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Notice Regarding the Mandate of Large-Scale Project for "Transition Finance" Contributing to the Transition to a Decarbonized Society

Financial Products Group Co., Ltd. (FPG) is pleased to announce that we have received a mandate for a leasing fund project for 18 containerships (total value: approximately 250 billion yen). This project is part of our "Transition Finance" program, which contributes to the transition to a decarbonized society.

1. Overview

In recent years, the shipping industry has been shifting to a decarbonized society to combat global warming. The International Maritime Organization, a specialized agency of the United Nations, has set a goal of reducing greenhouse gas emissions from international marine transportation by at least 40% by 2030 compared to 2008 levels. Demand from shipping companies using either more fuel-efficient ships or next-generation fuels (or a combination of both), is expected to accelerate soon.

Since these efforts will require a large amount of financing, the importance of "transition finance," which provides funds for decarbonization projects, is increasing. FPG has also implemented the active promotion of transition finance for aircraft and ships as one of the key initiatives in our efforts to achieve the SDGs (Sustainable Development Goals).

The vessels of this project are newly ships compatible with the transition to a decarbonized society. These state-of-the-art ships apply recent technologies to increase propulsion and improve fuel efficiency in their hull shape, coating and propellers, as well as energy-saving technologies to reduce greenhouse gas emissions, such as the Alternative Maritime Power system. The vessels have a dual-fuel engine that can be operated on natural gas (LNG), which emits less greenhouse gas, and liquid fuel. We are confident that the project will contribute to implementing our key initiatives for SDGs and undertake to further promote these initiatives.

This is a large-scale project of 250 billion yen in total, encompassing the funding for 18 containerships, and is the largest project ever undertaken in our Leasing Fund Business. From the summer of 2022, we plan to arrange the leasing for each containership at its delivery.

2. Outlook

At this time, there is no change to the financial results forecast for the fiscal year ending September 30, 2022. However, if it is necessary to revise the forecast in the future, we will promptly announce it.

(Reference: SDGs targets related to this matter)

