

October 9, 2020
Mizuho Bank, Ltd.

Mizuho concludes Mizuho Eco Finance deal with Hitachi

Mizuho Bank, Ltd. (President & CEO: Koji Fujiwara) concluded a syndicated Mizuho Eco Finance¹ deal with Hitachi, Ltd. (President & CEO: Toshiaki Higashihara) for the refinancing of the acquisition cost of ABB Ltd.'s power grids business, which Hitachi acquired in July 2020.

At Mizuho, our proactive dialogue/engagement with clients has allowed us to develop a deep understanding of our clients' challenges and needs. We actively provide a diverse range of solutions to support clients' SDG and ESG-related initiatives and innovations.

Mizuho Eco Finance is an environmental evaluation and financing product designed to allow us to work together with clients toward a low-carbon society. Through this product, Mizuho provides financing to clients who meet a certain minimum score based on our scoring system, which utilizes an environmental assessment model developed by Mizuho Information & Research Institute, Inc. to evaluate client initiatives and benchmarks via a globally accepted environmental verification and evaluation program.

This is Mizuho Bank's 11th Mizuho Eco Finance deal, bringing our total financing under this initiative to ¥494 billion.

Addressing climate change in order to transition to a low-carbon society is increasingly important, and through this syndicated Mizuho Eco Finance deal Mizuho, along with the other participating financial institutions, will provide financial support for Hitachi's efforts via this acquisition to promote more efficient energy usage for society as a whole as a means of addressing climate change.

Mizuho has evaluated Hitachi highly based on the high levels Hitachi achieved on our environmental evaluation model, which took into account factors such as Hitachi's endorsement of the TCFD's recommendations in June 2018, their disclosure of the CO₂ emissions for their entire supply chain, and the targets they have set to achieve a low-carbon society as part of their long-term environmental targets under the Hitachi Environmental Innovation 2050 initiative.

Additionally, Hitachi's energy business forms the core of their Social Innovation Business, which aims to build the social infrastructure necessary to achieve SDG 7 (Affordable and clean energy) and the "human-centered society" promoted under Society 5.0².

This acquisition combines a world-class power grids business with Hitachi's advanced digital technology, co-creating innovative energy solutions together with customers and partners with the ambition of "Powering Good for Sustainable Energy", and was taken into consideration in our evaluation for its potential to contribute to the realization of a sustainable society.

At Mizuho, we will draw on our expertise as a financial services group to proactively provide financing support, including sustainable finance and environmental finance, as well as advice and solutions for strengthening and shifting businesses towards decarbonization.

¹ Mizuho Eco Finance:

See our press release dated June 28, 2019: Announcing the launch of Mizuho Eco Finance.

² Society 5.0:

A major policy promoted by the Japanese Cabinet Office's Council for Science, Technology and Innovation for creating a "Super Smart Society" (Society 5.0) through advances in science and technology.

Overview

Borrower: Hitachi, Ltd.

Arranger: Mizuho Bank

Lenders: Mizuho Bank, MUFG Bank, and other Japanese financial institutions

Agreement date: October 9, 2020

Scheduled effective date: October 28, 2020