

November 29, 2021

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

## Signing of the "Japan Impact-driven Financing Initiative"

Tokyo (Monday, November 29, 2021) --- The Shinsei Bank Group has signed "Japan Impact-driven Financing Initiative", an initiative aimed at solving environmental and social issues.

For details, please refer to the attached press release dated November 29, 2021 by all signatory financial institutions of Japan Impact-driven Financing Initiative, "21 Financial Institutions in Japan sign 'Japan Impact-driven Financing Initiative' aiming to solve environmental and social issues through finance".

The Shinsei Bank Group has been promoting "Redesigning Finance" and impact investment and lending as the core of the Group's management and with sustainability as the sole standard of value and judging criterion. By signing the Declaration, we will further strengthen our Impact-driven investment and lending and Impact Measurement and Management to contribute to social sustainability.

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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>*

For further information, please contact:  
Group Investor Relations & Corporate Communications Division  
Shinsei Bank, Limited (www.shinseibank.com)  
E-Mail: Shinsei\_PR@shinseibank.com

金融リ・デザイン  
Redesigning Finance

Press Release

To all members of the press

November 29, 2021

Japan Impact-driven Financing Initiative  
All signatory financial institutions

21 Financial Institutions in Japan sign "Japan Impact-driven Financing Initiative"  
aiming to solve environmental and social issues through finance

Today, the following 21 financial institutions ("Signatories") signed the "Japan Impact-driven Financing Initiative" ("Initiative"). The Signatories of the Initiative believe that the fundamental purpose of private financial institutions is to solve environmental and social issues. It also promotes impact-driven finance with measuring and managing the changes in society and the environment ("impact") created by their investments and loans/bonds. The Signatories, while very diverse, will work together to promote high quality impact investment in Japan.

Today, when environmental and social issues are becoming increasingly significant, it is essential to leverage private capital to solve these issues, since the capacity and capability of governments, local authorities and international organizations are not sufficient to tackle these issues. Under these circumstances, for maximization of the potential of finance to solve a wide range of issues, the Signatories believe that it is important for financial institutions to have clear impact-orientation as their purpose, and to visualize and manage the impact. However, Japan's impact investing is still at an early stage. In order for financial sector to produce outcome on a larger scale, it is utmost necessary for impact-driven financial institutions to share their efforts and challenges among like-minded institutions, and then to raise the level of these activities in both quantity and quality. At the same time, the Signatories believe that collaboration and cooperation with leading overseas initiatives in impact investing is essential.

The 21 Signatories will not only implement impact-driven investment, impact measurement and management (IMM) individually but will also have regular meetings to discuss and share best practices and challenges. Through the activities, the Initiative aims to evolve the Japanese financial industry to be more impact-oriented in a sustainable and autonomous manner.

List of Signatory Organizations: \*in alphabetical order

ANRI Co., Ltd.  
Asset Management One Co., Ltd.  
Beyond Next Ventures Inc.  
Capital Medica Ventures Co., Ltd.  
Dai-ichi Kangyo Credit Cooperative  
Energy & Environment Investment, Inc.  
Future Venture Capital Co., Ltd.  
Global Brain Corporation  
Mitsubishi UFJ Trust and Banking Corporation  
MUFG Bank, Ltd.  
Nippon Venture Capital Co., Ltd.  
Plus Social Investment Co., Ltd.  
Real Tech Holdings Co., Ltd.  
Resona Holdings, Inc.  
Ritsumeikan Social Impact Fund Investment Limited Partnership  
Shinsei Bank, Limited  
Sumitomo Mitsui Trust Holdings, Inc.  
Tajima Shinkin Bank  
The Dai-ichi Life Insurance Company, Limited  
The Kyoto Shinkin Bank  
The Shizuoka Bank, Ltd.

List of supporters:

Global Impact Investing Network (GIIN)  
Global Steering Group for Impact Investing (GSG)  
Japan Exchange Group (JPX)  
Japan International Cooperation Agency (JICA)  
Japan GSG National Advisory Board  
Japan Social Innovation and Investment Foundation (SIIF)  
Social Impact Management Initiative (SIMI)

Website of the "Japan Impact-driven Financing Initiative": <https://en.impact-driven-finance-initiative.com/>

\*The photos of the press conference will be stored by 10:40 on November 29.

## Japan Impact-driven Financing Initiative

### Preamble

Environmental and social issues outlined in the UNSDGs are becoming increasingly significant for financial institutions, in particular, the threat of climate change and the new social and healthcare challenges exposed by the COVID-19 crisis (such as delays in digitalization and healthcare reform). Investment by central and local governments or international organizations is not sufficient to tackle these challenges, and the private sectors' contribution is now essential, as huge efforts are needed to achieve the SDGs. Financial institutions can contribute to minimizing the negative and maximizing the positive environmental and social impact of the companies they are investing into.

They can contribute to creating impact by investing into companies actively addressing environmental and social issues in two ways. One is through financing those companies that integrated environmental and social impact in their business model. Additional funds will support such companies to scale their outcomes. Another way is for them to provide risk money for projects for the development of innovative technologies and business models. The created impact will contribute to the growth of the business in long term, therefore contribute to the value creation, which means that environmental and social impact creation is compatible with profitability.

However, new skills are required to effectively balance profit and impact, and stay ahead of fast moving changes in this evolving field. For impact driven companies these skills are often the development of a robust business model based on environmental and social outcomes. For investors, these skills include enhanced due diligence expertise, thorough understanding of engagement methods and financial product structuring. In order to develop those skills, collaboration between companies and financial institutions is crucial.

The inclusion of impact into an investor's operations often requires internal discussions about the sustainability of their own existence, the mission and purpose of the organization, and the adoption of a comprehensive impact-driven approach to solving environmental and social issues - driven from the senior management.

For financial institutions to practice impact investment (impact-driven investment and lending), it is necessary that appropriate impact measurement and management (IMM) practices are developed. In the practice of impact investment, although the appropriate and realistic way of IMM differs according to the attributes of the financial institutions and companies, the implementation of IMM is essential.

Impact Investment is global, and is already making its mark on global markets. It is becoming necessary for Japanese financial institutions that are closely connected to global markets to collaborate and cooperate with global organizations that promote impact investment, while complying with or referring to internationally developed principles and standards.

The pursuit of impact and the implementation of IMM are important developments for the financial sector in Japan. It is now the time for senior leadership in financial institutions to drive the inclusion of impact as a decision driver in their investment decisions. It is also necessary to transform the flow of funds handled by financial institutions to be as impact-driven as possible, and to create a sustainable circulation of funds that can autonomously solve environmental and social issues.

Signatories of the declaration will take following actions in their own organizations as well as in cooperation with other signatories.

## Commitments and actions

1. We understand the importance of being impact-driven in management in order for financial institutions to fulfill the role expected by society, and we will practice impact investment in each of our financial institutions.
2. We will integrate IMM as a decision driver in every investment process and financial product, since we believe that impact visualization as well as impact management, which requires efforts to continuously create impact by utilizing impact information, integrating into investment strategies and a decision driver, are necessary.
3. We will develop each action plan for the above-mentioned actions (1 and 2), appropriate to the situation of each organization, and then share and discuss the best practices and challenges experienced among the signatories, so that we can develop the signatories' community as a platform in a sustainable manner.
4. We will engage in collaborative activities at the working level of signatories, including exchange of information, and necessary research and studies, with a view to improving the quality of IMM and increasing the volume of impact investing.
5. We will work collaboratively to ensure that the impact-driven management of financial institutions and the implementation of the IMM will spread throughout the Japanese financial industry, including financial institutions not participating in this declaration.
6. We will actively participate in global initiatives that promote impact investing and IMM, contribute to the promotion of international impact investing, and actively disseminate information from Japan.
7. We will continue these activities until Japan's financial sector is able to develop impact investing in a sustainable and autonomous manner.

Signatory Organizations and Representatives are listed in the press release

Supporters are listed in the press release

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