

NIPPON LIFE ANNOUNCES INVESTMENT IN TOKYO GREEN BONDS

Tokyo, October 20, 2017 – Nippon Life Insurance Company (President: Yoshinobu Tsutsui, hereinafter “Nippon Life”) today announced that Nippon Life has invested in the Tokyo Green Bonds issued by the Tokyo Metropolitan Government (hereinafter “TMG”), which are the first green bonds that a local government of Japan has issued. The maturities of these bonds are 5 years and 30 years, so this also marks the first Japanese issuer who has issued of super-long maturity green bonds, with a maturity of over 10 years.

A green bond is a bond that is restricted to being used for environmental projects, and the green bond markets have significantly increased internationally. In Japan, in March 2017 “Green Bond Guidelines, 2017” was published for the purpose of spurring issuances of and investments in green bonds in Japan by the Ministry of the Environment. TMG and Nippon Life have participated in the investigative commission that drew up “Green Bond Guidelines, 2017” as representatives of issuers and investors, and they have tried to activate the green bond market in Japan.

TMG will primarily use the proceeds from this issuance to develop smart energy cities, to develop cities that are comfortably cool and clean, and to adapt to the effects of climate change. Nippon Life expects this investment to contribute to the implementation of environmental measures, and to secure long-term stable returns.

In the previous fiscal year, Nippon Life signed the United Nations Principles for Responsible Investment. In addition, in the new Management Plan (Fiscal 2017 –2020), Nippon Life is aiming to make JPY 1.5 trillion investment in new and emerging growth fields, and our quantitative target for investing in ESG bonds over the next four years is JPY 200 billion. Investing in the bonds is categorized as ESG bonds for the environment.

Nippon Life will continue to contribute to the formation of a sustainable society by bolstering ESG investment and financing, after taking into account matters of a social and public nature, together with the investment returns.

<Issuance Overview>

Name	Tokyo Green bonds
Issuer	Tokyo Metropolitan Government (TMG)
Volume of issuance	JPY 10 billion
Maturities	5 years and 30 years
Target projects	Environmental projects selected by TMG

<Main projects scheduled for allocation>

Category	Project name
Smart energy city development	Renovation/refurbishment of TMG owned facilities
	Conversion of lighting in TMG-owned facilities and roads to LED
	Promoting conversion of TMG-owned facilities to ZEB*
	Energy-saving in water supply and sewerage facilities
	Introduction of environmentally friendly TMG operated buses
Cool/clean comfortable city Development	Parks development
	Improvements to combined sewerage pipes
	Advanced treatment at sewerage treatment plants
Adaptation to the effects of climate change	Medium and small size river development
	Development of storm-surge defense Facilities

*Acronym for Net Zero Energy Building. Buildings in which primary energy consumption is reduced through the use of improvements to energy-saving performance and renewable energy, etc. so that net annual energy consumption is zero or close to zero.

<Example of environmental projects>

(Renovation/refurbishment of TMG-owned facilities)



(Parks development)



(Photo by TMG)