

## Company Profile

- NYK Line, founded in 1885
- One of the biggest shipping conglomerates; operating 800+ vessels
- Diversified operations covering dry bulkers, car carriers, tankers, LNG carriers, and container ships
- Group company services include land and air cargo transportation businesses

## Green Finance

May 2018 : First company in the global shipping industry to issue green bonds

Nov 2019 : Granted Japan's first sustainability linked loan (CDP score linked)

Jul 2021 : First company to issue transition bonds in Japan

## Transition Bond Outline

Name	Unsecured Corporate Bond No.43 / 44
Date	July 29, 2021
Amount	20 billion Yen
Tenor	5 Year / 7 Year
Framework	Green / Transition Bond Framework
SPO	DNV Business Assurance Japan Co., Ltd.
Use of Proceeds	Offshore-wind support vessels Ammonia-fueled vessels Hydrogen fuel-cell vessels LNG-fueled vessels LNG-bunkering vessels LPG-fueled vessels Improvement of efficiency and optimization in vessel operation
Pathway	GHG reduction target (baseline 2015) 30% reduction by 2030 50% reduction by 2050 (Upgraded to net zero-emissions for oceangoing businesses by 2050)

## Why Transition Bond

- *Establish fundamentals for transition*
- *Demonstrate strategies based on ESG initiatives to stakeholders and clients*
- *Secure various funding resources for low carbon, decarbonization solutions*
- *20+ times Debt IR; over 50% ESG-related questions; 10 times bid-to-cover ratio*
- *Difficulties; company-strategy based analysis or project-based analysis*

## Issuance Key Note

### Element 1 - Issuer's climate transition strategy and governance

- *The "NYK Group ESG Story": Introduction of activities to advance the integration of ESG into the company's management strategy; released in February 2021*
- *Business development timeline in the energy field, governance development with new ESG Management Committee*

### Element 2 - Business model environmental materiality

- *Long before materiality identification, comprehensive disclosure for the environment (CDP disclosure etc.)*

### Element 3 - Climate transition strategy to be science-based including targets and pathways

- *Science Based Targets (SBT) initiative verification for commitment to reduce GHG in 2018*

### Element 4 - Implementation transparency

- *Investment commitment, impact reporting, consideration of 'Just Transition'*