

February 22, 2023
Cool Japan Fund Inc.

Cool Japan Fund invests in Gojo, a Japan-based Impact Startup expanding financial inclusion and improving livelihood of local households through microfinance in India and other developing countries

Cool Japan Fund Inc. (CJF) has decided to invest 3 billion JPY in Gojo & Company, Inc. (Gojo), a Japan-based Impact Startup expanding financial inclusion and improving livelihood of local households through microfinance in India and other developing countries.

Despite rapid economic growth, India ranks 139th in the world in terms of per capita GDP (2022)¹ and has around 380 million people living in poverty². Furthermore, although the percentage of bank account ownerships in India is high, the number of individuals leveraging the bank loan remains low compared with other developed countries and emerging economies.

Under such circumstances, microfinance institutions providing micro credits and other financial services to low-income households and small business owners are growing rapidly in India.

Gojo's core business operation closely adheres to its Guiding Principles, which are a modern interpretation of *jingireichishin* - the five Confucian virtues (empathy, integrity, courtesy, wisdom and trust) applied in *gojōkō*, a financial system based on the idea of mutual support, which first originated in Japan. CJF's investment supports Gojo to achieve desired social impact in a commercially sustainable and scalable manner. Gojo's further business expansion can be expected to promote the positive image and culture of Japan, where Gojo is headquartered, and is also aimed at increasing Japan's presence in the Impact Sector as well as building trust amongst global society. The investment is also expected to create opportunities for collaboration with Japanese companies operating overseas.

¹ IMF <https://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOWORLD>

² UNDP 2021 Global Multidimensional Poverty Index (MPI) <https://hdr.undp.org/content/2021-global-multidimensional-poverty-index-mpi#%2Findices%2FMPI=>

Message from Taejun Shin, Founder & CEO

As a person born and raised in Japan, I consider Sontoku Ninomiya the best Japanese business person. He founded a cooperative called “Gojo-co” in 1820, which played a significant role in Japanese rural village development. “Gojo” (五常) means the 5 Confucian values of empathy, integrity, courtesy, wisdom, and trust. In other words, this means caring for others, doing what is right, behaving in the right way, being able to judge what is right, and being trusted by people through these four things. We believe, as Sontoku Ninomiya did, that these are the most important values in running financial service providers. We are committed to continuously spreading these values in each and every country we operate.

I have been involved in social work and policy-making for foster care in Japan for over 15 years outside of my professional career. As I have had budget discussions for foster care with the government, I know how precious the money from government-backed funds is. We are not only committed to improving the income of local households in developing countries through our financial services but also to doing our best to increase the national wealth by making investment returns.

About Gojo & Company, Inc.

Gojo was established in July 2014 to extend financial inclusion across the globe by creating the “Private Sector World Bank”.

Gojo has established or acquired local licensed entities providing microfinance and other financial services in five countries including India, and is committed to expanding financial inclusion and improving livelihood of local households. The company provides client-centric, affordable, and high quality financial services by applying the framework and philosophy of *gojōkō*, a financial system based on the idea of mutual support that originated in Japan. Its Guiding Principles, which are a modern interpretation of the *gojōkō*'s Five Confucian Virtues or *jingireichishin*, guide the day-to-day judgments and actions of the Gojo Group's managements and employees, and serve as the underlying foundation of the Group's services.

Gojo has strong competitive advantages which include increasing operational efficiency and improving client convenience through digitization of the entire loan process - from loan application, assessment to disbursement of loans, and repayment.

Gojo group companies include SATYA (India), Humo (Tajikistan) and MAXIMA (Cambodia).

SATYA in particular has leveraged the digitization of operations to become one of the fastest growing MFIs in India.

Founded : 2014

Head office : Shibuya-ku, Tokyo

CEO : Taejun Shin

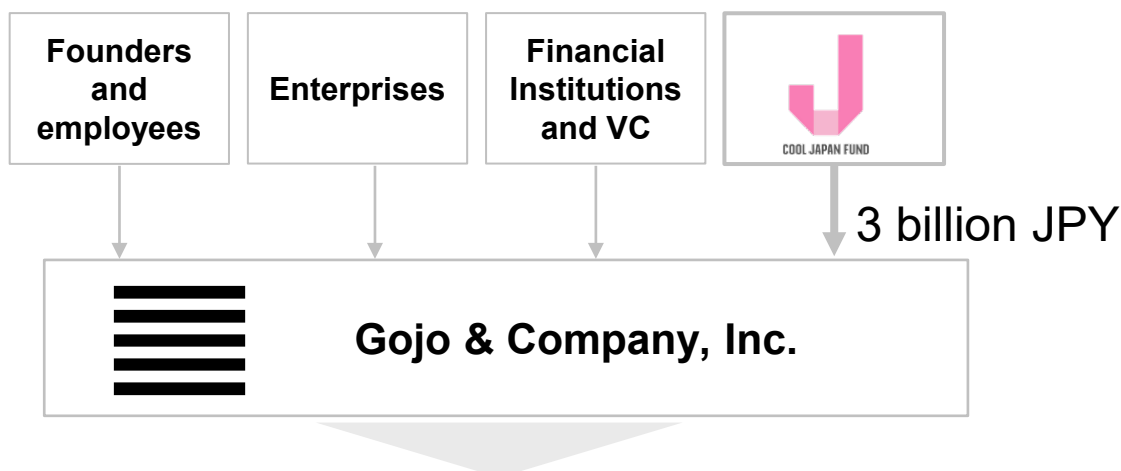
Details of business: Microfinance for micro-, small- and medium-sized enterprises in developing countries

Website : <https://gojo.co/>

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Project Scheme



Aiming to increase Japan's presence and building trust amongst the social impact sector and global society

Characteristics of Gojo

- Expands financial inclusion and improves livelihood of local households through microfinance (providing micro-credit services for micro-, small- and medium-sized enterprises) to more than 1.5 million households in five countries including India
- Encourages Gojo Group managements and employees to be guided in their management decisions and day-to-day actions closely adhered to Guiding Principles, which are a modern interpretation of the five Confucian virtues - applied in a mutual support-type financial system of the *gojōkō* created by Ninomiya Sontoku in the 19th century
- Aspires to be the “Private Sector World Bank” and to achieve desired social impact in a commercially sustainable and scalable manner
- Increases operational efficiency and improves client convenience through digitization of the entire loan process from loan application, assessment to disbursement of loans, and repayments

Gojo's Values

- **仁 (Empathy):** Stand by our Clients. We strive to see things from the perspective of our end clients so that our services support their goals.
- **義 (Integrity):** Act on Principles. We are guided in all we do by our principles without exception.
- **礼 (Courtesy):** Listen First. We always keep an open mind, and uphold everyone's right to be heard and respected.
- **知 (Wisdom):** Learn–Think–Share. We challenge the conventional, consider the practical, and share our knowledge with others.
- **信 (Trust):** Be Genuine. We build trust and demonstrate our loyalty by telling the truth without concern for appearances.