

## Green Bond Fact Sheet

Shizen Energy Inc.		Date: 19/12/2019	
Issue date: 29-11-2019 Maturity date: 30-11-2022 Tenor: 3			
Issuer Name	Shizen Energy Inc.	Amount Issued	JPY300m/USD3m
Country of risk	Japan	CBI Database	Included
Issuer Type <sup>1</sup>	Non-Financial Corporate	Bond Type	Private placement
Green Bond Framework	N/A	Second party opinion	N/A
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	<a href="#">Green1 (JCRA)</a>
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input checked="" 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"/> Flood protection <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
<b>Issue details</b>	
<b>Reporting</b>	<p>Shizen plans to report on the proceed allocation to investors on a one-off basis at the time of full allocation, or one year after the issuance. This format was selected as the funds raised by the bonds will be fully allocated to the development costs of the solar power generation project within a year from issuance.</p> <p>Furthermore, the company will disclose specific indicators on the environmental improvement effects of the solar power generation project. Since the bond will mature before the project becomes operational, figures will be reported at issuance using the following KPIs</p> <ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions reduction (theoretical values based on output standards)</li> <li>• Amount of power generated (theoretical value based on the output standard)</li> </ul>
<b>Company information</b>	<p>Shizen Energy was set up in 2011 in the wake of the massive earthquakes in Japan. The company's mission is "connecting the blue earth to the future" by accelerating the energy transition to a 100% renewable-powered planet. Shizen is developing revenue streams in all areas of the electric power business, including power generation, transmission and distribution, and wholesaling and retailing. Their goal is to generate 5 gigawatts of renewable energy by 2022 and 10GW by 2030, with 1GW exceeded in 2019.</p>
<b>Firsts, records and certifications</b>	
<b>Proceeds description</b>	<p>The proceeds of this private placement will exclusively finance a 20MW solar power plant in Japan's Kanto region. The construction will begin in 2022 and the plant should become operational in 2024. Once complete, the solar facility will generate nearly 30,000 MWh of energy every year, which will result in annual emission reductions of nearly 15tCO<sub>2</sub>.</p>
<b>Climate Bonds view</b>	<p>Shizen Energy's business, including the green private placement, is contributing to the Japanese Government's Fifth Strategic Energy Plan (2018). It highlights renewable energy's key role in energy security and an economically, socially and environmentally sustainable society through lower reliance on imported energy, job creation and lower GHG emissions. According to the green bond rating from JCRA, the issuer has been diligent in taking the key risks into account and committed to being transparent to its private placement investors.</p>
<b>Underwriters</b>	
<b>Deal comments</b>	
<b>Credit Rating</b>	
<b>Pricing summary</b>	
<b>Investors summary</b>	

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