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Notice of FPG AIM's Efforts to Contribute to the Acceleration of Decarbonization Transition

Financial Products Group Co., Ltd. (FPG) announces that PROW Capital B.V. (PROW Capital, Headquarters: The Netherlands) as fund manager has launched the Green Shipping Fund (GSF) in close cooperation with FPG Asset & Investment Management B.V. (FPG AIM, Headquarters: The Netherlands), an equity method affiliated company of FPG. FPG AIM is a shareholder in PROW Capital and has subscribed to participate with a significant economic interest in GSF. This is one of our group's initiatives for contributions to the transition to a zero-emission transportation industry. GSF provides credit to shipowners for investments in vessels or retrofits that demonstrate measurable emission reductions, such as vessels that use fuel-efficient or next-generation fuels, to accelerate the transition to zero emission shipping*.

1. Overview

In the shipping industry, greenhouse gas emissions are expected to increase in line with the growth of the global economy and the expansion of marine transportation volume. The International Maritime Organization, a specialized agency of the United Nations, has set a goal of reducing CO2 emissions per transport work from international marine transportation by at least 40% by 2030 and aiming towards 70% by 2050 compared to 2008 levels. So, it is most critical that there is rapid transition to decarbonization from large-scale investments to achieve this.

FPG AIM and PROW Capital have sponsored and launched GSF to provide shipowners, which are tackling environmental challenges, with long-term secured financing that will contribute to decarbonization. The total amount of the fund is expected to be approximately €420 million / 55 billion yen. GSF will provide funds to vessel owners located in Europe that meet strict investment criteria to procure new and existing vessels or retrofits that demonstrate measurable emission reductions.

GSF is further structured, supported and enhanced by Banco Santander S.A. and Atradius Dutch State Business (Atradius DSB.). Atradius DSB is a member of the Atradius Group, one of the world's largest credit insurance companies, and is responsible for trade insurance business as the Export Credit Agency of the Netherlands under a contract with the Dutch government. As part of its business, Atradius DSB supports and enables the transition to low-carbon and decarbonized shipping companies. FPG and FPG AIM considers the evaluation and subsequent support by Atradius DSB a seal of their approval of the launch of GSF and the fund's objectives.

FPG AIM supports the FPG Group in arranging transactions for the lease fund business for aircraft, ships, and marine containers, with offices in the Netherlands, Singapore, the United States, and the United Arab Emirates. Since its establishment in 2012, FPG AIM has arranged a total of more than 1.5 trillion yen of transactions for the FPG Group.

GSF is the first fund management project sponsored by FPG AIM. Utilizing its knowledge and its network with transportation companies, FPG AIM not only sponsors the launch of the Green Shipping Fund but is also launching its own fund management business, which will include funds to contribute to the decarbonization of the shipping industry and the achievement of the SDGs (Sustainable Development Goals) while providing investors with new investment opportunities.

FPG Group will continue to contribute to the realization of a sustainable society by maximizing the use of the Group's knowledge and expertise.

2. Outlook

There is no change to the financial results forecast for the fiscal year ending September 30, 2022, as a result of this GSF fund launch.

(Reference: SDG targets related to this matter)



* Zero emission shipping refers to the use of vessels that emit no carbon dioxide or other greenhouse gases during their operations.