

Samurai Capital (Minato-ku, Tokyo), a real estate investment fund, has formed as ESG (Environmental, Social and Corporate Governance) fund with the Dai-ichi Life Insurance. First, it acquired five properties, including licensed daycare centers in Tokyo`s 23 wards, for approximately 3.4 billion yen. The company will invest in properties that have social significance, such as contribution to decrease in daycare wait-listed children, as well as environmentally friendly initiatives. The company plans to invest 50 billion yen over the next three years while focusing on stable earnings.

This is the first time for Samurai Capital to launch an ESG fund. It will work with Dai-Ichi Life Holdings, which has a proven track record, recently establishing an ESG fund in March. The two companies will establish a special purpose company (SPC), and Samurai will find properties to invest in and manage the fund. Dai-Ichi Life Holdings will play the role of the investor providing the funds.

As the first phase, it decided to invest in five properties: Four licensed daycare centers in the 23 wards of Toyo and an apartment building for students in Tokyo. The total investment is approximately 3.4 billion yen. The local government is expected to subsidize the day-care centers, which will contribute to the decrease in daycare wait-listed children and further advancement of women into society. It says it will be able to generate stable rental income, from both the day-care centers and the student dormitory.

In addition to daycare centers and student dormitories, the company plans to acquire nursing homes and other facilities that have social impact. The company plans to acquire about 10 properties per year that meet ESG factors, and intends to invest about 50 billion yen in less than 30 properties by the end of three years. It will consider installing light-emitting diode (LED) bulbs and solar panels in each facility. It will also look into supplying electricity derived from renewable energy sources.

ESG funds have many advantages for the investor, Dai-Ichi Life Holdings. Since 2011, it has been working to solve the problem of daycare wait-listed children by attracting daycare centers to its properties across the country. The company has already accepted 2,500 children and has achieved the original goal set by the company. The number of children accepted through this ESG fund is expected to exceed 3,000, and it aims to solve social problems while earning a stable income.

Translated by Samurai Capital

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