

## News Release

Fuyo General Lease Co., Ltd.  
President & Chief Executive Officer  
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3-3-23, Kanda-Misaki-cho, Chiyoda-ku, Tokyo

### **Fuyo Lease to Issue Green Bonds**

Fuyo General Lease Co., Ltd. (hereinafter “Fuyo Lease”; Chiyoda, Tokyo; Yasunori Tsujita, President & Chief Executive Officer) will make a public offering of green bonds (unsecured straight bonds, hereinafter the “Green Bond”) in the domestic market.

Green bonds are issued by corporations, local governments, and others to raise capital needed for green projects (projects that improve the environment, such as renewable energy projects, building and repairing energy-efficient buildings, and preventing or managing environmental pollution).

In its Medium-term Management Plan, “Frontier Expansion 2021,” the Fuyo Lease Group has identified “environment/energy” as one of its strategic fields, and promotes the leasing and financing of infrastructure and equipment that contribute to the expansion of solar-power projects, energy conservation, and decarbonization. The Group gives particular recognition to tackling climate change, such as by increasing the adoption of renewable energy, viewing it as an urgent issue, and it became the first general lease company in Japan to join RE100<sup>\*1</sup>. The Group will contribute to the creation of a sustainable society through the issuance of this green bond, which will promote the diversification of financing methods, while further advancing initiatives to tackling climate change, such as expanding the use of renewable energy.

The capital raised through the Green Bond will be used for leases of solar power generating systems that Fuyo Lease is engaged in and for other purposes. As for the bond’s eligibility to be “green,” the Japan Credit Rating Agency, Ltd. (JCR) has provided a third-party preliminary rating of “Green 1,” the highest score in the JCR Green Bond Rating<sup>\*2</sup> system. The acquisition of a third-party rating makes the bond eligible for a subsidy from the Japanese Ministry of the Environment 2018 Financial Support Programme for Green Bond Issuance<sup>\*3</sup>.

## Outline of the Green Bond

Issue duration	5 years
Planned issue amount	¥10.0 billion
Planned issue date	November 2018
Underwriter	Mizuho Securities Co., Ltd. (Structuring agent)

\*1 RE100 stands for Renewable Energy 100%. It is an international business coalition committed to obtaining 100% of electricity used for business activities from renewable energy.

The Group will transition to 100% renewable energy for electricity used in business activities by 2050. It will also contribute to the creation of a sustainable society not only through its existing leasing and financing functions, but also by offering a wide range of solutions. Examples include:

- 1) Contributing to local communities by further expanding its solar power business
- 2) Offering solutions and services for the adoption of infrastructure and facilities that promote the use of renewable energy and energy efficiency (proposal-based solutions business)
- 3) Financing and partnering with business ventures possessing new technologies that promote the adoption of renewable energy, and supporting sales promotion when these technologies are commercialized



\*2 Third-party evaluation of green bond by JCR under the Green Bond Principles created by the International Capital Market Association (ICMA) and the Green Bond Guidelines 2017, established by the Ministry of the Environment. Under this evaluation, the JCR Green Bond Evaluation is determined as the overall evaluation, consisting of a Greenness Evaluation that evaluates whether the purpose of the funds raised from the green bond falls under green projects, and the Evaluation on Management, Operation and Transparency, which evaluates the issuer's management and operation system as well as transparency.

\*3 This program subsidizes the expenses required by registration and issuance supporters who support companies, municipalities and other bodies who seek to issue Green Bonds, in the form of granting external reviews, consultation on establishing a Green Bond framework, etc. The requirements for these Green Bonds are that all capital that is raised be used in green projects, and that all of the following conditions be met upon issuance:

(1) One of the following applies upon issuance of the Green Bond:

- 1) A project that contributes mainly to domestic decarbonization (renewable energy, energy efficiency, etc.)
  - Half or more of the procured amount is for domestic decarbonization-related projects, or half or more of

the projects are domestic decarbonization-related projects.

- 2) A project that is highly effective at decarbonization and vitalization of the local economy
  - Decarbonization: Amount of subsidy per ton of domestic CO<sub>2</sub> reduction is within the specified amount
  - Vitalization of local economy: Projects expected to contribute to vitalization of the local economy based on local government ordinances and plans, projects expected to be financed by local governments, etc.
- (2) An external review institution has confirmed that the green bond framework is in compliance with the Green Bond Guidelines by the time of issuance.
- (3) No “greenwashing” of bonds has taken place.

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