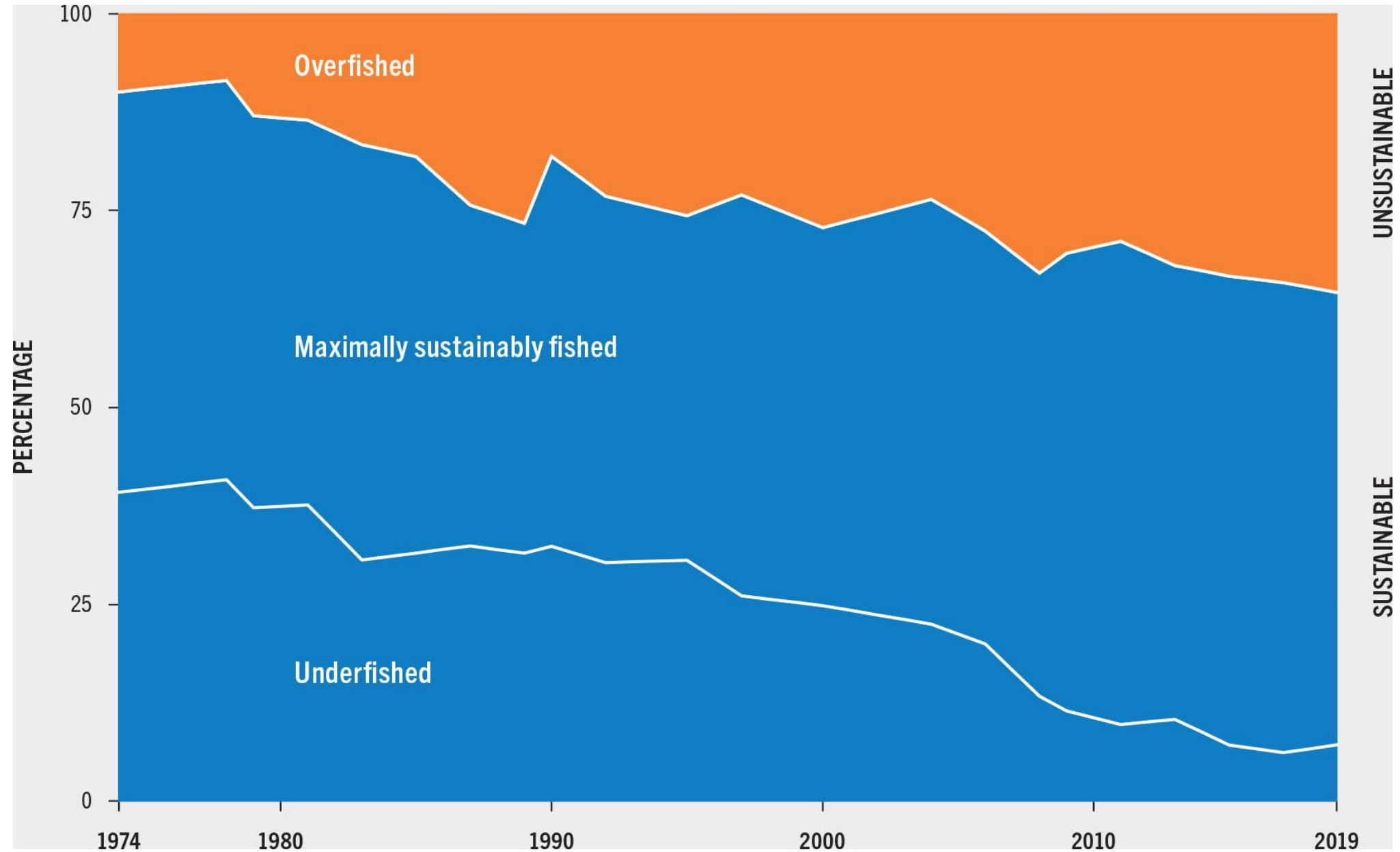


# Japan's First “Blue Bond”

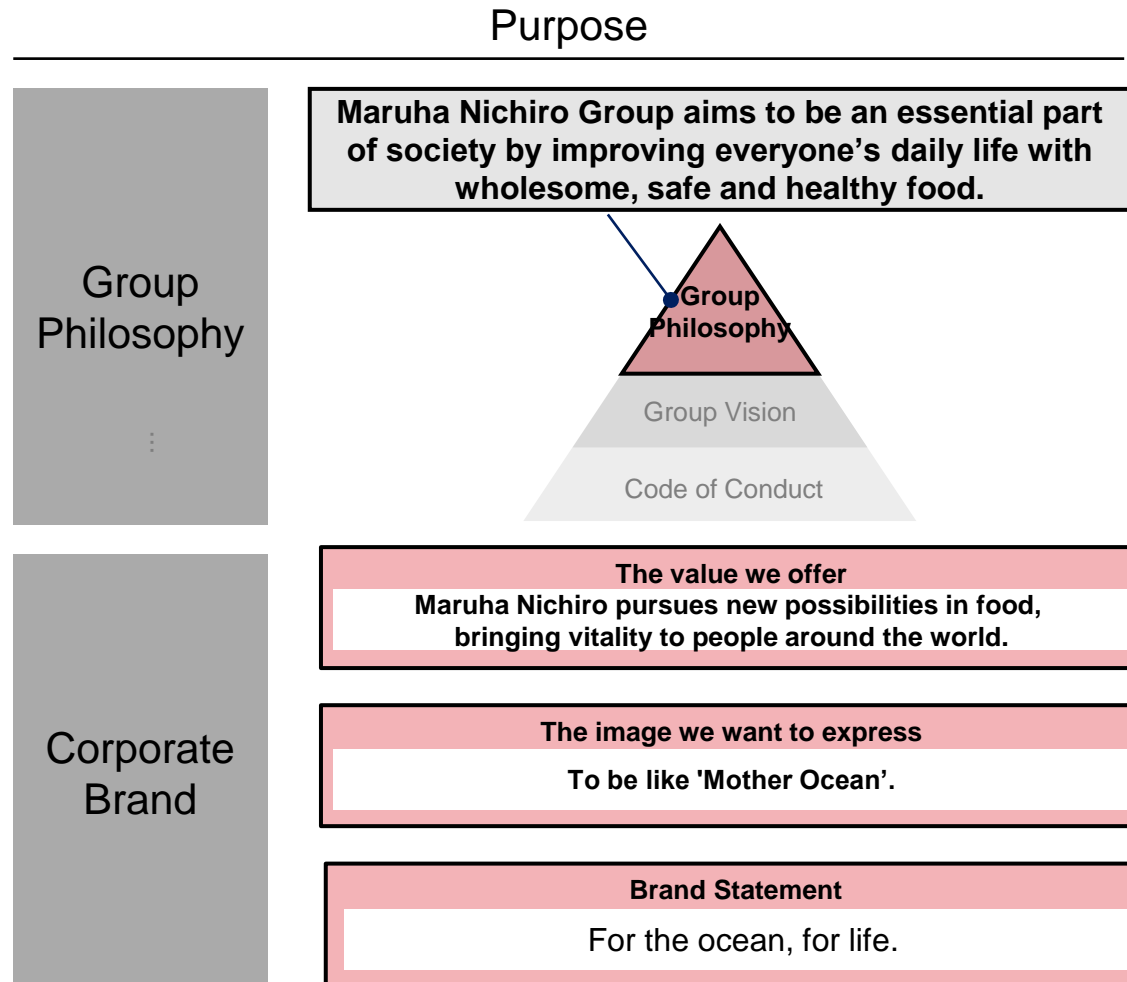


# GLOBAL TRENDS IN THE STATE OF THE WORLD'S MARINE FISHERY STOCKS, 1974–2019



Source: FAO <https://www.fao.org/3/cc0461en/online/sofia/2022/status-of-fishery-resources.html>

# Purpose of Maruha Nichiro Group



# Maruha Nichiro Group Medium-term Management Plan For the ocean, for life MNV 2024



## **New Medium-term Management Plan “For the ocean, for life MNV 2024”**

The three main strategies in new medium-term management plan to enhance enterprise value and generate sustainable growth are as below.

**Integration of business strategy and sustainability**

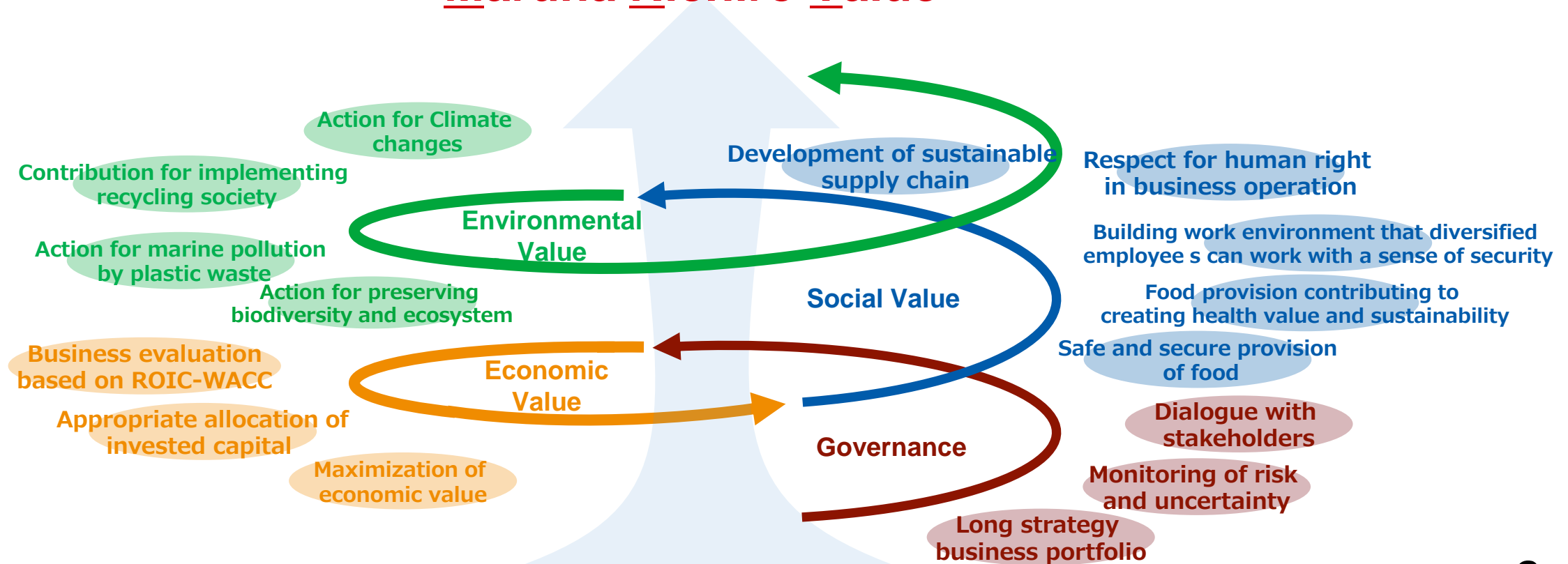
**Implementation of management for creating value**

**Strengthening business foundation for sustainable growth**

# - Creation of MNV -

- We will create Maruha Nichiro Value (MNV) and enhance enterprise value and generate sustainable growth to all stakeholders through the Integration of Management strategy and Sustainability.

## Maruha Nichiro Value



## Overview of Blue Bonds

1. Name of bond	Maruha Nichiro Corporation 1st Unsecured Bond (Blue Bond)
2. Total issued amount	5 billion yen
3. Interest rate	0.55% per year
4. Issuance date	November 2, 2022
5. Maturity date (years)	November 2, 2027 (5 years)
6. Interest payment date	May 2 and November 2, every year
7. Acquired rating	BBB+ (Rating and Investment Information, Inc.)
8. Third-party evaluation of the Blue Finance Framework	Rating and Investment Information, Inc.
9. Lead managing companies	Mizuho Securities Co., Ltd. /Mitsubishi UFJ Morgan Stanley Securities Co.
10. Structuring agent	Mizuho Securities Co., Ltd.
11. Financial agent	Mizuho Bank, Ltd.
12. Main use of funds	Environmentally sustainable fisheries and aquaculture operations, etc.

## Maruha Nichiro Corporation Blue Finance Framework

### ■ Overview of the Opinion

#### (1) Use of Proceeds

The proceeds are expected to be allocated to investments in a land-based Atlantic salmon aquaculture facility in Nyuzen town of Toyama prefecture through a joint venture company with Mitsubishi Corporation (MC). The project aims to commercialize Atlantic salmon farmed from eyed egg to harvest using land-based systems, while avoiding offshore aquaculture that may cause adverse environmental impacts.

It corresponds to the project category of "Pollution prevention and control (prevention of ocean pollution)" from the perspective of ocean pollution prevention and the project category of "Environmentally sustainable management of living natural sources and land use (environmentally sustainable fishery and aquaculture)" from the perspective of environmental management in aquaculture operations. Thanks to Maruha Nichiro's industry-leading technological foundation and the facility's location that mitigates adverse environmental impacts, expectations are high that the project will contribute to sustainable marine resource conservation and management.

Environmental and social risks associated with project implementation are appropriately addressed. The project falls under the blue project category of "F. Fisheries, aquaculture, and seafood value chain: sustainable production and waste management and reduction measures that meet, keep, or exceed the Marine Stewardship Council certification standards or equivalent" provided in the IFC's guidelines. The use of proceeds is reasonable.

#### (2) Process for Project Evaluation and Selection

Eligible projects are consistent with Maruha Nichiro's management policies such as its group vision and medium-term management plan. The company has an organizational process in which the finance department selects project candidates through coordination with relevant business units and the executive officer in charge of finance makes a final decision after approval by the head of the finance department. The process for project evaluation and selection is clear and reasonable.

#### (3) Management of Proceeds

The proceeds will be managed and allocated using an internal accounting system. Unallocated funds will be managed in cash and cash equivalents. If unallocated funds are generated for reasons other than delayed allocation, other projects that satisfy the eligibility criteria will be selected. The management of proceeds is appropriate.

#### (4) Reporting

Maruha Nichiro will report the allocation of proceeds until all proceeds are allocated, and environmental benefits until the proceeds are fully redeemed, on its website, etc. annually. The first reporting will take place within one year of funds being raised. As environmental benefit metrics, Maruha Nichiro plans to disclose the amount (or estimated amount) of farmed fish shipped from the project to be funded, in addition to a project summary. The reporting is appropriate.



Guidelines and Principles for Blue Bonds

The International Capital Market Association (ICMA)	Green Bond Principles (GBP) 2021
The Ministry of Environment Government of Japan	Green Bond (Loan) and Sustainability Linked Bond (Loan) Guidelines 2022
The Loan Market Association (LMA) The Asia Pacific Loan Market Association (APLMA) The Loan Syndications and Trading Association's (LSTA)	Green Loan Principles 2021
The International Finance Corporation's (IFC)	Guidelines for Blue Finance

Blue Finance Framework


[https://www.maruha-nichiro.com/media/files/en\\_blue\\_finance\\_framework.pdf](https://www.maruha-nichiro.com/media/files/en_blue_finance_framework.pdf)

Second Opinion of Maruha Nichiro's Blue Finance Framework,

by Rating and Investment Information, Inc.

[https://www.maruha-nichiro.com/media/files/spo\\_randi\\_20220929\\_eng.pdf](https://www.maruha-nichiro.com/media/files/spo_randi_20220929_eng.pdf)


Use of Proceeds from Blue Bonds

Eligibility Criteria	Example of Eligible Projects	Project Category
<p>[Blue Projects]</p> <p>Environmentally sustainable fisheries and aquaculture projects</p> 	<p>Land-based salmon aquaculture project</p>	<ul style="list-style-type: none"> <li>• Pollution prevention and control (prevention of ocean pollution)</li> <li>• Environmentally sustainable management of living natural sources and land use (environmentally sustainable fishery and aquaculture)</li> </ul>

# Overview of Land-based Salmon Aquaculture Business

Basic Information on the New Company	
Company Name	ATLAND Co.
Establishment date	October 18 <sup>th</sup> , 2022
Head Office Location	Shimoiino, Nyuzen-machi, Shimoniikawa-gun, Toyama Total site area (Approx.70,000 square meters)
Business	Land-based aquaculture production and sales of salmon, using a recirculating aquaculture system(RAS) Annual Production Quantity (Approx. 2,500MT)
Capital stock	At the time of establishment 500 million yen (Up to 11 billion yen)
Equity Ratio	Maruha Nichiro Corp.49%, Mitsubishi Corp.51%

**As a result of a rigorous nationwide site selection process, in particular, from the viewpoint of "water," an important element of aquaculture business, "Nyuzen," a well-known town with its pure water, was selected.**

L O G O		<ul style="list-style-type: none"> <li>✓ The letters "ATLAND" are combined into the shape of fish.</li> <li>✓ The colors of the logo are based on the scenery of Nyuzen Town as seen from the Sea of Japan (Tateyama mountain range, fan-shaped area, and the Sea of Japan).</li> </ul>
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# Planned Site

Nyuzen town of Toyama prefecture  
Facing the Sea of Japan, the region is located in the center of a vast alluvial fan formed by the Kurobe River.



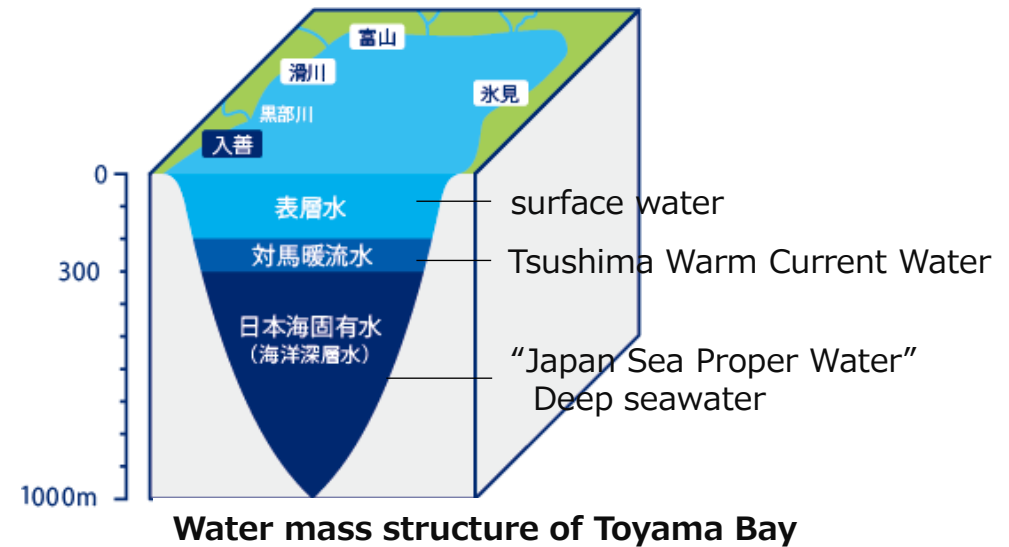
Source : Nyuzen Website

# Deep Seawater

- Seawater from approximately 200m or deeper does not mix with surface water and sunlight does not reach it.
- Chilly (low-temperature) deep-sea water below 2.0°C is abundantly available in 300m or deeper sea in Toyama Prefecture, which is salinity level of greater than 34.00‰ and less than 7.0ml 1-1 of dissolved oxygen.
- The best quality water for salmon habitat will simultaneously benefit environmentally and economically with low energy use and high productivity.



Nyuzen Deep seawater

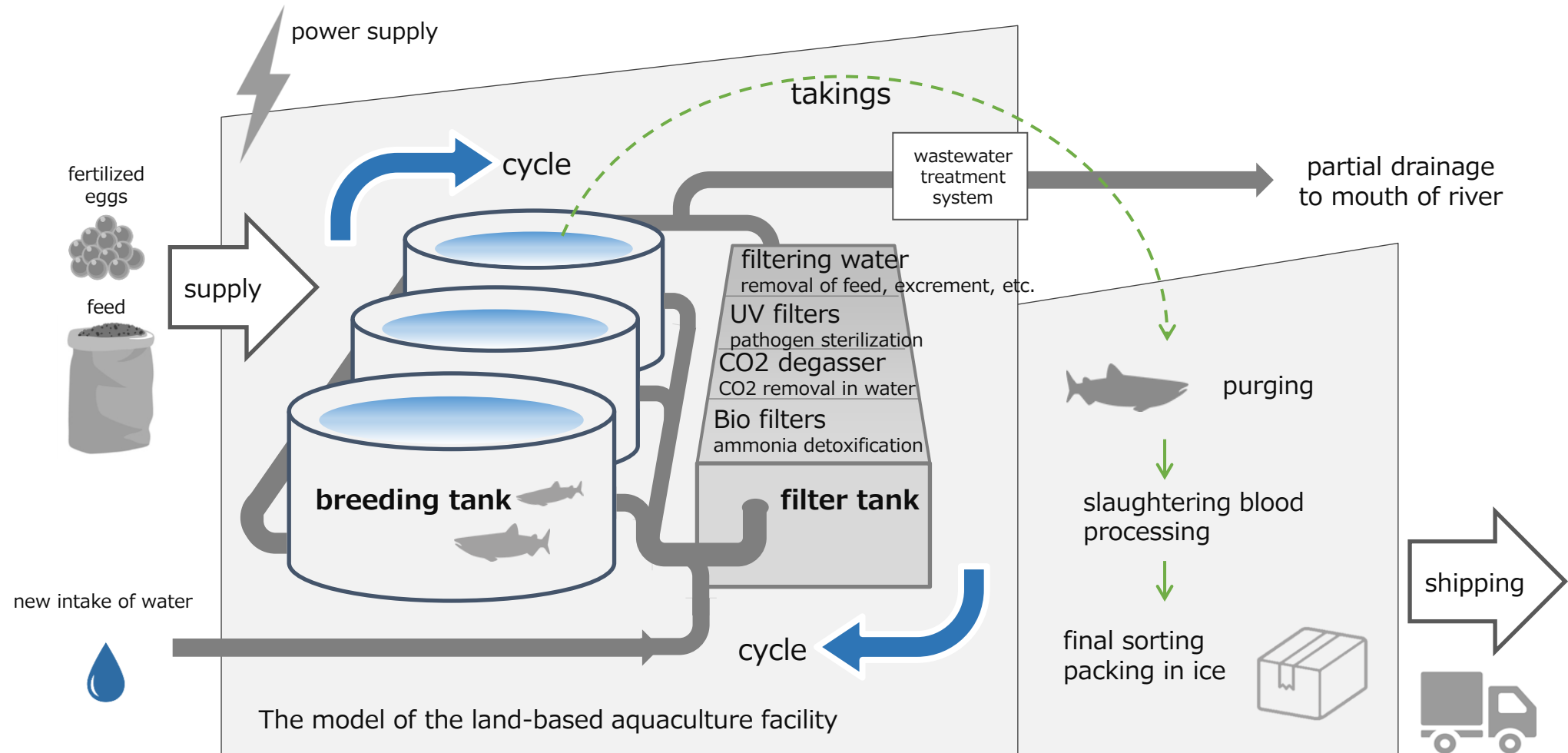


Water mass structure of Toyama Bay



# Overview of Land-based Salmon Aquaculture Business

This model of land-based salmon aquaculture involves using special technologies to circulate water in and out of tanks where the fish are raised. The water is treated, removed of waste, and cleaned before it is pumped back into the tanks.



# Investor's Voice

## Received many positive comments

- *Please tell us about the status of communication with foreign-affiliated evaluation agencies, including MSCI.*
- *We would like to see the continuous issuance of blue bonds that leads the market.*
- *What do you think the big picture of sustainable marine resources will look like in 2050?*
- We would like to know the expected use of proceeds for future blue bonds.



- Ibaraki Prefectural Credit Federations of Agricultural Cooperatives
- The Bank of Kochi,Ltd
- TECHNO RYOWA LTD.
- THE KITAOSAKA SHINKIN BANK
- Kushiro Shinkin Bank
- SHIGAKEN SHINYOUNOUGYOKYODOUKUMIAIRENNGOUKAI
- THE SUGAMO SHINKIN BANK
- The Dai-ichi Life Insurance Company, Limited
- THE TSURUGA SHINKIN BANK
- Tokio Marine & Nichido Fire Insurance Co., Ltd.
- TOKYO BAY SHINKIN
- Nissay Asset Management Corporation
- The Neo First Life Insurance Company, Limited.
- FUKUOKA SHINYOU KUMIAI
- Mie Prefecture credit federation of agricultural cooperatives
- The Mishima Shinkin Bank
- Mitsui Sumitomo Insurance Company, Limited
- The Rokinren Bank



# Engagement ~ Nippon Life Insurance Company

October 28, 2022  
Nippon Life Insurance Company

## Nippon Life to Invest in Blue Bond Issued by Maruha Nichiro Corporation ~ Support for conservation and sustainable use of oceans ~

Nippon Life Insurance Company (President: Hiroshi Shimizu, hereinafter "Nippon Life") has invested 400 million yen in Blue Bond (hereinafter "the Bond") issued by Maruha Nichiro Corporation (President & CEO: Masaru Ikemi, hereinafter "Maruha Nichiro")\*. This is the first blue bond issuance in Japan and Nippon Life's first investment in a blue bond.

Blue Bonds are bonds in which the use of the funds raised is limited to marine and water-related environmental protection projects, such as the protection of marine ecosystems and the sustainable use of water resources.

The funds raised by issuing the Bond will be used for the environmentally sustainable fisheries and aquaculture operations. The Blue Finance Framework formulated by Maruha Nichiro applied to the issuance of the Bond is compatible with the "Green Bond Principles 2021" established by the International Capital Market Association (ICMA), the "Guidelines for Blue Finance" established by the International Finance Corporation (IFC), and other relevant guidelines.

Nippon Life is strengthening its ESG investment and finance, given its mission and the public nature of the life insurance business and from the standpoint that it has always worked to coexist with the environment, communities and society, and to share stable growth with the economy and other companies. Financing of this project is positioned as one such investment.

Going forward, Nippon Life will continue to engage in ESG investment and financing with the aim of contributing to the realization of a sustainable society and better serving the interests of policyholders.

(\*) Nippon Life has concluded an investment agreement with Nissay Asset Management Corporation, to which it has transferred its credit investment and alternative investment functions.  
<https://www.nissay.co.jp/english/news/pdf/20210304.pdf>

### < Overview of the Bond >

Issuer	Maruha Nichiro Corporation
Date of Implementation	October 27, 2022
Nippon Life Investment Amount	400 million yen
Use of Proceeds	Environmentally sustainable fisheries and aquaculture operations

### < SDGs Goals Deeply Related to the project >

#### **Goal 12: RESPONSIBLE CONSUMPTION AND PRODUCTION**

Ensure sustainable consumption and production patterns



#### **Goal 14: LIFE BELOW WATER**

Conserve and sustainably use the oceans, seas and marine resources for sustainable development





**MARUHA NICHIRO**

For the ocean, for life