

GREEN FUND

*Green Fund Results
and
Challenge after the Paris Agreement*

OCTOBER 2016

Green Finance Organisation JAPAN

The Green Fund: Operation

- The Green Fund has started its operation in **July 2013**
- The Green Finance Organisation operates and manages the Green Fund

- **Fund Scale** : 15.3b JPY (approx. 153 mil USD) (100 JPY/US\$)

It is expected to increase the fund size for the next FY.

- **The Green Finance Organisation**
 - Established on 8 May 2013
 - CEO: Takejiro Sueyoshi (Special Advisor to the UNEP FI)
 - Mission: To accelerate green finance towards low-carbon societies in Japan

The Green Fund: Our Goal

We aim to....

Develop many projects which reduce CO₂ emissions and benefit local communities

Create a new stream of private capitals which realize Green economy and Low carbon society

Spread the models to the regional private sectors

Generate low carbon societies

Establish "success models"

Green Investment

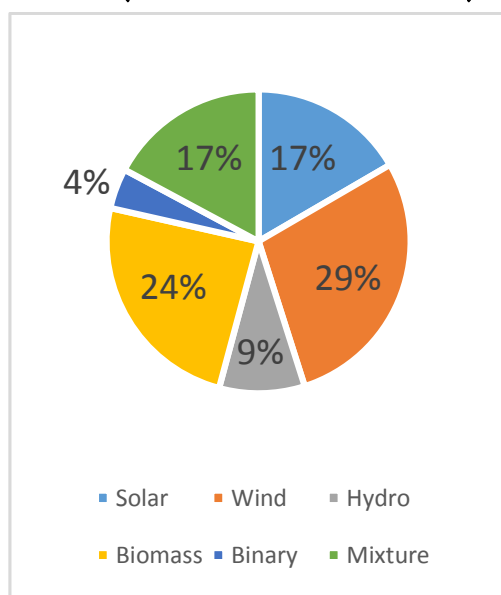
- + Decrease Debt Equity Ratio to facilitate loan financing
- + Support implementation of new business models to expand the green investment

Green Fund: Transactions

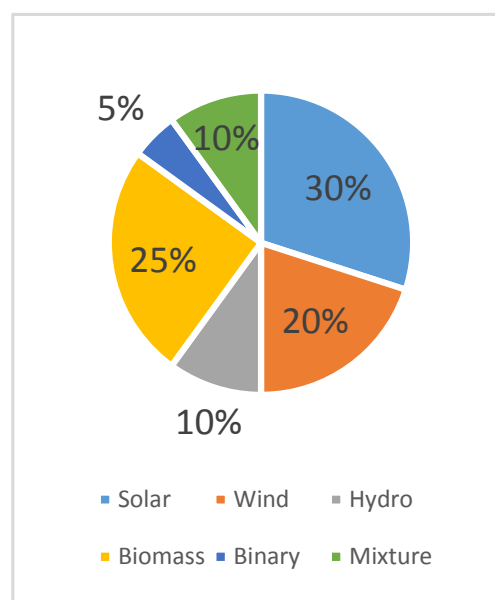
(\$1,000)

	FY2013		FY2014		FY2015		Total	
	amount of investment	number of cases	amount of investment	number of cases	amount of investment	number of cases	amount of investment	number of cases
Solar	500	1	4,400	3	6,700	2	11,600	6
Wind	6,000	2	0	0	13,900	2	19,900	4
Hydro	0	0	6,350	2	0	0	6,350	2
Biomass	2,000	2	15,000	3	0	0	17,000	5
Binary	3,000	1	0	0	0	0	3,000	1
Mixture	0	0	5,000	1	7,000	1	12,000	2
Total	11,500	6	30,750	9	* 35,600	* 8	* 77,850	* 23

Total (amount of investment)

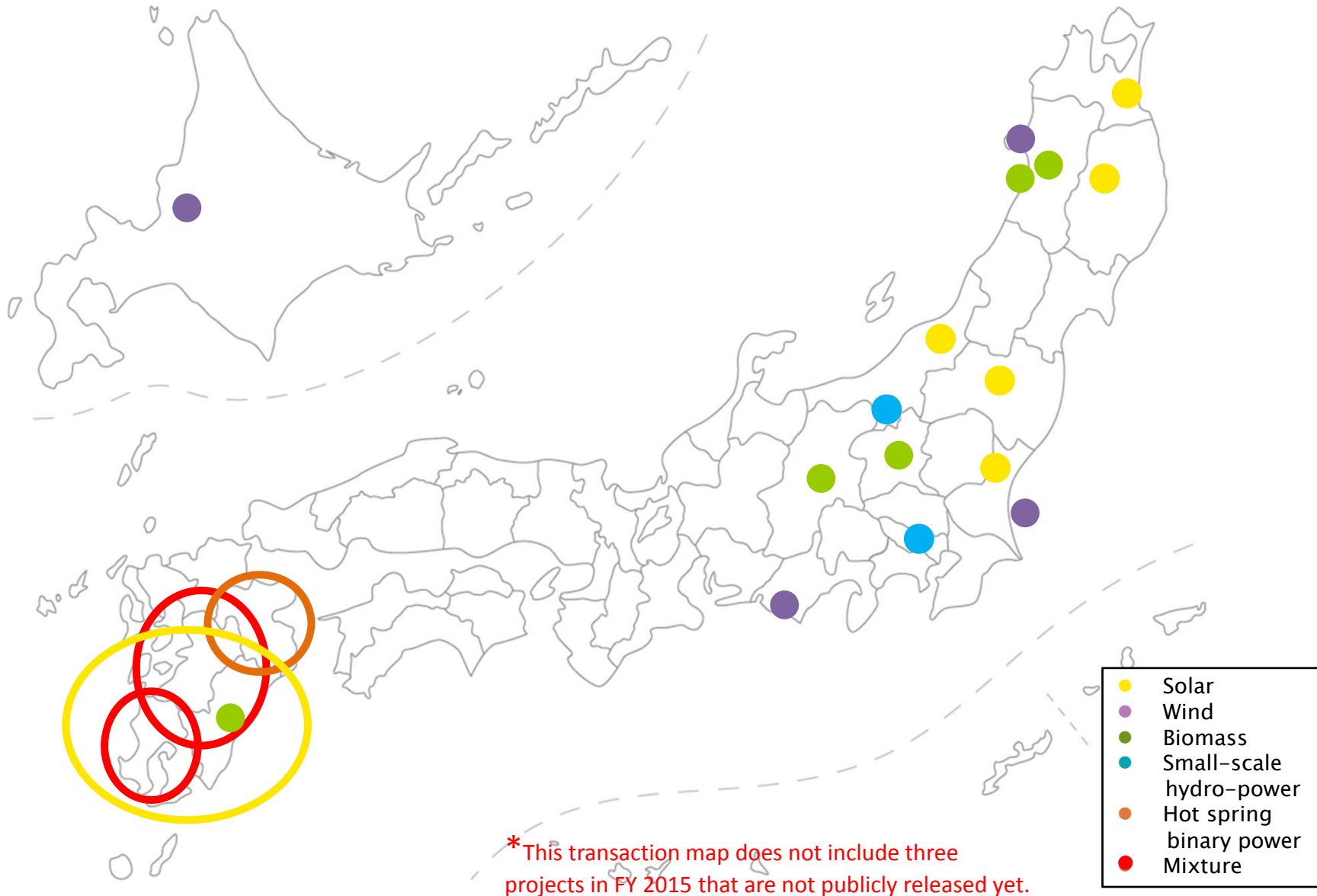


Total (number of cases)



(100 JPY/US\$)

* These total figures are different from the total of the figures in the table and graph charts because three projects in FY 2015 that are not publicly released yet are included in these total figures (*).



*This transaction map does not include three projects in FY 2015 that are not publicly released yet.

Green Fund Projects (Investment Type)

Unit : Mil US\$
(100 JPY/US\$)

	Investment amount		Number of projects	
		portion		portion
Direct Investment	53.85	69.2%	18	78.3%
Preferred Stock	44.75	57.5%	13	56.5%
Others	9.10	11.7%	5	21.8%
Indirect Investment	24.00	30.8%	5	21.7%
LPS(Limited Partnership)	21.00	27.0%	4	17.4%
Others	3.00	3.8%	1	4.3%
Total	77.85	100.0%	23	100.0%

Investment Requirement for Green Fund(GF)

- GF investment to be limited liability
- GF investment amount to be less than 50% of total equity, and GF voting right to be less than 50% of the total
- GF's stay in project as an investor to be 10 years at maximum in principle

Our value proposition for green finance is further enhanced after the Paris Agreement

Our Mission:

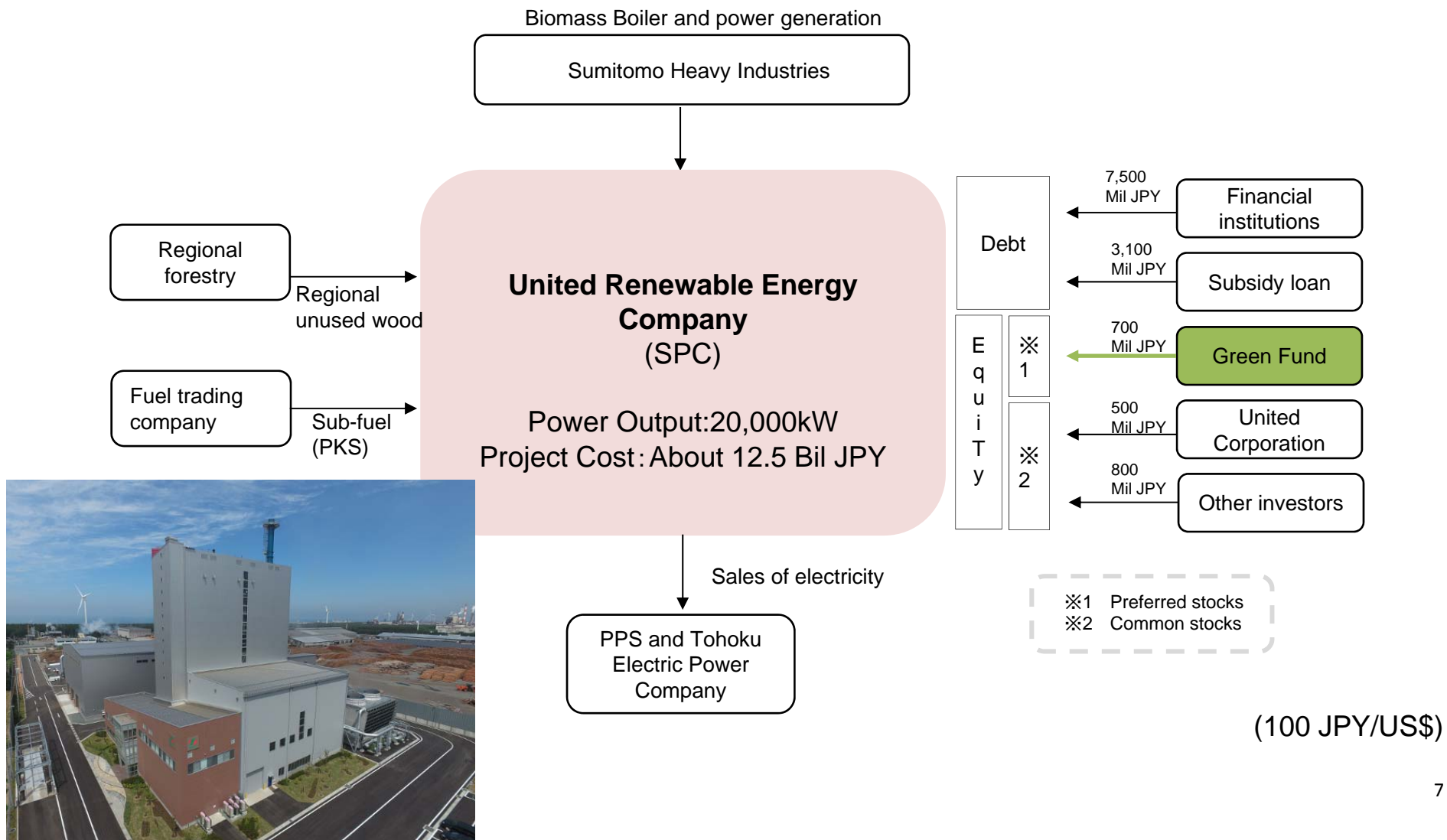
- **Create a new stream of private capitals which realize Green economy and Low carbon society**
- **Realize climate change mitigation and activation of regional economy at the same time**

Specific proposition:

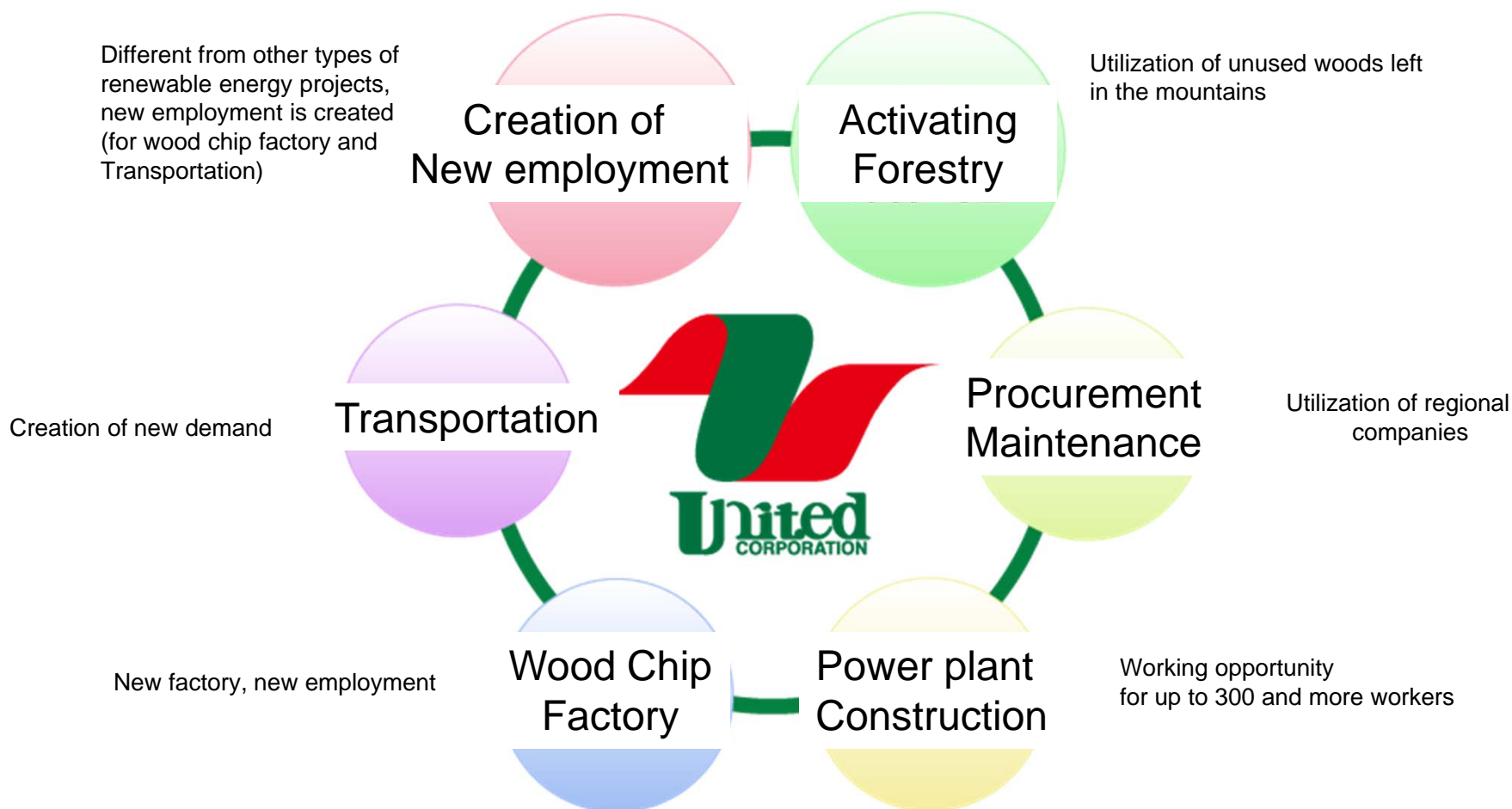
- **Promotion of low-carbon projects by mobilizing private capitals**
- **Changing of Japan's energy portfolio from regions**

Transaction Example(1)

Wood biomass power generation project in Akita

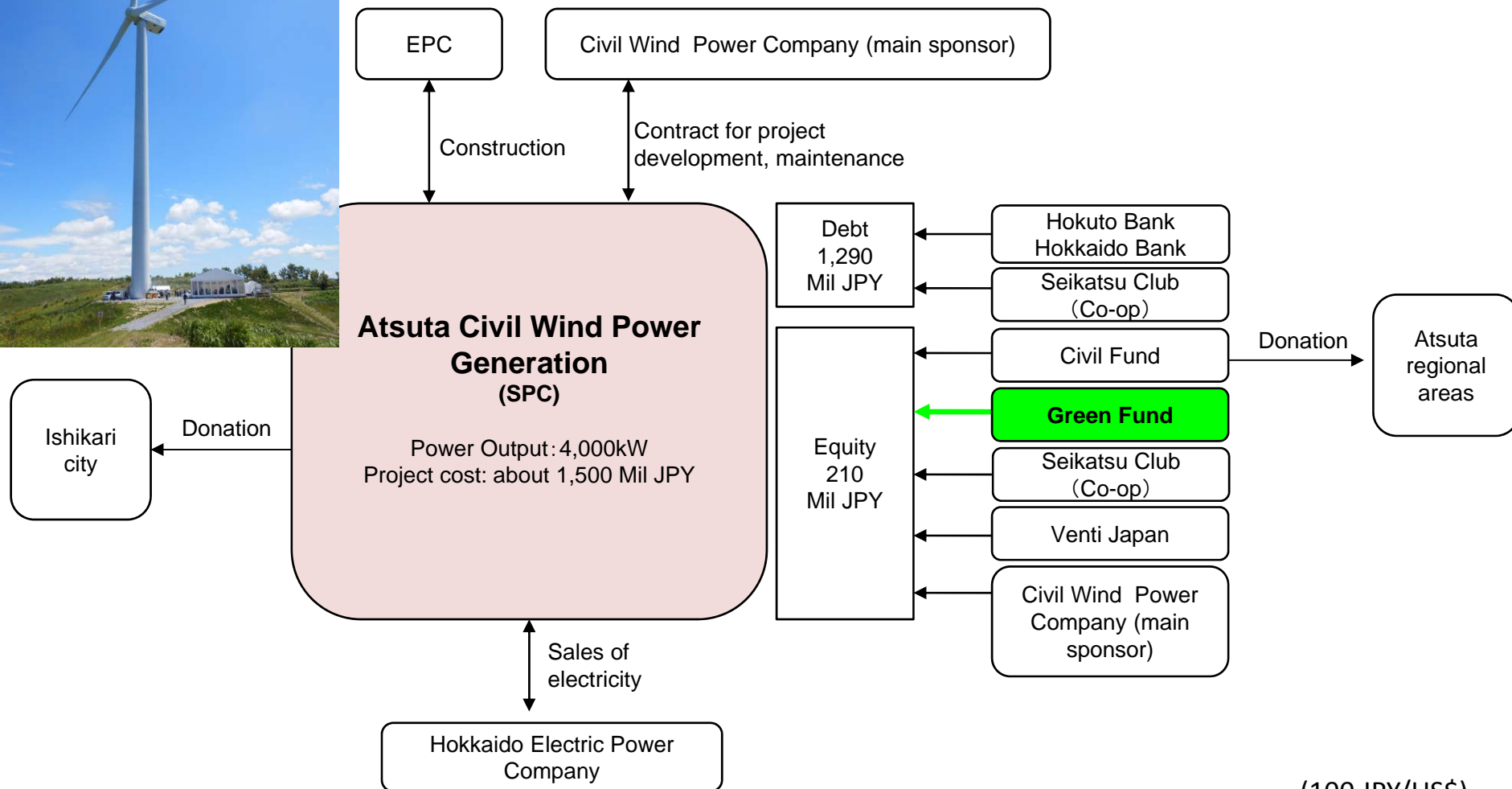


Wood biomass power generation project in Akita



Transaction Example (2)

Hokkaido Wind Power Generation



(100 JPY/US\$)

Green Fund: Our Challenge

- **Challenge for the new type of Renewable Energy Power Generation**
 - ~ **Development of successful models for little experienced renewable energy power generations, such as**
 - **Small scale biomass power generation by wood gasification process**
 - **Biomass power generation by methane gas process (wastes from home, food plants and agriculture)**
 - **Off shore wind power generation**
 - **Hydrothermal (including hot spring) power generation**
 - **Small-medium scale hydropower generation**

- **Other Challenge**
 - **Deployment of grid for more renewable energy power connection**
 - **Power generation control by electric utility companies**

- **Financial Challenge**
 - **Accumulation of our “green” track records**
 - **Accumulation and sharing of intelligence and human resource development that facilitate mobilization of private capitals into green projects**
 - **Accelerating development of sub-funds through capacity building for regions**

THANK YOU!

