

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 Social Loan to Kenedix Residential NEXT Investment Corporation**

Tokyo (Tuesday, July 27, 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.

We are entering into an individual loan agreement as “Shinsei Social Loan” with Kenedix Residential NEXT Investment Corporation (Headquartered in Chiyoda-ku, Tokyo; Executive Director, Keisuke Sato; hereinafter “Kenedix Residential NEXT”) on July 28, 2021. This loan is a refinance for its existing loan to acquire beneficiary interests to a total of 14 private nursing homes and serviced senior housing properties.

"Shinsei Social Finance" is a loan which designates use of funds for the projects that can contribute to addressing or alleviating specific social issues so as to create positive social impacts. Shinsei Social Loans shall align with the "Shinsei Social Finance Framework\*1" formulated in May 2020.

Borrower	Kenedix Residential NEXT Investment Corporation
Use of funds	Principal repayment for existing loan to acquire beneficiary interests in a total of 14 private senior homes, residential private senior homes, and serviced senior housing that have already commenced operations (the "Target Facilities")
Social significance of this matter	<p>Providing “access to essential services (healthcare)” for “the elderly”</p> <ul style="list-style-type: none"> <li>➤ A viewpoint of facility users: "Securing houses where elderly people can lead their daily lives with peace of mind"</li> <li>➤ A viewpoint of family members of facility users: "Decrease turnover due to elderly care" and "Promotion of women's active participation in society"</li> </ul>
Consistency between the social impact of this matter and social issues	<p>The project can contribute mainly to "Goal 3: Ensure healthy lives and promote well-being for all at all ages," "Goal 5: Achieve gender equality and empower all women and girls," and "Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."</p> <p>It was also evaluated to be consistent with the Cabinet Secretariat's "The Japan's Plan for Dynamic Engagement of All Citizens" and the Cabinet Office's "Sustainable Development Goals (SDGs) Implementation Guiding Principles," and the elderly health and welfare plans of Tokyo, Kanagawa, Shiga, Hyogo, Hokkaido, Aomori, and Akita prefectures.</p>
Other assessment points of the Loan	<p>✓ Recognizing the growing demand for facilities for the elderly in Japanese society, the borrower has stated that it will "promote the provision of superior healthcare facilities and the socially beneficial capital investments by linking</p>

	<p>capital market needs with healthcare facilities operators' needs. " This loan is consistent with the borrower's organizational objectives.</p> <ul style="list-style-type: none"> <li>✓ Kenedix Real Estate Fund Management, Inc., the asset management company of the borrower, manages environmental and social risks associated with investment and its management of properties, including the Target Facilities, through close communication with operators.</li> <li>✓ The borrower has set sustainability targets to "avoid increasing energy consumption and water usage over 5 years (FY2019-2023) / intensity basis" at healthcare facilities. It asks operators to disclose environmental data (electricity consumption, water usage, and waste disposal), and promote to replace LED lights from the viewpoint of environmental consideration.</li> </ul>
--	--

\* 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]



SHINSEI  
SUSTAINABLE  
IMPACT  
ASSESSMENT

[Social]



SHINSEI  
SUSTAINABLE  
IMPACT  
ASSESSMENT

\*<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

\*\*\*\*\*

*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

