

## Green Bond Fact Sheet

Hitachi Zosen Corporation		Date: 28-Sept-2018	
Issue date: 21-Sept-2018 Maturity date: 21-Sept-2021 Tenor: 3			
Issuer Name	Hitachi Zosen Corporation	Amount Issued	JPY5bn (USD44m)
Country of risk	Japan	CBI Database	Included
Issuer Type <sup>1</sup>	Non-Financial Corporate	Bond Type	Senior unsecured
Green Bond Framework	<a href="#">Link to Framework</a>	Second party opinion	<a href="#">DNV GL</a>
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 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 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 checked="" 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 checked="" 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"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper	<input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency	<input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience	<input type="checkbox"/> ICT	<input type="checkbox"/> Industry: process
<b>Issue details</b>			
Reporting	The issuer will provide information on the allocation of the net proceeds annually during construction of the eligible projects. Impact reporting will be disclosed after completion of the eligible projects, the coming April throughout the life of the bond. Reporting will be published annually on the issuer's website or annual report.		
Company information	Hitachi Zosen Corporation is a plant engineering company headquartered in Osaka Tekkosho, Japan. It produces waste treatment plants, industrial plants, precision machinery, industrial machinery, steel mill process equipment, steel structures, construction machinery, tunnelling machines, and power plants.		
Firsts, records and certifications			
Proceeds description	<p>Proceeds will be allocated to financing waste-to-energy generation facilities, with refinancing being limited to existing projects to be finalized or taken into operation within the last 24 months. The two eligible projects listed by the issuer as of September 2018 are the Kyoto South Clean Center EfW project (expected to be completed in March 2019) and the Energy-from-Waste Plant for Kikuchi Environmental Preservation Association (expected to become operational in March 2021).</p> <p>Hitachi Zosen has engaged DNV GL to assess whether the financed projects are in compliance with the Green Bond Framework one year after the bond's issuance.</p>		
Climate Bonds view	This is the first green bond issuer from Japan to fully allocate proceeds to WTE facilities. The issuer has set out a clear reporting framework and has gone a step further by engaging DNV GL to confirm that the financed projects comply with the eligibility requirements. We encourage more issuers to seek for third parties to review proceed allocations in order to align with best practice transparency standards.		
Underwriters	Mitsubishi UFJ Financial Group, Morgan Stanley Securities		
<b>Deal comments</b>			
Credit Rating	BBB+ (JCR)		
Pricing summary			

Investors summary

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