

## Third party opinion on the compliance of Shinsei Bank, Ltd.'s "Shinsei Green Finance Framework," "Shinsei Social Finance Framework," and "Shinsei Sustainability Finance Framework" with the Green Bond Principles.

Japan Credit Rating Agency, Ltd. (JCR) provided a third party opinion on the compliance of Shinsei Bank, Ltd.'s "Shinsei Green Finance Framework," "Shinsei Social Finance Framework," and "Shinsei Sustainability Finance Framework" with the Green Bond Principles.

### <Executive Summary>

Shinsei Bank, Ltd. has formulated three frameworks, which can be called the framework of its measures, in order to further promote investment and financing measures for businesses that have a positive impact on social issues. "Shinsei Bank Green Finance Framework," "Shinsei Bank Social Finance Framework" and "Shinsei Bank Sustainability Finance Framework" (collectively referred to herein as "the Frameworks").

Japan Credit Rating Agency, Ltd. (JCR) provided a third-party opinion on whether the Frameworks are consistent with the principles, guidelines, etc. related to sustainable finance specifying use of proceeds established at home and abroad, and whether or not the system for conducting reviews, etc. necessary to bring a positive impact on the social issues that Shinsei Bank aims for is prepared.

The third-party opinion mainly refers to the following principles, etc.

- Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines of International Capital Markets Association (ICMA)
- Green Loan Principles of Loan Market Association (LMA), etc.
- Ministry of the Environment's Green Bond Guidelines and Green Loan Guidelines and Sustainability Linked Loan Guidelines

(hereinafter collectively referred to as the "Related Principles")

The Related Principles set out above provide guidelines for corporates and organizations to procure funds by limiting the use of proceeds for projects that produce positive environmental and social results, and do not stipulate investment and finance policies for financial institutions, institutional investors, etc. Consequently, among the four core elements, the confirmation was focused on whether the Frameworks meet the criteria described in "1. Use of Proceeds" and "2. Evaluation of Projects and Selection Process," as well as the consistency with the checklists in the Green Bond Guidelines regarding "1. Use of Proceeds" and "2. Evaluation of Projects and Selection Process."

As a result, JCR confirmed that the eligibility criteria set out in the Frameworks are consistent with the Relevant Principles, including those that are recognized in the Relevant Principles to produce positive environmental or social outcomes, and that Shinsei Bank has a robust implementation framework in implementing the finance. It is expected that Shinsei Bank will contribute to the promotion of sustainable business activities by corporates, etc. through the proactive implementation of sustainable finance initiatives under the Frameworks.

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## Important explanation of this third-party opinion

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### 1. Assumptions, Significance, and Limitations of JCR Third-party opinions

The third-party opinion granted and provided by Japan Rating Research Institute (JCR) is a comprehensive opinion of business entities and procurement entities regarding their compliance with the Positive Impact Financial (PIF) Principles formulated by the United Nations Environmental Programme Finance Initiative, and do not fully indicate the extent of the positive impact of the positive impact finance.

This third-party opinion is a statement of opinion on the current plan or status based on information provided by the client, the procurement entity and the business entity, and information independently collected by JCR, and does not guarantee positive results in the future. In addition, this third-party opinion does not quantitatively demonstrate the positive effects of PIFs, and does not represent a commitment to the effects of PIFs. JCR confirms that the funds procured from this project are quantitatively and qualitatively measured by a procurement entity or a third party commissioned by a procurement entity with respect to the degree of achievement of the impact indicators set by the Company. However, in principle, JCR does not directly measure the degree of achievement.

### 2. International initiatives, principles, etc. referenced in the preparation of this third-party opinion

In preparing this opinion, JCR refers to the following principles and guides developed by the United Nations Environment Programme Finance Initiative.

Positive Impact Financial Principles

Positive Impact Finance Model Framework, which does not limit the use of funds

### 3. Relationship with Acts Related to Credit Rating Business

Providing this third-party opinion is undertaken by JCR as a related activity and does not constitute an activity relating to the credit rating business.

### 4. Relationship with Credit Ratings

The Assessment differs from the Credit Rating and does not promise to provide or make available for inspection a predetermined Credit Rating.

### 5. Third-party character of JCR

There are no capitals or human relationships that could cause conflicts of interest between the business entity or procurement entity of the PIF and JCR.

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#### ■ Glossary

Third-Party Opinion: This Report, at the request of the client, provides a third-party opinion on the conformity of the Bank's Positive Impact Financial Assessment Report to the United Nations Environmental Programme Finance Initiative's Positive Impact Finance Principles from an independent, neutral and impartial standpoint.

Business entities: Financial institutions that implement positive impact finance.

Procurement entities: Operating companies, etc. that borrow through positive impact finance for positive impact business.

#### ■ Registration as an External Evaluator of Sustainable Finance

- Members of the United Nations Environment Programme Financial Initiative Positive Impact Working Group
- Ministry of the Environment's external green bond reviewer registration
- Climate Bonds Initiative Approved Verifier (Climate Change Initiative Accreditation Verification Organization)
- ICMA (registration as an observer with the International Association of Capital Markets as an external evaluator) Member of the Working Group on Principles of Social Bonds

#### ■ Status of registration as a credit rating agency, etc.

- Credit Rating Agency: the Commissioner of the Financial Services Agency (Rating) No.1
- EU Certified Credit Rating Agency
- NRSRO: JCR has registered with the following four of the five credit rating classes of the Securities and Exchange Commission's NRSRO (Nationally Recognized Statistical Rating Organization). (1) Financial institutions, broker dealers, (2) insurance companies, (3) general business corporations, and (4) government and local governments. If the disclosure is subject to Section 17g-7(a) of the Securities and Exchange Commission Rule, such disclosure is attached to the news releases posted on the JCR website (<https://www.jcr.co.jp/en/>).

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