

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.

For more information, please contact: Public Relations email: [media@siif.or.jp](mailto:media@siif.or.jp)  
Japan Social Impact and Innovation Foundation e-mail: [impact-drivenfi@siif.or.jp](mailto:impact-drivenfi@siif.or.jp)

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.

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Comments from representatives of 21 signatory financial institutions \*in alphabetical order

ANRI Co., Ltd.	<p><b>Anri Samata, General Partner &amp; Co-Founder</b></p> <p>Established its first fund in 2012, ANRI is a seed stage focused venture capital firm in Japan with an AUM of 35 billion yen. We have led the Japanese startup industry in promoting D&amp;I, through initiatives such as increasing the ratio of female entrepreneurs in our current running ANRI IV fund. On a personal level, I support NPOs and other social sector organizations to solve critical social issues. Investments in startups that solve environmental issues are accelerating around the world as we move toward a more decarbonized society. As environmental and social issues also emerge in Japan, we will continue to generate impact by solving these issues through our investment activities.</p>
Asset Management One Co., Ltd.	<p><b>Akira Sugano, President &amp; CEO</b></p> <p>We are delighted to be part of the Initiative with like-minded financial institutions. In January this year, we published a corporate message as our purpose in society, "Creating a sustainable future through the power of investment", as part of our strong commitment to integrating sustainability into our management. We believe that this is the very essence of our "impact orientation". However, as an asset management company, it is difficult for us to take on this major challenge on our own, and it is extremely important that the entire investment chain, including asset owners and market participants, work together to develop an information disclosure platform for measuring impact. We hope that this declaration will accelerate the pace of this effort.</p>
Beyond Next Ventures Inc.	<p><b>Tsuyoshi Ito, CEO, Managing Partner</b></p> <p>We believe in the potential of science and technology to make the world a better place. Through our incubation investments in technology start-ups, we have aimed to create new industries through the commercialization of technology seeds. All our portfolio companies are working every day to create a positive impact on society and the environment. Our participation in the Japan Impact-driven Financing Initiative reaffirms our ambition to work with entrepreneurs to solve social problems.</p>
Capital Medica Ventures	<p><b>Takeshi Aoki, CEO</b></p> <p>In the healthcare sector, where we invest, the market itself has a structure in which businesses must produce outcomes or they will be weeded out and will not be able to generate sustainable profits. In other words, in order to succeed in the healthcare sector, it is necessary to manage the social impact of the business, which is a prerequisite for maximizing financial returns over the medium to long term. Capital Medica Ventures is therefore pursuing impact-oriented investment activities with a long-term perspective in order to maximize profits.</p>
Dai-ichi Kangyo Credit Cooperative	<p><b>Tsutomu Nomura, Chairman</b></p> <p>Dai-ichi Kangyo Credit Union is a financial institution that aims to contribute to sustainable regional and community development by supporting people who are engaged in local business and living in a spirit of mutual aid. Since the activities of those who are working to solve environmental and social problems are becoming increasingly important in their regions, we believe that supporting and encouraging them financially to make a difference will lead to the realization of sustainable regions and communities.</p>

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	<p>This Initiative is in line with the direction we are aiming to take, and we have joined the list of signatory financial institutions in supporting its aims. We will continue to focus on the activities that we are required to carry out to create an impact on the community, and we look forward to working together with the signatory financial institutions to create a greater impact.</p>
Energy & Environment Investment, Inc.	<p><b>Shuichiro Kawamura, President</b></p> <p>I would like to welcome the launch of the Initiative as a cross-industry impact-oriented initiative among domestic financial institutions. It is a great honor to be part of this Initiative. Since its establishment in 2006, our company has been investing in and supporting growth of venture companies that are dedicated to business creation and innovation to solve social issues in the environment and energy fields. Our 4th fund, which was established in June 2018, evaluates the social impact created by investee venture companies from both quantitative and qualitative perspectives, and issues an impact report compiled in each fiscal year.</p> <p>By participating in this Initiative, I hope that an opportunity to share information among not only venture capitals but also among other financial institutions will be created, domestic impact finance will be expanded, and its information be disseminated overseas.</p>
Future Venture Capital Co., Ltd.	<p><b>Naoto Matsumoto, President and CEO</b></p> <p>Future Venture Capital's mission is to " build companies that will last 100 years", and we aim to create a society that generates innovation for a sustainable future. Future Venture Capital's flagship initiative, the " Regional Revitalizing Fund ", which aims to sustain and vitalize regional economies by partnering with regional financial institutions and local governments across Japan, has a total investment value of 10.9 billion yen and has invested in approximately 290 companies. We have also seen an increase in the number of consultations on the establishment of funds with a clear theme, such as social issues or SDGs, and we believe that there is a growing momentum to provide funding to businesses that seek to solve local issues and the importance of impact as an outcome. With the signing of this initiative, we will accelerate further impact investment across Japan.</p>
Global Brain Corporation	<p><b>Yasuhiko Yurimoto, President and CEO</b></p> <p>We are deeply grateful for the opportunity to participate in the co-creative Initiative to address social challenges with other financial institutions under the Japan Impact-driven Financing Initiative. Innovative solutions are needed to quickly address longstanding social challenges. We have invested in a number of deep-tech startups that are using the technology to solve some of the world's biggest challenges. We've helped them grow and create impact by providing hands-on support from our dedicated team. In collaboration with other signatory organizations, we will continue to contribute to solving social issues more effectively through implementing IMM practices.</p>
Mitsubishi UFJ Trust and Banking Corporation	<p><b>Iwao Nagashima, President and CEO</b></p> <p>Mitsubishi UFJ Trust and Banking Corporation conducts sustainability activities, with "Trust", to resolve environmental and social issues and create a "safe and affluent society." We believe that by enhancing our impact investment measurement and management processes, we will be able to demonstrate a high level of expertise in the solutions for our</p>

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	<p>clients' assets. And it will also help us to act as a responsible trustee who will lead to a better future through our investment actions. Therefore, we have joined this Initiative. We will collaborate with other signatories to promote activities aimed at developing impact-oriented investments and loans, and work with a wide range of stakeholders to resolve environmental and social issues.</p>
MUFG Bank, Ltd.	<p><b>Junichi Hanzawa, President &amp; CEO</b></p> <p>Through MUFG Bank's issuance of green bonds, we have contributed to showing their effects on the environment and society and supported the creation of positive impacts. We have joined this Initiative to identify business opportunities and enhance risk management methods that contribute to solving environmental and social issues, and to fulfill our role as a financial institution as expected by society. Based on the Initiative, we will continue to pursue activities for the development of impact-oriented investing and lending in cooperation with other signatory organizations while maintaining our focus on environmental and social impact, and will aim to contribute to solving environmental and social issues in a wide range of fields.</p>
Nippon Venture Capital Co., Ltd.	<p><b>Minoru Tagaya, President and Representative Director</b></p> <p>This year marks the 25th anniversary of our founding, and as a venture capital firm, we have been proud to have indirectly contributed to technological innovation and social change by supporting the success of many of our portfolio companies. However, with the acceleration of environmental and social problems such as climate change, environmental destruction, declining birthrate, aging population, and the depopulation of rural areas in Japan, we believe that a different approach will be required. This is why we decided to join the Japan Impact-driven Financing Initiative. Our efforts have just begun, but we are delighted to work with the Initiative's signatories to promote impact-driven finance for the next 30, 50, and 100 years.</p>
Plus Social Investment Co., Ltd. / Ritsumeikan Social Impact Fund Investment Limited Partnership	<p><b>Masato Noike, CEO</b></p> <p>We were founded in Kyoto in 2016 with the aim of creating a flow of funds that stimulates social innovation and contributes to the formation of sustainable and flexible local communities. Through our social investment platform "en.try", we provide a mechanism for local residents, local businesses and financial institutions to support and participate in essential local businesses through social investment. From 2020, we are also collaborating with Ritsumeikan University to establish and manage the Ritsumeikan Social Impact Fund, which totals 1.5 billion yen. We will continue to take on the challenge of creating impact in local communities and creating the necessary funding mechanisms to achieve this.</p>
Real Tech Holdings Co., Ltd.	<p><b>Akihiko Nagata, Chairman</b></p> <p>We are very delighted to sign the Japan Impact-driven Financing Initiative together with Japan's leading financial institutions. Since the establishment of our Real Tech Fund in 2015, we have been a frontrunner in investing in and nurturing R&amp;D-based startups that aim to solve societal and environmental issues, both domestically and internationally. In 2021, we established Japan's first impact investment fund specializing in deep-tech. Impact investing in the startup industry is still in its infancy, and through this initiative, we are committed to increasing the number of deep-tech startup supporters as well as contributing</p>

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	to the development of the impact investing industry in Japan and strengthening its global presence.
Resona Holdings, Inc.	<p><b>Masahiro Minami, Director, President and Representative Executive Officer</b></p> <p>Impact orientation is an approach in which a financial institution supports the innovation and good business of a company by sympathizing with the aspiration of the company in which it has invested to solve social problems. In order to promote impact orientation, we must first convey to society our own vision of what society should be and how we want it to be, learn from actual experiences through dialogue with the companies we invest in, deepen and evolve our dialogue even further, clarify the causal relationship between the business activities of the companies we invest in and the social impact they create, and ensure that their efforts to solve social issues are sustainable. Through our impact orientation, we are committed to working towards a better and more prosperous society.</p>
Shinsei Bank, Limited	<p><b>Hideyuki Kudo, President and Chief Executive Officer</b></p> <p>If each company strives to become meaningful to society and to engage in activities with positive impact on society, then it will generate enormous energy as a whole. Shinsei Bank Group will further deepen “Redesigning Finance” initiative and impact finance by participating in this Initiative, and contribute to growth of impact-oriented finance together with financial institutions which share the same spirit.</p>
Sumitomo Mitsui Trust Holdings, Inc.	<p><b>Toru Takakura, Director, President</b></p> <p>The Sumitomo Mitsui Trust Group aims to leverage the diverse, flexible functions of trusts along with analysis which incorporates scientific knowledge to become a crossroads for the businesses, investors, individuals, and other constituents of today’s economy, and make sustainable society a reality. We believe that this will bring about a virtuous circulation of funds, assets, and capital, stimulate asset formation of citizens and sustainable growth of businesses, and contribute to growth of the Japanese economy which has remained stagnant for so long. We believe that impact-oriented initiatives are the precise embodiment of our Group’s Purpose, which is “Creating new value with the power of trusts and let prosperous future for our clients and society bloom.”</p>
Tajima Shinkin Bank	<p><b>Hiroataka Morigaki, Managing Director</b></p> <p>Tajima Shinkin Bank has 28 branches in Hyogo and Kyoto prefectures, mainly in the Tajima area of northern Hyogo. The Tajima area, our main area, is a typically depopulated area where the population has been declining since 1947. While the population and industry of the region is slowly declining due to depopulation and the declining birth rate and ageing population, the recent Covid-19 disaster has put a downward pressure on the region. As a regional financial institution based in such a region, we believe that it is very important to be impact-oriented in order to create a sustainable circulation of funds that can autonomously solve social and environmental problems. With the signing of this declaration, we will further promote our efforts as a regional producer and take up the challenge of measuring and managing our impact.</p>
The Dai-ichi Life Insurance Company, Limited	<p><b>Seiji Inagaki, President and Representative Director</b></p> <p>We have revised our group vision to "Protect and improve the well-being of all " in the new Mid-term Management Plan starting from 2021. As a key premise to achieve this vision, the</p>

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	<p>realization of a sustainable society is essential, and it is necessary that more financial institutions take practical actions to solve environmental and social issues with "impact-driven" attitudes.</p> <p>We have been making impact investments, and will continue to expand and measure positive impacts of the investment portfolio. By sharing knowledge with those who support this Initiative, we will make a significant contribution to solving global environmental and social issues.</p>
<p>The Kyoto Shinkin Bank</p>	<p><b>Takayuki Sakakida, Chairman</b></p> <p>Kyoto Shinkin Bank was the first financial institution in Japan to introduce the concept of a "community bank" in 1971. Our goal under the SDGs is to create a prosperous society by promoting financial inclusion for local small, medium and micro enterprises and start-up businesses, and we aim to create sustainable, socially-minded communities. To this end, we have established the Social and Sustainable business standard in collaboration with the Yunus Social Business Research Center to foster and support businesses that go beyond the financial realm and work to solve a wide range of social issues.</p> <p>By providing engagement and support to local businesses through the certification, and by incorporating the impact of micro, small and medium-sized businesses on the local community into our lending decisions, we will work to ensure that 80% of our clients are ESG-conscious businesses within 10 years.</p>
<p>The Shizuoka Bank, Ltd.</p>	<p><b>Hisashi Shibata, President</b></p> <p>The Shizuoka Bank Group is committed to helping solve social issues through financial services, aiming for sustainable growth of local communities under our corporate philosophy to "expand dreams and affluence with our community". In January 2021, Shizuoka Bank became the first bank in Japan to provide positive impact finance to small and medium-sized enterprises (SMEs) in order to support local companies that are actively involved in the SDGs. The Shizuoka Bank Group considers the creation of impact to be the next step beyond relationship banking, and will continue to contribute to the creation of a sustainable community by establishing an impact orientation in the region through finance.</p>

## 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.

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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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