

SHINSEI SUSTAINABLE
IMPACT ASSESSMENT



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 (Code: 8303, TSE Standard Market)

“Sustainable Impact” Execution of Social Loan to Healthcare Facilities Acquired by First Real Estate Investment Trust

Tokyo (Thursday, September 29, 2022) --- On September 29 2022, Shinsei Bank, Limited (hereinafter, “Shinsei Bank”) executed a non-recourse loan as a “Shinsei Social Loan”^{*1} totaling JPY 1.66 billion for First Real Estate Investment Trust (Singapore, hereinafter referred to as “First REIT”) acquiring two nursing homes in Japan and has transferred a portion of this loan amount to the Towa Bank, Ltd. (Maebashi-shi, Gunma, Hiroshi Ebara, Representative Director and CEO). This is a loan for a trust account using a “Trust of money other than money trust” scheme with Shinsei Trust and Banking Co., Ltd. as trustee.

First REIT, whose manager is First REIT Management Limited (Singapore, Tan Kok Mian Victor, Executive Director and CEO), is listed on the Singapore Exchange Securities Trading Limited since December 11, 2006 and is Singapore's first healthcare real estate investment trust. First REIT’s investment mandate is to invest in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia that are primarily used for healthcare and/or healthcare-related purposes. First REIT has successfully built a diversified asset portfolio comprising 15 located in Indonesia, 3 located in Singapore and 14 in Japan, focusing mainly on hospitals, nursing homes and other healthcare-related facilities.

The Shinsei Bank Group is committed to “offer financial functions toward the resolution of environmental and social challenges” to realize the “Medium-Term Vision of the Shinsei Bank Group.” Under the concept of “Sustainable Impact” integrating the perspectives of ESG/SDGs/Sustainability with Social Impact which endeavors to have a positive impact on society, we actively provide finance to businesses addressing social issues with positive impacts through continuous engagement/dialogue with those customers. As we recognize social impact of the project as follows, we executed the loan as a “Shinsei Social Loan”:

Overview of Social Loan Assessment by Sustainable Impact Assessment Department of Shinsei Bank

Fundraiser	First REIT Japan 2 Godo Kaisha
Use of funds	Funding for acquisition costs of “real estate trust beneficiary interests (Fudosan Shintaku Juekiken)” of two nursing home for the elderly in service (hereinafter, the “Facilities”). “Medical Rehabilitation Home Bon Séjour Komaki” (a private residential home for the elderly) in Aichi “Loyal Residence Ayase” (a serviced housing for the elderly) in Kanagawa
Social impact of this project	Providing “access to essential services (healthcare)” for “the elderly” Viewpoint of facility residents: Securing houses where elderly people can lead their daily lives with peace of mind” ➤ Viewpoint of facility residents: Securing houses where elderly people can

	<p>lead their daily lives with peace of mind"</p> <p>➤ Viewpoint of family members of residents: "Decrease in turnover due to nursing care" and "Promotion of women's active participation in society"</p>
Consistency between the social impact of this project and social issues	<p>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."</p> <p>It was also evaluated to be consistent with the social issues identified by the national and prefectural government in Japan, such as the Cabinet Secretariat's "The Japan's Plan for Dynamic Engagement of All Citizens," the Cabinet Office's "SDGs Implementation Guiding Principles" and "Welfare Plan for the Elderly" of the prefecture where the facilities locate.</p>
Other positive points of the Loan	<p>✓ As one of the pillars of its growth strategy, First REIT focuses on "Continue to Pivot to Ride Megatrends" of ESG and aging population demographics, and it intends to contribute to the society through continuous focus on healthcare-related facilities. Therefore, we evaluated that the project is consistent with First REIT's sustainability strategies and objectives and First REIT has generally developed policies and a management system implementing the mentioned above.</p> <p>✓ After the acquisition of the Facilities, First REIT intends to actively manage the facilities by conducting on-site inspections and interview with the operators on a regular basis. In addition, First REIT places a high priority on sustainability initiatives, so not only aiming to create social impact by supplying healthcare facilities, but it is also trying to create an environmental impact such as energy savings and resource savings by encouraging the operators to install environmentally friendly equipment or utilize information technologies.</p>

* 1 "Shinsei Social Loan" is a loan that conforms to the "Shinsei Social Finance Framework". For an overview of the Framework, please refer to the attached reference material.

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.

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

[Environmental]



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[Social]



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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 its stakeholders. News and other information about Shinsei Bank is available at <https://www.shinseibank.com/corporate/en/index.html>

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