



December 3, 2021

SHINSEI SUSTAINABLE IMPACT ASSESSMENT



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

"Sustainable Impact" Social Loan to a Limited Liability Company formed by Healthcare Management Partners, Inc.

Tokyo (Friday, December 3, 2021) --- The Shinsei Bank Group 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.

The Shinsei Bank Group originated a non-recourse loan^{*1} to a limited liability company established by Healthcare Management Partners, Inc. (Headquartered in Minato-ku, Tokyo; Yoshiyuki Morii, President and Representative Director; hereinafter "HMP") acquiring real estate trust beneficiary interests as funds. The loan was made as a "Shinsei Social Loan" on November 30, 2021. This real estate trust beneficiary interest is backed by Sapporo Minami Tokushukai Hospital (88 beds), which is primarily engaged in eased care, which was relocated and newly built in July 2021 due to the aging of the facility.

There are few cases of non-recourse loans targeting hospital real estate due to the requirements for specialized analysis and knowledge regarding the performance of medical corporations that operate hospitals as well as the real estate securitization schemes. Hence, corporate loan procurement by medical corporations is a common fund raising scheme in the hospital business. Shinsei Bank can provide this nonrecourse loan as Shinsei Bank has accumulated its expertise in the healthcare finance field since the establishment of the Healthcare Finance Division in 2010.

Currently, about 40 years have passed since the rush to build hospitals with the last-minute expansion of beds prior to the implementation of private hospital bed regulations in 1986, and rebuilding demand is emerging at hospitals nationwide. In addition to providing funds through conventional corporate loans, Shinsei Bank has been extending nonrecourse loans for the securitization of hospital properties, thereby providing new schemes of financing for medical corporations and other entities and supporting the operation of the hospital business from a financing perspective.

The Shinsei Bank Group has been contributing to the building of a sustainable society by providing ongoing financing for businesses that improve environmental and social issues with the provision of solutions to resolve social and environmental issues as a materiality for the Group management.



(Sapporo Minami Tokushukai Hospital, September 2021)

*¹ Refers to nonrecourse loans for which repayment is funded solely by revenues (cash flows) generated by a particular business or asset. It is also considered an effective financing method for realizing unrealized gains on real estate and for M&A with little cash on hand due to the liquidation of hospital assets of the acquired company.

[Attachment]

Overview of Evaluation of "Shinsei Social Loans"

"Shinsei Social Loan" is a loan that designates use of funds to businesses or projects that can contribute to addressing and alleviating specifit social issues so as to create social impact. Shinsei Social Loans shall align with the "Shinsei Social Finance Framework"^{*2} formulated by Shinsei Bank in May 2020.

Borrower/Subject	Non-recourse loans to G.K.Trinity Illinois
Matter	
Use of funds	Funds for the acquisition of real estate trust beneficiary interests backed by
	Sapporo Minami Tokushukai Hospital, which has hospice buildings and disability
	hospitals
Asset Manager	Healthcare Management Partners, Inc.
Social significance	Providing "access to essential services (healthcare) for "disease sufferer" and
of business	"people with disabilities", etc.
	> Viewpoint of facility users: Ensuring stable medical lives and improving quality
	through palliative Care
	 Viewpoint of family: alleviating psychological distress, adapting to patient illness and post-death lifestyles
	> Viewpoint of employment: Promotion of female participation and career
	advancement in the workplace and realization of a work-life balance
Consistency	This project can contribute mainly to "Goal 3: GOOD HEALTH AND WELL-BEING"
between the social	of the SDGs. It was also evaluated to be consistent with the national policy such
impact of this project	as "Specific measures for achieving the Sustainable Development Goals (SDGs)"
and social issues	by the Cabinet Office and "Basic Plan for Promote Cancer Control Programs" by
	the Ministry of Health, Labour and Welfare, as well as the regional policies such as
	one of Hokkaido and Sapporo City.
Other evaluation	✓ Sapporo Minami Tokushukai Hospital, under its philosophy of "hospice
points	hospitals that care for the spirit," implements palliativecare by a team with
	experts from different profettional backgrounds, including part-time employees
	and volunteers, and focuses on mental care for patients, families, and staff as
	well as physical care. The hospital also carries out initiatives that utilize art that
	provides a healing effect on people's minds. From the hardware perspective,
	it is also conscious of the "spirit of hospice," and it adopts spatial design that
	is conscious of harmony with nature, low counters that bring patients and staff
	closer to each other, and private rooms with sunrooms. We also acknowledged
	the company's active efforts in public disclose of i information on its website
	and other media.
	✓ HMP has set the organizational goal of contributing to healthcare and nursing
	care by providing financial services that would be difficult with conventional
	indirect financing, and has accumulated a track record of investing and
	managing healthcare assets. We evaluated HMP as contributing to the
	realization of a sustainable society through businesses of the entire
	organization

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.

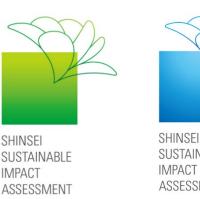
Sustainable Impact Assessment Department, our in-house independent assessment function, confirms whether a loan is aligned with the Framework after assessing the uses of loan proceeds, the management of proceeds, potential negative environmental / social impacts and other elements.

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^{*2} and that the internal implementation system of the Framework is robust.

[Social]

We use the following logos to verify compliance with the Framework.

[Environmental]



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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

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 stakeholders. News and other information about Shinsei Bank is available its 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

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