



Monthly Newsletter: May 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>

- **TSE Launches Asia Startup Hub for cross-border listings** – As part of its efforts to attract crossborder listings, the Tokyo Stock Exchange (TSE) has established "[TSE Asia Startup Hub](#)", a start-up ecosystem designed to encourage promising Asian companies to choose the TSE for their IPOs. By enhancing collaboration among the TSE and its partners, the TSE Asia Startup Hub aims to increase the number of listings of cross-border listings in the long term, catering to the needs of each company and providing support for business development, fundraising, and guidance on how to proceed with their IPO in the Japan market.
- **Japanese companies raising more money from global investors** – The amount of capital raised by Japanese companies via foreign equity financing jumped about 30% last fiscal year to 2.3 trillion yen (\$14.9 billion), as progress on governance reform attracted deep-pocketed international investors. (For more details, please find from [here](#) (Japanese only))
- **FSA relaxes regulations, making Japan market easier for new asset management firms to enter** – The Financial Services Agency will ease regulations that have become barriers preventing new asset management firms from entering the Japan market. [The revised Financial Instruments and Exchange Law](#) was enacted on May 15 after plenary sessions of the House of Representatives and the House of Councilors. With the exception of a few provisions, the law will go into effect within one year. In addition to allowing outsourcing of back-office operations such as clerical work, this amendment will reduce the amount of capital required under certain conditions to encourage the entry of unique asset management companies and attract investment money from Japan and abroad. It also allows investment management companies to specialize in fund planning and drafting.
- **Outline of Asset Owner Principles released** – The government has outlined its "[Asset Owner Principles](#)"(Japanese only), a code of conduct for corporate pension funds and other asset owners calling for the formulation of concrete investment objectives and targets, risk management, and improved information disclosure as well as encouraging initiatives that lead to the growth of the companies in which they invest, and clarifying the role they should play through financial and capital markets. The working group responsible for the Asset Owner Principles plans to release a final version by the end of summer after soliciting opinions from the public. By establishing common principles that require asset owners to change their behavior, the goal is to make it easier for households and investors to reap the benefits of corporate growth through the investment chain and to revitalize Japan's capital market.

- **PM Kishida speaks at event for global investors (May 22nd – 23rd, 2024)** - On May 22, Prime Minister Fumio Kishida spoke at the Japan Summit, a conference for global institutional investors held by Morgan Stanley in Tokyo, where he expressed his intention to accelerate the creation of the "[Special Zones for Financial and Asset Management Businesses](#)" that the government is considering. Next week, the government will meet with four candidate cities for the special zones to flesh out the concept. Kishida also mentioned that the Asset Owner Principles will be published in early June. This is the first time Morgan Stanley has held a face-to-face conference for institutional investors in Japan, and amid growing interest in Japanese equities, approximately 1,800 people from 800 institutional investors and corporate IR across Europe, the U.S., and Asia attended the conference.
- **Responsible Investor Japan 2024 (May 22nd – 23rd, 2024)** – The Japanese ESG and sustainable finance industry joined [this event](#) hosted by Private Equity International. The event included high-profile speakers from both global and Japanese organizations, as well as panel sessions on topics like the global standardizations of ESG and portfolio decarbonization.

<Upcoming events>

- **Tokyo Financial Information & Technology Summit (June 26th, 2024)** – Tokyo Financial Information & Technology Summit in its 12th edition is the only annual gathering of technology, data, trading and operations experts working in Japanese banks and buy-side firms. The one-day agenda will dive into the latest innovation and best strategies in topics such as AI, trading operations, AML/KYC and tech infrastructures. You can register from [here](#).

FinCity.Tokyo updates

<Recent activities>

- **Hong Kong & Japan: Trends & Strategies in Asset Management** – On April 17th, Executive Director of FinCity.Tokyo Keiichi Aritomo participated in a seminar in Hong Kong hosted by Bloomberg. Titled “Hong Kong & Japan: Trends & Strategies in Asset Management,” the seminar explored various investment opportunities in both Japan and Hong Kong, including equity, private equity, and real estate. Mr. Aritomo spoke at a panel discussion on the global economic outlook for 2024, discussing the collaboration and competition between Hong Kong and Japan with other panelists from Japanese asset manager Sumitomo Mitsui Trust Asset Management and the Hong Kong Investment Funds Association (HKIFA)

“FinCity Tokyo’s mission is not the promotion of finance for its own sake, but to help tackle social issues through finance. By enhancing the asset management industry, we can activate a virtuous circle toward a more sustainable and stable society. Especially, through collaboration between two of Asia’s key international financial centers, Tokyo and Hong Kong have great potential to make contribute to sustainable growth and an orderly transition to Net-zero.” (Keiichi Aritomo, Chair of World Alliance of International financial Centers)



- **Asia Asset Management Best of best award** – Keiichi Aritomo, the executive director at FinCity.Tokyo was awarded “Asset Management Leader Award.” Yoshio Hishida, CEO at Sumitomo Mitsui Trust Asset Management, also received the “life-time contributor” award.

"I am very honored to receive this award. My goal was not to contribute to the asset management industry per se, but rather to upgrade the investment ecosystem and create a level playing field. WAIFC is a consortium of international financial centers working learn from each other to tackle social problems. FinCity.Tokyo is an organization to promote and continuously upgrade Tokyo as a global financial center. I am currently chairing WAIFC as Tokyo and Japan have quite a few profound social problems such as an aging demography and the green transformation of our supply chain that are highly relevant to the rest of the world." (Keiichi Aritomo, Executive Director, FinCity.Tokyo)



<Upcoming events>

- **"Tokyo Independent Business Start-up Dojo" (June 2024 - March 2025)** – FinCity.Tokyo will hold a total of four "Tokyo Independent Business Start-up Dojo" seminars for asset managers from June 2024 to March 2025 as part of the Emerging Managers Program (EMP). As mentioned in the "Plan for an Asset Management-Oriented Nation" formalized by the Japanese government in December 2023, momentum is building for new entrants into the asset management industry. FinCity.Tokyo aims to encourage new entrants by hosting the following seminars:
 - Targeted at employees of financial institutions and others considering launching a new asset management business in Tokyo.
 - Provide information on procedures for obtaining a license to operate an asset management business, taxation, compliance, and various other information related to opening an asset management business.
 - Sessions for experienced businesspeople to share their experiences in opening their own businesses.
 - Individual consultations with the lecturers are also provided for those who wish to participate.
- **Side event in conjunction with the 3rd ABAC Meeting (August 3, 2024)** – [The APEC Business Advisory Council](#) (ABAC) will hold its 3rd ABAC meeting from August 1st - 4th in Tokyo. As a side event, FinCity.Tokyo will hold a panel discussion on August 3rd to discuss Tokyo's efforts to decarbonize and achieve a just transition to a carbon-neutral economy in the APEC region.

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 47 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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