

Reporting (as of March 31, 2022)

1. Allocation Reporting

We have allocated proceeds from green bonds each eligible project as the following table 3.328 billion Yen out of Bond Proceeds 9.945 billion Yen which was exclude the issuance fee has been allocated for new investment from January to March 2022. We expect unallocated amount 6.617 billion Yen will be allocated by March 2023.

(Million Yen)

Issuance amount	Issuance fee	Bond proceeds
10,000	55	9,945

(Million Yen)

Eligible project categories	Allocated amount (January to March 2022)	Breakdown of allocated amount			Unallocated amount
		R&D	Capital Investment	Manufacturing Cost/Expense	
Batteries	1,542	989	-	553	6,617
Next-generation power semiconductors	848	848	-	-	
CCU/CCS and hydrogen/ammonia	637	637	-	-	
Clean energy utilization	231	-	231	-	
Energy-efficient manufacturing	68	-	68	-	
Total	3,328	2,475	299	553	

(Million Yen)

New investment / Refinancing	Amount	Percentage (%)
Total amount in FY2021 (January – March 2022)	3,328	-
New investment	3,328	100%
Refinancing	-	-

2. Impact Reporting

Eligible project categories	Impact Reporting Indicators
Batteries	<ul style="list-style-type: none"> - NGK established "Ena Electric Power Co., Ltd." to achieve a Zero-Carbon City through local production and local consumption of renewable energy in April 2021. - The NAS batteries, which NGK supplied to German chemical group BASF has started operation at BASF's Antwerp Verbund site (Belgium) in September 2021. - Kinmen Energy Storage Demonstration Project for which NGK supplied NAS batteries for power storage won Gold Award in SDG7 of first "Taiwan Sustainable Action Award (TSAA) 2021" held by Taiwan Institute for Sustainable Energy (TAISE) in November 2021. - NGK and Ricoh Company, Ltd. ("RicoH") starts a trial project in fiscal 2022 for tracking all processes from renewable energy generation to consumption, including charging and discharging of surplus generated electricity in NAS batteries for storing electricity. The demonstration test will seek to enable maximum usage of generated renewable electricity in a form that displays its environmental value by using these facilities of Ena Electric Power and a renewable energy distribution record platform that uses blockchain (Distributed Ledger Technology) developed by Ricoh to verify the tracking of the generation, storage, and consumption of renewable electricity. - NGK established "Abashiri Electric Power Co., Ltd." to achieve a Carbon Neutral through local production and local consumption of renewable energy in April 2022. - NGK succeeded to establish the Virtual Power Plant (VPP) technology through NAS batteries and started to provide adjustment capability in demand adjustment markets for electricity in April 2022.
Next-generation power semiconductors	<ul style="list-style-type: none"> - NGK exhibited at CEATEC 2021 ONLINE in October 2021 and showcased the ceramics product for the electrical and electric equipment utilizing our unique ceramic technologies including DCB and AMB substrates.
CCU/CCS and hydrogen/ammonia	<ul style="list-style-type: none"> - NGK received Incentive Award at 20th Green and Sustainable Chemistry Award for Development of CO₂ Separation and Recovery Technology Using DDR-Type Zeolite Membranes in June 2021. - NGK announced CO₂ Separation Membrane Developed for Industrial Exhaust Gas in November 2021. In testing with simulated industrial exhaust gas, the membrane achieved CO₂ separation factor approximately five times that of conventionally developed DDR-type zeolite membrane used for CO₂ separation. The Company aims to continue with development for further increases in separation performance, aiming for commercialization in 2030 after demonstration testing.

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Clean energy utilization	<ul style="list-style-type: none"> - NGK installed the testing kiln with the hydrogen burner and modified the existing kiln from January to March 2022 in order to evaluate the specification of the ceramics products by using hydrogen as fuel. - Ena Electric Power Co., Ltd. which is NGK's subsidiary installed photovoltaic system (1.4MW) and NAS batteries (0.2MW) in March 2022. - NGK CERAMIC DEVICE CO., LTD., one of NGK's subsidiaries, will install photovoltaic system (2.6MW) with existing NAS batteries at Tajimi Factory in fiscal year 2022. - NGK will renew existing NAS batteries at Nagoya in fiscal year 2023. 														
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Energy-efficient manufacturing	<ul style="list-style-type: none"> - NGK promotes new capital investment of the high-efficiency facilities by using the internal carbon pricing (130 US dollar per ton) from April 2022. - NGK made the capital investment which will be more contributable the reduction of CO₂ emission than existed facilities from January to March 2022. 														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Major capital investment</th> <th style="width: 20%;">Receipt amount</th> <th style="width: 20%;">Annual reduction volume of CO₂ emission</th> </tr> </thead> <tbody> <tr> <td>Ventilating and air conditioning system renewal in the building at Nagoya area</td> <td>23 Million Yen</td> <td>-10t /year</td> </tr> <tr> <td>Substation system renewal at Chita area</td> <td>13 Million Yen</td> <td>-13.6t /year</td> </tr> <tr> <td>Renewal of ventilating and air conditioning system with CFC</td> <td>12 Million Yen</td> <td>-34.9t /year</td> </tr> </tbody> </table>			Major capital investment	Receipt amount	Annual reduction volume of CO ₂ emission	Ventilating and air conditioning system renewal in the building at Nagoya area	23 Million Yen	-10t /year	Substation system renewal at Chita area	13 Million Yen	-13.6t /year	Renewal of ventilating and air conditioning system with CFC	12 Million Yen	-34.9t /year
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