

SHINSEI SUSTAINABLE
IMPACT ASSESSMENT






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

“Sustainable Impact” Green Loan to Takara Leben Infrastructure Fund, Inc.

Tokyo (Tuesday, December 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.

On December 1, 2020, Shinsei Bank provided a finance, as the Shinsei Green Loan, jointly with Sumitomo Mitsui Banking Corporation, to Takara Leben Infrastructure Fund, Inc. (Headquartered in Chiyoda-ku, Tokyo, Masahide Kikuchi, Executive Officer; hereinafter, “Takara Leben Infrastructure Fund”) mainly for the purpose of the acquisition of solar power plants. This loan was syndicated with THE DAISAN BANK, LTD., Tsukuba Bank, Ltd., The Chiba Bank, Ltd. and The Hyakujushi Bank, 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	Takara Leben Infrastructure Fund, Inc.
Use of funds	Fund for the acquisition of 7 solar power plants (the "Target Power Plants"), including the LS Miyagi Matsushima Power Plant (Miyagi-county, Miyagi Prefecture)
Significance of business	<p>Expansion of renewable energy implementation</p> <ul style="list-style-type: none"> ➤ Expect to generate 29,541MWh of electricity by renewable energy per year in the first year. ➤ CO2 emission reduction benefit is estimated to 15,050 tons per year.
Contribution to social issues of the project through its environmental benefit	<p>The project can contribute mainly to "Goal 7: AFFORDABLE AND CLEAN ENERGY", "Goal 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE."; and "Goal 13: CLIMATE ACTION". The Japanese Government has set "Decarbonized Society" as the final achievement and sets the promotion of renewable energy as one of its priority areas. Hence, the project can be aligned with issues and the policies that the national and regional government 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>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;">  <p>13 CLIMATE ACTION</p> </div> </div>
Other assessment points of the Loan	<ul style="list-style-type: none"> ✓ The borrower aims to achieving its goals, "create value through the use of renewable energy and contribute to job creation and socio-economic development in local communities as well as global warming countermeasures and improvement of energy self-sufficiency ratio." This project is aligned with its company goals. ✓ Takara Asset Management Co., Ltd, the asset management company of the borrower, keeps continuous communication with local residents and

	<p>governments, and actively contributes to local communities by acquiring power plants by utilizing unused land as well as outsourcing management operations to local corporations including power generation facilities.</p> <p>✓ Takara Asset Management Co., Ltd has identified potential risks and implemented risk mitigation measures based on the "Takara Leben Infrastructure Fund Investment Guidelines" and the "Risk Management Regulations" with regard to environmental and social considerations. This project has implemented an appropriate risk management system.</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 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>

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