

SHINSEI SUSTAINABLE  
IMPACT ASSESSMENT






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

## “Sustainable Impact” Implementation of Green Loans to a Special Purpose Company Formed by SUZUKA Co., Ltd

Tokyo (Wednesday, July 14, 2021) --- Shinsei Bank, Limited (hereinafter, “Shinsei Bank”) promotes "Sustainable Impact Initiatives" by integrating the perspectives of ESG, SDGs as well as Sustainability into our business with the concept of social impact which aims to have a positive impact on society, adding the environmental, social and the economic value. We provide financing to companies and their businesses addressing social issues with positive impacts through continuous dialogue with those corporate customers.

On July 14, 2021, we executed Shinsei Green Loan to G.K. Succeed Seto, sponsored by SUZUKA Co., Ltd (Headquartered in Suzuka City, Mie Prefecture; President and Representative Director; Yasuhiro Seko; hereinafter "Suzuka") and JR - EAST Energy Development Co., Ltd. (Headquartered in Minato-ku, Tokyo; President and Representative Director; Yoshihiro Matsumoto), for the construction of solar power plants. This is a co-financing with San ju San Bank, Ltd., a joint arranger.

"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	G.K. Succeed Seto
Use of funds	Funds for construction of Seto Solar Power Plant (Seto City, Aichi Prefecture/Tajimi City, Gifu Prefecture)
Significance of business	Expansion of renewable energy introduction <ul style="list-style-type: none"> <li>➤ Electricity generation by renewable energy is estimated 31,540MWh per year (in the first year).</li> <li>➤ CO2 emission reduction benefit is estimated to 14,256 tons per year.</li> </ul>
Contribution to social issues of the project through its environmental benefit	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. <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <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	✓ Suzuka's corporate philosophy is "a company that is trusted and needed," and the management is conducted with an emphasis on "Sampo-yoshi (three-way satisfaction)," which is one of the company mission statements. Through the eco-energy business, one of the main businesses, Suzuka aims to contribute to the solution of environmental and social issue by decarbonizing society and effectively utilizing idled land. This project is assessed to align with these company goals.

	<p>✓ Suzuka focuses on the importance of conducting business in cooperation with local communities. In terms of this project, we confirmed that Suzuka had implemented respectful dialogue with stakeholders so as to respond appropriately to their requests. We also positively evaluated that Suzuka's policy to continue the eco-energybusiness as much as possible even after the expiration of the feed-in tariff period, which shows the company's steadfast will to operate long-term business as a member of the local community.</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\*<sup>2</sup> 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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\*<sup>2</sup> 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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