

March 31, 2020
Mizuho Bank, Ltd.

Execution of Sustainability Linked Loan for Cosmo Energy Holdings Co., Ltd.

Mizuho Bank, Ltd. (President & CEO: Koji Fujiwara) arranged a sustainability linked loan for Cosmo Energy Holdings Co., Ltd. (Representative Director, Group CEO: Hiroshi Kiriama) via general syndication and today executed the loan. This was Mizuho's first opportunity to serve as the arranger on a sustainability linked loan in Japan.

Sustainability linked loans incentivize the borrower's achievement of sustainability performance targets (SPTs) by setting targets aligned with the borrower's CSR strategy and linking loan terms such as the interest rate to the borrower's performance against the SPTs. This type of loan aims to encourage economic activity and support economic growth in a way that is sustainable for both the environment and society.

The SPTs stipulated under this agreement are: (1) a target for the number of new wind power stations that commence operations, and (2) a target for maintaining the availability factor of wind power stations. The achievement of these targets is incentivized by aligning interest rate terms with the borrower's performance.

Cosmo Energy Group's medium- to long-term business strategy anticipates that the trend away from fossil fuels will accelerate over the long term, and as a part of its strategy, has positioned renewable energy—primarily onshore and offshore wind power generation—as a key growth area, and is driving initiatives in these fields. Additionally, the group is aiming to reduce greenhouse gas emissions as a key element of its environmental measures. The SPTs stipulated under this agreement will contribute to Cosmo Energy's expansion of renewable energy business and the reduction of its greenhouse gas emissions in line with its business strategy and environmental measures.

At Mizuho, we are working as a unified group to further incorporate sustainability initiatives into our business strategy. We will draw on our expertise as a financial services group to proactively provide a wide range of solutions, including advisory and capital financing support, to businesses that are contributing to the shift to a low-carbon society.

Overview of agreement

Borrower: Cosmo Energy Holdings Co., Ltd.

Amount: JPY 10,000,000,000

Purpose of loan: Operational funds

Agreement date: March 26, 2020

Effective date: March 31, 2020

Period of agreement: 3 years

Arranger: Mizuho Bank

Lenders (in alphabetical order): Bank of Kyoto, Bank of Toyama, Bank of Yokohama, Chiba Kogyo Bank, Gunma Bank, Hachijuni Bank, Hiroshima Bank, Iyo Bank, Kansai Mirai Bank, Keiyo Bank, Nanto Bank, Shiga Bank, Taiko Bank, Yamagata Bank, Yamaguchi Bank, Yamanashi Chuo Bank, and 3 other banks

Note: The Japan Credit Rating Agency, Ltd. (JCR) provided an independent assessment concluding that this agreement aligns with the Sustainability Linked Loan Principles established by organizations such as the Loan Market Association and that the set targets are appropriate. For details please refer to the following assessment report from the JCR.

➔ Assessment report <https://www.jcr.co.jp/greenfinance/>