

Japanese Impact Investing Ecosystem, its evolution, main players and drivers

Driving Change in Japan's Impact Investing Ecosystem

April, 2026

Japan Impact-Driven Financing Initiative

Agenda

- High-level overview of rise of Japanese Impact Investing and its Ecosystem
- Quick overview of Japanese impact investing market, its trends and characteristics
- Quick introduction of Japan Impact Driven Financing Initiative

Agenda

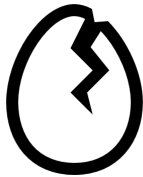
- High-level overview of rise of Japanese Impact Investing and its Ecosystem
- Quick overview of Japanese impact investing market, its trends and characteristics
- Quick introduction of Japan Impact Driven Financing Initiative

History of Impact Investing Ecosystem in Japan

Dawning

(~2015)

- Social sector/non-profit players importing concept of impact investing



Kicking off

(2015~2020)

- ESG investing surges following GPIF's signing of PRI
- Trial of Impact investing started



Rapid growth?

(2021~onwards)

- Gov't policy engagement into impact investing
- Surge of impact investing across asset classes



History of rise of Impact Investing Ecosystem in Japan

Dawning

(~2015)

- **2009 First Social Impact Investment by NPO ARUN Seed Invests in Cambodia**
- **2014 G8 Impact Investment Task Force National Advisory Board (NAB) established**
- **2015 Government policy mentions "utilization of SBI" for the first time**
- **2015 GPIF Signs Principles for Responsible Investment (PRI)**

Kicking off

(~2020)

- **2017 First SIB project in Japan**
- **2017 Social Investment Promotion Foundation (formerly SIIF) established**
- **2017 Dai-ichi Life Launches Impact Financing**
- **2019 PM Abe made a about social impact investment initiatives at the G20 summit**
- **2019 First impact fund "Hataraku Fund" established**
- **2020 FSA and GSG-NAB launch "Impact Investing Roundtable"**
- **FSA establishes "Expert Committee on Sustainable Finance"**

Rapid growth?

(onwards)

- **2021 IDFI established**
- **2021 Impact Investment Mentioned for in Government Policy Document**
- **2022 Kishida administration officially declares the promotion of impact investing**
- **2022 FSA establishes "Working Group on Impact Investment"**
- **2022 Impact Startup Association Launched**
- **2024 FSA Issues Basic Guidelines on Impact Investing**
- **Launch of "Impact Consortium"**

Key milestone and ecosystem players mapping



Agenda

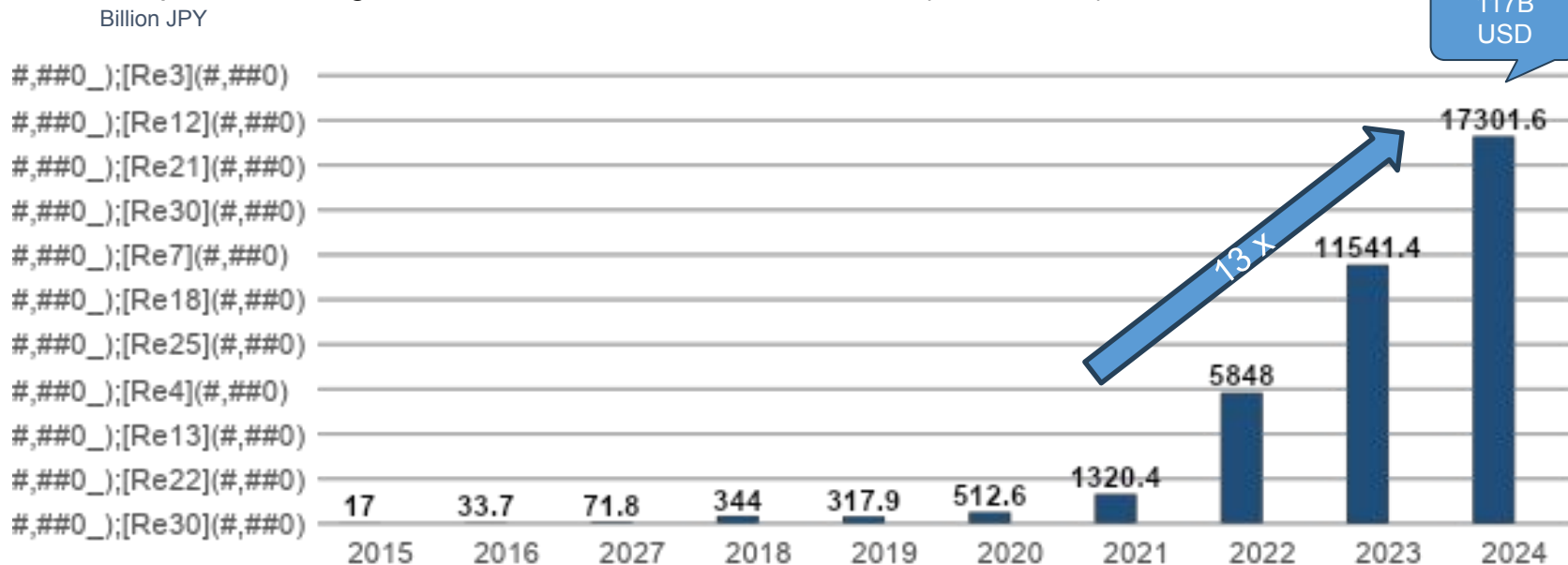
- High-level overview of rise of Japanese Impact Investing and its Ecosystem

- Quick overview of Japanese impact investing market, its trends and characteristics

- Quick introduction of Japan Impact Driven Financing Initiative

Japan's impact investing market is taking off

- According to a 2023 survey, Japan's impact investing market is estimated to be \$ 117billion USD in assets under management (AUM). This amount is ~13 times of what it was in 2021, ~1.5 times from 2022
- ~5% compared to the global market size, \$1.571 trillion USD(GIIN, 2023)

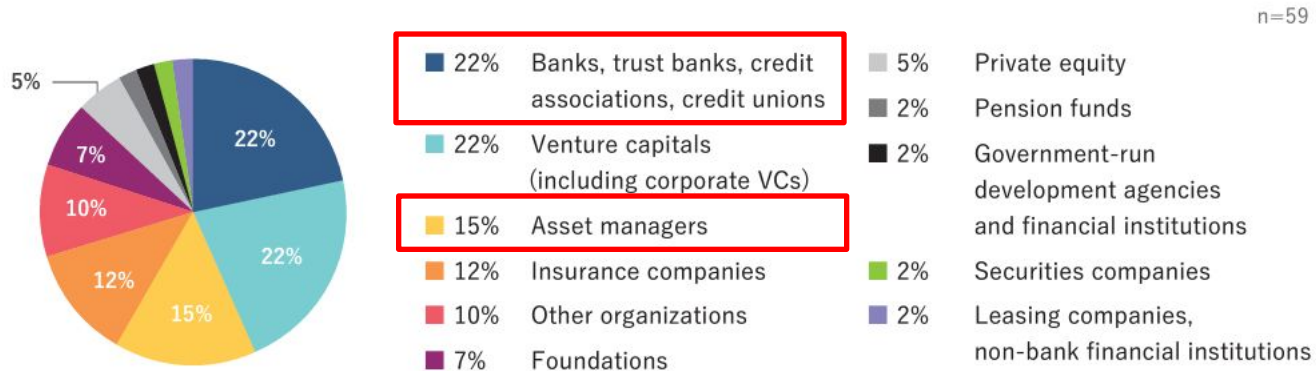


*The figures above are based on the results of the survey, so they do not necessarily represent the actual size of the impact investment market in Japan as a whole. The figures above are the year in which the report was published, and the impact investment balance is the sum of the figures at the end of the previous fiscal year for each responding organization.

WHO?: Commercial banks as major players, insurance companies as newcomers

- In Japan, most impact investing is done by commercial banks (22% in number). This is a much larger percentage than what we see globally (2%).
- Asset managers also make up a significant percentage (15%), but the number is much smaller than what we see globally (71%).

Figure 7. Impact investing organizations by industry

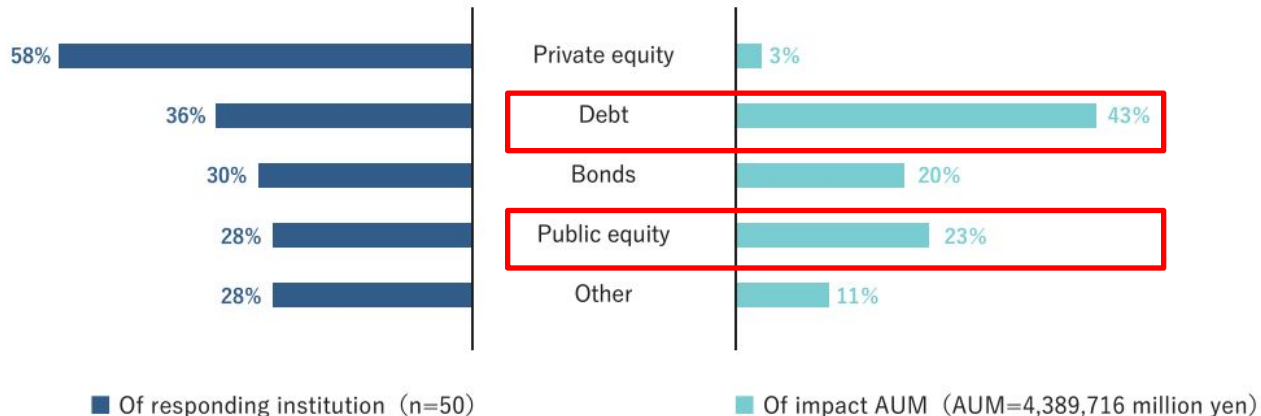


Source: Created based on the “Questionnaire Survey regarding Impact Investment (2023)” (GSG National Advisory Board) Question: “2. Please select one answer that most accurately describes your industry (SA)”

HOW? Debt and public equity as a growth driver

- Debt (43%) and public equity (23%) make up 65% of impact AUM. Debt is largely loans issued by commercial banks.
- Private equity is small (3%) compared to the global market (26%), though # of players are the largest

Figure 2. Asset classes of impact investing (reposted)



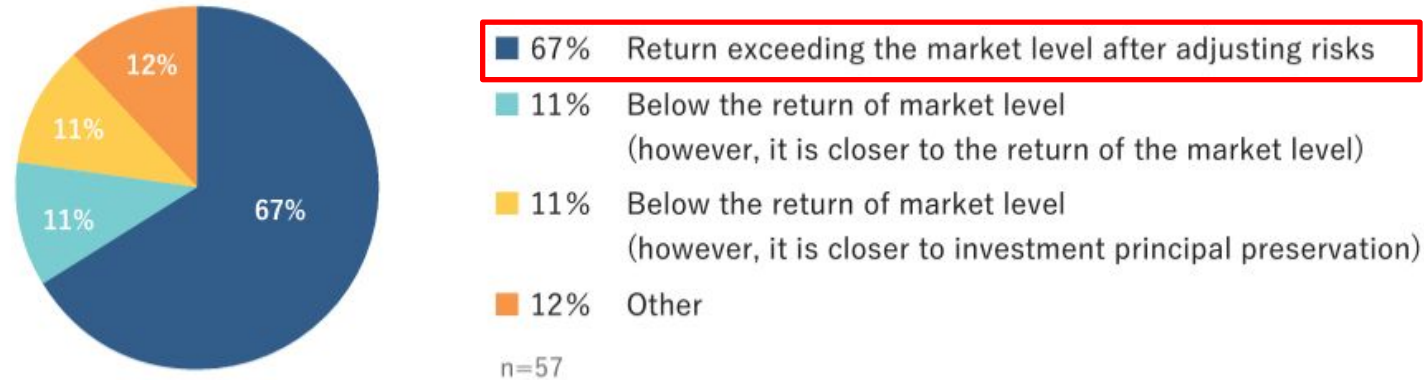
Source: Created based on the "Questionnaire Survey regarding Impact Investment (2023)" (GSG National Advisory Board)

Question: "8. Please provide the breakdown of investment methods (asset classes) if the impact (impact finance) AUM answered in Question 5-1 is 100%. Select "Other" for any method to which none of the answer options apply or that can hardly be classified. Please make sure the percentages, including that of "Other," add up to 100. //NA"

RETURN? : Majority of impact investors seek market-level returns

- 67% of respondents seek market-level financial returns.

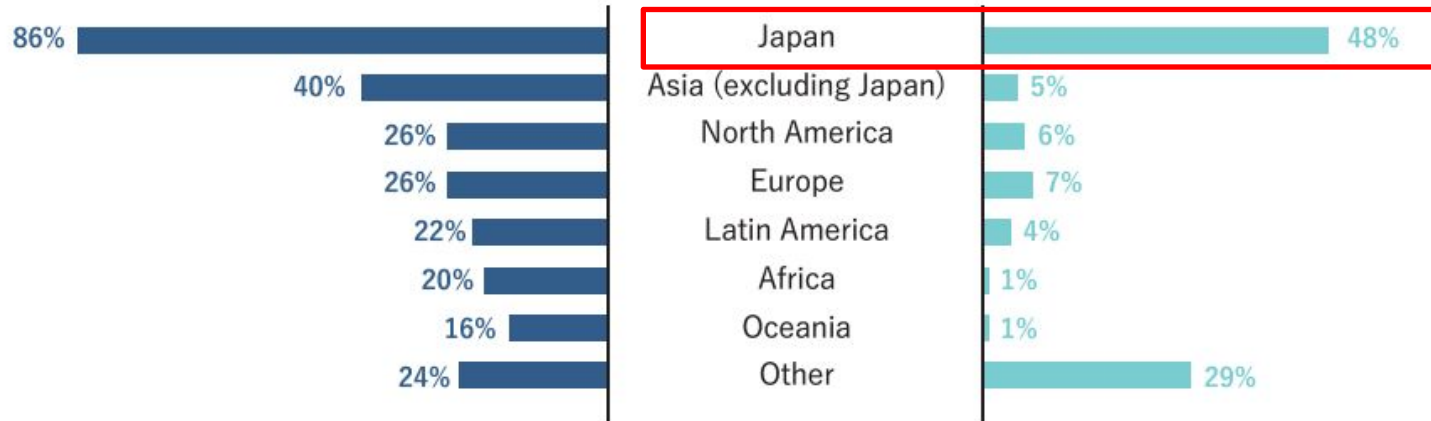
Figure 22. Expected level of financial returns



Source: Created based on the “Questionnaire Survey regarding Impact Investment (2023)” (GSG National Advisory Board)
Question: “11. What level is your goal for financial returns of impact investing (impact financing)? Please select one answer that most accurately describes your view. //SA”

WHERE?: ~50% of AUM is being invested in Japan

Figure 13. Impact investees by region



■ Of responding institutions (n = 50) ■ Of impact AUM (AUM = 6,132,096 million yen)

Source: Created based on the “Questionnaire Survey regarding Impact Investment (2023)” (GSG National Advisory Board) Question: “7-2. Please provide a further breakdown of the regions provided in Question 7-1 to the extent possible. Select “Other” for any region to which none of the answer options apply or that can hardly be classified. Please make sure the percentages, including that of “Other,” add up to 100. //NA”

Agenda

- High-level overview of rise of Japanese Impact Investing and its Ecosystem
- Quick overview of Japanese impact investing market, its trends and characteristics
- Quick introduction of Japan Impact Driven Financing Initiative

Japan Impact-driven Financing Initiative : Key Characteristics

- **What?: A non-profit platform for promoting impact investing**
- **Who?: Signatories are financial institutions and service providers**
- **Why?: To promote building up better IMM practices in individual projects, and expanding impact-driven financing to the entire operations and organization.**
- **When?: Established in 2021**

【Approaches from both top-down and bottom-up】

Management

Promote impact-driven financing management

Practice

Advance IMM practices in individual investments and loans

インパクト志向金融宣言

Japan Impact-driven Financing Initiative

宣言 署名機関 代表者コメント 運営委員・監事・事務局 アドバイザー 賛同機関等 お知らせ



Declaration

- **”Japan Impact-driven Financing Initiative” started in Nov 2021 to promote impact investment through cooperation and collaboration between various financial institutions that believe the purpose of financial institutions is to actively address social and environmental issues, holistically understanding impact.**
- **Signatories of the declaration will take following actions into practice.**

1. We understand the importance of being impact-driven in management in order for financial institutions to fulfill the role expected by society, and we will practice impact investment in each of our financial institutions.

2. We will integrate IMM as a decision driver in every investment process and financial product, since we believe that impact visualization as well as impact management, which requires efforts to continuously create impact by utilizing impact information, integrating into investment strategies and a decision driver, are necessary.

3. We will develop each action plan for the above-mentioned actions (1 and 2), appropriate to the situation of each organization, and then share and discuss the best practices and challenges experienced among the signatories, so that we can develop the signatories' community as a platform in a sustainable manner.

4. We will engage in collaborative activities at the working level of signatories, including exchange of information, and necessary research and studies, with a view to improving the quality of IMM and increasing the volume of impact investing.

5. We will work collaboratively to ensure that the impact-driven management of financial institutions and the implementation of the IMM will spread throughout the Japanese financial industry, including financial institutions not participating in this declaration.

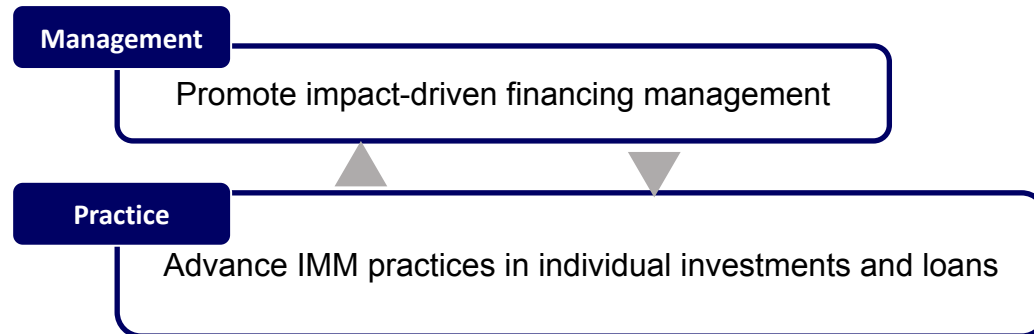
6. We will actively participate in global initiatives that promote impact investing and IMM, contribute to the promotion of international impact investing, and actively disseminate information from Japan.

7. We will continue these activities until Japan's financial sector is able to develop impact investing in a sustainable and autonomous manner.

Overview of the Impact-driven Financing Initiative : Key Characteristics

- The “Declaration on Impact-driven Financing” promotes initiatives from both the bottom-up approach of building up IMM practices in individual investments and loans, and the top-down approach of expanding impact-driven financing to the entire operations of financial institutions through the implementation of impact-driven financial management.
- By advancing this initiative across asset classes at multiple financial institutions, we aim to transform the flow of funds handled by financial institutions to be as impact driven as possible.

【Approaches from both top-down and bottom-up】



Management Structure and Activities

- **A monthly Steering Committee meeting is held between the Steering Committee members and the chair and vice-chair of the subcommittee.**
- **All signatory and endorsing organizations participate in quarterly general meetings (company-wide and working level meetings)**

- **Auditor**

(Chairman)

- Tsukasa KANAI, Senior Advisor, Sumitomo Mitsui Trust Bank

(Vice Chairman)

- Minoru MATSUBARA, Resona Asset Management, Chief Sustainability Officer, Managing Executive Officer, Responsible Investment Division

(Board Members)

- Norio ISHII, Director of Social Good Promotion Div. Next Community Co-creation Dep., THE KYOTO SHINKIN BANK
- Hisashi SAKAGUCHI, Assistant General Manager, Sustainability Promotion Division, The Higo Bank, Ltd.
- Yuichi HONDA, General Manager, Responsible Investment Dept., The Dai-ichi Life Insurance Company, Limited
- Masahiro KATO, Fellow, MUFG AM Sustainable Investment, Mitsubishi UFJ Trust and Banking Corporation
- Yuriko GIBO, Principal, Keio Innovation Initiative, Inc. (KII)
- Kotaro SUEYOSHI, Head of Sustainability Promotion Department, Mizuho Securities Co., Ltd.
- Sera TSUTSUMI, Manager, DG Incubation, Inc.
- Yuko NAGASAWA, Executive Officer, SBI SHINSEI BANK. LIMITED
- Akitaka Wilhelm FUJII, Director, UntroD Capital Japan, Inc.
- Masato NAKAMURA, CEO, GLIN Impact Capital Co.Ltd.
- Hiroyuki NOMURA, Operating Officer, Senior General Manager, Investment Planning Department, JAPAN POST INSURANCE Co., Ltd.

-
- Takeshi AOKI, President, Capital Medica Ventures
 - Masanori HOSOKAWA, General Manager, Responsible Investment Development, Investment Planning & Research Department, Meiji Yasuda Life Insurance Company

Steering Committee and Working Groups

- **Steering Committee functions daily decision making & management under General Assembly meetings composed of all financial signatory members**
- **The “Working groups” are committees in which members gather vertically by asset class or theme to discuss and share information**



IDFI's Activities

Working Groups

- Regional Finance Working Group
- Social Metrics Working Group
- Venture Capital Working Group
- Asset Owner and Asset Management Working Group
- Loans and Bonds Working Group
- Impact Driven Corporate-Value Enhancement Alliance
- Impact Driven Finance Boundary Working Group

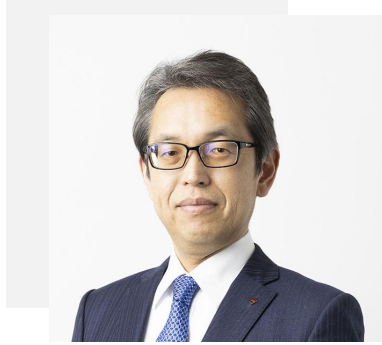


Special Advisors



■ Takeshi MIZUGUCHI

President
Takasaki City University of
Economics



■ Takeshi KIMURA

Board Director, PRI
Special Adviser to the Board,
Nippon Life Insurance



■ Masayuki MATSUYAMA

Professor, Musshino University
Visiting Senior Fellow (D.B.A),
Research Institute of Capital
Formation
Development Bank of Japan Inc.



■ Mikiko Ono

Board member of IAASB
Director of Sustainability
Disclosure Regulations and
Investor & Stakeholder
Engagement

75 Signatories (67 financial institutions, 8 service providers) as of March 2026

The image displays a collection of 75 logos for signatories, organized in a grid-like fashion. The logos represent various financial institutions and service providers. Key entities include:

- ARUN** (Asset Management One)
- UntroD Capital Japan**
- 肥後銀行** (Fukui Bank)
- FTI** (Fast Track Initiative)
- MIZUHO** (Mizuho Bank)
- SMBC** (Sanwa Bank)
- SPURCLE**
- 住友生命** (Sumitomo Life)
- DAIDO** (Dai-ichi Kangyo Bank)
- 太陽生命** (Taiyō Life)
- JICN** (Japan Impact Capital Network)
- GXX 推進機構** (GXX Promotion Agency)
- T.Rowe Price**
- DG Incubation**
- DG Daiwa Ventures**
- GLIN** (Impact Capital)
- KII** (Keio Innovation Initiative)
- CONCORDIA** (Financial Group)
- PMI Partners**
- 農林中央金庫** (Nōrin Chūō Kinokura)
- Bankers**
- 肥銀キャピタル株式会社** (Fukui Capital Co., Ltd.)
- JCR** (Japan Credit Rating Agency)
- 日本総研** (Nippon Sōgō Kenkyū)
- Ridgelinez**

Other notable logos include Impact Capital, WHIZ PARTNERS, 静岡銀行 (Shizuoka Bank), 信金中央金庫 (Shinkin Chūō Kinokura), Spiral Capital, 静信 (Shizuko), 三井住友銀行 (Mizuho Bank), 三井物産 (Sanwa Real Estate Development), MUFG (Mitsubishi UFJ Bank), music securities, 明治安田 (Meiji Yasuda), ゆうちょ銀行 (ゆうちょ銀行), リモネホールディングス (Rimone Holdings), ABeam Consulting, R&I (Research & Innovation), and Beyond Next Ventures.