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JICN Decides to Invest in 8F Aquaculture Fund Japan I LP, Which Promotes Land-Based Atlantic Salmon Farming

Announcement by Japan Green Investment Corp. for Carbon Neutrality (JICN)

Japan Green Investment Corp. for Carbon Neutrality (JICN; President and CEO: Yoshihiko Tayoshi) has decided to make an LP investment in 8F Aquaculture Fund Japan I LP, which invests in and lends to land-based Atlantic salmon farming businesses.

Going forward, JICN will promote the fund's activities together with 8F Asset Management Pte. Ltd., which manages the fund, and will review its initiatives to reduce greenhouse gas (GHG) emissions through monitoring.

1. Overview of the business

Fund name: 8F Aquaculture Fund Japan I LP

Term: 8 years (extendable by up to 2 years)

Investment targets: Mie RAS Atlantic Salmon Project GK ("GK Mie RAS"), which owns the closed recirculating land-based aquaculture facility* for Atlantic salmon in Tsu City, Mie Prefecture; Soul of Japan K.K. ("SOJ"), which operates the RAS facility; and related companies

* Recirculating Aquaculture System (RAS): a method of farming seafood by recirculating water in a closed space on land. Uneaten feed and waste released into the water are removed as the water recirculates, keeping it clean, so that fish are farmed without contact with rivers or the sea.

SOJ overview

Company name: Soul of Japan K.K. (https://soulofjapan.co.jp/)

Head office: Minato-ku, Tokyo

Representative: Erol Emed, President and Representative Director

Established: 10 October 2018

Business: Land-based farming and processing of Atlantic salmon

SOJ is currently constructing in Tsu City, Mie Prefecture, what will be the largest RAS facility for Atlantic salmon in Japan (and one of the largest in the world), and plans to produce and sell 10,000 tonnes a year.

2. Policy significance of the investment decision

(1) Reducing greenhouse gas emissions

Japan relies on imports for Atlantic salmon, and air freight accounts for most of the GHG emissions over its life cycle. Producing Atlantic salmon domestically through land-based farming reduces the volume of salmon transported from overseas and is expected to help reduce the GHG emissions associated with air freight.

The reduction in GHG emissions from air freight greatly exceeds the GHG emissions from the energy and other inputs used in land-based farming. In addition, the business intends to reduce the GHG emissions from its own operations, for example by installing solar power generation and making its production systems more efficient.

(2) A virtuous cycle between the economy and the environment

In line with the global trend toward protecting fish stocks, the business supplies fishery resources sustainably and stably. It is expected to contribute to raising Japan’s food self-sufficiency, making fisheries a growth industry, regional development in cooperation with the host local governments, and the transition to a nature-positive economy*.

Wild Atlantic salmon populations are declining and the species is listed as Near Threatened, while global demand continues to grow. At the same time, the supply of wild and sea-farmed salmon is reaching its ceiling, owing to ecosystem protection and the limited number of areas suitable for sea farming.

RAS is a farming method free from geographical constraints that can purify and recirculate uneaten feed and waste, reducing environmental burdens such as marine pollution and escapes of farmed fish. It is therefore one initiative contributing to the sustainable use of fishery resources and the transition to a nature-positive economy. The business also plans an upcycling initiative that uses salmon trimmings from processing as pet treats.

The business is consistent with the Comprehensive Strategy for Making Aquaculture a Growth Industry, formulated and published by the Fisheries Agency, which is promoting aquaculture as a growth industry, and is expected to help raise Japan’s food self-sufficiency.

A location agreement has been concluded with the Mie Prefectural Government and Tsu City Hall, and the facility is expected to create jobs for local residents who will operate it. The farmed Atlantic salmon will also be used as a promotional product for Mie Prefecture, contributing to the regional economy.

* Nature-positive economy: an economy that helps halt and reverse biodiversity loss in order to put nature on a path to recovery.

References

Nature Positive Economy Transition Strategy, March 2024 – Ministry of the Environment; Ministry of Agriculture, Forestry and Fisheries; Ministry of Economy, Trade and Industry; Ministry of Land, Infrastructure, Transport and Tourism: https://www.env.go.jp/content/000213092.pdf

Comprehensive Strategy for Making Aquaculture a Growth Industry, July 2021 – Ministry of Agriculture, Forestry and Fisheries: https://www.jfa.maff.go.jp/j/saibai/yousyoku/attach/pdf/seityou_senryaku-4.pdf

JICN will continue to work with a wide range of stakeholders to provide funding for diverse businesses that contribute to decarbonisation, and to spread and develop know-how, information and talent, connecting the ideas and technologies of diverse players to help build a prosperous and sustainable future.

JICN company profile

Name: Japan Green Investment Corp. for Carbon Neutrality (JICN)

Representative: Yoshihiko Tayoshi, President and CEO

Established: 28 October 2022 (planned operating period: until the end of FY2050)

Capital: JPY 28.9 billion (JPY 10.85 billion from private shareholders; JPY 18.05 billion from the government’s Fiscal Investment and Loan Program (industrial investment))

Address: Tokyu Toranomon Building 7F, 1-21-19 Toranomon, Minato-ku, Tokyo

Website: https://www.jicn.co.jp

English translation of the Japanese news release issued by JICN on 8 November 2024; the investment scheme diagram in the original is not reproduced. In case of any discrepancy, the Japanese original prevails.

Media contacts

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