

Nomura Leads First Green Bond Offering in Japanese Manufacturing Industry

Tokyo, September 14, 2018—Nomura Securities Co., Ltd., a wholly owned subsidiary of Nomura Holdings, Inc., today announced that it has priced a three-year Green Bond¹ issue valued at 5 billion yen for Hitachi Zosen Corporation. Nomura acted as bookrunner for the offering, which was the first such offering by a Japanese manufacturer.

Hitachi Zosen's core businesses center on the environmental fields of energy and water. Through its energy-from-waste business, and the promotion of renewable energy technologies such as wind energy and biomass power generation, the company aims to contribute to a recycling-oriented society.

Hitachi Zosen is a global leader in the energy-from-waste plant business. Energy-from-waste plants allow for the hygienic treatment of waste, and the energy generated during the treatment process is used to provide electric power. The company boasts a track record of 900 plant deliveries mainly in Japan, Asia and Europe.

The proceeds from the offering will be used as operating expenses, to purchase materials for energy-from-waste plants that offer reduced carbon dioxide emissions. The offering is intended to diversify Hitachi Zosen's funding sources and help the company implement more environmentally-friendly facilities.

To ensure the eligibility and transparency of the green bond offering, and to make the bonds more appealing to investors, Hitachi Zosen has received a second-party opinion from DNV GL Business Assurance Japan, a leading international risk management firm. Hitachi Zosen's green bonds are eligible for subsidies under the Japanese Ministry of Environment's "Financial Support Programme for Green Bond Issuance²."

ESG investing has become widespread in recent years. As part of this, the issuance of green bonds, social bonds that target improved social outcomes and sustainability bonds used for both social and green projects, has been attracting attention globally as a measure to address environmental problems.

By underwriting these types of bonds, Nomura aims to support the further development of the ESG bond market in Japan, and serve as a bridge between investors who want to contribute to society and projects with capital needs that aim to resolve social issues such as climate change and water.

¹ Green bonds are any type of bond instrument where the proceeds will be exclusively applied to finance eligible Green Projects. Hitachi Zosen's green bonds have received a Second-Party Opinion from DNV GL Business Assurance Japan, a leading international risk management firm, to ensure eligibility of the bonds as green bonds as stated by the International Capital Market Association.

² The program grants subsidies to companies, municipalities and other organizations to help with expenses for external reviews, and consultation for establishing a green bond framework.

The firm will strive to contribute to the growth of the economy and society, while working to achieve the sustainable development goals set by the United Nations.

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Nomura is an Asia-headquartered financial services group with an integrated global network spanning over 30 countries. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its four business divisions: Retail, Asset Management, Wholesale (Global Markets and Investment Banking), and Merchant Banking. Founded in 1925, the firm is built on a tradition of disciplined entrepreneurship, serving clients with creative solutions and considered thought leadership. For further information about Nomura, visit www.nomura.com