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Environmental solutions firm AMITA and financial services company MCP to establish a joint venture for corporate decarbonization advisory in Japan

AMITA Holdings Co., Ltd., a leading Japanese firm offering sustainability-related services to businesses and local governments, and MCP Japan Holdings, a Japanese business unit of MCP Group which is one of Asia's largest alternative asset-management companies, have entered into a strategic partnership. Together, they will establish a new venture to support the sustainable transition of Japanese firms towards a decarbonised society.

The joint venture will be established by the end of March 2022. It will help companies define and improve their low-carbon transition strategy, reduce their climate-related risks and strengthen their long-term attractiveness for foreign investors.



Background and objectives of the partnership

Corporates are dealing with increasingly complex environmental risks, such as climate change, depletion of non-renewable resources and natural disasters. Such events cause supply chain disruptions and increase production costs. Many companies in Japan experience difficulties in formulating and implementing holistic climate-related strategies as an appropriate response to these challenges.

At the same time, environmental awareness and expectations from investors and consumers are growing. Since the adoption of the Paris Agreement, the influence of investors and shareholders on the sustainability agenda of companies worldwide has doubled*, pushing companies to accelerate their transition. In some countries, consumers and NGOs are now suing companies that engage in greenwashing and do not demonstrate a sincere commitment to climate action.

The growing risks caused by climate change on financial markets are now widely recognised. In 2015 already, the Governor of the Bank of England Mark Carney warned that time was running out to prevent climate change from affecting financial markets. In 2020, global investment manager BlackRock called CEOs and corporate boards to step up their efforts in addressing climate change. The same year, the Bank for International Settlements and the Bank of France predicted in their "Green Swan" report that a global financial crisis could be triggered by climate change.

* Source: 2021 UN Global Compact / Accenture CEO Study on Sustainability

A joint venture combining environmental and financial expertise

For 45 years since its founding, the AMITA Group has been committed to a more sustainable society. To do so, it developed a set of integrated services to help companies and local governments become more sustainable.

As one of the largest independent asset management companies in Asia, MCP has the expertise to guide businesses on their path to comply with global ESG standards from an investor perspective.

The two companies have entered into a strategic partnership to contribute to the reduction of climate-related risks for Japanese companies. The partnership will work towards helping firms navigate their holistic transition towards a decarbonised society. This initiative will also contribute to the achievement of the decarbonization goals set by the national and local governments of Japan under the Paris Agreement.

To reach the objectives of the partnership, AMITA and MCP will establish a joint venture company by the end of March 2022. It will strive to improve corporate sustainability practices in Japan from both the environmental and financial perspectives, in line with global standards and expectations from international investors.

The joint venture will use an innovative set of assessment and guidance tools developed by international organizations. This new methodology will be introduced in Japan for the first time.

More information about the new company including business scheme, international initiatives, service description and business partners will be disclosed after its establishment in March.

Executive comments

Hiroyuki Sato, President and Representative Director, AMITA Holdings Co., Ltd.

The recent global momentum in ESG investment gives the AMITA Group a competitive advantage, as a company that aims to solve complex social issues and assist the transition to a sustainable society. However, we lacked expertise in the financial sector, particularly in global investment markets. We are delighted to be working with MCP Japan Holdings, experts in this field, to develop a business that will make a greater contribution to social and industrial sustainability from a holistic financial and environmental perspective.



AMITA Holdings Co., Ltd. – Company Profile

- Company Name: AMITA Holdings Co., Ltd.
- Address: 2nd Floor, Nittochi Kyoto Building, 535 Akinono-cho, Oshikoji-agaru-Karasuma-dori, Nakagyo-ku, Kyoto

- Business Description: Social Design Business. In fiscal year 2021, AMITA provided support to approximately 1,460 companies. AMITA is committed to the creation of a sustainable society where 'rich relationships' are of value.
- Representatives:
 - Eisuke Kumano, Chairman and CEO
 - Hiroyuki Sato, President and COO
- Founded in 1977 (Holdings founded in 2010)
- Capital: 474,920,000 yen
- Website: <https://www.amita-hd.co.jp/>

Mr. Kyoya Okazawa, President and Representative Director of MCP Japan Holdings Limited

I believe that the upcoming establishment of the Tokyo Prime Market, positioned as a market where companies with international exposure will be listed, will strengthen the dialogue between Japanese companies and overseas investors through further disclosure requirements. In this dialogue, Japanese companies will be expected to implement decarbonization initiatives in line with global standards and trends. We will combine the knowledge of the AMITA Group, which has several decades of experience in environmental and sustainability services in Japan, with MCP's network of overseas institutional investors. Together, we will support Japanese companies' low-carbon transition strategies and help them better communicate with investors.



MCP Japan Holdings Limited – Company Profile

- Company Name: MCP Japan Holdings Limited
- Address: 2nd Floor, Fukuoka Growth Next, 2-6-11 Daimyo, Chuo-ku, Fukuoka City
- Business Description: MCP Japan Holdings Limited is a Japanese business unit of MCP Group. The MCP Group is one of the largest independent alternative asset management firms in Asia, with offices in Hong-Kong, Tokyo, Fukuoka, Chicago and Seoul. MCP Japan Holdings Limited solely owns MCP Asset Management (Japan), Inc., a licensed Financial Instruments Business Operator, and Millennium Fund Services (Japan) Limited, a risk management services provider for alternative investments.
- Representatives:
 - Kyoya Okazawa, President & Representative Director
 - Tetsuo Ochi, Representative Director, CEO of MCP group
- MCP Group was founded in 1999. MCP Japan Holdings was established in 2021.
- Capital: 50,000,000 yen
- Website: <https://www.mcp-am.com/>



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