

KH Neochem Concludes Mizuho Eco Finance Loan Agreement with Mizuho Bank

KH Neochem Co., Ltd. (TSE: 4189, President and CEO: Michio Takahashi, “KH Neochem”) announces that it has concluded an agreement for Mizuho Eco Finance*, a syndicated environmental-assessment-based loan arranged by Mizuho Bank, Ltd. (President and CEO: Masahiko Kato)

Mizuho Eco Finance is an environmental-assessment-based financial product aimed at working with companies to promote initiatives for a decarbonized society. An environmental assessment model developed by Mizuho Research & Technologies, Ltd. is used to score companies on their initiatives and on various indexes, with those that achieve a certain score or above being allowed to proceed with a loan agreement.

KH Neochem was evaluated and reached the conclusion to this agreement because founded to meet a high standard in the indexes used by the assessment model below:

- i. KH Neochem declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in January 2022.
- ii. KH Neochem has appropriately tracked Scope 1, 2, and 3 greenhouse gas emissions and has set a target to reduce greenhouse gas emissions by 30% compared to the FY2017 levels by FY2030 (Scope 1,2), and is actively working towards this reduction goal.

KH Neochem, with the corporate mission of "Realizing a brighter tomorrow for society through the power of chemistry.", is a manufacturer of chemical materials that provides unique and high quality products. KH Neochem committed to Sustainable Management that combines contributing to a sustainable society through our business and ensuring ongoing growth in our own corporate value. Its current linchpin is "refrigeration lubricant raw materials" used in environmentally friendly air conditioners which contribute to curbing global warming. Furthermore, our core technology, the oxo synthesis** process, utilizes CO₂ as a raw material. We also endeavor to reduce GHG emissions by capturing some of the CO₂ generated from our own manufacturing processes as a raw material.

Going forward, to realize VISION 2030*** aiming to become A Leading Global Specialty Chemical Company, KH Neochem will continue to further promote Sustainable Management and contribute to the sustainable development of society. In addition, KH Neochem will respond to the demands of the international community by proactively promoting ESG and SDGs initiatives, and will continue to strive to disclose ESG-related information.

For more details on the KH Neochem initiatives, please see KH Neochem Report 2023
https://www.khneochem.co.jp/en/csr/pdf/khneochem_report_2023_en.pdf

***Mizuho Eco Finance**

<https://www.mizuhogroup.com/information-and-research/news/2019/06/announcing-the-launch-of-mizuho-eco-finance.html>

****Oxo synthesis**

Also known as hydroformylation, oxo synthesis is a process where oxo gas, which is a mixture of carbon monoxide and hydrogen, reacts with raw materials, such as olefins, to synthesize aldehydes. Aldehydes can be reduced to

alcohol or oxidized to fatty acids, and various derivatives can be synthesized. It is also characterized by the use of carbon dioxide (CO₂) as a raw material in the oxo gas production process.

***VISION 2030

<https://www.khneochem.co.jp/en/company/philosophy/vision.html>

About KH Neochem

Corporate Overview (as of December 31th, 2023)

Company name: KH Neochem Co., Ltd.

President & CEO: Michio Takahashi

Establishment: December 2010 (Our predecessor Kyowa Yuka, was established in November 1966)

Capital: 8.8bn JPY

Head office: 2-3-1, Nihonbashi-Muromachi, Chuo-ku, Tokyo 103-0022, Japan

Number of employees: 831 (Consolidated)

Business: Research, manufacture, and sale of petrochemical products

Main products: Performance materials (refrigeration lubricant raw materials, cosmetics ingredients)
Electronics materials (high-purity solvents for semiconductors and flat panel displays)
Basic chemicals (solvents for coatings and inks, raw materials for plasticizer)

Group Companies: Kurogane Kasei Co., Ltd. / Kurogane Fines Inc. / KH Neochem Americas, Inc. /
Shanghai Seika Trading Co., Ltd.

Corporate History

1948 Kyowa Sangyo Co., Ltd., the forerunner of Kyowa Hakko Kogyo Co., Ltd., began Japan's first mass production of Acetone and Butyl alcohol from syrup using fermentation.

1949 Established Kyowa Hakko Kogyo Co., Ltd.

1966 Established Kyowa Yuka Co., Ltd. (A subsidiary chemical manufacturer of Kyowa Hakko Kogyo Co., Ltd.)

2004 Name changed to Kyowa Hakko Chemical Co., Ltd. through joint investment of the Chemical Department of Kyowa Hakko Co., Ltd. and Kyowa Yuka Co., Ltd.

2010 Established KJ Holdings Co., Ltd

2011 Spun off from Kyowa Hakko Kirin Group as an independent entity.
Merged Kyowa Hakko Chemical Co., Ltd. and KJ Holdings Co., Ltd.

2012 Name changed to KH Neochem Co., Ltd.

2016 Listed on the First Section of the Tokyo Stock Exchange.

2019 Established open innovation hub KH i-Lab

2022 Moved to the Prime Market following the restructuring of the Tokyo Stock Exchange's market segments.

For inquiries regarding this matter, please contact:

Corporate Communications and Investor Relations

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