



Japan Securities Dealers Association

Annual Report 2025

Japan Securities Dealers Association

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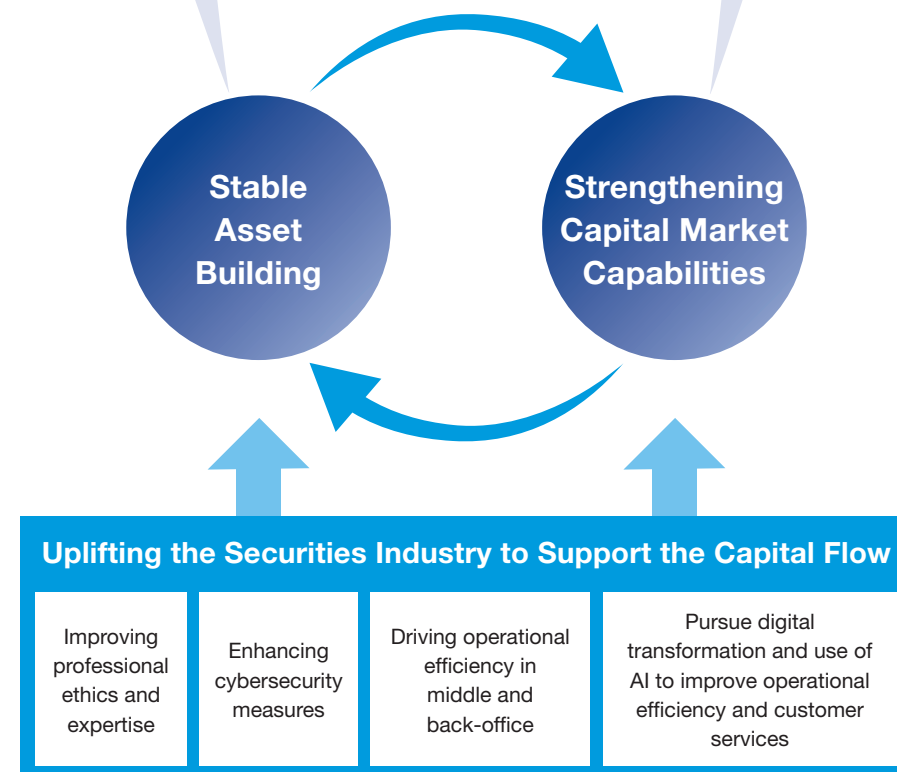
JSDA's Key Initiatives

The Shift from Savings to Investment and Beyond

Driving the growth of Japan's economy
by accelerating the shift and supplying risk capital

- Further develop and promote NISA and defined contribution pension system
- Work with J-FLEC to promote financial literacy and change investment behaviors
- Provide secure and reliable securities services (e.g., addressing unauthorized access/fraudulent transaction issues, and supporting elderly customers)

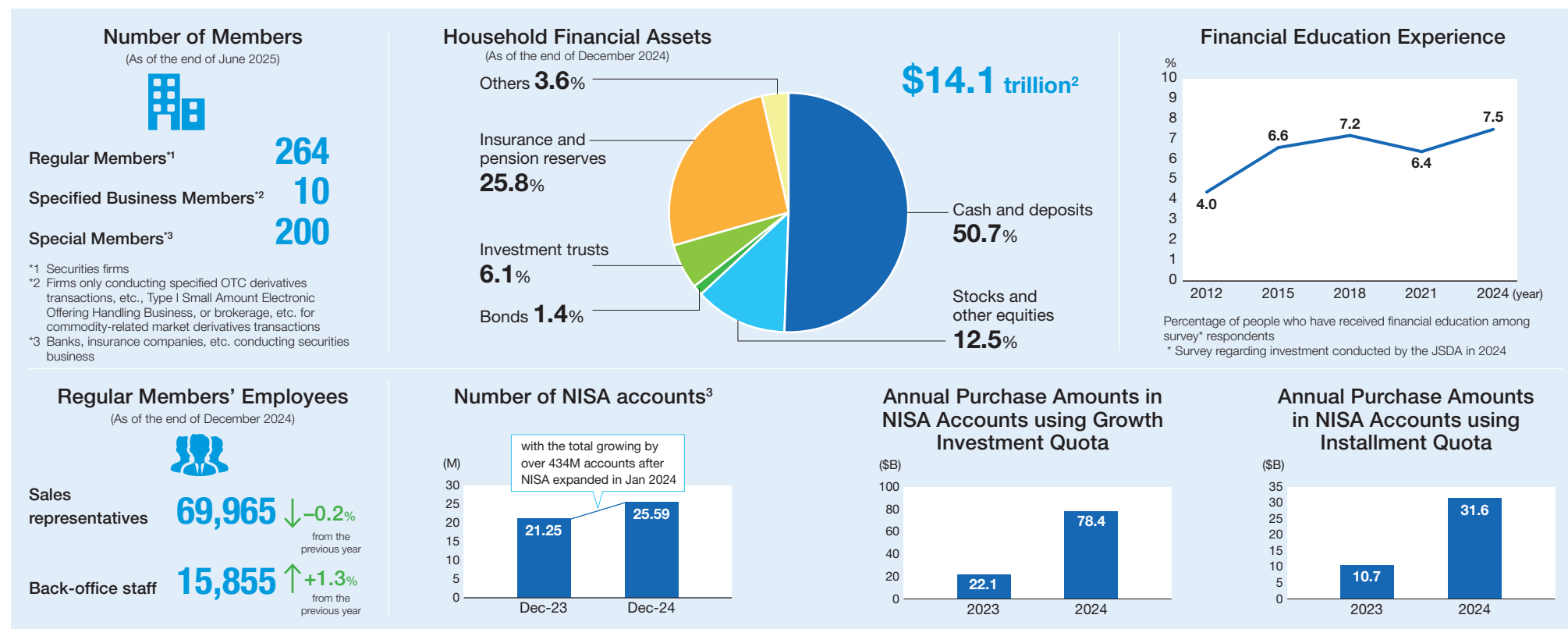
- Promote fundraising for startups (such as J-Ships and other means for investing in unlisted shares)
- Expand the corporate bond market
- Promote sustainable finance



Major Events & Achievements



Snapshot of the Market and Industry¹



Notes: 1. For more details and other data, see the JSDA's [statistics webpage](#) and [Factbook](#).
 2. Rate of US\$1=¥158.18 used for conversion.
 3. The number and annual purchase amount of NISA accounts only at securities firms were aggregated.
 Sources: Japan Securities Dealers Association, Bank of Japan, and Financial Services Agency

Message from the Chairman



Hibino Takashi

HIBINO Takashi
Chairman and CEO

The Japan Securities Dealers Association (JSDA) is the only Financial Instruments Firms Association in Japan under the Financial Instruments and Exchange Act.

The JSDA's mission is to protect investors and uphold the integrity of our capital markets as a leading association. We have advanced this mission in many ways since our establishment in 1973. I am deeply honored to step into the role of

chairman of the JSDA in July 2025, to contribute to a longstanding legacy to shape the future of the capital market, industry, and the Japanese economy.

Last year marked a historic milestone in our 50-year journey—from savings to investment, it was our most remarkable achievement yet. It stands as a testament to the JSDA's enduring commitment to household asset building and a vibrant capital market.

We seek to promote the growth of the Japanese economy by accelerating the shift from savings to investment.

To achieve this goal, it is essential to enhance the functionality of our capital markets and capital flow, and elevate the overall standards of the securities industry, which improve financial ecosystem. We are more committed than ever to carrying out this mission. Over the coming year, the JSDA will focus on the following initiatives.

Advancing asset building for the public

The initial effort centers on inclusive approaches to household asset building. Comprehensive reform of NISA was implemented in January 2024, expanding both tax exemption period and investment limits. The JSDA continues in our vital role in enhancing frameworks and outreach for easier access.

Also, defined contribution (DC) pension

system is moving forward with plans to expand both contribution limits and eligible period to make contribution. The JSDA will continue to advocate for further improvement of the system.

Another initiative is to improve financial literacy. We are working in collaboration with Japan Financial Literacy and Education Corporation (J-FLEC) for further integration.

Cybersecurity also remains our top priority. We will tackle urgent cybersecurity threats, including unauthorized access and fraudulent transactions as an industry coordination body.

Strengthening capital market capabilities

Another key focus is to strengthen the functionality of the capital market. We are engaging in developing the momentum of expanding investment that we have witnessed recently for further corporate fundraising.

To support startups in raising capital, we work on developing unlisted stock investment frameworks and promoting “the JSDA Shares and Investment Trust for Professionals (J-Ships).” We aim to facilitate fundraising opportunities for startups to drive growth, thereby contributing to both the national and local economy.

Next, to further vitalize the bond market, we will improve post trade

transparency in a fixed income market by expansion of the reporting and dissemination system for corporate bond trading information, scheduled to be implemented in November 2025. Future discussions are also underway to energize the market.

Japan is staying ahead by leading global efforts in sustainable finance. The JSDA continues its initiatives to promote sustainable finance, targeting both domestic and international market participants.

Raising the industry's overall standard

To accelerate these positive spirals above, the third point is to enhance industry standards as a leading association.

The JSDA offers greater capability-building opportunities that cover a variety of topics, including cybersecurity for our member firms. We fully support members in strengthening professional ethics and other expertise through capacity building.

In addition, the JSDA drives operational efficiency in middle and back-office and digital transformation to empower its members to contribute to the development of the capital market.

For the coming year, we dedicate ourselves to carrying out our missions.



Self-regulatory Initiatives

As a fully functioning self-regulatory organization, the JSDA oversees member firms through rulemaking, inspections, and enforcement, while also handling the registration of associated persons of member firms as sales representatives. Our mission is to uphold market integrity and protect investors with this well-established SRO model.

Throughout this business year we made appropriate updates regarding the rules and also conducted proactive and well-structured inspections of members to ensure regulatory standards to serve our mission.

As part of this work, we revised the self-regulatory rules to enhance PTS, promote greater capital access to startups, and expand and diversify the corporate bond market during the year.

To promote stable asset building throughout Japan, all financial institutions—including JSDA member firms—are expected to conduct customer-oriented business operation. The Financial Services Agency (FSA) has established the Principles for Customer-Oriented Business Conduct, and various initiatives have been implemented by financial service providers based on these principles. In September 2024, the principles were amended to include provisions related to the product governance, which focuses on the quality control of financial products

and services. Given this background, the JSDA, representing distributors, and the Japan Investment Trust Association, as a related organization of asset management firms, have taken decisive action in cross-industry initiatives to ensure investors can access financial products tailored to their needs. In April 2025, the JSDA issued guidance outlining a product governance framework and best practices for structured products and foreign investment trusts, aimed at enhancing effective communication between asset managers and broker-dealers regarding target markets for these products.

The JSDA has committed to further improving the industry's compliance framework through various initiatives, including active engagement with members, fostering better tools, and educational opportunities. Recently, we have observed a clear trend toward increasing complexity in member firms' business operations, with a diverse range of players, including Financial Instruments Intermediary Service Providers. They have taken the role of customer onboarding and offering investment services through the member firms that they belong to. The JSDA conducted a survey regarding how the member firms manage or supervise Financial Instruments Intermediary Service Providers in March 2025. Our aim was to gain insight into the members' practices and their challenges regarding managing

Financial Instruments Intermediary Service Providers. We aim to leverage this engagement to establish a stronger and more informed compliance program for our members. For example, the JSDA launched a new training program specifically for Financial Instruments Intermediary Service Providers in May 2025. Also, we have developed an inspection program of members regarding their management system for Financial Instruments Intermediary Service Providers.

Dialogue with member firms facilitates a deeper understanding of regulatory obligations and ensures their compliance,

while also enabling members to provide the JSDA with insights on the shifting business landscape and industry practices. For example, the JSDA operates a “Compliance Consultation Desk” for its members, which was established in September of the previous year, where its members can consult with the JSDA secretariat on compliance-related matters to support them in developing robust compliance systems. Having passed the one-year mark since the desk was set up, we reviewed the cases consulted and identified key takeaways. These key takeaways were incorporated into the development of our training initiatives.





Promoting Japan as a Leading Asset Management Center

2024 was a special year for the JSDA and the securities industry. Back in November 2022, the “Doubling Asset-based Income Plan” was launched, followed by the “Basic Policy for the Comprehensive Promotion of Measures to Support Stable Asset Building for the Public” in March 2024. The government-led measures proposed and implemented to support stable household asset building include enhancing asset building frameworks with tax benefits, ensuring customer-oriented business operation by financial institutions, and further improving financial literacy. The JSDA is vigorously engaging in these initiatives to promote Japan as a leading asset management center. Over the years, our long-standing commitments have borne fruit as the shift from savings to investment has gained momentum in Japan. We remain dedicated to this journey and will keep pushing ahead with our initiatives in collaboration with both the public and private sectors.

In Japan, more than half of household financial assets have traditionally been held in low-return cash and deposits. Given the recent shift from deflation to inflation, the need to promote asset building through investment has become more pressing than ever. Encouraging investment in potentially high-yielding assets could enhance household financial gains, promote corporate growth, and flow back into strengthening household assets—realizing a virtuous cycle of “growth and asset-based income.”

The JSDA has been working to expand asset building frameworks, such as Nippon Individual Saving Account (NISA) and defined contribution (DC) pension system.

Enhanced NISA was introduced in January 2024, expanding tax exempted investment scale and scope, thereby enabling more continuous and long-term asset building. The new NISA has become a standout option for people to use for asset building, which was originally launched in 2014. This brought remarkable progress in investment scale and scope, creating valuable opportunities for investors. Notably, the enhancement generated substantial media coverage, with numerous publications spotlighting it in articles and headlines, resulting in expansion of public awareness. The number of new NISA accounts opened increased from 21.2M in 2023, before the expansion of NISA, to 25.5M in 2024 (increased by 4.3M). The investment amount in both quotas, for long-term investment and for dollar-cost averaging investment, climbed sharply.

The JSDA integrates a data-driven approach into the strategic planning process. For example, in May 2025, the JSDA released the survey results and key findings on how the expanded NISA works as an asset building tool one year after the start of the new NISA. A comprehensive white paper on NISA’s trends and progress, including market trend and investors’ behaviors, was made public the following month.

The NISA is to be developed further in the near future. Part of the JSDA’s comments submitted last year, including the streamlining of procedures when changing financial institutions that the NISA account belongs to and adjusting the transaction size of ETFs’ unit/lot, were realized. These enhancements ensure smoother operations, reducing procedural burdens on financial institutions while

improving customer convenience and accessibility to financial products.

In addition to NISA, DC pension framework is also essential as a tool for asset building for a prosperous post-retirement life. The JSDA has engaged in enhancing both corporate-type defined contribution pension plan and individual-type defined contribution pension plan (iDeCo). In July 2024, the JSDA submitted the recommendations regarding expanding Corporate DC and iDeCo in collaboration with the Japan Investment Trust Association (JITA) and the Japanese Stock Exchanges Conference. The joint recommendations included increasing the contribution limits for Corporate DC and iDeCo and extending the eligible period to make contributions in iDeCo. These initiatives have been integrated into the tax reform outline for fiscal year 2025, and the JSDA welcomes this.

As well as enhancing these frameworks, we are implementing measures to ensure customer-oriented business operation by our member firms. The JSDA, in collaboration with the JITA, introduced a comprehensive product governance framework and best practices to achieve more effective collaboration between asset managers and

broker-dealers on the target market in April 2025, helping investors select financial products or services tailored to their own needs or lifestyles (refer to Page 6).

Financial literacy—empowering investors with knowledge, information and skills—is critically important for their financial decision-making. Japan Financial Literacy and Education Corporation (J-FLEC) was established in April 2024 to centralize initiatives at industry associations for more effective approaches. As this institution was established and is operated through collaboration between the government and industry, the JSDA has been providing full-scale assistance to J-FLEC in terms of manpower and funding. Moreover, the JSDA is coordinating efforts between its members and J-FLEC to strengthen collaboration and integration. In fact, financial education is gradually becoming more accessible and widespread. The survey results revealed that the proportion of the respondents who have experienced financial education went up from 4 percent in 2012, to 7.5 percent in 2024. This is a substantial increase and a highly positive sign. We hope that these initiatives will result in further improving financial literacy in the future.



J-FLEC

→ <https://www.j-flec.go.jp/wpimages/uploads/overview-of-the-J-FLEC.pdf>



iDeCo

→ <https://www.ideco-koushiki.jp/english/>



Leading Asset Management Center

→ <https://www.fsa.go.jp/en/policy/pjlamc/20231214.html>



White Paper on NISA's Trends and Progress (Available only in Japanese.)

→ https://www.jsda.or.jp/shiryosuitsu/toukei/shin-nisa-hakusyo/shin_nisa_hakusyo_2024.pdf



Strategies for Overcoming Obstacles in Our Community

The JSDA, as a trade association representing the Japanese securities industry, is engaging in various initiatives to further develop financial and capital markets. Also, we are dedicated to addressing common social issues. Much of our work is carried out in partnership with organizations that share this deep commitment. Our industry and social engagement initiatives in 2024 are outlined below.

With the pandemic accelerating digital transformation, we actively promoted digitalization of document distribution from the member firms to their clients, enhancing convenience for recipients. We believe that this initiative can further simplify information management and reduce environmental burden.

As a result of these initiatives, a new regulatory framework took effect in April 2025, enabling brokerage firms to deliver required documents to customers primarily through digital channels as the default options—such as websites and email—instead of traditional paper.

For example, in February 2025, the

JSDA proactively offered comprehensive guidance to support member firms in preparing for the digital transition. The guidelines highlight key investor notifications to facilitate a seamless shift. Furthermore, we utilized various media platforms to effectively raise awareness among investors about digital transformation. These coordinated efforts have laid a strong foundation for a smooth and inclusive transition to digital document delivery across the industry.

In Japan, while the population ages at a rapid pace, a substantial share of household financial assets remains in the hands of elderly citizens. The JSDA has focused on the protection of senior investors and the accomplishment of lifelong asset building in an aging society. Also, our strategic efforts in this area prioritize building a framework that supports the ongoing accessibility of financial services for senior citizens. We established a new framework in February 2025 called “Family Support Securities Account.” This system allows elderly clients—whose cognitive abilities may decline over time—to maintain control

over their financial assets in accordance with their clearly expressed intentions including trading strategy, even after they lose decision-making capacity. Under this framework, family members can sign a voluntary agency agreement with the senior clients, enabling them to act on the client’s behalf in managing the transactions.

As observed in the U.S., where companies such as GAFAM led the economy, startups can serve as a powerful driver of economic growth. However, the number of startups in Japan remains limited, compared to other countries such as the U.S., China, and India. The JSDA, in collaboration with stock exchanges and the government, has been engaged in a range of initiatives to provide growth capital to startups at every stage of development. By expanding fundraising opportunities and enhancing liquidity, these efforts aim to foster sustainable, long-term growth and maximize the social and economic impact of startups. “The JSDA Shares and Investment Trusts for Professionals (J-Ships)” was established to support unlisted companies, including mid- to late-stage startups, in 2022. Modeled after the U.S. Regulation D, this framework facilitates the issuance and distribution of unlisted shares and investment trusts through broker-dealers, exclusively for professional investors. The number of transactions under this

framework has been steadily increasing. To further promote its use, the JSDA will continue its outreach efforts and consider necessary enhancements to the system.

As part of the initiatives for startup support, the JSDA and Kyoto University are engaged in capability building for entrepreneurs under a Memorandum of Understanding. We offered a finance lecture in November 2024 to help startup incubation, especially for business leaders and researchers aspiring to commercialize and develop their projects.

Given the increasing cybersecurity threats, the JSDA has taken proactive steps to mitigate potential cyber incidents. This initiative includes not only sharing information on cybersecurity vulnerabilities provided by government or experts as well as cases of cyber incidents at member firms, but also facilitating the involvement of member firms in various government-led cybersecurity exercises, including Delta Wall. Additionally, to address the rising incidents of unauthorized access and fraudulent transactions affecting online securities accounts, a notice was published on the JSDA website in March and April 2025 to enhance investor awareness. At the same time, the JSDA encouraged member firms to enforce robust security measures introducing multi-factor authentication mandatory for online trading, persuade customers to adopt more secured practices, and keep



8th Annual ICMA & JSDA Sustainable Bond Conference [English audio]

→ <https://www.icmagroup.org/media-and-market-data/icma-webinars-and-podcasts/enabling-sustainable-society-economy-wide-transition-through-sustainable-bonds-8th-annual-icma-and-jsda-sustainable-bond-conference-english-audio/>



Capability Building

a close watch for fraudulent activities. Also, the JSDA published a list of member firms that have decided to introduce multi-factor authentication (MFA) to access customers' online brokerage accounts. Through discussions coordinated by the JSDA, ten major securities firms, including online securities firms, reached a joint agreement to provide a certain level of compensation for the damages, taking into account the circumstances of each individual case, regardless of the specific contractual provisions of each company. Moving forward, we are now working to update the "Guidelines for Preventing Unauthorized Access in Online Trading."

Besides, the JSDA works together with related parties to take steps toward advancement of sustainable finance as well as the broader sustainability of both the securities industry and society. The JSDA and the International Capital Market Association (ICMA) organized the "ICMA & JSDA Annual Sustainable Bond Conference 2024" for market participants in November 2024, which focused on enabling sustainable society/economy-wide transition through sustainable bonds. Additionally, both organizations contributed to capability building for issuers through offering an executive training course on

business practice for sustainable bond issuance in November 2024.

Another initiative was to organize a symposium in collaboration with Hokkaido University in March 2025. At this event, experts in green transformation actively discussed how finance and industry-academia partnership can contribute to the transformation.

At the same time, the JSDA has been devoted to tackling other social challenges. The JSDA contributed funds raised through the "Shareholders Incentives Endowment Fund for the SDGs" to the World Food Programme and the Green Donation, operated by the National Land Afforestation Promotion Organization. Moreover, we have placed importance on helping children in need. A platform was facilitated and ran by the JSDA connecting brokerage firms with NGOs focused on supporting children. 2,317 support cases were successfully facilitated in this fiscal year. Furthermore, under a MoU, the JSDA and the Japan Bankers Association jointly collected supplies, including food and home essentials, from member firms of both organizations and donated them to underprivileged children in December 2024. We remain committed to providing a helping hand to those in need.

The JSDA's leadership includes offering capacity building opportunities that cover a wide range of topics. This initiative empowers member firms to raise performance, develop professional skills, and stay ahead of the curve to shape future in this industry.

Our focus is on cultivating capabilities that align with future business needs.

The JSDA offers training programs to address real-world compliance challenges faced by member firms. The training contents have been developed by incorporating recent compliance issues as well as real cases that were consulted about with the "Compliance Consultation Desk," which was established within the JSDA in September 2023. The training also covers various topics such as cybersecurity, insider trading prevention measures, and sustainable finance. Beyond these expanded trading contents, since January 2025, we have completely shifted qualification renewal training to an online format. Through the shift, the JSDA supports member firms and their employees in efficiently fulfilling their compliance obligations. These initiatives are designed to strengthen and uphold industry standards and practices.

We offer not only training opportunities about compliance and financial business practice, but also interpersonal skills, such as communication with Generation Z and

senior citizens. For sales representatives in particular, enhancing communication capability with diverse customer segments, especially when serving elderly customers, is essential.

Also, the JSDA supports human resource development by organizing in-person training and networking events tailored to different career stages, facilitating information exchange among member firm employees. In addition, empowering women in the securities industry is another key focus. In these programs, we offer networking opportunities for female employees to share their own experiences.

We believe our efforts to strengthen industry competencies are making a meaningful contribution to the industry's future growth and innovation.





Global and Regional Capital Market Engagement

The JSDA has been actively addressing common cross-border challenges in collaboration with international partners to contribute to global and regional communities. Also, the JSDA has been strongly committed to promoting the Japanese market to overseas market participants and investors, striving to further enhance international presence.

The JSDA is committed to strong collaboration with international regulatory and industry communities, including the International Organization of Securities Commissions (IOSCO), the International Council of Securities Associations (ICSA), and the Asia Securities Forum (ASF).

As a self-regulatory organization (SRO), we are a member of the Affiliate Members Consultative Committee (AMCC) of the IOSCO. Our participation in this forum keeps us updated regarding international regulatory developments and enhances our networks for information sharing and cooperation among our peers to help adapt our regulatory tools and practices in line with the global landscape. During the business year, we participated in the AMCC Mid-Year Meeting held in Toronto in October 2024, and the IOSCO Annual General Meeting (AGM) held in Doha in May 2025.

The JSDA also carefully reviews publications from and ongoing discussions at the IOSCO and other international forums regarding topics with specific relevance to brokerage firms' business

and regulation in Japan and submits opinions on a wide range of international topics that could potentially influence the Japanese securities industry. For example, in February 2025, the JSDA submitted comments received from our member firms about the IOSCO's consultation reports on "Revised Recommendations for Liquidity Risk Management for Collective Investment Schemes" and "Pre-hedging," contributing to the development of effective regulatory frameworks.

We are also working to build strong bilateral ties with overseas partners. In April 2025, the JSDA signed a MoU with the Brazilian Financial and Capital Markets Association (ANBIMA) to strengthen collaboration and partnership, including in the fields of market regulation and supervisory practices.

Another community, the ICSA, serves as a communication platform among securities associations all over the world. The ICSA organized virtual meetings to share information about the changing situations and industry practices in each country. Briefings in 2024 addressed topics such as Clearing, AI, and Crypto. During the period, the JSDA delivered presentations on how the voluntary carbon credit market works in Japan and online fraud using social media. We also participated in the Mid-Year Meeting in Tokyo and the AGM in Cambridge, UK.

2024 has been a special year for the JSDA. We hosted the ASF AGM under the theme "Road to Sustainable Asia" in Tokyo. It was the first time in seven

years that the AGM was held in Japan. The ASF was originally established in 1995 to expand and strengthen regional cooperation in the Asia-Oceania region for market development and economic growth. The AGM held in October brought together more than 50 participants from 20 ASF member organizations and about 140 market participants and related parties. We gained valuable insights into key topics of interest for market participants through expert discussions regarding market regulation, financial literacy, stock market, and transition finance.

For mutual understanding in this regional community, the JSDA also offers the ASF Tokyo Round Table as a capacity building opportunity on an annual basis, which is exclusively tailored to the ASF member organizations such as self-regulatory organizations, industry associations, and stock exchanges. We are committed to playing an active role in fostering collaboration and addressing common challenges across the region.

We were pleased to participate in the AGM of the Asia Securities Industry and

Financial Markets Association (ASIFMA) in February 2025 to further our collaboration with colleagues in Asia. In this AGM the JSDA contributed to a panel discussion on initiatives in Japan aimed at advancing asset management and wealth building.

The JSDA also organizes a global promotion event, the "Japan Securities Summit," annually in collaboration with both public and private sectors. This event aims to highlight the appeal of the Japanese market and encourage greater investor engagement, which fosters both domestic and international partnerships. In March 2025, the Japan Securities Summit took place in New York City, through collaborative efforts between the Japan Exchange Group and the U.S.-based Securities Industry and Financial Markets Association (SIFMA). This event brought together leading voices from public policy and the financial market to explore the issues and opportunities that matter most for the Japanese economy and securities markets.

Discover how we work in the international community below.



International Organization of Securities Commissions (IOSCO)
→ <https://www.iosco.org/>



International Council of Securities Associations (ICSA)
→ <https://icsa.global/>



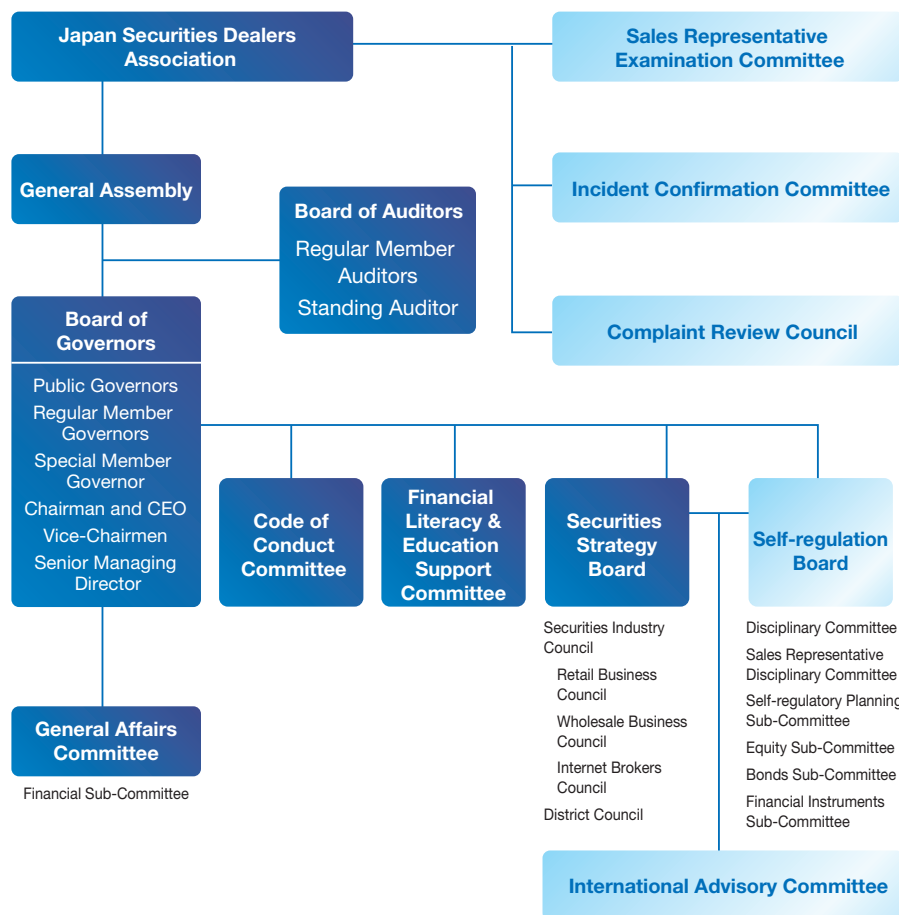
Asia Securities Forum (ASF)
→ <https://www.asiasecuritiesforum.org/>



14th Japan Securities Summit (March 3, 2025, New York City)
→ <https://www.youtube.com/watch?v=XUrRHUd2nbl>

Organization Chart

The Japan Securities Dealers Association (JSDA) is the only Financial Instruments Firms Association in Japan under the Financial Instruments and Exchange Act. The JSDA serves its mission as both self-regulatory organization and industry association with the active involvement of boards and committees.



As of July, 2025

JSDA Websites



▶ **JSDA (English Website)**
<https://www.jsda.or.jp/en/>



▶ **Linked in**
<https://www.linkedin.com/company/jsda>



▶ **X (Twitter)**
<https://x.com/JSDAofficial>



▶ **Facebook**
<https://www.facebook.com/JSDA.PR>



▶ **YouTube**
<https://www.youtube.com/@JSDAmovie>



▶ **Materials Related to Securities Business in Japan**
<https://www.jsda.or.jp/en/securities-market-in-japan/materials-in-japan/>



▶ **Support Desk for Joining JSDA**
<https://www.jsda.or.jp/en/about/how-to-join/>
 Email: jsdaentry@wan.jsda.or.jp



▶ **Request for Disclosure of the Qualification of the Sale Representatives**
<https://www.jsda.or.jp/en/personal-information/html/qualification-check.html>



▶ **Back Numbers of JSDA Annual Report**
<https://www.jsda.or.jp/en/about/annual-report/>



▶ **Factbook**
<https://www.jsda.or.jp/en/statistics/factbook/index.html>



▶ **Statistics**
<https://www.jsda.or.jp/en/statistics/index.html>



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Toushi-kun

Meet our adorable baby cow mascot, the face of Japan's securities industry! His name comes from the Japanese words "Toushi" (investment) and "Ushi" (cow/bull). He was born on October 4th, which is Securities Investment Day in Japan. To bring investing closer to people, this character appears at various events.
