



ANNUAL REPORT 2022



Japan Venture Philanthropy Fund
<http://www.jvpf.jp>

The Nippon Foundation
The Nippon Zaidan Building, 1-2-2 Akasaka, Minato-ku Tokyo 107-8404
<http://www.nippon-foundation.or.jp>

Social Innovation and Investment Foundtion
6F JMF Building, 1-11-28 Akasaka, Minatoku, Tokyo 107-0052
<https://www.siif.or.jp/>

Social Investment Partners
12F Ebisu Business Tower, 1-19-19 Ebisu, Shibuya-ku, Tokyo 150-0013
<http://sipartners.org/>



Leveraging investment models to settle social issues.

Since 2013, at a time when the practice of social impact investment had yet to take hold in Japan, JVPF has opened up new unprecedented areas in the field through much trial and error. 10 years have passed since then.

We would like to thank all of our many donors and pro bono partners who have shared JVPF's ideals and supported us until now, and above all, the grant recipients who have trusted JVPF and worked together with us to expand our impact. We will continue to strive to achieve an even deeper and broader social impact in the coming years.

INDEX

Interview

- 03 Taking on the next challenge based on 10 years of achievements

Grant Recipients

- 05 Rennovater Co., Ltd.
- 07 Kizuki Corporation
- 09 Authorized Non-Profit Organization Learning for All
- 11 JOINS, Inc.
- 13 Ridilover Inc.
- 15 STANDBY Co., Ltd.

JVPF Alumni

- 17 Specified Non-Profit Organization NPO After School AsMama, Inc.
- 18 Authorized Non-Profit Organization Teach for Japan
Authorized Non-Profit Organization Hattatsu Wanpaku Kai
- 19 General Incorporated Association Teachers Initiative
Public Interest Incorporated Association Chance for Children
- 20 aeru Inc.

About JVPF

Appendix

2022 GRANT RECIPIENT

NEW

RENNOVATER

Rennovater Co., Ltd.

Field Local communities and social inclusion

Address Kyotanabe, Kyoto

Business Using old buildings to provide good-quality, low-price housing for hard-to-house people, and supporting their lifestyles and independence after they move in.

Start of support June 2022

Total support (planned) 30.34 million yen

Support scheme Equity

End of support (planned) April 2024

Fiscal year May through April

▶ P05

NEW

kizuki

Kizuki Corporation

Field Education and employment support for young people, social inclusion

Address Shibuya-ku, Tokyo

Business Management of individual tutoring schools and private tutoring services for dropouts and chronically absent children; employment assistance for persons with depression or developmental disorders.

Start of support August 2022

Total support (planned) 30 million yen

Support scheme Convertible bonds

End of support (planned) August 2025

Fiscal year July through June

▶ P07

子どもの貧困に、本質的解決を。
Learning for All

Authorized Non-Profit Organization
Learning for All

Field Education, local revitalization and community building

Address Shinjuku-ku, Tokyo

Business Learning for All aims to essentially solve various difficulties faced by children in relative poverty through learning support, offering places to spend time after school, and knowledge sharing.

Start of support April 2021

Total support (planned) 37.24 million yen

Support scheme Grant

End of support (planned) March 2024

Fiscal year April through March

▶ P09

大都市と地方の人材シェアリングサービス
JOINS

JOINS, Inc.

Field Local revitalization and community building

Address Kitaazumi-gun, Nagano Prefecture

Business Through side job matching of professionals in urban areas with companies in rural areas, JOINS offers a flexible workstyle at individual organizations without restrictions of location, time, or affiliation, that ultimately would lead to increased number of people involved in local communities.

Start of support June 2021

Total support (planned) 29.96 million yen

Support scheme Bonds, equity

End of support (planned) June 2024

Fiscal year June through May

▶ P11

Ridilover
社会課題を、みんなのものに。

Ridilover Inc.

Field Education

Address Bunkyo-ku, Tokyo

Business To address social indifference through study tours, event planning, online salons and owned media, etc., so that each individual can see social issues as his or her own and aim for solutions.

Start of support June 2021

Total support (planned) 30 million yen

Support scheme Equity

End of support (planned) June 2024

Fiscal year October through September

▶ P13

STANDBY

STANDBY Co., Ltd.

Field Education & employment support for young people

Address Chuo-ku, Tokyo

Business With the aim of creating a society where people can help those they want to help, STANDBY develops and provides apps for reporting bullying and conducting physical and mental health observation surveys online.

Start of support September 2021

Total support (planned) 30 million yen

Support scheme Equity

End of support (planned) September 2024

Fiscal year April through March

▶ P15

Taking on the next challenge based on 10 years of achievements

10 years have passed since we were established in 2013.

How was the journey to establishing venture philanthropy in Japan?

And what direction are we headed in now? Members of the management team discussed these questions in a conversation with each other.



Social Innovation and
Investment Foundation

Member of Executive Committee

Nanako Kudo

Social Investment Partners

Representative Director & CEO

Sakae Suzuki

Outlook of future activities and expected expansion

Suzuki It has been 10 years since Ms. Kudo and other SIP founding members as well as the Nippon Foundation came up with the Japan Venture Philanthropy Fund. How does it feel to look back on the past?

Kudo On one hand it feels like 10 years have passed in a flash, but on the other hand, it has only been 10 years. Thinking back, everything started at a party held at Kasumigaseki 10 years ago. I had received a message from Mr. Ken Ito^(Note 1) before then asking if I would be interested in venture philanthropy, so I had prepared a written proposal on the subject for internal purposes. That's why we held the gathering with the Nippon Foundation and people from the private equity industry (SIP founding members), and I remember worrying about whether they would have anything in common to talk about. Fortunately the event was a huge and lively success. The blend of business and philanthropy contained many points of mutual understanding, and I got the impression that even though we did not yet share a mutual jargon, we did share a vision.

Suzuki I see, so that is how we ended up here. But what made you interested in venture philanthropy in the first place?

Kudo I had always been interested in assisting developing countries, and I had done a little investment in my previous job at a trading company. When I studied abroad in the U.S. for two years, I learned about the impact investment approach and felt like that was precisely the right way to fulfill my wish of helping emerging nations to develop. If I recall correctly, during my hiring interview with the Nippon Foundation, I spoke about my desire to be involved in initiatives using philanthropy money with a business mindset to address social issues.

Suzuki So how would you compare your goal back then to the current situation?

Kudo We've been able to create the model. The method JVPF has created in terms of how to pick an investment target, how to relate to them afterwards and how to measure impact has been used as a reference by businesses using dormant deposits as well. However, there haven't been as many people following our footsteps in practicing the venture philanthropy method as I had

expected. That said, there has been a growing trend of entrepreneurs establishing foundations in the past two or three years. That will probably increase in future, and I hope JVPF's initiatives will be useful in the expansion of the greater movement. What about you, Mr. Suzuki? What spurred you to join this business? I was a little surprised when you moved from an investment company to fully commit yourself to SIP.

Suzuki Actually I had always planned to switch to the social sector when I turned 50. Moreover, through my volunteering experiences, I had seen situations where there was a mismatch between the goal and the money available, so I was somewhat aware of the problems involved in sound management when it came to money. So when I learned about SIP, I was struck by the novelty of bringing my for-profit business experiences to the social sector. I was sure I would consider it the biggest mistake of my life if I didn't jump right in. At first I participated as an Advisor, but somewhere along the way, I was appointed as the Representative Director.

Priorities for funding and management support

Kudo Please tell us about your experience with your first project.

Suzuki The first project I was involved in was Teachers Initiative (TI), where Mr. Shiraishi^(Note 2) taught me the ropes about JVPF's method of performing due diligence. However when I went to observe a TI training camp, I saw for myself how dramatically the teachers attending were changing, and I recall feeling the significance of supporting an activity with this much of an impact.

Kudo Venture philanthropy is generally said to involve three points: funding on long-term axis, being hands-on in addition to providing money, and focusing on supporting an organization rather than a project. How does that compare to the investments at your previous job at a for-profit business?

Suzuki Private equity is the same in that regard. There were many times where I saw

companies grow not just by handing over funds but by considering how they could have more of an impact and then changing accordingly. It is equally important in the social sector to build up organizations so that they can sustain their activities. As I have told managers a number of times, "Even Tiger Woods needs a coach." There is no way the coach is as good as Tiger Woods at golf, but as a third party with a different viewpoint, he can provide support from angles that Tiger Woods himself is not aware of.

Kudo Indeed, that is the value that comes from third parties being involved in ways other than funding.

Suzuki At the same time, the most time-consuming part of due diligence is defining impact. You could call it a definition of the organization's reason for existence. Understanding that fully is essential to providing support while moving in the same direction.

Kudo There has been a recent proliferation of purpose management initiatives in the

for-profit sector as well. At JVPF, we spend the first three months focusing on the organization's vision and mission, and I think that method would be useful to a lot of people, including in the for-profit sector.



Outlook of future activities and expected expansion

Suzuki How do you see the prospects of venture philanthropy going forward?

Kudo Interest in impact investing is growing right now, including from major financial institutions. The total number of people thinking seriously about the sustainability of the earth and society is on the rise. However it is difficult to approach the root causes behind negative impacts with general finance alone, and that's where "catalytic funds" come in. Those are funds that function when you need a longer time axis or when you need money that can take more risk. The impact investment market is actually worth 6 trillion yen, but the donation market remains at 1 trillion yen. We must do something

about that, and once their funds increase, we can expect to see that translated into major social transformations. The number of foundations started by entrepreneurs is increasing, and more and more of their projects are using JVPF's initiatives as a reference. I want to think about how to give back what we have learned and achieved over the past 10 years, and then I want to create horizontal relationships, and strengthen them into movements.

Suzuki We have spoken about the same kind of thing at SIP. We're trying to figure out how to expand the collection of case studies we have finally built up. We want to focus on creating structures that will allow us to work on initiatives effectively and with peace of mind.

Kudo The dormant deposit business scheme that began in 2019 reflects many of the things JVPF has been involved in. They provide support for several fiscal years, they offer comprehensive, side-by-side support, their funds are for supporting organizations instead of projects, and so on. Although they do not call it venture philanthropy, I can tell that our concepts are being applied little by little.

Suzuki It is also important for there to be greater social understanding about the flow of funds. Some of our donors want 100% of

their donations to go to beneficiaries. However, strengthening the grant recipient organizations enables them to have a larger impact over the long term. Furthermore, donor support is what sustains JVPF, but the support of our pro bono partners is equally inestimable. If we calculated the contributions of pro bono partners who provide various kinds of support, their market value would be three or four times the amount of donor funds. Moreover, none of JVPF's initiatives would be possible without the skills of the people participating as SIP dedicated staff and their career commitment to this business. All of the people involved are truly irreplaceable assets.

Kudo For me, the most rewarding part of my work is being able to see the changes in the companies and organizations we invest in. Organizations change from day to day, and their leaders also undergo personal transformations. The connections between cause and effect become more evident, as we see how certain decisions taken in the past have particular consequences in the present.

Suzuki There is so much to learn from watching how the grant recipients change. I hope we will be able to cooperate with even more people going forward. I look forward to working together in the future as well.

(Note 1) Founding member of SIP and first Executive Director

NEW

RENNOVATER

Rennovater Co., Ltd.

Using old vacant houses to provide good-quality, low-cost residences for hard-to-house people, offering lifestyle and employment assistance, helping them build positive communication patterns with neighboring residents, and creating an environment where they can live socially and economically stable lives.

Social Issues to be Addressed

People who are hard to house because of prejudice, and the problem of vacant houses

People under certain attributes such as single elderly or foreigners often face difficulties to rent a house in ordinary market due to prejudice. In many cases, these people are also socially vulnerable, requiring care and support in order to live independently, find work and adjust to the neighboring community. There are 1,136,000 households ^(Note 1) receiving public assistance living in rented housing and 2,137,000 households ^(Note 2) consisting of people over 65 years old living alone. Both numbers are only expected to increase in future. Meanwhile the growing number of vacant houses is becoming a serious social problem in many areas.

(Note 1) "FY 2019 Survey of Public Assistance Recipients (Table 7: Number of households renting houses and rooms, sorted by classified location, state of residence, actual house/room rent class)," Ministry of Health, Labour and Welfare

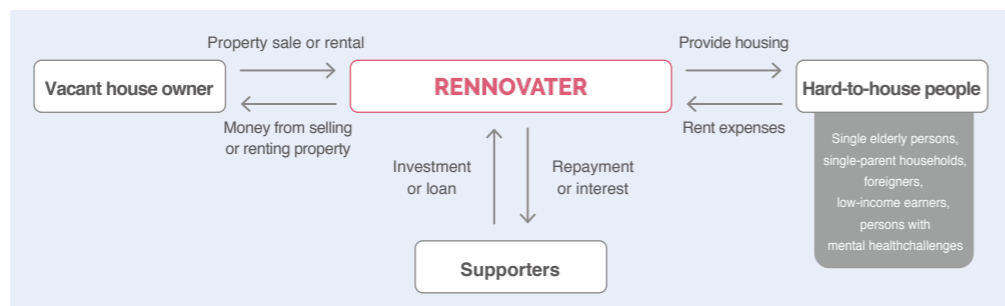
(Note 2) "FY 2018 Report on the Fact-finding Survey of the Registration System for Rent Guarantors," Japan Property Management Association (public interest incorporated foundation)



Business Activities

Providing residences to the hard-to-house

Rennovater Co., Ltd. operates a rental business where it supplies people who tend to be rejected for housing by most ordinary landlords with residences which have low rent, do not require an initial deposit, have no moving in on the same day if properties are available. In addition to supplying housing, they also offer lifestyle support by helping with concerns about living there and assisting with building relationships with those in the community.



Example of a renovation



By carrying out the minimum amount of renovation for living a comfortable life, they are able to control costs and keep rents low.

JVPF Support Information

Planned duration

From June 2022
to April 2024

Total funding and method

shares
30.34 million yen

Primary use

· Property procurement costs,
personnel costs,
marketing expenses

Goals

Funds and business scheme building to expand the business

Goals

- Verify effect and feasibility based on legal and financial conditions.
- Build a model for expanding property area and the number of tenants.

This fiscal year's initiatives

- Select a model after content verification based on legal and financial conditions.

Create governance

Goals

- Establish and operate a board of directors.
- Create and operate a structure for managing financial and SKPI budgets and performance.

This fiscal year's initiatives

- Establish and operate a board of directors.
- Create and operate a structure for managing financial and SKPI budgets and performance.

Expand lifestyle support and build the ideal state and structure for the operation of the business

Goals

- Improve support in order to increase tenant satisfaction.
- Cooperate with other organizations to provide housing for those especially hard to house.

This fiscal year's initiatives

- Cooperate with the authorities and welfare corporations to provide housing for those especially hard to house

Social Impact KPI

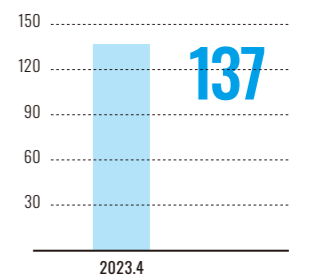
Provide support through the provision of stable and secure residences

The KPIs "number of residences provided" and "tenant satisfaction with their residences" are indicators that capture the volume and quality of the residences the company endeavors to provide in order to evaluate whether stable and secure residences are being provided. There are many businesses out there that shove hard-to-house people into tiny rooms and exploit them, so obtaining the level of tenant satisfaction is also an important way to clearly differentiate Renovater Co., Ltd. from them. The number of residences provided is growing as more properties are acquired and as municipal welfare departments and housing assistance corporations introduce more hard-to-house people.

Tenant satisfaction with their residences (5-stage evaluation)

3.66
2023.4
★★★★☆

Number of residences provided



NEW



Kizuki Corporation

Under their vision of creating “a society where one can always start afresh,” Kizuki Corporation runs businesses aimed at people facing various difficulties such as dropping out or chronic school absenteeism, being hikikomori (shut-ins), living in poverty, or living with depression or developmental disorders.

Social Issues to be Addressed

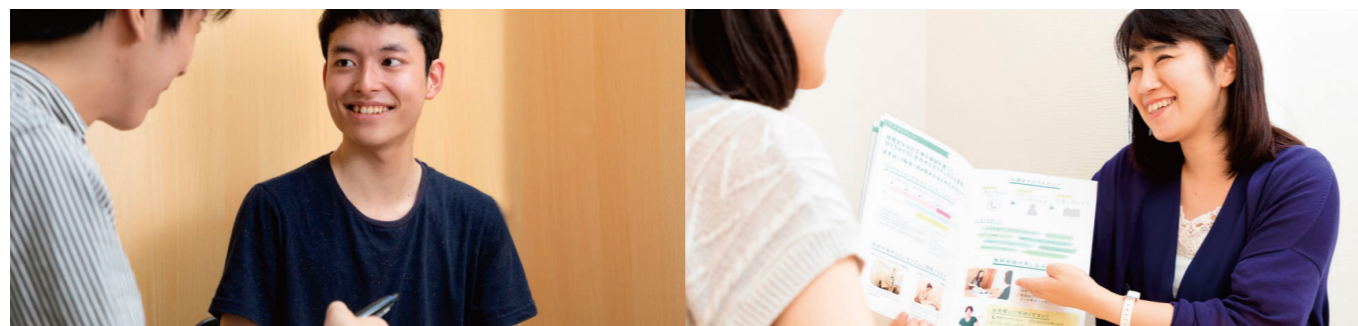
The lack of opportunities to recover from dropping out, chronic absenteeism, living in poverty, depression, and other issues

There are many children and youths in Japan facing issues such as dropping out or chronic absenteeism, or becoming hikikomori. However, since there are few chances to start afresh, they end up having to give up on what they want to do. In specific terms, there are 239,000 elementary, junior high, and high school students who are chronically absent (Note 1), 541,000 hikikomori aged 39 and under (Note 2), and 1,276,000 persons suffering from depression (Note 3) in Japan. Thus there is a growing number of people who are forced to give up on what they wish to do and therefore cannot contribute to society due to worsening issues like chronic absenteeism, poverty, and mental health.

(Note 1) “FY 2020 Survey on Problematic Behavior, Chronic School Absences, and Other Issues Relating to Student Guidance and Counseling,” Ministry of Education, Culture, Sports, Science and Technology

(Note 2) “Cabinet Office survey of 540,000 hikikomori aged 15-39: they are getting older and the situation is getting more long-term,” Nihon Keizai Shimbun, September 8, 2016

(Note 3) “Annual Health, Labour and Welfare Report 2018 - Achieve a society in which everyone can play an active role while coping with disabilities, illnesses or other hardship,” Ministry of Health, Labour and Welfare



Business Activities

Individual tutoring schools / private tutors

Operation of individual tutoring schools and private tutoring services to help chronic absentees and dropouts to study and take exams.

Provides attentive support tailored to each student's characteristics and circumstances. Their study assistance is unique because in addition to giving students a place to belong, they help them with career decisions, including entering selective universities. Many of the tutors and employees have experienced starting afresh after setbacks in the past, so they serve as role models for the students.

Employment assistance

Operation of Kizuki Business College where people who have quit jobs due to depression or developmental disorders can acquire specialized business skills.

The college's provides opportunities to learn a variety of business skills. Until now, employment transition assistance offices have only provided relatively simple technical training such as light work or clerical assistance. In the rare cases where advanced skills were available, there were few types with limited options. The aim of Kizuki Business College is converting the resume gap that results from quitting work into a time of career boosting by acquiring business skills.

Public-private partnerships

Cooperation with municipalities across Japan on projects such as supporting children from underprivileged households.

By partnering with authorities and municipalities all over Japan, they aim to deliver Kizuki's support, such as projects supporting children from underprivileged households, even more widely while tackling region-specific welfare and educational issues facing children and the youth.

JVPF Support Information

Planned duration

From August 2022 to August 2025

Total funding and method

Convertible bonds
30 million yen

Primary use

Funds to expand the number of locations

Goals

Formulate capital strategy

Goals

- Help accelerate Kizuki's medium- to long-term growth by creating a growth strategy and equity story and formulating a road map aimed at enhancing governance.

This fiscal year's initiatives

- Use EY's pro bono services to organize points to answer and steps to consider when formulating the capital strategy.
- Discuss specific strategy (operational excellence as a strength).

Improve and optimize existing business operations

Goals

- Increase the number of users and optimize the business tasks of the employment assistance business by improving operations aimed at increasing the number of persons enrolled.

This fiscal year's initiatives

- Seek out issues and opportunities for improving operations and arrange for measures.

Social Impact KPI

The indicators are the number of people beginning lessons or employment preparations

Kizuki's impact indicators will be 1) the total number of students in the private tutoring schools, 2) the total number of people enrolled in employment assistance, and 3) the (undisclosed) sales of public-private partnership businesses. For their main business of private tutoring schools and employment assistance, since users will receive the push towards a fresh start, which is the impact Kizuki aims for through the use of their services, the number of service users, i.e. the number of students and enrolled users, which is an effect that is easy to measure quantitatively, will be the indicator. For public-private partnership businesses, sales are used as the indicator because businesses are carried out in a variety of areas, making it difficult to measure effects using a uniform number of people as an indicator.

Number of employees

79

2022.6

Total number of students at private tutoring schools

7,109

2022.6

Total number of people enrolled in employment assistance

830

2022.6



Learning for All

Authorized Non-Profit Organization Learning for All

Learning for All aims to find fundamental solutions to the issue of child poverty by ① Providing comprehensive community-based support from an early stage for children in difficult circumstances aged 6-18 by providing stable places to belong, learning support, meal support, guardian support, etc. ② Managing a knowledge-sharing platform for comprehensive community-based support for children, and ③ Collaborating with children's support groups all over Japan to raise public awareness, train human resources and make policy recommendations.

Social Issues to be Addressed

Economic hardship causes environmental losses for children



Children put in difficult situations tend to suffer from three environmental losses: loss of a learning environment, which is the loss of opportunity to learn and failure to develop study habits; loss of a nurturing environment, such as a disorderly lifestyle and the lack of a safe and secure family situation; and a loss of human relationships, including a lack of a mentor and truancy. Public and private entities in education and welfare actively address these kinds of issues and offer support, but society as a whole still lacks enough support, and cooperation between existing services is also insufficient.

Business Activities

Learning support in cooperation with local communities and schools

Learning for All operates free learning support centers for children from 4th grade in elementary school to high school (roughly 9 to 18 years old) in cooperation with schools and local communities. We offer one-on-two and one-on-three homeroom-based guidance at schools, and also provide one-on-one guidance twice a week at community centers for children whose needs are difficult to meet individually at school, such as those who do not attend school or those not used to the Japanese language.

Living and learning support for children with no place to go

They give children from the first grade of elementary school to the third year of high school a stable place to belong. For children who do not know how to interact with others due to difficult home environments, children with developmental disorders, those who are addicted to the internet or chronically absent from school, and other struggling children, they draw up individual support plans tailored to each child's issues and strengths and guardian's circumstances, and provide close and attentive support to each one.

Sharing knowledge about supporting children

They have set up "Child Support Navi," a platform where people can read and share knowledge in a wide variety of areas such as on-site management for organizations that support children, funding procurement for NPOs, and organization development. They also run a grant program that provides both financial and non-financial support in the form of training and comprehensive, side-by-side support from Learning for All for organizations that support children around Japan.

Advocacy and rising public awareness of child poverty-related issues

As a business that participates in government expert panels and support group conferences, and as an organization that is entrusted with child support projects in municipalities, Learning for All is actively involved in providing information, increasing public awareness, developing human resources and proposing policies concerning the still-unknown problem of child poverty from a variety of standpoints and in all types of media.

JVPF Support Information

Planned duration

From April 2021 to March 2024

Total funding and method

Grant
37.24 million yen

Primary use

Personnel costs
Operation and administrative cost
(sites for collaboration with local residents and businesses)

Goals

Design and development of children support collaboration system in the areas with existing sites

Goals

- Customize collective impact models to suit local characteristics.
- Develop local collaboration systems.

This fiscal year's initiatives

- Plan and implement individual local collaborative activities based on the area's resource distribution.

Strengthen collaboration with local residents and businesses at existing sites

Goals

- Encourage local residents and businesses to participate in supporting children.

This fiscal year's initiatives

- Increase support by cooperating with local residents and businesses in the cities of Toda and Tsukuba.

Development of program for implementing comprehensive support for children in other communities

Goals

- Encourage local residents and businesses to participate in supporting children.

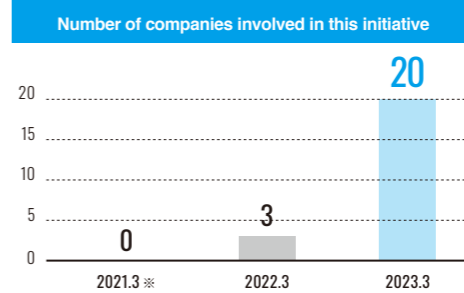
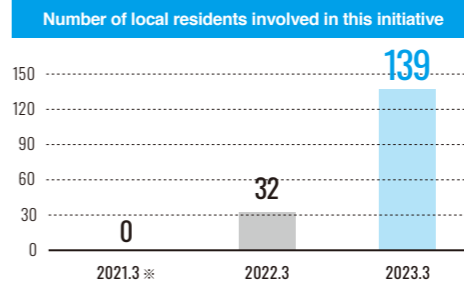
This fiscal year's initiatives

- Increase support by cooperating with local residents and businesses in the cities of Toda and Tsukuba.

Social Impact KPI

Establish new locations and provide support in cooperation with local communities

The "number of local residents participating in location management" and "number of local businesses involved in supporting children" KPIs are indicators showing whether partnerships with local residents and businesses and public supporters have been formed in order to expand support and build support networks in local communities. The increase is the result of enhanced support services from existing local groups and the further involvement of residents due to LFA's efforts. Their specific initiatives included jointly running a food pantry using goods supplied by companies, and holding study meetings for other child support groups in the community.



※ Partnership with local residents and businesses in child support was an initiative newly launched with the support of JVPF. Therefore, as of FY2020 the track record was zero.

Revenue (thousands of yen)

449,204
2023.3
↑
393,771
2022.3

Number of children supported

971 → **1,356**
2022.3 2023.3

Number of employees

41 → **44**
2022.3 2023.3

**JOINS, Inc.**

JOINS, Inc. offers a human resource sharing service, mainly online and remote, that enables people to have side-jobs or hold concurrent jobs in regional companies, so that the next generation living in a rural area can continue to live in a familiar place while people who live in urban areas can connect with new places to enrich their lives.

Social Issues to be Addressed

Lack of professional human resources and organizations needed to revitalize regional economies

At present, funding for the revitalization of regional economies and the effective use of dormant assets is starting to come in, but this will not lead to a virtuous cycle unless there are human resources and organizations working on their utilization. While there are a number of businesses with high aspirations rooted in various regions, the human resources with expertise available for innovation are limited, making it difficult to implement concrete initiatives. Although the government of Japan endeavors to encourage migration and relocation, because of the situation, many migrants return to the city in a relatively short amount of time, which does not solve the problem.

**Business Activities**

Match regional businesses with human resources living in urban areas having a side-job or holding concurrent jobs

JOINS enables skilled human resources in urban areas to contribute to the revitalization of regional economies without moving to the region through online or remote side-job matching. In addition, we offer unique programs to generate continued collaboration between such human resources and regional businesses to contribute to the increase in the related population of those who have a strong attachment to the region and to achieve regional revitalization as well as enriched lifestyles and workstyles.

**JVPF Support Information**

Planned duration

From June 2021 to June 2024

Total funding and method

Bonds, equity
29.96 million yen

Primary use

・Personnel costs
・Marketing expenses

Goals

Build operations for expanding business in tune with social cause

Goals

- ・ Build impact measuring indicators and design operating process
- ・ Improve business functions based on indicator monitoring

This fiscal year's initiatives

- ・ Refine products and partnerships with channels for capturing customer needs

Formulate impact-oriented industry rules for market formation

Goals

- ・ Set common agenda and KPIs that JOINS aims to achieve together with the government, municipalities, and local commerce networks
- ・ Put into place operating rules which ensure that incentives for competitors work along with the expansion of business in tune with social causes

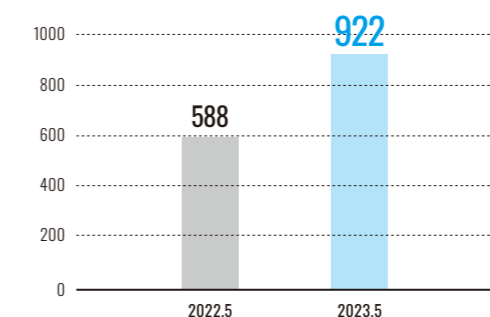
This fiscal year's initiatives

- ・ Work to promote the ideal use and operation of side-jobs in the promotion of local industries

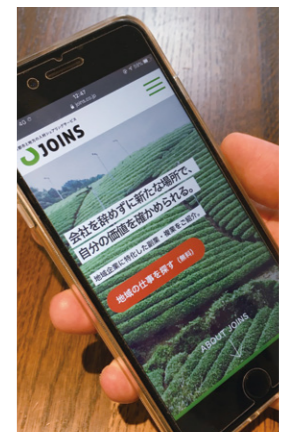
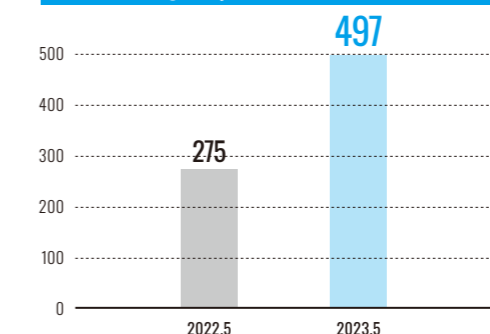
Social Impact KPI

Increased matching between communities and human resources

Through side-jobs and concurrent jobs in companies in communities outside large cities, JOINS aims to impact society by helping people understand the companies' principles and build personal relationships in order to increase the number of people emotionally attached to those communities. "Number of human resources continuing side-jobs for six months or more" was set as the assumed social indicator due to the fact that one phase of a side-job project usually lasts two to three months, and thus six months is the amount of time needed to continue several projects and thereby build personal relationships and understand the principles behind the company's background and management issues. The increase is due to stronger partnerships with local financial institutions.

Number of companies under contract**Number of registered human resource partners**

10,233
2023.5
↑
9,851
2022.5

Number of human resources holding side jobs for 6 months or more

**Ridilover Inc.**

Ridilover Inc. is engaged in a business to discover problems from the troubles faced by someone, a business to turn them into social problems, and a business to invest resources in the social issues elevated from social problems that need to be solved together by everyone and takes on the challenge of solving social issues as early as possible. It aims to break down social indifference by offering people opportunities to learn about and understand social problems so that they become solution providers.

Social Issues to be Addressed

Indifference of individuals in society towards social problems

Most of the many social issues around us were originally someone's troubles, and they are stories happening to you or someone around you. In spite of this, many people consider these to be issues that do not concern them. This only results in a heap of social issues left behind that cannot be settled by the parties concerned alone. We need to change this structure of indifference and build a network of interest, in which each one of us uses considerate imagination, so as to create a society where it is possible to settle more issues.

**Business Activities**

Operation of web media for registered members

Manages the Ridilover Journal web media which disseminates articles that explain the social structures behind problems. Their structured reports cover topics such as lacking a family register, radicalized senior citizens, and regional healthcare.

Conduct SDGs / social issue study tours

Runs a program that takes junior high and high school students to visit approximately 100 sites in Japan where social issues are being resolved so they can interact with the people facing the issues and the top runners in solving them.

Holding Field Academy training for companies

Ridilover's Field Academy program is aimed for future business leaders who will confront a considerable social and market uncertainties. It is designed to question "what fundamental social issues should we confront?" and foster strong sense of ownership, the ability to drive for solution, and influence others.

Business development support and policy drafting with ministries and agencies and municipalities

Supports companies starting new businesses focused on social issues with area research, organizing issues and business plans. We also engage in activities such as surveys, verification, PR and public awareness in collaboration with central government ministries and agencies and local municipalities, aiming for the early resolution of social issues. We will continue to work towards solutions for social issues in collaboration with various ministries and government agencies and municipalities.

JVPF Support Information

Planned duration

From June 2021 to June 2024

Total funding and method

Equity
30 million yen

Primary use

- Marketing expenses
- Hiring expenses

Goals

Strengthen governance of the organization

Goals

- Use the PDCA cycle to grow each business and expand their impact in order to fulfill Ridilover's mission.

This fiscal year's initiatives

- Formulate and monitor business strategies and plans through the Board of Directors and Management Committee

Review growth strategies and business strategies of existing businesses

Goals

- Put the infrastructure in place for a sustained increase in users of the media business through an update of the growth strategy of said business.

This fiscal year's initiatives

- The growth strategy from the previous fiscal year has been updated and the business is being developed according to the updated strategy.

Formulate human resource strategies

Goals

- The requirements for human resources that will handle business development and the factors that will attract recruits have been defined, and the necessary human resources are being secured.

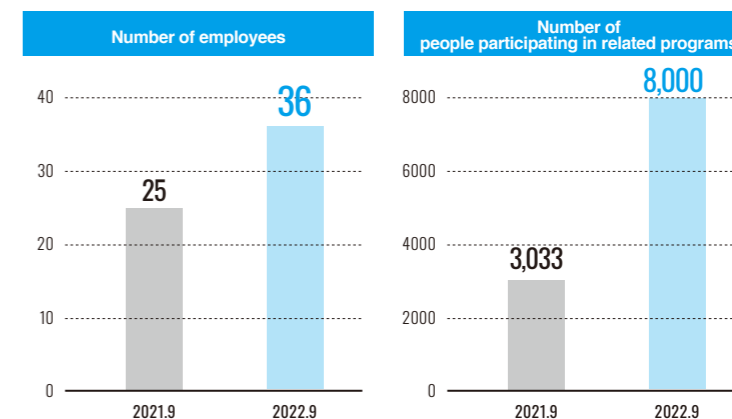
This fiscal year's initiatives

- Establish evaluation, compensation and ranking systems based on the definition of requirements that was completed in the previous fiscal year.

Social Impact KPI

Increase in demands to have a sense of ownership of social issues and aim for solutions

Since JVPF began to support Ridilover in June 2021, SKPIs such as sales (undisclosed) of Ridilover's business development business and the number of people participating in related programs increased both before and after the start of support. The increase occurred because the business development business provides services that meet the expanding needs of its customers, and because the number of events such as study tours has been steadily growing. During the period under review, although some orders were canceled due to the COVID-19 pandemic, SKPIs still increased due to Ridilover accurately meeting the needs of customers with its services and also as a result of its corporate sales efforts.



**STANDBY Co., Ltd.**

With the goal of realizing a society where people can help those they want to help, STANDBY holds practical lessons on various topics related to bullying and provides apps for building an environment where people can easily report to and consult someone they can trust, and where victims can send out an SOS without too much effort to alert those around them.

Social Issues to be Addressed

Increase in cases of bullying and the negative chain effect resulting on the victims

Bullying is a serious issue that affects children. According to the Ministry of Education, Culture, Sports, Science and Technology's "FY 2020 Survey on Problematic Behavior, Chronic School Absences, and Other Issues Relating to Student Guidance and Counseling," the number of recognized cases of bullying tripled between FY2014 and FY2020, and the number of child suicides reached a record high of 415. Moreover, 1 out of 3 students is unable to ask for help or consult anyone when bullied. It is also becoming clear that being bullied is linked to an increase in absences among school-aged children and a decline in academic results, and it also increases the risk of depression, anxiety disorders and likelihood of suicide across a lifetime.

**Business Activities**

Providing education for observers on ceasing to be bystanders to bullying

We provide lessons and teaching materials aimed at preventing and stopping bullying before it happens by thinking and talking about bullying. They aim to create classroom standards that make it hard for bullying to occur and for not only victims but also those around who have been observers until now to send an SOS.

STANDBY bullying consultation and reporting app

We developed an app called STANDBY where victims and witnesses of bullying can report or consult a dedicated counselor provided by their municipality or school anonymously via chat. Making anonymous consultations possible makes it easier to report issues, allowing bullying to be discovered and responded to at an early stage.

Shaboten (cactus) Log, an app for noticing physical and mental changes

We developed Shaboten Log, a web app aimed of helping children to notice disorders in themselves by having them intuitively select and record their mental and physical conditions. Through the health observation and bullying survey, teachers can discover and respond to child bullying early.

JVPF Support Information

Planned duration

From September 2021 to September 2024

Total funding and method

Equity
30 million yen

Primary use

- Sales personnel costs to expand the business
- Funds for prior investments in systems

Goals

Establish business foundation

Goals

- Support negotiations with U.S. based licensor (Note 1), development and migration to Japan-specific applications to provide services matched to the needs of Japanese schools through more precise data analysis.
- Establish a board of directors and operate it effectively to achieve business goals and expand business.

This fiscal year's initiatives

- Update financial monitoring system, promote financial measures.

(Note 1) When JVPF support started, STANDBY was named STOPit Japan and was providing service using an app licensed from STOPit Solutions in the USA. After peacefully dissolving the contract with STOPit Solutions and developing and transitioning to an in-house app, they changed their name to STANDBY in April 2022.

Increase the number of municipalities where it is available in order to expand the business

Goals

- Recruit and strengthen salespersons and COO, formulate and execute municipality sales strategy.

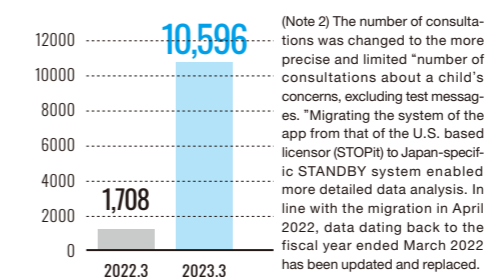
This fiscal year's initiatives

- Plan, execute and correct the course of the new sales plan involving bottom up sales with sales priorities, top down sales, and sales through experts and other key persons.

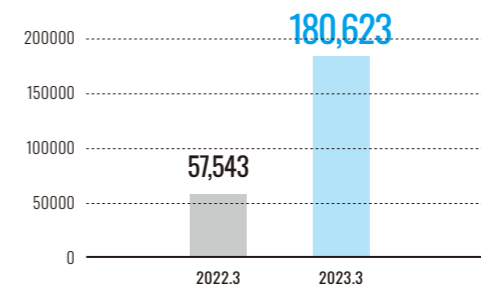
Social Impact KPI

Increase in the number of municipalities that use the STANDBY anonymous consultation app

The KPI, "number of yearly consultations" is a direct indicator of the fulfillment of the company's goal of building an environment where people can easily report to and consult someone they can trust, and where victims can send out an SOS without too much effort to alert those around them. This number has increased because of new installations, a broadening in the targeted school years, and greater use of one-per-person devices. Switching from the STOPit American app to the Japan-specific STANDBY app in April 2022 has made it possible to collect and analyze more relevant data (Note 2).

Number of yearly consultations**Number of municipalities with the app introduced**

27 → 33
2022.3 → 2023.3

Number of children and students with the app installed



Found many opportunities for communication and increased awareness of after-school hours

In FY2022, After School used many opportunities for communication in order to increase awareness of the value and importance of after-school hours. We had many opportunities to consider the future of after school hours together with the participants of various events and platforms such as forums for municipalities and companies, study meetings for managers of after-school programs all over Japan, and "Super After-School" events organized by After School where elementary school children could experience the joys of after-school hours. Apart from creating sites and activities according to children's wishes, we also searched for and supported the best ways for adults to be involved after school. And, as municipality-supported activities tailored to the issues and needs of the community increase and issue of where children go after school gains more attention, we will continue to work with diverse stakeholders to create a child-centered society this fiscal year as well.

Planned duration December 2013 to March 2017 **Total funding and method** Grant **20** million yen

Specified Non-Profit Organization NPO After School

Operates after-school programs for primary school students utilizing human resources of the community and businesses as teachers. It makes the after-school hours safer and more fulfilling and provides time for children to be themselves and engross themselves in things they enjoy.

Social Impact KPI	Start of support 2014.3	End of support 2017.3	Latest 2023.3
Revenue (thousands of yen)	45,620	→ 325,000	→ 904,887
Number (gross) of people who have participated in programs per year	35,800	→ 135,000	→ 291,000
Number of schools	3	→ 17	→ 21



Produced many fellows who had completed the training program

The total number of participants in the program as of April 2023 exceeds 250. They have been appointed in 87 municipalities in 26 prefectures in Japan, and they have been involved with approximately 30,000 children. Some past participants have also been appointed to important posts in school and educational administration such as assistant superintendent of education and school management roles. We are also accelerating initiatives that leverage Teach for Japan's networks, such as cooperation with municipalities that goes beyond accepting the fellowship program, a partnership with Tokyo Gakugei University in our recurrent business, and corporate tie-ups through our learning support business. In FY2023, we will continue to work as a team with our fellows, alumni, and employees to achieve our vision.

Planned duration January 2015 to December 2019 **Total funding and method** Grant **30** million yen

Authorized Non-Profit Organization Teach for Japan

With the aim of realizing a world where all children can receive an excellent education, we recruit and train human resources who want to improve education and introduce them to schools as teachers. We aim to increase the children's attributes, capabilities and zest for living.

Social Impact KPI	Start of support 2014.12	End of support 2019.12	Latest 2022.12
Revenue (thousands of yen)	112,756	→ 73,080	→ 91,258
Number of students taught by the fellows	2,391	→ 510	→ 10,598
Number of fellows allocated	25	→ 9	→ 95
Number of schools where fellows teach	21	→ 8	→ 90



Enhanced activities aimed at creating a local community of mutual assistance

We started a number of new community creation businesses in FY2022. As a cooperative project with the municipal authorities, we launched "Hakone Child Raising Share Town" based in Yumoto and Sengokuhara in Hakone town in Kanagawa Prefecture. We also cooperated with a company to start the "Yokohama Style Club," located at the head office of Nikkei Holdings Inc., a company that specializes in Yokohama City real estate. Thirdly we worked with Marimo Holdings, Inc., a Hiroshima City-based company in the business of condominium sales all over Japan, to start "Marimo Connect" in two areas of Hiroshima City (Nishi-ku and Minami-ku) simultaneously. AsMama also launched another new business in November: an app called "Locapi" where people can enjoy lending and borrowing things in person. The app aims to both build connections within communities and establish a recycling-oriented society.

Planned duration September 2015 to August 2019 **Total funding and method** Convertible bonds **30** million yen

AsMama, Inc.

AsMama works together with companies and municipalities all over Japan so that people of all generations in each community will be loosely connected, and so they can all support each other with issues of childcare and living. It uses both analog and digital means to establish mutually-assisting community infrastructure in the style of special zones.

Social Impact KPI	Start of support 2015.10	End of support 2019.10	Latest 2022.10
Cumulative number of registered members	31,658	→ 69,946	→ 84,135
Cumulative number of people receiving support	2,366	→ 6,504	→ 8,695
Number of share concierges <small>※ Changed the name from the previous "Mama Supporters" to "Share Concierges," who play the role of hubs from which mutual dependence (mutual assistance) spreads.</small>	423	→ 906	→ 1,031



Provided online support and human resource development know-how

Our theme for 2022 was "Even closer." In our child development support business (Kokko), we were able to support even more people by switching to flexible operations that allow us to provide guardian support remotely so that people can receive it in their family's spare time. For new business, we organized "OYAKO BASE," where development experts spent time with young children and their parents, at community centers and other places, thereby delivering an "even closer" Wanpaku Kai service to people in the community. We also got the opportunity to work with companies to develop a home visit-based education and support program for children with disabilities. You can look forward to seeing the seeds Wanpaku Kai sowed in 2022 sprouting "even closer" to everyone in the near future.

Planned duration March 2016 to March 2019 **Total funding and method** Grant **30** million yen

Authorized Non-Profit Organization Hattatsu Wanpaku Kai

When children with developmental disabilities receive support (rehabilitation) from early childhood, they learn to cope well with the characteristics of their brains. Hattatsu Wanpaku Kai offers individually customized treatment and education programs to children of pre-school age with developmental disabilities and their parents.

Social Impact KPI	Start of support 2016.3	End of support 2019.3	Latest 2023.3
Revenue (thousands of yen)	174,000	→ 226,610	→ 202,075
Number of children participating in rehabilitation program	1,010	→ 1,875	→ 2,438
Number of consultations offered	0	→ 33	→ 25



Teachers Initiative

Enriched teachers' learning and expanded the ripple effect on students

Operating amidst the ongoing effects of the coronavirus pandemic, we made effective use of online means as well and customized the program according to the targets and their objectives in order to educate a diverse body of teachers such as young public school teachers, head teachers and deputy head teachers, teacher supervisors, and private school teachers. They all had different goals for participating. Teachers teaching lessons wanted to know how to get students to truly show initiative. Private school teachers wanted to know what kind of initiatives they needed to carry out to invigorate both the classroom and the staff room. Teacher supervisors wanted to know the kinds of training needed to make their local teachers capable of practicing independent and interactive learning. With the start of "inquiry" as an official subject, we are confident that demand for TI's education will only increase.

Planned duration September 2018 to September 2021 **Total funding and method** **Grant 30** million yen

General Incorporated Association Teachers Initiative

"It is teachers who can truly create the future." With that hope, Teachers Initiative (TI) develops and delivers training programs for school teachers, boards of education and private schools. It also supports teachers taking the initiative in learning on their own by managing communities for continued learning and encouraging creative and proactive learning in Japan.

Social Impact KPI	Start of support 2019.3	End of support 2022.3	Latest 2023.3
Revenue (thousands of yen)	10,160	→ 27,157	→ 24,769
Cumulative number of students influenced by teachers participating in TI (estimated)	9,415	→ 52,500	→ 79,555
Total number of participants	149	→ 654	→ 773



Review of FY2022

This year, we successfully opened up new possibilities through projects uniting the public and private sectors. We run a comprehensive, side-by-side rebranding business (<https://a-eru.co.jp/projects/re-branding>) for the small and medium-sized enterprises that carry on local traditions. In 2022, we were involved in a government-led project (from Nara City in Nara Prefecture) where we spent six months accompanying Nara's traditional craft artisans. We hope to partner with municipal governments across Japan so that together we can pass on the Japanese traditions in each region to the next generation. If you know any municipal authorities interested in making their local culture exciting through a public-private partnership, or any small-and medium-sized enterprises that need our side-by-side services, we would love to meet them.

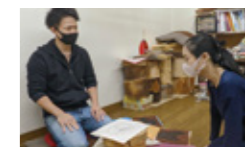
Planned duration October 2017 to October 2020 **Total funding and method** **Equity 20** million yen

aeru Inc.

With the conviction that "Japan's traditions and culture have the power to make people kind" and that "The more kind people there are, the more beautiful society becomes," aeru sells traditional products for infants and children and carries out educational activities and company-focused activities in order to pass on traditions to the next generation.

New initiative

To pass Japan's traditions on to the next generation, we are starting a new initiative in 2024 called aeru time-stay. It is a lodging facility where visitors can experience Japanese traditions, and we intend to open it in Yosano town, Kyoto Prefecture. This move is similar to the concepts of transformational tourism and regenerative tourism. We have settled on the over 100-year old building that will be the base of activities, and we are now making preparations for opening such as repair work and building a relationship with the people of Yosano, a very important step. Furthermore, for the "Condition your heart and mind with Japanese acupuncture and moxibustion" option we plan to introduce at the lodging facility, we plan to hold an "acupuncture and moxibustion rebranding course" with famous Japanese acupuncture and moxibustion doctors so that we can better convey Japan's culture and spirituality. Please reach out to us if you are an acupuncturist and practitioner of moxibustion who might be interested.



Expand opportunities for learning and extra-curricular activities by providing study vouchers

In FY2022, we distributed study coupons to 688 children. The total value of issued coupons was 1 billion yen, and the total number of supported children exceeded 5,000. Furthermore, in December, we published the intermediate report of the "fact-finding survey into 'experience disparities' among children" carried out on 2,097 guardians of elementary school children around Japan. One of the findings was that one out of three children from economically distressed households had zero opportunities for experiences outside school in a year. This means that resolving the experience disparity has become an urgent issue. In response, CFC has established a new business, the "Hello! Culture & Local! Children's Experience Scholarship," on a trial basis to give scholarship grants to children from economically distressed households for the express purpose of experiential activities like sports and cultural activities. We are currently preparing for a full-scale launch in FY2023.

Planned duration August 2019 to March 2022 **Total funding and method** **Grant 45** million yen

Public Interest Incorporated Association Chance for Children

Chance for Children provides study vouchers that can be used for cram schools and extra-curricular lessons to children from low income households in an effort to resolve disparities in access to education caused by economic disparities and break the cycle of intergenerational poverty.

Social Impact KPI	Start of support 2020.3	End of support 2022.3	Latest 2023.3
Total revenue (thousands of yen)	214,778	→ 363,405	→ 419,267
Total number of persons given vouchers	114,356	→ 157,586	→ 179,535
Number of partner educational business operators	4,196	→ 6,576	→ 7,278
Number of municipalities commissioning business	4	→ 6	→ 6

DONORS LIST

(In order of Japanese syllabary)

INDIVIDUAL DONORS

Individual donors 45 people

Doug Miller	Masaru Shibata
Haruyasu Asakura	Yukie Shimizu
Tamotsu Adachi	Tomoya Shiraishi
Ken Ito	Sakae Suzuki
Raymond Wong	Daisuke Takatsuki
Hiroyuki Uchida	Kunihiro Takahashi
Shinichiro Okumoto	Tomohiro Takahashi
the late Kazunori Ozaki	Hiroshi Nonomiya
Ryo Kanayama	Makoto Fukuhara
Yasuyuki Kanda	Toru Mio
Megumi Kiyozuka	Executor for the late Minoru Mizuno
Takashi Kobanawa	Maki Mitsui
Kazushige Kobayashi	Ryu Muramatsu
Misako Sawada	Others

CORPORATE DONORS

14 companies

I-NET CORP
Ichigo Asset Management, Ltd.
Carlyle Japan LLC.
Career Incubation Co., Ltd
Goldman Sachs Asset Management Co., Ltd
Sony Network Communciation Inc.
Benesse Holdings, Inc.
RINGBELL Co., Ltd
AsMama Co.,Ltd
CVC Foundation
GPSS Holdings Inc.
Others

JVPF THE CULTURE MEMBER

Akiko Ie etsuya Kusumoto
Takayuki Ueki Kohei Hamaguchi
Junichi Kagaya Yusuke Yokoyama Others

Thank You

Thanks to the great number of donations

over the past 10 years,

JVPF has been able to build up a solid track

record as Japan's front-runner in

venture philanthropy.

We greatly appreciate the support

of our donors.

Inquiries JVPF Executive Office : jvpf@siif.or.jp

about JVPF

Japan Venture Philanthropy Fund (JVPF) is Japan's first full-scale venture philanthropy fund, established to increase the social impact of social purpose organizations by encouraging their growth through financial and managerial support. From short-term support to long-term investment, from monetary support to networking support, from supporting a project to strengthening an organization - our mission is to bring about a paradigm shift in charity activities.

The Organizations We Support

JVPF supports organizations that have the potential to achieve social responsibility by seeking to solve social issues, innovation in devising solutions to increasingly complex issues, and profitability to ensure operational sustainability.

Education & Employment Support for Young People

We tackle educational issues that will affect Japan's future, such as inequalities in access to education resulting from increasing economic disparities, and poverty and reduced self-esteem among children. In addition, we support problem-solving that addresses difficulties young people face in living their lives and finding work, as indicated by the rising youth unemployment rate, and the increasing number of social recluses and NEETs (those not in education, employment, or training).

Childcare & Women's Workforce Participation

We address the declining birthrate, which is Japanese society's greatest challenge, by supporting enterprises that seek to create a society where it is easy to give birth and raise children. We also implement initiatives to support women's participation in the workforce.

Local Revitalization & Community Building

We support enterprises that aim to create and strengthen communities, which are key to solving social issues of all kinds. The enterprises we seek out and cultivate are not only those that revitalize existing communities, but also those that generate new communal ties and social capital.

The Support We Offer

Provision of funding

We provide funding of tens of millions of yen per enterprise, combining grants, loans, and investments in the most effective ways.

Devising operating strategies

We define the business domain according to the social issues to be addressed, identify the business resources that are lacking, and work with grant recipients to devise a medium- to long-term operating plan.

Devising financial strategies

We help grant recipients to develop mechanisms and methods that ensure sustainable procurement of funds to enable them to conduct their operations.

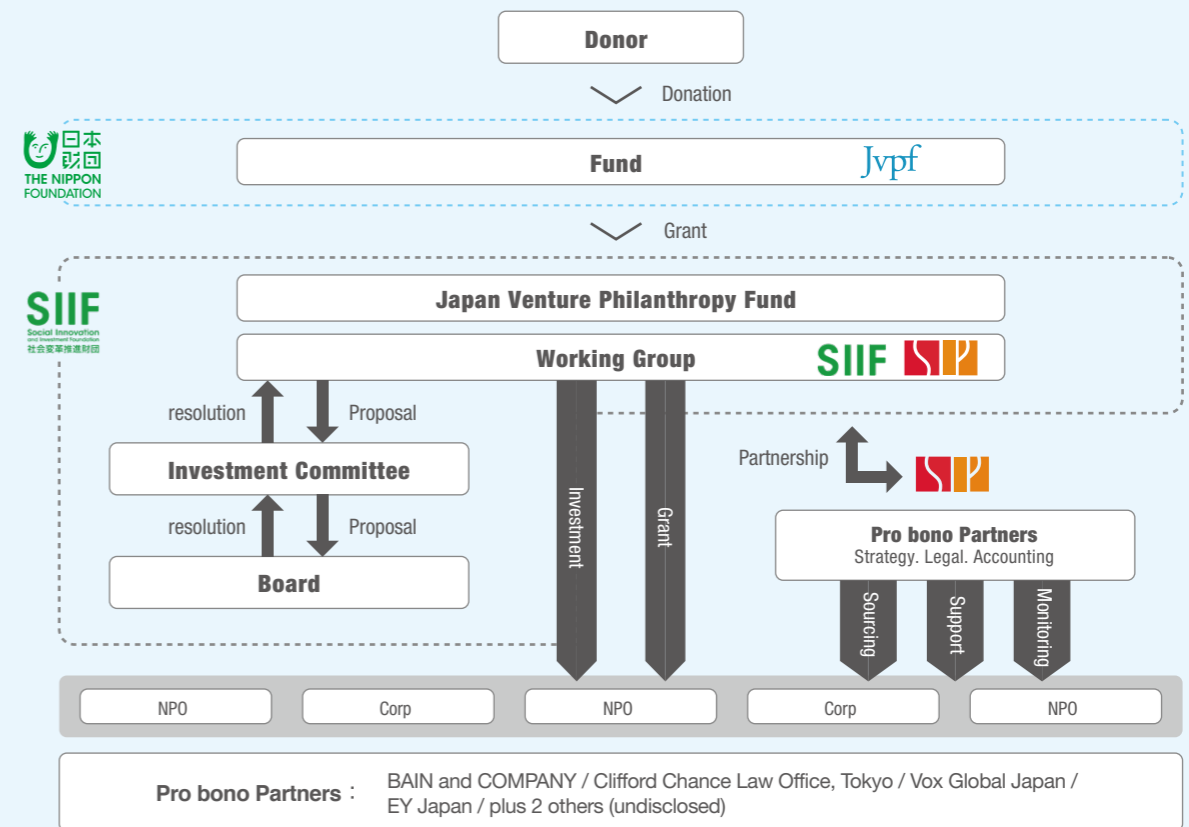
Involvement in management

We collaborate closely with grant recipients by, for example, participating in their management as board members / outside directors. We monitor their operational execution as we support them over a number of years.

Other support

We also strengthen organizations' capabilities in terms of marketing, PR strategy, human resources, operational management framework, coaching of the senior management team, coordination with associated business operators, and the framework for reporting to stakeholders.

Overview of Fund (As of March 2023)



Characteristics

Choosing from combinations of funding methods including grants, investments, and loans gives us the flexibility to the needs of organizations.

We support entire operation rather than individual projects. We not only support funding but also take part in strategic planning to promote the development of organizations.

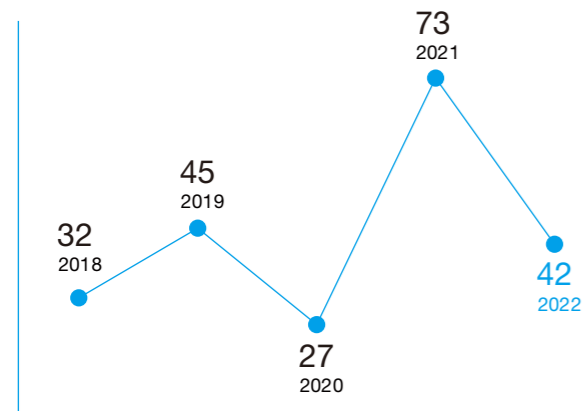
Our support involves a medium-to long-term time-frame of three to five years, during which we evaluate and monitor the project's progress and social impact. By emphasizing concrete results produced by the organization, we promote substantive solutions to social issues.

JVPF Selection Committee Members (As of March 2023)

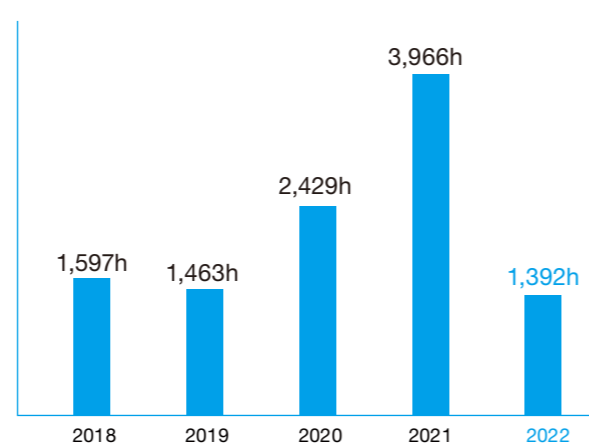
- Chair** ▶ Mitsuaki Aoyagi (Vice-chair of Executive Committee, Social Innovation and Investment Foundation (SIIF))
- Member** ▶ Nanako Kudo (Member of Executive Committee, Social Innovation and Investment Foundation (SIIF))
- Member** ▶ Haruka Mera (Founder and CEO, READYFOR, Inc.)
- Member** ▶ Sakae Suzuki (Representative Director & CEO, Social Investment Partners)
- Member** ▶ Daisuke Takatsuki (Representative Director, Social Investment Partners / Principal, CVC Asia Pacific Japan K.K.)
- Member** ▶ Hiroshi Nonomiya (Managing Director, Social Investment Partners / Representative Director, Crosspoint Advisors)
- Advisor** ▶ Emre Yuasa (General Partner, Globis Capital Partners)

JVPF ACTIVITIES BY DATA

Number of pro bono partners supporting JVPF



Time dedicated to JVPF by pro bono partners



Number of beneficiaries

Breakdown	2018	2019	2020	2021	2022
1 Number (gross) of children who have participated in programs offered by NPO After School	200,000	160,000	150,000	207,000	291,000
2 Number of children participating in NPO Hattatsu Wapaku Kai's rehabilitation program (direct/indirect operation)	1,344	1,875	2,694	2,072	2,438
3 Cumulative number of those who have registered as "Child-Raising Share" member of AsMama, Inc.	59,057	69,946	76,826	80,267	84,135
4 Number of students taught by Teach for Japan fellows	964	510	3,771	10,005	10,598
5 Gross number of aeru customers per year (goods sales alone)	4,700	3,810	2,764		
6 Cumulative number of students of teachers participating in Teachers Initiative programs		17,430	29,810	52,500	79,555
7 Number of children receiving Chance for Children vouchers		114,301	135,348	157,586	179,490
8 Number of children supported by locations under Learning for All's direct management				971	1,228
9 Number of people holding side jobs for 6 months or more through JOINS				275	497
10 Number of people participating in Ridilover-related programs				3,033	8,000
11 Number of yearly consultations on the STANDBY anonymous reporting app				1,708	10,596
12 Number of residences provided by Rennovater					137
13 Total number of students at Kizuki's tutoring schools					7,109
Total number of existing grant recipients (6-13)	66,065	91,696	165,158	216,073	286,522
Total number of grant recipients (including organizations for which our support has ended) (1-13)	266,065	253,571	401,213	515,417	674,693

Number of donors *including The Culture members



FINANCIAL POSITION

Revenue

	2019	2020	2021	2022	Total
Donation	7,729	26,881	13,390	58,367	528,746
Commitment from Nippon Foundation	7,729	26,881 (NOTE 2)	13,390	58,367	528,746
Others	30,000 (NOTE 1)				30,000
Total	45,458	53,762	26,780	116,735	1,087,492

(Note 1) includes Mr. Doug Miller's "1:3 matching fund" in full in accordance with the timing of deposit of the funds

(Note 2) Redemption proceeds from AsMama

Expenditure

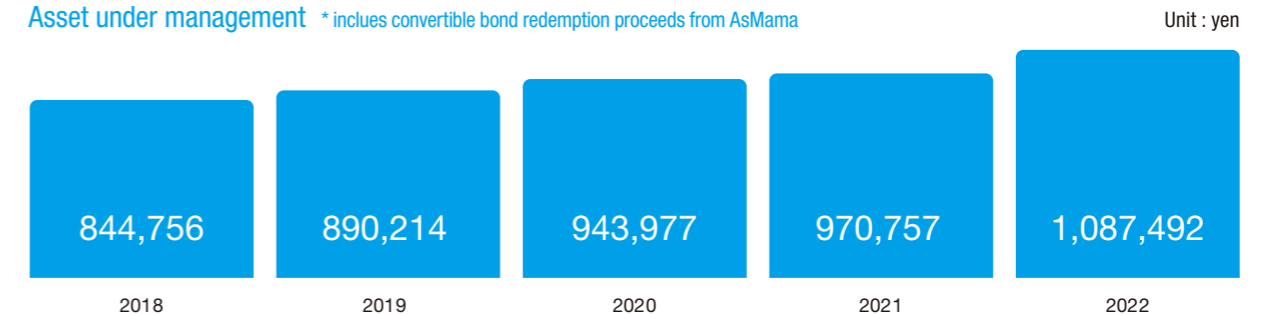
	2019	2020	2021	2022	Total
Grant / Investment	50,000	20,000	74,555	74,090	345,645
Operating expenses & fees	28,379	46,613	42,408	48,050	196,481
Expenditure total	78,379	66,613	116,963	122,140	542,126

In accordance with the JVPF's "Terms and Conditions for the Acceptance and Use of Donations," up to 25% of the total amount contributed to the fund may be used for operating expenses. Any unused portion of the operating expenses may be reclassified to the fund.

Fund balance

	2019	2020	2021	2022
Total	653,804	640,953	550,770	545,365

Asset under management * includes convertible bond redemption proceeds from AsMama



WHAT

Management support: What does management support involve?

Support from JVPF has two parts: financial support, and the equally important management support. Management support is the core of the venture philanthropy method, and it is an important element for ensuring that the grant recipient organization continues to grow even after the support period (usually about three years) and that their impact continues to increase. To explain what this involves in concrete terms, the Investment/Support Managers responsible introduce specific case studies of universal topics such as personnel systems and management accounting.

Support for personnel system of Ridilover Inc. ("Ridilover")

WHY

Why did Ridilover need support to build its personnel system?

The organization's atmosphere and culture get richer as the number of people increases and the organization grows



The accumulation of interactions through communications between members (conversations and evaluations) is what creates the culture. The cultivation of the culture progresses with the number of edges (lines)

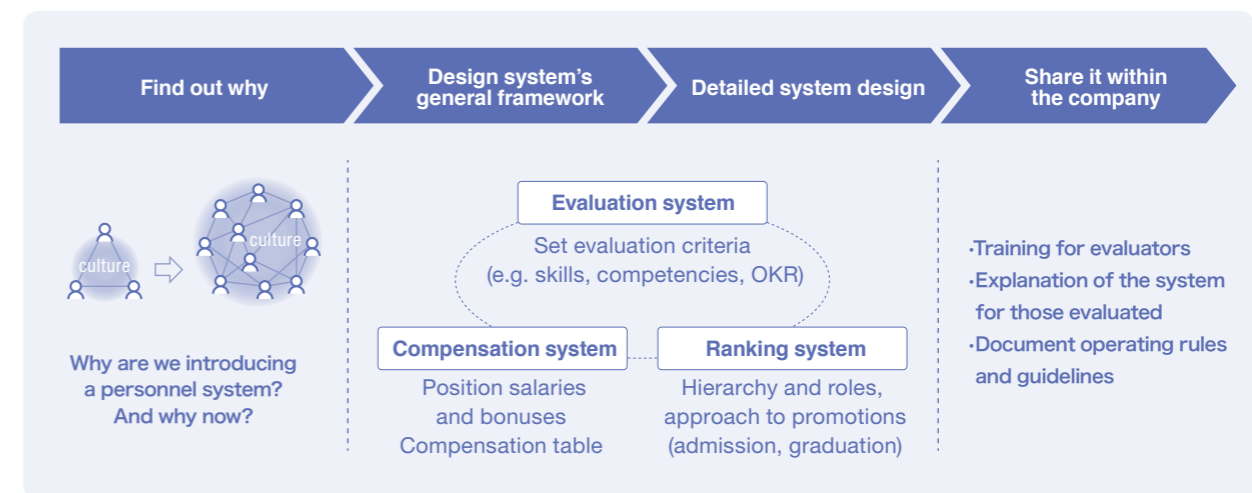
Ridilover developed from a platform (also called "Ridilover") that now-representative Abe started as a student at the University of Tokyo in 2009 to communicate and share social problems through tours. It was established as a company in 2013. By September 2022 it had grown into an organization with 36 employees. The unique culture of an organization tends to be diluted as the organization grows, but company representative Abe wanted to make Ridilover a company where that peculiar atmosphere instead became richer as more people joined. To put it in words as the JVPF officer in charge, he wanted "a culture where we believe that we can change society and where we hold on to our ambitions but remain humble while

(Note 1) We hold regular meetings with the representative and his management team on a weekly or monthly basis as necessary.

constantly trying new things." At regular meetings^(note 1) between Ridilover representative Abe, his leadership team and SIP, which are one of the management support activities, we repeatedly discussed this issue: "How do we maintain and even strengthen the organization's culture when the organization is expanding and its members are increasing, which means that the combinations of communication within the organization are increasing and becoming more complex?" In the end, we concluded that we needed to improve the quality of the communications and interactions between members. Furthermore, we hypothesized that good communication that strengthens the company's atmosphere is communication that encourages individuals to reflect on the ideals and values they hold deep down, and that comes from asking good questions and communicating carefully-considered opinions. Out of all the types of communication in the organization, we were able to identify "evaluations" as an avenue for deeper, more introspective communication, and we began to consider a personnel and evaluation system from the viewpoint of strengthening culture. As a manager, I feel that starting to build a personnel system based on this kind of idea and objective is something extremely unique to Ridilover. In this case, the evaluation system, compensation system and ranking system formed one unit, so we organized them comprehensively as the three pillars of this personnel system.

HOW

What support did we provide?



The actual process of creating the personnel system was carried out with the kind support of a personnel team from EY Japan ("EY"), one of our pro bono partners. Specifically, EY formed a team of five members for us, and they helped us to organize the "Why" section above and design the evaluation, compensation and ranking systems while holding discussions every other week for about six months. The representative and the hiring and human resource manager participated from the Ridilover side as they carefully deliberated how to create the optimal personnel system for the organization. The specific contents of the discussions were varied, but the major topics included documenting Ridilover's unique "Whys" stated above, writing down skills and competencies intended to encourage deeper introspection, what specific results to evaluate, the ranks that should be in the organization and their relation to skill and competency levels, how to provide feedback outside of

evaluation times, and how to carry out evaluation training. At the time of writing this column, the general framework of the personnel system was complete, and detailed final adjustments were being made in order to introduce the system. However we had already seen results in the form of the evaluation system (what to evaluate and how) and ranking and compensation systems (the organization's hierarchy and the compensation range linked to it) being formulated. And above all, through the process of leadership discussing the personnel system, we had found a deeper understanding of what Ridilover valued and how to develop people, which was a major achievement. Incidentally, although I was not involved in that project, Chance for Children (P.19) also created a personnel system with EY's support. Theirs is already in the operating phase, and it is having a direct effect on improving employee skills and strengthening the organization's foundations.

Officer's impressions



Senior Associate
Investment/Support Officer
Yusuke Yokoyama

The process of creating not a standard personnel system but rather a new kind (an evolved version of an evaluation system centered on introspection) was very stimulating for me. It was only possible because the EY professional team, which has a comprehensive understanding of the high standards involved in modern personnel systems due to the nature of their jobs, was able to accept the ideas of the Ridilover team and hold multiple high quality interactions with them based on that

understanding. Every organization, no matter the kind, realizes the need to document and systematize its various systems as it expands. However, not many organizations think things through deeply to consider why they need it at that time, what they are essentially doing it for, or whether it matches the organization's ideals and culture. So from that perspective, I think Ridilover's personnel system creation process is an extremely good example.

Management accounting: Helping STANDBY Co., Ltd. ("STANDBY") and Rennovater Co., Ltd. ("Rennovater") introduce management accounting

WHY Why is support for establishing management accounting necessary?

JVPF's support is directed at organizations that have entered the second phase of growth after the end of their business launch phase. "Establishing management accounting" is a management support measure we almost always implement for organizations in this second phase of growth. We do this because the importance of more precise financial monitoring grows along with the growth and expansion of a business. When JVPF sets out to provide support, we mainly consider

- ①The effects of prior growth-focused investments,
- ②The organization's revenue model, and
- ③Their financial structure at the start of support,

and based on that we design and introduce tailor-made management decision indicators that benefit the organization's business operations. The following are specific examples from two companies we are currently supporting.

STANDBY's case: Addressing the risk of insufficient cash

- ①**Effect of prior investment:** Using prior investments, including JVPF funds, they switched from the model of being a sales agency for a foreign system to an in-house system sales model^(note 1), and changed their business model from one that used only pull sales to one that incorporated push sales as well. Their cost structure changed dramatically as a result, and therefore their original sense of costs no longer applied.
- ②**Revenue model:** STANDBY's business is receiving contracts from individual municipalities to install an app for reporting bullying, and their main customers are municipal authorities. They generally receive payments from the municipality several months to twelve months after service provision starts. Hence, they incur expenses first, which makes insufficient cash a management risk factor.
- ③**Financial structure:** Making prior investments or expanding the business without a sufficient cushion in the account balance increases the risk to business continuity. To prevent that risk from becoming a reality, precise and timely cash management based on financial accounting is essential.

(Note 1) When JVPF support started, STANDBY was named STOPit Japan and was providing service using an app licensed from STOPit Solutions in the USA. After peacefully dissolving the contract with STOPit Solutions with JVPF's support and developing and transitioning to an in-house app, they changed their name to STANDBY in April 2022.

Points to consider	Focus on cash management	
	STANDBY	Rennovater
① Effects of prior investments	Changed cost structure due to changed business model	Business operation prior investment decision indicators
② Revenue model	Payment structure characteristic of municipality-focused business	Cash flow management characteristic of real estate business
③ Financial structure	Monitoring of funds paid and received matching account balance cushion	Monitoring of liabilities, mainly long-term borrowings

Rennovater's case: Setting appropriate prior investment levels

- ①**Effect of prior investment:** They practiced strict cost control from the start, but with the expansion of the business, it became highly necessary for investors (fund providers) and the business operator (Rennovater) to align their views on decision-making when it came to what level to accelerate to. Management accounting information is therefore an important indicator.
- ②**Revenue model:** Rennovater, which operates a real estate business, is characterized by the fact that its stability cannot be understood with general PL indicators alone. It was important to strike a balance between accelerating and slowing down in terms of how much cash to secure at hand and how to control cash flow, including principal and interest repayments.
- ③**Financial structure:** Although they had a cash cushion of a certain size, as a real estate business, they have a general level of long-term borrowings, which makes monitoring of their financing extremely vital.

HOW How did we support them?

When establishing management accounting based on the circumstances of each company, there were points they had in common and points that were customized for each one.

Common measures

We built a structure where budget control for profit and loss changes (sales, cost price, selling, general, and administrative expenses, operating profit) cash flow (simple sales/investment/financing CF and net CF), balance sheet (especially debt) could be performed on a single sheet.

To make it possible to understand the management situation at a glance without reading numbers, we created an operating structure that automatically issues an alert when a certain percentage of difference appears in comparison to the budget (within SIP, we call it a "signal system" because we create a sheet in Excel to automatically display numerical data cells in red, yellow and green). The figure on the right shows a schematic example of a signal system.

Example of "signal system"

	APRIL	MAY	JUNE
Revenue			
Actual	110	65	80
Plan	100	100	100
Previous year's results	50	50	50
vs plan	110%	65%	80%
YoY	220%	130%	160%

Signal Criteria: (Green) Monthly performance is above plan or up to 15% below plan.(Yellow) Monthly results are 16-30% below plan. (Red) Monthly results are 31% or more below plan.

Customization

STANDBY's case

- We established an operating structure that can make the necessary predictions according to the timeline and monitor the timing of expenses and fund procurement.
- Monthly: Monthly cash income and expenditure, monitoring predicted cash and deposit balance for several months ahead
 - Every quarter: Monitoring cash prediction for the fiscal year
 - Yearly: Formulate cash plans (two or more, for standard and conservative cases) for the next three years

Rennovater's case

- We built a structure to create and operate financial indicators that show the inherent prior investment levels, which are not generally represented on financial statements.
- It is set based on the founder's experience level, the perspective of financial institutions, and industry-specific financial indicators.
- For example we also used DSCR (an indicator that measures how much cash flow is available for making principal and interest repayments on debt), a financial indicator often used in the real estate industry, to set the financial indicators.

Officer's impressions



Vice President Investment/Support Officer Takuma Nara

Reading the article above may give reader the impression that we provided support with the ideal objectives and future in mind. In actual fact, however, especially when customizing support for each organization, the structures were established as a result of thinking of, designing and executing the measures necessary to deal with issues at the time when the issue was actually identified, as the occasion called for. We use trial and error to understand the situation the organization is in and their own sense of risk and awareness of their circumstances as a presupposi-

tion to figure out how to share an awareness of risk and how to find and allocate the necessary man hours in order to build and efficiently operate management accounting. In the course of organizing my thoughts on this project, I became aware once again of the impact we are having on society by donating funds and providing support and investment. And I was once again filled with appreciation for the heartfelt donations that donors have entrusted to us and the organizations, which forms the capital that makes our support possible. We are truly grateful.