

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 Loan to a Limited Liability Company Formed by Healthcare Management Partners, Inc.

- Pioneering Non-recourse Loan mainly for an Integrated Facility for Medical and Long-term Care-

Tokyo (Thursday, October 1, 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.

Shinsei Bank originated a non-recourse loan to a limited liability company formed by Healthcare Management Partners, Inc. (Minato-ku, Tokyo; President and Representative Director; Hiroshi Murayama), for acquiring a real estate trust beneficiary right in a nursing and medical care complex, mainly consists of an Integrated Facility for Medical and Long-term Care (Kaigoiryuin). On September 30, 2020, the “Shinsei Social Loan” was executed. This is our first non-recourse loan mainly to an integrated facility for medical and long-term care, and this is also a pioneering initiative in the banking industry.

“Shinsei Social Finance” is a loan that designates use of funds for the projects that can contribute to addressing or alleviating specific social issues or creating positive social impacts. Shinsei Social Finance must align with the “Shinsei Social Finance Framework”^{*1**} formulated in May 2020.

Issuer/Target	Non-recourse loan to Trinity Arizona LLC
Use of funds	Funds for the acquisition of a real estate trust beneficiary right in a nursing and medical care complex, mainly consists of an Integrated Facility for Medical and Long-term Care (Kaigoiryuin Kikyo, operator: Kojinkai, medical association (Hakodate-shi, Hokkaido)) (this project)
Asset Manager	Healthcare Management Partners, Inc.
Social benefits	<p>“access to essential services (health)” for “aging populations”</p> <ol style="list-style-type: none"> 1) Provide residences and services for elderly people who need nursing care in the aging society 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).
Alignment of social impacts of the project with social issues	<p>Integrated facility for medical and long-term care is one of nursing care insurance facilities established in 2018 by revisions of the relevant laws including Long-term Care Insurance Law in order to respond to medical and nursing care needs in the chronic phase, which are expected to increase in the future.</p> <p>It can contribute mainly to the SDGs Goal 3 “Ensure healthy lives and promote well-being for all people at all ages”, and Goal 5: “Achieve gender equality and empower all women and girls”.</p>

	 
Other assessment points of the Loan	Healthcare Management Partners, Inc. has defined the contribution to healthcare and nursing care by providing financial services that are difficult to provide through conventional indirect financing as one of its organizational goals, and it has proven track records in investing and managing healthcare assets. Shinsei considers Healthcare Management Partners, Inc. has a capability to contribute to the realization of a sustainable society not only through this single project but also its entire business.

※1 Please refer to the attached reference; an overview of the “Shinsei Green / Social / Sustainability Finance Framework” including the Shinsei Social Finance Framework.

[Reference]

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 independent in-house 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*2 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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*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>

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