (Head Office: Chuo-ku, Tokyo; President: Yutaka Kobayashi, hereinafter “the Company”) hereby announces that its Board of Directors resolved at a meeting held on July 23, 2024 to issue unsecured domestic straight bonds (i.e., “green bonds,” hereinafter “the Bonds”).

1. Background and Objectives to Issuance of the Bonds

On August 22, 2023, the Company released the statement “Kureha to Boost PVDF Production,” in which it announced plans to increase its production capacity of polyvinylidene fluoride (PVDF) for use as a binder material for the cathodes of lithium-ion secondary batteries (LiBs), which are critical for the expansion of electric vehicles, by approximately 80% compared to the current production capacity.

In addition, the Kureha Group’s mid- to long-term management plan “Toward Creating a New Future,” in which the Company has been engaged since FY2023, sets the three goals of “Continuous enhancement of economic value,” “Contribution toward resolving social issues,” and “Contribution toward reduced environmental impact” in its “Management Policy,” positioning them as materialities (management issues of the highest importance).

The funds to be raised through the issuance of the Bonds will be used for new investments related to the expansion of PVDF production facilities for LiBs at the Iwaki Factory. In response to the steady progression of the electrification of automobiles amid the global shift toward decarbonization, demand for PVDF for cathode binders is expected to continue to grow over the long term, due to its indispensability for the production of LiBs. The Company will therefore significantly enhance its supply capacity for PVDF, thereby contributing to the reduction of global CO₂ emissions, and will advance for carbon neutrality.

2. Overview of the Bonds

Name of corporate bonds	Kureha Corporation 9th unsecured straight bonds (with inter-bond pari passu clause) (green bonds)
Term of issue	5 years
Maximum Amount issued	20 billion yen
Lead managing underwriter firms	Daiwa Securities Co. Ltd., Mizuho Securities Co., Ltd., Nomura Securities Co., Ltd.
Structuring agent*	Daiwa Securities Co. Ltd.

*Structuring agent

Supports the issuance of green bonds by drafting a green bond framework and giving advice, etc., on acquiring third party evaluations.

3. Uses of Funds

The funds to be raised through the issuance of the Bonds will be used for new investments to enhance production facilities for polyvinylidene fluoride (PVDF) that will be used to produce lithium-ion secondary batteries (LiBs) at the Iwaki Factory.

[Construction of new PVDF production facilities at the Iwaki Factory]

Location	16 Ochiai, Nishiki-cho, Iwaki-shi, Fukushima, Japan
Assets to be acquired	Building and equipment
Completion of facility construction	March 2026
Production capacity	8,000 tons / year
Paid-in capital	Approx. 70 billion yen

Kureha has been qualified to receive government grants for the above project to expand PVDF production facilities.

Reference: Timely disclosure by the Company “Kureha to Boost PVDF Production,” released on August 22, 2023

<https://www.kureha.co.jp/en/newsrelease/docs/Kureha%20to%20Boost%20PVDF%20Production.pdf>

4. The Green Bond Framework and Third-party Evaluations

When issuing the Bonds, the Company has formulated a green bond framework that describes its policies related to the four elements (1. Use of Proceeds, 2. Process for Project Evaluation and Selection, 3. Management of Proceeds, 4. Reporting) stipulated in the “Green Bond Principles 2021” by the International Capital Market Association (ICMA) and the “Green Bond and Sustainability Linked Bond Guidelines 2022” by the Japanese Ministry of the Environment.

Regarding conformity with the above Green Bond Principles 2021 and the Ministry of the Environment’s Green Bond and Sustainability Linked Bond Guidelines 2022, the Company received the highest rating of “Green 1 (F)” in the “Green Bond Framework Evaluation” by the third-party organization Japan Credit Rating Agency, Ltd. (JCR).

Kureha Corporation Green Bond Framework

URL: https://www.kureha.co.jp/en/ir/pdf/GBframework_en.pdf

JCR Green Bond Framework Evaluation

URL: <https://www.jcr.co.jp/en/greenfinance/>

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