

PRESS RELEASE

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Is Japan's revitalisation real and sustainable? Representatives from the finance industry and the capital markets in Europe and Japan discuss progress and the issues.

(London, UK – Tokyo, Japan) Top representatives from the finance industry and capital markets in Europe and Japan gathered at the Mansion House in London yesterday. They discussed and examined the achievements so far of “Abenomics”, the Japanese government's economic strategy to bail Japan out of its long lasting economic doldrums, as well as the challenges lying ahead due to demographic change. The Japan Securities Summit is a unique event co-organised by the Japan Securities Dealers Association (JSDA) and the International Capital Market Association (ICMA).

At the beginning of the event, Mr Kazutoshi Inano, Chairman and CEO of the JSDA remarked: “This is our third event in London following 2008 and 2013. This, in itself, is evidence that a strong relationship exists between the capital markets and finance industry of the United Kingdom and Japan. Statistical data show that portfolio transactions in stocks between the two countries totalled 2.26 trillion pounds sterling and those in bonds 1.17 trillion pounds sterling in 2013. It is clear that the two countries have become key investment destinations for one another and have established a significant presence in each other's market”. He also expressed his expectations for more constructive collaboration by both countries.

During the sessions, it was recognised that government fiscal and monetary policies have achieved certain results in breaking out from deflation and reviving the economy. At the same time, there was a broad consensus that steady implementation of growth strategy will be essential in overcoming the difficulties caused by the ageing population and moving the economy onto a sustainable growth path. Keynote speaker, Professor Motoshige Itoh, who has assumed a leading role in the Japanese government's policy deliberation process, emphasised the importance of growth strategy as middle to long term structural reform. Senior representatives from the Ministry of Finance and Bank of Japan also provided their insights on fiscal consolidation, including consumption tax hikes and public debt management, as well as monetary policy measures.

Measures and initiatives to raise the capital market's efficiency and integrity were also discussed. Amongst others, Mr Atsushi Saito, the JPX Group CEO, briefed the audience on the efforts to enhance the corporate value of listed companies, including an improvement in ROE standards. A senior

representative of the Financial Services Agency also introduced the progress of and future expectations for strategic measures to revitalise Japanese capital markets, including Japan's Stewardship Code, Corporate Governance Code, NISA (Japanese version of Individual Savings Account), and GPIF (Government Pension Investment Fund) reform, etc.

The speakers at the conference agreed that, despite the difficult circumstances, measures taken by the authorities would provide momentum to the growth of Japan's finance industry and capital markets.

Commenting on the event, Mr Martin Scheck, Executive Chief of ICMA said: "There are many parallels between the situation we currently find ourselves in Europe – for example low growth and increasing deflationary pressures - and the situation in Japan over the last decade. The summit is a timely opportunity to hear directly from key officials, economists, bankers and regulators about how Japan is meeting its own economic and demographic challenges."

Presentations from the Japan Securities Summit can be found on ICMA's website at www.icmagroup.org

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Notes for editors

Japan Securities Dealers Association (JSDA)

The Japan Securities Dealers Association (JSDA) functions both as a self-regulatory organisation (SRO) under an independent board and as an industry organisation in the Japanese securities market. Today the JSDA comprises around 500 members consisting of securities firms and other financial institutions operating securities businesses in Japan.

Its self-regulatory functions cover rule-making, enforcement, inspection, disciplinary actions, accreditation of sales representatives, and dispute mediation. As an industry organisation serving as an interlocutor to enhance dialogue, JSDA relays the industry's voice to the government and other related parties, conducts and promotes investor education to expand the base of knowledgeable investors and generates policy recommendations for further activating the market and promoting the Japanese market's attractiveness and potential to global and domestic investors. For more information, visit <http://www.jsda.or.jp/en/>.

International Capital Market Association (ICMA)

The International Capital Market Association (ICMA) is a unique organisation and an influential voice for the global capital market. It represents a broad range of capital market interests including global



investment banks and smaller regional banks, as well as asset managers, exchanges, central banks, law firms and other professional advisers. ICMA's market conventions and standards have been the pillars of the international debt market for almost 50 years. For more information, visit www.icmagroup.org.

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