

THE 17TH WORKING LEVEL MEETING WAS HELD

The 17th Working Level Meeting of the Japan Impact-Driven Financing Initiative was held in a hybrid format (in-person and online) on Wednesday, October 22, 2025, from 9:30 AM to 11:30 AM. On the day, 33 participants attended in person from signatory institutions and domestic supporting organizations, while 49 participated online.

The 17th Working Level Meeting was conducted under the following agenda:

1. Confirmation of quorum, election of chairperson (resolution)
2. Greetings from New Member Organizations
3. (Resolution Item No. 1) Revised Budget
4. (Resolution Item No. 2) Revision of Operating Regulations
5. (Reporting Item No. 1) Establishment of the Definitions and IMM Working Group
6. (Reporting Item No. 2) Reports from Each Working Group
7. (Reporting Item No. 3) Other Reports
8. (Reporting Item No. 4) PwC Pro Bono Program Status Report and Human Resource Development Needs
9. Future Schedule and Secretariat Announcements



QUORUM AND CHAIRPERSON ELECTION

It was confirmed that the quorum was met, as the number of signatory financial institutions present for the resolution (61: 23 in-person, 28 online, 10 by proxy) exceeded the majority of the total subscribing financial institutions (66).

The Chairpersons were elected by mutual vote in accordance with Article 16 of the Operating Regulations: Mr. Tanaka of T. Rowe Price Japan, Inc. and Mr. Wada of Mizuho Securities Co., Ltd.

INTRODUCTION OF NEW SIGNATORY INSTITUTIONS

Institutions that signed since the previous working-level meeting, as well as those unable to introduce themselves last time, were introduced and gave brief remarks. As of October 1, 2025, the number of signatory institutions stands at 74 (66 signatory financial institutions and 8 signatory supporting institutions).

[NEW SIGNATORY INSTITUTIONS]

(Effective June 1) Global Mobility Service Co., Ltd.

(Effective October 1) The Shoko Chukin Bank, Ltd.

[SIGNATORY PARTNER ORGANIZATIONS]

(Effective May 1) PwC Japan Group

(Effective July 1) Edge International Co., Ltd.

RESOLUTION ITEM NO. 1: REVISED BUDGET

The Secretariat explained the proposed amendments to the annual budget. There were no objections or abstentions, and the resolution was passed unanimously.

RESOLUTION ITEM NO. 2: REVISION OF OPERATING REGULATIONS

The Secretariat explained the proposed revisions to the Operating Regulations. There were no objections or abstentions, and the resolution was passed unanimously.

REPORTING ITEM NO. 1: ESTABLISHMENT OF THE DEFINITION/IMM WORKING GROUP

The Secretariat reported on the establishment of the 'Definition and IMM Working Group' to examine 'expanding the boundaries/definition and improving the quality of impact finance,' one of the pillars of the medium-term plan. Participants asked questions regarding the relationship with the Financial

Services Agency's "Basic Guidelines on Impact Investment (Impact Finance)." In response, Mr. Mizuguchi, the chairperson of the Working Group, stated that the FSA's basic guidelines align with international frameworks. He clarified that the Working Group's discussions would not alter the existing definition of impact investment but would instead focus on organizing the broader concept of "impact-driven finance," discussing its boundaries and definitions.

The Secretariat added that they wished to deepen discussions on the inclusion criteria for asset under management balance sheet totals in the progress report and the approach to IMM management in lending.

REPORTING ITEM NO. 2: WORKING GROUP ACTIVITY REPORTS

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

[REGIONAL FINANCE WORKING GROUP]

At the Working Group held on October 15, core members shared progress on enhancing common KPIs. The Working Group also featured an introduction by PEP of a logic model creation tool using generative AI, and a presentation and discussion on the book "Adventures in Finance" as an innovative financing and investment methodology.

[SOCIAL INDICATORS WORKING GROUP]

The Social Indicators Working Group is compiling a case study collection summarizing past implementation examples and discussion content. Aiming for completion within the year, the Working Group is working diligently to create a reference collection applicable across diverse business models. The Working Group itself will transition to theme-based projects under the mid-term plan and be dissolved as part of this developmental process.

[VC WORKING GROUP]

Two meetings were held since the previous session. Discussions on improving IMM (Impact Measurement and Management) are progressing through dialogue with stakeholders along the VC value chain. Daiwa JPI Alternative Investments Co., Ltd. was invited to exchange views on VC selection criteria and communication with LPs (Limited Partners). The second meeting included a review session. Going forward, discussions will focus on contributing to the mid-term plan, while also continuing discussions on impact reporting standards.

[AO/AM WORKING GROUP]

The AO/AM Working Group is addressing the following four issues: ① Creating impact within listed equity funds while aiming for return maximization; ② The Nature Finance Approach, which seeks to create impact through systems thinking regarding natural capital; ③ Outreach activities targeting individual investors and beneficiaries; ④ Compiling a list of impact investment funds. Regarding ④, in

addition to the VC list, we plan to create and publish a list of impact investment funds for listed equities and bonds.

[LENDING & BONDS WORKING GROUP]

Recently, the Working Group has continued input sessions, sharing and discussing diverse case studies such as the Yamato Social Impact Fund, Shizuoka Bank's Positive Impact Finance, Sumitomo Mitsui Trust Bank's Nature Impact Finance, Mizuho Securities' Nature Finance, and Daiwa Securities' Orange Bond for Itochu.

[ICEA]

ICEA is discussing two key issues: ① Differences in understanding of "corporate value" between institutional investors and operating companies, and ② What constitutes impact linked to corporate value (clarifying alpha and beta). Regarding ①, the discussion focused on clarifying this and prioritizing the investor perspective seeking financial returns. Regarding ②, discussions are progressing based on specific case studies.

Following the above reports, the Secretariat shared the schedule for upcoming seminars and events.

REPORTING ITEM NO. 3: OTHER REPORTS

The Secretariat shared the following four additional items: Regarding point ②, insights and suggestions from participation were shared by Mr. Nakamura of GLIN Impact Capital, Mr. Kato of Mitsubishi UFJ Trust and Banking Corporation, Mr. Yagasaki of MUFG Bank, Ltd. and Mr. Sudo of Impact Frontiers (GIIN Senior Advisor), who attended the GIIN Impact Forum (Berlin).

- ① Budget Execution Status
- ② GIIN Impact Forum (Berlin) Participation Report
- ③ Introduction of Pro Bono Supporters
- ④ Change in Progress Report Timing

REPORTING ITEM NO. 4: PWC PRO BONO BUSINESS STATUS REPORT & TALENT DEVELOPMENT NEEDS

Results of a survey conducted by the PwC Japan Group for signatory organizations regarding "talent development" within their pro bono activities were reported. Following this, discussions were held in groups. (See Document 2 for survey results)

The following main opinions emerged from the group discussions:

[KEY OPINIONS]

Regarding the content of necessary "basic training":

- Due to personnel transfers, ongoing training to maintain foundational knowledge (basic concepts, history, etc.) is essential.
- Basic training alone is insufficient for setting KPIs for individual projects; personnel capable of internal brainstorming are required.
- Opportunities for case-focused learning and systematic study of global standards are needed.
- Fostering understanding through dialogue between impact-creating companies and analysts is effective.
- A shift in mindset and engagement of middle management and operational departments is necessary

Regarding executive involvement:

- It is necessary to cultivate a sense of urgency, such as "This is a viable business" or "We must act or face consequences."
- Understanding gained through real-world experiences, such as field visits and dialogue with beneficiaries, is effective.
- Sharing case studies and benefits at gatherings of corporate leaders, such as Keidanren (Japan Business Federation), to promote top-level understanding leads to organizational permeation
- Industry-wide momentum increases management interest
- Creating dialogue platforms between investors and management, with commitment to deliver tangible outcomes, effectively promotes understanding
- Demonstrate how impact management aids in management decision-making and performance evaluation
- Roundtables and networking events among executives, as well as international conferences (e.g., attracting the GIIN Annual Meeting to Tokyo), provide opportunities for insights through external comparison

Based on survey results and discussion content, a final report is scheduled for December. This report will clarify challenges and talent development needs while proposing concrete measures.

UPCOMING WL MEETING SCHEDULE

Friday, January 23, 2026

Thursday, April 23, 2026

Thursday, July 23, 2026

End of Minutes