

IMPACT REPORT 2023



希望を創る、社会起業家とともに
Creating hope with social entrepreneurs

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Introduction

Believe in possibilities — Pioneering social impact investment

On March 14, 2011, amid aftershocks from the Great Tohoku Earthquake, about 100 volunteers gathered at the GLOBIS University Tokyo Campus. Working from what we knew we could do, we set up a foundation, collected donations, and started supporting leaders in the affected areas. This was the origin of KIBOW.

Time passed. In 2015, an old acquaintance of mine, Sir Ronald Cohen, visited Japan. GLOBIS had expanded its VC investment by launching the Apax GLOBIS Japan Fund in 1999 as a joint venture with Apax Partners, which Sir Ronald had cofounded. He suggested that we start social impact investments to improve society. I immediately said “I’ll do it.”

It was the moment when the venture investment know-how that GLOBIS had developed over the years and the aspirations that we had received from entrepreneurs in the disaster-affected Tohoku region were connected in one respect: social impact investment.

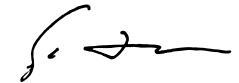
KIBOW launched its first fund by investing my personal assets. Since then, it has been funded by Kohei Terada of Warehouse TERRADA, GLOBIS, and Allen Minor Foundation. KIBOW managed a third fund of ¥1 billion. Led by six investment professionals from GLOBIS, KIBOW has invested in twenty-one companies to date with the help of its advisors’ expertise. As a pioneer of social impact investing in venture companies in Japan, we have paved the way.

Japan still faces a wide range of social challenges. Government budgets are limited, but the private sector can solve these challenges with creative ingenuity. Our generation has a responsibility to pass on a better Japan to the next generation.

Impact entrepreneurs are the key. Through the KIBOW Social Investment Fund, we provide in-depth support to leaders who put solving social problems at the heart of their core business. We believe in their potential.



Yoshito Hori
President
KIBOW Foundation



Introduction

Creating hope out of despair with entrepreneurs

Twelve years have passed since KIBOW was launched in the wake of the Great Tohoku Earthquake. Our faith that entrepreneurs can create new hope and transform society was born in the disaster-hit Tohoku region. That belief has now become a conviction.

KIBOW launched the KIBOW Social Investment Fund in 2015. As of 2023, we are managing Fund No. 3 (¥1 billion) and have invested in a total of twenty-one startups.

This report provides an overview of the current social impact of KIBOW and our portfolio companies. Twice a year, we evaluate the social impact of each company and report back to the KIBOW Advisory Board. Due to the confidential nature of some of that information, we will not disclose all of our portfolio companies in this report, but rather provide an in-depth look at a few of them.

The fund's performance is strong in terms of financial returns. However, in terms of social impact, it is an honest reflection that we are halfway there.

Japan is facing various social issues: a rapidly aging population, widespread mental illness, and declining quality of life in rural areas, to name a few. As in other countries, relentless natural disasters aggravate those challenges.

Nevertheless, we do have hope. It is the hope created by social entrepreneurs who tackle social issues and pioneer change. It is the hope that none of us needs to despair about our future, regardless of social circumstance, personal health, or economic status. Our impact investment aims to foster and spread such hope.

We look forward to receiving your feedback and discussing how we can foster more hope in the world with you.



Reiji Yamanaka
Managing Director
KIBOW Impact Investment Fund

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Our Fund

Investments in possibilities

We invest in entrepreneurs who solve social challenges and create hope.

Vision

To be a leading fund that creates Japan-born best practices for social impact investment

Mission

Together with entrepreneurs who tackle social challenges and generate hope, we create businesses and transform society. We accelerate the creation and transformation of society through the following three streams:



Capital

New flows of capital through social impact investment



People

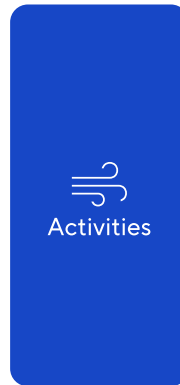
New, diverse talent flows toward our investees to stimulate growth



Knowledge

New knowledge flows that accumulate and expand best practices

Theory of Change



To be a leading fund that creates Japan-born best practices for social impact investment

Together with entrepreneurs who tackle social challenges and generate hope, we create businesses and transform society.



Creating 3 flows through social impact investment and long-term management support (7-10 years)

 **Capital**
 New flows of capital through social impact investment
 • Support under-resourced capital markets
 • Provide impact measurement and management support

 **People**
 New, diverse talent flows toward our investees to stimulate growth
 • Dispatch of non-executive directors
 • Support recruitment

 **Knowledge**
 New knowledge flows that accumulate and expand best practices to change society
 • Public relations support
 • Policy advocacy



Flexible and patient capital

GLOBIS professionals
 Advisory board
 G1 network
 MBA alumni network

Practical know-how from GLOBIS Capital Partners and GLOBIS University
 International, governmental, and NPO networks

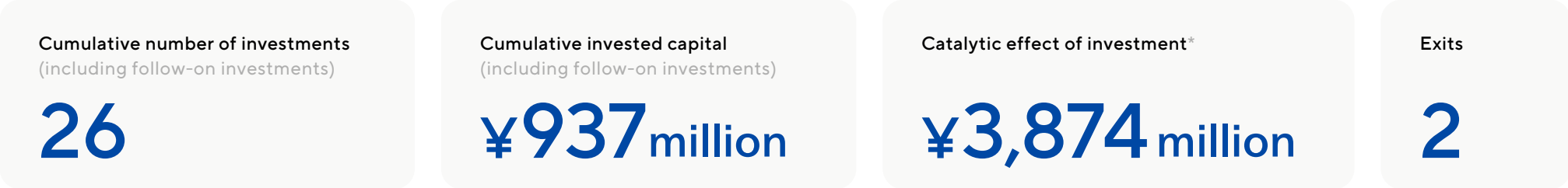
Impact Classification

Our portfolio is categorized by ABC impact (avoid harm, benefit stakeholders, contribute to solutions) and investor contribution. The KIBOW Social Investment Fund includes being actively involved in management as a lead investor, providing flexible capital, and developing new or under-resourced capital markets.

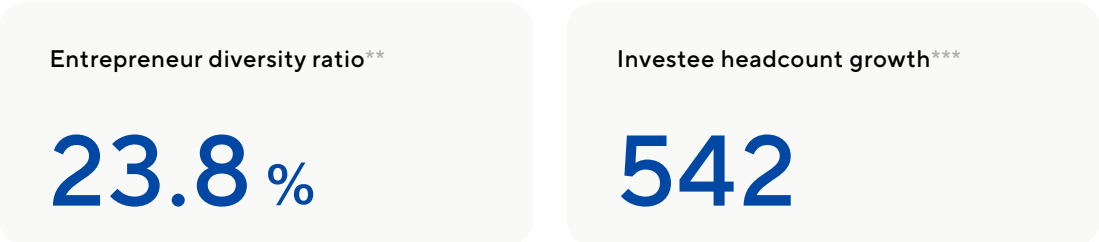
		Avoid harm	Benefit stakeholders	Contribute to solutions	
Our Contribution as an Investor	1	Signal that impact matters	Ethical bond funds, etc.	Positively screened / best-in-class ESG funds, etc.	Sovereign-backed bonds (secondary markets) funding vaccine delivery to underserved communities, renewable energy projects, etc.
	2	+ Get involved	Shareholder activist funds, etc.	Positively screened / best-in-class ESG funds using deep shareholder engagement to improve performance, etc.	Public / private equity funds selecting and engaging with businesses that have a significant impact on education and health for underserved communities, etc.
	3	+ Grow new / under-resourced capital markets	Anchor investment in negatively screened real estate funds in frontier markets, etc.	Positively screened infrastructure funds in frontier markets, etc.	Bond funds anchoring primary issuances by businesses that have a significant impact on environmental sustainability, access to clean water and sanitation, etc.
	4	+ Get involved + Grow new / under-resourced capital markets	—	Positively screened private equity funds with anchor investments in frontier markets, etc.	Private equity funds making anchor investments in businesses that have a significant impact on income and employment for underserved communities, etc.
	5	+ Grow new / under-resourced capital markets + Provide flexibility on risk-adjusted return	—	—	Below-market charity bonds or unsecured debt funds focusing on businesses that have a significant impact on underserved communities, etc.
ref: impact frontiers	6	+ Get involved + Grow new / under-resourced capital markets + Provide flexibility on risk-adjusted return	—	—	KIBOW Social Investment Fund

Highlights

Capital



People



*Estimated cumulative amount of funds attracted for investments led by KIBOW (co-investments, investments by other companies, loans, and grants)

**Ratio of minority groups among KIBOW-invested entrepreneurs (women, LGBTQ+, non-Japanese nationals, and people with disabilities)

***Number of added personnel (including management and non-executive directors dispatched by KIBOW) at investee companies

Highlights



Events and Media Coverage

Articles and videos about portfolio companies were published in Japanese on *GLOBIS Chikenroku* and in English on *GLOBIS Insights*.



I SUN SUN GROUP “What Is KIBOW Social Investment / Activities of the First Investee, I SUN SUN GROUP”

“There Is No Difference in People's Abilities, There Is Only a Difference in Thoughts”

Seeds of Wish “Revitalizing Lost Communities with 'Cinemas in the City' - Interview with Daizo Aoyama, Seeds of Wish”

47PLANNING “The Power of the Private Sector to Stand Up to the Disaster - with Project KIBOW”

“What Is the Future of Fan-Based Marketing?”

vKirirom “Creating an Ecosystem of Learning and Innovation in Cambodia - A New Challenge for Japanese Entrepreneurs”

Rennovater “A Peaceful Home for Everyone - Entrepreneurs with a Truly Inclusive Mindset Are the Leaders in Solving Social Issues”

GAXI “What Is the Scholarship Platform GAXI? Thoughts on Starting a Business, Part 1”

“What Is the Scholarship Platform GAXI? Changing the Future of Japan through Youth Support, Part 2”

A's Child “Empowering Children and Parents to Deal with Online Bullying - Interview with A's Child”

“A Society Where Both Adults and Children Can Seek Advice - Interview with A's Child”

BAOBAB “AI Annotation Business to Enable Unconstrained Work - Interview with BAOBAB, Part 1”

“Starting Up in the AI Industry with No Expertise Changed - Interview with BAOBAB, Part 2”

“Sincere Engagement with the Frontline and Quantifying the Social Value of the Company: Impact Measurement and Management”

“Quantifying Qualitative Value to Demonstrate Purpose and Change Society - Impact Measurement and Management”

IRIS “Thinking Together: The 'LGBTs Housing Agenda' and the Future of the Real Estate Industry”

Light-Right “The Creation of a Logic Model Led to Decision-Making Confronting Outcomes”

“Sharing Awareness from the Community Perspective and Promoting Business Renovation”

Highlights



Contributing to ecosystem construction



Participation in the GSG National Advisory Board

The Global Steering Group for Impact Investment (GSG) is a global networking organization promoting social impact investment for people and the planet. KIBOW is a supporting organization, and Reiji Yamanaka is a member of the Impact IPO working group.



Signing of Japan Impact-driven Financing Initiative

Japan Impact-driven Financing Initiative promotes impact investment through cooperation and collaboration between multiple diverse financial institutions that believe the purpose of financial institutions is to actively address social and environmental issues, holistically understanding impact. KIBOW has signed the initiative and participates in the VC subcommittee.



Participation in Social Impact Management Initiatives

The Social Impact Management Initiative (SIMI) is a collaborative effort of diverse stakeholders in Japan, including nonprofits, businesses, funders, funding intermediaries, government agencies, intermediary support organizations, think tanks, evaluators, and researchers. KIBOW is a supporting member of SIMI. Takeshi Igarashi is also a research fellow at the SIMI Global Resource Center.



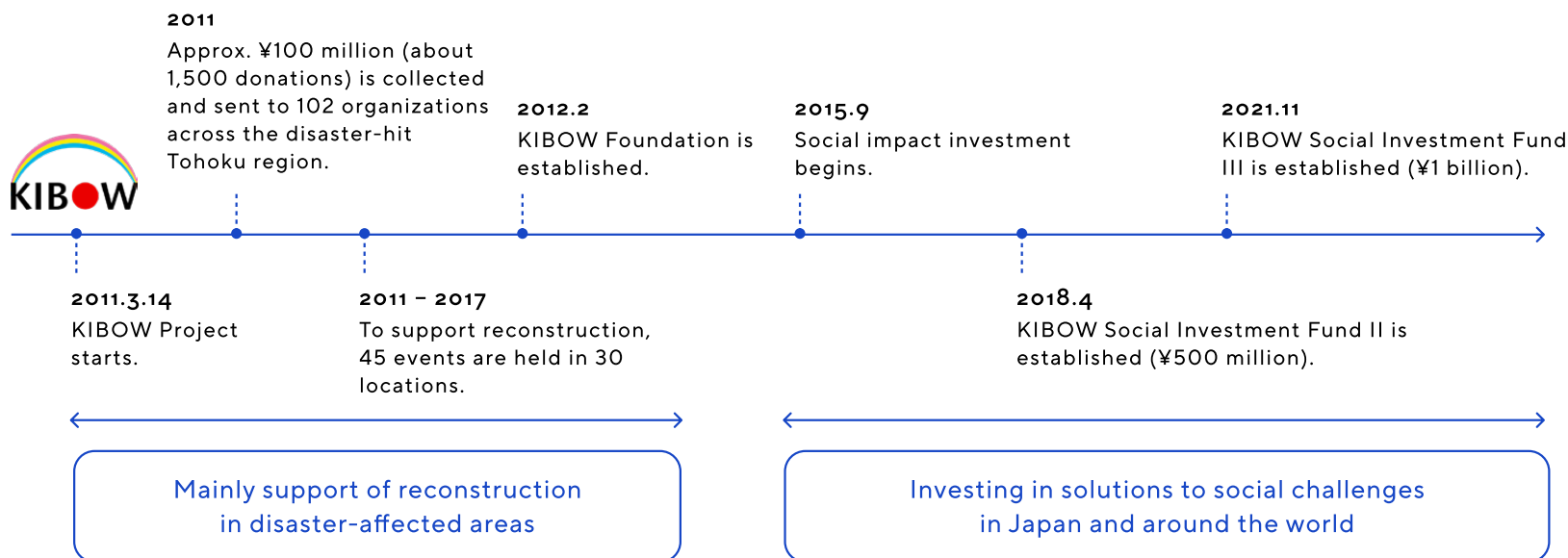
Participation in the Impact Startup Association

The Impact Startup Association aims to create a sustainable society by building an ecosystem for impact startups. Impact startups bring positive impact to society by solving social issues and promoting economic growth. Takeshi Igarashi is the auditor of the Impact Startup Association.

Participation in the Cabinet Secretariat's Study Group on Impact Investment for Global Health

The Japanese Cabinet Secretariat organized the Impact Investment for Global Health study group, where experts gathered to exchange views and produce initiatives to encourage private sector investment in global health ahead of the 2023 G7 held in Japan. Takeshi Igarashi served as an expert committee member. Following recommendations in the final report, the Impact Investment Initiative for Global Health (Triple I for GH) was announced in the Leaders' Communiqué of the G7 Hiroshima Summit. KIBOW is a member of this initiative.

“KIBOW” started with earthquake disaster recovery support



In 2011, the Great Tohoku Earthquake struck Japan. Three days later, Yoshito Hori and his friends began serious discussions about what they could do. KIBOW was born as a project to support recovery in the disaster-affected areas.

The name “KIBOW” is a combination of the words *kibou* (“hope” in Japanese) and “rainbow,” which represents connecting people to people and Japan to

the world with hope. Our initial activities included fundraising and donations, disseminating information overseas, transporting supplies, and organizing events.

In 2015, we launched the KIBOW Social Investment Fund, which provides social impact investment for startups. This move was based on advice from Sir Ronald Cohen, the father of social impact investment.

It was a pioneer fund in Japan with a mission to accelerate the creation and transformation of society by creating the flow of capital, the flow of people to invest in and grow, and the flow of knowledge for best practices that transcend society.

Fund Overview

Purpose

To invest in entrepreneurs who contribute to solving social challenges, to support their growth, and to accelerate social change

To build a social impact investment ecosystem in Japan

Focus

Healthcare and elderly care
Childcare and parenting support
Poverty
Social inclusion
Regional revitalization (including disaster-affected areas)
Environmental preservation
International cooperation

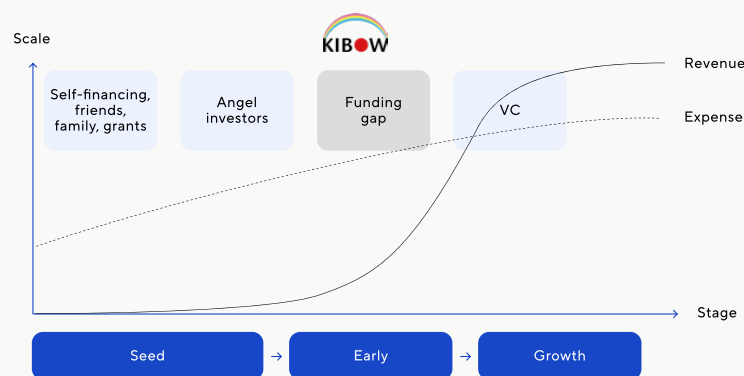
Target

Startups that meet the following criteria:

- Contributing to solving serious social problems
- Demonstrating an ability to generate financial return on investment
- Showing a high-potential management team

Stage

We invest in early stage startups.



Conditions

Preferred shares
¥10-100 million per investment
Equity share: 5-20%
Duration of support: 7-10 years

Team

Investment Professionals



Reiji Yamanaka

Managing Director, KIBOW Social Investment Fund
Faculty, GLOBIS University
External Director, I SUN SUN GROUP and STORIA

Prior to establishing our fund, Reiji led business development at two social purpose healthcare startups. Before that, he worked for GLOBIS Capital Partners as a venture capitalist. He started his career at Canon.

He gained an MBA from Harvard Business School and a BA from Hitotsubashi University.



Mizuki Uchimarui

Mizuki worked at Industrial Growth Platform, Inc., focusing on consulting for overseas expansion and new business development. She also engaged in business development and management planning at an invested venture company. She later joined GLOBIS, where she was involved in corporate sales for executive training and organizational development for corporations.

She graduated from Waseda University's School of Political Science and Economics.



Suzuka Kobayakawa

Faculty, GLOBIS University
External Director, GOOD COFFEE FARMS

Prior to joining GLOBIS and KIBOW, Suzuka advanced financial inclusion at a Nigerian startup, supported the reintegration of former child soldiers with UNDP in Nepal, and was involved in sales at Recruit Co. Ltd. in Japan.

She holds an MA in sustainable development from SIT Graduate Institute and a BA in international development from the University of Tsukuba. She is an Acumen Global Fellow (2014), a World Learning Fellow (2010), and a Rotary Ambassadorial Scholar (2009).



Natsuki Tamura

Natsuki worked in Nikon's Corporate Venture Capital Team, where she was involved in investing in deep tech, planning new businesses, and establishing open innovation frameworks. She subsequently joined Recruit Co., Ltd.'s Human Resources Planning Department and the HR Tech Product Development Team. After launching G-STARTUP at GLOBIS, she joined KIBOW and currently serves as Director-General.

She graduated from the Department of Health and Welfare Sciences at Waseda University.

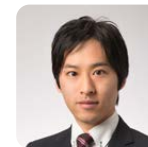


Takanori Matsui

External Director, BAOBAB

After working for a consulting company, Takanori became involved in organizational management as managing director of the NPO Nimai-me-no-meishi. He launched a collaborative, "cross-boundary learning" project between a team of working people and social entrepreneurs for next-generation leaders. He has implemented about sixty other projects and is involved in empirical research in collaboration with universities.

He graduated from the Hitotsubashi University Faculty of Law and Waseda University Graduate School.



Takeshi Igarashi

External Director, RENNOVATER

Takeshi's career path includes roles at PwC, Japan's Cabinet Office, and Big Society Capital in the UK, which led to his current position. He is the founder of Accountability for Change and a former CFO at Teach For Japan. He is a certified public accountant and a supervisory auditor for the Impact Startup Association.

He graduated from Keio University with a degree in Economics and completed his MBA at the University of Oxford in the UK.

Team

Advisory Board

The KIBOW Advisory Board members have a diverse range of expertise. Semi-annual meetings are held to provide advice on portfolio companies.



Hiroki Komazaki
Founder & CEO, Florence



Daigo Sato
CEO & President, dot-jp
Professor, Musashino University



Kohei Terada
President & CEO, Warehouse TERRADA



Haruo Miyagi
Founder, ETIC.



Kumi Fujisawa
Chairperson, Institute for International Socio-Economic Studies



Retsu Fujisawa
Representative Director, RCF



Allen Miner
Founder & Chairman, SunBridge Corp.



Yoshito Hori
President, GLOBIS University
Managing Partner, GLOBIS Capital Partners

Value-Add Professionals

Faculty members from GLOBIS University are dispatched as external directors of portfolio companies to provide hands-on support.



Tomoko Kimijima
Responsible for Rapport Hair Group
Dean, GLOBIS University (Japanese)
Executive Trustee, Educational Corporation of GLOBIS University



Soichiro Serizawa
Responsible for 47PLANNING
Courses: Keiei Dojo, Organizational Behavior and Leadership, Power and Influence, Human Resource Management, Facilitation and Negotiation



Masaki Mizoguchi
Responsible for Polaris
Courses: Essentials of Accounting, Accounting I, Accounting II, Essentials of Finance, Finance I



Toshiaki Touju
Responsible for Minna no Mikata HD and Light-Right
Courses: Accounting I



Megumi Kose
Responsible for GAXI
Courses: Critical Thinking, Design Thinking and User Experience



Mami Kajii
Responsible for A's Child
Courses: Technovate Thinking



Koji Torigata
Responsible for SHINMIRAI
Courses: Venture Management, Venture Business Planning



Tsukasa Osaki
Responsible for MySherpa
Courses: Essentials of Marketing and Strategy



Yosuke Inoue
Responsible for congrant
Courses: Research and Startup Project (G-INCUBATE), Design Thinking and User Experience, Venture Business Planning



Chieko Inoue
Responsible for CoCooking
Courses: Accounting I, Essentials of Accounting



Mamiko Matsumura
Responsible for IRIS
GLOBIS Corporation
Manager, The GLOBIS AI Management Education Research Institute (GAIMERi)



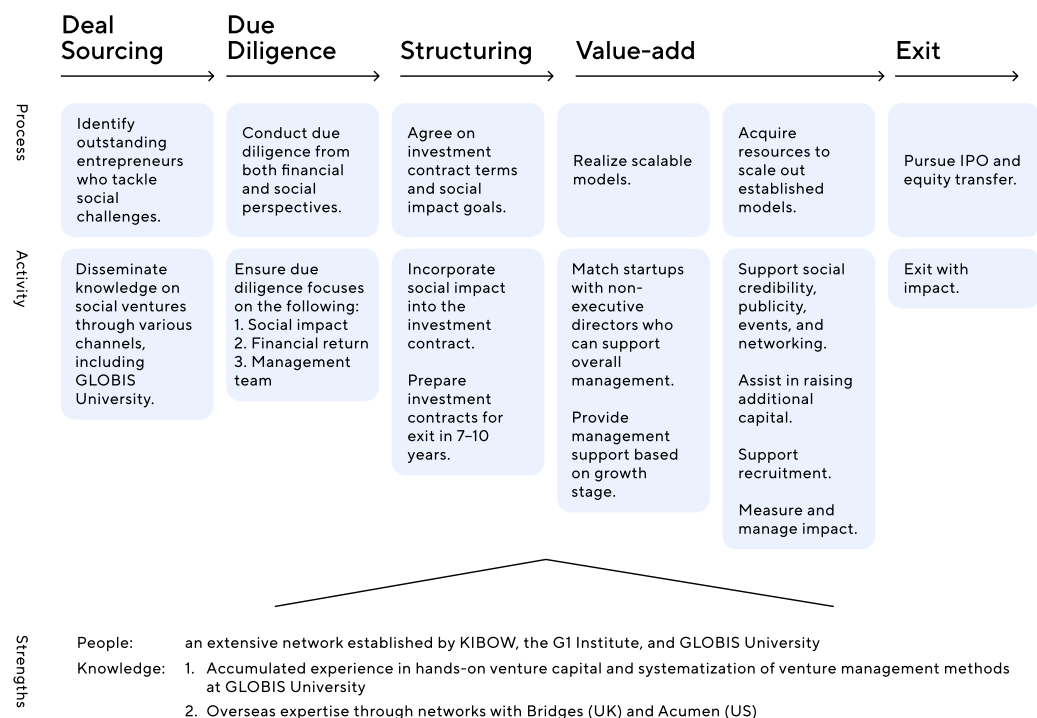
Akio Mori
Responsible for Kakemichi Project
Courses: Accounting I, Essentials of Finance, Essentials of Accounting, Finance I, Research and Startup Project (G-INCUBATE)



Noriyuki Hanazaki
Responsible for LTB
Courses: Customer Journey and Branding

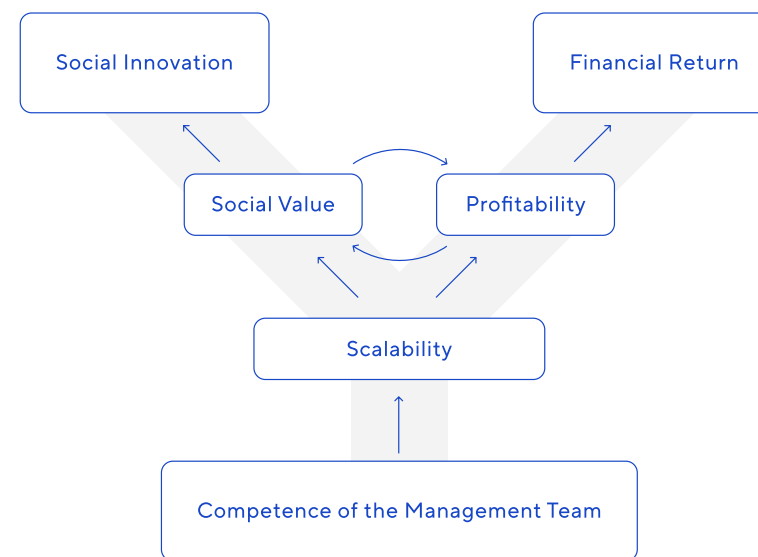
Investment Process

We provide hands-on social impact investment to startups through the following process:



Investment Decision Criteria

We invest for both social innovation (structural changes in society) and financial return. The business models we look at must deliver on both of these. Our prerequisites are scalability of the business and competence of the management team.



Investees

Name of Company	Social Issue	Name of Company	Social Issue
Kakemichi Project	Child and family mental health	SHINMIRAI	Forest sustainability
MySherpa	Mental health	BAOBAB	Social inclusion
Light-Right	Regional revitalization, business succession	GAXI	Educational inequality
LTB	Foreign worker equality	RENOVATER	Social housing
Minna no Mikata HD	Equal employment for people with disabilities	vKirirom	Educational inequality
GOOD COFFEE FARMS	Poverty among small-scale farmers in developing countries, environmental issues	Rapport Hair Group	Gender inequality
IRIS	LGBTQ+ equality	47PLANNING	Regional revitalization
CoCooking	Food waste	Polaris	Geriatric care
congrant	Intermediary support for NPOs	I SUN SUN GROUP	Equal employment for people with disabilities
A's Child	Bullying, truancy, abuse, loneliness, and isolation of children		

Listed in chronological order based on investment execution date

Kakemichi Project

Vision

Provide optimal support to 100,000 children with mental health care needs

Social Issues

The number of children in need of mental health care for issues such as truancy and developmental disabilities is increasing. However, the number of child psychiatrists is radically insufficient—children are not receiving the support they need.

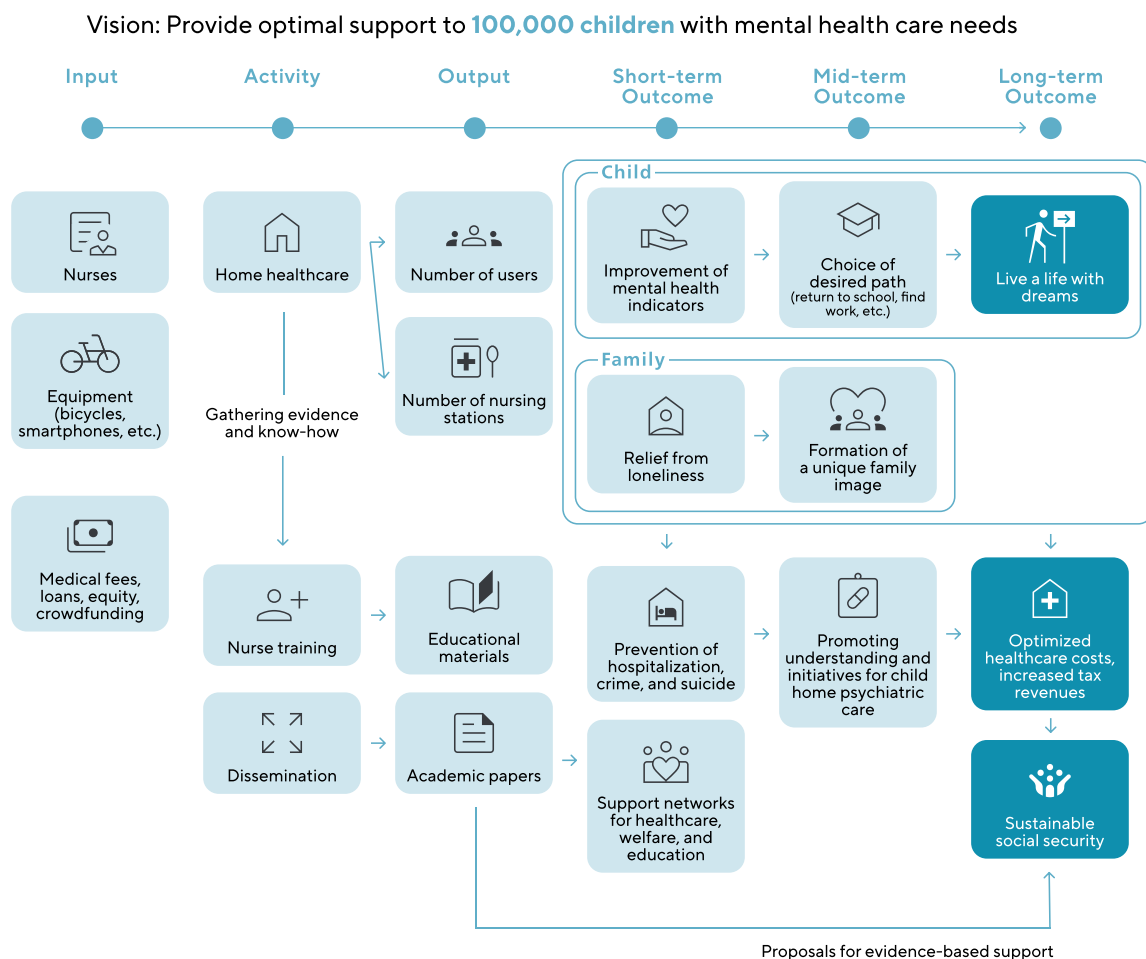
Business Summary

The company operates the Nannaru home nursing station, which specializes in child psychiatry.

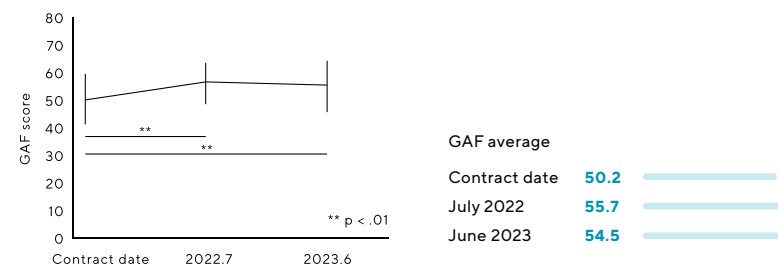


Kakemichi Project

Impact Model



Impact KPIs



Sample data from the Global Assessment of Functioning (GAF) for psychiatric home care (n=25). Scores significantly improved from 50.2 at the time of contracting to 54.5 in June 2023. There is no data for 60 and above, as support would be terminated.

Impact Story

A primary school child had developmental disabilities. She grew up in a household of alleged abuse by her father until her parents eventually divorced. But the child went on to show verbal and physical aggression toward her mother, and there were frequent tantrums. This took a toll on the mother's body and mind, causing her to lose hope. The Kakemichi Project, unable to ignore the seriousness of the situation, offered psychological support to the mother and evaluated the child. They also gained an in-depth understanding of the family situation and provided interventions to help the mother-child relationship. This gradually reduced the heavy burden that the mother had been carrying alone, and improvements began to show for both her and her child.

MySherpa

Vision

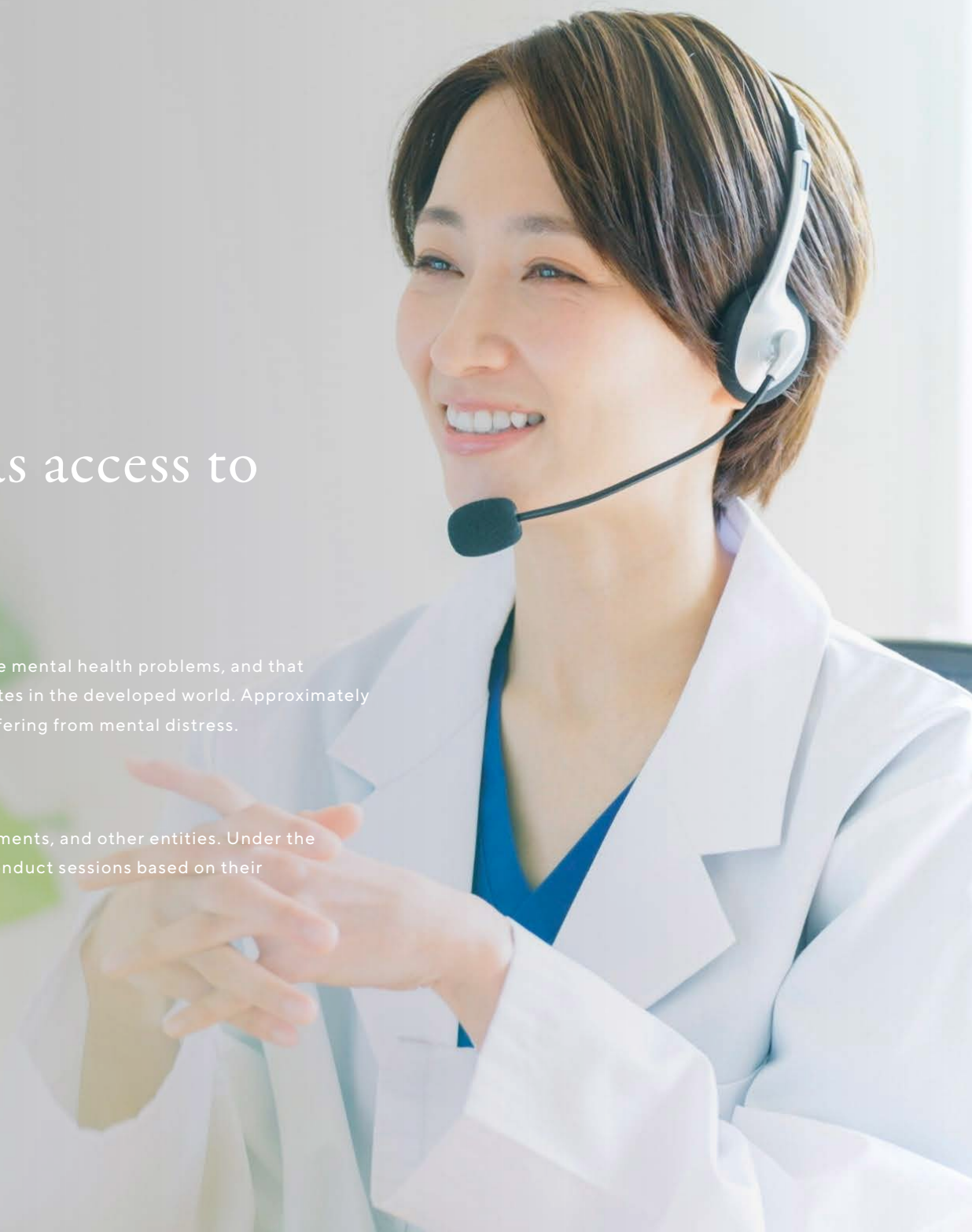
A society where everyone has access to mental health care support

Social Issues

It is currently estimated that around 13.5 million people in Japan potentially have mental health problems, and that number is increasing. There are 20,000 suicides per year—one of the highest rates in the developed world. Approximately 9.5 million people who have never visited a hospital or been hospitalized are suffering from mental distress.

Business Summary

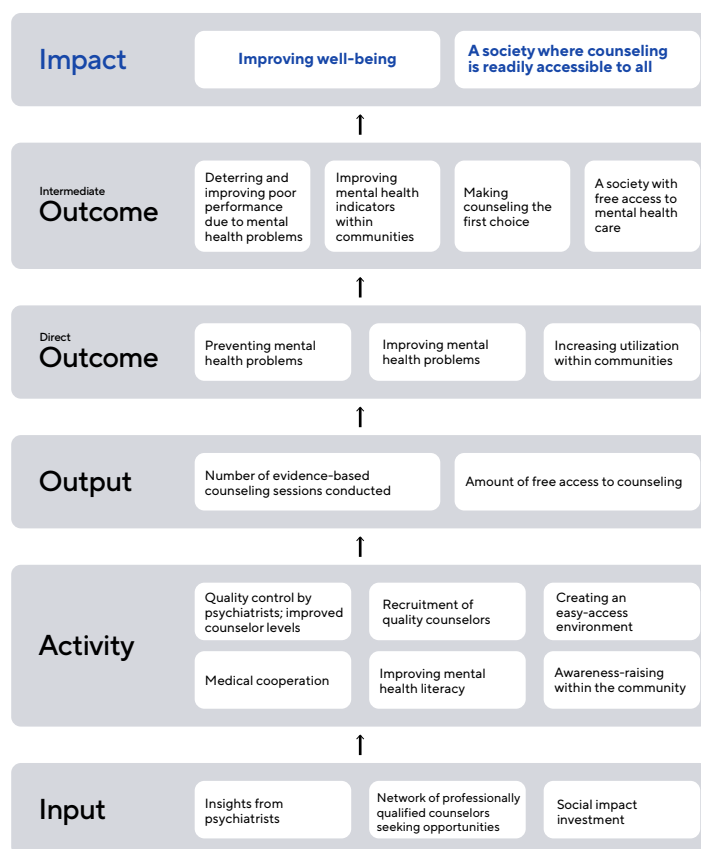
The company provides online counseling services for corporations, local governments, and other entities. Under the supervision of psychiatrists, licensed psychologists and clinical psychologists conduct sessions based on their expertise and a scientific approach.



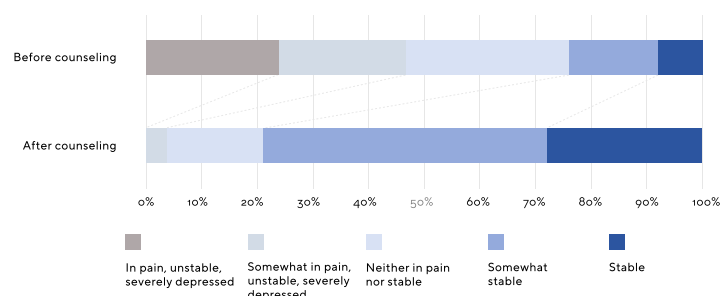


MySherpa

Impact Model



Impact KPIs



A survey conducted by My Sherpa* shows a user trend towards improved mental health after counseling.

*Questionnaire for users of My Sherpa's counseling services within 6 months (valid responses: 75)

Impact Story

Our client, the non-profit organization Katariba, is on a mission to support children affected by disasters and families in financial difficulty. However, this noble work is also a great emotional burden for staff, many of whom have had to take leave as a result. In the past, HR responded by talking to individual employees after psychological effects had started to appear, rather than taking preventative measures.

To address this, MySherpa's online counseling service was introduced. Users expressed that it was very helpful. Hearing this, Katariba decided to introduce the service during new staff orientations. Now 10% of staff use this service at an early stage to help identify issues and maintain their mental health.

Light-Right

Vision

Shining
a light
to make the future right

Social Issues

With Japan's aging population, small and medium-sized enterprises (SMEs) in local areas are struggling. More and more face closure of business, while others lack successors. This makes it difficult for people who depend on those businesses to maintain their livelihood and place in the community.

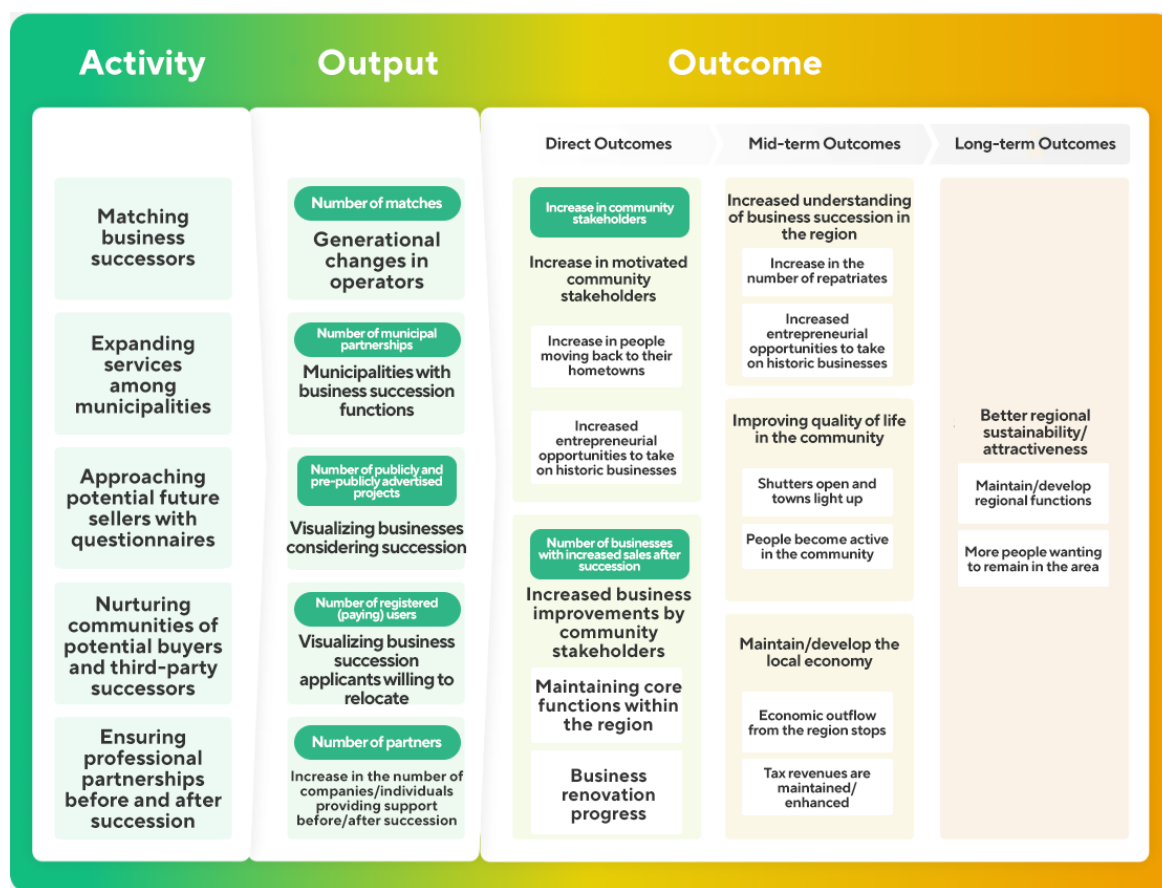
Business Summary

Light-Right operates the non-anonymous business succession platform Relay for owners (sellers) who want to ensure they have the right successors. The platform matches such owners with sympathetic successors (buyers) who will preserve their thoughts and stories.



Light-Right

Impact Model



Impact KPIs

July 1, 2022 – June 30, 2023

Number of local community leaders

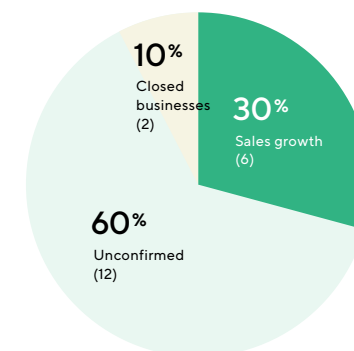
+25

Number of municipal partnerships*

5

*April 1, 2022 – March 31, 2023

Changes after business succession



Impact Story

Business successions involving Light-Right have changed businesses and local communities for the better. In the town of Takaharu, Nishimorogata-gun, Miyazaki Prefecture, the non-anonymous business succession platform Relay led to eight new businesses in eighteen months, including three business successions. The region is undergoing a major transformation thanks to an increase in successors migrating in. A Takaharu PR Section has been established in the town hall, and local residents have welcomed the migrants and new stores that have sprung up in the shopping arcade. Business successors have become community leaders. Thanks to their work with the local people, the region is being revitalized.

LTB

Vision

A safe and secure experience for foreign worker employment
A safe environment for foreign workers to excel

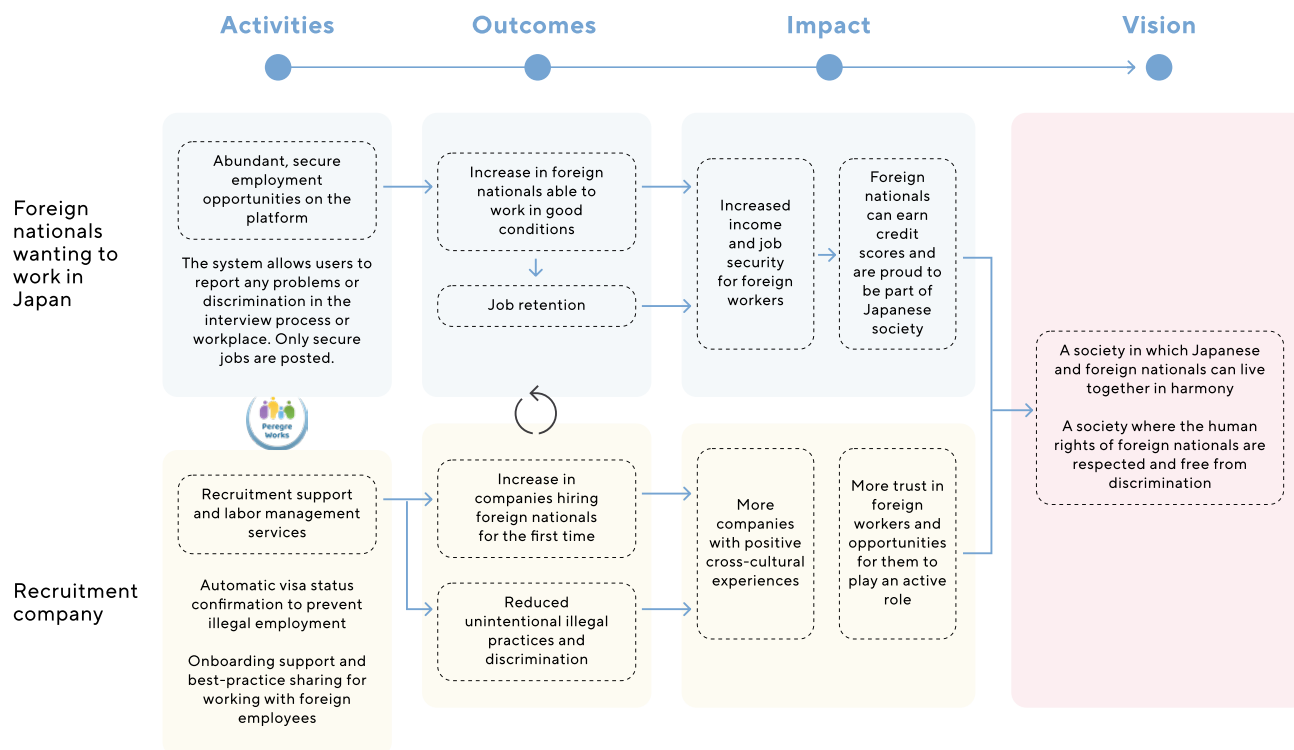
Social Issues

The number of foreigners living in Japan is expected to increase by 2 million over the next ten years. Currently, there are many cases of illegal employment and overstaying visas in the country due to employment mistakes, resulting in deportation and immigration detention. In addition, due to language and cultural differences, power harassment and bullying are common in the workplace.

Business Summary

LTB operates a job-matching platform for employers and foreign nationals seeking work. The platform's automated matching of visa status and job category, as well as its employment management system, aims to eliminate illegal employment, which is the biggest risk for both employers and foreign nationals.

Impact Model



Impact KPIs

July 1, 2022 - June 30, 2023

Total number of jobs for foreign nationals with diverse options (some undisclosed) **3,812**

Number of applications using automatic visa screening to prevent illegal employment **4,300**

Number of downloads of onboarding/best-practice materials for working with foreign nationals **83**

Impact Story

A construction company in Gifu Prefecture has taken a step forward by hiring one person from the Philippines and two people from Brazil as assistant site supervisors. The company president made a heartfelt promise to welcome them not just as workers, but as human beings and family members: "We value you and your family as our own." Under this sincere president, the workers are actively making suggestions and devising new ways to do their jobs. Their enthusiasm and efforts are highly appreciated in the field, and their reputations continue to grow day by day.

Minna no Mikata HD

Vision

Eliminate the word and concept of
“disability” in Japan

Social Issues

Corporate perception is a barrier for people with disabilities,
limiting opportunities to work and play an active role.

Business Summary

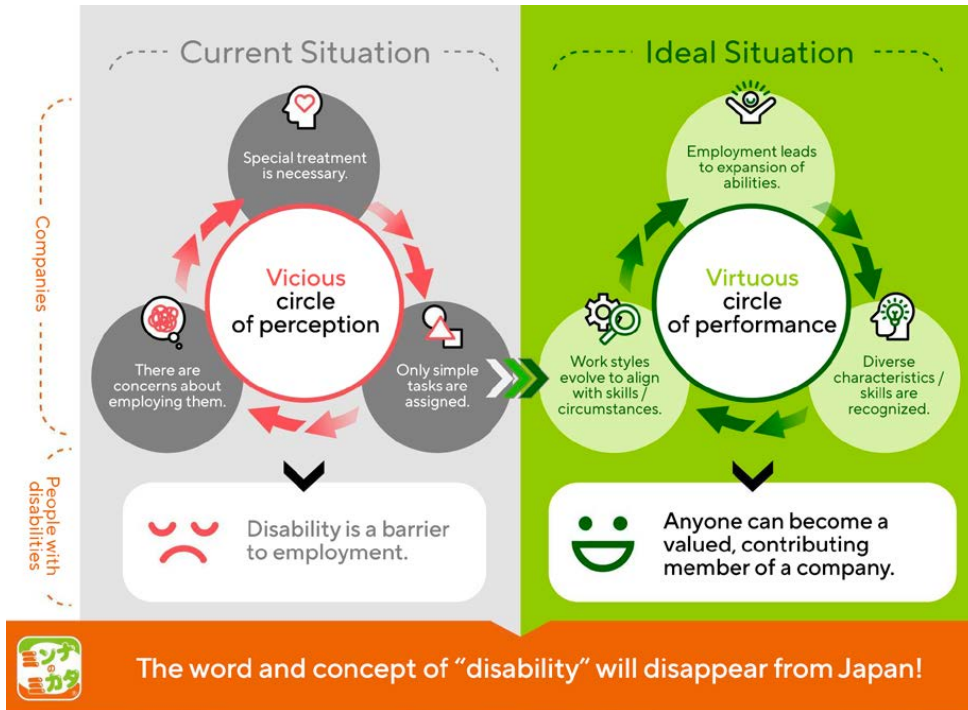
Minna no Mikata HD matches companies with employment support facilities for people with disabilities, providing opportunities for those people to work in jobs that suit them.





Minna no Mikata HD

Impact Model



Impact KPIs

June 1, 2022 – May 31, 2023

SDG 10 REDUCED INEQUALITIES

Same hourly wages as non-disabled workers **¥1084.7**
(Jan 1, 2023 – May 31, 2023)

SDG 8 DECENT WORK AND ECONOMIC GROWTH

Number of organizations registered to Shigoto System, a proprietary business process **84**

SDG 8 DECENT WORK AND ECONOMIC GROWTH

Number of jobs provided each month throughout the year **4**

Impact Story

Company A, which operates sixty-two car accessory shops in the Kanto region, and Company T, a century-old company headquartered in Nagoya, visited Minna no Mikata HD. Seeing disabled employees at work gave them a change of mindset from “work that even disabled people can do” to “work that our company needs help with.” Both signed up for the service. In addition, Company T announced in a press release and in the *Nikkan Kogyo Shimbun* (a newspaper) its intention to increase employment opportunities for people with disabilities.

GOOD COFFEE FARMS

Vision

Coffee Changing the World
Sustainable coffee made with bicycles

Social Issues

For producers: Small-scale coffee farmers must deal with poverty, unemployment, and immigration. There are also environmental problems, such as water pollution caused by alkaloid substances released during coffee refining.

For consumers: Changing the current situation where coffee is consumed is a challenge, as consumers have little awareness of the relevant social issues.

Business Summary

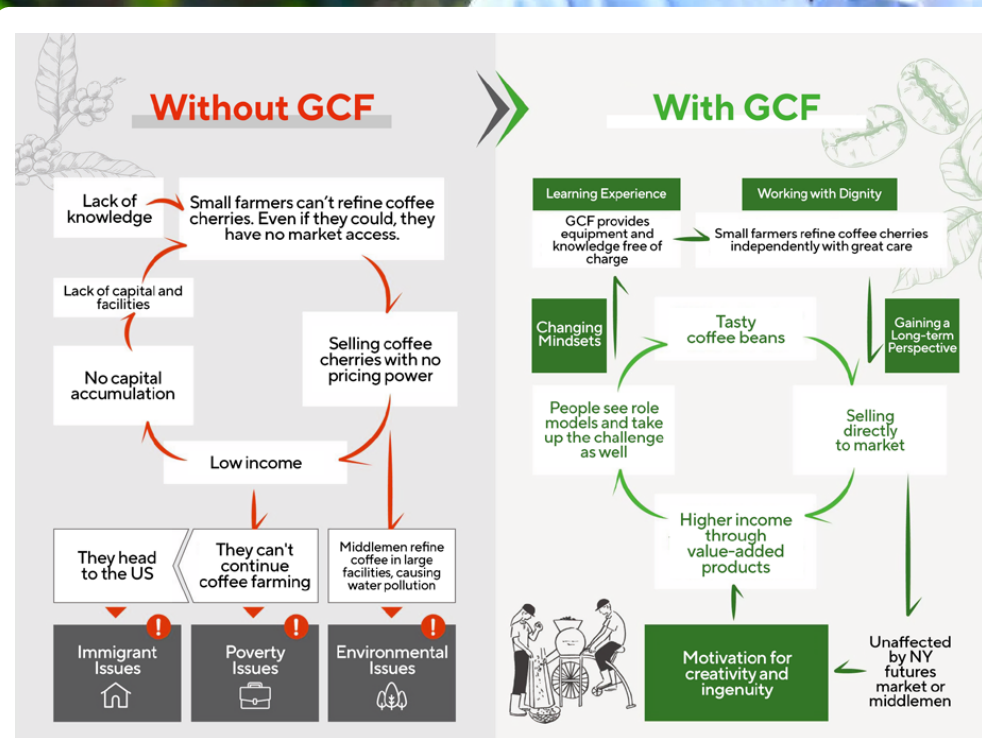
GCF provides small-scale coffee farmers with equipment, knowledge, a dignified working environment, and market access to produce high-quality specialty coffee with low environmental impact. The slogan, "Coffee Changing the World," reflects how the company produces sustainable coffee made by bicycle and delivers it to roasters and consumers in Japan and around the world.



GOOD COFFEE FARMS



Impact Model



*GCF=GOOD COFFEE FARMS

Impact KPIs

Number of registered farmers **229**

Number of farmers whose high-quality products achieved exports **62**

Number of farmers dealing directly with Japanese roasters (My Farm contracts) **10**

July 1, 2022 - June 30, 2023

Impact Story

Direct interaction between producers and consumers is gradually changing the attitudes and behaviors of both. A female grower who became a contract farmer in Colombia and a female roaster in Japan agreed, "The industry is dominated by men, but I am glad and encouraged to see a woman taking leadership. Let's work hard together!"

One Guatemalan production leader is studying production management systems while providing guidance to others. This attitude has influenced the farmers around him, leading to the production of high-quality products.

IRIS

Vision

Don't give up
on being true
to yourself

Social Issues

Discrimination against gender minorities (LGBTQ+) by estate agents/managers on grounds of sexuality

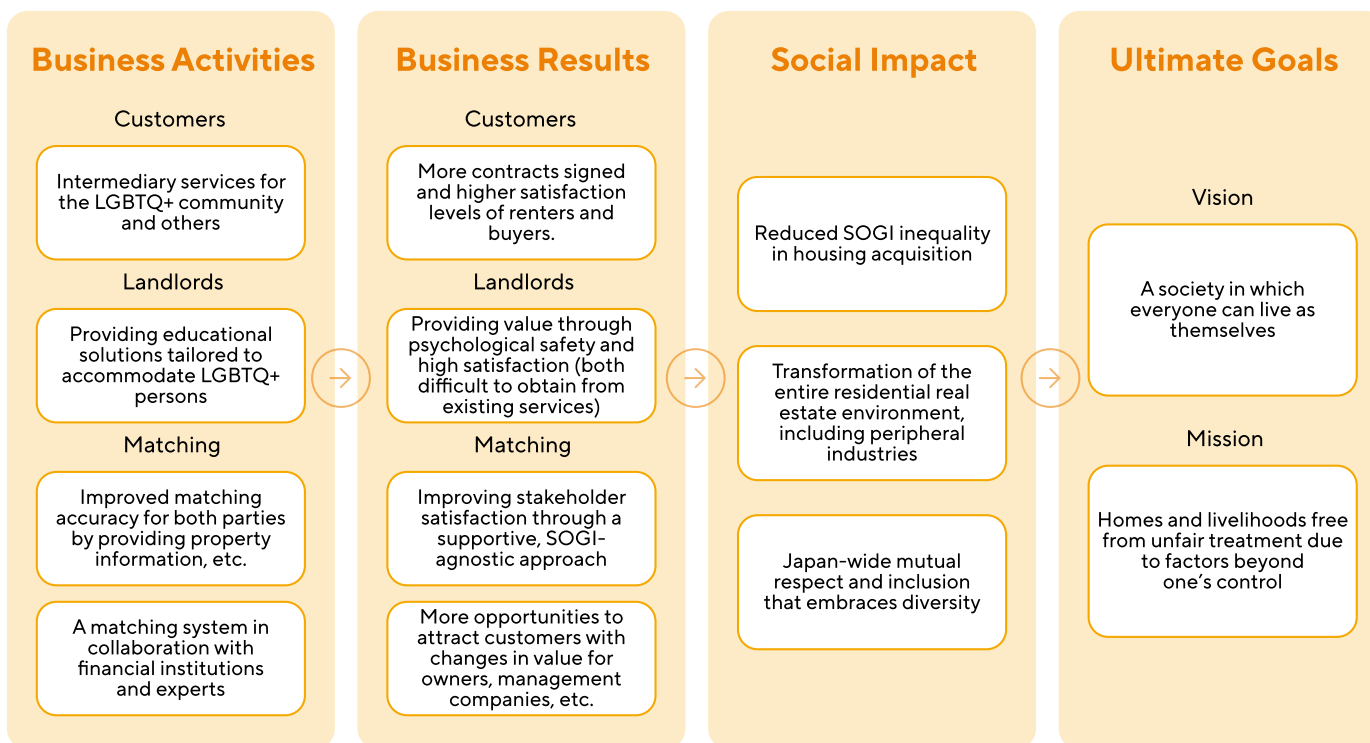
Business Summary

IRIS is a real estate agency where LGBTQ+ and other people can feel comfortable discussing their housing needs.



IRIS

Impact Model



SOGI: Sexual orientation, gender identity

Impact KPIs

July 1, 2022 - June 30, 2023



Impact Story

Housing Support Goes Live

As of September 2023, there were eight cumulative transactions through IRIS, totaling approximately ¥328 million. In Japan, same-sex couples were traditionally unable to take out mortgages, but starting with Mizuho Bank in 2017, more than thirty-five financial institutions now offer such services. However, the application screening is complex, and there are far fewer opportunities for support. IRIS is removing these barriers to home purchase.

CoCooking

Vision

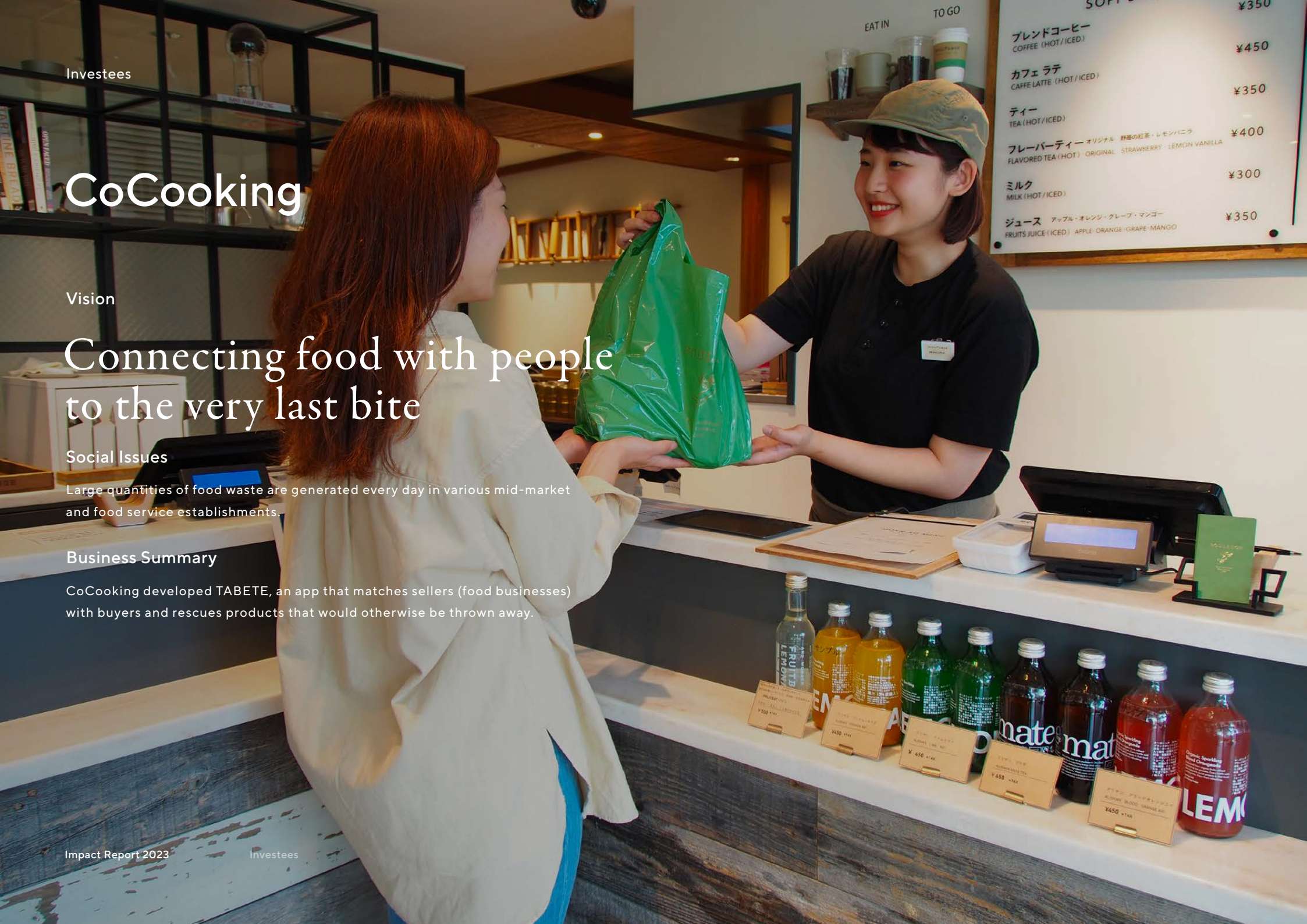
Connecting food with people to the very last bite

Social Issues

Large quantities of food waste are generated every day in various mid-market and food service establishments.

Business Summary

CoCooking developed TABETE, an app that matches sellers (food businesses) with buyers and rescues products that would otherwise be thrown away.

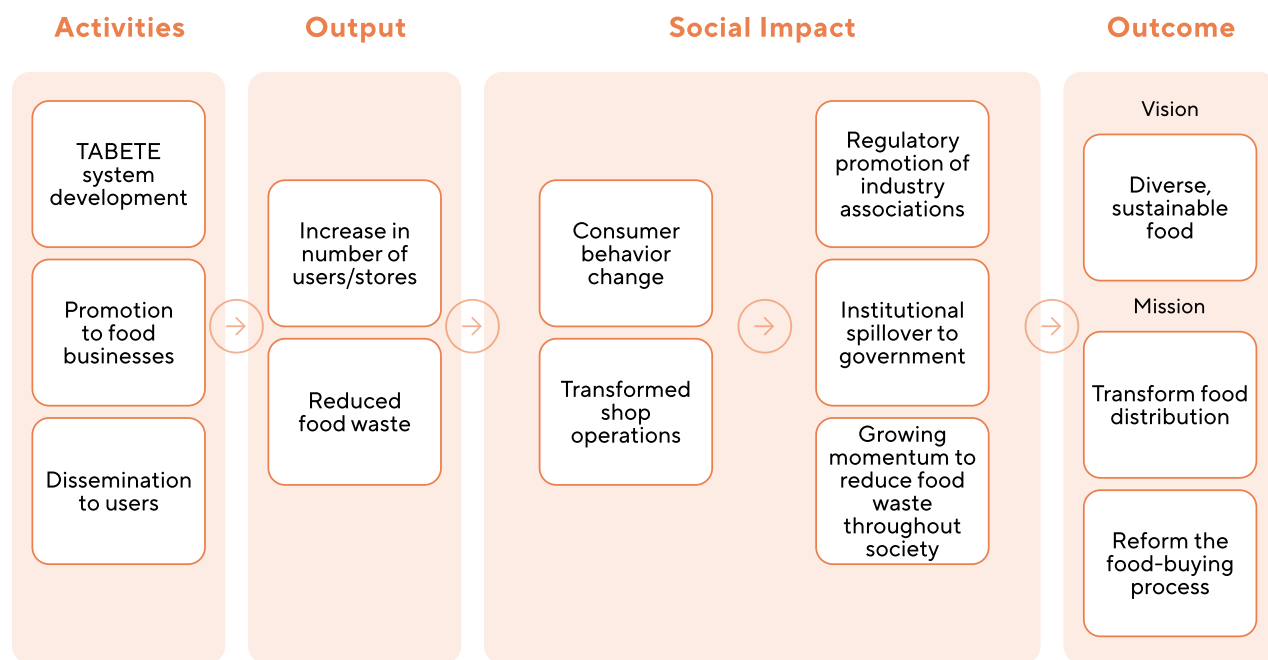


Item	Price (¥)
ブレンドコーヒー COFFEE (HOT/ICED)	¥450
カフェラテ CAFFE LATTE (HOT/ICED)	¥350
ティー TEA (HOT/ICED)	¥400
フレーバーティー FLAVORED TEA (HOT) ORIGINAL STRAWBERRY LEMON VANILLA	¥400
ミルク MILK (HOT/ICED)	¥300
ジュース FRUITS JUICE (ICED) APPLE ORANGE GRAPE MANGO	¥350

CoCooking



Impact Model



Impact KPIs

Number of rescued products (monthly)		Number of users performing rescues (monthly)	
Jan 2022	20,590	Jan 2022	9,041
Sep 2022	21,283	Sep 2022	9,541
Feb 2023	27,960	Feb 2023	12,998
Jul 2023	32,592	Jul 2023	14,055

Number of shops using TABETE		CO2 emission reductions (monthly)	
Jan 2022	492	Jan 2022	28.3t
Sep 2022	681	Sep 2022	29.2t
Feb 2023	695	Feb 2023	38.5t
Jul 2023	723	Jul 2023	44.8t

Impact Story

The Celestine Tokyo Shiba introduced the TABETE app for its hotel buffet. By working with the head chef to develop an operational methodology, the hotel’s high hygiene standards were met, and food waste was successfully reduced by 360 meals in about six months. This effort reduced the overall food waste by more than 90% for bread and more than 50% for other dishes.

congrant

Vision

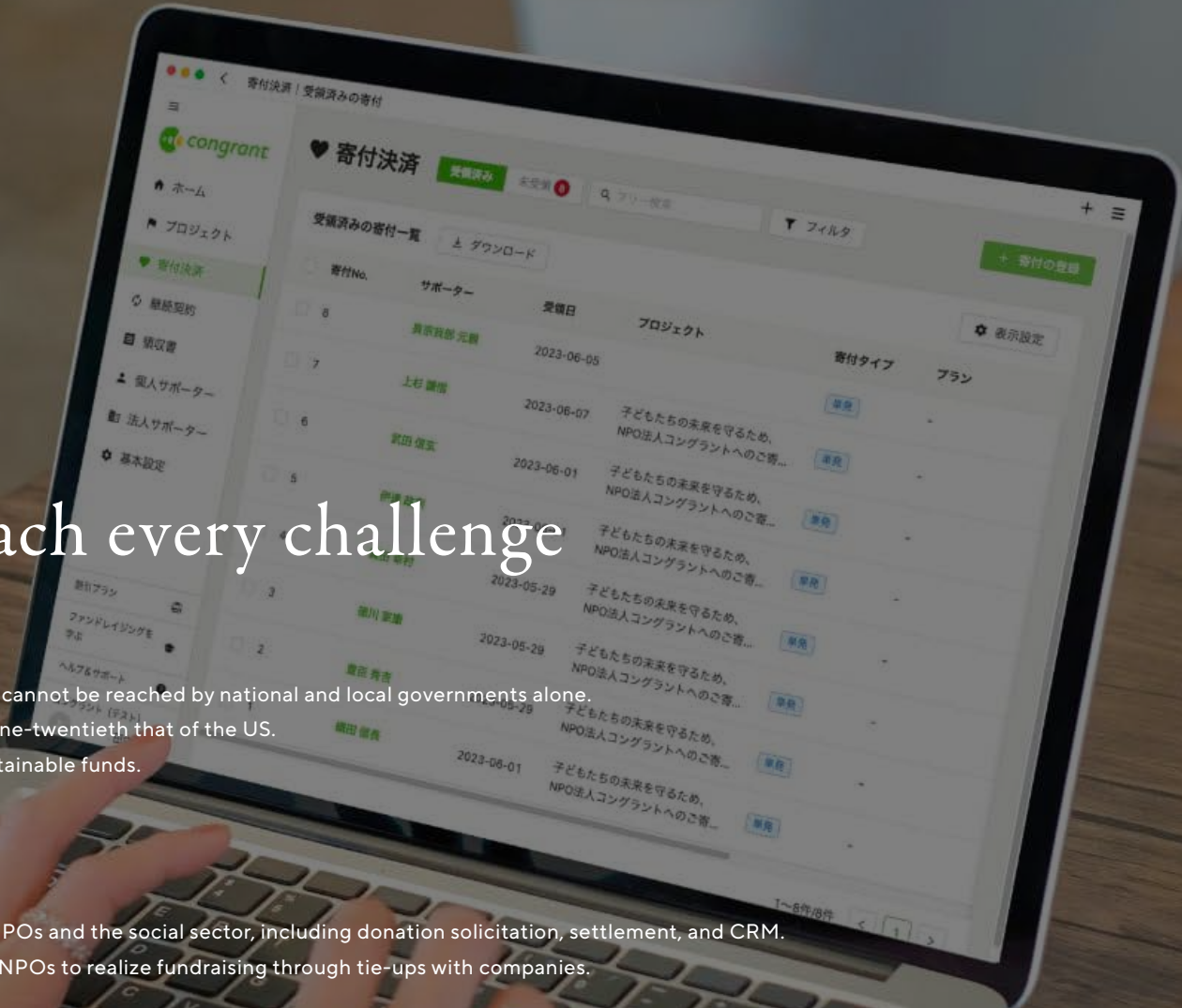
Realizing a world where donations reach every challenge

Social Issues

The social sector is responsible for solving social issues that cannot be reached by national and local governments alone. However, Japan's donation-to-GDP ratio is very low—just one-twentieth that of the US. NPOs without experience or resources struggle to raise sustainable funds.

Business Summary

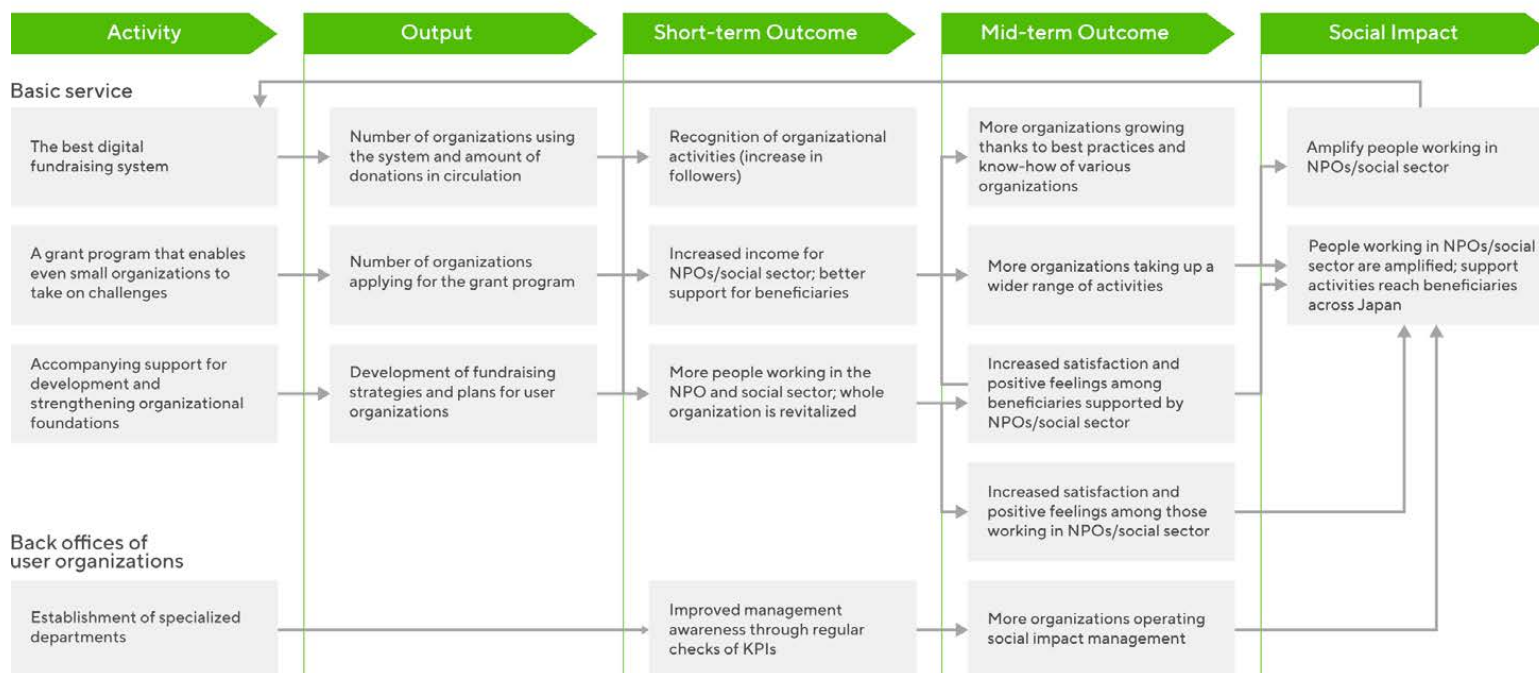
The company provides a combined fundraising system for NPOs and the social sector, including donation solicitation, settlement, and CRM. It also runs a number of unique grant programs that enable NPOs to realize fundraising through tie-ups with companies.



congrant

Impact Model

People working in the NPO and social sector are amplified, and their support activities reach beneficiaries in all corners of Japan.



Impact Story

The Monthly Donation Challenge Program was offered to nine organizations, resulting in a total of 106 continuous donors in two months. The program provided know-how from organizations that had already succeeded in attracting recurring donors, opportunities for organizations to learn from each other, and practical accompaniment support.

Organizations commented that the accompanying support gave them concrete information on the donation page, the content of the campaign, and how to gather supporters. This helped build a serious attitude towards public relations.

Impact KPIs

July 2022 - June 2023

Amount of donor settlement

¥1,837,474,252

Number of monthly supporters of continuing contracting organizations

12,590 (2022)

Donation amount: Total donations received by member NPOs through the congrant donation website annually

Number of monthly supporters: Total number of continuous donors who donate a certain amount of money each month (not one-off donations)

Investees

A's Child

Vision

Brighten the future for children

Social Issues

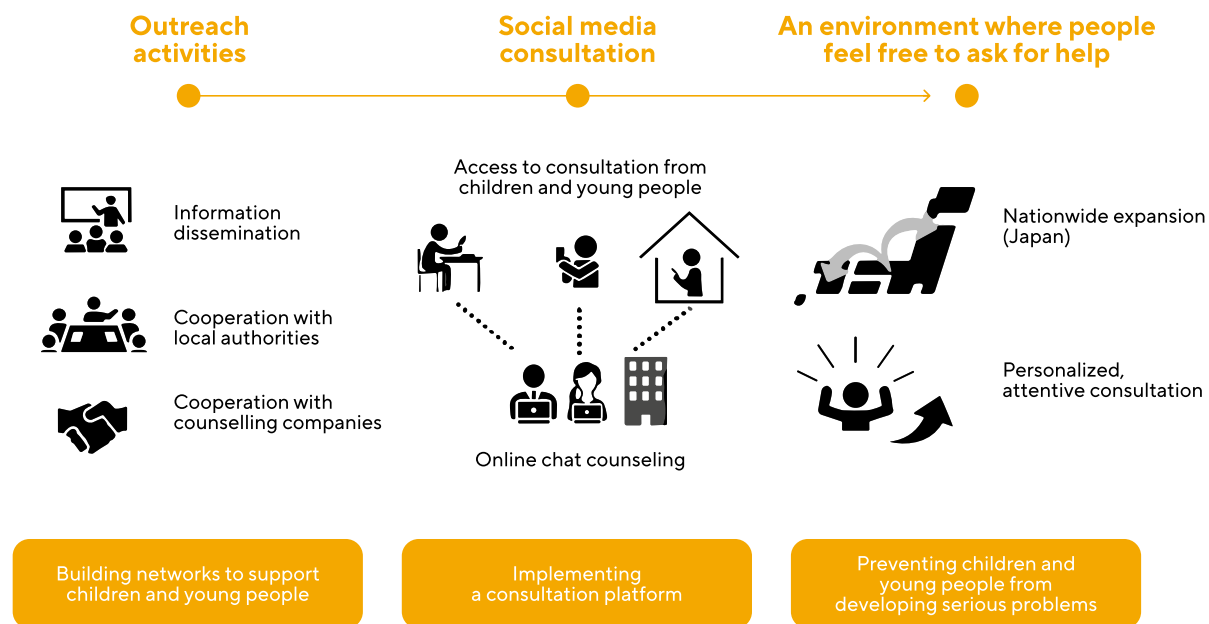
There is a lack of support for the increasingly diverse concerns of children and young people, including bullying, truancy, withdrawal, domestic violence, and harassment.

Business Summary

The company provides social media consultation and other counseling services via casual online chat.

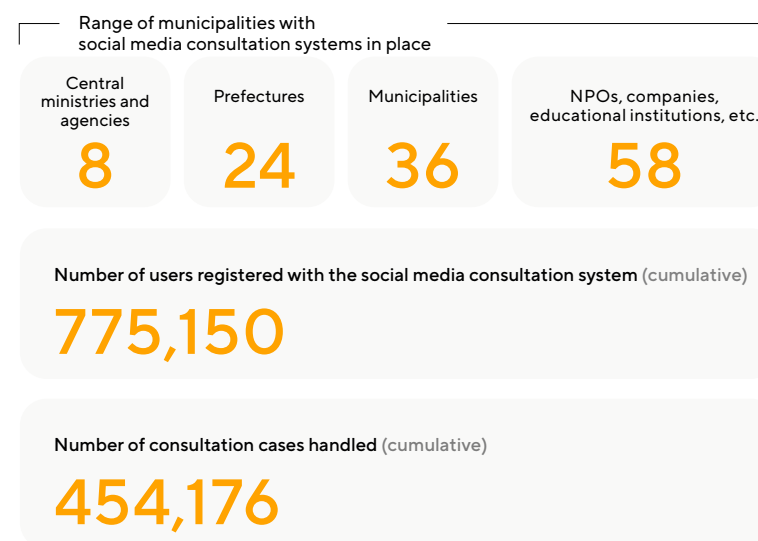
A's Child

Impact Model



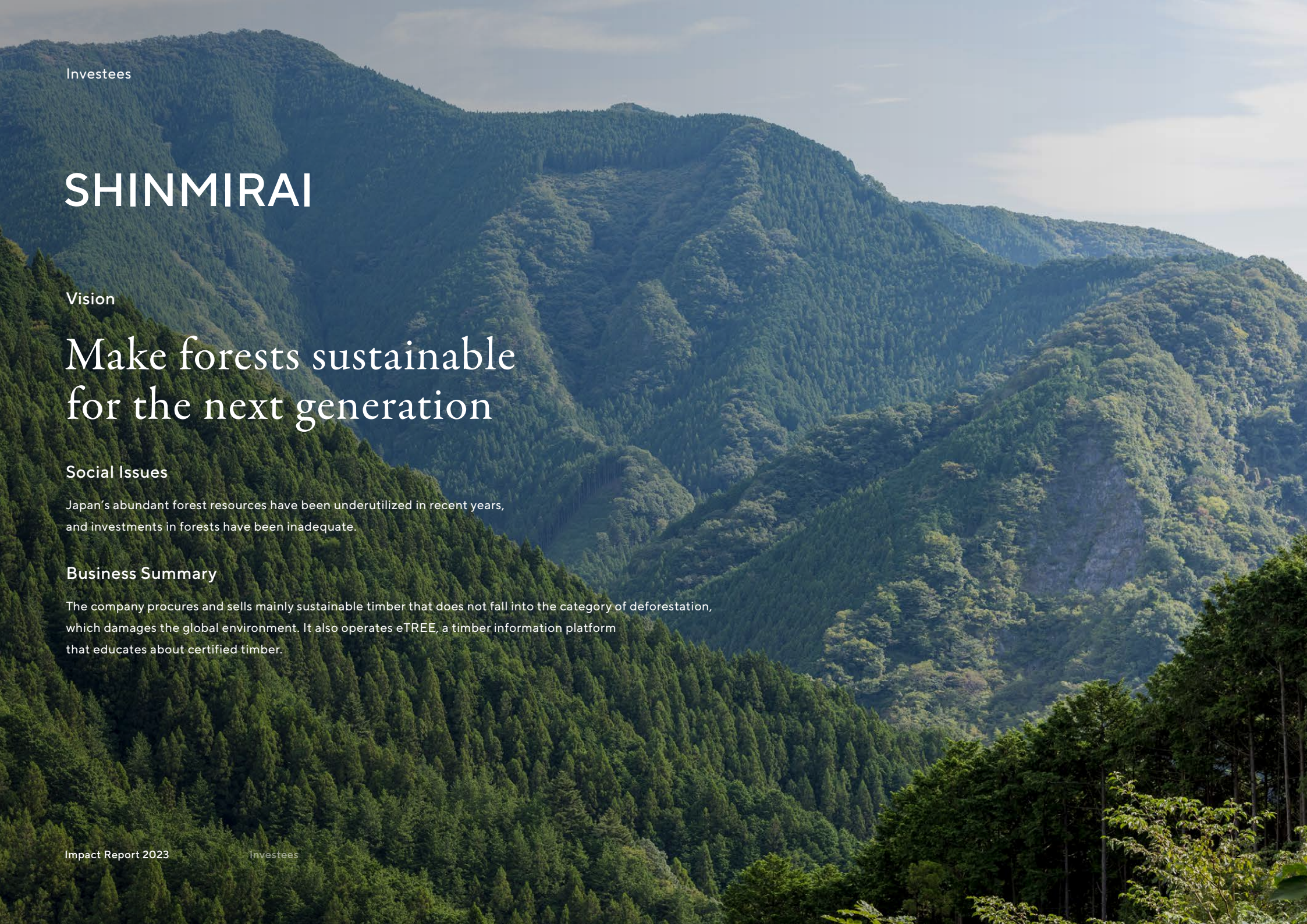
Impact KPIs

Sep 2023



Impact Story

In collaboration with Cluster Inc., A's Child provided a metaverse space for "young people with difficulties in life" in Fukuoka Prefecture. In addition to standard social media consultation (one-to-one chatting with a counselor), the space has realized a first in Japan. People can use the space to talk with a mental health worker, interact with university students close to the counselor's age, and share problems with other children, all in the privacy of an online environment.



Investees

SHINMIRAI

Vision

Make forests sustainable for the next generation

Social Issues

Japan's abundant forest resources have been underutilized in recent years, and investments in forests have been inadequate.

Business Summary

The company procures and sells mainly sustainable timber that does not fall into the category of deforestation, which damages the global environment. It also operates eTREE, a timber information platform that educates about certified timber.

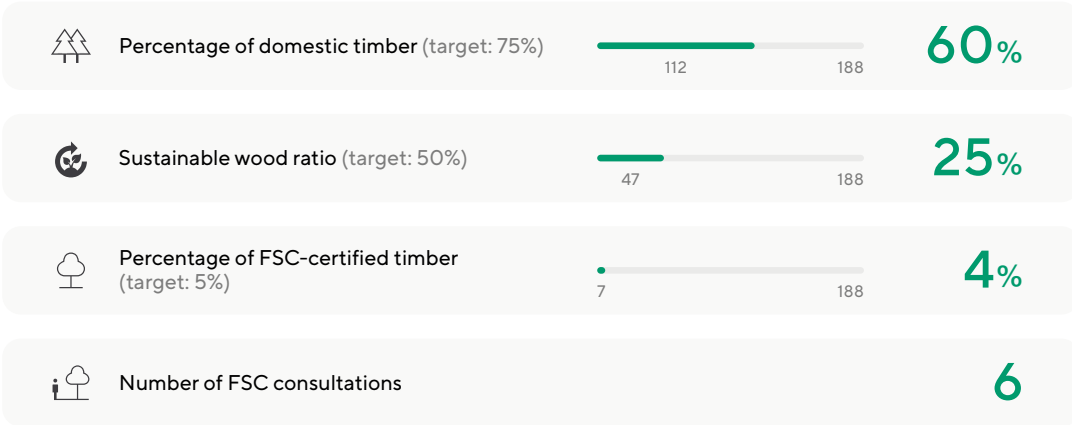


SHINMIRAI



Impact KPIs

July 1, 2022 – June 30, 2023



Impact Story

From July 1, 2022, to June 30, 2023, the company delivered a total of 188 pieces of timber. Of these, 112 (approx. 60%) were domestic timber, 47 (approx. 25%) were sustainable wood as defined by the company, and 7 (approx. 4%) were Forest Stewardship Council (FSC) certified. In addition, six consultancies for FSC certification were carried out.

BAOBAB

Vision

A world with mutual respect and freedom of choice for everyone

Social Issues

Employment opportunities are restricted for people with a range of unique circumstances, including people with disabilities, those raising children, family caretakers, and refugees residing in Japan.

Business Summary

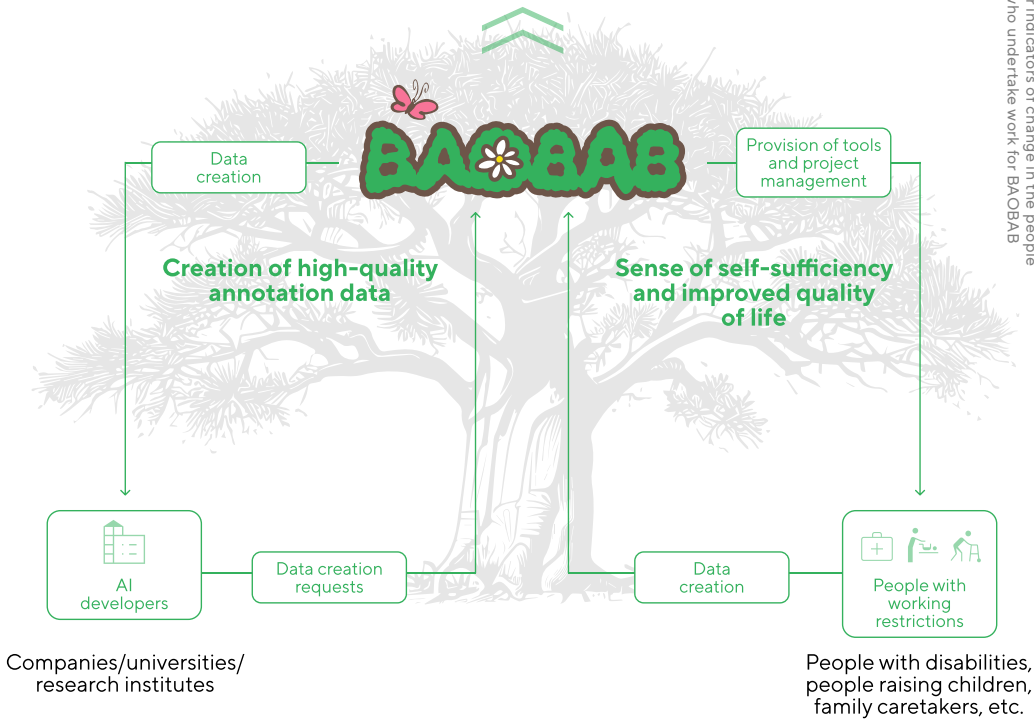
BAOBAB creates AI training data for large corporations and research organizations, outsources work, and provides implementation support to people with working restrictions.



BAOBAB

Impact Model

We envision a world with mutual respect and freedom of choice for everyone.



Impact KPIs

Indicator Type	Indicator Description	Value
Quantitative indicator	Number of people who have undertaken work for BAOBAB to date	2,115
Qualitative indicator Four indicators of change in the people who undertake work for BAOBAB	Creating and expanding opportunities for everyone to contribute to society and gain self-esteem through work, regardless of differences in circumstances	3.6 / 5.0
	Building support communities through work	3.4 / 5.0
	Discovering and developing talents through annotation and expanding the market for new workers	4.1 / 5.0
	Paving the way to economic independence and a world where workers and their families never give up on their future	3.1 / 5.0

Impact Story

A Lebanese refugee living as a housewife participated in the BAOBAB Annotation team Leader Training Program (ALT) to develop image annotation skills, digital literacy, and management skills. Over ten months, she grew as a team leader and realized her potential: "I'm remarkable!" She is now a team leader in charge of project management, as well as supervising the second wave of ALT participants. She says, "I want to further develop my skills to find my value in this field."

Annotation: the process of adding information to data in AI development

Investees

GAXI

Vision

Change scholarship inequality.
Change destiny.
Change society.

Social Issues

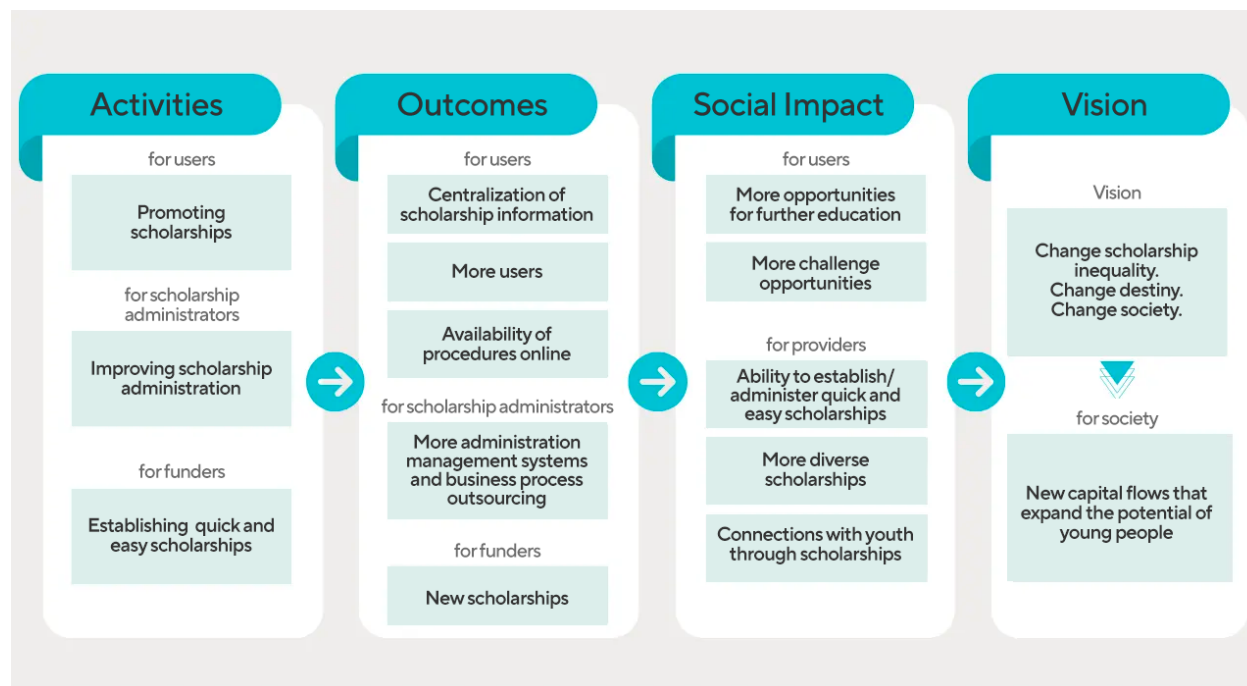
Inequality of information in the scholarship area limits students' future possibilities and career options.

Business Summary

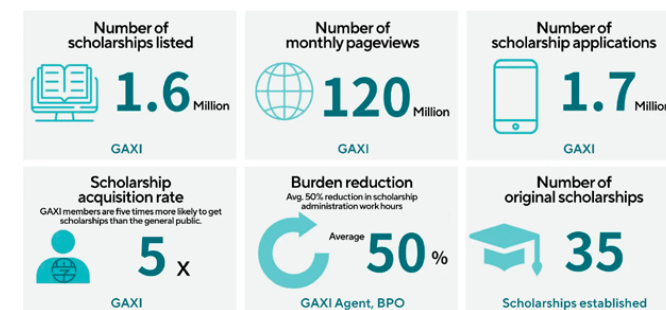
The company runs GAXI, a portal site where anyone can access scholarship information, and GAXI Agent, a management system for organizations administering scholarships.

GAXI

Impact Model



Impact KPIs



*As of Nov 2023

Impact Story

A single mother with three children (university, high school, and junior high school age) searched for and applied for scholarships on GAXI, leading to several scholarships awarded. The process of applying also helped her children clarify their goals and increase their motivation to study. GAXI has made it easier to find existing scholarships, but it is also planning more original scholarships that women like this will be able to utilize in the future.

RENNOVATER

Vision

Peaceful homes for all

Social Issues

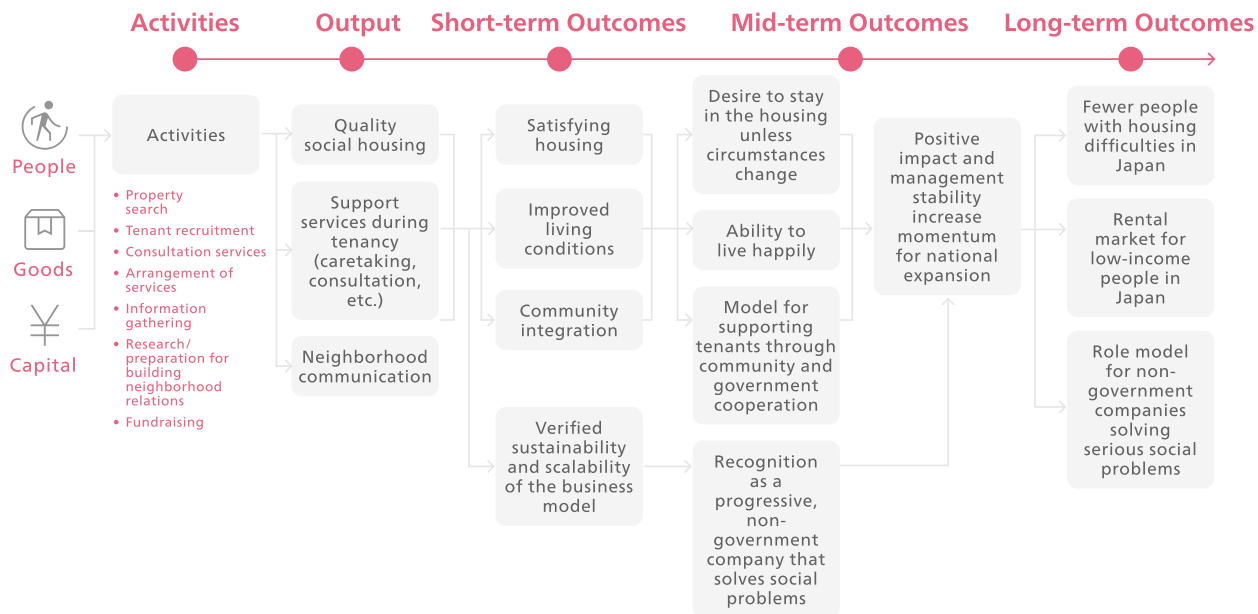
People with low incomes, elderly people living alone, single mothers, and foreign nationals are often refused contracts by landlords and others, making it difficult for them to secure housing.

Business Summary

The company acquires and repairs vacant houses and offers them at low rental rates to people who have difficulty securing housing.

RENNOVATER

Impact Model



Impact Story

A foreign couple in their thirties (both dispatched workers with company housing) were suddenly asked to relocate. Instead, deciding they liked living in the region, they resigned from the company. RENNOVATER provided them with a place to live. They have since found new jobs and are enjoying life in a place they chose.

A woman in her thirties suffered from depression and schizophrenia. She was living with her siblings in a single-bedroom apartment. RENNOVATER found her accommodations near the hospital and helped her apply for welfare assistance. Her stress levels dropped when she got her own place, and she continues to receive treatment at the hospital.

Impact KPIs (Quantitative Indicators)



Impact KPIs (Qualitative Indicators)



vKirirom

Vision

A world where anyone can be a global leader

Social Issues

Since the Khmer Rouge genocide under Pol Pot, Cambodia's intellectual class has declined, resulting in a shortage of advanced educators.

Business Summary

The Kirirom Institute of Technology was established to provide high-level IT, entrepreneurship, and other education, as well as a scholarship system.

The project also addresses the shortage of IT human resources in both Cambodia and Japan by creating opportunities for Japanese young people to study in Kirirom.

vKirirom

EOGSEA vision
Empowering student entrepreneurs to become the world's most influential change makers.



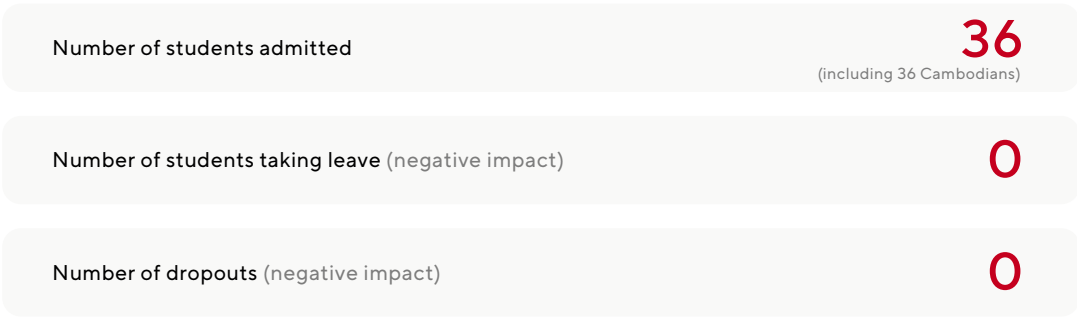
GLOBAL STUDENT ENTREPRENEUR AWARDS



AN ENTREPRENEUR ORGANIZATION GLOBAL COMPETITION

Impact KPIs

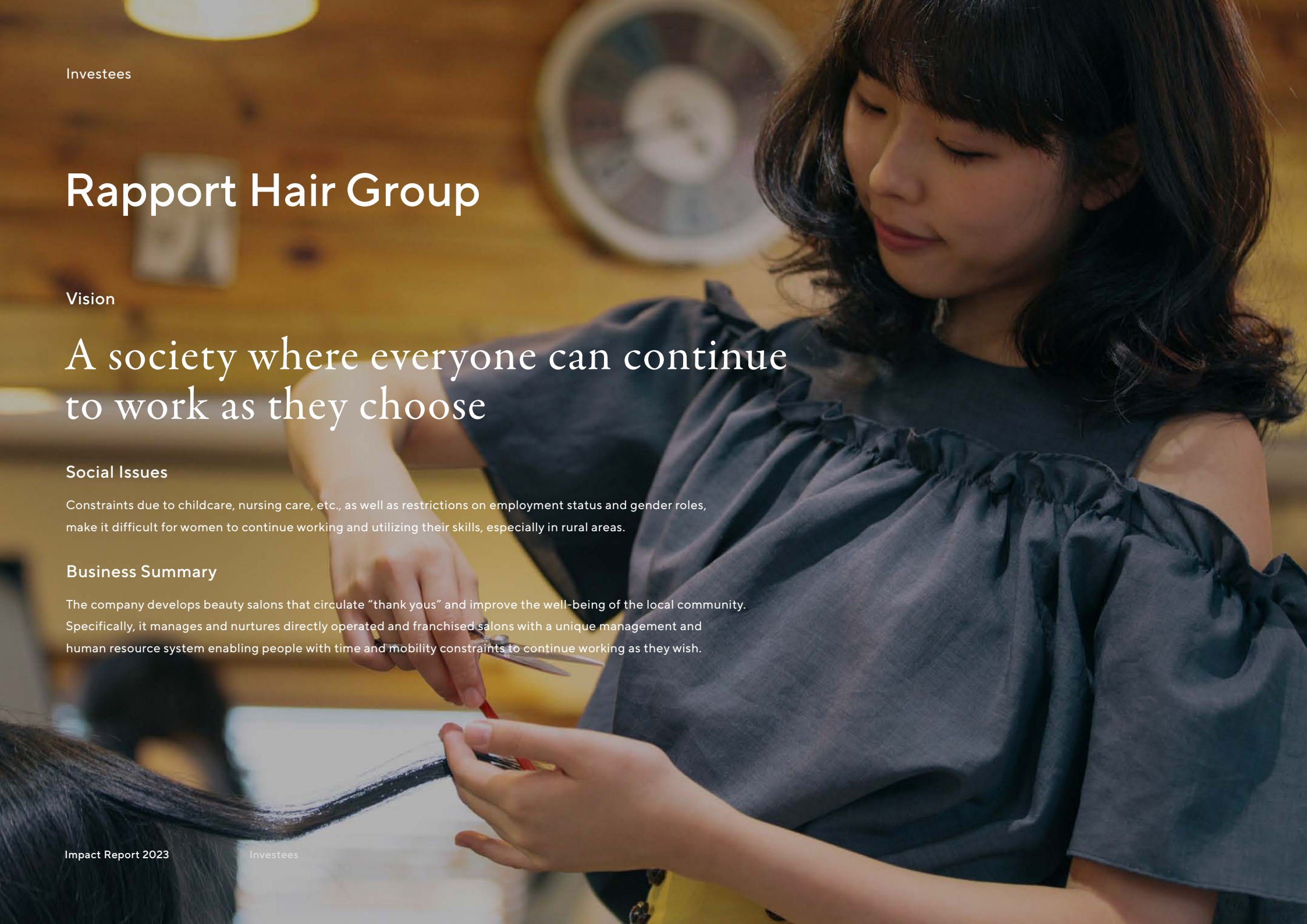
July 1, 2022 – June 30, 2023



Impact Story

Jobify, a startup from the Kirirom Institute of Technology, qualified for the 2023 ASEAN-Korea AI Youth FESTA (held in Indonesia) and was selected as one of the top 18 out of 136 participating companies from ten ASEAN countries.

A survey of Cambodian graduates found that
(i) 96% found full-time employment
(ii) 84% of those who found employment said they found a good job
(iii) 39% of graduates earned more than five times the legal minimum wage in Cambodia



Investees

Rapport Hair Group

Vision

A society where everyone can continue to work as they choose

Social Issues

Constraints due to childcare, nursing care, etc., as well as restrictions on employment status and gender roles, make it difficult for women to continue working and utilizing their skills, especially in rural areas.

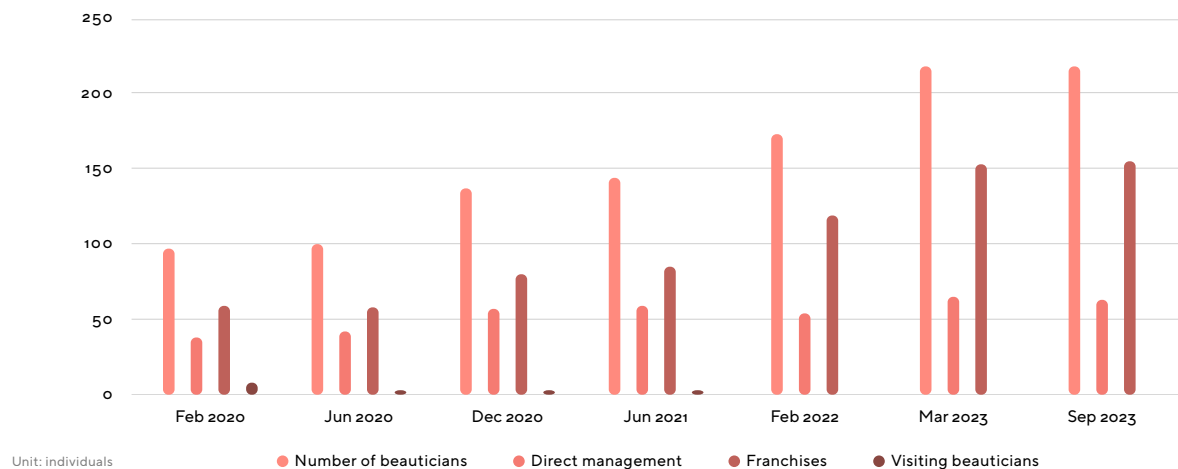
Business Summary

The company develops beauty salons that circulate “thank yous” and improve the well-being of the local community. Specifically, it manages and nurtures directly operated and franchised salons with a unique management and human resource system enabling people with time and mobility constraints to continue working as they wish.

Rapport Hair Group



Impact KPIs



Impact Story

Fifteen years after she left her job as a beautician to have a baby, a woman had settled down to raise her children. But she questioned if she was really happy with her life and wondered what she really wanted to do. She had loved her job as a beautician, but it had been fifteen years. She lacked the confidence to even inquire about a job interview. Then she visited Rapport Hair as a customer and saw how they worked as a team. Realizing she could apply even though she was still raising her children and had a gap in her resume, she took the plunge. She still works for the company today.

One staff member said she is “having a lot of fun now” and has not only become more cheerful, but has also changed her appearance and is playing an active role in the shop. She is even considering working more hours once her children are older.

47PLANNING

Vision

Revitalize all forty-seven prefectures
and enhance Japan's national strength

Social Issues

As regional populations decline, local attractions and liveliness are being lost.

Business Summary

The company operates BYAKU, a restaurant with accommodations that condenses the charm of local areas.
It also promotes regional excitement through talent support for event management.

47PLANNING



Impact KPIs

July 1, 2022 – June 30, 2023

Number of guests in BYAKU Narai (excluding children)

4,418

Jobs created in BYAKU Narai
(number of employees, including retired and temporary staff)

63

[Review rating] Ikkyu.com (domestic customer satisfaction)



4.64 / 5 (102)

[Review rating] Booking.com (international customer satisfaction)



9.6 / 10 (69)

Impact Story

BYAKU Narai in Naraijuku, Nagano Prefecture, has completed its second year of operation with the number of guests up 170% year over year. The average annual occupancy rate also rose from 33.5% to 50.2%. In August 2023, two more old houses were acquired, and four rooms were added, bringing the total number of vacant houses to 11.

Polaris

Vision

A society in which the elderly can lead meaningful, independent lives to the end

Social Issues

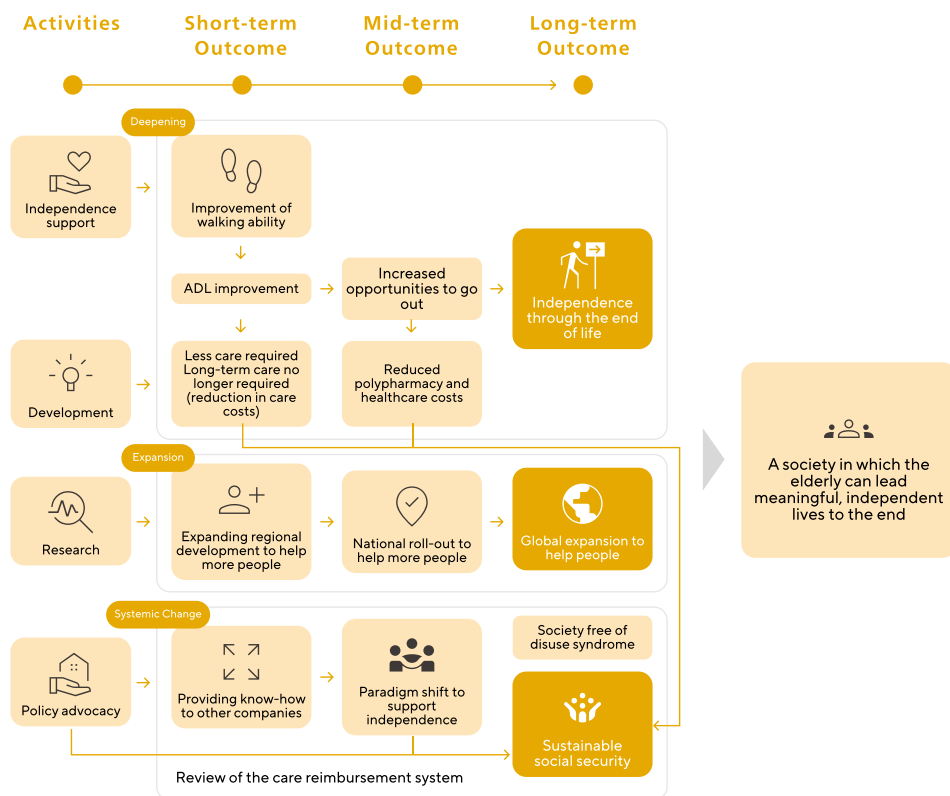
Disuse syndrome has led to a decline in physical function and many people becoming bedridden as a result of excessive rest. This significantly undermines the well-being of the elderly, but also leads to higher healthcare and long-term care costs for society as a whole, placing a significant burden on social security systems.

Business Summary

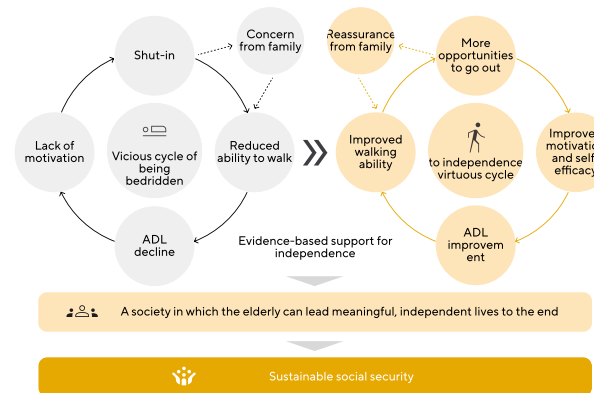
The company provides independence support, mainly through day services. Specifically, the care improves frailty and prevents the elderly from becoming bedridden by providing gait training tailored to their individual goals.

Polaris

Impact Model



Polypharmacy: use of five or more medications
 Disuse syndrome: a condition with symptoms such as muscle weakness resulting from prolonged periods of excessive rest or reduced activity, such as being bedridden
 Independence: physical, mental, and social independence as defined by WHO
 ADL: activities of daily living



Impact KPIs

	Number of customers	Number of graduates ¹	Improvement score ²
Jul-Dec 2021	5,605	21	0.85
Jan-Jun 2022	5,800	18	0.86
Jul-Dec 2022	5,742	25	0.91
Jan-Jun 2023	5,958	42	0.90

¹ Graduates: Users who attended Polaris day services requiring support became more energetic and are no longer eligible for care insurance benefits.

² Improvement score: Average degree of reduction (improvement) in the level of care required. If all users improve by one (e.g., 5 → 4, 4 → 3), this score is 2. If all users deteriorate by one, this score is 0.

Impact Story

An eighty-year-old woman (level of care required: 1) suffered from severe hemiplegia due to a stroke, but improved to level 2 support after about two years of rehabilitation. When she first started using the service, she was worried that she would never be able to graduate from nursing care, but after attending Polaris twice a week, she was eventually able to walk independently. Her activity level increased, and she now participates in folk song classes and karaoke. She is continuing her rehabilitation with the new goal of resuming ballroom dancing.

I SUN SUN GROUP

Vision

To connect future generations with hope so they can feel “I’m glad I was born.”

Social Issues

People with disabilities and the elderly face difficulty just living.

Statistics show that the proportion of people with disabilities who are successfully employed vs. those who wish to work is approximately 50%.

Meanwhile, depopulated areas suffer a lack of facilities to support peaceful living for elderly people who need care.

Business Summary

The company integrates welfare for the disabled and the elderly to create a society in which everyone is glad to have been born.

Specifically, the company operates a nursing home, a day service, and a boxed lunch delivery business with an employment support center and group home for people with disabilities.

NEXT CORE

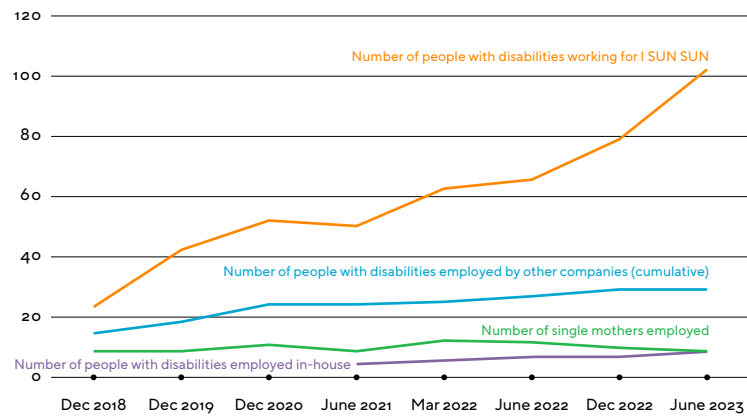
I SUN SUN GROUP



愛さんさん
グループ



Impact KPIs



Number of people with disabilities working **106**

Number of people with disabilities employed by other companies (cumulative) **30**

Number of single mothers employed **10**

In-house employment of persons with disabilities **9**

July 1, 2022 - June 30, 2023

Impact Story

A thirty-six-year-old man with full visual impairment was laid off from his job due to COVID-19 and entered I SUN SUN Village (employment support Type B) in Ishinomaki as a user. He was the first person in Ishinomaki to switch from Type B to general employment.

KIBOW's Impact Due Diligence

KIBOW conducts impact due diligence in investment decision-making. Below are some specific details of this process.

Process	Question	How
Initial due diligence	Is the vision appealing?	Entrepreneur pitch
	Is the social issue serious?	Q&A
	What problem are you trying to solve, and for whom?	
	What motivates you to work on solving this social issue?	
Full-scale due diligence	What structures create the social challenge, and where is the leverage point?	Literature review Social issue structure
	Why does this social problem remain unresolved?	
	Is there any unintended negative impact?	
	What paths can be taken to transform society?	Impact model development
	Is the strategy for expanding the impact clear?	Strategies to expand impact
	How can KIBOW contribute?	Interviews with beneficiaries and other stakeholders
	Is the impact model feasible?	KPI setting based on impact models
Are initial outcomes being generated?	Initial impact measurement	
	Are there clear measures to address negative impact?	Impact risk response policy development

First, we ask about the entrepreneur's vision. Visions tend to be broad and abstract, but we ask specifically when, where, how many, and what kind of people they are aiming to create a society for. We also want to understand challenges or suffering the beneficiaries are currently experiencing and how deep that goes. We ask why this is the social issue they are working on because that motivation should be the driving force and unbreakable axis for solving any social issue.

After that, we conduct a literature review to gain a structural understanding of the social issue: Why is it occurring? What have other companies, including governments and NPOs, been doing about it? Why aren't those efforts working? Why does the social issue remain? We then test hypotheses about whether the business activities can transform a vicious circle of social problems into a virtuous circle of social problem-solving. We also check for unintended negative impact. This includes examining the business critically to ensure that it does not cause suffering

or pain to anyone, as well as examining the entrepreneurs to ensure they are not imposing their own values.

If, after all of this due diligence, it is determined that there is potential for structural change in society, we move on to full-scale due diligence. This involves development of an impact model to determine how society can transform, the development of a strategy to expand the impact, and how KIBOW can contribute to this process. In addition to discussions with entrepreneurs and a literature review, we will conduct field research. We interview experts, employees, beneficiaries, and around twenty other people to develop an impact model that makes sense.

To ensure that the impact model is really feasible, impact KPIs are set, and an initial impact measurement is carried out before investment. Finally, countermeasures against the risk of negative impact are considered. Investment decisions are made only after confirming that such risks can be minimized.

How Development of an Impact Model Led to a Decision to Face Social Outcomes

Light-Right CEO Ryuta Saito x KIBOW Dialogue

One of the challenges facing Japan’s super-aging society, known as the “2025 Problem,” is mass closure of small and medium-sized enterprises (SMEs) and subsequent decline in regional well-being. Light-Right operates a matching platform for businesses seeking successors to prevent this from happening.

Below is a dialogue between Mr. Ryuta Saito, the company’s representative director, and KIBOW’s investment managers, Takanori Matsui and Natsuki Tamura. They discuss the development of the impact model, its effects leading up to the investment decision, the “business renovation” experienced by the two investment officers in Miyazaki, and future prospects for the company.

— Could you first explain what Light-Right does?

SAITO: Light-Right operates a service called Relay, which is a matching platform for business succession. Japan as a whole is aging. That means the number of business owners is also aging, and the number of business closures and bankruptcies is increasing. But the loss of one business in a small town in a rural area means that certain goods are no longer available, and people have to travel to the next town. But transportation problems stand in the way, which can lead to socially vulnerable people. We want to solve these problems by opening up possibilities for local business succession.

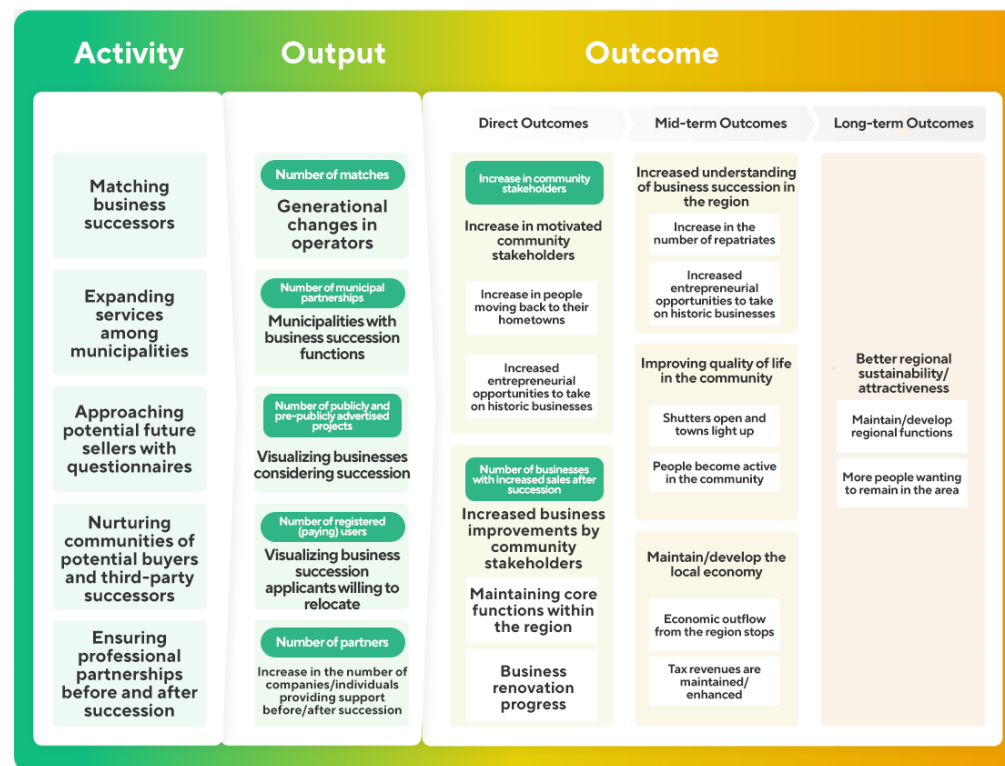
— In the beginning, there were many questions about how supporting the succession of regional SMEs would

actually work: What was M&A matching? What, exactly, did regional revitalization mean? But after a series of discussions, you proceeded with your investment decision. What was that process like?

MATSUI: Initially, in parallel with stakeholder interviews and confirmation of financial KPIs, an impact model* was developed. We used that model as the basis for discussions.

*Impact model: a design diagram that organizes the cause-and-effect relationships that enable an organization to achieve the changes and effects (outcomes) it aims for through business activities

TAMURA: Mr. Saito, this was your first time creating an impact model. How was it?



Light-Right Relay impact model



Natsuki Tamura, KIBOW

Ryuta Saito, Light-Right CEO

Takanori Matsui, KIBOW

SAITO: I am very satisfied with the impact model. The biggest thing was that it solidified the mindset that we have to face the social outcomes. I think that many M&A matching businesses really do not want to do that because M&A is often difficult after the deal is concluded, and disputes can naturally arise around and within the company. However, by creating the impact model, we were able to make up our minds that we are going to pursue certain outcomes. We can now demonstrate clearly and persuasively that business succession is good for society. I am more convinced than ever of the benefits of business succession.

——— In working together to create the impact model, KIBOW visited Light-Right’s base in Miyazaki. They met with people who had succeeded or taken over businesses there, toured their shops, and spoke with government officials.

MATSUI: We actually visited the site, had conversations with the successors, and listened carefully to what they had been working on. For the first time, I realized how significant it is for a person who has supported the community to entrust their business to someone else.

TAMURA: Seeing the relationships between the local shopping area and the stores, the reaction of the government officials and everyone else, we realized that these businesses were not just being taken over. They were being renovated and creating new value for the local community. After going through such due diligence, did the company or the situation change when you actually received the investment?

SAITO: Businesses start from your own will, that feeling of “I wish to make society a better place.” But after a time, we tend to think only about how to make money. Of course, a business has to be profitable, but through our discussions, I think I was able to turn my attention back to what I want to do and the direction we want to go as a company. I believe KIBOW will continue to be a good partner for us.

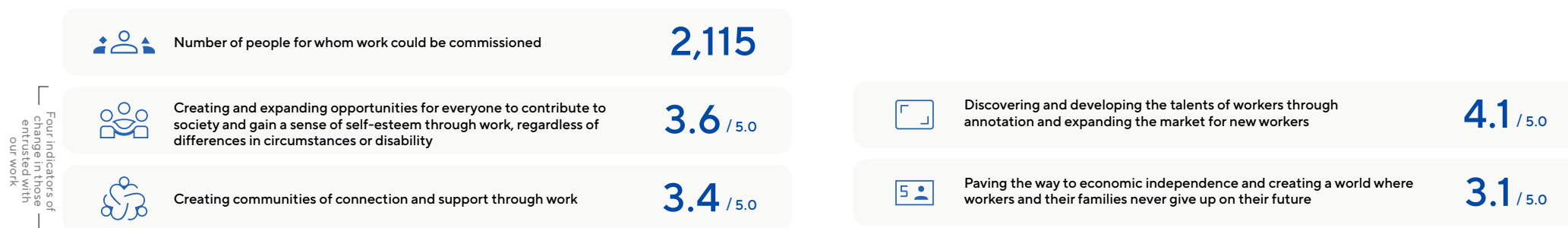
TAMURA: The idea of developing an impact model and measuring with IMM* is still a pretty foreign concept in the Japanese startup industry. I hope we can continue to support other impact startups with Light-Right as a role model.

*IMM: impact measurement and management

Facing the Situation and Measuring Our Social Value in Numbers

BAOBAB CEO Miori Sagara talks about delegating work to individuals with working restrictions, undertaking AI data creation tasks from major corporations and research organizations, and impact measurement and management.

Impact KPIs



Miori Sagara
BAOBAB CEO

KIBOW TAMURA: How do you feel about these results? What are your impressions?

SAGARA: First of all, as CEO of the company, I accept the score with humility. At the same time, I believe that we cannot be happy or sad depending on how high or low a score is. For example, in employment support facilities, leaving can be a good thing or a bad thing. If a person is able to move into general employment quickly, that is a very happy thing, isn't it? So even if we know that people are being replaced quickly, we can't tell if it's good or bad unless we check on the individual. So depending on what the parameters are and how you ask the questions, the score can be completely different. We tried to minimize this difference as much as possible, but I have to admit that it was still difficult.

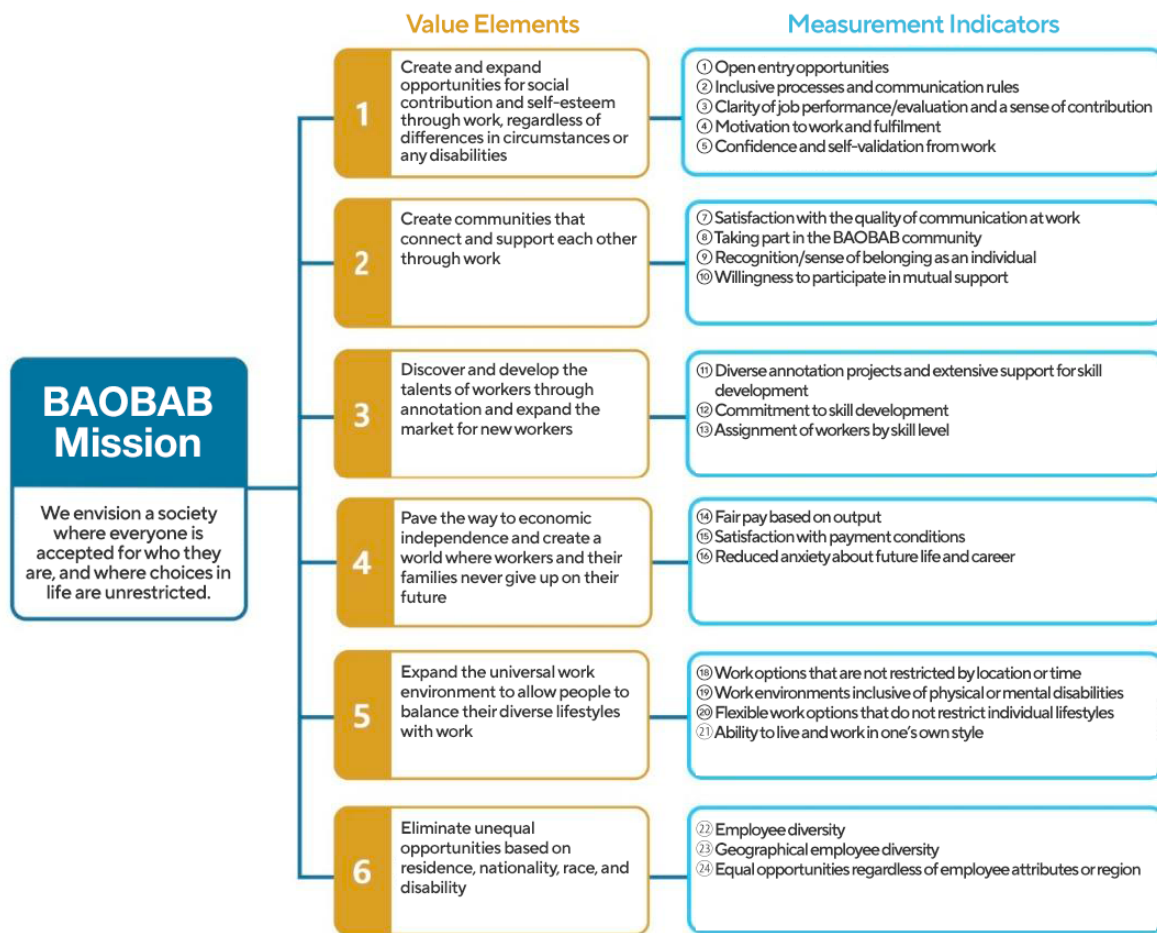
Finding the Right Measurement Parameters through Frank Interviews

TAMURA: Can you tell us a little more about how you dealt with the question of parameters?

SAGARA: Baopart workers are not only paid for their annotation work. They are gaining inner fulfillment and growth opportunities through a sense of community and achievement. However, existing evaluation frameworks didn't incorporate this kind of impact. Therefore, we started by identifying elements to serve as new parameters while engaging in frank interviews with users.

In the end, based on about eight hours of interviews, we were able to systematize our six social values.

Six Value Elements and Metrics at Baobab



Ref "Social Value of a Work Environment Where Everyone Can Work as They Are", co-authored by Fumihiko Oba and Miori Sagara, from the Stanford Social Innovation Review Japan

TAMURA: What was most important when you were creating questions for the survey?

SAGARA: We focused on choosing words that are meaningful for frontline users and could be understood from their point of view. Workers at the support facilities helped us with this. The initial draft came back with a lot of revisions, but we were able to eventually get it right thanks to the honest feedback we received. I believe the trust and relationships of BAOBAB employees who are involved with users on a daily basis played a crucial role in facilitating clear communication.

No Impact Management before Funding

TAMURA: When did you really solidify what kind of social impact you wanted to make and how you were going to make it?

SAGARA: We didn't have a clear idea of what we wanted to do until KIBOW invested in us. After that, everything became clearer.

As a business owner, it required courage to accept external funding. Nonetheless, I wanted to receive KIBOW funding because I want to change misconceptions—for example, the idea that people with autism cannot work. That's how we want to drive our business, improve society, and increase the number of people who are happy. To achieve this, we wanted to clarify why we are here and what kind of company we are. By making these values publically known, we hoped to attract like-minded individuals and expand our impact. We believe that if our model spreads, the number of people with disabilities who feel confident in their brilliance and connected to society will grow, and the world will become an even more beautiful place.

Exit to Community

KIBOW takes a unique approach to exit.

Many venture capitalists invest with the aim of getting their investees listed on the stock exchange through IPO. However, social impact investment does not always aim for IPO. At KIBOW, we believe in “exit to community.”



Changes in manaby’s impact over KIBOW’s investment period



Case Study: manaby

Since its establishment in June 2016, manaby has provided IT education to people with disabilities and their families, giving them new hope. In October 2020, KIBOW transferred its shareholding in manaby to a number of manaby’s partner companies. KIBOW had provided hands-on support after a ¥40 million investment in October 2018. We supported the company

to improve its services, strengthen its operations, and expand its locations. KIBOW conducted impact due diligence to ensure that manaby’s impact was not only sustainable, but that it would further develop after exit. manaby established a unique system to provide developed content to partner companies across Japan. By transferring our shareholdings to these partners, KIBOW

has strengthened its partnership structure while making a capital gain. This model of social franchising, in which like-minded people work together to expand social enterprises, is expected to expand further.

5 LESSONS

As a pioneer of social impact investing in Japan, here are some of the lessons we have learned so far.

01

Uncovering the reason social issues persist requires careful thought and research.

What contexts and structures generate social problems? And why has no one been able to solve these issues until now? We not only conduct literature research, but also visit the field to confirm with our own eyes and ears and think carefully about what we find there.

あなたのココロのシェルパ、マイシェルパ。



Case

In Japan, the number of occupational injury claims related to mental disabilities continues to increase at a rate of 200 per year. Wanting to know why, we investigated through multiple approaches: 1) an analysis based on a literature review and expert interviews considering historical context, 2) interviews with companies, including HR personnel, and 3) counseling sessions as a stakeholder. We found that mental health care measures intended to counteract the issue are often tokenistic. There are limited counseling consultations and experienced counselors. Our solution, then, had two parts: creating a system that is more user-friendly and creating a culture of in-house counseling. We decided to invest in MySherpa to make this a reality.



5 LESSONS

As a pioneer in social impact investing in Japan, here are some of the lessons we have learned so far.

02

Due diligence is the first step in creating businesses and transforming society with entrepreneurs.

Due diligence is not just verifying a business and its social value. It is a process of working with entrepreneurs to develop a strategy to change society, articulate and visualize value, and formulate a concrete plan. Even if due diligence does not result in an investment, we want our efforts to earn a “thank you” from each entrepreneur.



Case

We were initially unsure whether GOOD COFFEE FARMS (GCF) was really leading to higher incomes for farmers. We therefore conducted direct interviews with GCF contract farmers in Guatemala and found that not only had their income increased, but their lives had improved, as well. Farmers shared some important comments, such as “I used to only see my children sleeping, but now I can spend time with my family” and “I can eat lunch and take tea breaks.”

We reaffirmed that due diligence is not an itemized assessment, but an important process that enables us to think together about how to increase producers on the other side of the planet who are improving their lives and the environment, as well as consumers who are thinking about their own purchasing behavior.

03

The power to solve social problems lies in entrepreneurial decision-making.

Impact models do not automatically improve society. Even the most impressive impact model will not work without the will of the entrepreneur. It is their diligent decision-making on the front lines that brings change. The social impact investor shows their skills by supporting that decision-making.



Case

A's Child has received many offers for investments, business alliances, and acquisitions thanks to its technical prowess. If the company had only focused on finances and business expansion, it would have been quick to accept all of these offers.

However, A's Child makes every decision based on a particular criterion: “Will this lead to the improvement of society?” Offers that do not meet this criterion are rejected outright, and yet A's Child has achieved remarkable business growth. The company's ability to change society is supported by mission-based decision-making.

5 LESSONS

As a pioneer in social impact investing in Japan, here are some of the lessons we have learned so far.

04

Impact measurement and management (IMM) comes at a significant cost. But it is worth it.

“Has this project really improved society?” This question is not easy. IMM requires considerable money, time, and manpower. It also sometimes means facing a negative situation. However, it is through such difficult work that we can learn and see the world as it is. Social impact investors must continue to believe in and support impact measurement no matter what.



Case

In preparation of its own impact report, congrant involved its members in serious discussions about the impact model and conducted many surveys of NPOs. It was a challenging process, but the report was successfully published. Not only that, but the logic of how the business was connected to its mission became clearer. That made it easier to openly discuss how to realize the mission through daily business policies and measures. The best-case NPOs were compiled from the interviews for the team to study and emulate.

05

Creating impact attracts more resources, which leads to business growth.

Aim for impact-led growth, as this will attract employees, investors, and customers and create social empathy. All of that equals long-term business growth. By placing impact at the heart of your strategy, you can generate new ideas and uniqueness.

RENNOVATER

Case

Together, we developed an impact model that showed how society could be changed with tenants at the center. This was published in a release and simultaneously in an article on *GLOBIS Chikenroku*, generating interest which in turn led to new investments, loans, and grants, as well as media mentions on television and in magazines. Owners offered their properties for free or at reduced prices. RENNOVATER saw an increase in job applicants. Tenant satisfaction and other factors continued to be reviewed through questionnaires to improve the quality of the service and measure impact. The initiative has been well received by the government, creating a virtuous circle and positive reputation.

Notes from Our Editors

Thank you for taking the time to read KIBOW's "Impact Report 2023." The purpose of this report is to share with you the ideal society that we at the KIBOW Social Investment Fund and our portfolio companies envision together, the concrete paths we are taking to achieve that vision, and where we are today. To this end, we have aimed for a report that is easy to understand. The vivid pictures and words depict the changes in society we want to see. The impact models of our investees show the concrete paths to realizing their visions. We also used impact KPIs as quantitative indicators and impact stories as qualitative descriptions. As you have seen, our efforts are already producing exciting results.

In the future, we will focus on three key areas:

1. Setting clear and achievable impact targets
2. Transparent disclosure of information, including any negative impact
3. Third-party verification of impact

We aim to contribute to the industry and society as a whole. Our goal is to create a historical impact. Together with you, we will continue to envision a hopeful future.



Takeshi Igarashi
Impact Report Director

Thank you for your interest in this report. There were a lot of challenges and heated debates as each of us shared our experiences and thoughts. We were finally able to publish, but this is not the end of the story. We want this to be an opportunity to deepen discussions about the possibilities of social impact we are creating with entrepreneurs. Therefore, we welcome you to share your thoughts. Let us know what you would like to know more about. This will be a great encouragement not only for us, but also for the entrepreneurs working on the front lines. Your first step may ignite a new discussion on how to improve society. You can connect with us on our official X account below or through our members' social media accounts.



KIBOW
Official X Account

Finally, we would like to express our gratitude to each of the many people and companies who have taught us so much while we prepared this report. I look forward to thanking you in person.



Natsuki Tamura
Impact Report Editor

This is the first time I have been involved in the production and design of a KIBOW Impact Report. The word "impact" inspired a design that would move people, which also is something I value in my everyday life.

The first step in artistic creation is the concept: What is KIBOW thinking about? What is KIBOW trying to do? What is KIBOW in the first place? In addition to this was the growing awareness of SDGs, welfare, and the investment perspective needed to link that to business. We thought a lot about how to present all this as a concept, and we hope that we were able to deliver something that will catch people's attention and leave a lasting impression.

Already, we are thinking about improvements for the next edition: the photography, direction, and graphics. We aim for consistent quality, as design needs to be refined for visual communication, imagery, and typography.



Kunitaka Kawashimo
CEO of creamu Inc.
Art Director and Designer

Disclaimer:

The investee information contained in this report is, in principle, current as of the end of June 2023. It does not reflect future changes in facts or circumstances.

The information in this report has also, in principle, been obtained from the investee companies. No guarantee is given as to its accuracy or completeness.

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