

DISCLOSURE STATEMENT

SIF Impact Capital Operating Principles for Impact Management

1 April 2026

SIF Impact Capital, Inc. (“SIFIC”) hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the “Impact Principles”)¹. SIFIC is a venture capital firm based in Tokyo, Japan, weaving together people, society, and the planet to make better living the norm for all. Wellness should not be a privilege—it should be a shared reality. Through impact-driven investments, we thread together innovation, wellness, and equity, creating ripples of change that empower individuals, strengthen communities, and nurture the planet. This statement applies to all the assets under management by SIFIC LLP.

Fund	SIFIC Wellness Investment Limited Partnership
AUM	3,656,600,000yen ² as of 31 December 2025
Asset Class	Private equity
Sector	Wellness
Regional Focus	Japan
Year Launched	2023
Capital Providers	Organization for Small & Medium Enterprises and Regional Innovation, Japan Japan Post Insurance Co., Ltd. Teikoku Seiyaku Co., Ltd. The Higo Bank, Ltd. Keio University Japan Social Innovation and Investment Foundation Tokio Marine & Nichido Fire Insurance Co., Ltd. Kaneto Capital Management Pte. Ltd. Individual

Kazuhiro Umeda

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Fund Manager

Fund Manager

Founding Partner, SIF Impact Capital

Founding Partner, SIF Impact Capital

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¹ Please visit the Operating Principles for Impact Management website (<https://www.impactprinciples.org>) for more information about the Impact Principles and related resources.

² Based on the exchange (central) rate from the Bank of Japan, 156.30 as of 30 December 2025, the AUM of 3,656,600,000 yen as of 31 December 2025 converts to approximately \$23,394,754 USD.

Terms and Definitions

For the purpose of this statement, the following terms and definitions¹ apply:

1. **Entity:** A clearly defined economic unit that isolates the accounting of certain transactions from other subdivisions or accounting entities. An entity can be a corporation or government agency, as well as a subsidiary within a corporation, a fund, or a special purpose vehicle. The accounting entity must have a separate set of records detailing its assets and liabilities from those of the owner.
2. **Impact:** The effect of entities' actions on people and/or the natural environment over the short-, medium-, and long-term. For avoidance of doubt, in the Reporting Norms, the term "impact" implies a change in outcomes caused by an entity. In contrast, an outcome is a level of well-being experienced by people and/or the condition of the natural environment, which may or may not be caused by factors other than the entity.
3. **Impact Pathway:** The impact pathway describes the link between entities' inputs, activities, and outputs with their effects on people and the natural environment – that is, their outcomes and impacts. SIIFIC Wellness Fund refers to the impact pathway as "theory of change."
4. **Impact Thesis:** SIIFIC Wellness Fund's strategy for delivering on one or a range of impact objectives for an investment or a portfolio of investments.
5. **Independent Reviewers:** An individual or a group independent of the report preparer that is engaged in increasing the confidence of the user in the reported information.
6. **Input:** The resources and relationships that portfolio companies draw upon for their business activities, as well as the contextual elements that define their business activities.
7. **Logic Model:** A structured table that links inputs and activities to measurable outputs and outcomes. Can be a tool to represent an impact pathway, impact thesis, or theory of change.
8. **Outcome:** The level of well-being experienced by people or condition of the natural environment that results from the actions of the portfolio companies, as well as from external factors.
9. **Output:** The direct result of portfolio companies' activities, including products, services, and by-products.
10. **Stakeholder:** An individual or aspect of the natural environment that can reasonably be expected to be significantly affected by the portfolio companies' activities, products, and services, or whose actions can reasonably be expected to affect the ability of the portfolio companies to successfully implement its strategies and achieve its objectives. These include (but are not limited to) clients/end-beneficiaries, entity management and staff, suppliers, and affected local people and communities (including marginalized and vulnerable groups). These may also include non-governmental organizations, civil society organizations, governmental entities, and other groups in so far as they faithfully represent affected stakeholders. In this context, the portfolio companies' capital providers are not included as stakeholders, as it would be inappropriate for the portfolio companies' to report on its impacts on capital providers to those same capital providers. For avoidance of doubt, the term "stakeholder" is intended to emphasize reports' inclusion of stakeholders that are

¹ Please visit the IMPACT PERFORMANCE REPORTING NORMS website (<https://impactreporting.org/>) for more information about "Impact Performance Reporting Norms - For Investors in Private Markets; April 2024 – Version 1" and related resources.

experiencing outcomes below social or environmental thresholds (i.e., below acceptable levels), and stakeholders that have relatively little power, status, or voice, and whose interests are thus at greatest risk of not being taken into account in users' decision-making.

11. **Theory of Change:** A theory of change explains how the activities undertaken by an intervention (such as project, program, or policy) contribute to a chain of results that lead to the intended or observed impacts. At SIIFIC, we use the Theory of Change framework suggested by NEF² (New Economics Foundation) as the foundation for our impact mapping. This approach allows us to clearly articulate our investment strategy, linking short-term, medium-term, and long-term outcomes for stakeholders. The NEF Theory of Change is represented as a living diagram that evolves alongside portfolio companies' activities, reflecting new insights and changes in their approach.
12. **Thresholds:** In this context, the term "thresholds" refers specifically to the level or range of an outcome that divides sustainable from unsustainable performance. These ranges are set with reference to social norms or planetary limits that have been identified through scientific research. Thresholds are critical contextual reference points for entities assessing whether an outcome is sustainable or unsustainable. They are distinct from other types of targets that entities might set themselves which are not explicitly linked to a scientific assessment of what constitutes a sustainable outcome.
13. **Well-being:** The state of being or doing well in life; happy, healthy, or prosperous condition; moral or physical welfare. The OECD Well-being Framework states that the 11 dimensions of well-being are comprised of the outcomes that matter most to people.

² Please visit the New Economics Foundation website (<https://www.nefconsulting.com/introduction-to-toc/theory-of-change/>) for more information about Theory of Change.

Principle 1

Define strategic impact objective(s), consistent with the investment strategy

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

- **Strategic Impact Objective: Wellness Equity**

SIIFIC and the SIIFIC Wellness Fund define their strategic impact objective as the achievement of **Wellness Equity**, which serves as the guiding standard underpinning all fund activities and investment decisions. SIIFIC defines *wellness* as a way of living in which individuals seek to live better in a manner true to themselves. *Wellness equity* therefore refers to a societal condition in which everyone—equally and without limitation—can engage in self-directed activities, make authentic life choices, and maintain both mental and physical well-being. Achieving wellness equity requires a systems-level transformation that extends beyond healthcare and welfare systems alone, reaching into everyday living infrastructures, working environments, community structures, education systems, and the social conditions that shape individual agency and well-being.

- **Systems Thinking and Two Leverage Points**

SIIFIC's impact thesis is grounded in **systems thinking**, addressing the root causes of wellness disparities rather than their symptoms. On this basis, the fund has identified two leverage points that guide portfolio construction and coherence:

- **Advancing Wellness Literacy** – enabling individuals to access, interpret, and act upon reliable information relating to physical and mental health.
- **Strengthening Social Capital** – fostering trust-based relationships and supportive networks that enable autonomy, belonging, and meaningful participation in society.

These leverage points are informed by the *Healthcare Vision Paper* (2023) published by the Japan Social Innovation and Investment.

- **Four Investment Themes**

To translate its strategic objective into investment practice, SIIFIC defined four investment themes at the fund's establishment, structured around two leverage points:

1. **Revolutionizing Healthcare** by advancing trustworthy medical standards.
2. **Empowering Holistic Well-Being** by enabling positive lifestyle and behavioural choices.
3. **Connecting Lives** by fostering loosely connected yet meaningful social interactions.
4. **Cultivating Local Prosperity** by strengthening regional economies and quality of life.

These themes ensure consistency between individual investment decisions and the fund's overarching impact objective.

- **Intended Outcomes and Stakeholders**

Through these themes, the SIIFIC Wellness Fund seeks to:

- strengthen integrity and accountability in healthcare systems;

- empower individuals to take control of their well-being;
- reinforce human connection as a foundation for autonomy and mental well-being; and
- support regional economic resilience and inclusive growth.

By taking a systems-level approach to wellness, SIIFIC remains committed to ensuring that better living becomes the norm rather than a privilege, and that wellness equity is realised as an accessible reality for all.

- **Individual Investment-Level Alignment**

At SIIFIC, strategic alignment is considered from the earliest stage of the investment process and reaffirmed at the point of investment decision-making. Impact objectives and relevant metrics are defined in direct reference to the fund's leverage points and investment themes, supporting credible contribution to systemic progress towards wellness equity.

- **Global Goals Through a Local Lens**

The fund's strategy aligns with key UN Sustainable Development Goals, including SDG 3 (Good Health and Well-being), SDG 8 (Decent Work and Economic Growth), and SDG 11 (Sustainable Cities and Communities). At the same time, SIIFIC reflects Japan's national priorities by incorporating contextual frameworks such as the Digital Agency's Regional Well-Being Index, supporting a locally grounded and data-driven approach to societal well-being.

- **Credible Basis: Evidence and Impact Due Diligence**

SIIFIC seeks to ensure that its strategic impact objective is supported by a **credible and evidence-based foundation** at the individual investment level. The fund's investment strategy is designed to allocate capital towards business models and growth pathways that plausibly contribute to the identified leverage points and investment themes.

Evidence, underlying theories of change, and key assumptions are considered to ensure that intended impact remains proportionate, measurable, and consistent with the fund's overall strategy. Further detail on impact due diligence, investment-level assessment, and contribution is set out under **Principles 3 and 4**.

Principle 2**Manage strategic impact on a portfolio basis**

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

- **Portfolio-Level Impact Management Framework**

The SIIFIC Wellness Fund applies a structured and systematic approach to managing impact achievement at the **portfolio level**. The fund's Investment Guideline and Impact Management System are designed to establish, monitor, and evaluate impact performance across the portfolio as a whole, while recognising that impact pathways, outcomes, and risk profiles differ across individual investment. This portfolio-level perspective supports coherence in pursuing the fund's strategic impact objective of Wellness Equity, without constraining the diversity of approaches required across sectors, stages, and business models.

- **Integration of Impact and Financial Performance**

SIIFIC is committed to advancing wellness equity alongside the pursuit of robust financial returns. Impact considerations are therefore managed as an **integrated dimension of investment strategy and value creation**, rather than as a parallel or standalone activity. Portfolio-wide impact management draws upon internationally recognised frameworks, in particular Impact Frontiers' **Five Dimensions of Impact** and its complementary guidance on the **Ten Impact Risks**. Together, these frameworks support disciplined judgement regarding the scale and depth of impact, stakeholder experience, the fund's contribution, and potential trade-offs or unintended effects across the portfolio.

- **Portfolio Coherence Through Leverage Points and Thematic Alignment**

The fund's strategic impact objective is anchored in its super goal of **Wellness Equity**, pursued through two leverage points—advancing wellness literacy and strengthening social capital—and expressed through four investment themes. At the portfolio level, these elements provide a common reference point for assessing alignment and coherence. At the investment level, SIIFIC develops investment-specific theories of change and identifies key assumptions and risk factors, supporting credible contribution to portfolio-wide impact objectives while allowing for differentiated impact pathways.

- **Impact Management Across the Investment Lifecycle:**

The Fund Manager embeds impact considerations throughout the full investment lifecycle, including:

- thematic screening and alignment at entry;
- structured impact due diligence, including assessment of intended outcomes and material impact risks;
- ongoing portfolio monitoring against defined KPIs and qualitative signals; and
- exit planning designed to safeguard long-term impact integrity.

This lifecycle-based approach supports continuous learning and adaptive management of impact across the portfolio.

- **Operationalising the Ten Impact Risks**

SIIFIC seeks to operationalise Impact Frontiers' Ten Impact Risks as a practical portfolio management tool. During due diligence and ongoing monitoring, relevant categories of risk—such as evidence risk, stakeholder participation risk, and execution or external risk—are considered to assess the likelihood that realised impact may diverge from expectations. These risk considerations are incorporated into investment-level impact plans and reviewed over time, enabling SIIFIC to identify where additional data,

engagement, or mitigation measures may be required. In this way, the Ten Impact Risks framework supports both accountability and continuous improvement across the portfolio.

- **Impact Reporting and Accountability**

The fund is committed to publishing an annual Impact Performance Report, providing LPs and stakeholders with a structured account of portfolio-level progress and impact performance. Beginning in 2025, SIIFIC became a Founding Adopter of Impact Frontiers' Impact Performance Reporting Norms, and its reporting is prepared in accordance with the Norms' Guiding Principles. SIIFIC views high-quality impact disclosure as an evolving discipline and continues to strengthen comparability, transparency, and faithful representation over time.

- **Sustainable Exit Strategies and Incentive Alignment**

SIIFIC's commitment to impact extends beyond initial capital deployment. The fund seeks to pursue responsible exit pathways that maintain or enhance the long-term corporate and societal value created by portfolio companies, recognising that exit decisions can materially influence enduring impact outcomes. In parallel, SIIFIC is exploring approaches to aligning staff incentives with the achievement of positive impact alongside financial performance. Drawing on emerging best practices, including the concept of impact-linked compensation, SIIFIC aims to ensure that internal accountability mechanisms reinforce the fund's strategic impact objectives in a disciplined and measurable manner.

- **Continuous Improvement and Learning**

By managing impact at the portfolio level through structured frameworks, regular monitoring, and transparent reporting, SIIFIC endeavours to contribute to the continued maturation of the impact investing field and to the realisation of wellness equity as a shared societal condition.

Principle 3

Establish the Manager's contribution to the achievement of impact

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

- **Defining SIIFIC's Contribution as a General Partner**

SIIFIC defines its contribution as a GP as the incremental role it plays at entry in enabling impact outcomes that would be less likely to occur, occur at a smaller scale, or occur more slowly without its involvement. This contribution extends beyond the provision of capital and is assessed in line with the *contribution* dimension of Impact Frontiers' Five Dimensions of Impact. In practice, SIIFIC's contributions may include shaping impact intent at entry, strengthening evidence-based decision-making, supporting systems-level understanding through mapping and stakeholder engagement, and establishing disciplined foundations for impact management. The relevance and expected strength of these contributions are considered during due diligence and revisited over time through active stewardship.

- **Contribution at Entry: SEEDS, System Mapping, and Impact Frontiers Frameworks**

SIIFIC's due diligence integrates conventional venture capital analysis with its internal SEEDS framework, which requires coherence across three elements:

- **Science** - evidence base and technical validity;
- **Ideas** - innovation, defensibility, and differentiation; and
- **Needs** - realistic demand, adoption pathways, and scalability.

In parallel, SIIFIC applies systems mapping to develop a systems-level understanding of the issue or sector being addressed, identifying key variables, feedback loops, and structural barriers within the broader wellness ecosystem. Concurrently, SIIFIC applies Impact Frontiers' Five Dimensions of Impact to assess expected outcomes, affected stakeholders, anticipated scale and depth of change, the fund's contribution, and associated impact risks. The Ten Impact Risks are used as a practical lens to evaluate factors—such as evidence risk, stakeholder participation risk, execution risk, and external risk—that could cause realised impact to diverge from ex-ante expectations.

- **Impact Onboarding and Capability Building at Entry**

As part of origination and structuring, SIIFIC engages prospective portfolio companies in an impact onboarding and assessment process led by dedicated fund managers and SIIF impact specialists. This engagement is designed to ensure that management teams develop a practical understanding of impact—not as an abstract concept, but as an operational discipline integrated into strategy, governance, and execution. Through structured dialogue and collaborative assessment, SIIFIC works with management teams to explore how theories of change, impact metrics, and risk considerations can be embedded in a manner appropriate to the company's stage and capacity. The objective is not to impose a prescriptive framework, but to strengthen internal capability and ownership, positioning companies to manage impact intentionally from the outset.

- **Governance, Networks, and Ecosystem Support**

Where appropriate, SIIFIC contributes through governance participation and structured strategic dialogue, supporting alignment between business strategy and impact objectives while respecting investee autonomy. In addition, SIIFIC leverages its broader network of impact-oriented investors, scientific experts, and practitioners to facilitate knowledge exchange, peer learning, and access to complementary



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expertise. This networked approach is intended to strengthen investee capacity and situate portfolio companies within a broader ecosystem committed to credible and scalable impact.

- **System-Level Contribution and Market Signalling**

In assessing expected impact, SIIFIC also considers the potential for indirect and system-level effects beyond individual portfolio companies. This includes collaboration with co-investors and other market participants to encourage broader adoption of impact-oriented investment practices. SIIFIC seeks to contribute to this ecosystem by transparently communicating its investment rationale—including the use of systems maps and theories of change—through public disclosures such as press releases and newsletters. Through selective information-sharing and engagement with like-minded investors, SIIFIC endeavours to support greater understanding of credible impact practice and to help mobilise additional aligned capital towards companies positioned to deliver meaningful impact.

Principle 4

Assess the expected impact of each investment, based on a systematic approach

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

- **Ex-Ante Assessment of Expected Impact and Readiness**

The Fund Manager is committed to rigorously assessing the expected impact of each investment prior to capital deployment, using a structured and evidence-informed approach consistent with the fund's strategic objective of advancing wellness equity. At entry, SIIFIC evaluates the intended outcomes of a prospective investment, the stakeholders expected to experience those outcomes, and the anticipated significance of impact within the relevant geographic and societal context. In parallel, the fund considers the likelihood of achieving those outcomes by identifying key assumptions and material impact risks. This ex-ante assessment is designed not only to clarify impact potential, but also to strengthen the credibility of the causal pathways through which impact is expected to be realised.

- **Integration of Impact Assessment within the Investment Process**

Impact assessment is embedded within SIIFIC's broader investment process and informs decision-making alongside commercial, legal, and strategic considerations. For each prospective investment, SIIFIC establishes clear impact objectives, identifies measurable indicators where feasible, and articulates the assumptions underpinning expected outcomes. This discipline supports coherence between the fund's strategic intent and individual investment decisions, while recognising that impact pathways and evidence bases may differ across sectors and business models.

- **Theory of Change and Investment-Level Impact Commitments**

Based on systems mapping and stakeholder-informed analysis, SIIFIC develops an investment-specific Theory of Change that articulates impact pathways for future monitoring and management. At entry, evidence-grounded KPIs are identified where feasible, baselines are established when appropriate, and the conditions required for intended outcomes to occur are clarified. SIIFIC formalises mutual expectations with investee companies through an Impact Measurement and Management Memorandum of Understanding at the time of investment, reinforcing shared accountability for impact objectives.

- **Transparency and Accountability**

SIIFIC reflects its stewardship activities and contribution through its annual Impact Performance Report, prepared in accordance with Impact Frontiers' Impact Performance Reporting Norms, of which SIIFIC became a Founding Adopter in 2025. SIIFIC views active contribution as an evolving practice and remains committed to strengthening discipline, transparency, and learning over time, recognising that effective stewardship is essential to sustaining impact outcomes alongside long-term enterprise value.

Principle 5

Assess, address, monitor, and manage potential negative impacts of each investment

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current portfolio companies systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor portfolio companies' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

- **Approach to Managing Potential Negative Impacts**

SIIFIC recognises that achieving positive impact is inseparable from the active management of potential negative and unintended effects. In line with its systems-based approach, SIIFIC does not treat ESG risks as a static checklist, but as dynamic factors that may evolve as companies scale, markets shift, and regulatory or social contexts change. The fund therefore seeks to assess, address, and manage potential negative impacts through structured processes that combine risk identification, engagement, monitoring, and capability building.

- **Impact Risks and Systems-Based Risk Management**

SIIFIC manages potential negative impacts through the application of Impact Frontiers' **Ten Impact Risks**, which provide a structured lens for identifying factors that may cause realised impact to diverge from expectations. This includes, among others:

- **Evidence risk**, where assumptions underlying impact pathways may prove weak or incomplete;
- **Stakeholder participation risk**, where outcomes may not reflect lived stakeholder experience;
- **Execution risk**, where organisational capacity or incentives may undermine intended outcomes; and
- **External risk**, where regulatory, social, or market conditions introduce unforeseen challenges.

These risks are considered alongside traditional ESG considerations and are revisited throughout the investment lifecycle. **Systems mapping** is used where appropriate to understand interdependencies and non-linear dynamics, particularly in complex or “wicked” problem contexts where linear mitigation approaches may be insufficient.

- **Engagement, Mitigation, and Continuous Monitoring**

Where material risks or gaps are identified, SIIFIC engages with investee companies to support mitigation and improvement in a manner proportionate to the company's stage and capacity. This may include dialogue on governance practices, internal controls, stakeholder engagement processes, or organisational decision-making structures. Potential negative impacts and risk signals are monitored alongside impact and operational KPIs through regular reporting and **quarterly portfolio reviews**, enabling early identification of emerging issues and timely engagement where corrective action is required.

- **Ongoing Management of Impact Risks**

As part of its stewardship role, SIIFIC actively revisits material impact risks throughout the investment lifecycle, drawing on Impact Frontiers' Ten Impact Risks framework. This includes monitoring and engaging on risks such as:

- evidence risk, where assumptions about impact pathways may require further

validation;

- stakeholder participation risk, where lived stakeholder experience may diverge from intended outcomes; and
- execution or external risk, where market, regulatory, or social factors may affect impact delivery.

These risk considerations are reviewed through regular engagement and portfolio monitoring, supporting adaptive management and timely course correction where appropriate.

- **Capability Building Through Training and Knowledge Sharing**

Recognising that early-stage and growth-stage companies often face resource and capability constraints, SIIFIC places emphasis on **capacity building** as a core risk management tool. As part of its ongoing engagement, SIIFIC has supported portfolio companies through a series of structured training initiatives aimed at strengthening governance, compliance, and impact management capabilities:

- **Compliance Training – March 2025 (Third Session)**

This session, conducted by Yumiko Terada Esq., Attorney-at-Law, focused on corporate governance and risk management in the context of evolving regulatory expectations. Topics included internal control frameworks, compliance risks relevant to high-growth companies, and practical approaches to embedding ethical decision-making within organisational structures.

- **Compliance Training – November 2025 (Fourth Session)**

This session, conducted by Yumiko Terada Esq., Attorney-at-Law, addressed employment rules and human capital management from a management perspective, including the role of work rules, internal regulations, and fair processes in supporting organisational resilience. Particular attention was given to the interaction between legal compliance, human capital management, and long-term enterprise value in an era of increased focus on human capital disclosure and governance.

Earlier training initiatives have also covered areas such as harassment prevention, data protection, whistleblowing mechanisms, and sector-specific regulatory risks. Together, these sessions are designed to strengthen portfolio companies' ability to identify, manage, and respond to ESG-related and impact-related risks in a proactive and informed manner.

- **Investor Contribution Through Continuous Learning**

As part of its investor contribution, the Fund Manager continuously updates the knowledge and skills through ongoing learning and professional training. In December 2025, SIIFIC's fund managers participated in a systems thinking programme organised by Change Agent, with a particular focus on system diagrams and system archetypes. This programme provided an opportunity to revisit and deepen understanding of recurring structural patterns that drive outcomes in complex systems. By strengthening internal capability in systems thinking, SIIFIC enhances its ability to identify underlying drivers of risk, anticipate unintended consequences, and engage more effectively with portfolio companies on adaptive and forward-looking impact and risk management.

- **Learning, Adaptation, and Accountability**

SIIFIC views the management of potential negative impacts as an iterative and learning-oriented process. Insights gained through engagement, monitoring, and training inform both company-level support and portfolio-level refinement of risk management practices. The fund reflects its approach to managing potential negative impacts through its annual Impact Performance Report, prepared in accordance with Impact Frontiers' Impact Performance Reporting Norms, of which SIIFIC became a Founding Adopter in 2025. In line with the Norms' Guiding Principles,



SIIFIC seeks to communicate both progress and limitations transparently, recognising that faithful representation of risks is essential to credible impact practice.

Principle 6**Monitor the progress of each investment in achieving impact against expectations and respond appropriately.**

The Manager shall use the results framework (referenced in Impact Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

- SIIFIC's adherence to Principle 6 is exemplified through our meticulous impact monitoring and management process, utilizing the detailed framework established in Principle 4. In practice, the predefined process referenced above is operationalised through investment-level Impact Measurement and Management (IMM) Memoranda of Understanding entered into at the time of investment. These agreements clarify the scope of data to be shared, responsibilities for provision and review, and the agreed frequency and method of data exchange, in a manner proportionate to each portfolio company's operational context. This approach ensures the ongoing evaluation of each investment's contribution towards our wellness equity objectives, with a keen focus on aligning actual outcomes with our projected impact targets. Our strategy involves sophisticated tools and regular engagements, reinforcing our commitment to driving substantive change and addressing any deviations proactively.
- **Utilization of Advanced Monitoring Tools**

SIIFIC employs advanced tools and methodologies as outlined in our impact management system in Principle 4. These include comprehensive systems mapping and the Five Dimensions of Impact assessment, which collectively inform our results framework. This structured framework underpins our systematic approach to tracking progress, ensuring data accuracy, and facilitating informed decision-making across our investment portfolio. Monitoring is designed not only to track activity, but to assess whether realised outcomes remain consistent with initial assumptions and intended impact pathways. In 2025, for example, baseline measurements were conducted for selected outcome indicators under Investment Theme 4, establishing reference points for longitudinal tracking. Where relevant, contextual benchmarks or thresholds are defined to support structured comparison over time.
- **Routine Data Collection and Communication**

The responsibility for leading the data collection process lies with the person in charge of the investment. This ensures a high level of engagement and oversight, with the Fund Manager conducting monthly meetings with investee management. These discussions cover a wide range of topics, from industry-specific challenges to impact performance, leveraging SIIFIC's extensive expertise. SIIFIC aims to collect impact-related data in accordance with the materiality and operational realities of each portfolio company. Data ownership remains with the portfolio company and is treated as confidential in accordance with the agreed IMM framework. In addition, SIIFIC maintains regular (typically monthly) dialogue with investee management to monitor developments that may influence impact pathways, underlying assumptions,

or material risks, and to review impact performance data in a structured manner. Internally, relevant updates and performance insights are shared with the GP team on a regular basis to promote transparency and foster an environment of continuous feedback and improvement.

- **Proactive Engagement**

SIIFIC's engagement strategy extends beyond direct interaction with portfolio companies to include ongoing discussions with lead VCs, ensuring that no critical issue is overlooked—particularly when we are not the lead investor. Through weekly calls and by securing board or observer seats in each investment, we maintain active strategic oversight. In some cases, SIIFIC fund managers have taken on formal governance or management roles within investee companies to facilitate structured engagement and enhance alignment between business strategy and impact objectives. These roles are undertaken where appropriate and consistent with the investee company's governance needs, with a focus on supporting the investee in navigating strategic decisions that may influence impact outcomes.

This proactive approach enables us to swiftly address emerging challenges and steer our investments towards their intended impact, reinforcing our dedication to both financial and social value creation.

- **Monitoring, Review, and Learning**

SIIFIC's contribution continues throughout the investment lifecycle. Impact performance and material risk considerations are reviewed alongside financial and operational metrics through regular reporting and quarterly portfolio reviews. These reviews provide a structured opportunity to reflect on progress against expectations, reassess assumptions, and identify areas where additional engagement or adjustment may be warranted. Insights generated through this process inform both company-level support and portfolio-level learning.

- **Capturing and Reporting Investment Outcomes**

SIIFIC aims to employ our results framework and capture a comprehensive view of investment outcomes, detailing both the quantitative and qualitative impacts of our portfolio. This holistic assessment feeds into our commitment to transparency and accountability, with findings shared internally monthly and externally through our annual impact performance report. This report, a key component of our impact narrative, highlights our achievements and ongoing commitment to enhancing wellness equity.

- **Continuous Improvement through Strategic Insights**

SIIFIC's disciplined approach to IMM is a testament to SIIFIC's unwavering dedication to responsible investing and our broader mission. The insights garnered through regular data collection, stakeholder engagement, and advanced analytical tools enable us to refine our strategies, ensuring our investments continue to drive systemic change and contribute significantly to global wellness equity.

- **Quality Assurance Process Led by SIIF**

Within the SIIFIC Wellness Fund, a structured Quality Assurance process is implemented under the leadership of SIIF. Upon request from the Fund Manager, SIIF plays a leading role in safeguarding the quality of due diligence and IMM conducted by SIIFIC.

This process is designed to enhance transparency and robustness in impact-related

investment decision-making and post-investment monitoring, and to ensure alignment with the Fund's objectives as stipulated in the Limited Partnership Agreement (LPA).

1. Assignment and Roles of Involved Members

Upon request from the Fund Manager, SIIF assigns responsible members to ensure the quality of impact considerations from the initial stage of due diligence through final deliberation at the Investment Committee and into post-investment monitoring.

2. Required Qualifications of Members

- **Professional Expertise of Quality Assurance Personnel:** Demonstrated knowledge and experience in addressing social challenges and social impact, with particular emphasis on expertise in IMM.
- **Credibility of Quality Assurance Personnel:** Established external credibility grounded in knowledge and practical experience in impact investing and IMM.
- **Role as GP (in accordance with the LPA):** The ability to perform duties in accordance with the LPA and a clear recognition of responsibility for overall fund-level risk management.
- **Role as Investment Committee Member (in accordance with the LPA):** A strong understanding of impact considerations and a high standard of ethical judgement.

3. Roles and Responsibilities

The roles and responsibilities of members involved in the Quality Assurance process are structured as follows:

Roles	Responsibilities
Investment Committee Members	<ul style="list-style-type: none"> • Accompany SIIFIC from the initial stage of due diligence through the investment review process • Support the articulation and refinement of alignment between each proposed investment, the Fund's Theory of Change (TOC), and its investment themes • Evaluate the final due diligence outcomes at the Investment Committee stage • Ensure consistency with the Fund's investment criteria before approving the execution of an investment.
LLP Steering Committee Members	<ul style="list-style-type: none"> • Provide professional input on the Fund's overall impact policy, IMM processes, and external communications • Advise on the design and implementation of due diligence processes for individual investment cases • Review and provide guidance on the IMM processes and content relating to existing portfolio companies.
Wellness Fund Quality Assurance Manager / Staff	<ul style="list-style-type: none"> • Support impact-related decision-making across the Fund through information gathering, review of documentation, and assistance in the execution of IMM processes

4. Quality Assurance Process

The quality of due diligence (DD) and IMM is safeguarded through staged review, approval, and monitoring processes across the investment lifecycle, as outlined below:

Stage	Key Activities	SIIF Involvement (Quality Assurance)
1. Proposal / Initial DD	Identification of investment opportunity and preliminary screening by the Fund Manager.	Review of DD scope and plan; initial support in formulating impact hypotheses.
2. Full DD Execution	Financial, legal, business, IP, and scientific DD conducted by SIIFIC; impact analysis including systems mapping, TOC development, Five Dimensions of Impact and Ten Impact Risks assessment; KPI formulation.	Ongoing review of alignment with the Fund's TOC and investment themes; review of systems maps, TOC, Five Dimensions and Ten Impact Risks analysis; assessment of KPI design; review of use of external experts where applicable.
3. DD Reporting / GP Review	Preparation of a comprehensive DD report including risks, opportunities, exit strategy, and impact measurement plan.	Comprehensive quality review; engagement with investee prior to investment decision to confirm feasibility and effectiveness of post-investment IMM implementation.
4. Investment Review Meeting & Investment Committee	Staged deliberation at internal review meetings and final approval at the Investment Committee.	Assessment of objectivity of DD findings and appropriateness of risk evaluation by GP Steering Committee members and Investment Committee members.
5. Post-Investment Monitoring	Alignment on IMM execution plans; support for data collection and implementation processes.	Comprehensive review and advisory input regarding IMM implementation plans, execution progress, and external communication policies.

5. Investment Committee Criteria

At the Investment Committee stage, proposals are rigorously evaluated in accordance with the investment principles and objectives defined in the LPA, particularly the balanced pursuit of social impact and financial performance. The primary criteria are summarised as follows:

1. Alignment with the Fund's Theory of Change and Investment Themes

From the investment review stage onward, SIIF members engage in dialogue with the Fund Manager to confirm how and on what basis each investment aligns with the Fund's TOC and investment themes.

2. Effectiveness of Impact Framework and Implementation Feasibility

The Fund integrates systems mapping, TOC development, and Five Dimensions / Ten Impact Risks analysis into its investment decision process, supported by objective data and structured IMM systems. Investment Committee members examine the validity of the impact hypothesis, the robustness of the analytical framework, the credibility of KPIs, and the practical feasibility of post-investment IMM implementation.

3. Feasibility of Investor Contribution

The Committee confirms whether sufficient alignment has been achieved

with the investee regarding the impact hypothesis and TOC and assesses the feasibility and effectiveness of IMM support that the Fund can provide, including KPI formulation, data collection and measurement support, and the establishment of governance and management systems. Investment approval is granted only when the Committee determines that the DD conclusions are objective, comprehensive, and aligned with both financial and impact criteria.

Principle 7

Conduct exits considering the effect on sustained impact

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

- **Approach to Impact-Conscious Exit Planning**

SIIFIC recognises that exit decisions can materially shape whether impact outcomes are sustained, diluted, or strengthened over time. Although the fund has not yet reached the exit phase, SIIFIC has established an anticipatory and disciplined approach to exit planning that integrates impact considerations alongside financial and fiduciary responsibilities. Exit planning is approached not as a single transaction event, but as a process that begins well before exit execution and is informed by the fund's strategic impact objective of Wellness Equity.

- **Integrating Impact Considerations into Exit Strategy**

In considering potential exit pathways, SIIFIC seeks to assess how different exit scenarios may affect the long-term viability of a company's impact model. This includes consideration of:

- alignment of prospective acquirers or public market positioning with the company's impact intent;
- governance arrangements and ownership structures that may support continued impact post-exit; and
- the company's organisational readiness to sustain impact independently following a change in ownership.

Where appropriate, SIIFIC may consider exit structures that balance liquidity objectives with impact continuity, including phased exits or continued minority ownership, provided such approaches remain consistent with fiduciary duties.

- **Illustrative Practice: Impact Continuity Ahead of Liquidity Events**

In 2025, SIIFIC's approach to sustained impact at exit was demonstrated in practice through a portfolio company's subsequent financing and pre-IPO preparation. As part of a follow-on financing round, a **crossover impact fund** participated alongside SIIFIC. In advance of this investment, the portfolio company shared the **systems map and Theory of Change** that had been jointly developed with SIIFIC. These materials were subsequently reviewed and updated collaboratively among the three parties, ensuring a shared understanding of impact pathways, assumptions, and risks as the company progressed toward a later-stage capital structure.

SIIFIC participated in structured, tri-partite discussions together with the portfolio company and the incoming investor to align expectations regarding impact strategy, governance, and reporting discipline. These discussions were conducted collaboratively and transparently, ensuring that impact frameworks—such as the systems map and Theory of Change—remained coherent and proportionate as the shareholder base evolved.

In coordinating these discussions, SIIFIC sought to avoid imposing unnecessary or duplicative reporting burdens on the portfolio company, facilitating alignment at the capital level while respecting management capacity and operational priorities. This three-party dialogue reduced the risk of fragmentation in impact expectations as the company progressed toward later-stage capital and public markets. The same portfolio company submitted its application for initial public offering in December 2025. As part of the registration documentation, the **systems map co-developed with SIIFIC was incorporated into the company's public disclosure materials**, reflecting management's continued commitment to articulating impact in a structured and

transparent manner as the company approached public markets.

SIIFIC views this process as an example of how early-stage impact discipline—when embedded through systems thinking and shared frameworks—can support **continuity of impact intent across financing stages and toward potential exit**, even prior to formal divestment by the fund. This example also illustrates the importance of early alignment and transparent communication with stakeholders as companies progress toward later-stage capital and potential exit events.

- **Stakeholder Engagement and Transparency**

SIIFIC recognises the value of incorporating diverse perspectives into exit-related decision-making. Where relevant and feasible, the fund engages with portfolio company management teams and other key stakeholders to understand potential implications of exit timing and structure on impact outcomes. SIIFIC is committed to transparent communication with LPs regarding exit rationale and considerations, including how impact-related factors are weighed alongside financial outcomes.

- **Post-Exit Reflection and Learning**

SIIFIC views exits as an important source of learning for refining future investment and impact management practices. Where possible, the fund seeks to reflect on post-exit outcomes to understand how impact considerations were preserved or challenged, and to incorporate these insights into future exit planning and stewardship approaches.

Principle 8**Review, document, and improve decisions and processes based on the achievement of impact and lessons learned**

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

- **Impact Review and Learning as a Management Discipline**

SIIFIC approaches impact management as a **continuous learning process**, recognising that meaningful impact requires ongoing reflection, adaptation, and improvement. The fund systematically reviews impact performance at both the investment and portfolio levels, comparing expected outcomes with realised results and identifying both positive and negative effects. This review process is designed not only to assess performance, but also to strengthen decision quality across the investment lifecycle.

- **Structured Review Processes and Internal Governance**

Impact performance, assumptions, and risks are reviewed through structured internal processes, including regular portfolio discussions and governance forums. These discussions provide a disciplined space to document observations, assess emerging patterns, and reflect on how systems dynamics may be influencing outcomes. Insights from these reviews inform refinements to investment guidelines, due diligence tools, and engagement practices, supporting institutional learning rather than ad hoc adjustments.

- **Transparency and Knowledge Sharing**

Transparency is a core element of SIIFIC's learning approach. The fund documents and communicates its impact methodologies, theories of change, and portfolio-level insights through its annual Impact Performance Report, as well as selected public communications. In line with Impact Frontiers' Impact Performance Reporting Norms, SIIFIC seeks to disclose not only achievements but also limitations, uncertainties, and lessons learned, recognising that faithful representation is essential to credible impact practice.

- **Feedback Loops and Continuous Improvement**

SIIFIC actively incorporates feedback from portfolio companies, partners, and relevant stakeholders into its learning processes. These perspectives help ensure that impact strategies remain grounded in lived experience and responsive to evolving conditions. Findings from impact reviews directly inform future investment decisions, portfolio construction, and stewardship approaches. Through this feedback loop, SIIFIC aims to continuously improve its ability to support sustained impact while navigating uncertainty and change.

- **Institutionalising Learning for Long-Term Impact**

By embedding review, documentation, and learning into its impact management system, SIIFIC seeks to institutionalise continuous improvement rather than rely on individual judgement alone. This discipline supports the fund's long-term objective of advancing wellness equity through responsible, adaptive, and evidence-informed investment practice.

- **Post-Investment Engagement and Capability Reinforcement**

Following investment, SIIFIC maintains ongoing engagement with portfolio companies to support the translation of impact intent into practice. This engagement focuses on reinforcing internal capability rather than directing day-to-day operations. Through regular dialogue with management teams, SIIFIC supports the refinement of impact



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objectives, theories of change, and priority metrics as companies scale, enter new markets, or face changing contextual conditions. Engagement is calibrated to the stage and needs of each company, with the objective of enabling investees to actively manage and strengthen their own impact performance over time.

Principle 9

Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment

The Manager shall publicly disclose, on an annual basis the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

- **Commitment to Transparency and Accountability**

SIIFIC recognises public disclosure and independent verification as essential components of credible impact investing. In alignment with Principle 9, SIIFIC is committed to transparent communication regarding the design, operation, and ongoing development of its impact management system, and to subjecting this system to periodic independent review.

- **Annual Disclosure of Alignment**

SIIFIC publicly discloses its alignment with the Impact Principles on an annual basis through its Disclosure Statement, which describes how the fund's impact management systems are designed and implemented in practice. These disclosures are intended to provide LPs and other stakeholders with a clear and faithful representation of SIIFIC's approach, recognising both strengths and areas for further development.

- **Independent Verification**

To reinforce accountability and credibility, SIIFIC arranges for regular independent verification of its alignment with the Impact Principles.

- **Independent verifier:**

Phenix Capital Group B.V.
Overschiestraat 63, 1062 XD Amsterdam, The Netherlands

- **Qualifications:**

Phenix Capital Group is a specialised impact investing advisory firm established in 2012, with an exclusive focus on impact investment across asset classes and geographies. Since 2020, Phenix has conducted impact-related due diligence and verification for more than 45 funds and asset managers, supporting the implementation of advanced impact frameworks and standards.

- **First verification:**

Conducted between January and April 2024

- **Next verification:**

Planned for 2027, or earlier should material changes occur in SIIFIC's impact management system

The conclusions of the verification are publicly disclosed via the Impact Principles platform and SIIFIC's own communications, subject to applicable fiduciary and regulatory considerations.

- **Use of Verification for Continuous Improvement**

SIIFIC treats independent verification not as a static compliance exercise, but as an input into continuous improvement. Findings and recommendations arising from verification processes are reviewed internally and used to refine investment guidelines, impact governance processes, and reporting practices over time.



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- **Engagement with Evolving Standards and the Impact Community**

As impact management standards continue to evolve, SIIFIC remains attentive to emerging guidance and good practice. In parallel with its alignment with the Impact Principles, SIIFIC engages with the broader impact investing community and related initiatives—such as Impact Frontiers' Impact Performance Reporting Norms—to strengthen the quality, comparability, and integrity of its disclosures. Through transparent reporting, independent verification, and active engagement with evolving standards, SIIFIC seeks to contribute to the continued maturation of impact investing practice and to uphold trust with its investors and stakeholders.

Current independent verifier: Information is as follows:

Name and Address	Phenix Capital Group B.V. Overschiestraat 631062 XD Amsterdam, The Netherlands
Qualifications	Phenix Capital Group is a leading impact investing advisory firm established in 2012. The advisory division of Phenix Capital Group delivers tailored services to structure and launch impact investment mandates and funds, leveraging its unparalleled intelligence of impact investing funds across asset classes and geographies. With an exclusive focus on impact investment for over 10 years, Phenix is at the forefront of impact investing practices, mapping and supporting clients with implementing the highest quality impact frameworks and standards. Phenix have performed due diligences for over 45 funds since 2020.
First Assessment	January to April 2024 IMPACT PRINCIPLES VERIFICATION STATEMENT AND REPORT
Next Assessment	Planned for 2027



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