Japan Impact-driven Financing Initiative

(IDFI)

The 5th General Meeting of Representatives and 19th Working Level Meeting Was Held

The 5th General Meeting of Representatives and 19th Working Level Meeting of the Impact Driven Financing Initiative was held in a hybrid format (in-person and online) on Thursday, April 23, 2026, from 9:30 AM to 11:30 AM. On the day, 39 participants attended in person from signatory institutions and domestic supporting organizations, while 47 participated online.

The meeting conducted reports and discussions under the following agenda:

1. Confirmation of quorum, election of chairperson (resolution)
2. Greetings from New Member Organizations

Agenda items

[Resolutions]

(Resolution No. 1) FY2025 Annual Activity Report, pursuant to Article 15, Paragraph 9

(Resolution No. 2) FY2025 Financial Report, pursuant to Article 15, Paragraph 8

(Resolution No. 3) Appointment of Steering Committee members, pursuant to Article 15, Paragraph 4

(Resolution No. 4) Appointment of Auditors, pursuant to Article 15, Paragraph 5

(Item 1 for Deliberation) Future Operating Policy for WL Meetings

(Resolution No. 5) Amendment of the Operating Regulations, pursuant to Article 15, Paragraph 1

(Resolution No. 6) FY2026 Annual Business Plan, pursuant to Article 15, Paragraph 7

(Resolution No. 7) FY2026 Budget, pursuant to Article 15, Paragraph 8

[Reporting Items]

(Reporting Item No. 1) Reports from Each Working Group

(Reporting Item No. 2) Secretariat Report





Quorum and Chairperson Election

For the resolutions, the number of attending and signing financial institutions was 51 (25 in-person, 26 online), and the number of institutions submitting proxies was 9. This exceeds the majority of the total 67 signing financial institutions, confirming that the quorum was met.

The Chairpersons were elected by mutual vote in accordance with Article 16 of the Operating Regulations: Mr. Kondo of Sumitomo Mitsui Trust Bank, Limited and Mr. Ishida of Environmental Energy Investment.

Introduction of New Signatory Institutions

It was announced that UNLEASH Capital Partners Inc., GLIN Impact Consulting Inc., and Sinc Inc. became signatory institutions effective April 1. GLIN Impact Consulting Inc. delivered a greeting,

explaining that its consulting division had become independent from GLIN Impact Capital, which has participated as a signatory financial institution since the beginning,and has now joined as a signatory supporting institution in its own right.

As of April 1, 2026, the total number of signatory institutions is 77 (67 signatory financial institutions and 10 signatory supporting institutions).

[NEW SIGNATORY ORGANIZATIONS]

(Effective April 1) UNLEASH Capital Partners Inc. — Signatory Financial Institution
(Effective April 1) GLIN Impact Consulting Inc. — Signatory Supporting Institution
(Effective April 1) Sinc Inc. — Signatory Supporting Institution

RESOLUTIONS

The Secretariat explained Resolutions No. 1 through No. 7 and Item 1 for Deliberation as follows. There were no objections or abstentions on any of the items, and all were unanimously approved.

[Resolution No. 1: FY2025 Annual Activity Report]

Pursuant to Article 15, Paragraph 9, the Secretariat presented the FY2025 activity report. (See Material 2)

[Resolution No. 2: FY2025 Financial Report]

Pursuant to Article 15, Paragraph 8, the Secretariat presented the FY2025 financial report. (See Material 3)

[Resolution No. 3: Appointment of Steering Committee Members]

Regarding the appointment of Steering Committee members pursuant to Article 15, Paragraph 4, the Secretariat explained that Mr. Yuichi Honda, who has newly assumed the post of Head of the Responsible Investment Promotion Department at Dai-ichi Life Insurance Company, Limited, would become a Steering Committee member in place of his predecessor, Mr. Kenjiro Okazaki, and that it proposed to newly appoint Mr. Masanao Yagasaki of MUFG Bank, Ltd. as a Steering Committee member.

[Resolution No. 4: Appointment of Auditors]

Regarding the appointment of Auditors pursuant to Article 15, Paragraph 5, the Secretariat proposed that the incumbent Auditors, Mr. Masanori Hosokawa of Meiji Yasuda Life Insurance Company and Mr. Takeshi Aoki of Capital Medica Ventures Co., Ltd., continue to serve as Auditors.

[Item 1 for Deliberation: Future Operating Policy for WL Meetings]

The Secretariat proposed that the General Meeting, whose purpose is to address annual resolution items and share information on current activities, in principle be held once a year; that an Extraordinary General Meeting be convened when ad hoc meetings are required; that prior briefing sessions be held for important agenda items; and that resolutions be made by in-person, online, or written vote as appropriate. In addition, the Secretariat outlined a plan to design forums for dialogue and discussion, held primarily in person, approximately three to four times a year as needed. (See Material 1)

[Resolution No. 5: Amendment of the Operating Regulations]

Based on the content explained under Item 1 for Deliberation, a proposed amendment to Article 14 (Types and Members) of Chapter 5, "General Meeting," of the Operating Regulations was presented. (See Material 4)

[Resolution No. 6: FY2026 Annual Business Plan]

Pursuant to Article 15, Paragraph 7, the Secretariat presented the FY2026 annual business plan. (See Material 5)

[Resolution No. 7: FY2026 Budget]

Pursuant to Article 15, Paragraph 8, the Secretariat presented the proposed FY2026 budget. (See Material 5)

REPORTING ITEM NO. 1: REPORTS FROM EACH WORKING GROUP

The chairs and vice-chairs of each Working Group reported on their activities.

[REGIONAL FINANCE WORKING GROUP]

With the aim of establishing a proactive role for financial institutions in solving regional issues and revitalizing regional economies, the Working Group has been working along three strategic themes: communication to raise the overall level of regional impact; linking investment and lending with impact as the starting point; and setting common indicators for impact finance. It has now added a fourth theme: examining a proactive role in solving regional issues, including a system change approach.

In terms of activities, a task force has been set up to enhance the common KPIs, with results to be announced shortly. Guidance on system change finance is also scheduled for release around June.

[VC (VENTURE CAPITAL) WORKING GROUP]

The Working Group has developed a Theory of Change (ToC) and is working under the mission of "creating an environment in the VC industry that makes it easier to pursue impact orientation and practice IMM." Moving on from the phase of "strengthening knowledge and building the ecosystem," which centered on sharing know-how, it will focus over the next three years on "building a track record in impact investing," shifting its emphasis toward advancing practice.

A group has been formed where practitioners can share deals and consult one another on challenges, increasing the speed of practice and strengthening collaboration. Going forward, the Working Group also plans to engage in external communication and outreach to related organizations such as the Japan Venture Capital Association (JVCA).

[AO/AM WORKING GROUP]

With the aim of promoting impact finance for listed companies, the Working Group has worked on mapping the field of listed-equity impact funds, promoting system-level investing, and compiling a list of listed-equity impact investment funds. The mapping work has been integrated into the discussions of the Working Group on Impact Investing Landscape. On promoting system-level investing, members have discussed collaboration among investors, drawing on examples such as Nippon Life's Nature Finance Approach, and are considering forming small sub-groups of interested members to put this into practice.

[ICEA (CORPORATE VALUE ENHANCEMENT ALLIANCE)]

With the aim of promoting investment in listed companies working to enhance corporate value through impact creation, discussions are being held with operating companies, as well as financial institutions, participating as discussion members. ICEA has formulated the hypothesis that impact creation contributes to corporate value through "four elements" (a resilient management foundation; innovation; stakeholder engagement; and the creation of new markets and the building of a growth-oriented business portfolio), and is analyzing disclosure examples of individual companies.

A remaining challenge is to articulate and visualize, in a way that is convincing to general investors as well, how impact connects to conventional fundamental analysis (such as ROE and PER). Discussions will continue.

[SOCIAL INDICATORS (S-INDICATOR) WORKING GROUP]

With the aim of exploring, across asset classes, what "social value" means for regions and companies and what finance can do, the Working Group has been sharing case studies. Since last year, it has been compiling a "Case Study Collection" that brings together, across asset classes, the seven cases shared in the Working Group and the related discussions. Following public consultation, the collection is scheduled for public release around the end of April. With the completion of this case study collection and its final session, the Working Group will be dissolved, with its work carried forward into further development.

[LOANS & BONDS WORKING GROUP]

The Working Group's activities have proceeded along two main workstreams. The first is discussion of practical challenges and responses through the sharing of case studies. The second is external communication, focusing in particular on the difficulty of engagement (dialogue) in debt (loans and bonds), which carries no voting rights. Gathering the voices of practitioners, it published guidance at the end of March that organizes engagement steps into five types. This fiscal year, the Working Group will focus on disseminating the guidance more widely through events and transactions.

[WORKING GROUP ON IMPACT INVESTING LANDSCAPE]

Launched last November as a new Working Group based on the mid-term plan and the new ToC, the Working Group on Impact Investing Landscape discusses the overall concept and areas of promotion of "impact-oriented finance," which extends beyond impact investing in the narrow sense. Its discussions to date led to the development of the "Entry Criteria for Impact Finance," to be explained later under the reports. Discussion of the concept of impact-oriented finance is ongoing, with the aim of presenting it at the 5th Anniversary Conference in September.

Following the above reports, a Q&A session was held.

[KEY OPINIONS AND Q&A]

- **Importance of blended finance and the need for cross-Working Group discussion**

"Blended finance," which effectively combines investment, lending, public funds and other sources, is important as the next step, and a forum is needed to discuss it across Working Groups.

Pegasus Capital, a U.S. private equity firm engaged in blended finance, is scheduled to speak at the next Regional Finance Working Group meeting, and all interested members are warmly invited to attend.

(In relation to the above comment) The GX Promotion Organization aims to realize over JPY 150 trillion in public and private GX investment over ten years and is now beginning full-scale efforts. Although debt will be the main instrument, we would like to discuss whether cross-cutting initiatives are possible. Reduction contributions, for example, could be a starting point.

- **Promoting the use of AI**

AI technology is rapidly improving in areas such as developing logic models and analyzing the relationship between impact and corporate value. Since impact investing and AI are highly compatible, it would be good for institutions to bring their actual use cases and advance cross-cutting discussions on AI utilization.

- **Approach to progress and visualizing impact**

Regarding the future format of the "Progress Report," now that IDFI is in its fifth year, it may be necessary not only to aggregate "investment amounts" as before, but also to explain persuasively to external audiences "what kind of impact is being created."

(In relation to the above comment) There is progress as the Impact Driven Financing Initiative as a whole, and progress as individual signatory institutions, and it may be helpful to distinguish between the two. Trying to capture what impact has actually been achieved leads back to the IMM discussion. It would be good to discuss this going forward, together with the format of the Progress Report.

- **The state of impact investing in Japan and future directions**

Growth of impact investing in Japan appears to have reached a "plateau." Going forward, development can be expected in two directions: a "leap in volume (scale-up)" through AO/AM, VC and similar channels, and "pursuit of the quality and depth of impact" through system change and blended finance. While there are scaled examples of blended finance overseas, none have yet emerged in Japan, and this could be a key to the next stage of growth.

(From the Secretariat) Potential new themes going forward include: (1) overseas impact investing; (2) topics related to the TISFD (Taskforce on Inequality and Social-related Financial Disclosures); and (3) mobilizing private capital to advance GX. Working Groups are not led by the Secretariat or the Steering Committee and may be freely launched by volunteers, so those interested are encouraged to contact the Secretariat.

UPCOMING IN-PERSON EVENT SCHEDULE FOR ALL SIGNATORY INSTITUTIONS (FORMERLY WL MEETINGS)

Thursday, July 23, 2026
Friday, October 23, 2026
Friday, January 22, 2027

END