



2022 Impact Review

—— SIIF's First 5 years ——

SIIF
Social Innovation
and Investment Foundation

Reviewing What SIIF Has Achieved and Learned through Its Activities to Advance Social Change Driven by “Impact”

Chair of Executive Committee, SIIF
Shuichi OHNO



The Japan Social Impact Investment Foundation, the organization that practically served as the roots of SIIF, was established in March 2017. This means that SIIF has entered its seventh year in March 2023. During these years that were a relatively short period, the world saw so many major events unfold. Of all the incidents, we could say that two had particularly serious and far-reaching effects: the COVID-19 pandemic, which continued to rage for more than three years, and the war in Ukraine, which broke out in February 2022.

COVID-19 was initially believed to be an epidemic in a particular area of China, but in 2020 and thereafter, it spread from Asia to North America, Europe, and other regions of the world, turning into the pandemic. When the human species pits its wits against a virus, what people across the globe should do is to join hands to work together as one community bound by common fate. The reality we witnessed, however, did not always work that way.

It has been more than a year since Russia invaded Ukraine, yet there is no end to the war in sight. This war has claimed human lives and devastated the everyday life of the people in the countries at war, not to mention the fact that it caused energy and food crises not only in North American, European, and African countries, but around the world. Western countries, including those in NATO, are united against this war that has continued longer than initially expected, whereas some countries, such as China and some nations in the Middle East and Africa, keep their distance from efforts to aid Ukraine, revealing how the world is divided.

That said, as the various examples in this report indicate, we have also observed numerous people taking up new challenges to create a better world in and outside Japan over these five-plus years. This means that, in the shadow of tragedies and divides, people are starting completely new approaches in order to solve innumerable problems around the world.

The Japan Social Innovation and Investment Foundation (SIIF) also saw major changes over these years in the world as well as in Japan across the fields where it is involved in social innovation. Take impact investing in Japan, for example. We can say that the investment balance not only shot up, but the number of impact-oriented players, including institutions that have signed the Japan Impact-driven Financing Initiative, has increased. With rapidly increasing media exposure, impact investing has probably become a mainstream topic in Japan's financial industry.

Amid the ever-changing times, we have continued to take up the challenge of promoting a new concept of and approach to social innovation over the five years since our inception in our own way, and we do believe that we have achieved numerous successful outcomes and acquired significant experience. First, as a hub of the Global Steering Group for Impact Investment (GSG) in Japan, we

developed close relationships with communities of impact investors in and outside Japan. Consequently, globally up-to-date knowledge and insight are now seamlessly shared in Japan, and people involved in impact investing overseas are far more knowledgeable about the present state of Japan than ever before. We have also gained experience in supporting social entrepreneurs through impact investing, impact measurement and management, and witnessed a growing number of social value-oriented businesses and financial plans—mostly managed by younger people—in Japan. These facts assure us of the advent of a more wholesome society where the philanthropy and business sectors, which used to exist as completely separate entities, interact. Behind all this were SIIF members' sustained efforts to develop in-depth expertise in impact investing, which led to a rapid increase in occasions when companies and government agencies asked us to provide expert opinions. We believe that SIIF is now recognized as an organization central to the efforts to resolve social issues through innovative approaches in Japan.

Today, the Japanese government also presents a “New Form of Capitalism” to strongly emphasize that it is essential to support social entrepreneurs and startups. Furthermore, profit-making businesses that work for the public good are drawing considerable attention as new players in public-private partnerships, in addition to conventional non-profit organizations. That is, the importance of cooperation between the public and private sectors has become more evident than ever. I believe that SIIF should also fulfill an increasingly significant role.

As an organization established to advance impact measurement and management, SIIF has published an impact report on each project in which it has been involved. As for the overall review of SIIF, however, we have only published annual reports. There has been no impact report on our organization.

As an organization for the promotion of impact measurement management, we should do more than reporting our activities in a unilateral manner. We should examine achievements, issues, and learning that come from our projects, and understand and publish the quantitative and qualitative impacts that have been made. Hence, we intend to rise to the challenge of creating an impact report on our organization. This year, to prepare for this challenge, we reviewed the activities we have engaged over the past five years since the time of the Japan Social Impact Investment Foundation, took stock of what we have learned, and put together this report to present our current medium-term strategies as an impact review of SIIF for your perusal. Your continued understanding of and support for SIIF are greatly appreciated.

2022 Impact Review

SIIF's First 5 Years

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Solving Social Issues with New Forms of Economies

“Impact” is about signaling our intent for the future

In today's world we are seeing the end of an era in which economic value was placed above all else, and the emergence of a diversity of benchmarks to measure value, such as society, the environment and culture. We work with organizations such as companies, local governments and NPOs on a variety of projects in order to build an ecosystem for the circulation of social and economic resources that transcend the framework of self-help, public help and mutual help. As we aim to build a society in which the resolution of social problems and the creation of diverse values take place autonomously and sustainably, there are some things we can do only because of our perspective as a foundation.

Vision

To build the foundation for a society in which the resolution of social problems and the creation of diverse values take place autonomously and sustainably

The goal of SIIF is an inclusive society in which the well-being of both individuals and communities are realized. We believe it is a society that individuals and communities must continually seek, choose and create for themselves.

Mission

To build an ecosystem for the circulation of social and economic resources

Self-help centered on the market economy. Public help based on a centralized system of redistribution. And mutual help and reciprocal aid, which are a form of interdependence at the individual level. SIIF aims to build a new model for the circulation of resources such as funds, people, and knowledge that transcends these frameworks, and to present diverse benchmarks for measuring the value of social outcomes.

Value

- To go beyond a superficial solution to pursue the system change
- To accept differences, turning friction into creation
- To pursue the essence and act of one's own accord

Three New Strategies

(Fiscal 2022 - Fiscal 2025)

1. Creating Examples and Building a Record

Create symbolic examples that represent social innovation in the area of our focused social issues

2. Creating Practical Knowledge

Demonstrate what we have learned from a variety of practical experience as “systematic knowledge and insight”

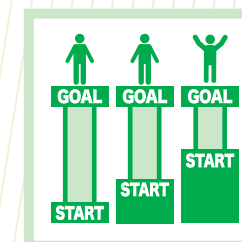
3. Creating Opportunities

Create opportunities for mutual learning to a wide range of practitioners who aim to develop new forms of economies

Realms of Our Efforts to Address Social Issues

We aim to build an ecosystem for the circulation of social and economic resources.

To achieve this goal, SIIF will implement strategies developed around the three themes below:



Inequality of Opportunity



Regional Revitalization



Healthcare

History of SIIF Since Its Foundation

To build an ecosystem for the circulation of social and economic resources, SIIF has played the three roles shown below.

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
1. Providing Funds Provide risk capital and demonstrate a model	<ul style="list-style-type: none"> - Created and invested in social impact bonds (SIBs) for Kobe City to prevent severe diabetic nephropathy - Invested in the Hachioji City's project funded with SIBs for increasing the rate of residents receiving bowel cancer screening - Invested in Plus Social Investment, a business that provides regional impact investment platforms 	<ul style="list-style-type: none"> - Invested in SIBs for health enhancement efforts using health points run by Okayama City - Invested in regional SIBs for increasing the rate of residents receiving bowel cancer screening in Hiroshima 	<ul style="list-style-type: none"> - Established and launched Hataraku FUND, an impact investment fund for investing in business ventures that aim to solve social issues involved in working people's life events - Invested and participated in a startup support program for single mothers - Invested in ADDRESS, a business that runs a platform for multiple residences created out of unoccupied houses - Created and invested in SIBs for Toyonaka City to support residents in smoking cessation 	<ul style="list-style-type: none"> - Launched a project to support alumni of the Nippon Foundation Social Change Makers, a program for supporting startups that takes up the challenge of solving social issues - Selected six executing organizations for the Project to Support the Growth of Social Businesses for Revitalizing Regions under the dormant deposit accounts utilization system for fiscal 2019, and started providing aid and support - Launched the Hallucigenia Lab, a research and development program to create new mechanisms for resource circulation 	<ul style="list-style-type: none"> - Selected four executing organizations for the Project to Solve Regional Issues through Collective Impact under the dormant deposit accounts utilization system for fiscal 2020, and started providing aid and support - Invested in Zebras and Company, a company established to support Zebra businesses that aim to solve social issues while continuing to make a profit in business - Selected as an organization distributing funds for the Project to Support the Establishment and Management of Regional Impact Funds under the dormant deposit accounts utilization system for fiscal 2021
2. Creating knowledge Generate practical knowledge to induce social innovation	<ul style="list-style-type: none"> - Proposed a policy at the Council on Investments for the Future and on other occasions, published a research report, and hosted seminars - As a member of the co-secretariat of the Social Impact Measurement Initiative (current Social Impact Management Initiative (SIMI)), provided assistance in developing guidelines as well as an outcomes and metrics toolkit, and in organizing Social Impact Day 2017 - Launched the annual market report "The Current State and Challenges of Impact Investing in Japan" through GSG-NAB Japan, for which SIIF serves as a secretariat 	<ul style="list-style-type: none"> - Started assisting the Healthcare New Frontier Fund created by Kanagawa Prefecture with social impact measurement and published the annual impact report 	<ul style="list-style-type: none"> - Published the 2018 Impact Report on the Healthcare New Frontier Fund - Published the annual report "Consumer Survey on Impact Investing in Japan" 	<ul style="list-style-type: none"> - Took part in an international participatory peer learning program offered by Impact Frontiers for impact investors to improve impact management as the first Japanese investor 	<ul style="list-style-type: none"> - Published a report of the Study Group on Pay-for-Success Contracts (PFS)/Social Impact Bonds (SIBs) - Assisted ADDRESS in publishing ADDRESS Impact Report vol. 1 - Published "SIIF Dormant Deposits Utilization Project Impact Report"
3. Networking Connect practitioners, becoming the cornerstone of the ecosystem	<ul style="list-style-type: none"> - Hosted the Social Impact Investment Forum 2018 - Conducted social impact bonds training for intermediary organizations 	<ul style="list-style-type: none"> - Met with the G20 Development Working Group to discuss impact investing at GSG-NAB Japan, for which SIIF serves as a secretariat - Hosted the Social Impact Bond Seminar 2018 	<ul style="list-style-type: none"> - GSG-NAB Japan, for which SIIF serves as a secretariat, published "The Current State of Impact Investing in Japan" and the "Proposal for the Expansion of Impact Investing" 	<ul style="list-style-type: none"> - Participated in the working group organized by GSG headquarters as an advisor - GSG-NAB Japan and the Financial Services Agency (FSA) co-hosted Impact Investing Roundtables (SIIF served as a secretariat) 	<ul style="list-style-type: none"> - Formed a business alliance with Acumen, a pioneering impact investment practice organization - Hosted a joint session for businesses supported by the Dormant Deposits Utilization Project - 21 financial institutions signed the Japan Impact-driven Financing Initiative that aims to solve environmental and social issues (SIIF served as a secretariat) - Hosted HALLUCIGENIA Fes 2022 as part of the alternative business

Seven Findings

Five Years in Review

Over the five years since its founding in 2017, SIIF has worked to build an ecosystem for impact investing in a variety of ways. As a builder of this ecosystem, we have gained a unique perspective, witnessed changes in the world, and acquired experience. This section presents the changes that have occurred and the heralds that have been perceived in the world of impact investing in Japan since SIIF was established.

Present State

Catalytic capital is becoming increasingly important

Taking advantage of its status as a nonprofit incorporated foundation, SIIF has provided the capital of approximately 1.5 billion yen in total to NPOs and investment funds, among others, for the last five years. Our aim was to actively provide this money as risk capital so that we would act as a catalyst for progressive instances in Japan. With regard to investments in SIBs in particular, SIIF has made subordinated investments. We believe that this capital SIIF provided functioned as a catalyst in the early days of impact investing.

Impact investing by major financial institutions is going ahead of philanthropy at a predawn stage

To make the impact economy a reality, SIIF has worked to facilitate major financial institutions' greater focus on social good with an eye to profit, and the emergence of new philanthropy that is geared toward financial success and empathy with those in need, in hopes of helping the two interlace. While the institutions are rapidly progressing toward the greater focus, change in the field of philanthropy is still slow, although we expect philanthropy to become increasingly important. More specifically, while the institutions are committed to creating an impact, they only have gained limited insight, taken limited actions, and shared limited knowledge. Since making progress in the build-up of all this is the key to the development of the impact economy, SIIF has launched a new philanthropy business.

Joining other tides is the key to create the momentum of impact investing as part of the mainstream

The process of promotion we initially envisioned was that innovators in the market would spearhead the creation of a model for the expansion of impact investing and their followers would adopt the model. Yet in reality, while managing GSG-NAB Japan, we saw with our own eyes the international waves of sustainability and ESG investing converge with the current of impact investing, driving rapid growth of the market. This taught us that it is vital we take advantage of trends to actively create "points of convergence" where multiple tides meet and gain speed, in addition to taking a bottom-up approach to effect structural change.

Challenges

Commitment to creating an impact alone does not drive social innovation

With diverse stakeholders involved in the economy, it is quite unrealistic to expect all people and businesses to change their values so that they subscribe to an impact-oriented view of their own accord. This is why it is vital to take the initiative in the efforts to increase people and friends who fully intend to make an impact, creating a major current. At the same time, activities we engage in with various stakeholders have shown us that it is also crucial to initiate changes in the structures of incentives in social systems and in rules of market mechanisms, thereby cooperating with people and businesses that are not necessarily intent on making an impact.

Goals and Visions

From impact investing to impact economy

Since its founding, SIIF has focused on changing the flows of funds and finances into impact-driven ones as impact investing by establishing social impact bonds (SIBs) and Hataraku FUND. However, it has become increasingly obvious that this effort alone will not transform the overall social systems like top-to-bottom change. From now onward, SIIF aims to facilitate a transition to a more far-reaching movement in which impacts are interlaced with all aspects of society, namely, labor, production, consumption, and economic activities.

We are heading for the age in which individual businesses go beyond making a greater impact to work together toward systems change

The growth of excellent impact-oriented entrepreneurs alone cannot solve complicated issues that are intertwined. As we renewed our awareness of the true causes of those social issues, we began to see that creating processes for mutual cooperation between people in different positions and fields holds the key to the solution of the problems. SIIF will remain committed to developing networks that will allow players to talk and collaborate across diverse fields through common issues and subjects they each face.

Each trial and error process is an endless journey. That is why we need companions to walk with.

Journeys of practicing impact creation are still in trial and error processes anywhere in the world. We might have had a success yesterday, but no one knows how we will do tomorrow. While pursuing our alternative business, we have gradually seen that successful outcomes we enjoyed before can put us in shackles, and that we need an approach that is different than any of those we have taken before. This is why we believe that we should continue our quest for what we can do in the future, while constantly looking back on how we have been doing amid this ever-changing world. For this purpose, having a community of like-minded companions is essential. SIIF will continue to work constantly with diverse players as we explore what we ought to be like.

Social Impact Bonds (SIBs)

Connecting Return and Government Systems to an Impact

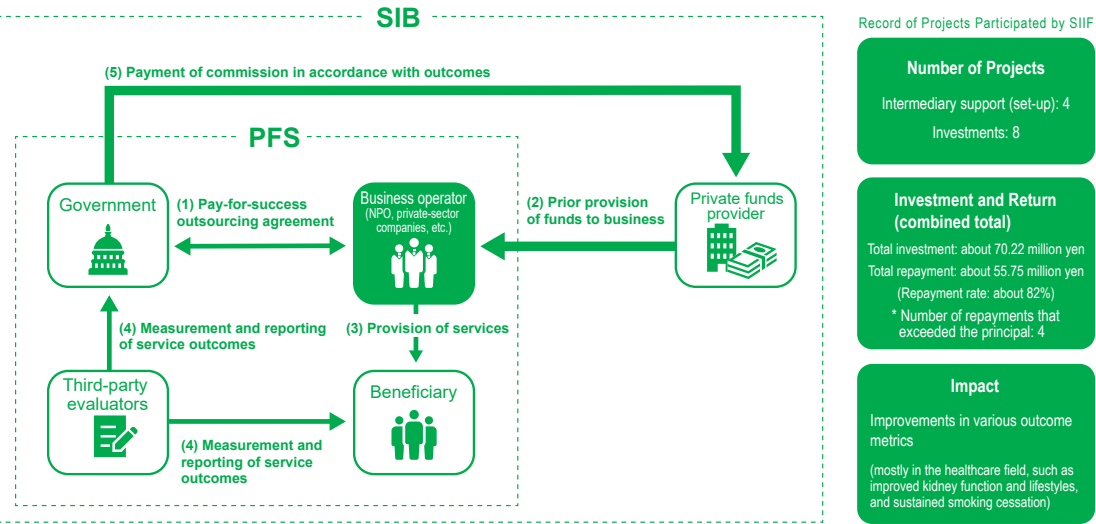
Objectives

SIIF initially hoped that promoting SIBs would lead to the following changes:

- Development of mechanisms in which the ingenuity and capital that the private sector boasts would be used for government services
- Visualization of successful outcomes of public works projects in order to make the public sector outcome-oriented

Mechanisms

SIBs are among the types of outsourcing to the private sector from the public sector, which are collectively called Pay-for-Success Contracts (PFS). An SIB is a contract whereby it evaluates outcomes and pays according to the impact made, and it is a project finance based on impact investing. These are the two defining features of SIBs.



Municipality and Project Theme	Role of SIIF	Impact: Outcome Metric and Achievement Rate
Kobe City: Prevention of severe diabetic nephropathy (Total project cost: 34.06 million yen)	Providing intermediary support and funds	1. Percentage of patients who completed health guidance programs (target: 80%; actual: 100%) 2. Percentage of patients whose lifestyles improved (target: 75%; actual: 95%) 3. Percentage of patients whose decline in kidney function was inhibited (target: 80%; actual: 33%)
Hachioji City: Increase in the rate of residents receiving cancer screening (Total project cost: 9.76 million yen)	Providing funds	1. Percentage of residents receiving bowel cancer screening (target: 19%; actual: 27%) 2. Percentage of residents receiving complete checkup (target: 87%; actual: 82%) 3. Additional number of cases of early-stage cancer found (target: 11; actual: 0)
Oita Prefecture: Reduction in polypharmacy and duplicate doses (Total project cost: 8.79 million yen)	Providing funds	1. Number of medications patients no longer use (target: 65; actual: 98)
Tama City: Prevention of severe diabetic nephropathy (Total project cost: 12.55 million yen)	Providing funds	1. Percentage of patients who completed programs (target: more than 90%; actual: 98%) 2. Percentage of patients whose lifestyle diseases were relieved (target: 80%; actual: 82%)
Osaka Prefecture: Promotion of foster care (Total project cost: 9 million yen)	Providing funds	1. Number of residents who signed up for training (practical training at children's homes) (target: 4 more; actual: 7 more) 2. Number of residents registered to be foster parents (target: 2 more; actual: 2 more)
Hiroshima Prefecture and other municipalities: Increase in the rate of residents receiving cancer screening (Total project cost: 22.29 million yen)	Providing funds	1. Increase in the number of residents receiving bowel cancer screening (target: 3,375 more; actual: 1,515 more) 2. Greater percentage of residents receiving complete checkup (target: 19% higher; actual: 6% higher)
Toyonaka City: Smoking cessation support (Total project cost: 61 million yen)	Providing intermediary support and funds	1. Number of participants in the smoking cessation program (target: 900; actual: 792) 2. Number of participants who remain non-smokers one year after the program (target: 450; actual: 337)
Okayama City: Health points (Total project cost: 370.38 million yen)	Providing intermediary support and funds	<The project ended only recently. The results to be published> 1. Number of participants in the program 2. Percentage of patients whose lifestyles improved 3. Number of participants who continue to participate in the program 4. Percentage of participants whose BMIs have improved or who have incorporated exercise into their daily routine
Ministry of Justice: Learning support for juvenile delinquents (Total project cost: 71.22 million yen) *An ongoing project	Providing intermediary support	<The project is in progress> 1. [Process metrics] Number of learning support plans that have been developed, percentage of juveniles who continue to receive support, number of reviews conducted of the learning support plans 2. [Outcome metrics] Percentage of progress made toward the goals set in the learning support plans, results of expert assessment, percentage of juveniles whose lives are considered to have improved, percentage of juveniles who have been punished again and recidivism rate

Overall Assessment: What SIIF Has Achieved in Its Capacity

Introduction of Mechanisms and Development of Model Projects

In 2014, the SIIF staff traveled to the United Kingdom to observe the world's first SIB-funded project. Since then, we have worked on various projects to advance SIBs as a common scheme in Japan. We assisted Kobe and Hachioji City governments with their SIB projects that were first in Japan, and provided intermediary support in setting up individual projects, invested in those projects, and worked alongside the governments as a form of support. As of the end of fiscal 2020, 68 municipalities ran 76 PFS projects, which indicates that SIBs were becoming common to a certain extent (source: The Cabinet Office).

Delivery of Practical Knowledge

SIIF has delivered the practical knowledge it acquired from its on-the-ground work to government ministries and agencies through policies and mechanisms it developed, and to industries through expertise and insight it provided. More specifically, SIIF attended the Japanese government's Growth Strategy Council as a member of its subcommittee to propose the fields that SIBs should focus on, and the establishment of an SIB department (the Office of PFS Promotion). We also participated in the process of developing the Common Guidelines on Pay-for-Success Contracts (the Cabinet Office) as an expert. Moreover, we have continued to offer a wide range of advice to relevant ministries and agencies (e.g., the Cabinet Office; the Ministry of Economy, Trade and Industry; the Ministry of Health, Labor and Welfare; the Ministry of Land, Infrastructure, Transport and Tourism; the Ministry of Justice). We co-hosted the Study Group on PFS/SIBs that brought together 200 municipalities, businesses, investors, and researchers, among others, published research reports on SIBs, and delivered lectures at United Nations meetings (the United Nations Congress on Crime Prevention and the United Nations Economic and Social Commission for Asia and the Pacific), AVPN Academy's Social Finance Center, and the GSG Summit.

Comment from a Partner

I don't think Japan saw SIB projects launched or the word "pay-for-success" become commonly known had it not been for the efforts by the SIIF staff. Of all their accomplishments, I think it is particularly notable that they presented the idea of "focusing on the successful outcomes of a project" to municipalities, businesses, NPOs, and other relevant parties in the social welfare business, thereby providing a catalyst for improvements in their projects.

Naomi ISHIDA, The Japan Research Institute, Limited; former Counsellor of the Office of PFS Promotion, the Cabinet Office

Insight

SIBs are often discussed in terms of public-private partnerships and outsourcing public services to the private sector by the government. When discussed in terms of impact investing, each SIB creates a clear link between an impact and return, ensuring its transparency as project-driven impact investing. We also believe that SIBs, which connect public services and mechanisms to an impact, have the potential for transforming conventional ways the public sector thinks and acts.

On the other hand, given that social impact bond schemes have no unique mechanisms that leverage innovation, issues facing SIBs include difficulties that arise from situations in which those schemes must be tried out through a government's conventional process that lacks flexibility, the complexities inherent in the SIB's mechanisms, and governments' austerity measures that make it difficult to expand the scale of an SIB, which often discourages the private sector.

When we look at the durations of and outcome metrics for individual projects, we see that many ran only for a single fiscal year and/or used output metrics. Furthermore, the absence of a track record or other evidence makes it difficult to set reasonable indicators and target levels. Only a few of the projects embody the essence of the significance of SIBs, and only a few of the municipalities that have introduced SIBs turn to SIBs again.

Figure: SIB-driven Multifaceted Systemic Change in Public Services

Element	Conventional Outsourcing		PFS/SIB
Definition of "success"	Oriented towards activity (input) / amount of activity		Outcome-oriented (outcome = essential needs)
Flexibility	Reliant on precedent / Rigid		Learning-oriented (impact management: PDCA)
Relationship	Unilinear/Non-reciprocal relationship Government and Contractor		Multilinear/Reciprocal relationship Government, Business, and Investors
Evidence	Evidence unclear		Evidence established
Time span	Essentially one fiscal year		Medium- to long-term time span

Presenting a Pioneering Model of VC-driven Impact Funds

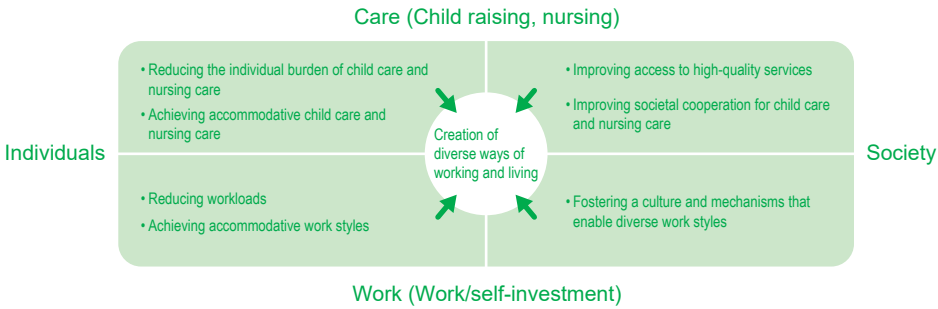
Summary

Hataraku FUND was established in June 2019. As Japan’s first full-blown venture capital (VC)-driven impact investment fund, it receives limited partner (LP) investments from a wide range of institutional investors. Shinsei Impact Investment Limited and SIIF jointly manage the fund as general partners (GP), with Mizuho Bank, Ltd. as the advisor.

Objectives

Since its establishment, Hataraku FUND has worked to develop an VC-driven impact investment model designed to deliver financial return while creating an impact. It has also aimed to offer explicit knowledge of impact measurement and management (IMM) and know-how about investment in startups founded to solve social issues in certain forms.

Theory of Change (ToC) for this fund: conceptual drawing



What SIIF Delivered in Its Capacity

Several partners and capitalists from SIIF have participated in Hataraku FUND in order to establish the fund’s investment strategies, make investment decisions, and incorporate IMM to post-investment support and monitoring. These efforts led to investments in nine impact-driven companies in total over the years between the fund’s inception and the end of March 2023. We have also developed and updated the fund’s IMM framework and introduced an external independent institution from overseas to manage the fund and examine impact performance reporting as we pursue the development of an IMM process that captures global trends.

The Fund’s Track Record and Investees

Total fund 3.65 billion yen Number of investees 9 Impact reports publication frequency Annual
<https://hatarakufund.com/report/>

Investees (Example)	Business Description	Role of the Fund
Life is Tech, Inc.	Life is Tech offers education in information system programming geared to preparing participants to create more “options for the future.” It provides a seamless learning infrastructure for all participants, who range from junior and senior high school students to working adults, thereby pursuing the development of talent for digital technologies (i.e., innovative talent) who are capable of using their programming skills as a tool for problem-solving.	The fund has continued to support Life is Tech by offering advice on how to verbalize purposes, social issues, and additionally, as well as input about the moves of international investors, in the course of the impact management that the company actively pursues. We also urge them to set and measure KPIs, which has put us in a role of a timekeeper for the company’s impact management.
UniFa, Inc.	UniFa pursues AI- and IoT-driven improvements in working environments and the quality of childcare at day care facilities. It aims to reduce nursery teachers’ workload by applying AI, IoT, and other cutting-edge technologies to labor-intensive work that burdens the teachers, including watching over children during a nap time, taking their temperature, and paperwork, thereby delivering settings that allow the teachers to be fully there for children.	In connection with support in IMM, the fund double-checked the results of impact measurement and the purpose of the use thereof. The fund and the company plan to discuss the analysis of the measurement and how to use the results going forward.
CureApp, Inc.	CureApp engages in research and development, as well as production and marketing, of apps for therapy. The company promotes apps for therapy designed for addictions, lifestyle diseases, and other conditions for which conventional treatments do not fully work, thereby solving social issues such as healthcare disparities, rising healthcare costs, gaps in access to healthcare, and inequalities in the quality of healthcare, among others.	Through discussions with the management of CureApp, the fund helps the company to be clear about their impact logic and materiality, and to publish information about the company’s initiatives for IMM and sustainability on their website. The fund’s general partner serves as an external advisor for the company’s sustainability committee.
Sukedachi, Inc.	Sukedachi develops and manages the matching service “Sukedachi” that connects workers in the construction industry and construction companies. The company offers services that constitute infrastructures for construction work, such as placing and receiving orders and receiving payments for construction on the same day. In doing so, Sukedachi aims to solve structural issues facing the construction industry, including labor shortages, the overdue introduction of information and communication technology (ICT), the practice of securing workers without benefits, and the insecure business environment surrounding construction companies.	The fund provides support in IMM through dialogue with the company’s management. The collaborative effort with the management team led to the launch of a web page about sustainability on the company’s website in July 2022. The page clearly illustrates the social issues Sukedachi focuses on, processes for solving problems, and ESG frameworks as part of the company’s efforts to deliver information.

Overall Assessment: What SIIF Has Achieved in Its Capacity

Certain progress has been made in the development of an investment process that enables both financial return and impact creation

Since the establishment of the fund in June 2019, SIIF has worked with its GP, Shinsei Impact Investment, to focus on developing an investment process that combines profitability as VC and impact creation. As a result, the fund received investments from 12 LP investors and invested in nine startups geared to solving social issues by March 2023, which enabled the fund to establish a certain investment selection process as a VC-driven impact investment fund.

Impact measurement and management (IMM) has certain positive effects on the investees’ business and the fund management

Investee companies have actively created their frameworks for sustainability management and published information through post-investment support. This means that SIIF has been able to provide collaborative support as they set pioneering examples of IMM advanced by startups. Furthermore, information about IMM published by the investees and the fund has generated a virtuous cycle that leads viewers to find new investees and to improve the profile of impact investing. On the other hand, at the moment of preparing this report, the investments are in the stage of being incorporated, and none of the investees have not moved on to an IPO. We need to explore and establish ways of support that assistance in IMM will enable investees to institute impact- and sustainability-oriented management.

Comment from a Partner

People from SIIF are committed to social innovation. For me, they are my comrades in nurturing social innovation beyond an investor-startup relationship. Their discussions overflow with their entrepreneurial spirit and their advice is highly professional, which I always find inspiring and practical. They have greatly helped Life is Tech create a deep and far-reaching impact. I hope SIIF will continue to lead social innovation in their one-of-a-kind position in the world. We will also remain committed to the field of education.

Yoshiaki ISHIKAWA, Director and CFO, Impact Officer of Life is Tech

Insight

Importance of running after two hares: conformance to the global standards and uniqueness in Japan

Since its establishment, the fund has planned its funding strategies and carried out investments, consulting international discussions and knowledge provided by the Global Impact Investment Network (GIIN) and the Impact Management Project (IMP), among others. On the other hand, Japan as a mature society is steps ahead of the world in facing some social issues. This means that Japan’s own exploratory approach is the key to analyzing the structure of issues and leverage points and to identifying impact KPIs. Nowadays there are opportunities for the fund to contribute its knowledge and insight to international efforts. This strongly indicates the fund’s potential to contribute its uniqueness to the creation of ecosystems of impact investing in and outside Japan while conforming to the global standards.

Importance of setting impact measurement/management (IMM) as added value, rather than a cost involved in investment

In the context of impact investing, implementing IMM and disclosing impact information are sometimes regarded as a cost involved in receiving investments. However, through collaboration between the fund and investee companies, we often saw management teams decide to pursue IMM and sustainability management and actively work on their efforts, focusing on long-term gain. We plan to continue our support that is also geared to a post-IPO, thereby demonstrating that the pursuit of an impact, along with support in business growth, is added value for investors.

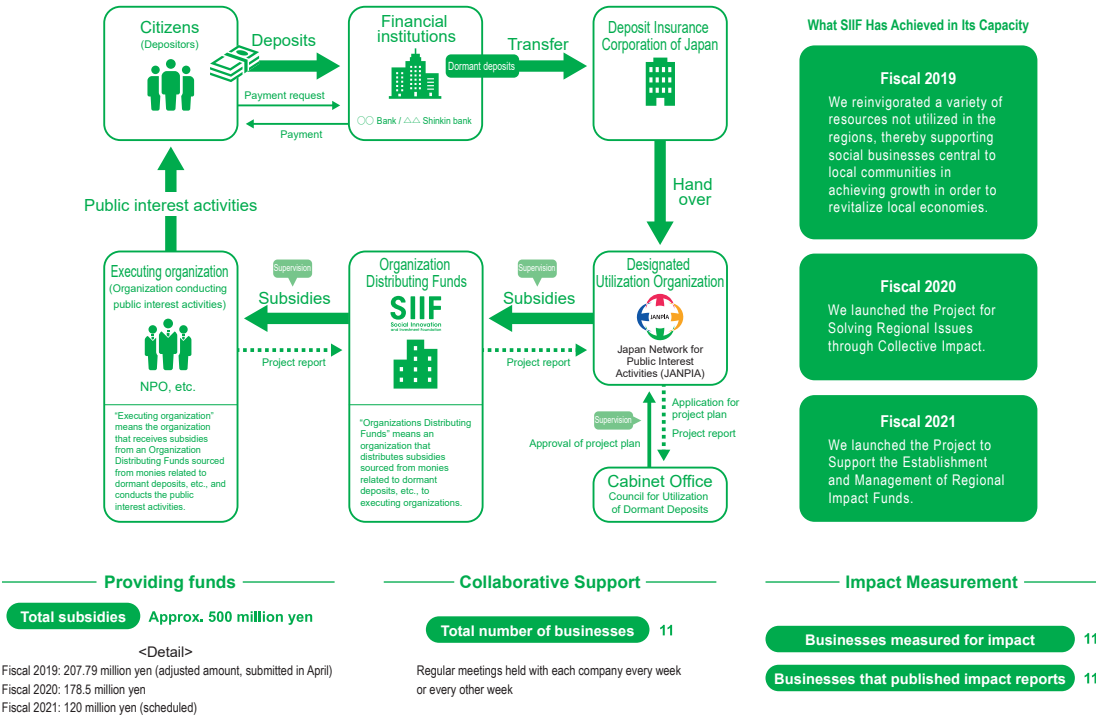
Dormant Deposit Accounts Utilization Project



SIIF as an Organization Distributing Funds for the Dormant Deposit Accounts Utilization Project to Assist Social Businesses and Organizations

In fiscal 2019, a system to utilize savings in bank accounts that have been inactive for ten or more years (dormant deposits) was launched to provide solutions to social issues and to promote public interest activities in accordance with the Act on Utilization of Funds Related to Dormant Deposits to Promote Public Interest Activities by the Private Sector (Dorman Accounts Utilization Bill).

SIIF was selected as an Organization Distributing Funds for the project in fiscal 2019, fiscal 2020, and fiscal 2021. Each year, a project for support is planned and implemented around one theme. The project for fiscal 2019 was the Project to Support the Growth of Social Businesses for Revitalizing Regions: Developing an Ecosystem for Sustainable Impact Creation; for fiscal 2020 the Project to Solve Regional Issues through Collective Impact; and for fiscal 2021 the Project to Support the Establishment and Management of Regional Impact Funds. To solve the issue of shrinking local communities due to the declining population and the declining in birthrates and aging population, SIIF works to recycle various resources not utilized in the regions, thereby revitalizing local communities in collaboration with the organizations it supports.



Business Selected for Fiscal 2019	Business Description	Output/Outcome at Present
Share Village	Develop and offer platforms for co-creation and co-management of village-like communities	<ul style="list-style-type: none">- A business invested by local residents revived Yunokoshi Onsen (hot spring), which had been in business for 300 years and closed two years ago (March 2022)- Hot springs were made available for free to people affected by destructive rain and to disaster relief volunteers. The local residents sent an official letter of gratitude (October 2022)- Preparation for construction began in Moriama Village Residents, the local community, and children had workshops on the use of locally produced materials (January - February 2023)- 30 communities have participated in Share Village
sonraku Inc.	Construct and operate small wood biomass cogeneration facilities that use forestry resources within the area	<ul style="list-style-type: none">- A combined heat and power (CHP) system brought into operation- Generated power offered at a fixed price through a feed-in tariff (FIT)- Visualized social impacts- Talent hired for operation of CHP systems and creation of sales channels for exhaust heat
Ame Kaze Taiyo, Inc. (* former Pocket Marche, Inc.)	Operate the "POCKET MARCHE," a C-to-C platform for directly connecting primary producers to consumers	<ul style="list-style-type: none">- 296 products for "Deai-zukuri" (opportunity to meet)- 6.34 million messages exchanged regarding purchase- Three services launched in collaboration with businesses and municipalities- Well-being surveys (launched in June 2021)
Misogigawa Co., Ltd.	Jointly manage Local Business Lab - TANOMOSHI with a local financial institution to nurture local enterprises	<ul style="list-style-type: none">- Launch of new and potentially profitable services and an organization distributing funds- Mutual support between 20 businesses and creation of communities- Joint launch of the Ishikawa Regional Finance Study Group with shinkin banks in the prefecture (April 2022)- Two businesses introduced through a regional alliance partnership agreement with Kono Shinkin Bank
Ridilover Inc.	Plan and implement programs for solving inequalities in children's experience set in the region of Echigo-Tsumari in Niigata Prefecture	<ul style="list-style-type: none">- Donation: 2.14 million yen (lifetime amount; about 4.1 million yen)- Income of a local NGO involved in the program: 4.35 million yen- Number of donors: 190- Number of participants in the program: 100
Rennovater Co., Ltd.	Offer "peaceful homes" to people who have difficulty finding a place to live, including senior citizens without family and single-mother households	<ul style="list-style-type: none">- Houses provided: 40 households (first year) -> 128 (third year)- The average point for "I hope to continue living here" on a 5-point scale in the resident survey: 3.32 (first year) -> 3.80 (third year)- The average point for "Living here enables me to stay positive" on a 5-point scale in the resident survey: 3.40 (first year) -> 3.72 (third year)- Houses provided in a specific area (a model area): 20 (first year) -> 94 (third year)

Business Selected for Fiscal 2020	Business Description	KPI Used
Local Life Design	Manage various projects designed to help revitalize Onagawa, Miyagi Prefecture	* It was decided that the business would be unable to ensure the delivery of intended outcomes. After discussions with Local Life Design, the business was discontinued by mutual agreement in March 2023.
Higashi no Shoku no Kai	Manage projects aiming to help recover the food business and support enterprises in eastern Japan	<ul style="list-style-type: none">- 75 local leaders participated in the camp- The organization published information about producers and stories: 120 times- Communities found their bases. Meetups are held every other month
Tajima wo Musunde Sodatsu Kai ("TMS net")	Create comprehensive and continuous systems to provide healthcare and welfare services in the Tajima region	- 28 facilities participated in TMS net's program about how to improve the efficiency of healthcare and nursing care by sharing images of medical care, online (remote) care and medication counseling, among others.
Akiya Akichi Katsuyo Support SAGA ("Sora Sora SAGA")	Approach problems related to unoccupied houses and vacant lots	- A "community fridge" was opened in May 2022 to offer food and daily necessities to users. About 120 households currently use this service
Business Selected for Fiscal 2021	Business Description	KPI Used
Capital Medica Ventures Co., Ltd	Create impact funds for solving issues facing Nara and its surrounding regions	<ul style="list-style-type: none">- Entrepreneurs that receive investments from the company practice IMM and the proper disclosure thereof- Nanto Capital Partners, Inc. and Nanto Bank keep learning the concept of IMM- Nanto Capital Partners has achieved the targets of KPIs for collaboration between entrepreneurs and Nanto Bank, and supports these KPIs
Umusun Lab. Inc.	Create social impact funds for establishing sustainable businesses geared to solving social issues through investment so that Okinawa Prefecture will achieve the SDGs	<ul style="list-style-type: none">- Number of investments- Percentage of support provided to investee companies- Support in adopting IMM- Conducting impact investing seminars

Overall Assessment: What SIIF Has Achieved in Its Capacity

* During fiscal 2019 (the first term) when the project period ended

The executing organizations and the business receiving its support have verified that social good and profitability can go hand in hand, raising hopes that the businesses will likely continue

The six organizations have all accomplished this goal, delivering full outcomes. In this project, the executing organizations varied in the stages as businesses, that is, they ranged from small startups that had just been launched to businesses that had already experienced financing. Only two of the six executing organizations achieved a surplus, which was one of the KPIs. That said, the hypothesis about social good was already clear when the six organizations were selected. Moreover, all six businesses evidently had the potential for acquiring funds, and some of them already did.

The executing organizations and their focus regions take a somewhat established approach and culture for social impact measurement to a certain extent

As a result of the collaborative support SIIF provided to all the executing organizations, all six businesses say they will "conduct social impact measurement." And five of them have local partners they will work with on their impact measurement going forward. The metric "the number of regional financial institutions that consider social impact measurement" was set to involve local financial institutions as the key to "a system that generates virtuous cycle of local resources," which is one of the medium- to long-term outcomes for which the project aimed. The project results showed that only two of the organizations were able to achieve the metric.

Comment from a Partner

SIIF steadily led the organizations to generate outcomes through the aid, collaborative support, and measurement conducted as part of the dormant deposit utilization project, in which different approaches were tried for solving issues unique to each region and creative examples were set by the private businesses to make a social impact in collaboration with these organizations working to create social businesses that will help revitalize local economies. SIIF gives great hope for the accomplishment of medium- to long-term outcomes.

Masaharu OKAWA, Secretary General, Japan Network for Public Interest Activities (JANPIA)

Insight

Structuring support provided to social businesses

While we worked alongside diverse executing organizations over several years, we gained certain clear pictures of the types and structures of collaborative support that work well for social businesses geared to regional revitalization. To be more specific, we have learned that there are significant needs in the areas such as the provision of know-how about social impact measurement, project and subsidy management, development of business strategies, development of an organizational system, enhancement of public relations and marketing, and provision of human resources and networks. Effects on impact creation are also great in these areas.

Difference in approaches for support according to the business stage

The support and approach that are needed for each social business depends on which business stage (growth stage) the organization is in. More specifically, we have found that different forms of support are needed for a startup that has just been founded and does not yet have a concrete shape of its business, and for a business in an early stage that already has a record showing initial signs of social and economic customer demand and of potential for business growth. For a recently-founded business, the focus should be on quickly examining hypotheses about how to create the desired social impact and how to ensure profitability to help them find opportunities that lead to revenue, without sticking to the initial plan. For example, in the case of Share Village, we supported the business in finding new opportunities that would generate revenue, before it began to earn revenue from its platform business. On the other hand, in the case of a business that already has an initial record and customer demand, support should focus on how to expand qualitative and quantitative growth of the business, and the priority areas may be public relations, financing, and the growth of the organization, among others. With all this learning, we need to offer more options for effective support and tools.

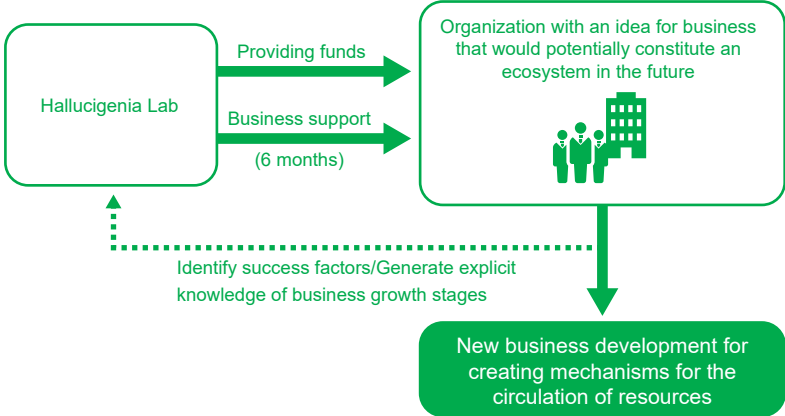
Alternatives



Research and Development Projects to Create a New Circulation of Resources in Society

From fiscal 2020 through fiscal 2021, SIIF held the Hallucigenia Lab, a program for research and development of new mechanisms for the circulation of resources. The aim of these mechanisms is to connect financial capital generated by impact investing to people and goods essential for local communities.

During the first year, the program provided funds and six-month support in business development to organizations with ideas for businesses that would potentially run the circulation of resources and constitute an ecosystem in the future. During the second year of fiscal 2021, it focused on building a community between the organizations that participated therein. The organizations that received the support worked on new business development for creating new mechanisms for the circulation of resources, while SIIF identified the success factors in their processes and generated explicit knowledge of business growth stages, aiming to induce the creation of new mechanisms for the circulation of resources.



Providing funds

- 1 Provision of a grant for prototype development when the program was launched (5 million yen x four organizations)
- 2 Investments considered for business expansion when the program ended

Business support

- 1 Provision of know-how to grow as a business engaging in ecosystem creation and a training program
- 2 Business monitoring and impact management by the SIIF staff
- 3 Community events to share diverse knowledge and insight

As an accelerator, we invested in Kokohore Japan KK. after the program ended.

Key Investee (Example)	Business Description	Post-program Output and Outcome
Next Commons Lab (Tono, Iwate Prefecture)	Develop union organizations using crypto assets to create new community-based economic zones	The project that the program supported ended, and the Sustainable Innovation Lab (SIL) was founded as a consortium-type body for municipalities, businesses, and individuals
Unnan Community Highschool Consortium (Unnan, Shimane Prefecture)	Build cross-generational relationships between local junior high and high school students and adults through an "otetsudai (helping hand)" app.	The project that the program was to support was canceled and discontinued due to the COVID-19 pandemic
makigumi, Inc. (Ishinomaki, Miyagi Prefecture)	Collect donated materials to create gift economy platforms designed to support people who have difficulty finding a place to live in having an independent life	With investments from external companies, makigumi has been incorporated. It has launched the service "Roopt," a decentralized autonomous organization (DAO) as a shared house, and continues to develop CreativeHub, a subscription-type gift economy platform
Kokohore Japan (Okayama, Okayama Prefecture)	Develop media platforms for continuation of local family businesses with no heir. It runs the business succession bank "keigyo.jp"	After the program ended, SIIF and angel investors procured funds using J-KISS, and the business development has continued to date. The business targeted municipalities and found new customers. Currently, it has contracts for paid services with more than ten municipalities

Overall Assessment: What SIIF Has Achieved in Its Capacity

During the first year, with the COVID-19 pandemic and other factors, the businesses revised their plans and rescheduled the end of their projects. However, they all discontinued the projects for this program. All programs that were offered and communication with participating organizations were held online due to the pandemic. In the following year, the program focused on community-building. It provided knowledge and insight, mostly those from the accelerator program, to not only the organizations it supported during the first year, but other various businesses.

As for the results, SIIF concluded that Kokohore Japan reached its goal. We made an investment of 20 million yen to continue our support for the business. Next Commons Lab carried out a demonstration project during the period. However, we concluded that the company did not verify the suitability of its solution to the issue, and decided to discontinue the support. We also discontinued the support for makigumi for the same reason, yet the company was later incorporated and continues to run its business. As for Unnan Community Highschool Consortium, its entire project discontinued due to the pandemic. It returned the subsidy and the support ended.

Comment from a Partner

Today, corporations that seek to solve issues outside economic rationality have only limited options for who they could turn to. As a business that runs a business succession bank, we received comments such as "You'd have my support if you were an NPO" and "We couldn't support this unprofitable business." We believe that this was a ground-breaking program that dealt squarely with how to solve social issues that lie between social good and business.

Katsutoshi ASAI, CEO of Kokohore Japan KK.

Insight

Importance of ensuring each owner's and manager's commitment in their business

When a business targets a local community, it is always required to involve multiple stakeholders. In this process, it is vital that the business clearly presents the core player in its business promotion. The player should be an individual who is fully committed to making the business a reality, and the project should be organized around this person. The core player's vision and action hold the key to the impact the business will be capable of making.

Importance of creating an environment that allows for medium- to long-term learning by trial and error

How to involve supporters and build a community is the key to continuing business development after the program ends. A program like this one requires that such joint efforts be included in the design of each project from the beginning. Moreover, it is advisable to set goals for each project according to the situation surrounding it, rather than set a specific duration of support for all projects.

Multi-purpose community creation facilitates the integration of diverse needs and regional circulation of resources

People involved in a local community's activities have various purposes and expectations, and other different visions of return. It has been established that, in such a situation, different stakeholders exchange value and resources if they are offered opportunities to interact, while they maintain their motivations through their local currency and/or creative community. We have learned that creating diversity holds the key, instead of having all the needs aligned within an economic zone.

GSG National Advisory Board



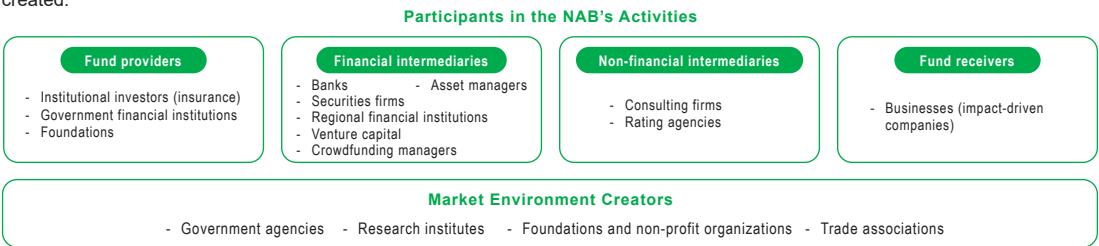
A Hub for Development of the Ecosystem for Impact Investing in Japan

Summary

The Global Steering Group for Impact Investment (GSG) is an international network that promotes impact investing in collaboration with financial institutions, government agencies, international organizations, and businesses, among others. More than 30 countries and a region (the European Union) participates in this network. The Japan National Advisory Board (GSG-NAB Japan) was established in 2014 as a member of the GSG network and a hub of impact investing promotion in Japan. It works with working-level staff and experts in finance, business, social business, academia, and other various fields mostly through research and publications, awareness-raising and networking activities, thereby contributing to the growth of the impact investing market and ecosystems.

Objectives

Through the activities it has engaged in as the NAB, SIIF has worked to achieve the following objectives in Japan: the profile and understanding of impact investing are improved in Japan; pioneering examples of impact investing are set; knowledge and insight about impact investing are explored and developed into an industry standard; and opportunities for collaboration between players are created.

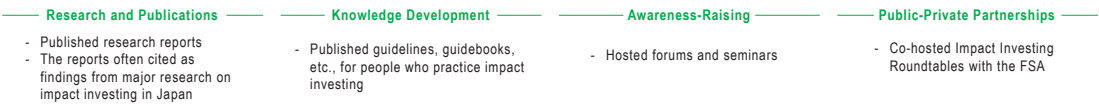


* "Participants in the NAB's Activities" include the board members and supporting members of the NAB, and participants in various study groups, working groups, and working sessions hosted or co-hosted by the NAB.

What SIIF Delivered in Its Capacity

SIIF took over the role as a NAB secretariat from the Nippon Foundation when it was established in 2017. Since then, we have led the planning and management of the NAB's activities, the development of relationships with diverse stakeholders, and the publication of information for Japanese and international audiences, while working with the co-secretariats.

Key Achievements by SIIF as a secretariat for the GSG-NAB Japan



Key Activity	Activity Description	Output and Outcome
Research and Publications	The NAB generates knowledge about impact investing through the publication of market research reports, proposals, and research reports written around key themes regarding impact investing in Japan, as well as through the translation of international literature. SIIF has planned and conducted the NAB's research and published reports thereon.	<ul style="list-style-type: none">- Published the annual reports "The Current State and Challenges of Impact Investing in Japan" since fiscal 2017- Published the "Proposal for the Expansion of Impact Investing" (fiscal 2019)- Translated three pieces of international literature- "The Current State and Challenges of Impact Investing in Japan" cited by the media, financial institutions, and government ministries and agencies as key data on impact investing in Japan, etc.
Knowledge Development	The NAB promotes mutual learning between working-level people as well as joint knowledge development through working groups organized around key themes, such as the Impact Measurement and Management (IMM) Working Group. SIIF has planned, managed, and prepared deliverables as a member of the co-secretariat for these working groups.	<ul style="list-style-type: none">- Published "Principles for Impact Measurement and Management in Impact Investing: A Guide for Fund Managers," "Guidebook for Impact Measurement and Management" for stock investment, and "Discussion Paper: Refining the Global Standard of Impact Measurement and Management -- Views from a Japanese Working Group"- Published "Capital Market in the Age of Social Impact" (fiscal 2019)- Published "The Concept Paper for IPOs of Impact-driven Companies" (fiscal 2022)- The Ministry of the Environment consulted the above Principles and Guidebook for IMM to verify that model cases for the project to create exemplary green financing were compatible with the guidelines
Awareness-Raising	The NAB hosts forums and seminars to raise the profile of impact investing in Japan and offers opportunities to exchange opinions and network with a wide range of stakeholders. SIIF plans and manages these forums and seminars.	<ul style="list-style-type: none">- Hosted three impact investment forums- Hosted five impact investing seminars- Hosted other individual seminars- Created a video that illustrates impact investing
Public-Private Partnerships	The NAB proposes the creation of opportunities for dialogue between the public and private sectors and the development of policies for domestic and international politics. SIIF has planned and managed public-private partnerships, and developed and published policies to propose.	<ul style="list-style-type: none">- Hosted side events that discussed impact investing in collaboration with the 2019 G20 subcommittee- Co-hosted Impact Investing Roundtables with the FSA (11 sessions in total between 2020 and March 2023); published "Achievements of Phase I and Challenges going forward" (2021)- Published the proposal made by the impact task force, of which the industrial sector led the establishment, in Japanese translation, with help from the British government that hosted the 2021 G7- In 2022, the FSA further developed the roundtables that it co-hosted with the NAB to set up the Working Group on Impact Investment, etc.

Overall Assessment: What SIIF Has Achieved in Its Capacity

As a core member of the co-secretariat for the NAB, SIIF worked to promote impact investing in Japan from the early days to see it move into a growth stage.

In regard to our research and publications, the NAB research report that we have published are now cited on a wide range of occasions as key data on impact investing in Japan. Consequently, we believe that our efforts have helped boost the profile of impact investing in Japan, advance efforts to practice this type of investing, and develop policies thereon. As for knowledge development, SIIF, serving as a co-secretariat for working groups and other relevant bodies, has created opportunities for a wide range of practitioners to co-develop knowledge, while also taking these opportunities as a practitioner, thereby establishing a shared awareness and standard in Japan. As for awareness-raising, we work to enhance the profile and understanding of impact investing through the forums we host and other efforts. In our activities for public-private partnerships, we successfully created opportunities for dialogues between the public and private sectors, one example being the establishment of the Working Group on Impact Investment by the FSA, which developed from the Impact Investing Roundtables co-hosted by the FSA and the NAB.

Comment from a Partner

As a hub for impact investing ecosystems, SIIF has initiated dramatic changes that were epoch-making. I believe that the SIIF staff's vision and passion, coupled with their sensibility that resonates with people from all walks of life, create this impact.

Masataka UO, Interim Chairman of the GSG National Advisory Board

Insight

The diversity of stakeholders is essential to the formation of an ecosystem

The NAB features diverse participants. The pursuit of impact creation as a common axis brought together diverse people and organizations working across the public and private sectors, profit and non-profit organizations, and different industries for open discussions to foster a shared awareness. This was vital to the formation of an ecosystem for the advancement of impact investing in Japan. We believe that the function of a hub fulfilled by a public-interest organization like SIIF serving as a secretariat worked effectively in connecting these wide-ranging stakeholders to develop shared knowledge that provides the foundation of the ecosystem.

Transition from niche to mainstream

When SIIF took over a NAB secretariat, impact investing in Japan was a niche market created by just a few organizations in the social sector. Today, all major financial institutions in Japan engage in impact investing. We believe that some of the NAB's activities successfully helped bring impact investing into the mainstream. The co-secretariat, board members, and supporting members of the NAB are individuals and organizations with a keen interest in impact investing. They engage in pioneering initiatives, enabling the NAB to play a central role in various forms. At the same time, we set up occasions for discussions on many different levels that were open to organizations planning to start impact investing, including study groups and working groups with government ministries or agencies. We believe that these efforts also helped expand the circle of impact investors.

Importance of connection with international networks

Many of our partners say that the NAB's strength comes from the GSG's international networks to advance impact investing in more than 35 countries. SIIF as a secretariat for the NAB works closely with the GSG to share what the latest international trends are with its partners in Japan as soon as possible, and what is happening in Japan with the international networks. In addition to these activities, we actively joined international lobbying at G20 to acquire a greater international presence of Japan, which we believe has led us to act as a central player in generating momentum in the country.

Other Projects

New Philanthropy Program

The program is about research and community building in an attempt to clarify ecosystems (i.e., environment, mechanisms, players) essential for the wealthy in Japan to practice the "new philanthropy," which has been growing across the globe, through the surveys of literature and interviews with partners in Japan. We offer guidance as a philanthropy advisor on an individual's or a foundation's activities that span the process from developing and pursuing strategies for philanthropy to examining the effects thereof.

Major Achievements

- 1 The program presented and promoted the new philanthropy at training and study group sessions for leading financial institutions, which led to the growth of ecosystems.
- 2 We published "Research into Ecosystems for the Growth of New Philanthropy: Leveraging the Assets of the Wealthy Class with Vision," Japan's first research report on the new philanthropy.
- 3 We formed a business tie-up with an international philanthropy institution to launch a fully-fledged philanthropy advisory business in Japan.

Startup Support Program for Single Mothers

The program was set up to support three working single mothers in starting a business. SIIF works in the three-company collaboration with Digisearch And Advertising, Inc. and Japan Single Mother Association to provide two-year support for these aspiring entrepreneurs. The investment of 10 million yen is provided as a business fund and a sum equivalent to salary based on a Tokumei Kumiai (anonymous partnership). The program also follows up the investment with hands-on skill training after they start their business. The focus of the program is the online article writing business, which allows the single mothers to work flexibly anywhere and anytime and to become financially independent.

Major Achievements

- 1 Two of the selected single mother entrepreneurs successfully monetized their services, and one of them achieved the monthly sale of more than one million yen. Now they earn steady income.
- 2 The program changed the perception that these single mother entrepreneurs had of life. We saw how their anxiety transformed into hope. Their level of satisfaction with themselves also rose and their quality of life improved.
- 3 We believe that the following worked particularly well: We selected applicants with a view to having the entrepreneurs develop relationships with one another; we provided an environment in which they could communicate with one another at any time; these entrepreneurs had someone to talk to about not only business but also other matters; and we provided support that was in line with each entrepreneur's uniqueness and growth.

Healthcare New Frontier Fund

Kanagawa Prefecture promotes efforts to extend people's health spans and the creation of industries in the fields of presymptomatic diseases and cutting-edge healthcare technology. The Healthcare New Frontier Fund provides support in introducing impact management to venture capital funds that have been founded to solve social issues through people's longer health spans and newly created health industries. The program helps each investee venture create its logic model. It also assists the investees with impact measurement in order to support them in raising their corporate value in terms of business growth, financial strength, and usefulness to society.

Major Achievements

- 1 The program introduced impact management to the investees through the creation of impact reports and helped them incorporate the creation and pursuit of an impact into their specific management metrics.
- 2 As a new approach in the fourth year of impact reporting, we created an "issues map" to clarify the structure of issues in the area of caregiving. The caregiving map is copyright-free to prioritize our contribution to problem-solving across the nursing care business.
- 3 Impact management introduced for business purposes is not yet common. At this moment, not all investees' business decision-making is centered around impact management. Integrating business activities and impact management to advance the expansion of an economic and social impact remains a challenge.

Japan Venture Philanthropy Fund

Established in 2013, the Japan Venture Philanthropy Fund (JVPF) is Japan's first full-fledged fund that provides capital and business assistance to organizations that run social businesses, thereby supporting their growth and making a greater social impact. The JVPF was first set up at the Nippon Foundation to be jointly operated by Social Investment Partners (SIP) and the Nippon Foundation. The operation transitioned to three-party management when SIIF joined in April 2022.

Major Achievements

- 1 We published annual reports intended for contributors and other stakeholders to keep presenting the achievements of social businesses supported by social impact investing, which led to the demonstration of pioneering examples of venture philanthropy in Japan.
- 2 We manage a billion-yen fund by matching a subsidy to a donation of the equal amount. The collected money is used as capital for SIP's activities or investments to support social businesses. The JVPF has provided funds to 15 businesses in total so far, and five of them "graduated," i.e., they reached the milestone, marking the completion of the three-year collaborative support.
- 3 The JVPF plans to support more businesses in creating an environment that will further enable them to maximize the impact they will make.

Social Change Makers

Social Change Makers (SCM) is an accelerator program that is jointly managed by the Nippon Foundation and ImpacTech, a company based in Singapore, Thailand, and Japan that supports social entrepreneurs. SCM provided financial and non-financial support to three of the startups that had completed the inaugural support period, creating model examples for social entrepreneurship and building up know-how for support.

Major Achievements

- 1 With the funds received from SIIF in a seed round, A10 Lab Inc. and Herabony Co., Ltd. proceeded with their business development, and during a Series A, the two companies acquired funds from venture capital firms and other diverse investors.
- 2 SCM developed a unique framework of collaborative support for social entrepreneurs. The framework aims to accomplish collaborative support by solving management issues that often face social entrepreneurs, so that the entrepreneurs are able to turn their impact-oriented management into their advantage.
- 3 A10 Lab and Herabony later revised their logic models and selected KPIs for outcomes, working toward the full introduction of impact measurement and management.

Japan Impact-driven Financing Initiative

The Japan Impact-driven Financing Initiative aims to urge financial institutions to work together to practice impact-driven investing and loaning. In 2021, 21 institutions signed and launched this industry-wide initiative to promote impact-driven finance and business management, thereby achieving the qualitative and quantitative growth of impact finance. SIIF serves as the secretariat for this initiative.

Major Achievements

- 1 By March 2023, 47 institutions signed the Initiative, the number more than doubled over one year from the launch. In January 2023, the Initiative published the Progress Report of Japan Impact-Driven Financing Initiative 2022. The Report disclosed that the total balance of impact investments from the 38 signatories (six of which are undisclosed, and one of which is not included in the publication) amounted to 3.85 trillion yen by the end of September 2022.
- 2 The Initiative set up seven subcommittees six months after its launch to plan and implement full-fledged activities, including working-level meetings that have already been held several times.

SIIF’s New Strategies

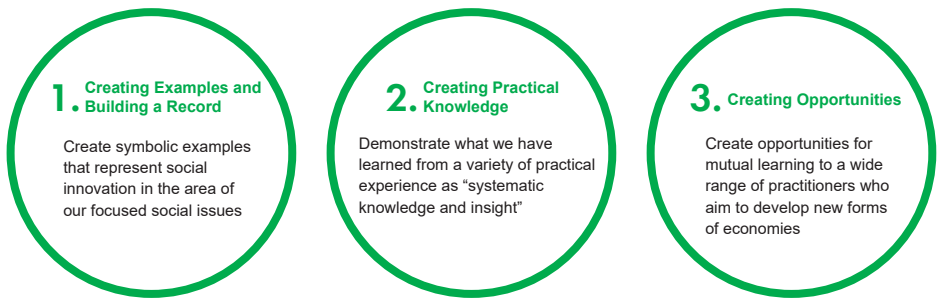
Based on what our activities suggested over the last five years, we reflected on the part SIIF should play to advance social innovation in Japan in the coming years and developed our medium-term strategies until fiscal 2025.

We first plan to expand the overall target of our strategies to include an impact economy as well as impact investing, with the aim of creating new forms of economies as the embodiment of the essence of impacts through not only finance, but labor, production, consumption, and any other economic activities. Then, to facilitate systems change to new forms of economies, systems thinking will be our core approach throughout the strategies. More specifically, we plan to create examples and build a record of symbolic achievements geared to systems change (Strategy 1), identify practical and on-the-ground knowledge from these examples and record (Strategy 2), and build communities in which a wide range of practitioners learn from one another (Strategy 3), thereby creating mechanisms for collaboration to move toward new forms of economies.

What the Five Years in Review Suggest for the Future

- 1 From impact investing to impact economy
- 2 We are heading for the age in which individual businesses go beyond making a greater impact to work together toward systems change
- 3 Each trial and error process is an endless journey. That is why we need companions to walk with.

Medium-term Strategies (Fiscal 2022 - Fiscal 2025)



Strategy 1: Creating Examples and Building a Record of Symbolic Achievements

SIIF works with diverse partners to create examples and build a record of symbolic achievements that will likely bring about systems change.

To this end, we have decided on three themes around which we plan to organize our projects for the first time since our founding: battered healthcare and nursing care systems (healthcare), widening and entrenched inequalities (inequality of opportunity), and the decline of local economies and the disappearance of communities (regional revitalization).

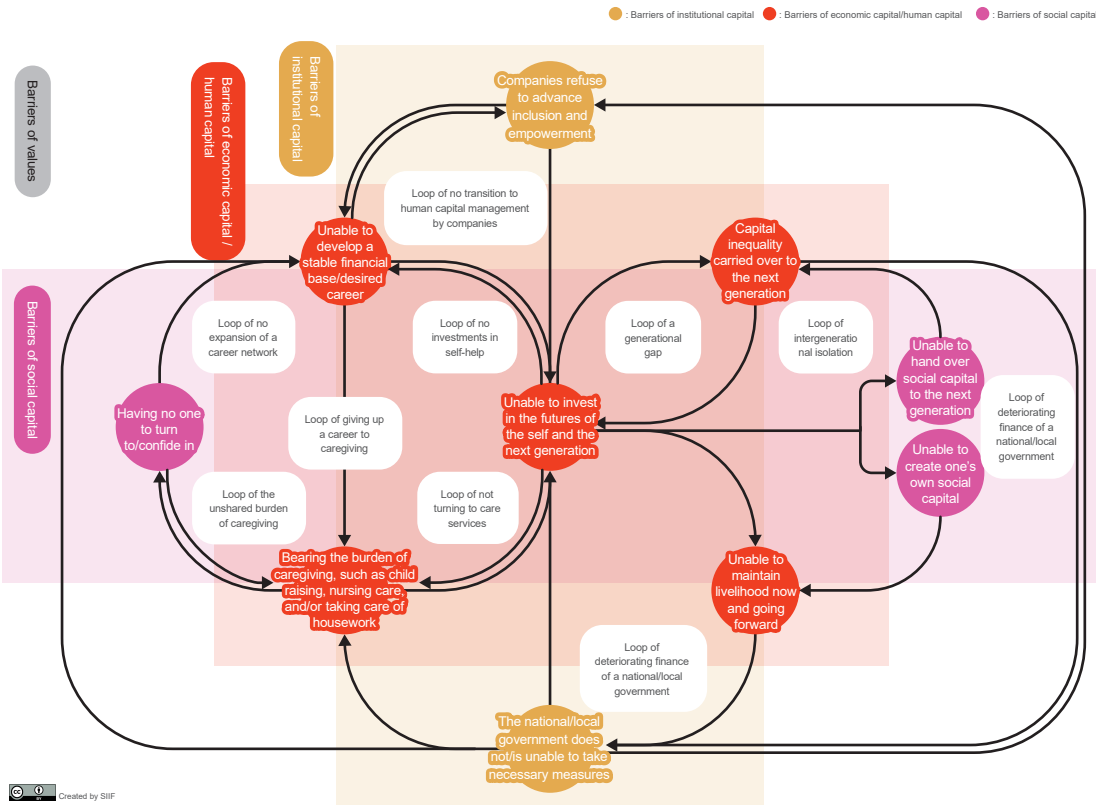
What can new forms of economies do to address these three issues? To develop SIIF’s visions, we conducted a literature survey and interviewed experts and, based on our findings, we analyzed the structure of each of the issues and created three maps. These maps are not complete. We will continue to develop them based on feedback received from people in various fields while we work on the promotion of projects. During fiscal 2023, we plan to publish a “vision paper” that includes identified leverage points for changing the structures of the issues, along with suggested actions to effect changes according to a theory of change (TOC) by intervening in those leverage points. We will move ahead with our collaboration with a wide range of stakeholders in the areas of these issues based on this vision paper.

Vision paper preparation



We mapped the structures of the issues on three themes based on systems thinking.
* The chart below is an example of mapped inequality of opportunity.
The vision paper is scheduled for publication in June 2023.

Issues Map: Inequality of Opportunity



Source: "Issues Map: Inequality of Opportunity" (Social Innovation and Investment Foundation (SIIF))
https://www.siif.or.jp/social_agenda/kikaikakusa/

Strategies 2 and 3: Creating Practical Knowledge and Opportunities

SIIF established Impact Economy Lab to work with its partners to develop practical knowledge, in addition to acting on its own, to build communities for mutual learning where collaborative work is planned and implemented. Please see the section “Creating Practical Knowledge and Opportunities” (Page 29) for what Impact Economy Lab does.

Creating examples and building a record of symbolic achievements

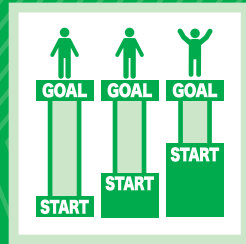
- Inequality of Opportunity
- Regional Revitalization
- Healthcare

Creating practical knowledge and building communities for mutual learning
Impact Economy Lab

Three Themes of Our Focused Social Issues

Theme 01

Inequality of Opportunity



We look squarely at the issue of unequal opportunity that arises from the burden of caregiving (e.g., child raising, nursing care), gender inequality, nationalities, and poverty passed from parents, among others. Economic activities can be the cause of and solution to this issue. We are committed to supporting innovations geared to narrowing and closing the gaps that have become evident. We also plan to explore what we can do to achieve the social inclusion and empowerment of everyone, including how to urge companies to invest in human capital as part of their business management and how to work with governments in their decision-making processes.

Yuya KATO, Team Leader for Inequality of Opportunity



What Is Inequality of Opportunity?

- We define “inequality of opportunity” as disparities in opportunity between individuals to choose the life they hope to live to the best of their ability, and the disparities come from differences in resources they already have or they have access to. These resources include economic, human, social, and institutional capital. We believe that this structural inequality is likely the major cause of the growing disparities in economic prosperity across society and of poverty and inequality passed down from generation to generation.
- In addition to the keywords like “the glass ceiling” and “employment ice age,” the term “oya gacha (children cannot choose their parents)” was generated recently, presenting the resignation that one cannot even hope to have social mobility that transcends generations and the life into which he/she was born. This has turned the spotlight on a wide range of inequality of opportunity, as shown by the facts that not only younger people, but people of other generations often give up their careers because of life events such as childbirth, child raising, and/or nursing care, and that an economic plight prevents some people from providing enriching opportunities to their children.
- On the other hand, we do not yet have a whole picture of how inequality of opportunity arises in society and where it is particularly notable. For the theme of unequal opportunity, we studied statistical data and interviewed experts to collect information about (1) what is really happening, (2) what issues and adverse effects have been caused by (1), (3) what the structures that have created those problems look like, and (4) what has created bottlenecks, among others. Then we created the Issues Map.

Issue Summaries

When we explored the structure of unequal opportunity, we viewed the macro environments (i.e., population decline coupled with the decline in birthrates and aging population, reduced domestic economy, nuclear family model that became common after World War II, and increased double-income households) as premises, rather than issues that must be solved as soon as possible.

Then we saw the issues below as factors in the growing disparities.

Disparities in economic and human capital (self-help)

A heavy burden of caregiving (e.g., child raising, nursing care); unequal opportunity to develop a career of one's choice; difficulty in investing in education and/or experience for oneself or the next generation; impossibility to secure one's livelihood at present and in the future

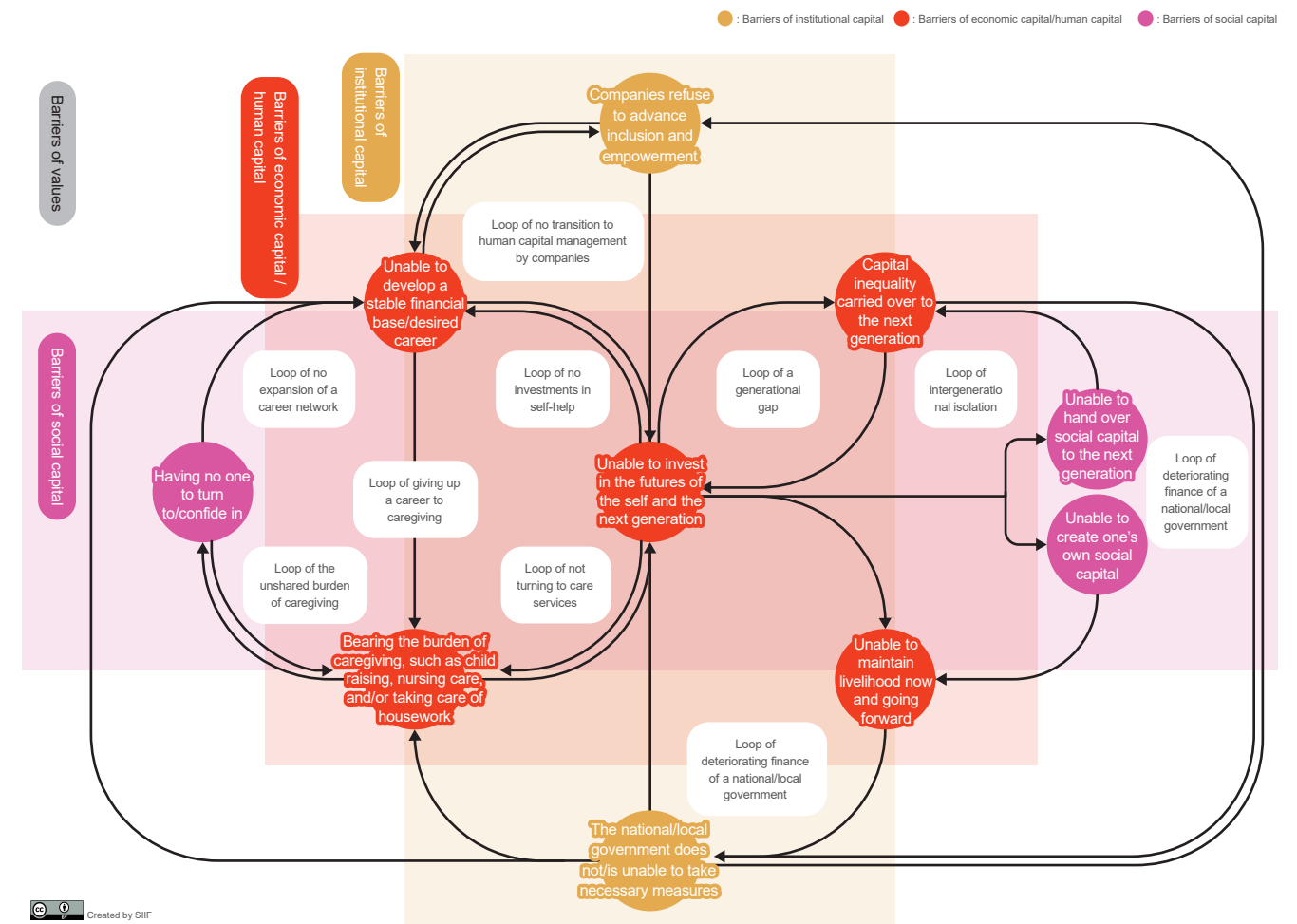
Disparities in social capital (mutual help)

Having no one to turn to/confide in; unable to develop relationships for mutual support in the second half of life; no opportunities given to the next generation to develop enriching relationships

Disparities in institutional capital (public help)

Slow or no promotion of diversity and inclusion and investments in human capital in corporate management; government policies not detailed enough to address issues for those who are involved therein

Issues Map: Inequality of Opportunity



Source: “Issues Map: Inequality of Opportunity” (Social Innovation and Investment Foundation (SIIF))
https://www.siif.or.jp/social_agenda/kikaikakusa/

Three Themes of Our Focused Social Issues

Theme 02

Regional Revitalization



People continue to move into Tokyo and other large cities as local industries decline, the quantitative and qualitative decline of employment opportunities prompts local people to move away, and people with vested interests resist change. This has had regional economies keep sinking. With the public increasingly aware of the importance of regional revitalization and recreation, and with more and more younger people taking up the challenge of earning their livelihood in rural areas, we plan to explore what approaches we can take to address structural issues, going beyond a framework of support for individual initiatives.

Nanako KUDO, Team Leader for Regional Revitalization



What Is a “Region”?

When we use the term “region” in the context of regional revitalization, we mean a municipality with a population of 500,000 or less (outside a metropolitan area) that falls into any of the groups shown below. When regions are grouped by population size like this, the severity of each issue also significantly varies according to the size. The Issues Map illustrates the issues in one chart.

- **Small satoyama community-based region (population of up to 10,000)** [e.g., Nishiawakura Village (1,500), Ama Town (2,300)]
- **Small regional city (10,000 - 200,000)** [e.g., Eihei Town (19,000), Nanao City (54,000), Toyooka City (79,000), Yamaguchi City (190,000)]
- **Regional central city (200,000 - 500,000)** [e.g., Gifu City (410,000), Toyama City (420,000), Takamatsu City (420,000)]
- **Regional metropolis (500,000 - 1 million)** [e.g., Shizuoka City (700,000), Niigata City (810,000)]

Issue Summaries

When we explored the issues involved in regional revitalization, we viewed common regional phenomena (i.e., population decline that has caused a decrease in the workforce population, greater demand for nursing care due to an aging population, and continuation of services at the same levels using aged infrastructure) as premises, rather than issues that should be solved.

Then we saw the issues below as challenges facing regions.

About Work

Stagnant fund flows due to declining local industries and shrinking regional economies; unattractive employment opportunities due to the absence of high value-added industries and low productivity; no startups, no new businesses

About Life

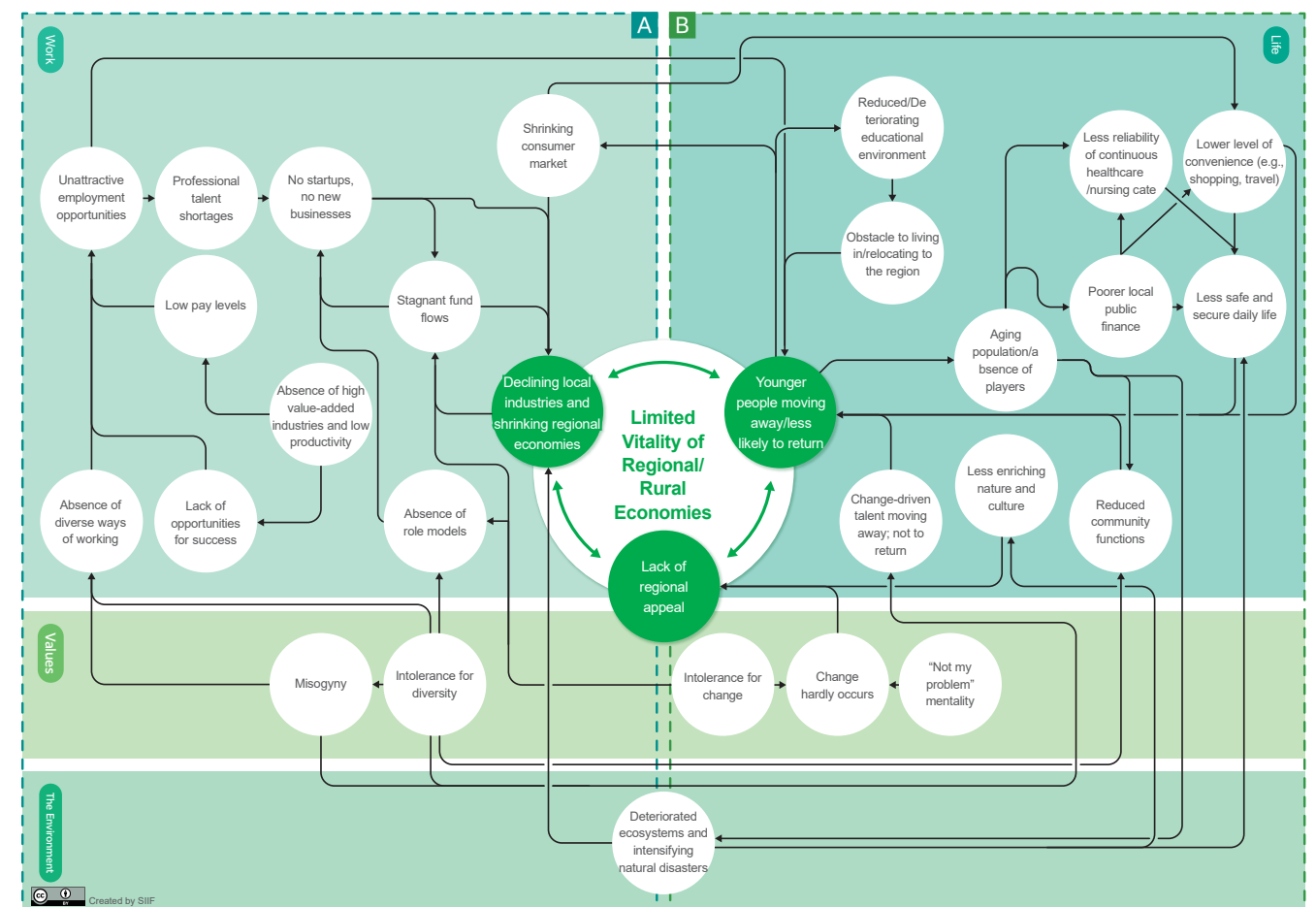
Deteriorating educational and healthcare environments; lower levels of convenience, safety and security in day-to-day life; intolerance for diversity (*)

(*) Elements that have major effects on work and daily life

About the Environment

Deteriorated ecosystems; intensifying natural disasters

Issues Map: Regional Revitalization



Source: "Issues Map: Regional Revitalization" (Social Innovation and Investment Foundation (SIIF))
https://www.siif.or.jp/social_agenda/chiikikasseika/

Three Themes of Our Focused Social Issues

Theme 03 Healthcare



The COVID-19 pandemic exposed a wide range of problems that were underlying the Japanese society at once, not only the decline in birthrates and aging population, including health disparities between social classes and between regions. To address healthcare issues, we plan to explore what we can do not only to change the structures of the healthcare and nursing care systems and industries, but to facilitate the simultaneous transformation of individuals' awareness and how people help each other, so that no one will be left behind in efforts toward physical, emotional, and social health.



Noriko SAWAI, Team Leader for Healthcare

Three Components of Healthcare

We divided healthcare into three components, namely health systems, health literacy, and social capital, and then mapped the issues connected to these components around (1) patients with physical and emotional health issues and (2) senior citizens with physical and emotional health issues. The definitions of these components are as stated below.

Health systems

Any organizations, institutions, and people's multiple activities intended primarily to prevent diseases, provide treatment, achieve recovery from illness, and improve and maintain health

Health literacy

Knowledge, motivation, and ability needed to find, understand, evaluate, and use health information in order to make day-to-day, as well as critical, decisions related to healthcare, disease prevention, and health promotion, thereby maintaining and enhancing the quality of life (QOL).

Social capital

Features of an organization in society, such as trust, discipline, and network, which prompt people to take cooperative actions for greater efficiency of society

Issue Summaries

When we explored the healthcare issues, we viewed those that are specific to individual illnesses as premises, rather than issues that should be solved.

Then we saw the issues below as key healthcare-related challenges.

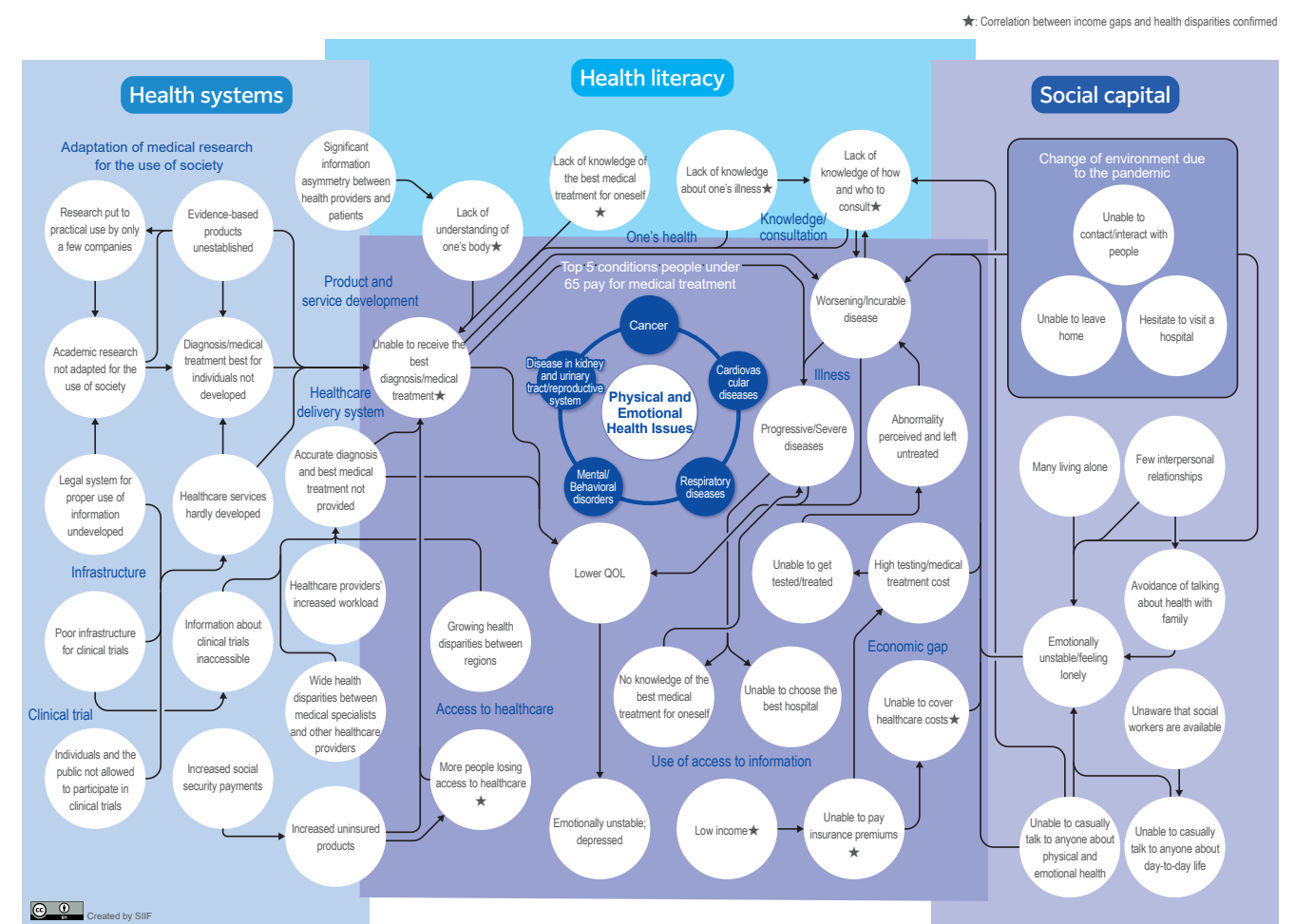
About Patients with Physical and Emotional Health Issues

Products and services best fitted for individuals are often not developed because medical research is slow in being adapted for the use of society and no system has been established to allow individuals and the public to participate in clinical trials (health system-related issues); individuals are unable to choose the right treatment and hospital for them because they do not understand their physical conditions and illnesses and are unable to use proper information (health literacy-related issue); patients have no one to talk to about their health and are unable to participate in social engagement due to the COVID-19 pandemic, aggravating their illnesses (social capital-related issue)

About Senior Citizens with Physical and Emotional Health Issues

Non-insurance services are hardly created because of the industry structure that is built on long-term care insurance (health system-related issue); the increasingly complicated long-term care insurance system and process make it difficult for individuals to make decisions on their own (health literacy-related issue); declining local communities and the COVID-19 pandemic decreased opportunities for social engagement (social capital-related issues)

Healthcare Issues Map: Patients




Source: "Issues Map: Healthcare" (Social Innovation and Investment Foundation (SIIF))
https://www.siif.or.jp/social_agenda/healthcare/

Creating Practical Knowledge and Opportunities:

Establishment of Impact Economy Lab

SIIF works with a wide range of stakeholders to create practical knowledge, opportunities, and movements.

“The Knowledge Creation Team acts as a catalyst for systems change to make an impact economy a reality”



Fumi SUGENO,
Chief of Impact Economy Lab

In collaboration with diverse partners, Impact Economy Lab ceaselessly explores what an impact economy should look like as new forms of economies in the future.

What Is Impact Economy?

In impact economy, decision-making in the government, businesses, investments, and consumption revolves around social and environmental impact measurement (and management) integrated into all economic activities.

Source: “Impact: Reshaping Capitalism to Drive Real Change,” Sir Ronald Cohen

Exploring the Impact Economy SIIF Pursues

We believe that “holistic approach,” “systems thinking” and “re-generation” are the key to developing the impact economy SIIF pursues. With the understanding of how the economic system as a whole works, we need to explore what factors were interwoven to cause diverse social issues. It is also vital to consider how the society and the environment that have been damaged under the current economic system should be revived, in addition to simply pursuing sustainability as an extension of the present system.



Four Functions of Impact Economy Lab

Impact Economy Lab has the four functions shown below to make an impact economy a reality.

Function 1 International hub

To become an international leader in the development of advanced knowledge and cocreation of rules

Function 2
Practical knowledge creation

Identify on-the-ground practical knowledge to generate explicit knowledge to serve as a hub for knowledge creation

[Example activities]

- Participation in a pioneering project to demonstrate impact measurement and management (IMM), which involved impact reporting, third-party verification of impact reporting, and acquisition of primary information from revenue earners

Function 3
Opportunity creation

Serve as an organizer of communities for learning and cocreation

[Example activities]

- GSG National Advisory Board
- Japan Impact-driven Financing Initiative
- Impact IPO working group

Function 4
Movement creation

Serve as a thought leader who influences a variety of actors, rules, systems, and values

[Example activities]

- Impact investing market and consumer surveys
- Policy and proposal development

Publications by Impact Economy Lab



日本におけるインパクト投資の現状と課題
2021年度調査

Impact investing surveys
(surveys of financial institutions and institutional investors, consumer surveys)



2022年度版
インパクト投資に関する消費者意識調査

2022年10月27日
一般財団法人 社会実証推進財団 (SIIF)



インパクトIPO実現・普及に向けた基礎調査

SIIF

Basic Research for Practice and Promotion of Impact IPO



【連載「インパクトイノベーション」】
「インパクト」を実現するためのアイデアスケッチ

Blog by Kanaumi FURUICHI, a member of Impact Economy Lab
Column “Sketching Ideas for Impact Delivery”



Blog by Fumi SUGENO, Chief of Impact Economy Lab
Column “Exploring the Frontier of Impact Measurement and Management (IMM)”

Study of Organizations Creating an Impact

Findings from a Survey of SIIF Members

Becoming an Organization that Creates an Impact

Through their efforts to promote impact investing, the SIIF members have interacted with not only investors, but organizations and individuals that create, or aim to create, an impact in a variety of sectors. They are businesses and managers thereof, NPOs, municipalities, public agencies, educational research institutions, among others. In this light, the SIIF members have probably built up knowledge and insight about organizations that create an impact.

As an attempt, we set two questions about organizations that create an impact and conducted a survey of SIIF members using those questions. We analyzed survey results and reached the conclusions presented below.

Questions

- What characterizes an organization that creates an impact?
- How would you describe SIIF as an organization that creates an impact?

Five Characteristics of an Organization Creating an Impact

The results of the survey of SIIF members shed light on five key characteristics common to organizations that create an impact.

1 Diversity and Inclusion

- When an organization allows employees with different talents and qualities to successfully build their own careers, it comes up with and acts on innovative ideas from multiple perspectives and in a variety of ways.
- Each employee values his/her neighbors in the organization.

2 Openness and International Experience

- An organization with openness has diverse employees with international experience and does not stick to one particular idea.
- This openness is maintained both inside and outside the organization, letting people in and out for communication.

3 Entrepreneurship and Creativity

- An organization with prescience has a vision of the world 20 years from now and works toward it.
- Since impact creation requires imagination for the future, creativity matters.

4 Readiness to Learn

- An organization that is ready to learn keeps an objective eye on what has transpired as a result of its activity to plan and take the next action.
- The organization is capable of practicing management for flexible adaptation. It is also ready to review its methods and activities with flexibility in order to create an impact.

5 Commitment to Impact Creation and Awareness of Social Issues as Its Own

- An organization with this commitment and awareness has employees who are aware of problems, motivated to bring about change, and work together as an excellent team. The organization also has a management team with members who are keenly interested in making an impact.
- The organization has employees capable of logically identifying the heart of each matter to work out strategies and make decisions in order to make an impact that is essentially intangible and a thing in the future.





SIIF Members in Light of the Five Features

We analyzed the characteristics of the SIIF members in light of the features we identified based on the survey results.



	Aillis, Inc.
	Akiya Akichi Katsuyo Support SAGA ("Sora Sora SAGA")
	Adriakaim, Inc.
	ADDRESS Inc.
	Umusun Lab. Inc.
	A10 Lab Inc.
	Yell Company, Limited
	Epigno Co., Ltd.
	Emimen Co., Ltd.
	CaiTech inc.
	Kizuki Co., Ltd.
	Capital Medica Ventures Co., Ltd

	CureApp, Inc.
	Kokohore Japan KK.
	Compass Inc.
	Share Village
	JOINS
	Startup Support Program for Single Mothers
	Sukedachi, Inc.
	Sketter (+Robo)
	Standby Co., Ltd.
	Smart Hospital
	Zebras and Company
	sonraku Inc.

	Tajima wo Musunde Sodatsu Kai ("TMS net")
	Trim Inc.
	HACARUS INC.
	Higashi no Shoku no Kai
	Human Alba
	Pharma Cloud Inc.
	Plus Social Investment
	Heralbony Co., Ltd.
	Ame Kaze Taiyo, Inc.
	Misogigawa Co., Ltd.
	MITAS Medical Inc.
	UniFa, Inc.
	Ubie, Inc.
	Learning for All
	Life is Tech, Inc.
	Ridilover Inc.
	Rennovater Co., Ltd.
	Rehab for JAPAN Co., Ltd.
	Lily MedTech Inc.
	Linc, Inc.
	Rhelixa, Inc.
	ONELIFE Inc.

Organizational Summary



Organization name	Japan Social Innovation and Investment Foundation (SIIF)
Address	1-11-28 6F, Akasaka, Minato-ku Tokyo 107-0052, Japan
Date established	September 2018
History	<div>2013The Nippon Foundation started to engage in research to promote social impact investment in Japan</div> <div>2014A social investing promotion office was set up within The Nippon Foundation, and The Nippon Foundation and its partners represented Japan on the G8 Social Impact Investment Taskforce (GSG; now the Global Steering Group for Impact Investment) The Nippon Foundation hosted a secretariat managing the strategic and day-to-day activities of the GSG Japan National Advisory Board</div> <div>2015Start of SIB pilot projects in Yokosuka, Amagasaki, and Fukuoka Cities</div> <div>2016Founding of the Social Impact Measurement Initiative (SIMI; now the Social Impact Management Initiative)</div> <div>2017In order to further accelerate the social impact investment market building initiatives, founded the Japan Social Impact Investment Foundation (SIIF) Start of first, full-scale Japanese SIB projects in Kobe and Hachioji</div> <div>2018Participated in the Healthcare New Frontier Fund initiated by Kanagawa Prefecture</div> <div>2019Set up and managed jointly with Shinsei Corporate Investment and Mizuho Bank the social impact investment fund Merged with the Institute for the Advancement of Social Innovation and renamed ourselves as the Social Innovation and Investment Foundation Selected as an Organization Distributing Funds for the Project to Support Growth of Social Businesses for Revitalizing Regions under the dormant deposit account utilization system for fiscal 2019</div> <div>2020The FSA and GSG-NAB Japan (with SIIF acting as the secretariat) began to co-host Impact Investing Roundtables events every other month Selected as an Organization Distributing Funds for the Project to Solve Regional Issues through Collective Impact under the dormant deposit account utilization system for fiscal 2020</div> <div>2021Selected as an Organization Distributing Funds for the Project to Support the Establishment and Management of Regional Impact Funds under the dormant deposit account utilization system for fiscal 2021 Formed a business alliance with Acumen, a pioneering impact investment practice organization 21 financial institutions signed the Japan Impact-driven Financing Initiative as proposed by SIIF</div> <div>2022Published "Basic Research for Practice and Promotion of Impact IPO," a paper on practical implications of and the outlook for impact IPOs</div>
Chair of Executive Committee	Shuichi OHNO
Vice-chair of Executive Committee	Mitsuaki AOYAGI
Member of Executive Committee	Nanako KUDO Yoshinobu TAKAISHI
Director	Takuya OKAMOTO [President & CEO, Chitose Kensetsu, Inc.; Representative Director, LivEQuality HUB] Shunichi NAGATA [Director, Trust Museum, Mitsubishi UFJ Trust and Banking Corporation; former Chairman, Deposit Insurance Corporation of Japan]
Auditor	Yumiko IGARASHI [Attorney at Law, Igarashi Law Office] Rina SUMINO [CPA, Rina Sumino Certified Public Accountant Office; CEO, Accesso Inc.]
Councilors	Hiroko OTA [President, National Graduate Institute for Policy Studies; Vice Chairman, the Japan Productivity Center] Takeju OGATA [President, The Nippon Foundation] Masayasu KITAGAWA [Professor Emeritus, Waseda University; Advisor, Waseda University Research Institute of Manifesto] Hiroyuki SHIBATA [President & CEO, Shinkin Central Bank] Yoko TAKAHASHI [President, Japan Philanthropic Association] Hironori TARUMI [Professor Emeritus, Hokkai-Gakuen University] Tsutomu HORIUCHI [Professor, Vice President, Center for Social Investment of Tama University; Representative Director, 100-Year Corporate Strategy Research Institute; Executive Chairman, Vortex Co., Ltd.]
Board of Advisors	Ryoki SUGITA [Former Chairman, Nikkei Inc.; Advisor, Japan Center for Economic Research] Tsuyoshi TAKAGI [Adviser, Japanese Trade Union Confederation (Rengo)] Akihiko TANAKA [President of the Japan International Cooperation Agency (JICA)] Yasutake TANGO [Honorary Company Fellow, Japan Tobacco Inc.; former Vice Minister, the Ministry of Finance] Yuri NAKAE [Actress, writer] Masahiro FUTAHASHI [Chairman, Japan Center for Local Autonomy; former Deputy Chief Cabinet Secretary] Yoshinori ISOZAKI
Advisor	Mariko BANDO [Chancellor, Showa Women's University] Takeshi MIZUGUCHI [Chancellor, Takasaki City University of Economics]

* Organizational summary and officers, etc. valid as of March 31, 2023.

* The operations of the Foundation are implemented with the assistance of subsidies from the Nippon Foundation.

Financial status

Net Assets Variation Statement

I. Change in general net assets

1. Change in ordinary revenue/expenses	
(1) Ordinary revenue	
Total ordinary revenue	669,639,633
(2) Ordinary expenses	
Operating expenses	515,376,250
Total administrative expenses	103,303,575
Total ordinary expenses.....	618,679,825
Current change in ordinary revenue/expenses before adjustment by appraisal gain or loss	50,959,808
Current change in ordinary revenue	50,959,808
2. Change in extraordinary revenue/expenses	
(1) Extraordinary revenue	
Total extraordinary revenue	511,350
(2) Extraordinary expenses	
Total extraordinary expenses.....	6,811,423
Change in current extraordinary revenue	△ 6,300,073
Current change in general net assets before taxes...	44,659,735
Income taxes	70,000
Current change in general net assets.....	44,589,735
Opening balance of general net assets	55,905,938
Closing balance of general net assets.....	100,495,673

II. Change in designated net assets

Dormant deposits and other subsidies	106,164,742
Private subsidies received.....	828,949,000
Total subsidies, etc., received.....	935,113,742
Grants received	330,295,000
Appraisal gain or loss on designated assets	21,820,503
Transfer to general net assets	
Transfer to general net assets	△ 637,805,067
Current change in designated net assets	649,424,178
Opening balance of designated net assets	1,554,236,215
Closing balance of designated net assets	2,203,660,393

III. Closing balance of net assets

2,304,156,066

Balance sheet

I. Assets

1. Current assets	
Total current assets	121,863,560
2. Fixed assets	
(1) Endowments	
Total endowments.....	10,000,000
(2) Designated assets	
Business management equalization fund.....	30,000,762
Social transformation promotion business fund.....	935,354,115
Social transformation project assets.....	69,513,520
Dormant deposit project assets	249,836,713
Japan Venture Philanthropy Fund	200,100,000
Funds, etc. surplus	123,368,000
Marketable securities.....	568,274,917
Assets for provision for retirement benefits	16,497,000
Fixtures and fittings	944,433
Equipment attached to buildings	7,599,572
Rental deposit.....	27,156,480
Total designated assets	2,228,645,512
Total fixed assets	2,228,645,512
Total assets.....	2,360,509,072

II. Liabilities

Total current liabilities	39,856,006
Total non-current liabilities	16,497,000
Total liabilities	56,353,006

III. Net assets

1. Designated net assets	
Dormant deposits and other subsidies	216,358,594
Private subsidies	1,636,718,462
Contributions	0
Grants.....	330,295,000
Appraisal gain or loss on marketable securities	20,288,337
Total designated net assets	2,203,660,393
2. General net assets	100,495,673
Total net assets.....	2,304,156,066
Total liabilities and net assets	2,360,509,072

As of March 31, 2023 (Units: yen)

April 1, 2022 to March 31, 2023 (Units: yen)

Japan Social Innovation and Investment Foundation (SIIF)

1-11-28 6F, Akasaka, Minato-ku Tokyo 107-0052, Japan

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<https://www.siif.or.jp>