

**【NEWS RELEASE】**

January 29, 2020

SMBC Nikko Securities Inc.

**SMBC Nikko Leads Green Bond Offering by Tohoku Electric Power**

TOKYO, January 29 2020 --- SMBC Nikko Securities Inc. (“SMBC Nikko”) announced that SMBC Nikko will serve as the sole bookrunner and green bond structuring agent<sup>1</sup> for green bonds issued by Tohoku Electric Power Co., Inc. (Representative Director and President: Hiroya Harada / location of head office: Aoba-ku, Sendai; "Tohoku Electric Power") This is the first green bond to be issued by a former general electric utility.

Tohoku Electric Power aims to develop 2 million kW of renewable energy power generation facilities, centering on wind power plants, mainly in the six prefectures of Tohoku Region and Niigata prefecture. Funds raised by the green bond will be mainly used for development of the facilities. The green bond has been verified by a third party to ensure compliance with Green Bond Principles and several international standards, and Tohoku Electric Power has obtained certification<sup>2</sup> from CBI (Climate Bonds Initiative: An international NGO that sets rigorous standards for the purpose of ensuring reliability and transparency of green bonds). This is the first time for a former general electric utility in Japan to be given the certification.

SMBC Nikko has established “SDGs Finance”, a department dedicated to address environmental and social issues through business activities in the financial and capital markets, and has been actively working on ESG promotion. SMBC Nikko believes that this underwriting indicates our

insight into green bonds and sustainable development goals (SDGs) financing, while at the same time, leads to further expansion of ESG investment and products in Japan. In addition, through the underwriting of this green bond, SMBC Nikko will contribute towards achieving SDGs: “Affordable and Clean Energy” and “Climate Action”.



※1 A green bond structuring agent supports the issuance of green bonds by advising the issuer on formulation of a green bond framework and on obtaining third-party opinions.

※2 Bonds which are verified by a third party to ensure compliance with the Climate Bonds Standard are called Certified Climate Bonds. The Standard contains rigorous scientific criteria which are consistent with the 2 degrees Celsius warming limit declared in the 2015 Paris Agreement.

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This material is an English translation of Japanese announcement made on January 29, 2020. Although the company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed and thus you are encouraged to refer to the original Japanese document.

**<Outline of the Tohoku Electric Power's Green Bond >**

<b>Bond Name</b>	The Series 517 Senior Green Bond of Tohoku Electric Power Co., Inc.
<b>Type of Bond</b>	Statutory preferential rights
<b>Tenor</b>	10 Years (Scheduled)
<b>Issue Amount</b>	5 billion yen (Scheduled)
<b>Date of Issuance</b>	February 2020 (Scheduled)
<b>Lead Bookrunner</b>	SMBC Nikko Securities Inc.
<b>Green Bond Structuring Agent</b>	SMBC Nikko Securities Inc.
<b>External Reviews for the Green Bonds</b>	<p><b>【Verification】</b>            DNV GL Business Assurance Japan K.K. has provided an independent verification against the following guidelines</p> <ul style="list-style-type: none"> <li>- ICMA's Green Bond Principles 2018</li> <li>- Japan's Green Bond Guidelines, 2017 (Ministry of the Environment)</li> <li>- Climate Bonds Standard Version 2.1</li> <li>- Wind Sector Eligibility Criteria of the Climate Bonds Standard Version 1.1</li> <li>- Marine Renewable Energy Criteria</li> <li>- Geothermal Energy and the Climate Bond Standard Version 1.0</li> </ul> <p><b>【Certification:】</b>            The issuer has obtained CBI Certification, set under stringent standards, through the above verification from DNV GL Business Assurance Japan K.K.</p>

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