



## Monthly Newsletter: June Edition

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*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>

- **Japan enables stock-based overseas M&A** – The government will amend the Companies Act as early as 2025 to allow companies to use their own shares to acquire foreign companies. Under the current system, this is only available for acquisitions of domestic companies. The government will also simplify procedures for acquisitions that combine shares and cash to increase the number of M&A methods and thereby encourage companies to pursue overseas expansion strategies.
- **Private credit funds chase Japan's JPY 4.5 quadrillion stockpile of financial assets** – Global private credit funds are entering into the Japan market seeking to tap into Japan's JPY 4.5 quadrillion (\$28.7 trillion) stockpile of financial assets, hoping that rising inflation will accelerate the ongoing shift from savings to investment. Ares Management plans to open an office in Tokyo this year, and Blue Owl did so in August last year, while firms including Apollo and Fiera have been hiring in Japan. The increased interest in Japan has been fueled by signs that domestic investors are moving their money into asset classes like alternatives that boast higher returns as inflation expectations reach record highs. Government initiatives such as the expansion of tax breaks for retail investors and efforts by authorities to attract more asset managers to Japan have also been boosting this shift.
- **Governor Koike meets with mayor of London to discuss cooperation on Tokyo's position as international financial hub** – Tokyo governor Yuriko Koike met with Michael Mainelli, the Lord Mayor of the City of London, on May 30 to discuss financial market trends and mutual initiatives. Since signing an agreement in 2017 to enhance international financial functions, Tokyo and the City of London have held joint financial seminars, regular meetings, and conducted personnel exchanges between Tokyo and London. After the meeting, Governor Koike praised the City of London as a historic international financial center with a wealth of information and talent, expressing Tokyo's desire to deepen ties. Mayor Mainelli emphasized the importance of global connectivity and openness to the functionality of financial centers.
- **Japan designates Tokyo, Osaka, Fukuoka, and Hokkaido as "Special Zones for Finance and Asset Management Businesses"** – This initiative aims to attract foreign investment and talent by implementing unique deregulation and support measures tailored to each city's characteristics. For example, Hokkaido will focus on Green Transformation (GX) investments, while Fukuoka will ease individual investor requirements to foster local startups. Additionally, all four cities will allow non-Japanese corporations to complete registration procedures in English by the fiscal year of 2024. This move aligns with Japan's strategy to boost its financial industry and overall economic growth by increasing the competitiveness and attractiveness of its asset management sector. (For more details, please see [here](#)).

- **Basic Policy on Economic and Fiscal Management and Reform 2024** - On June 21, the government released its [Basic Policy on Economic and Fiscal Management and Reform 2024](#) (Japanese only), which stipulates the basic stance of the government's economic and fiscal management and direction of reforms. The main points of the Basic Policy include entrenching wage increases that exceed price rises in order to completely end deflation, the launch of new education and reskilling programs, and a conclusion on raising the contribution limit for individual defined contribution pensions (iDeCo) will be reached by 2024.
- **Examples of “Emerging Manager Program” initiatives published by FSA** - The Financial Services Agency (FSA) has published a list of [examples of initiatives taken by financial institutions under their Emerging Manager Programs](#) (Japanese only). Japanese financial institutions have been investing in emerging managers (EMs), and this momentum has been further enhanced by the "Policy Plan for Promoting Japan as a Leading Asset Management Center". FinCity.Tokyo hopes to raise awareness regarding the ongoing investment in EMs in order to generate additional interest in EMs and inspire other financial institutions to undertake similar initiatives.

## FinCity.Tokyo updates

### <Recent activities>

- **Investor Roundtable in NY and Toronto** - FinCity.Tokyo held its roundtable in New York on June 12th and in Toronto on June 18th, under the theme “Japan is back: How can asset owners and managers capitalize on the opportunities?”, mainly targeting asset owners as well as asset managers who are considering entry into Japan. The roundtables were designed to introduce the government policy to bring asset management to the fore to achieve economic growth. We discussed corporate governance reform, impact of geopolitics on supply chain, net-zero target and transition finance, the vast uncovered small and mid-cap company universe and the acceleration of development of the start-up/venture capital ecosystem. It is the third time for FinCity to hold this roundtable in NY and the very first time in Toronto. In Toronto, we were honored to be joined by the Consul-General of Japan who gave a speech on Japan-Canada bilateral relations to set the scene.



### <Upcoming events>

**Online Media roundtable: Japan Market Outlook: Impact of this year’s “Big-Boned Policy” (5:00pm – 6:00pm Tokyo July 3, 2024)**- This media roundtable is a response to the need for timely understanding of the Japanese government’s Basic Policy for Economic and Fiscal Management and Structural Reform (hereafter the Basic Policy), often referred to in Japan as the “Big-Boned Policy,” and its implications for Japan’s market. During this discussion, our panel of experts, Hiroyuki Otsuka (Representative Director and CEO, Newton Investment Partners, Inc.), and Jesper Koll (Expert Director, Monex Group, and Ambassador of FinCity.Tokyo) will:

- Provide up-to-date information on the recent changes and developments in the Japanese market and share their perspectives on these changes.
- Update attendees on the contents of the Basic Policy, highlighting how it differs from the previous year.
- Discuss the impact of the Basic Policy on the Japanese market and shed light on the future outlook.
- Discuss Tokyo's role as an international financial center in the context of these policies and market developments.

If you are interested and wish to register for the roundtable, please email your name and publication to [FinCity.Tokyo@kekstcnc.com](mailto:FinCity.Tokyo@kekstcnc.com) **by June 28**. You will receive a calendar invitation.

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## 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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