

October 30, 2020

Shinsei Bank, Limited  
Daiwa Energy & Infrastructure Co. Ltd.

## **Mezzanine Finance by the Shinsei Bank Group and Daiwa Energy Infrastructure - Origination of Mezzanine Finance for Domestic Renewable Energy -**

Shinsei Bank, Limited (Headquarters: Chuo-ku, Tokyo; Hideyuki Kudo, President and CEO; hereinafter, “Shinsei Bank”) and Daiwa Energy & Infrastructure Co. Ltd. (Headquarters: Chiyoda-Ku, Tokyo; Morimasa Matsuda, President, Representative Director; hereinafter, “Daiwa Energy & Infrastructure”) will begin providing mezzanine finance for renewable energy power generation businesses through Shinsei Trust & Banking Co., Ltd. (Headquarters: Chuo-ku, Tokyo; Mie Kurihara, President and CEO; hereinafter, “Shinsei Trust & Banking”) from October 28, 2020.

The purpose of this project is to promote environmentally friendly power generation projects by providing various financing methods other than senior loans and equities to renewable energy power generators through cooperation between Shinsei Bank, which has track records for numerous project finance transactions, and Daiwa Energy & Infrastructure, which has expertise in investing in renewable energy power generation.

We will respond mainly to the following needs of businesses by providing mezzanine finance.

1. Reduce burden of equity funds as the size of projects continues to increase
2. Improve equity capital efficiency through using leverage

Daiwa Energy & Infrastructure is an investment arm of the Daiwa Securities Group. It aims to contribute to the achievement of SDGs through investment and finance for renewable energy projects including mega solar and wind power.

The Shinsei Bank Group has identified finance for alternative investments, including renewable energy, as its focus area in the institutional investors business segment under its Medium-Term Strategies, and will aim for sustainable growth with the development of joint investment businesses with institutional investors initially. This initiative is an important one to implement these strategies.

Shinsei Bank and Daiwa Energy & Infrastructure will jointly accumulate mezzanine finance through joint investment schemes, including money trusts, up to JPY40 billion in total. When the total investment amount reaches a certain point, we will originate a fund to incorporate these monetary trusts and equity interests, etc. so that we can provide institutional investors, who are engaging in ESG/SDGs, with new investment opportunities for renewable energy power generation projects. While our current investment and finance projects are centered on mega-solar projects and onshore wind power projects, we also intend to aim for the execution of investment and finance for offshore wind power generation projects, which are expected to rapidly expand going forward.

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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>*

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