



Monthly Newsletter: January Edition

This newsletter aims to share the latest updates from Tokyo as a global financial hub and FinCity.Tokyo

Updates from Tokyo – Global Financial Hub

<Recent news>

- **FSA establishes Asset Management Division as a new pillar along with banking, securities, and insurance** – Japan's Financial Services Agency (FSA) announced the creation of a new Asset Management Division within its supervisory bureau set to launch in July 2025 to oversee and promote the growth of the asset management industry as a fourth pillar alongside banking, securities, and insurance. This move aligns with the government's "Asset Management Nation" initiative to shift from savings to investment and support the sector's development. The division's establishment follows the 2024 creation of an Asset Management Counselor role, further elevating the focus on this industry.
- **TSE requires companies to explain rationale to prevent unfairly low prices in MBOs**- The Tokyo Stock Exchange (TSE) plans to tighten rules for management buyouts (MBOs) to ensure fair treatment of minority shareholders and prevent unjust undervaluation by major shareholders. The new regulations will require companies to establish special committees with independent directors, provide detailed justifications for buyout prices, and secure majority approval from non-conflicted shareholders. This move responds to concerns over fairness in recent MBO cases, including Taisho Pharmaceutical's contested buyout, and aims to align with existing government guidelines while imposing enforceable measures.
- **Japanese M&A activity hits record high in 2024, driven by aggressive acquisitions from investment funds** – M&A activity involving Japanese companies reached a record high in 2024, driven by increased acquisitions of non-core and unprofitable businesses, particularly by investment funds. The number of deals rose 17% year-on-year to 4,700, with transaction value growing 8% to ¥19.6 trillion, supported by high-profile deals like Nippon Life's acquisition of Resolution Life. Global private equity firms, including Carlyle and EQT, are capitalizing on a growing number of buyout and carveout opportunities, while outbound M&A remains strong despite challenges like the weak yen. Japanese firms are expected to pursue significant multibillion-dollar deals domestically and internationally in 2025.
- **Sumitomo Life invests in a fund for startup investment** - Sumitomo Life will invest in a fund that invests in startups in Japan. Sumitomo Mitsui Trust Investment will manage the fund, and Sumitomo Mitsui Trust Bank will provide investment advice. According to Sumitomo Mitsui Trust Bank, the fund will include buyout funds that invest in non-listed companies that have matured to some extent, and venture capital funds that invest in emerging companies.

<Upcoming activities>

- **Tokyo- London Financial Seminar 2025** – On February 4, 2025, Tokyo Metropolitan

Government and City of London Corporation will co-host the “[Tokyo-London Financial Seminar 2025](#)” in London, an event to promote the Tokyo market and efforts to stimulate the fintech industry and asset management industry, both domestically and internationally (mainly in the U.K.), and to encourage foreign financial professionals to enter and invest in Tokyo.

FinCity.Tokyo updates

<Recent activities >

- **Tokyo Asset Management Forum 2025** – On January 24, 2025, FinCity.Tokyo hosted the [Tokyo Asset Management Forum 2025](#) (TAMF). This event covered key themes, including the annually hosted EM Showcase, and discussions regarding the future of asset management, and plans to promote Japan as a leading asset management center.
- **FinCity Global Forum: Cape of Good Hope for Tokyo, International Financial City** – On January 24, 2025, FinCity.Tokyo hosted the "[FinCity Global Forum: Cape of Good Hope for Tokyo, International Financial City](#)" (FGF 2025). Following an opening declaration by Yuriko Koike, Governor of Tokyo, this forum covered topics from: Tokyo's role as an international financial center discussed by Hiroshi Nakaso, Chairman of FinCity and Masato Kanda, Present Special to the Cabinet, GX strategies to position Japan as an investment destination. Other topics included using IPOs to grow the Japanese market featuring Keiichi Aritomo, Executive Director of FinCity and other representatives in the finance industry.
- **ABAC Sustainable Finance Seminar** - On January 23, 2025, FinCity.Tokyo hosted the “[ABAC Sustainable Finance Seminar](#)”, an event dedicated to promoting integrated decarbonization efforts across the APAC region. This seminar included updates on Voluntary Carbon Markets and discussion about VCM in APAC, and the implications for Japan from experts in the finance industry such as the Financial Services Agency, Daiwa Securities, and specialists involved with carbon markets.

<Upcoming activities >

- **FINTECH in JAPAN: Your pathway to Tokyo** – On February 4, FinCity.Tokyo will host a roundtable “FINTECH in JAPAN: Your pathway to Tokyo” in London, to highlight links between UK fintech ecosystems, and to explore UK fintech companies who could potentially consider Japan as their market, while promoting Japan Fintech Week. If you are interested and wish to register for the roundtable, please complete [the registration form](#).

ABOUT FINCITY.TOKYO

FinCity.Tokyo is dedicated to raising Tokyo's profile as a global financial hub, with a focus on building a world-leading ecosystem for asset management and fintech. We work with the Government of Japan and the Tokyo Metropolitan Government, as well as 59 industry associations, major financial institutions, global investors, and service providers. You can find more information on [our homepage](#).

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If you have any questions or interview/briefing requests, please do not hesitate to contact us. We also welcome any requests for comments or quotes.

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