

Green Bond Fact Sheet

Mitsui O.S.K. Lines		Date: 31-Aug-2018	
Issue date: 30-Aug-2018 Maturity date: 30-08-2023 Tenor: 5			
Issuer Name	Mitsui O.S.K. Lines	Amount Issued	JPY5bn (USD45m)
Country of risk	Japan	CBI Database	Included
Issuer Type ¹	Non-Financial Corporate	Bond Type	Senior unsecured
Green Bond Framework	N/A	Second party opinion	Vigeo EIRIS
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance <input checked="" type="checkbox"/> Shipping	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> FSC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input type="checkbox"/> Industry: process
Issue details	
Reporting	The issuer will report annually on proceed allocation and on the environmental impact of projects at a project category level. The list of reporting indicators is available here . Reports will be published on the issuer's website .
Company information	Mitsui O.S.K Lines is a Japanese transport company and one of the largest shipping companies worldwide. The company is headquartered in Tokyo, Japan.
Firsts, records and certifications	Second green bond issuer from the shipping sector.
Proceeds description	<p>As with NYK's green bond, proceeds will be used by MOL to finance and refinance LNG-fuelled ships, LNG-bunkering ships, ballast water management systems and SOx scrubber systems. Under its Green Bond Framework, MOL has committed to ensure the financed vessels will not be used to transport products that relate to controversial activities, including, but not limited to, coal, tar sands and oil shale.</p> <p>Additionally, Upgraded Propeller Boss Cap Fins (PBCF....yes they are a thing) and the Wind Challenger Project are also eligible under MOL's. According to the issuer, the upgraded PBCF is expected to yield 5% energy savings compared to vessels unequipped with the technology. The Wind Challenger Project is a research project led by the University of Tokyo focused on the development of wind propelled ships through the use of a rigid sail system. MOL aims at deploying the technology on cargo-carrying vessels to achieve up to 50% energy savings.</p>
Climate Bonds view	<p>We are pleased to see that the issuer has quantified the level of emissions reductions expected for each eligible project and committed to providing annual impact reporting based on operational data. Investing in the Wind Challenger Project is a positive step towards incorporating renewable technologies in vessels. So is the commitment not transport fossil fuel products other than LNG on the LNG bunkering ships.</p> <p>As we pointed out for NYK's green bond, switching to LNG-fuelled vessels is not enough to comply with a 2-degree decarbonisation trajectory in the long-run. However, the projects financed by the deal are currently the lowest-emission asset option until other renewable fuels become commercially viable. It is nonetheless important to ensure the vessel design is flexible enough to avoid fossil fuel lock-ins in the future. Our special briefing provides more information on our decision to include bonds financing LNG-fuelled ships and LNG-bunkering ships in our database.</p>
Underwriters	Daiwa, Nomura
Deal comments	
Credit Rating	A- (Japan Credit Rating Agency, Ltd.)
Pricing summary	

Investors summary

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign