

# Promoting Japan as a Leading Asset Management Center

---

**17<sup>th</sup> April, 2024**

**Shigeru Ariizumi**

**Vice Minister for International Affairs, FSA of Japan**



金融庁

Financial Services Agency, the Japanese Government

*※ The content of the actual presentation may not necessarily reflect the official view of the FSA of Japan.*

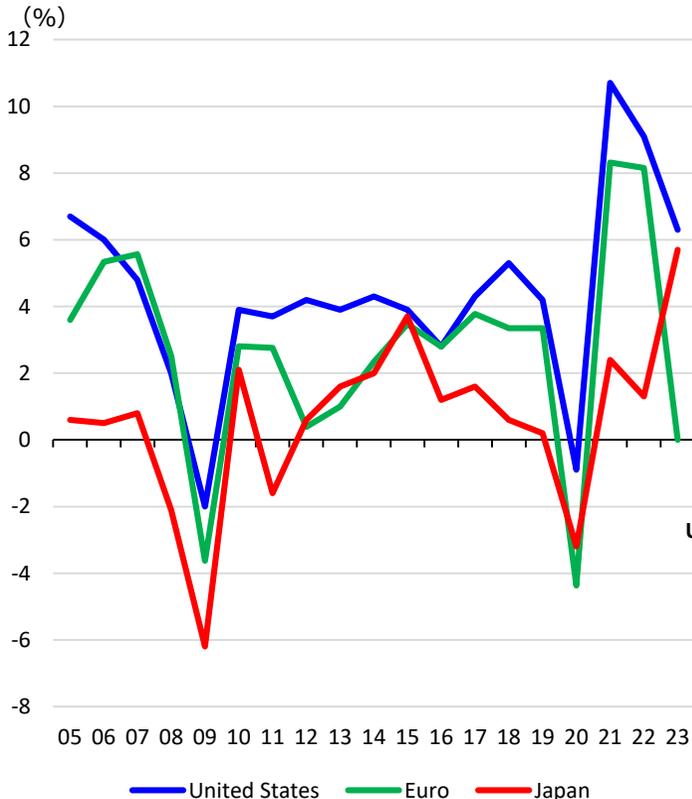
# **Macroeconomic Developments in Japan**

# Japanese Economy - Gaining Growth Momentum

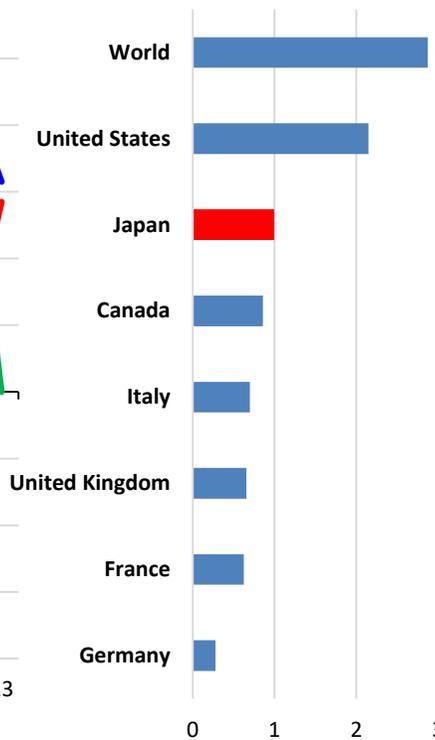
- Japan's Nominal GDP growth increased during 2022 -2023 while other major economies' growth rate declined. The forecast for 2024 is one of the highest among G7 countries.
- The potential growth rate is also on the recovery trend post COVID-19.

## Economic Growth

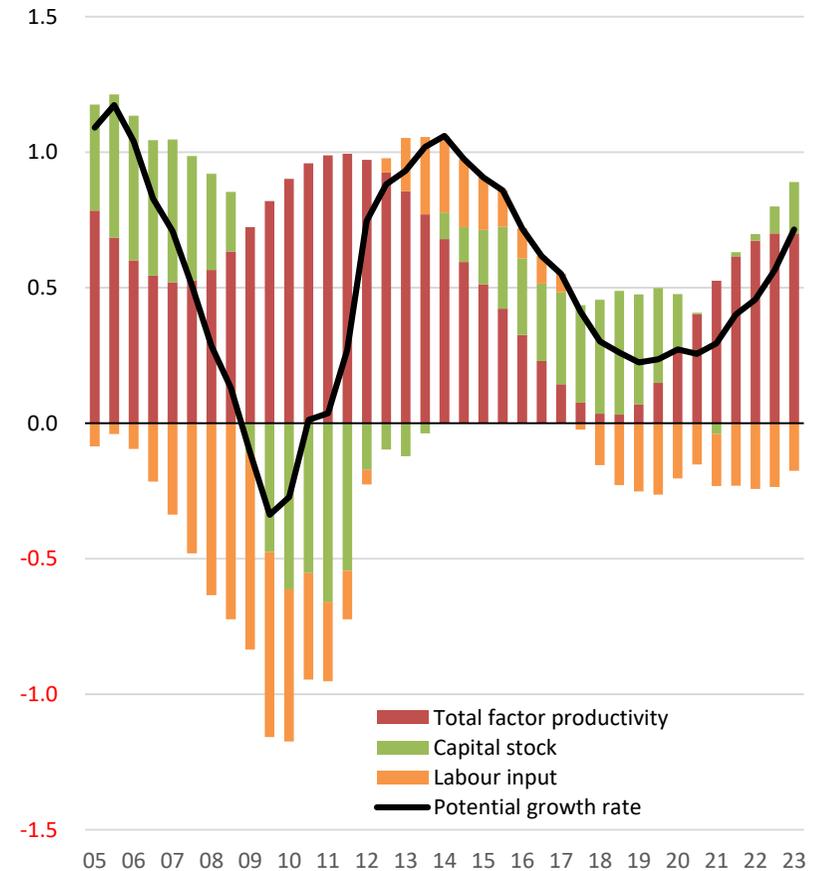
Nominal GDP Growth Rate (YOY,%)



2024 Projection (Real GDP, YOY,%)



## Potential Growth Rate (YOY, %)

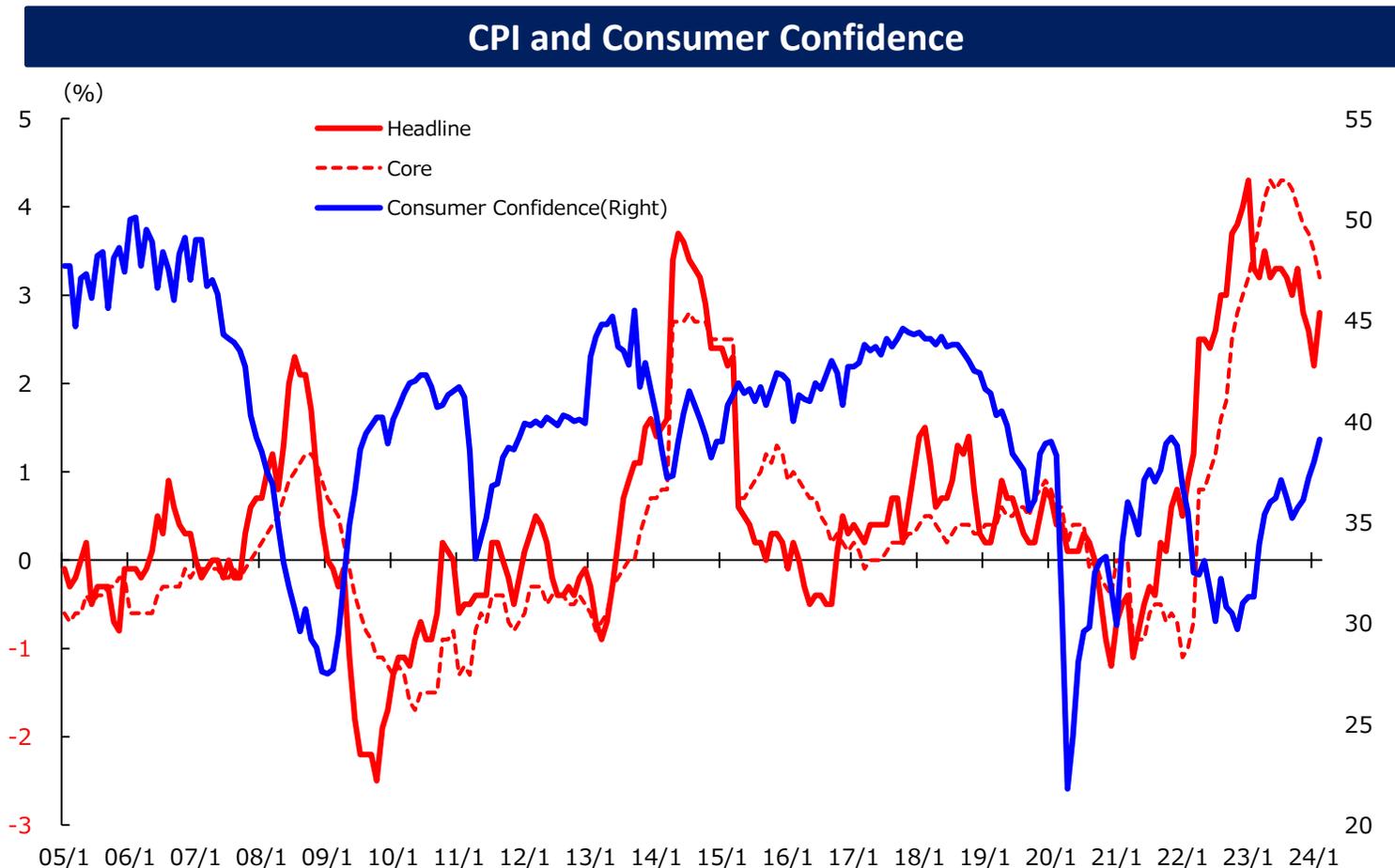


\*Labor input: Hours worked + Number of employed

(source) Bank of Japan

# Japanese Economy – Shifting to Stable Inflation and Consumption

- ❑ As cost-push inflation is peaking out, consumer confidence has been improving.
- ❑ Moreover, Japan is nearly overcoming deflation for the first time in decades, where the BOJ judged, “it came in sight that the price stability target would be achieved in a sustainable and stable manner” toward the end of 2025FY.

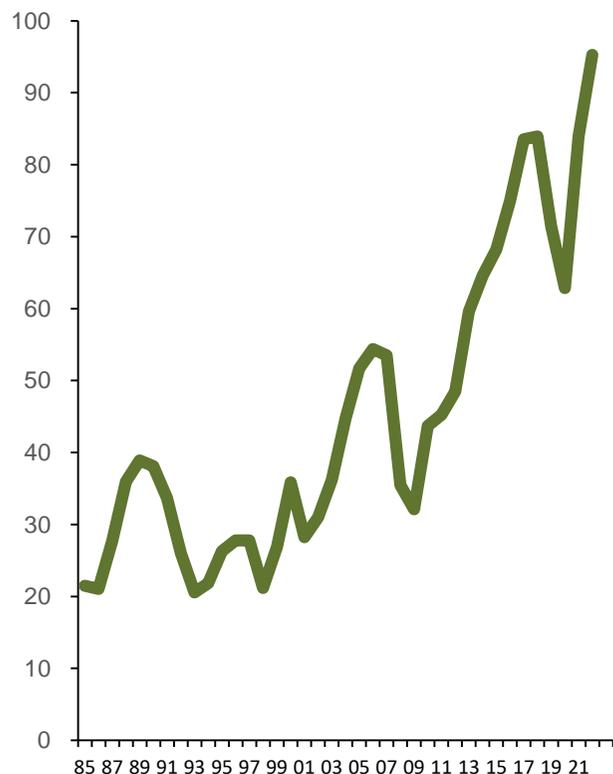


# Japanese Economy - Corporates Achieving Record-high Profits

- Japanese corporates are performing well, achieving record-high profits in 3Q23(Sep-Dec). Annualized nominal private investment is at the highest level in 30 years.
- With this strong performance, wage growth in 2023 also hit the highest level in the past 30 years. The preliminary result after annual wage negotiations between management and labor unions (announced on 5. Apr) was + 5.24%, much higher than that of 2022(+3.58%).

## Corporate Profits

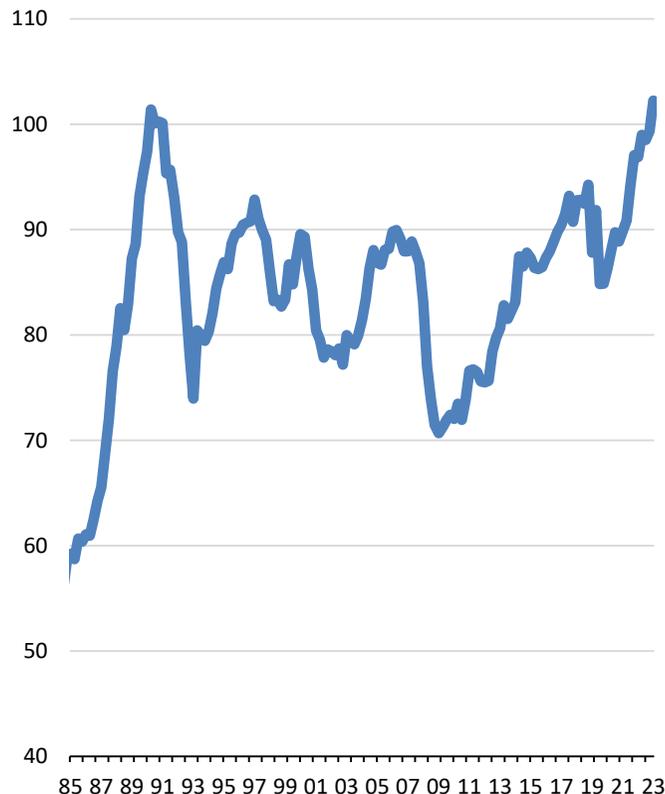
(Tn JPY)



(source) Ministry of Finance

## Nominal Private Capital Investment

(Tn JPY)



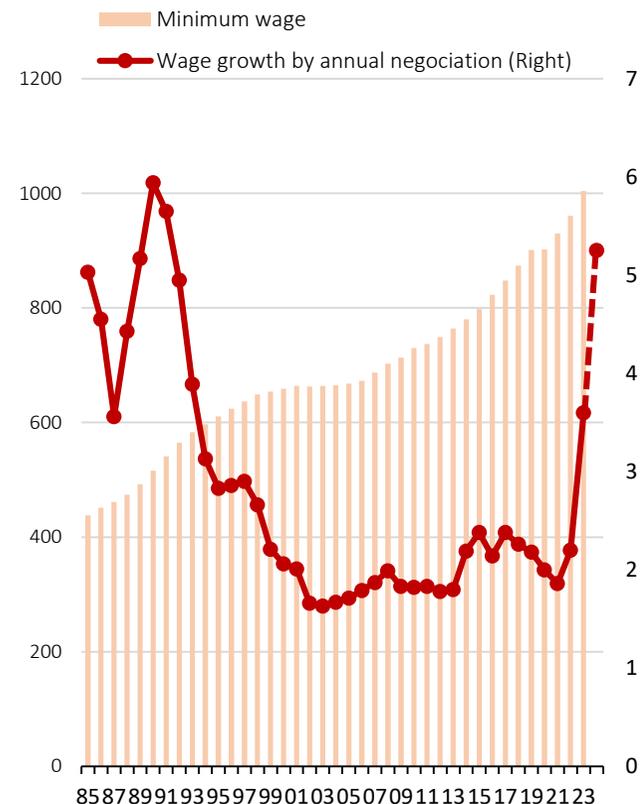
\*Annualized

(source) Cabinet Office

## Wage Growth

(JPY)

(%)



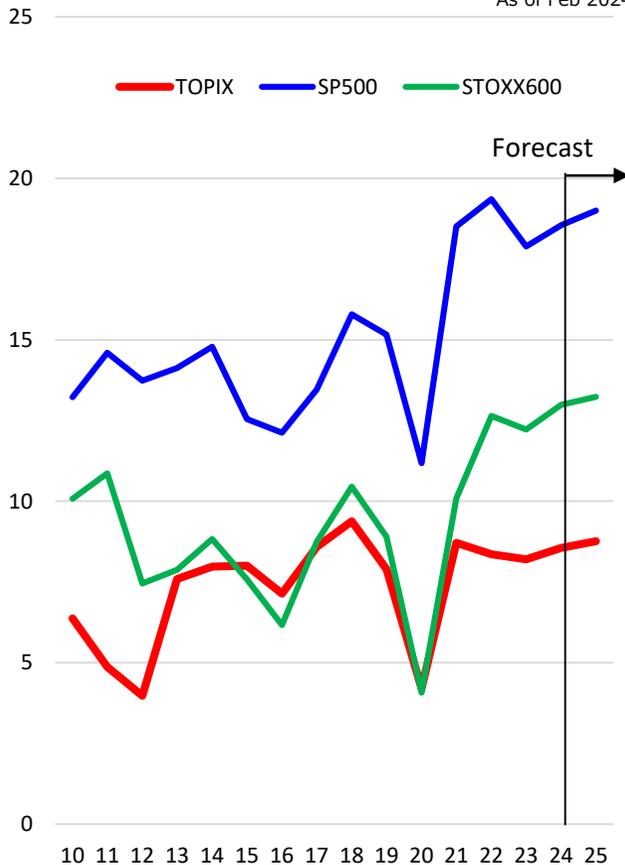
(source) Ministry of Health, Labour and Welfare

# Signs of Further Improvements in Profitability and Efficiency

- While Japanese companies have steadily performed, profitability and efficiency have room to improve. The Tokyo Stock Exchange (TSE) requested listed companies to take concrete actions to strengthen their business efficiency and to disclose its progress periodically.
- So far, those who responded to TSE's request have outperformed those who have not in the equity market.

## Return on Equity

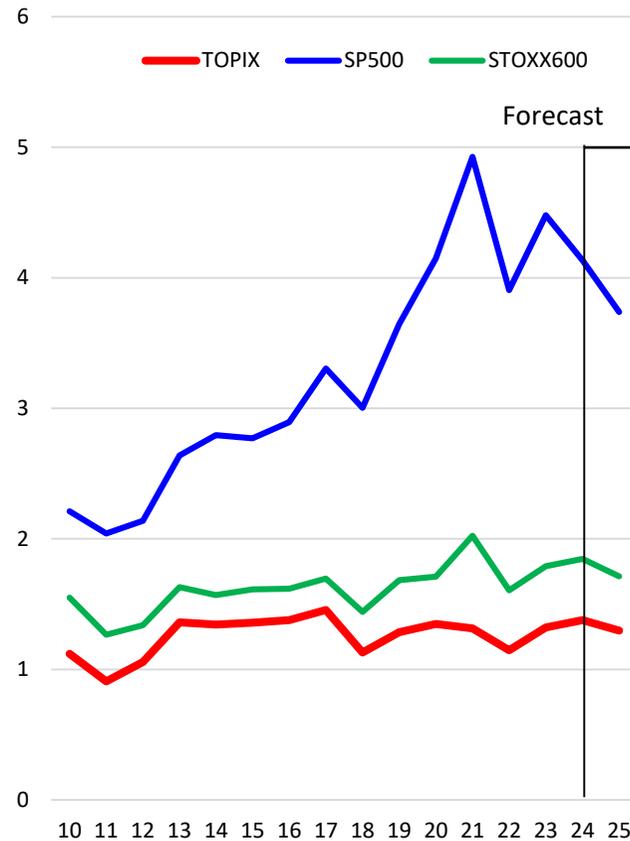
As of Feb 2024



(source) Bloomberg

## Price-to-Book Ratio

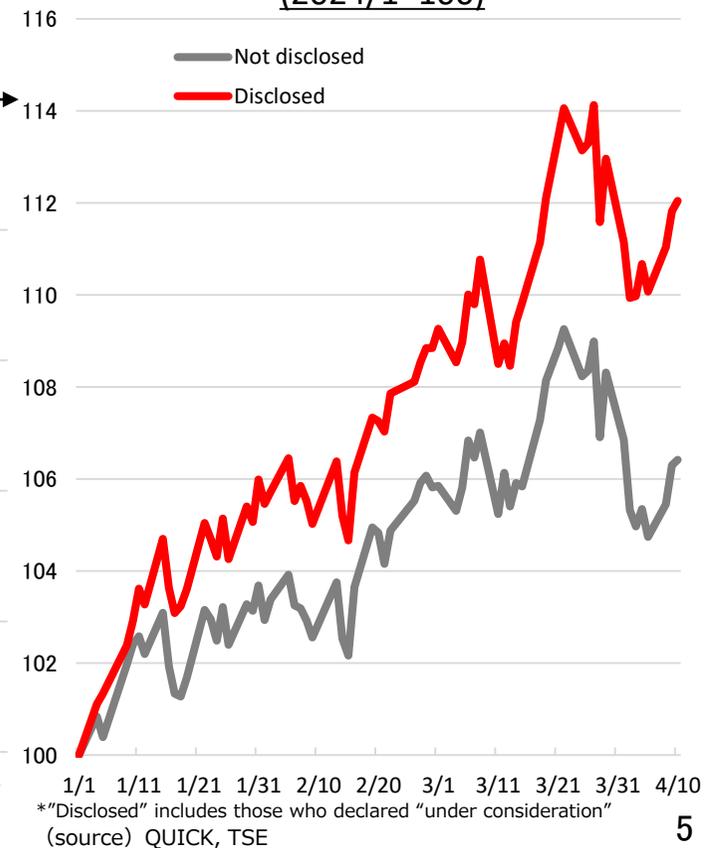
As of Feb 2024



(source) Bloomberg

## Average equity prices of listed companies responded/not responded to TSE's request

(2024/1=100)



\*"Disclosed" includes those who declared "under consideration"

(source) QUICK, TSE

## Tackling Demographic Challenges(1): We are in the Same Boat

- Japan's population is declining rapidly, but this is not a problem unique to Japan.
- Many major countries are facing shrinking population / aging society. Also, Japan's aging rate is expected to peak out earlier than other countries.

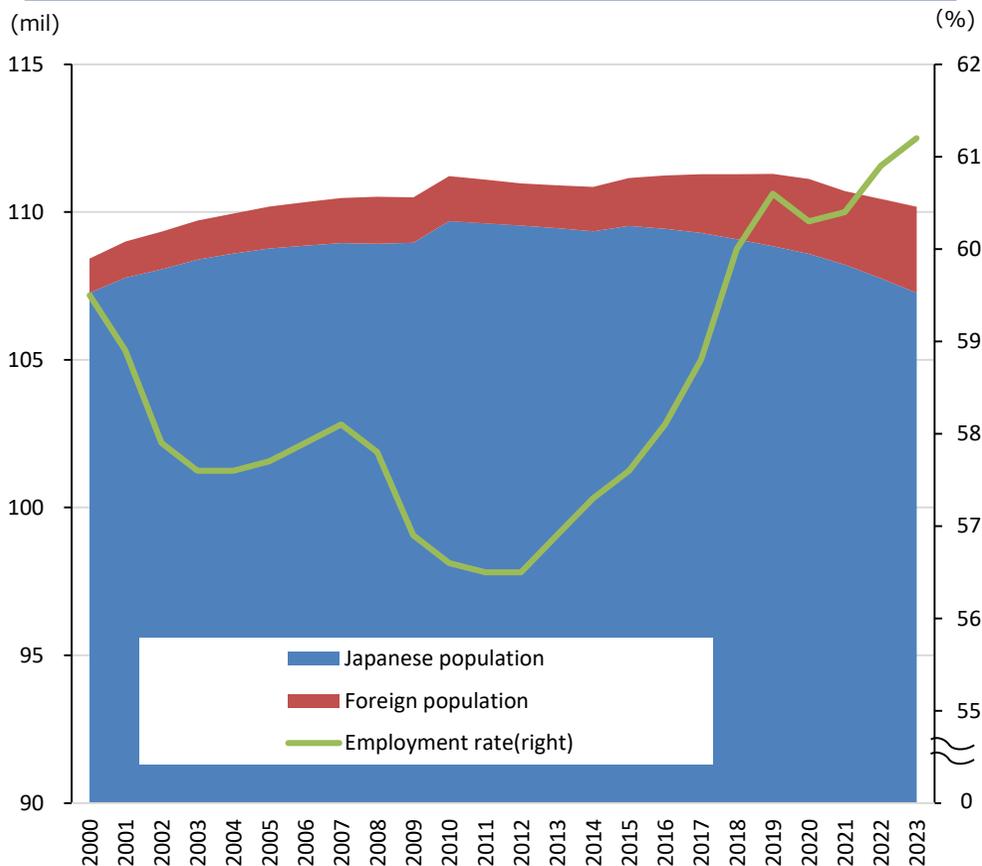
### Population (Thousands) and proportion of Age 65+ (%)

	2020 (Actual)	2030 (Estimate)	2050 (Estimate)	2100 (Estimate)	Change 2020→2030	Change 2030→2050	Change 2050→2100
<b>Japan</b>	29.6% 125,245	31.4% 118,515	37.5% 103,784	38.7% 73,644	<b>+1.8 %pt</b> ▲6,730	<b>+6.1 %pt</b> ▲14,730	<b>+1.2 %pt</b> ▲30,140
<b>China</b>	12.6% 1,424,930	18.2% 1,415,606	30.1% 1,312,636	40.9% 766,673	<b>+5.6 %pt</b> ▲9,324	<b>+11.9 %pt</b> ▲102,970	<b>+10.8 %pt</b> ▲545,963
<b>Korea</b>	15.8% 51,845	25.0% 51,290	39.4% 45,771	44.4% 24,103	<b>+9.2 %pt</b> ▲554	<b>+14.4 %pt</b> ▲5,519	<b>+5.0 %pt</b> ▲21,668
<b>India</b>	6.7% 1,396,387	8.8% 1,514,994	15.0% 1,670,491	29.8% 1,529,850	<b>+2.1 %pt</b> +118,607	<b>+6.2 %pt</b> +155,497	<b>+14.8 %pt</b> ▲140,640
<b>UK</b>	18.7% 67,059	22.0% 69,176	26.1% 71,685	32.6% 70,485	<b>+3.3 %pt</b> +2,116	<b>+4.1 %pt</b> +2,509	<b>+6.5 %pt</b> ▲1,200
<b>Italy</b>	23.4% 59,501	28.3% 57,544	37.1% 52,250	38.2% 36,874	<b>+4.9 %pt</b> ▲1,956	<b>+8.8 %pt</b> ▲5,294	<b>+1.1 %pt</b> ▲15,376
<b>France</b>	21.0% 64,480	24.4% 65,543	28.5% 65,827	34.2% 60,852	<b>+3.4 %pt</b> +1,063	<b>+4.1 %pt</b> +284	<b>+5.7 %pt</b> ▲4,975
<b>Germany</b>	22.0% 83,329	26.4% 82,763	30.5% 78,932	33.7% 68,936	<b>+4.4 %pt</b> ▲566	<b>+4.1 %pt</b> ▲3,830	<b>+3.2 %pt</b> ▲9,996
<b>Canada</b>	18.0% 37,889	22.8% 41,009	25.5% 45,891	31.5% 53,904	<b>+4.8 %pt</b> +3,120	<b>+2.7 %pt</b> +4,882	<b>+6.0 %pt</b> +8,013
<b>US</b>	16.2% 335,942	20.5% 352,162	23.6% 375,392	30.5% 394,041	<b>+4.3 %pt</b> +16,220	<b>+3.1 %pt</b> +23,230	<b>+6.9 %pt</b> +18,649

# Tackling Demographic Challenges(2): Maintaining our Labor Participation

- ❑ So far, Japan has managed well – while total population has been slightly decreasing due to the decline of Japanese population, employment rate has been increasing.
- ❑ Various measures have been taken to maintain our labor force including the increase of foreign workers.

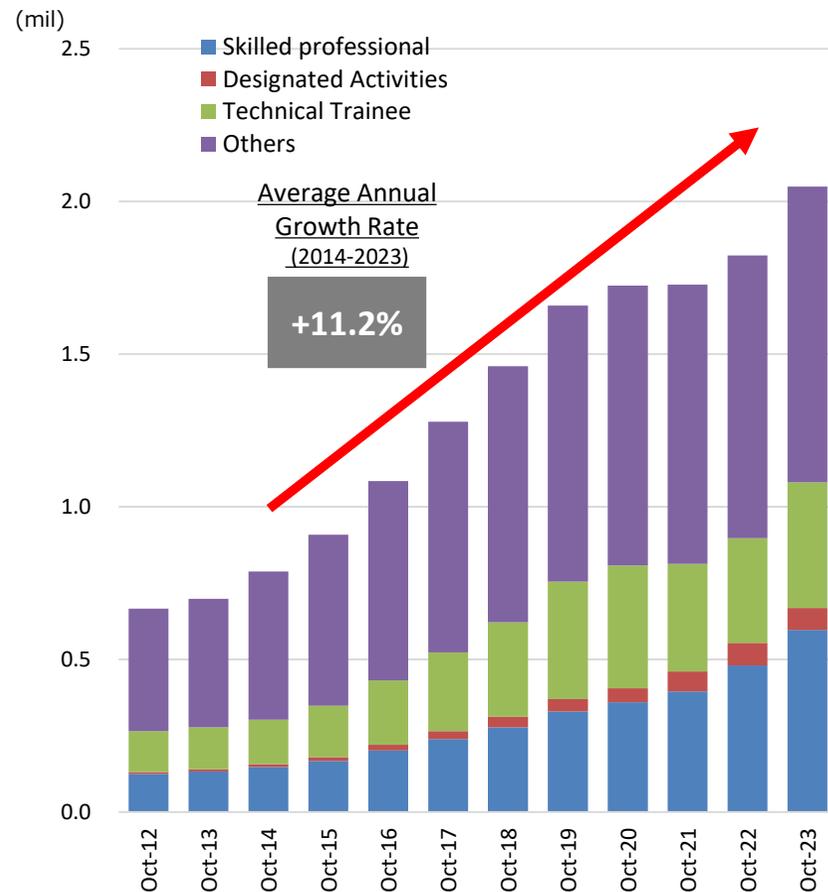
### Population(15+) vs Employment rate



\* Employment rate is annual average

(source) Ministry of Internal Affairs and Communications

### # of foreign workers in Japan

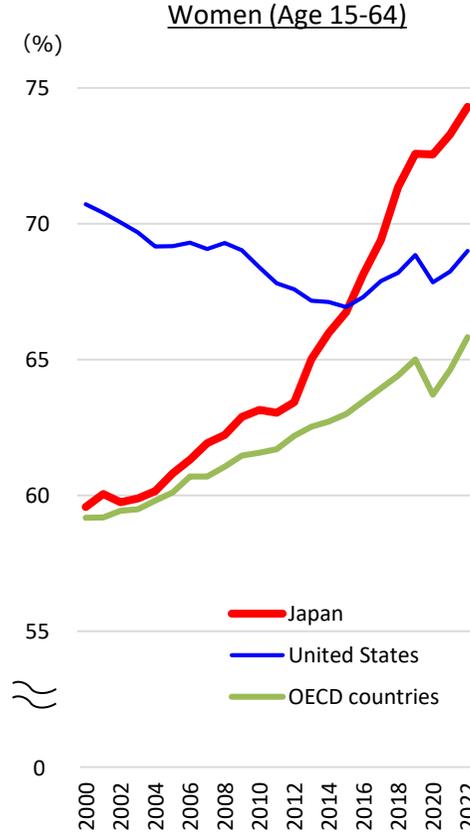
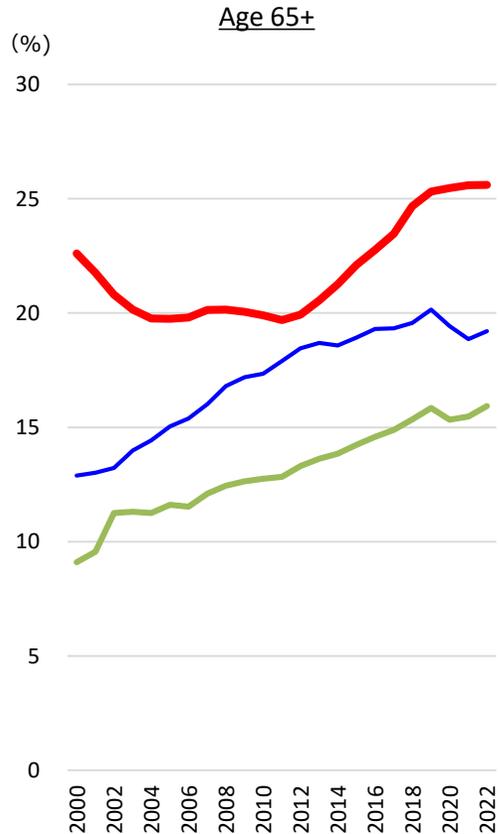


(source) Ministry of Health, Labour and Welfare

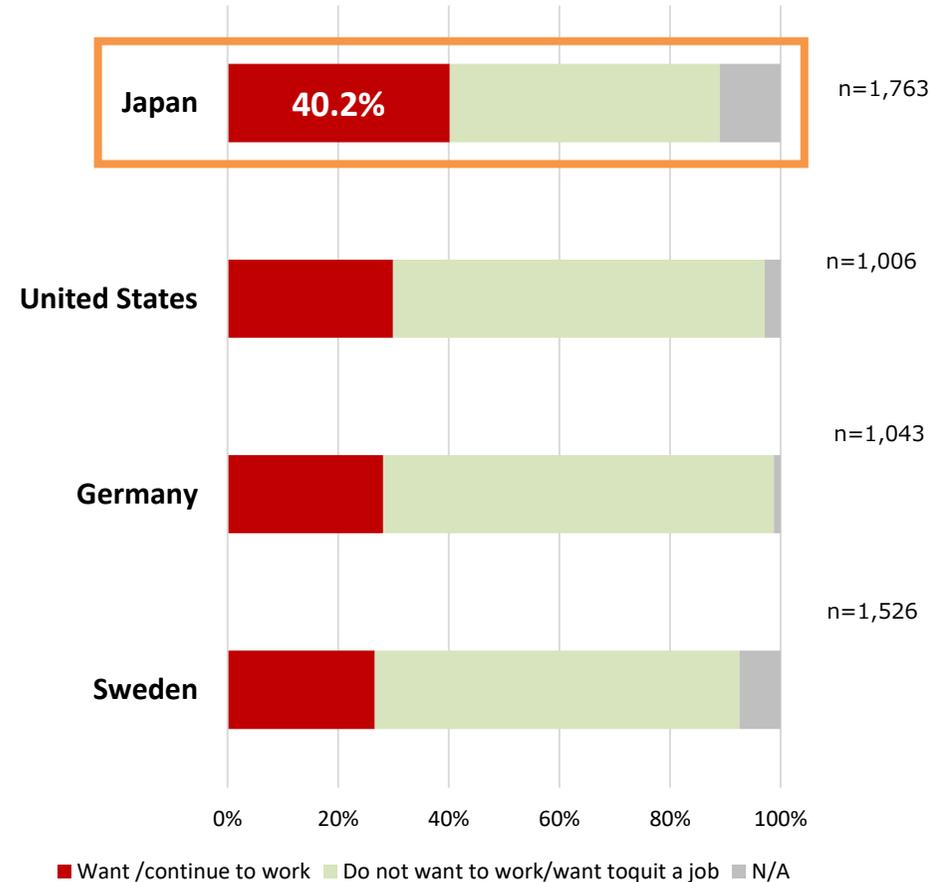
# Tackling Demographic Challenges(3)-1: Encouraging Labor Participation

- ❑ We have encouraged labor participation of the elderly and women.
- ❑ Japanese elderly are more willing to work compared to other countries.

## Labor Participation Rate



## Willingness to work (Age 60+) as of 2020

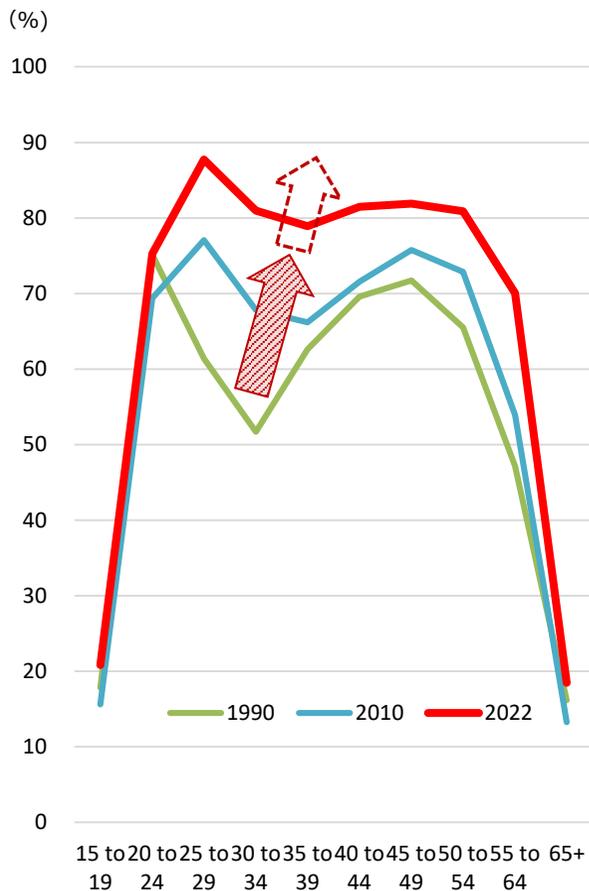


# Tackling Demographic Challenges(3)-2: Encouraging Labor Participation

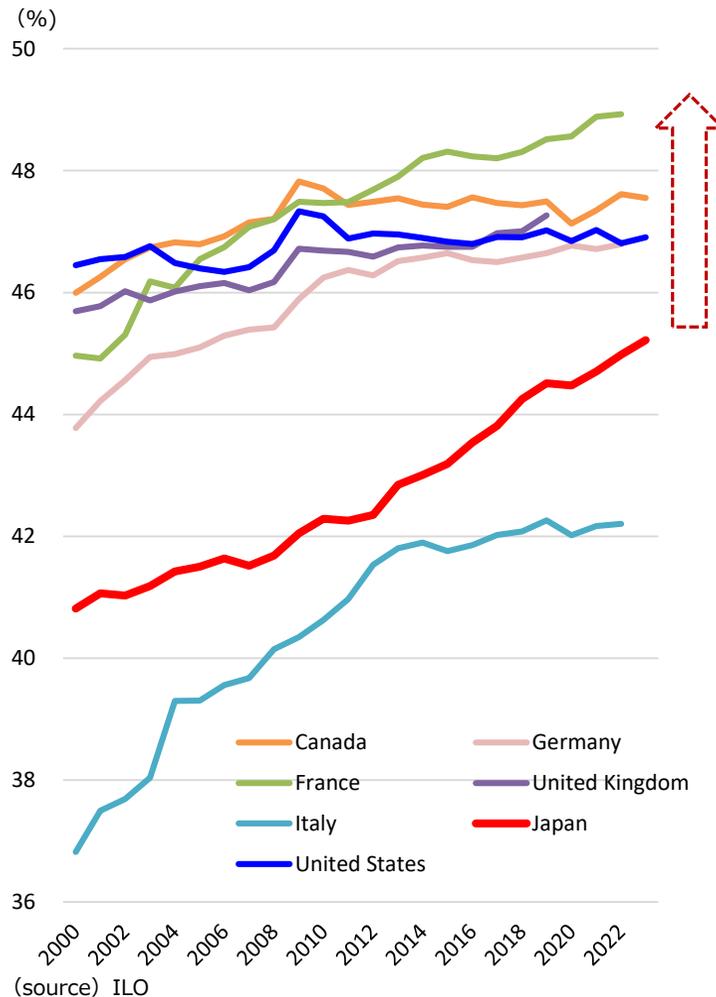
- ❑ There is still room to increase labor participation of women compared to other G7 countries.
- ❑ Japan has also set a target to increase the share of female managers to 30% for listed companies in the JPX Prime Market.

## Labor Participation Rate

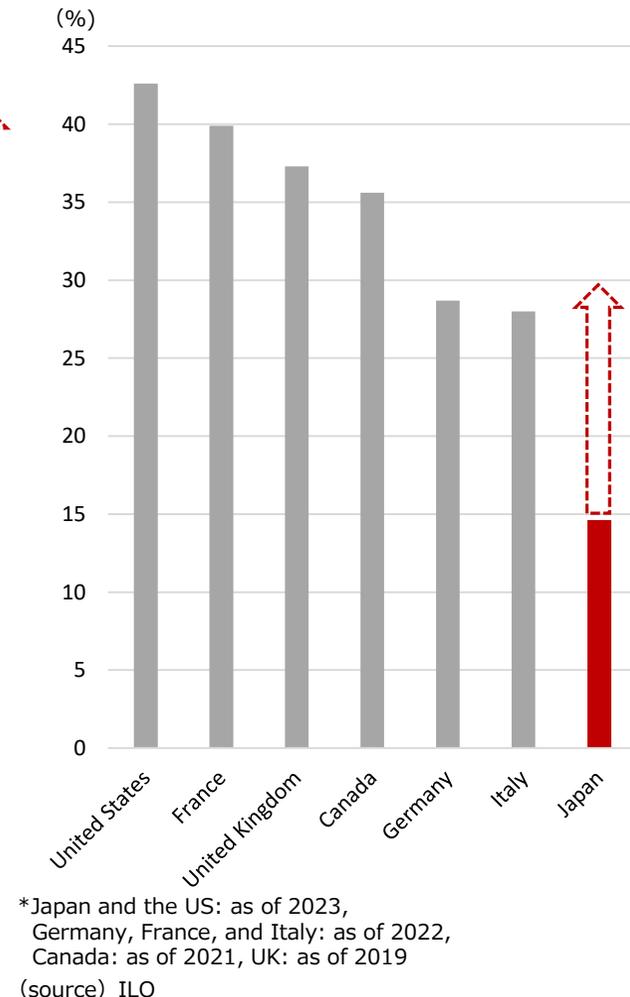
Women workforce by age



## Women in employed population



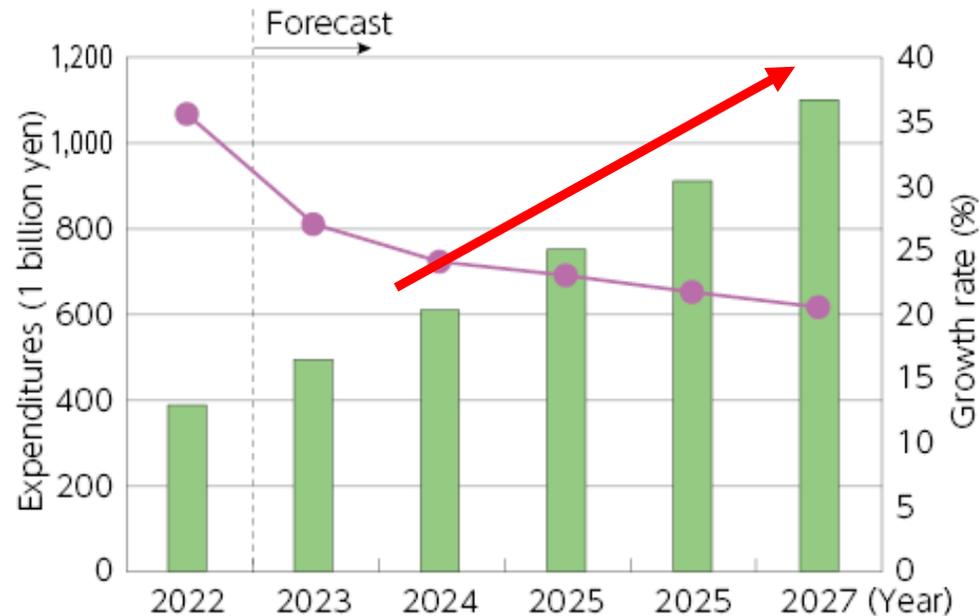
## Women in managerial positions



## Tackling Demographic Challenges(4): AI and Labor Productivity

- ❑ Japanese AI market is expected to further grow, and according to [OECD \(2023\)](#), “Japan’s working age population is ageing and declining, and so AI technologies can offer opportunities to address labor shortages.”
- ❑ The Japan-US Joint Leaders’ Statement released last week highlighted the robust economic and commercial ties through mutual investments in AI.

### Size of the Japanese AI systems\* market



\*Hardware and software platforms for using AI functions and IT services related to the construction of AI systems

(source) Ministry of Internal Affairs and Communications by IDC Japan

### Japan-U.S. Joint Leaders’ Statement (April 10, 2024) (Excerpt)

The United States and Japan welcome our robust economic and commercial ties through mutual investment, including Microsoft’s \$2.9 billion investment in Japan on AI and cloud infrastructure, workforce training, and a research lab.

We applaud the establishment of \$110 million in new AI research partnerships – between the University of Washington and University of Tsukuba and between Carnegie Mellon University and Keio University – through funding from NVIDIA, Arm, Amazon, Microsoft, and a consortium of Japanese companies.

(source) Ministry of Foreign Affairs

# Japan as an Attractive Investment Destination

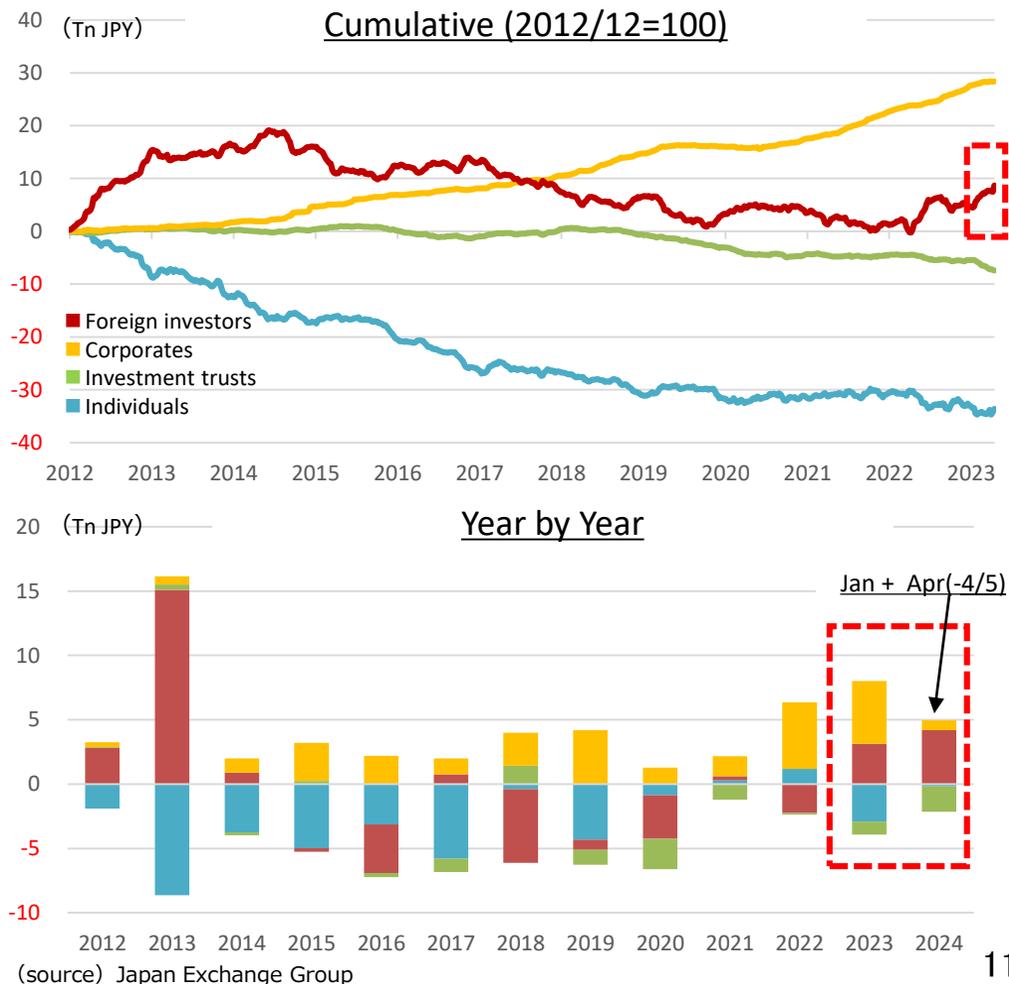
- ❑ The Nikkei 225 reached an all-time high surpassing the levels seen in 1989; primarily led by strong investment flow from overseas investors.
- ❑ The Kishida administration is promoting initiatives for Japan to become a leading asset management center which would make the Japanese market even more attractive.

## Stock Price (Nikkei 225)



(source) Bloomberg

## Invest trend in Japanese Stocks by Investor type

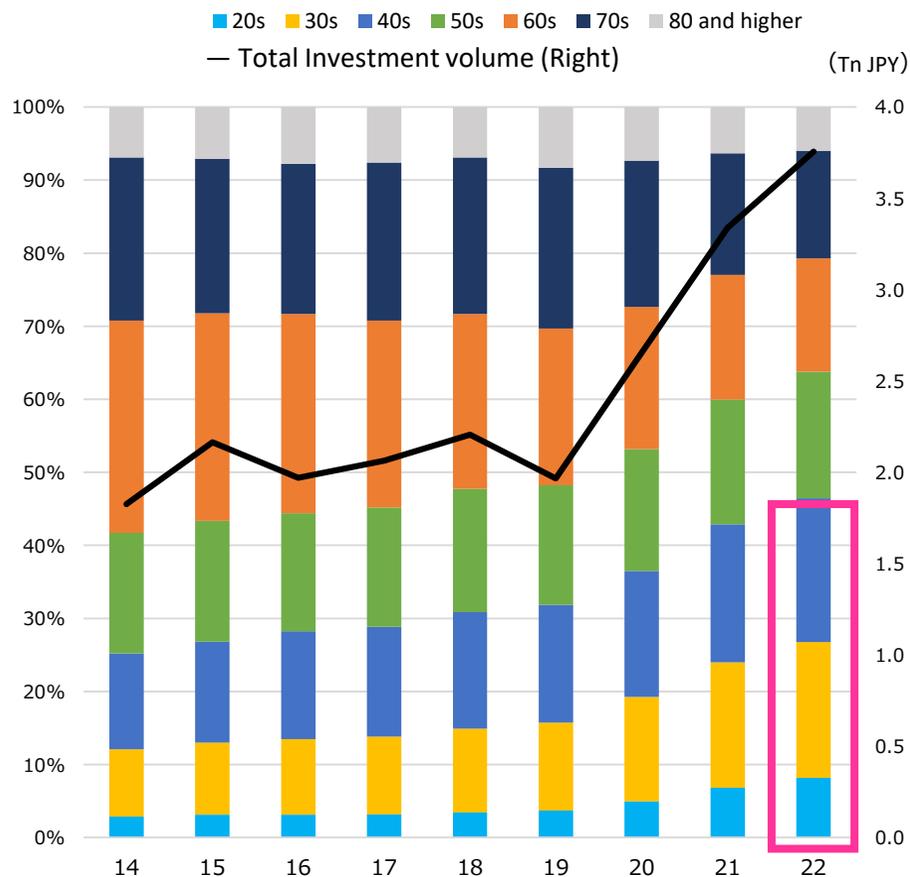


(source) Japan Exchange Group

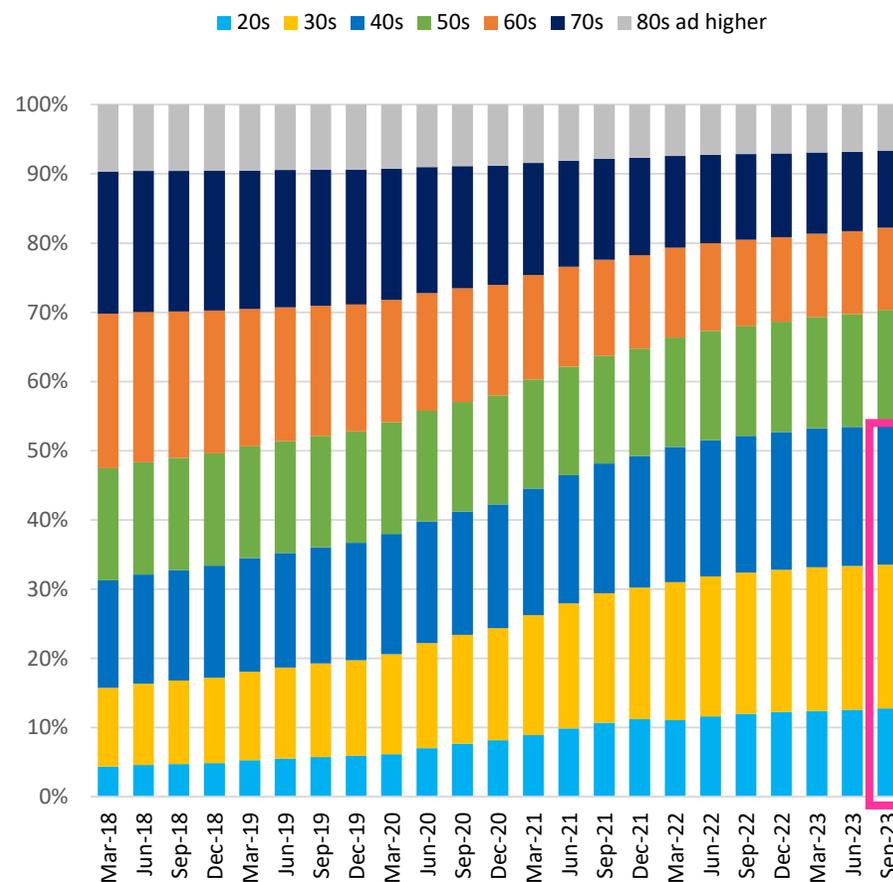
# Trends seen in NISA – Younger Generation, More Investment Oriented

□ The younger generation have been rapidly catching up with the idea of ‘Savings to Investment’, with more investment through NISA even BEFORE the new NISA was introduced in 2024.

## Investment through NISA accounts by Age



## Opening of NISA accounts by Age

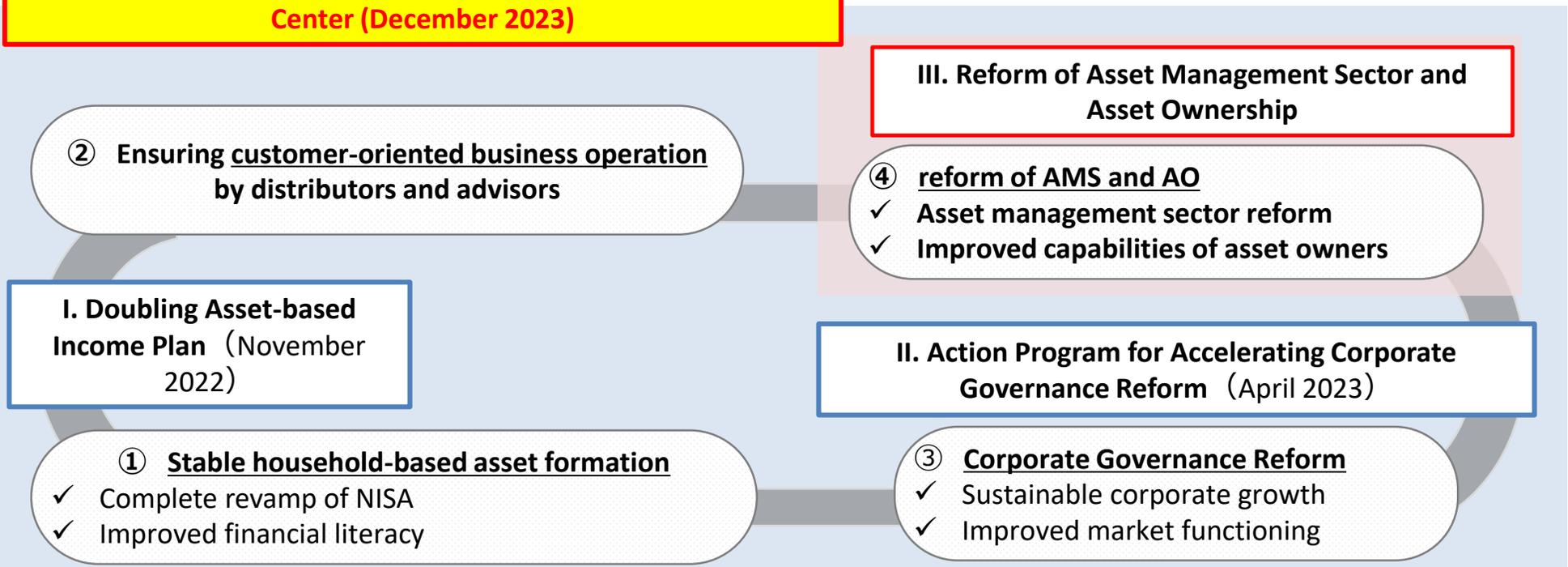


## **Promoting Japan as a Leading Asset Management Center**

# “Promoting Japan as a Leading Asset Management Center” – The Concept

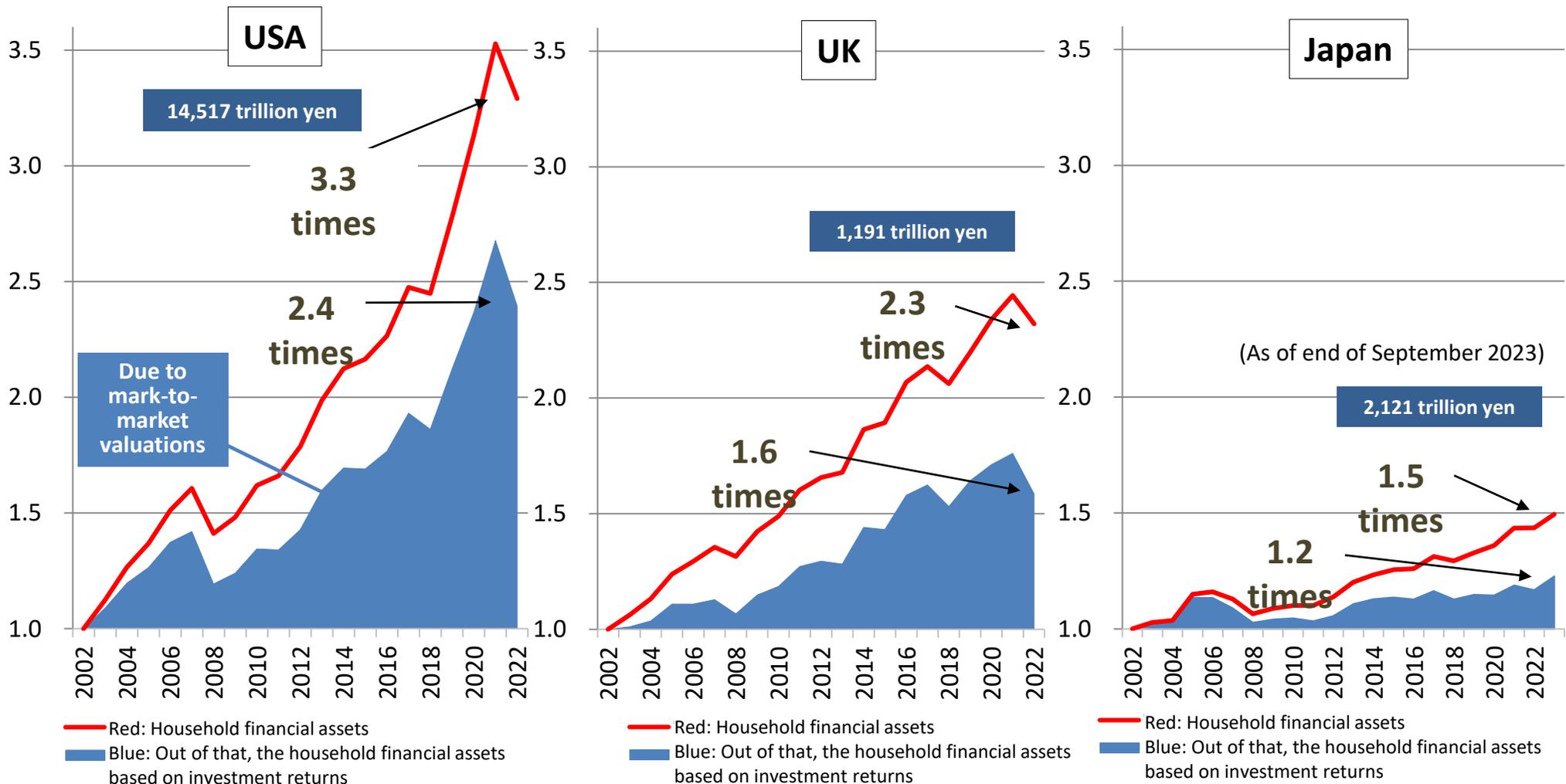
- ❑ Under PM Kishida’s leadership to realize a “new form of capitalism”, Japan has been undertaking policy initiatives to achieve a “**virtuous cycle of growth and distribution**”, including through an increased flow of Japan's household savings into productive investment.
- ❑ The government has been engaging with **various stakeholders in the investment chain** to encourage this move, including through:
  - I. Doubling Asset-based Income Plan**; and
  - II. Corporate governance reforms.**
- ❑ **III. Reform of Asset Management Sector and Asset Ownership** is the remaining piece for the growth of Japan’s economy and Japanese people’s asset income.

## Policy Plan for Promoting Japan as a Leading Asset Management Center (December 2023)



# Comparing Growth of Household Financial Assets

During the past 20 years, US and UK saw strong growth in their household financial assets at 3.3 times and 2.3 times respectively. Japan only saw a growth of 1.5 times.



(Source) Compiled by FSA based on statistical data from BOJ, FRB, and ONS

(Note) The growth in assets due to investment evaluation is calculated based on the growth due to change in asset price and doesn't include interest received and dividends.

Note: Value as of end of 2022. For USA and UK, based on the exchange rate at the end of Dec 2022. (1 US dollar = 131.12 yen, 1 pound = 158.47)

## **Encouraging Household Investment**



# **Enhancing Financial Literacy and Customer-oriented Business Operations**

## A Launch of a New Organization to Promote Financial Education

- ❑ The Government set up a new organization (Japan Financial Literacy and Education Corporation) which provides and promotes financial education, from April 5. It will be in full operation from August.
- ❑ The new organization will operate as a public-private initiative, in cooperation with various stakeholders, including the FSA, BOJ and industry associations.

### Key initiatives ahead

- i. Certifying “customer-oriented” financial advisors to serve as main actors in providing new organization’s financial education-related activities
- ii. Providing comprehensive and well-targeted financial education with ample resources underpinned by efficient management.
- iii. Providing a new training program for the certified advisors to improving the quality of financial education
- iv. Developing standardized and integrated teaching materials incorporating the most recent cases, including typical frauds.
- v. Providing individual consultation services tailored to the needs and concerns of investors/consumers.

## Enhancing Customer-oriented Business Operations

❑ Building on the FSA's "Principles for Customer-Oriented Business Conduct" published in 2017, the Government recently amended the Financial Services Provision Act, to legally require financial firms to conduct customer-oriented business operations.

- ✓ The amended Act, which was recently enacted (Feb 2024), introduced new legal obligations to financial businesses, including distributors and advisors, to conduct their business in a sincere and fair manner while taking into account the best interests of customers.
- ✓ The Act aims to foster competition among financial businesses to provide quality driven, customer-oriented services and products.
- ✓ In light of the need to ensure strong implementation to embed these requirements into the operation and culture of financial businesses, the FSA will closely monitor how firms develop, sell and manage products that are in the best interests of their customers, in line with the regulatory obligations.
- ✓ The monitoring will focus on; how deeply the top management is involved in the retail business; whether it has structured a sustainable business model in line with the obligations; what progress made in the progress in improving the quality of their strategy to embed this obligation at ground level; whether a proper sales management system in place to provide financial products, particularly high risk products, including structured products works, especially high-risk products; the effectiveness of internal control and whether a PDCA cycle is put in place.

# **Accelerating Corporate Governance Reform**

# Action Program for Accelerating Corporate Governance Reform (April 2023)

## Goal – From Form to Substance

- Further advance **substantive** corporate governance reform.
- Each company will **not** only develop **a formal system** but also aim to make **substantial progress** in engaging in constructive dialogue with investors and improving autonomous reform of awareness by companies.

## Increase corporate value over medium to long term

### Management for profitability and growth

- Promote management aimed at achieving **profitability and growth** based on an accurate understanding of cost of capital (including reviewing business portfolios, investing in human capital and intellectual property, and appropriately allocating management resources for risk-taking).
- Along this line, the TSE is encouraging listed companies to do business with **full attention to cost of capital and share prices** and to disclose their strategy in line with this consideration.

### Sustainability management

- Consider additional measures, reflecting companies profile, to **increase the diversity** of the Board of Directors and core personnel.

## Constructive dialogue with investors

### Encouraging stewardship activities

- Promote efforts by asset managers and asset owners to **enhance stewardship activities** (securing resources for stewardship activities, establishing incentive systems, and developing asset owner systems).
- Revise regulations such as the **Large Shareholding Reporting Rule** to enable effective stewardship activities.

## Plan for Promoting Japan as a Leading Asset Management Center

- Work with Tokyo Stock Exchange (TSE) to follow up on the initiatives of planning, disclosure, and implementation by listed companies corresponding to TSE's request "Action to Implement Management that is Conscious of Cost of Capital and Stock Price".
- Promote effective engagement efforts between institutional investors and companies, including through a review of the large shareholding reporting rule.

# TSE's request for action to encourage effective management of listed companies

- ❑ In March 2023, the Tokyo Stock Exchange (TSE) requested Prime- and Standard- Market listed companies to take the following actions:

## Analysis

- Management accurately identifies company's cost of capital and return on capital.
- Based on figures identified, the Board of Directors conducts analysis and evaluation, comparing them with market's assessment

## Planning and Disclosure

- The Board of Directors determines strategies and specific initiatives for improvement which includes targets and timeframes
- Disclose these plans, along with a current assessment, in a way that is easy for investors to understand.

## Implementation

- Implement the plans to promote a more effective business management which pays due consideration to the cost of capital and share prices.
- Engage in active dialogue with investors based on company's disclosure.

**Conduct an analysis on the progress made and update disclosures at least once a year**

## **Our Policy Plan – A Way Forward**

## I. Reforming the Asset Management Sector

- Call for major financial groups to develop their **plans to describe their asset management business strategy, enhance their investment management capabilities and improve governance**
- Develop **principles for product governance** of asset management companies
  - Clarify the intended customers for individual financial products
  - Verify the balance between expected returns and costs/risks
- Rectify **Japan's unique business practices** and resolve **barriers to entry**
  - Encourage single-check calculation of net asset values of investment trusts
- Establish **special zones**
  - **Publish a policy package for the special zones by the end of June**
- Introduce a new **program to assist new entrants** (Emerging Manager Program)
  - Request **financial institutions to use emerging asset managers and not to exclude them simply because their business history is short. Figure out and publish good examples of initiatives** in financial groups.
  - In “Asset Owner Principles”, include a provision on the treatment of emerging asset managers in the fund manager selection.
  - Provide **a list of emerging asset managers (Entry List)**
  - **Deregulate** to allow asset managers to **outsource middle- and back- office operations**

## II. Reforming Asset Ownership

- **Develop “Asset Owner Principles”** by summer 2024
  - Include common principles of investment policy, governance, and risk management.
- **Reform Occupational pension funds**
  - For defined benefit pensions (DBs), promote **reviews of the selection of the investment companies entrusted** for the best interest of beneficiaries.
  - Encourage the Pension Fund Association to **improve its joint management scheme**, including **enriching service lineup** for more small-scale DBs.
  - For defined contribution pensions (DCs), **promote disclosure of information such as on investment policy and investment portfolio so that pension beneficiaries can select appropriate products.**
  - Regarding DBs and DCs, **promote disclosure of investment information in a comparable manner** (to be conducted by Ministry of Health, Labour and Welfare).

## III. Promoting financing for growth and diversifying investment opportunities

- **Promote investment in start-up companies with growth potentials**
  - Develop principles for venture capital funds
  - Deregulate to enhance investment crowdfunding
  - Promote issuance and circulation of unlisted securities
  
- **Diversify investment opportunities, including alternative investments and sustainable investments**
  - Allow partial inclusion of non-listed equities in investment trusts
  - Hold Dialogue on Enhancing Sustainability Investment Products by the end of 2023 (has been kicked-off)

## IV. Effective Implementation of Stewardship Activities

- Work with Tokyo Stock Exchange (TSE) to follow up on **the initiatives of planning, disclosure, and implementation by listed companies** corresponding to TSE's request "Action to Implement Management that is Conscious of Cost of Capital and Stock Price".
- Promote effective engagement efforts between institutional investors and companies, **including through the review of the large shareholding reporting rule.**

## V. Strengthening Public Relations and Communications

- Will hold the **2nd round of "Japan Weeks" in fall 2024**, inviting global investors and financial institutions. **Its core week is from September 30 to October 4**, and a variety of events will be held including the weeks before and after that. **A launch event of the "Asset Management Forum" will be held on October 3.**
- **Exchange views** with local governments and investors on the Policy Plan, and **consider additional policy measures.**

\*The Cabinet Secretariat will conduct a review of progress around June 2024.

# Establishing Special Zones for Financial and Asset Management Businesses

- ❑ The Government plans to establish "Special Zones for Financial and Asset Management Businesses", which aims to encourage financial institutions including asset management firms, both domestic and abroad, to start or to expand their business in such zones.
- ❑ The Government and like-minded cities will work together, to provide incentives and assistance, with particular focus on the items seen below;
- ❑ Tokyo, Osaka, Fukuoka and Hokkaido have expressed interest establish this Zones.

## Concrete policy measures in contemplated

- ✓ Deregulation and regulatory exemptions on:
  - finance-related activities
  - business and living environment-related activities
- ✓ Easier access to administrative services
  - providing information in English
  - hiring English speaking staffs
- ✓ Supporting startups
  - providing regulatory exemptions and special treatment

## Next Action

- Plan to announce a comprehensive package by the end of June.

## Developing an Asset Owner Principle

- ❑ Given the important role of asset owners in fostering a more sophisticated asset management, [Japanese Government plans to develop an Asset Owner Principle by this summer.](#)
- ❑ While asset owners are diverse, including public pensions, mutual funds, corporate pensions, insurance companies, and university funds, [there are common responsibilities and roles](#) that they can play regarding asset management.
- ❑ For example, asset owners need to set goals based on investment objectives, and to monitor closely the performance of investment managers, to pursue the best interests of beneficiaries.
- ❑ Items on [investment policy, governance, and risk management](#) could be included in the Principle to be developed.

Asset Owner	type	Competent ministries	Asset size (billion \$)	No. of entities
Life Insurance Companies	Insurance	FSA	2722	42
Government Pension Investment Fund (GPIF)	pension	MHLW	1340	—
Corporate Pension (DB)	pension	MHLW	441	11,545
Non-Life Insurance Companies	Insurance	FSA	197	33
Pension Fund Association for Local Government Office	pension	MIC	191	—
Pension Fund Association (PFA)	pension	MHLW	81	—
Organization for Small & Medium Enterprises and Regional Innovation	pension	METI	74	—
Japan Science and Technology Agency (JST)	University	MEXT	67	—
Federation of National Public Service Personnel Mutual Aid Associations (KKR)	pension	MOF	61	—

# “Japan Weeks” and “Asset Management Forum”

- The inaugural “Japan Weeks” was held in fall 2023 to promote Japan as a leading asset management center.
- In JWs, the Japanese government had constructive discussions with global investors and financial institutions and announced various new initiatives to promote Japanese asset management sector.
- We will hold the **2nd round of “Japan Weeks” this fall.**
- **We will launch the “Asset Management Forum” as JWs signature event on October 3rd.**

**JAPAN  
WEEKS** ▶  
**2024**

Core week: Sep 30 – Oct 4

Launch Event of the AM Forum: Oct 3 @TOKYO



We will establish the “**Asset Management Forum**” to continue dialogue with global investors and financial institutions in order to advance the abovementioned measures tailored to their needs.

Round table with the Prime Minister and global investors (Oct 6, 2023)

## Takeaways from the Japan Weeks < 24 Sep - 6 Oct, 2023 >

- More than 10,000 participants attended the JWs from around the world.
- During the JWs, the Japanese government announced various initiatives to promote Japan as a leading asset management center and received feedback from global investors and asset management companies.

Scan to visit JWs 2023  
official website



Date	Events	Organizers
25 September	National Securities Conference	Japan Securities Dealers Association, Japanese Stock Exchanges Conference, Japan Investment Trusts Association
2 October	The NIKKEI sustainable forum	Nikkei
3-5 October	PRI in Person	PRI Association
3 October	"Financial Nippon" Top Symposium	Nikkei
4 October	Financial Reform Forum	Nikkei
4 October	October 4 Securities Investment Day Talk Event	JSDA, Japan Exchange Group, JITA
4 October	Dinner & Drinks Networking Event	Bloomberg
5 October	Welcome Dinner	BlackRock
6 October	Japan Head of State/ Long Term Investors Summit	BlackRock
6 October	Global Investor Roundtable	Government of Japan

**Encourage Doing Business in Japan**

# Our platform, the Financial Market Entry Office has completed 37 cases since 2021

	Name	Date	Licenses	From		Name	Date	Licenses	From
1	Affirmative Investment Management	Apr. 2021	IAA	GBR	21	Macquarie Asset Management	Apr. 2023	Type II	AUS
2	<b>Schonfeld Strategic Advisors</b>	<b>May 2021</b>	<b>IM &amp; IAA</b>	<b>USA</b>	22	EG Japan	Apr. 2023	IAA	AUS
3	<b>Columbia Threadneedle Investments</b>	<b>Aug. 2021</b>	<b>IAA</b>	<b>USA</b>	23	<b>Sanford C. Bernstein Japan</b>	<b>Jun.2023</b>	<b>IAA</b>	<b>USA</b>
4	Dymon Asia Capital Japan	Aug. 2021	Pro-IM	SGP	24	<b>PE Investments Japan</b>	<b>Jul.2023</b>	<b>IAA</b>	<b>USA</b>
5	EQT Partners	Dec. 2021	IAA	SWE	25	EQT Exeter Japan	Aug.2023	IAA	SWE
6	Minerva Growth Partners	Feb. 2022	IAA	HKG	26	<b>MABE Japan</b>	<b>Sep.2023</b>	<b>Pro-IM</b>	<b>USA</b>
7	<b>Federated Hermes</b>	<b>Apr. 2022</b>	<b>IAA</b>	<b>USA</b>	27	<b>New Mountain Capital Japan</b>	<b>Sep.2023</b>	<b>Type II</b>	<b>USA</b>
8	BMO Japan Securities	Jun. 2022	Type I	CAN	28	<b>Tishman Speyer Japan</b>	<b>Oct.2023</b>	<b>Type II</b>	<b>USA</b>
9	Pantheum Partners	Jul. 2022	IAA	HKG	29	Impax Asset Management Japan Ltd.	Dec.2023	IAA	GBR
10	<b>Columbia Threadneedle Investments</b>	<b>Aug. 2022</b>	<b>Type II</b>	<b>USA</b>	30	<b>Carlyle Japan, LLC</b>	<b>Dec.2023</b>	<b>IAA</b>	<b>USA</b>
11	<b>Citadel Securities</b>	<b>Aug. 2022</b>	<b>Type I</b>	<b>USA</b>	31	Muzinich & Co. Japan Pte. Limited	Jan.2024	IAA	GBR
12	EQT Partners	Sep. 2022	Type II	SWE	32	<b>Newton Investment Management Japan Ltd.</b>	<b>Jan.2024</b>	<b>IAA</b>	<b>USA</b>
13	HS Group Japan Cayman	Nov. 2022	IAA	HKG	33	HOKU Inc.	Jan.2024	IM	JPN
14	<b>Newton Investment Management Japan Ltd.</b>	<b>Dec. 2022</b>	<b>IM</b>	<b>USA</b>	34	<b>StepStone Group LP</b>	<b>Jan. 2024</b>	<b>Type II</b>	<b>USA</b>
15	<b>Allspring Global Investments Japan Ltd.</b>	<b>Jan. 2023</b>	<b>IAA</b>	<b>USA</b>	35	<b>Hines Real Estate Investment Management</b>	<b>Feb. 2024</b>	<b>IAA</b>	<b>USA</b>
16	<b>Tishman Speyer Japan GK</b>	<b>Mar. 2023</b>	<b>IAA</b>	<b>USA</b>	36	<b>Alpha Financial Advisors, LLC</b>	<b>Mar. 2024</b>	<b>IAA</b>	<b>USA</b>
17	Yawara Capital Co., Ltd.	Mar. 2023	IAA	JPN	37	Brookfield Japan	Apr. 2024	Type II	CAN
18	18 Salisbury Capital Japan	Mar. 2023	IAA	HKG					
19	Frontier Advisors Japan	Mar. 2023	IAA	AUS					
20	PINECONE	Mar. 2023	SPBQII	AUS					



Scan to read the English Guidebook to prepare for the registration



## Contact Information

-  Reception hours: Weekdays 9:30 to 18:15 (JST)
-  Email: [marketentry@fsa.go.jp](mailto:marketentry@fsa.go.jp)
-  Phone number: +81-(0)3-6667-0551 (direct line)
-  Address: FinGATE TERRACE 7F, 8-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo 103-0026

# Government-wide policy package for int'l AM companies entering Japan

- 1) Tax
  - ✓ **Business-friendly tax reforms** regarding corporate income, inheritance, and personal income
  - ✓ **Inheritance tax NO longer applies** to overseas assets held by non-Japanese workers regardless of the period of residence

---

- 2) Financial Regulation
  - ✓ **Financial Market Entry Office (FMEO)** established in 2021 provides **one-stop English administrative services** for pre-application consultation, registration and supervision for newly entering overseas asset managers
  - ✓ Simplified market entry procedures for overseas asset managers

---

- 3) Immigration
  - ✓ **Favorable treatment for asset managers** as “Highly-Skilled Professionals”
  - ✓ Easier to hire domestic helpers and allow spouse to work without his/her own working visa

---

- 4) Company Setup & Livelihood Support
  - ✓ **Financial Start-up Support Program : Free-of-charge one-stop company setup support which reimburses initial set-up costs** up to JPY 20 million (70% of total approved invoices) per company
  - ✓ Livelihood support for finding international schools, medical facilities and housing

---

- 5) External Communication
  - ✓ **Proactive information dissemination** through a dedicated website, an official LinkedIn Page and webinars/roundtable discussions

# Annex

# Sustainable Finance Initiatives (1)

to June 2023

From July 2023

Corporate Disclosure

Added a new section in Annual Securities Reports, on sustainability information such as climate change and human capital

Standards to be developed by the Sustainability Standards Board (SSBJ). Collect and publish good practices of sustainability information disclosure

Participate in international discussions on ISSB standards development including through publicly communicating Japan's views. Discuss assurance of sustainability information.

Capital market

Data

Provide ESG data including GHG emissions through various platforms.

Asset Owners

Identify challenges for institutional investors and assist them on improving effective engagement.

Individuals

Revised supervisory guidelines to clarify expectations for ESG funds

Improve ESG investment trusts accessibility for individual investors.

ESG evaluation

Called for adoption of the Code of Conduct by ESG evaluation providers.

Call for adoption of Code of Conduct by ESG data providers and improve effectiveness of the Code of Conduct.

CC market

Demonstration testing of market development, etc.

Establish Carbon credit market  
Support market development and credit creation to foster transactions

# Sustainable Finance Initiatives (2)

