

SHINSEI SUSTAINABLE
IMPACT ASSESSMENT






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

“Sustainable Impact” Shinsei Green Loan to Kushima Mokushitsu Biomass Co., Ltd.

Tokyo (Thursday, November 26, 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 loan, as Shinsei Green Loan, to finance the construction of woody biomass-gasified power plants to SymEnergy Inc. (Headquartered in Kobe City, Hyogo Prefecture; Masahiro Inui, Chief Executive Officer & President; hereinafter, “SymEnergy”). This is a loan to the trust account with Shinsei Trust & Banking Co., Ltd. as a trustee by using a specified money as per the foreign trust scheme.

"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.

Operating company	Kushima Mokushitsu Biomass Co., Ltd. (Kushima City, Miyazaki Prefecture)
Use of funds	Funds for construction of the Obae Kuroshio Power Station (Kushima City, Miyazaki Prefecture, woody biomass power plant)
Significance of business	<p>Expansion of renewable energy implementation, etc.</p> <ul style="list-style-type: none"> ➤ Expect to generate 13,054MWh of electricity by renewable energy in the first year ➤ Expect diversified impacts including contribution to the local economy and building a recycling society in the region
Contribution to social issues of the project through its environmental benefit	<p>This project can contribute mainly to "Goal 7: AFFORDABLE AND CLEAN ENERGY", "Goal 12: RESPONSIBLE CONSUMPTION AND PRODUCTION" and "Goal 15: LIFE ON LAND" 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, this project was evaluated as a regional biomass power generation facility certified under the "Rural Vitalization Plan by Promoting Renewable Energy Power Generation in Kushima City". Hence, the project can be aligned with issues and the policies that the national and regional governments have.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="text-align: center;">  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div style="text-align: center;">  <p>15 LIFE ON LAND</p> </div> </div>
Other assessment points of the Loan	<p>✓ SymEnergy Inc. aims for "coexistence with nature based on energy" and are engaged in a number of community-led power source development</p>

	<p>projects. This project is aligned with its company goals</p> <ul style="list-style-type: none"> ✓ In addition to securing sustainable unused woody fuel from local suppliers including the Minaminaka Forest Owner's Association as a community-completion project, it is expected to contribute to the promotion of forest development and maintenance and the revitalization of the local economy through the continuous purchase of unused wood. ✓ This project is operated as a recycling-oriented business by effectively utilizing the waste heat generated in the power generation process for the drying process of pellets and binary power generation as well as fly ash as coal. ✓ The facilities are designated to implement environmental measures related to noise and exhaust gas, and we have not identified any meaningful negative impact on the environment and society in this project as a whole.
--	--

*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 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]



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)
E-Mail: Shinsei_PR@shinseibank.com