

SHINSEI SUSTAINABLE  
IMPACT ASSESSMENT



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

## “Sustainable Impact” Execution of Social Loan to a Limited Liability Company Formed by Kenedix Investment Partners Co.,Ltd.

Tokyo (Tuesday, December 7, 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 December 1, 2021, Shinsei Bank executed a non-recourse loan as a “Shinsei Social Loan” to a limited liability company formed by Kenedix Investment Partners Co.,Ltd. (Headquartered in Chiyoda-ku, Tokyo; Naokatsu Uchida, President and Representative Director; hereinafter “KIP”) in order to acquire real-estate trust beneficiary right of a private nursing home.

“Shinsei Social Loan” is a loan which designates use of funds for businesses or 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.

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|---|---|
| Borrower  | A Limited Liability Company formed by KIP   |
| Use of funds  | Funding for acquisition of real estate trust beneficiary right of a private nursing home that opened in August 2021(the “Project”)  |
| Social impact of this project   | Providing “access to essential services (healthcare)” for “the elderly”<br><ul style="list-style-type: none"> <li>➤ Viewpoint of facility users: “Securing houses where elderly people can lead their daily lives with peace of mind”</li> <li>➤ Viewpoint of family members of facility users: “Decrease in turnover due to nursing care ” and “Promotion of women’s active participation in society”</li> </ul>   |
| Consistency between the social impact of this project and social issues | The Project can contribute to the UN Sustainable Development Goals (SDGs), especially to “Goal 3: GOOD HEALTH AND WELL-BEING”, “Goal 5:GENDER EQUALITY” and “Goal 8:DECENT WORK AND ECONOMIC GROWTH”.<br>It was also evaluated to be consistent with the social issues identified by the national and prefectural governments, such as the Cabinet Secretariat’s “The Japan’s Plan for Dynamic Engagement of All Citizens”, the Cabinet Office’s “Sustainable Development Goals (SDGs) Implementation Guiding Principles”, and the “Welfare Plan for the Elderly” of the prefecture where the Project is. |
| Other positive points of the Loan                                       | ✓ The Kenedix Group including KIP positions initiatives for sustainability as an important management priority. Their “Sustainability Policies” define “Commitment to a Diverse Society” as one of the key areas with material  |

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|  | issues such as "Initiatives for an Aging Society with Fewer Children" and "Providing Properties with Environmental and Social Consideration." The Project is consistent with their corporate sustainability goals. |
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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>*

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

