

1.Appropriation of procured funds(2018.9~2021.9)

We issued "Hitachi Zosen Corporation 26th Series Unsecured Straight Bonds (Green Bonds)" at 2018.9.21.

The funds from the green bond has been fully allocated as the table below shows.

(Unit: ¥1m)

Item	Amount
Green bond amount (amount after deducting issuance costs from the issuance amount)	4,970
Allocated amount (※1 Details are below)	4,970
Unallocated balance	0

※1 Allocated amount

(Unit: ¥1m)

Project	Amount				
	FY2018	FY2019	FY2020	FY2021	Total
Kyoto City Government	2,542	1,824	—	—	4,366
Kikuchi Environmental Preservation Association	116	488	—	—	604
Total	2,658	2,312	—	—	4,970

2.Impact Reporting

We show below the effects of environmental improvements in projects to which the Green bond was allocated

Project	Facility	Power generation results (MWh/year)			Greenhouse gas reduction amount (t-CO ₂) ※3		
		FY2019※1	FY2020	FY2021※2	FY2019※1	FY2020	FY2021※2
Kyoto City Government	Incineration plant	50,795	79,200	46,205	16,966	25,186	16,218
	Biogas plant	4,266	7,475	1,951	1,425	2,377	685
	Total	55,061	86,675	48,156	18,391	27,563	16,903
Kikuchi Environmental Preservation Association	Total	—	—	10,499	—	—	5,039
	Total	55,061	86,675	58,655	18,391	27,563	21,942

※1 FY2019 Operational Performance from 2019/7 to 2020/3(about nine months).

※2 FY2021 Operational Performance from 2021/4 to 2021/9(about six months).

※3 Greenhouse gas reduction amount(t-CO₂) : Amount of power generated(MWh) x CO₂ emission factor(t-CO₂/MWh)

In calculating the effect of reducing CO₂ emissions, We use the KANSAI ELECTRIC POWER's emission factor, which reflects the adjustment of environmental value associated with the feed-in tariff system for renewable energy based on the Law Concerning the Promotion of the Measures to Cope with Global Warming, in addition to the CO₂ emission coefficient of the Ministry of the Environment..