

SHINSEI SUSTAINABLE  
IMPACT ASSESSMENT






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(Code: 8303, TSE First Section).

## “Sustainable Impact” Execution of Green Loan to a Special Purpose Company Formed by Japan Renewable Energy Corporation

Tokyo (Friday, March 26, 2021) --- 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 create a positive impact on the entire society, including the environment, society and the economy. Through continuous dialogue, we provide finance to the companies and businesses that make positive impacts on social issues.

On March 26, 2021, we executed Shinsei Green Loan to a Special Purpose Company GK JRE Oritsumedake Minami 1, sponsored by Japan Renewable Energy Corporation (Minato-ku, Tokyo, President and CEO, Kazuhiro Takeuchi, hereinafter “JRE”) and Tohoku Electric Power Co., Inc. (Sendai, Miyagi, President Kojiro Higuchi, hereinafter “Tohoku Electric Power”) for the construction of a wind power plant. This loan was cofinanced with The Bank of Iwate, Ltd. as co-arranger, NTT TC Leasing Co., Ltd., The Aomori Bank, Ltd., The Akita Bank, Ltd., THE SHIGA BANK, LTD., THE TOHOKU BANK, LTD., The Hyakugo Bank, Ltd., and Shinsei Trust & Banking Co., Ltd. as a mezzanine loan lender.

“Shinsei Green Loan” is a loan which designates the use of funds for businesses or projects with clear environmental benefits. Shinsei Green Loan must align with the “Shinsei Green Finance Framework” \*1 formulated in May 2020.

Borrower	GK JRE Oritsumedake Minami 1
Use of funds	Funds for construction of the JRE Oritsumedake South 1 Wind Farm (Ninohe City, Ichinohe Town, Kunohe City, Iwate Prefecture)
Significance of business	Expanding the Implementation of Renewable Energy ➤ Expected to generate 114,589 MWh (first year of the operation) per year by the renewable energy, which contributes to reducing 50,992 t-CO2 annually
Contribution to social issues of the project through its environmental benefit	This project can contribute mainly to the SDGs 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, setting the promotion of renewable energy as one of the priorities. Iwate prefecture declared “Iwate state of climate emergency” followed by the commitment to engage itself more proactively with measures including implementation of renewable energy. Ninohe city also commits to facilitate the implementation of renewable energy in its “Ninohe Vision for Promoting Environmental Energy Policy”. 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"> <li>✓ JRE sets “Changing the World with Renewable Energy” as its corporate philosophy, aiming to contribute to creating a sustainable society through developing renewable energy. This project is aligned with the company goal.</li> <li>✓ JRE is the first signatory to the United Nations Global Compact as a dedicated renewable energy company in Japan. Also, it specifies “Environmental protection”, “Harmony with community and society” and “Employee safety and development” as its priority material issues. JRE discloses specific activities, as well as takes due consideration for the environment, employees (including vendors) and communities.</li> </ul>

\*1 Please refer to the attached material; an overview of the “Shinsei Green / Social / Sustainability 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

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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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