

SHINSEI SUSTAINABLE  
IMPACT ASSESSMENT



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## **“Sustainable Impact” Execution of a Social Loan to WITH Holdings Co., Ltd. Sponsored by a Private Equity fund Managed by T Capital Partners Co., Ltd.**

Tokyo (Monday, October 4, 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 considering 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.

Recently, Shinsei Bank originated an LBO loan to WITH Holdings Co., Ltd. (Headquartered in Kawaguchi City, Saitama; Minoru Nii, Representative Director; hereinafter, the “Borrower”) to finance the acquisition of Angelica Co., Ltd. (Headquartered in Meguro-ku, Tokyo; Katsuhisa Suenaga, Representative Director; hereinafter, “Angelica”). The loan was extended as a “Shinsei Social Loan” on October 1, 2021. The borrower is an operating holding company which affiliates child-rearing facilities, sponsored by T Capital Partners Co., Ltd. (Headquartered in Chiyoda-ku, Tokyo; Koji Sasaki, President and Representative Director; hereinafter “T Capital Partners”) through a Private Equity fund. This is the first LBO loan executed as a Shinsei Social Loan.

“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/Subject Matter	LBO loan to WITH Holdings Co., Ltd.
Use of funds	Funds to acquire Angelica Co., Ltd. (the “Target Company”), which operates child-rearing facilities and after-school care facilities mainly in Tokyo
Sponsor	T Capital Partners Co., Ltd.
Social impacts of business	<p>Providing “access to essential services” for children, and “socioeconomic advancement and empowerment” for mothers or parents who balance work and child rearing</p> <p>(1) Providing an environment where children can stay healthy, safe, and emotionally stable, and enhancing quality of early childhood education</p> <p>(2) Promoting women’s participation and career advancement with achieving a work-life balance</p>
Consistency	In terms of SDGs, above social impacts mainly contribute to “Goal 4: QUALITY

<p>between the social impact of this project and social issues</p>	<p>EDUCATION," "Goal 5: GENDER EQUALITY," and "Goal 8: DECENT WORK AND ECONOMIC GROWTH." It was evaluated to be consistent with the policies of the government, such as the "Specific Measures to Achieve Sustainable Development Goals (SDGs)" by the Cabinet Office, the "New Child-rearing Security Plan" by the Ministry of Health, Labour and Welfare, and the regional policies, such as the Tokyo Metropolitan Government "Comprehensive Plan to Support Childcare".</p>
<p>Other evaluation points</p>	<ul style="list-style-type: none"> <li>✓ The borrower's management philosophy is that "our organization exists to ensure that children, parents, nursing care users, employees, and everyone involved with WITH Holdings live great lives". The borrower conducts business operations by prioritizing acts to "protect the safety of children" and "implement high-quality childcare." The target company, Angelica, also aims to create a future for children through child care and support the active participation of working mothers in the society. As the company is developing a childcare business with characteristics such as food education in collaboration with farms and "Ehon, picture books, Nursery School", the acquisition was evaluated to address to realize their organizational goals respectively .</li> <li>✓ The borrower is highly conscious of appropriate labor management and child-care support for childcare staff, so that they have free daycare centers and child-care fee subsidies for staff with small children. Therefore, it is expected that the borrower and the target company will mutually supplement their day-care facility management know-how and skills, thereby creating additional social impacts.</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]



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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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