

SHINSEI SUSTAINABLE  
IMPACT ASSESSMENT



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

## “Sustainable Impact” Commencement of Social Finance to a Special Purpose Company Formed by Bridge C Capital Inc.

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 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 finance to a special purpose company formed by Bridge C Capital Inc. (Chuo-ku, Tokyo, President and Representative Director, Daizo Yokota, hereinafter “Bridge C Capital”) to acquire two senior residences offering services. On August 12, 2020, the “Shinsei Social Finance” was executed.

“Shinsei Social Finance” 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.

Issuer/Project	Non-recourse finance to Straits Himawari TMK Two (special purpose company)
Use of funds	Funds for acquisition of senior residences offering services 2 properties in total (Li-Fe-Le Nishioka, Kagayaki Heiwadori)
Asset manager	Bridge C Capital Inc.
Social benefits	<p>"access to essential services (health)" for “aging populations”</p> <ol style="list-style-type: none"> <li>1) Provide residences for elderly people who need nursing care and support in the aging society</li> <li>2) Reduce the burden of family caregivers of the residents that could lead them to return to work or prevent them from leaving their jobs (the impact is especially on women whose labor force participation rate is lower and nursing care burden tends to be heavier than men).</li> <li>3) Ensure the health and well-being of the residents</li> </ol>
Alignment of social impacts of the project with social issues	<p>It can contribute mainly to the SDGs Goal 3: “Ensure healthy lives and promote well-being for all at all ages” and Goal 5: “Achieve gender equality and empower all women and girls”.</p> <p>The project is also aligned with the Cabinet Office's Implementation Guidelines for the SDGs and the Sapporo City Development Strategic Vision/Action Plan 2019, etc.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #2e8b57; color: white; padding: 5px; text-align: center;"> <b>3</b> GOOD HEALTH AND WELL-BEING             </div> <div style="background-color: #d62728; color: white; padding: 5px; text-align: center;"> <b>5</b> GENDER EQUALITY             </div> </div>
Other assessment points of the Finance	Bridge C Capital has defined the provision of funds to social infrastructures including healthcare assets as one of its company goals and has experienced investment and management of these assets. Shinsei considers Bridge C Capital has a capability to 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 material; 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 independent assessment function, confirms whether a loan is aligned with the Framework after assessing the loan proceeds, the management of proceeds, potential negative environmental / social impacts or 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]



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[Social]



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\*<sup>2</sup> 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

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*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)

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