

Press Release

November 29, 2019

Shizen Energy Inc.

**Shizen Energy becomes first company in Kyushu
to issue Green Bonds
-firm commitment by Mizuho Bank-**

On November 29, 2019, Shizen Energy Inc. (Headquarters: Fukuoka-Shi, Fukuoka/ Representative Directors: Ken Isono, Kenji Kawado, Masaya Hasegawa, hereinafter Shizen Energy) issued Green Bonds to fund the development of photovoltaic power projects. This is the first Green Bond issued by a company headquartered in Kyushu. (*1)

■ Purpose and background of the issuance

A Green Bond is a bond to fund environment-friendly, green projects in Japan and overseas. (*2).

Since its establishment in 2011, Shizen Energy has engaged in power generation projects worth of 1GW of renewable energy including photovoltaic, wind and small hydroelectric power. Within this total amount, Shizen Energy has developed power plants with a value of approximately 700MW for photovoltaic power, 250MW for wind power and 0.2MW for small hydroelectric power in Japan and overseas. With its purpose to “take action for the blue planet”, Shizen Energy commits itself to building renewable energy power plants worldwide and in order to promote a lifestyle that relies on safe and sustainable electricity so that more people can continue to live happily on the planet. The issuance of the Green Bond contributes to the development and promotion of renewable energy power plants and aligns with our goal to construct a new system of the circulation of capital to reinvest in the future with leading players in each field.

■ Summary of the Green Bond

Target for evaluation	: Shizen Energy Inc. 5th Unsecured private placement bonds
Category	: Private placement bonds
Issue amount	: 300 million yen
Issue date	: November 29, 2019
Redemption date	: November 30, 2022
Use of proceeds	: Development costs for photovoltaic power business
Underwriter	: Mizuho Bank, Ltd.
External review entity	: Japan Credit Rating Agency, Ltd.

■ Eligibility for the Green Bond

With regard to the eligibility for the Green Bond, Shizen Energy has obtained the highest rating "Green1" from the Japan Credit Rating Agency, Ltd. (JCR), a third-party evaluation agency.

With regard to the evaluation of "greenness" (use of proceeds), 100% of the proceeds are used for the development of photovoltaic power plants that fall under the category of "Renewable energy" as defined in the Green Bond principles by International Capital Market Association and the Green Bond Guidelines by the Ministry of the Environment. Further, because it is highly probable that the project will be completed and operated as planned, the project was evaluated as highly effective in terms of carbon reduction and environmental impact, as well as contributing to the following SDGs goals and targets.



Goal 3: Good health and well-being

Target 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination



Goal 7: Affordable and clean energy

Target 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix



Goal 8: Decent work and economic growth

Target 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors



Goal 9: Industry, innovation and infrastructure

Target 9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

Target 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities



Goal 11: Sustainable cities and communities

Target 11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries



Goal 13: Climate action

Target 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Further, JCR evaluates that the management, operation, and transparency of Shizen Energy are appropriate, with the fact that the project selection and internal control in fund management is properly implemented and the contents of reporting is appropriate.

For details, please refer to JCR website.

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

Report:

https://www.jcr.co.jp/download/9534f09999a306f34ce193399018aa8c3aa7bbcf4b19a1df7a/19d0830_en-1.pdf

This project is subject to "FY2019 Subsidies for carbon reduction business (Green Bond issuance promotion platform support program)" stipulated by the Ministry of the Environment.

■ Notes

* 1 "First in Kyushu" and "First for Mizuho Bank" are according to an internal research by Shizen Energy. (As of November 29, 2019)

*2 Projects that contribute to environmental sustainability.

About Shizen Energy Inc.

Founded in June 2011. With the purpose of "We take action for the blue planet", Shizen Energy has contributed to the development of approximately 1 gigawatt (as of the end of July 2019) worth of renewable energy across Japan. It is engaged in all services required for the installation and operation of solar, wind, small hydroelectric, and other renewable energy power plans, such as development, EPC (engineering, procurement, construction), O&M (operation and maintenance), electricity retail market, and asset management.

The company intends to construct photovoltaic power plants in countries around the world, beginning with the regions of Asia and South America. In 2019, it completed the construction of its first overseas power plant in Brazil.

- URL: <http://www.shizenenergy.net/en/>

<For inquiries regarding this press release>

Shizen Energy, PR Team

TEL: +81-3-6457-9702

E-mail: se-comm@shizenenergy.net