

Company Name: Shinsei Bank, Limited  
 Name of Representative: Hideyuki Kudo  
 President and CEO  
 (Code: 8303, TSE First Section)




## “Sustainable Impact” Commencement of Social Loans to a Limited Liability Company Formed by Daiwa ACA Healthcare Inc. - The First “Shinsei Social Loan” -

Tokyo (Tuesday, August 18, 2020) --- Shinsei Bank, Limited (hereinafter, “Shinsei Bank”) promotes “Sustainable Impact Initiatives” by integrating the perspectives of ESG/SDGs as well as Sustainability and the concept of social impact which aims to have a positive impact on the society including the environment, society and the economy. We provide finance to the companies and businesses that make positive impacts on social issues through continuous dialogue with customers.

We originated a non-recourse loan to a limited liability company formed by Daiwa ACA Healthcare Inc. (Chiyodaku, Tokyo, and Representative Director and President Hideki Kobayashi, hereinafter “Daiwa ACA”), to acquire three Long-Term Care Health Facilities. On July 31, 2020, the first “Shinsei Social Loan” was executed.

“Shinsei Social Loan” is a loan which designates use of funds for the projects that can contribute to addressing or alleviating specific social issues or creating positive social impacts. Shinsei Social Loans must align with the “Shinsei Social Finance Framework”<sup>\*1</sup> formulated in May 2020.

|  |  |   |
|--|--|---|
| Borrower/Project   | Non-recourse loan for MS SAKAEKAI, LLC   |   |
| Use of funds   | Funds for acquisition of Long-Term Care Health Facilities<br>Three facilities in total (Four Season Yamanaka, Four Season Makomanai, Four Season Minami 34-jo)   |   |
| Asset manager  | Daiwa ACA Healthcare Inc.  |   |
| Social benefits  | “access to essential services (health)” for “aging populations”<br>The facilities play a role in their respective regional bases for returning to home and supporting home medical care through the following functions.<br>1) Nursing care under medical management<br>2) Rehabilitation and other necessary medical care<br>3) Daily care and communication across the users of the facility, nursing care workers and local residents |   |
| Alignment of social impact of the project with social issues |   | It can contribute mainly to the SDGs Goal 3: “Ensure healthy lives and promote well-being for all at all ages” (mainly in target 3.8).<br>It can be aligned with the Cabinet Office's Implementation Guidelines for the SDGs and the Sapporo City Development Strategic Vision/Action Plan 2019, etc. |
| Other assessment points of the Loan                          | Daiwa ACA aims to develop a system to create a sustainable funding flow in the medical and nursing care field. It has proven track records as a hands-on investor, and it can contribute to the realization of a sustainable society not only through this single project but also through its entire business.  |   |

<sup>\*1</sup> Please refer to the attached reference; an overview of the “Shinsei Green / Social / Sustainability Finance Framework” including the Shinsei Social Finance Framework.

## Shinsei Green/Social/Sustainability Finance Framework

In recent years, more companies have chosen financial instruments which restrict use of loan proceeds to specific businesses with environmental / social benefits, such as green loans, social loans or sustainability loans as a means of raising funds. In order to support our customers to solve their environmental / social issues through the implementation of these finances, we formulated the "Shinsei Green Finance Framework", "Shinsei Social Finance Framework" and "Shinsei Sustainability Finance Framework" (hereinafter collectively referred to as "the Framework") in May 2020.

Sustainable Impact Assessment Department, our in-house but independent assessment function, confirms whether a loan is aligned with the Framework after assessing the uses of loan proceeds, the management of proceeds, potential negative environmental / social impacts and other elements.

We have also obtained a third-party opinion from Japan Credit Rating Agency, Ltd. (JCR) stating that the Framework is consistent with the relevant principles<sup>\*2</sup> and that the internal implementation system of the Framework is robust.

We use the following logos to verify compliance with the Framework.

[Environmental]



SHINSEI  
SUSTAINABLE  
IMPACT  
ASSESSMENT

[Social]



SHINSEI  
SUSTAINABLE  
IMPACT  
ASSESSMENT

\*2 This framework operates in accordance with the following related principles, which are domestic and international guidelines.

- "Green Bond Principles", "Social Bond Principles" and "Sustainability Bond Guidelines" published by the International Capital Market Association (ICMA)
- "Green Loan Principles" formulated by the Loan Market Association (LMA) and the Asia Pacific Loan Market Association

\*\*\*\*\*

*Shinsei Bank is a leading diversified Japanese financial institution providing a various range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders. News and other information about Shinsei Bank is available at <https://www.shinseibank.com/corporate/en/index.html>*

For further information, please contact:  
Group Investor Relations & Corporate Communications Division  
Shinsei Bank, Limited ([www.shinseibank.com](http://www.shinseibank.com))  
E-Mail: [Shinsei\\_PR@shinseibank.com](mailto:Shinsei_PR@shinseibank.com)

金・融 | リ・デザイン  
Redesigning Finance