

SHINSEI SUSTAINABLE
IMPACT ASSESSMENT





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

“Sustainable Impact” Conclusion of Green Loan Agreement with a Limited Liability Company formed by Sky Solar Japan

Tokyo (Thursday, November 5, 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

On October 30, 2020, we entered into a loan agreement, as a “Shinsei Green Loan”, to finance the construction of a solar power plant to a limited liability company formed by Sky Solar Japan (Headquartered in Minato-ku, Tokyo; Ray Chen, and Junichiro Mihara, President and Representative Director; hereinafter, “Sky Solar Japan”). This loan was cofinanced with The Akita Bank, Ltd., The Bank of Iwate, Ltd., The Tohoku Bank, Ltd., THE MICHINOKU BANK, LTD., and Daiwa Energy & Infrastructure Co. Ltd.

"Shinsei Green Loan" is a loan for which designates use of funds for businesses or projects that can provide clear environmental benefits. Shinsei Green Loan must align with the Shinsei Green Finance Framework^{*1} formulated in May 2020.

Borrower	SSJ Mega Solar 69 LLC
Use of funds	Funds for the construction of SSJ Karumai Koke Solar Power Plant (Solar Power at Karumaimachi, Kunohegun, Iwate Prefecture)
Significance of business	Expansion of renewable energy implementation <ul style="list-style-type: none"> ➤ Expect to generate 40,442MWh of electricity by renewable energy per year in the first year ➤ CO2 emission reduction benefit is estimated to 21,353 tons per year.
Contribution to social issues of the project through its environmental benefit	This project can contribute mainly to "Goal 7: AFFORDABLE AND CLEAN ENERGY" and "Goal 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE." The Japanese Government has set "Decarbonized Society" as the final achievement, and sets the promotion of renewable energy as one of its priority areas. In addition, Karumai Town promotes renewable energy as it has formulated the "Rural Revitalization Plan by Promoting Renewable Energy Power Generation". Hence, the project can be aligned with issues and the policies that the national and regional government have.  
Other assessment points of the Loan	<ul style="list-style-type: none"> ✓ Sky Solar Japan has made "Clean Energy Makes the Future" a corporate message, and is involved in developing and operating solar power plants centered on high-voltage projects. This project is aligned with its company goals. ✓ Based on the "Rural Revitalization Plan by Promoting Renewable Energy

	<p>Power Generation in Karumai Town", this project is being promoted in cooperation with Karumai Town. The implementation status is monitored and its information is disclosed by the promotion council which is administrated by Karumai Town Office. This project can coexist with the region.</p> <p>✓ Sky Solar Japan has also constructed this project with due consideration for the environment and society not only with environmental conservation actions to reduce environmental impacts by conducting voluntary environmental impact assessment, but also with post-project survey on environmental conservation actions by a third-party advisor.</p>
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※1 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*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>

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

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