

Feature Articles

This month's focus: **Impact Investing**

Significance and Challenges of Impact Investing; Financial Institution Attempts to Create Value for Their own Purposes and Society

Masaaki Anma

This article explains impact investing, its history and current global and Japanese market trends, various types of transactions, frequently asked questions, major challenges ahead and policy implications for financial institutions.

What is Impact Investing

Amanda O'Toole

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Following introduction of the Corporate Governance Code, corporate governance reform is said to be form formality to substance. The role of the Board Office is becoming more important due to the inevitability of improved corporate governance practices at listed companies and enhanced support systems for an increasing number of independent directors. From the standpoint of supporting both independent directors and the Board Office as an NPO for improving the effectiveness of corporate governance, the current status of the Board Office and issues and measures for strengthening its functions will be examined.

Practices of Impact Investing in Venture Companies

Chunmei Huang

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Impact investment, which aims to achieve both economic and social/environmental returns, is attracting growing interest. Even in the venture capital industry, interest in ESG and impact investing is rising. In this paper, the author shares her experiences establishing Shinsei Bank Group's impact investment fund, the first-of-its-kind managed by a Japanese bank group, having invested in more than a dozen venture companies since 2017. The author discusses the current situation with respect to venture impact investing practices and future prospects as well as how to further develop the impact investing market. This paper covers topics including venture impact investing investment strategy, due diligence process, management and business support, and responsible exit strategies (including 'impact IPO').

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Impact Investing in Public Equities, Effect of Growing Interest Amongst Institutional Investors

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This paper focuses on investments that actively seek to create an impact in public equity investments. Specifically, in addition to investments labeled as impact investments, the growing impact orientation amongst institutional investors has led to the expansion of investments that are not necessarily labeled as impact investments but can be considered a form of impact investment in a broader sense. These trends are discussed in a holistic manner. In addition, we discuss the debate over 'investment additionality' in public equities, and trends in impact measurement and reporting by institutional investors and related disclosure policies and regulations.
