Tentative Translation

Report of the Council for Tokyo Global Financial Center Promotional Activities

September 9, 2015

Council for Tokyo Global Financial Center Promotional Activities

* This translation is prepared solely for information purposes. The Japanese version should be referred to for the accurate content of this report.

Table of contents

1. Introduction

Establishing the Tokyo market's position as an international financial center will naturally enhance the development of Japan's financial and capital markets, and could be a crucial strategy to maintain and promote sustained growth in Japan's economy over the medium to long term.

Based on this understanding, the Japan Securities Dealers Association (JSDA), Japan Exchange Group, Inc. (JPX), The Investment Trusts Association, Japan (JITA), and Japan Investment Advisers Association (JIAA) formed the Council for Tokyo Global Financial Center Promotional Activities (hereinafter, "the council") in September 2014. Our mission is to review and define Japan's strengths and its roles as a global financial center—as well as related issues in our capacity as the securities and asset management industries—and promote and support efforts to achieve the goal stated above.

The council met a total of five times between October 2014 and August 2015 to discuss tasks and initiatives related to confirming the Tokyo market's status as an international financial center.

The following summarizes the results of the council's discussions.

2. Tokyo's Significance as a Global Financial Center and the Type of International Financial Center It Should Aspire to Be

2-1 Tokyo's significance as a global financial center

Japan's economy is showing continuing signs of recovery and that it is shaking free of the long-running deflation that followed the collapse of the "bubble" economy. While faced with structural issues that include the falling birth rate and aging population, striving for growth integrated with that of other countries is indispensable if Japan's economy is to achieve sustained growth. We need to attract human resources, goods, funds and information from overseas, especially from booming Asia, to the Japanese markets. Based on wide-ranging discussions and suggestions to date, there is also a shared recognition of how significant it is to establish Tokyo’s position as a global financial center.

Moreover, the securities and asset management industries themselves possess great potential as growth industries. In fact, their presence provides a foundation for the economic growth of the whole country. With expectations that these two industries will be leaders in propelling Japan’s economic growth alongside the manufacturing industries that have sustained Japan’s economic growth so far, there is a powerful need for Tokyo to function as an international financial center.

2-2 The type of international financial center Tokyo should aspire to be

The goal of making Tokyo’s market into Asia’s leader—number one in the financial and capital markets—has been outlined by various parties up to now. Considering the deep relationship Japan’s economy has with those of the other nations in Asia, aspiring first of all to the position of Asia’s top international financial center is logical. To achieve that, we must establish Tokyo as the preferred market in Asia for overseas investors as for fund management, for overseas issuers as the location for procuring funds, and for overseas financial institutions and asset management companies as the place to do business.

Tokyo’s market differs from Hong Kong, Singapore and other Asian global finance centers that focus on trading among nonresidents. It boasts a corps of domestic companies whose scale is unique in Asia, and an underpinning of over 1,700 trillion yen in individual financial assets, endowing it with strength in the depth of its domestic trading. Making optimal use of this advantage to boost the Tokyo market’s attractiveness would be an effective method for turning it into a global financial center. Specifically, offering diverse, appealing products in the respective stock, bond and derivatives markets will expedite market participation by domestic investors who possess abundant financial assets and increase the markets’ depth. That will conceivably help form markets that attract overseas investors.

Additionally, the role the asset management industry must fulfill is significant with regard to promoting investments by individual investors who possess abundant financial assets and participation in Tokyo’s markets by nonresident investors, financial institutions and asset management firms. Some believe that Japan’s asset management industry lags those of other countries relative to the economy’s size. Positioning the asset management industry as a Japanese growth industry and developing it can be considered key to establishing Tokyo’s position as a global financial center.

To achieve that requires both a business environment that enables overseas financial institutions and asset management firms to participate in Tokyo’s markets and for top domestic and overseas players to compete with each other.

Based on the preceding basic perceptions, the council reviewed Japan’s strengths and its roles as a global finance center as well as related issues, and studied methods and processes to achieve various measures, by employing its finance and securities expertise of the securities and asset management industries.

3. The Tokyo Market—Current Situation and Issues

3-1 The status of Tokyo’s financial and capital markets

To improve Tokyo’s position as an international financial center, markets here must be appealing enough that domestic and overseas investors and asset managers select them as places for investing and managing assets. To that end, it is effective to analyze the markets from the perspective of product diversity and liquidity, which are especially important elements of market attractiveness.

3-1-1 Stock, ETF and ETN markets

[Stock market]

Viewed by size, Tokyo’s stock market boasted appropriate magnitude — ranked third worldwide and first in Asia in total market capitalization at listed firms—as of the end of 2014, and fifth globally and third in Asia in trading value. Seen in terms of average daily trading volume, turnover and floating stock ratios, as well as other data, its stock market liquidity greatly exceeds that of Hong Kong or Singapore, and that high liquidity can be perceived as a market advantage. Additionally, shares held by nonresident investors amount to just under 60 percent of trading value, and foreign investors' extremely high presence is a distinctive feature.

On the other hand, concerns that the Tokyo market's relative position and weight in the world will decline as China and the various ASEAN countries grow their economies cannot be denied.

In view of the current situation as described above, the council debated measures to promote market participation by investors, including overseas investors.

(1) Publicize Japan's efforts related to corporate governance reforms overseas

Japan's Stewardship Code was drawn up in February 2014. By the end of May 2015, 191 institutional investors had declared they would adopt it.

Corporate governance reforms are also under way at Japanese companies, and moves to achieve sustained growth and boost enterprise value over the medium to long term are accelerating. Corporate Governance Code (final proposal) was drawn up in March 2015, and on June 1 amended rules came into force at the Tokyo Stock Exchange, Inc. The amendments included the request that companies comply with the code or explain why they would not. This has ensured the code's effectiveness, with expectations that the ratings of Japanese companies will rise.

Some members of the council also believe that these actions should be actively publicized in English to advertise the attractiveness of Tokyo's markets overseas and promote nonresident investors' market participation.

(2) Promote disposal of cross-shareholdings

Under Corporate Governance Code mentioned above, much attention was focused on corporate governance at listed companies and the appropriate handling of cross-shareholdings to improve enterprise value. For example, the code calls for decisions and disclosures regarding cross-shareholding policies, as well as standards for appropriate and sound execution of their voting rights. Some were of the opinion that financial institutions' recent moves to dispose of their cross-shareholdings would suppress procyclicality (effects augmented during economic cycles) when share prices fell, which would help stabilize Japan's financial system. Others saw great significance and a powerful message in financial institutions moving to dispose of those cross-shareholdings.

Additionally, some thought the new code might boost investor market participation if corporations tried to give back to shareholders by undertaking buybacks of their own shares, considering the potential disposal of cross shareholdings.

[ETF and ETN markets]

The number of listings in the markets for exchange traded funds and notes had climbed to 190 at the end of 2014, and asset classes and liquidity also rose. Trading value during 2014 was third worldwide, and number one in Asia.

However, at around five percent ETFs and ETNs account for a relatively low share of total trading value of cash equity markets compared to other countries, and conditions are such that only a limited number of listings are actively traded. With that situation in mind, some believe that in addition to increasing the number of products there was a parallel need to boost liquidity to definitively turn Japan's ETF/ETN market into a core market in Asia.

On this point, some see the need for product diversification, such as enhancing ETF product lineups with commodity ETFs. From the standpoint of the depth of investor segments, some also felt the need to promote acceptance of ETFs and ETNs among individual investors.

3-1-2 Bond markets

Looking at the government bond market, Japan was second in size to the U.S. It had an outstanding balance of government bond issues as of the end of 2014, recording a high level of around 177 percent of nominal GDP. In a breakdown of government bondholders, domestic investors account for around 95 percent. This percentage differs greatly from the composition in other countries. For example, overseas investors in the U.S. account for around 46 percent.

In corporate bonds, Japan had an outstanding balance of around 60 trillion yen in corporate bond issues, or around 12 percent of nominal GDP. Companies were procuring few funds from corporate bonds. By rated corporate issuers' shares, around 88 percent were grade A or above, and corporate bonds from companies with relatively high credibility accounted for the majority. Regarding corporate bondholders, domestic banks held around 47 percent of bonds. Compared to the developed American corporate bond market, there was a low share of ownership by nonresident investors and investment trusts. Furthermore, both turnover and the turnover ratio in secondary markets have been on a downward slide in recent years, and conditions are such that liquidity is low compared to the U.S.

In view of the current situation as described above, the council discussed stable issuance and consumption of government bonds, diversification of corporate fund procurement, and measures designed to provide a variety of products for investors.

(1) Review trading practices related to Japanese government bonds

In terms of the government bond market, it is essential to review traditional trading customs and buttress the market so that it is open and accessible to all investors. Some believe that implementing the following actions, meant to globalize Japanese government bonds, might motivate overseas investors to purchase these bonds:

(A) Promote super-long-term government bond futures trading

(B) Shift from simple to compound yields on Japanese government bond bid and asked prices

(C) Abolish the lunch break for government bond futures trading

(2) Vitalize the corporate bond market

Some stated that implementing the following measures—as part of efforts to spark the corporate bond market—would promote diverse issuers to issue bonds and encourage more nonresident investors to participate in the corporate bond market:

(A) Improve the convenience of funds procurement with corporate bonds (thereby resolving the problem that they lag bank loans as a means of procuring funds)

(B) Incorporate yen-denominated bonds in indexes that are benchmarks for foreign bond dealing

(C) Promote issuers' acquisition of foreign bond ratings

(D) Review measures to improve liquidity by using short selling

(3) Make policies on investment management more flexible

It has been noted that the uniform policies on investment management that asset owners observe—and which copy those for the Government Pension Investment Fund (GPIF)—restrict the investment activities of asset managers. Particularly in terms of corporate bonds, investments by asset managers are limited to highly rated bonds. Some say that implementing the following might encourage more flexible investment management policies and promote investments in corporate bonds from diverse issuers:

(A) Discussions with asset owners to promote more flexible policies on investment management

(B) More flexibility in GPIF policies

3-1-3 Derivatives market

JPX's 2014 trading volume was fifteenth worldwide in the listed derivatives market—admittedly a relatively small market compared to the stock market's total size. Additionally, around 70 percent of the investors are nonresidents; participation by domestic investors is extremely low. Moreover, almost all the products traded are equity indexes, and there is a heavy bias compared to the higher ranked exchanges where derivatives are traded.

In view of that, the council discussed how to add variety to the products that are overemphasized in derivatives market trading and at the same time take measures to promote market participation by domestic investor segments.

(1) Provide a variety of derivatives products

Some believe that dividing jurisdiction for exchanges between the Ministry of Economy, Trade and Industry (METI) for commodities and the Financial Services Agency (FSA) for financial products hinders the derivatives market's development. On this point, we strongly hope to see an integrated exchange where diverse financial products are provided in one location in the near future.

Meanwhile, under the current circumstances in which the creation of such an integrated exchange is still to come, it is best to move forward with what can realistically be achieved. For example, we envision an integrated exchange as something along the lines of Japan's current stock exchange mergers, but some say that adding new products at the current stock exchange could stand as an integrated exchange.

There are also concerns that even if new derivatives products are listed, trading will lag in a fashion similar to transactions involving super-long-term Japanese government bond (JGB) futures. Related to this is a Japanese cultural issue involving an inability to accept new things, and some believe that the industry as a whole is not working hard enough to develop new products.

(2) Increase flexibility in policies on investment management

Japanese institutional investors tend to have a "long-term view" management style. It would be preferable to disperse assets and improve their management performance through the diversification of asset management techniques, including alternative investments. Some say, for example, that employing derivatives with regard to portfolio risk hedging might add liquidity to the derivatives market.

Some were of the opinion that the uniform management policies asset owners observe—which copy those for the GPIF—restrict the investment activities of asset managers. On this point, some said that holding discussions with asset owners might encourage flexibility in their investment management policies institutional investors follow (refer to 3-1-2 (3)), which could stimulate markets, including the derivatives market.

(3) Encourage individual investors to participate in the exchange-traded derivatives market

Some products among exchange-traded derivatives have standardized structures and trading, and can be invested in for comparatively small sums. If products are used with an appropriate understanding of their characteristics and risks, they can be considered valid asset management product choices for individual and other end investors.

Some noted that carrying out the following efforts, for example, might encourage more individual investors to participate in the exchange-traded derivatives market:

(A) Carrying out finance-related training pertaining to derivatives products

(B) Expanding the scope of profit-and-loss aggregation for financial products to derivatives trading

Some also believe that the investment activities of business executives —particularly at institutional investors and financial institutions — were overly restricted by in-house corporate rules.

3-1-4 Other

(1) Diversify primary markets

Fewer varieties of both debt and equities are issued in Tokyo markets compared to Europe and the U.S., and some on the council say they might not be fully manifesting their function of supplying companies, including venture firms, with funds for growth, which is the role of capital markets.

Additionally, some taking a long-term perspective feel that the public and private sectors should collectively consider policies for diversifying and stimulating primary markets to help turn the Tokyo market into a global financial center.

(2) Develop markets for professionals

Tokyo AIM was founded in 2009 as a stock trading venue for professionals. Since then, mainly small and medium-sized enterprises have listed ten issues as of the end of 2014. The Tokyo PRO-BOND market was set up in 2011 as a market for professionals. Since then, eleven companies' programs have been listed. These markets have remained small in size.

Some say that underwriters need to actively scout out overseas companies, market participation by domestic and nonresident investors must be encouraged, and institutional investors need to gain more market awareness. In addition, an environment conducive to investing must be promoted as part of efforts to develop and utilize professional markets with abundantly international market characteristics.

(3) Competition among markets

Regarding proprietary trading system (PTS) trading, the obligation to trade through exchanges was abolished in 1998, and alternative trade executors have steadily been developed for share trading as well. PTS trading volume accounted for a share of around seven percent of the whole at one point, but is currently falling.

Some say that stimulating PTSs was important when considering that diverse forms of competition would yield innovations in domestic markets. Additionally, some also feel that exchanges were exposed to international competition and were making far-reaching efforts driven by a sense of crisis, and that how to keep up with overseas markets was providing a key perspective.

(4) Strengthen settlement infrastructure

It was suggested that Japan’s systems and infrastructure were set up for national markets, and that specifications for settlement infrastructure in particular were not international in scope. Some say that under current conditions domestic institutions that could provide settlement functions for bonds from other countries did not exist, and that there might be a need to consider mechanisms to enable this.

Some felt, moreover, that there was a need to strengthen settlement infrastructure capabilities as part of moves to improve market liquidity and turn Tokyo into a market both domestic and overseas investors would choose.

(5) Promote funds procurement by foreign companies

Many foreign companies listed on the Tokyo market have delisted. Listed overseas firms are now extremely few in number compared to leading markets in other countries. From the perspective of winning over Asian companies that are growing conspicuously, attracting foreign companies to the Tokyo market and encouraging them to procure funds will be crucial. There is a strong need to determine how to boost the appeal of Tokyo’s market.

On this point, Hong Kong and Singapore, for example, have had success attracting overseas companies in sectors that are their particular forte. It was suggested that the Tokyo market use a similar focus on sectors in which it excels—including pharmaceuticals, car parts, and games—to attract foreign corporations.

3-2 Asset management industry situation

Efforts to leverage Japan's strengths through its abundant financial assets and stimulate capital markets include a need to develop and offer more appealing financial products and services. The asset management industry is expected to have an especially large role in this. Some say that Japan's asset management industry lags its counterparts in other countries in this respect when the size of Japan's economy is considered, and needs to be strengthened. If an environment can be created for Tokyo's asset management industry that draws domestic and foreign-affiliated asset management firms and personnel, it will strengthen the industry and attract human resources, goods, funds and information to the Tokyo market. It will also contribute greatly to making Tokyo an international financial center that is integrated with the rest of the world in striving for growth.

The council held discussions about the status of the asset management industry, outlining and reviewing essential tasks.

3-2-1 Current situation

Since the financial crisis, asset management firms have tended to relocate their Japanese share-trading desks from Tokyo to Hong Kong or Singapore. We have also seen some firms relocate their Japanese stock and other asset management units to the same locations. For example, Japan trailed Hong Kong (36 percent), Singapore (22 percent) and Australia (18 percent) at 9 percent as a location for hedge fund managers in the Asia-Pacific region as of September 2013. Clearly talented personnel who manage Japanese and Asian shares are exiting Japan for other countries. Asian shares are managed as an integrated entity in Hong Kong and Singapore. In foreign-affiliated financial institutions as well, operations involving Japan are handled from an international standpoint, not from a local market perspective, with trading operations, for example, looking at the overall Asia-Pacific area.

There were thirty-nine foreign-affiliated investment trust management firms based in Japan as of May 2015, accounting for around 40 percent of all investment trust management firms in Japan. Most of these companies carry out their Japanese share management operations in Japan, while Asian share management is handled in Hong Kong or Singapore. Some among these even handle Japanese share management operations in Hong Kong or Singapore rather than in Japan, however. For those types of companies the Japan office is positioned as a sales office rather than for asset management. Moreover, even some Japanese investment trust management firms handle decisions about Asian share investments and management in Hong Kong or Singapore instead of Japan. They have already devised mechanisms for handling decisions about Asian share investments and management, as well as trading, in Hong Kong or Singapore. Attracting them to Tokyo would therefore require considerable effort.

Additionally, among Japanese investment trusts a comparatively high percentage of the types of products is invested in foreign assets. In many cases their management is consigned to foreign-affiliated asset management firms, so Japanese customers are ultimately purchasing products managed by overseas subadvisors.

Language barriers, tax and regulatory system issues, and the inflexibility of systems for rating human resources engaged in asset management in Japan can be cited as underlying causes for the exodus of management offices and fund managers to other countries.

3-2-2 Issues

Singapore has clearly designated the asset management industry a strategic industry and is successfully attracting foreign-affiliated asset management firms and managers. Luxembourg has become a fund power in Europe by making use of a European passport in connection with the “undertakings for collective investment in transferable securities” (UCITS) and adopting practical regulations in line with the collective national will, establishing and maintaining its position as a world center for asset management and related administrative affairs centers.

With the current situation of Japan’s asset management industry in mind, the council used these examples for reference while discussing policies to make Tokyo a base for managing all kinds of Asian shares—including Japanese shares—as part of efforts to bolster the global competitiveness of Japan’s asset management industry. The proposal also contains new policies to curb the exodus of fund managers from Tokyo and attract them, as well as policies to enhance the management skills of Japan’s asset management firms, as follows:

(1) Become a fund center by employing “fund passport” schemes

Using the EU’s UCITS precedent as a reference point, some believe that encouraging the formation of funds that could be sold overseas would promote Tokyo as a global fund center, taking into consideration recent development related to Asian region fund passports.

(2) Use national strategic special zones

There is a need to improve the flow of human resources, provide urban infrastructure, form interpersonal networks and promote operations in English as part of efforts to develop the asset management industry as a growth industry. Some of the council believe that national strategic special zones could help to achieve these goals.

(3) Set up advanced financial training programs

Some felt that universities and graduate schools should provide fund manager-oriented education and training to develop human resources to handle future asset management at an early stage.

In China and Singapore, universities have entered into agreements with American and European business schools, offering joint programs. Some felt that Japan should employ similar agreements with overseas institutions to provide advanced global financial training programs.

(4) Examine performance at Japanese asset management firms

Some believe that carrying out empirical research into past performance should be part of efforts to enhance skills at Japanese asset management firms.

(5) Establish Japanese versions of "Emerging Managers Programs"

Some feel that American "Emerging Managers Programs"* should serve as reference in developing new asset management companies just as they are starting up and discovering new asset management firm ventures. For example, public pension funds may take the lead and give priority to consigning some public funds management to asset management firms and emerging management firms that have management teams in Japan.

* Emerging Managers Programs: These are programs implemented by American public pension funds and foundations to support startup asset management firms having few total assets by giving them priority in funds consignments. (The requisites for the relevant asset management startups differ according to the respective asset owners.)

(6) Put funds management into practice

Actually having management personnel manage funds is the best method of training them, some believe, and that creating an environment in Japan for personnel who have produced results at asset management firms would encourage them to start their own asset management companies. Some feel it would be a good idea to hold written asset management contests, providing excellent performers with funding to create funds.

(7) Diversify financial products for asset management

Some believe we should encourage the issuance of various ETFs, real estate investment trusts (REITs), and high-yield bonds to increase what asset management firms could manage.

(8) Reform the systems for rating and remunerating asset management

Some suggest working to change the perceptions of asset owners so that they would evaluate the performance of asset management firms over the medium to long term rather than the short term.

Furthermore, some believe that schemes should be devised to provide merit-based remuneration as a way to develop the asset management capabilities of specialists who handle alternative, credit and emerging market asset management, and bring about asset management remuneration systems that correspond to the type of management and performance. One example would be that public pension funds provide appropriate remuneration for high-value-added, active asset management.

(9) Popularize and gain acceptance for Japan’s Stewardship Code, and improve corporate governance at asset management firms

As of the end of May 2015, 191 institutional investors had declared that they would adopt Japan’s Stewardship Code drawn up in February 2014. Some suggest there is a need to further familiarize people with the code, gain greater acceptance for it, and devise a monitoring system.

Furthermore, the FSA indicated in its Financial Monitoring Policy (its inspection and supervisory policy) that putting fiduciary duties into practice would be a priority policy in response to increasingly sophisticated asset management. Some feel there is also a need to reinforce in-house corporate governance at asset management firms by implementing Corporate Governance Code.

(10) Expand retail product offerings

Some see a need for asset management firms to grow by expanding their retail product offerings, putting fiduciary duties into practice for asset formation by individual investors over the medium to long term, and offering appropriate products suited for each stage of life.

Some suggest that while striving to improve the financial literacy of individual investors through securities trading, there was a need for systems to promote medium- to long-term asset formation, and that working on the aspects below would be effective:

(A) Make Nippon Individual Savings Accounts (NISAs) and Junior NISAs permanent, and expand and simplify them

(B) Abolish the special corporate tax on defined contributions (DCs)

(C) Raise the maximum level of DC amounts

(D) Promote individual DCs (expand the range of financial institutions that handle them)

(E) Expand default product options for DCs, and consider automatic enrollment programs for corporate DC plans

(F) Diversify the products offered in the DC market

(G) Provide an environment that encourages intergenerational transfers of financial assets (review the appraised value system of listed shares for inheritance tax purposes, etc.)

3-3 Business, systems, and living environment situation

Tokyo’s ratings have continually lagged Hong Kong and Singapore since Z/Yen Group Limited first published its Global Financial Centers Index in 2007. The group’s reports have ranked Hong Kong and Singapore with New York and London as the world’s four great financial centers. Tokyo follows thes in fifth place worldwide in the March 2015 index, but Seoul has nearly caught up to the same level in Asia.

Furthermore, although Japan was ranked higher than Hong Kong in the World Economic Forum’s overall global competitiveness indices due to “Abenomics,” Japan trailed Hong Kong and Singapore significantly in financial market development (access to financing and so on), market efficiency, and systems. Additionally, although Japan is currently ranked higher than Shanghai, sufficient attention must be paid to trends in Shanghai in view of the dynamic program to link the Shanghai and Hong Kong exchanges and the establishment of Shanghai’s pilot free trade zone.

In view of the above, the council discussed the current business, systems and living environment situation as described below, outlining and reviewing tasks ahead.

3-3-1 Current situation

The council notes that Japan has fallen behind Hong Kong and Singapore in business, systems and living environment.

In terms of business, Hong Kong and Singapore provide a business environment in which English is the common business language, and it is easy to obtain information in English there. Additionally, the environment eases the flow of information about Asia via China and Southeast Asian networks.

In terms of systems, Hong Kong and Singapore have low corporate and income taxes compared to the rest of the world. Singapore offers multifaceted tax incentives to attract targeted industries needed for the country's advancement, including financial services.

In terms of the living environment, Hong Kong and Singapore have infrastructures that make them comfortable places for foreigners to live, including expatriates posted from headquarters in other countries. Specifics include international schools, the admission of maids and nannies, and a medical care environment in which English is used.

3-3-2 Issues

In view of the above, eliminating language barriers is a key element in making Japan's business, systems and the living environment attractive to expatriates. The council discussed specific efforts to be made, bearing in mind the potential needs to make requests to the national and metropolitan governments regarding tax and regulatory systems.

(1) Reduce language barriers

(A) A suggestion was made to convert the language for the software and hardware used in the financial system infrastructure to English as is done in other countries.

(B) Some believe that to internationalize oversight agencies, exchanges and self-regulatory organizations—for example, by employing foreigners who possess specialized finance-related expertise and can offer advice to respective institutions, as well as by disseminating information in English — would involve specific efforts to eliminate the language barriers that would arise in various legal and clerical procedures.

(2) Provide an environment that accommodates sophisticated expatriate personnel

Training personnel to endow them with cutting-edge financial expertise and specialized knowledge is an urgent task for Japan's asset management industry. Acquiring talented human resources from other countries will tie in with the development of Japanese asset managers and strengthen Japan's asset management capabilities. Some suggest that the initiatives noted below might bring in talented asset managers from overseas. Moreover, they believe that care should be taken to ensure a fair competitive environment in these initiatives, and that they do not just present preferential treatment for overseas asset management institutions and personnel.

(A) Preparing in-house corporate environments for admitting sophisticated corporate expatriate employees (such as the reappraisal of human resource policies, including pay systems, expediting decision making, and so on)

(B) Tax system measures for sophisticated expatriate personnel

(3) Regulations to attract overseas financial institutions to Tokyo

Council members suggest that the following types of regulatory efforts would promote overseas financial institutions' participation in Tokyo's market and expansion of operations:

(A) Implement more flexible financial supervisory administration related to how overseas financial institutions develop financial businesses in Tokyo's market

(B) Establish offshore markets equivalent to Europe's Euromarket

(4) Living environment

Some council members note that establishing or expanding international schools and medical institutions where English could be used, strengthening and improving systems for admitting maids and nannies, and improving access to airports—among other measures—would create a more comfortable living environment for expatriates.

4. Efforts Targeted at Specific Issues

4-1 Industry efforts

(1) Strengthen the asset management industry

The council decided to pursue the following initiatives to establish Tokyo's position as an international financial center, based on the recognition that everyone in the securities and asset management industries needs to make strengthening the asset management industry a priority issue.

(A) Establish the working group on asset management

Based on the issues related to asset management industry the council has outlined (see 3-2-2) and proposals by the government and others meant to promote popularization and use of investment trusts, the council set up the working group on asset management under its auspices. The working group is to carry out industry-wide discussions in the securities and asset management industries as a way to strengthen Japan's asset management industry while also discussing measures to provide products that would tie in with investors' medium- to long-range asset formation.

(B) Carry out research on asset management business in overseas market

Coordinating with the working group on asset management in (A) above, JITA promoted efforts to accurately understand world asset management industry trends, improve Japan's asset management industry's performance and competitiveness, and boost the international appeal of Japanese investment trusts as part of a review of various issues related to promoting the formation of global funds and improving the operational efficiency of investment trusts.

(C) Support foreign government and public agency road shows

JITA will provide support and coordination for national and public institutions from countries other than Japan when they hold road shows and other promotions related to asset management.

(D) Hold a symposium on international investment trust issues and trends

JITA plans to host the International Investment Funds Association conference in Japan in October 2016. JITA will use this opportunity to invite the heads of investment trust industries from various countries coming to Japan for the conference to attend a symposium. This symposium will help Japan acquire expertise about the asset management industry and investment trusts—whose importance is growing worldwide—and be hosted in Tokyo with the JSDA and other relevant organizations.

(E) Popularize and gain acceptance for Japan's Stewardship Code

JIAA sent out a questionnaire regarding responses to Japan's Stewardship Code in October 2014 to assess members' declared acceptance of the code and their system preparations, and announced the survey results in December that year. JIAA will pursue similar initiatives to further promote the code and gain acceptance for it.

(F) Hold a continuing series of expanded corporate governance workshops

JIAA has been holding wide-ranging discussions during expanded corporate governance workshops on the form the asset management industry should take. Workshop discussions during 2015 have covered the topic of strategies for becoming a highly competitive asset management firm, and these discussions will continue. The content of the discussions will also be disseminated externally.

(G) Provide an environment to persuade domestic institutional investors to invest in diverse products

Bearing in mind that the number of investors is limited for certain corporate bond and derivatives products, the organizations acting as council secretariat will strive to foster an environment to promote investments in these products by domestic institutional investors. They will also encourage greater flexibility in the asset management policies of domestic institutional investors.

(H) Further deliberate popularizing and promoting DCs

The JSDA has been working together with JITA in the working group related to the efforts of individual investors to build assets, and continues to deliberate on tasks related to popularizing and promoting DCs.

(2) Stimulate the respective markets

In view of the issues detailed in 3-1 above, the council decided to implement the following initiatives on the part of the securities and asset management industries:

(A) Stock, ETF and ETN markets

a. Popularize Corporate Governance Code and gain acceptance for it

Bearing in mind that the revised TSE rules pertaining to Corporate Governance Code just came into force on June 1 this year, JPX will carry out publicity efforts designed to help listed companies smoothly get a handle on Corporate Governance Code and disseminate information about the status of responses to the code.

b. Diversify product listings, including ETFs, J-REITs, and infrastructure funds

JPX will work to create and list a variety of appealing ETFs and J-REITs that investors will want to trade in to help establish Japan's ETF and J-REIT market as a global financial center and Asia's core market. Specifically, listings of various asset class ETFs, healthcare REITs, and infrastructure funds will be promoted. Additionally, PR activities will be used to expand individual investor segments as a way to expand the depth of the ETF and J-REIT market segments.

(B) Bond markets

a. Continue discussions in the Study Group to Vitalize the Corporate Bond Market

The JSDA has been pursuing new schemes for expanding price information and bondholder safeguards through the Study Group to Vitalize the Corporate Bond Market, endeavoring to steadily implement these as well as continue familiarization efforts and provide information about them so these systems are used.

b. Host a forum on bond market vitalization

In view of the Study Group to Vitalize the Corporate Bond Market's efforts to date, the JSDA considers holding a forum on bond market vitalization, giving personnel throughout the industry a place where they can exchange information and views and discuss the bond market's current state, issues and measures to stimulate credit markets, as well as those of international markets.

(C) Derivatives market

a. Conduct financial training for individual investors

Diversified asset management methods and risk management techniques are viewed as important for individual investors from the perspective of undertaking medium- to long-range asset management. Having correct information about derivatives trading and understanding it are also crucial to the effective use of diverse asset management methods and risk management techniques. JPX and the rest of the industry have engaged in educational efforts directed at individual investors through seminars and other means.

b. Make changes in the overall industry's perceptions pertaining to new market and product development

The derivatives market needs to provide both liquidity and a variety of products to increase the financial and capital markets' international status and achieve diversity in the asset management techniques that investors use. For example, JPX will work on measures to offer diverse products and improve liquidity in the exchange traded derivatives market. At the same time—bearing in mind the development of derivatives market by the overall industry, starting with securities and asset management firms—JPX will work to expand its use by institutional investors.

(D) Develop markets for professionals and settlement infrastructure

a. Promote the use of and investment in the PRO-BOND market

JPX will continue to encourage issuing entities to use its PRO-BOND market as a way to give the professional market a more international character.

b. Study how to implement T+1 for government bonds

The JSDA will work with relevant institutions to shorten the settlement period for government bonds and continue to review the advance regulatory preparations and reappraisals of market customs required to implement T+1 by the first half of FY2018.

c. Continue deliberations on changing to T+2 for stocks

The JSDA, TSE and Japan Securities Clearing Corporation (JSCC) have been acting as joint secretariat for the Working Group on the Shortening of the Stock Trading Settlement Cycle (T+2). The working group will carry out the deliberations on this in coordination with industry representatives.

(3) Other

Along with the preceding efforts, the council decided to implement the following initiatives to strengthen the Tokyo market’s ability to publicize itself overseas and improve the business environment:

(A) Achieve more robust dissemination of information in English

The organization acting as council secretariat will strive to disseminate information in English at a similar level and timing to the information disseminated in Japanese to robustly promote the appeal of Japan's financial and capital markets overseas, as well as provide information thought to strongly relate to nonresident investors and about activities related to efforts to become a global financial center.

(B) Achieve more robust dissemination of information overseas

To enhance Tokyo's status as a global financial center, the JSDA will continue to carry out activities targeted at overseas market representatives. These activities are designed to publicize the Tokyo market's attractiveness by holding promotional events such as the Japan Securities Summit overseas, and improve the information provided in English.

(C) Expand support for the markets of emerging nations and strengthen public and private sector coordination

The JSDA will coordinate with other relevant organizations to promote and bolster technical support activities that employ Japan's expertise and experience to develop and sustain the growth of capital markets in emerging nations whose economies are booming. Moreover, coordination will be strengthened with what is currently known as the Asian Financial Partnership Center (located in the FSA), set to be reorganized to strengthen its capabilities and now tentatively renamed the Global Financial Partnership Center.

(D) Host international financial conferences and attract financial bases of operation

The council secretariat organizations will actively seek to invite and host all kinds of international financial conferences and meetings. For example, the ITAJ is scheduled to host a symposium on international investment trust issues and trends and the International Investment Funds Association conference in Japan in October 2016. This will strengthen relations with the investment trust industries of various nations and increase understanding overseas of the activities of Japan's asset management industry.

Moreover, we will support the FSA and Certified Public Accountants and Auditing Oversight Board in their bid to have the permanent secretariat of the International Forum of Independent Audit Regulators (IFIAR) in Tokyo.

(E) Coordinate with the Council for Town Planning to Create Investment and Growth

The office of the Council for Town Planning to Create Investment and Growth, chaired by Toyota Motor Corporation senior advisor Hiroshi Okuda, was set up within Heiwa Real Estate Co., Ltd. in December 2014. Its mission is to carry out neutral, effective redevelopment to attract people and produce investments and growth to help revitalize the Kabutocho and Kayabacho districts in Nihombashi, maintaining their character through development that recognizes Kabutocho's special character as a pioneering district for finance.

In the interim proposals the above council assembled in April 2015, finance personnel, mainly in asset management, are positioned as Kabutocho's new leading actors. The proposal includes redevelopment that fosters and attracts financial human resources, financial venture firms with a focus on asset management, and specialized financial services contractors while enhancing the interaction with listed companies.

Furthermore, the Nihombashi Kabutocho and Kayabacho 1-chome district was named a new national strategic special zone in the National Strategic Special Zone Meeting for the Greater Tokyo Area on June 15 this year. The hope is that it will provide support for starting up and developing asset management companies and promote dialogue and interaction among investors and corporations.

In response to these developments, the council will coordinate with the above council to support emerging asset management firms and provide platform functions designed for asset management companies (attracting organizations to take charge of back-office and other similar operations). Additional initiatives will be to provide venues for dialogue among investors and companies (set up various kinds of investor relations facilities) and provide a business environment designed to build a stronger asset management industry.

4-2 Relay requests to the national and metropolitan governments

The following are the items among the issues listed in 3. above that mainly require national or metropolitan government responses. The council secretariat will deliberate further on these matters to prepare for appeals to the national and metropolitan governments.

(1) More robust implementation in English with regard to administration

(2) Human resource training at universities and graduate schools

(3) Tax system revisions

(A) Make NISAs and Junior NISAs permanent, expanding and simplifying them

(B) Abolish the special corporate tax on DCs

(C) Raise the maximum level of DC amounts

(D) Provide an environment conducive to promoting intergenerational transfers of financial assets (such as reevaluating the appraised inheritance tax value of listed shares)

(E) Expand the scope of profit and loss offsets on financial products to include derivatives trading

(F) Add other tax system provisions that would contribute to making Tokyo a global financial center

(4) Promote flexible administrative oversight regarding financial businesses operated by overseas financial institutions on Tokyo markets

(5) Provide a comfortable living environment for expatriates

(6) Use national strategic special zones in efforts to develop the asset management industry

(7) Establish Japanese versions of Emerging Managers Program

(8) Change compensation systems of public pensions for fund management

5. Conclusion

This report summarizes the results of the council's deliberations, which involved using specialized financial and securities expertise of the securities and asset management industries to review and outline Japan's strengths and Tokyo's role as a global financial center and related issues. It also addresses initiatives that our industry should undertake and matters that require action by the national and metropolitan governments needed to make Tokyo an international financial center.

Efforts have been made to turn Tokyo into a global financial center, but it was difficult to produce sufficient results during the extended recession and in a deflationary environment.

The current Japanese economy, however, shows signs of a market and economic environment sufficient to kindle corporate and individual investments thanks to financial liberalization, etc. under Abenomics, which has resulted in lower real interest rates, rising stock prices, and an improving macroeconomic environment.

Pressed to shift their thinking about corporate management, moreover, the Japanese companies that will be targeted for investment are steadily changing. Specifically, they are steadily implementing corporate governance reforms, which include government's growth strategies. Overseas investors have praised these reforms. Furthermore, it has been noted that Japanese companies' capital efficiency is low compared to American and European firms, but many companies are working to improving their return on equity, and average ROE levels are improving.

These kinds of changes have brought increasing attention and praise for the Tokyo market and Japanese companies from both domestic and overseas investors. The government, public and private sectors need to seize this opportunity and link it to improving and establishing Tokyo's position as a global financial center.

Especially regarding the asset management industry, which the council put a priority on addressing, the industry itself obviously needs to work on issues in view of the importance of fiduciary duties. Because strengthening the asset management industry will help provide risk money to growing companies and citizens' stable asset formation through that, it is strongly hoped that the national government will actively foster them as part of national policy.

These efforts to turn Tokyo into a global financial center will not immediately bear fruit. Instead, prolonged, continuous efforts will be needed.

The council will follow up on the status of this report's proposals as well as undertake new policy orientations as needed based on the situation with national and metropolitan government and industry efforts.

Comparisons of Global Financial Centers

I. Global Financial Center Rankings

1. Comparison of major rankings

Rank	March 2015 Global Financial Centres Index	2014 Xinhua-Dow Jones International Financial Centers Development Index
New York	**1**	**1**
London	2	2
Hong Kong	3	5
Singapore	4	4
Tokyo	5	3

Sources: Z/Yen Group Limited, Global Financial Centres Index; Xinhua-Dow Jones International Financial Centers Development Index

2. Global financial center index

Rank	March 2011	March 2012	March 2013	March 2014	March 2015
1	London	London	London	New York	New York
2	New York	New York	New York	London	London
3	Hong Kong	Hong Kong	Hong Kong	Hong Kong	Hong Kong
4	Singapore	Singapore	Singapore	Singapore	Singapore
5	Shanghai (tied for 5th)	**Tokyo**	Zurich	Zurich	**Tokyo**
6	**Tokyo (tied for 5th)**	Zurich	**Tokyo**	**Tokyo**	Zurich
7	Chicago	Chicago	Geneva	Seoul	Seoul
8	Zurich	Shanghai	Boston	Boston	San Francisco
9	Geneva	Seoul	Seoul	Geneva	Chicago
10	Sydney (tied for 10th) Toronto	Toronto	Frankfurt	San Francisco	Boston

	Asset management	Banking	Government & regulations	Insurance	Industry-oriented services	Human capital	Business environment	Financial sector development	Infrastructure	Reputation & general factors
New York	1	1	2	1	2	1	1	2	2	1
London	2	2	1	2	1	2	2	1	1	2
Hong Kong	3	3	4	5	3	3	4	3	3	3
Singapore	4	4	3	4	4	4	3	4	5	4
Tokyo	5	5	9	8	5	5	5	5	4	6

Source: Z/Yen Group Limited, Global Financial Centres Index

3. Xinhua-Dow Jones International Financial Centers Development Index

Rank	2010	2011	2012	2013	2014
1	New York	New York	New York	New York	New York
2	London	London	London	London	London
3	**Tokyo**	**Tokyo**	**Tokyo**	Hong Kong	**Tokyo**
4	Hong Kong	Hong Kong	Hong Kong	**Tokyo**	Singapore
5	Paris	Singapore	Singapore	Singapore	Hong Kong
6	Singapore	Shanghai	Shanghai	Shanghai	Shanghai
7	Frankfurt	Paris	Frankfurt	Paris	Paris
8	Shanghai	Frankfurt	Paris	Frankfurt	Frankfurt
9	Washington, DC	Sydney	Zurich	Chicago	Beijing
10	Sydney	Amsterdam	Chicago	Sydney	Chicago

City	Financial markets	Growth & development	Industrial support	Service level	General environment
New York	1	4	1	1	2
London	2	5	2	2	1
Hong Kong	4	6	4	3	11
Tokyo	3	2	3	4	3
Singapore	5	3	6	5	4

Source: Xinhua-Dow Jones International Financial Centers Development Index

Ⅱ. Comparisons of Financial Markets

1. Stock, ETF and ETN markets

(1) Market capitalization rankings

Rank		Exchange	Nation or jurisdiction	Market capitalization at end of 2014 (USD trillion)
World	Asia			
1	-	New York Stock Exchange	U.S.	19.4
2	-	Nasdaq OMX Group	U.S.	7.0
3	1	Japan Exchange Group, Inc.	Japan	4.4
4	-	London Stock Exchange Group PLC	U.K.	4.0
5	2	Shanghai Stock Exchange	China	3.9
6	-	Euronext NV	Europe	3.3
7	3	Hong Kong Exchanges and Clearing Limited	Hong Kong	3.2
8	-	TMX Group Inc.	Canada	2.1
9	4	Shenzhen Stock Exchange	China	2.1
10	-	Deutsche Börse AG	Germany	1.7

Source: World Federation of Exchanges (WFE)
Note: Domestic shares

(2) Trading value rankings

Rank		Exchange	Nation or jurisdiction	2014 trading value (USD trillion)
World	Asia			
1	-	New York Stock Exchange	U.S.	14.8
2	-	Nasdaq OMX Group	U.S.	11.0
3	1	Shanghai Stock Exchange	China	6.1
4	2	Shenzhen Stock Exchange	China	5.9
5	3	Japan Exchange Group, Inc.	Japan	4.8
6	-	London Stock Exchange Group PLC	U.K.	2.3
7	-	Euronext NV	Europe	1.8
8	4	Hong Kong Exchanges and Clearing Limited	Hong Kong	1.5
9	-	TMX Group Inc.	Canada	1.3
10	5	Korea Exchange	Korea	1.3

Source: WFE

(3) Number of foreign companies listed on major exchanges

(Companies)

Exchange	Number of listed companies at end of 2014	Foreign companies
New York Stock Exchange	2,466	527
Japan Exchange Group, Inc.	3,470	12
London Stock Exchange Group PLC	2,752	572
Hong Kong Exchanges and Clearing Limited	1,735	90
Singapore Exchange Limited	775	291

Source: WFE

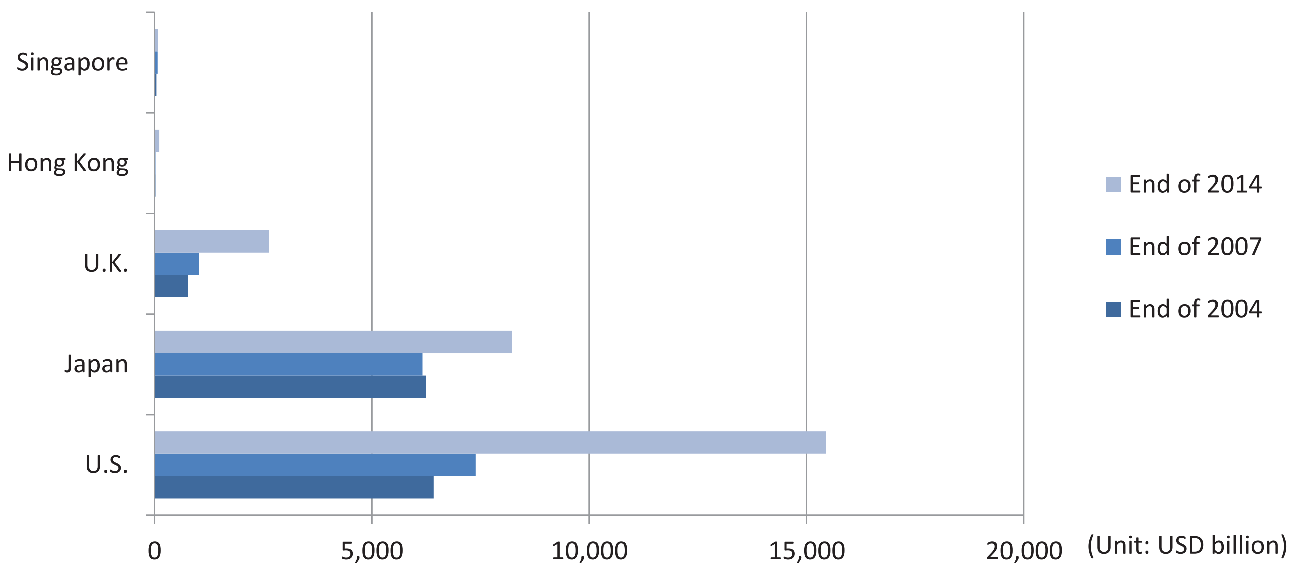
(4) Comparisons of global ETF and ETN markets

Rank	Exchange	Nation or jurisdiction	Total 2104 trading value (USD billion)	% of total cash equity trading	Number of companies listed at the end of 2014
1	New York Stock Exchange	U.S.	39,429	27	1,470
2	Nasdaq OMX Group	U.S.	25,462	23	150
3	Japan Exchange Group, Inc.	Japan	2,527	5	190
4	London Stock Exchange Group PLC	U.K.	1,712	7	1,989
5	Deutsche Börse AG	Germany	1,681	13	1,036
6	Shanghai Stock Exchange	China	1,624	3	61
7	Hong Kong Exchanges and Clearing Limited	Hong Kong	1,495	10	122
8	Korea Exchange	Korea	1,404	11	172
9	Euronext NV	Europe	837	5	631
10	SIX Swiss Exchange Ltd.	Switzerland	519	7	839

Source: WFE
Note: Only market session and electronic transactions trading value

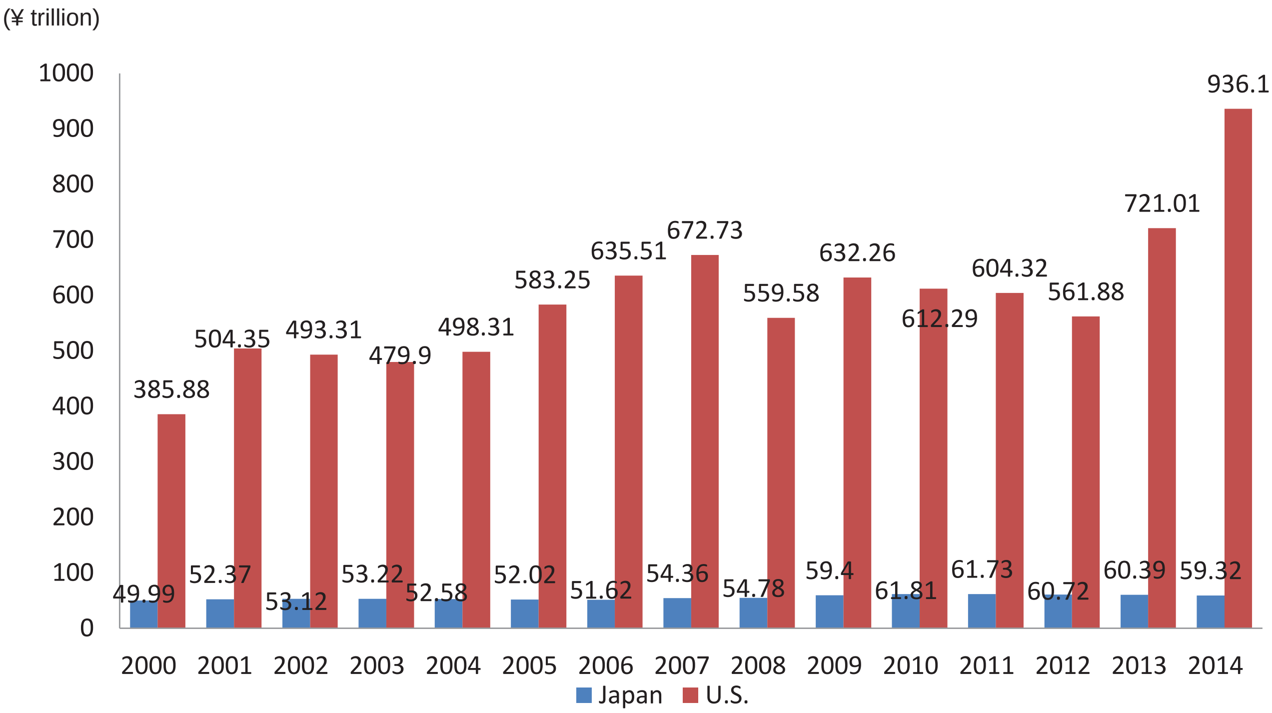
2. Bond markets

(1) Outstanding government bond balances



Sources: Bank for International Settlements, BIS Quarterly Review, September 2007; BIS Quarterly Review, June 2015

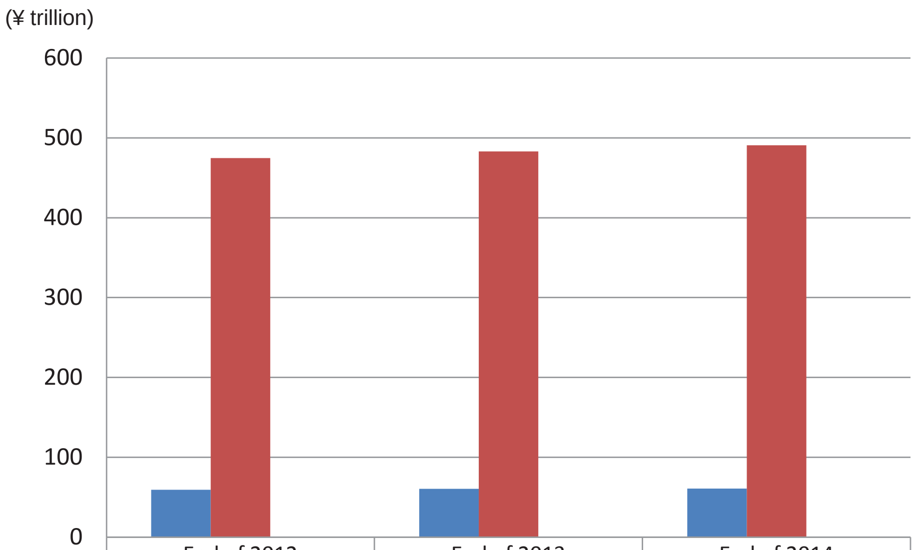
(2) Outstanding corporate bond balance (Japan vs. U.S.)



Sources: Japan Securities Dealers Association (JSDA); Securities Industry and Financial Markets Association (SIFMA)

Notes: Foreign bonds included for U.S. data. Respective yearend exchange rates used to convert dollars to yen.

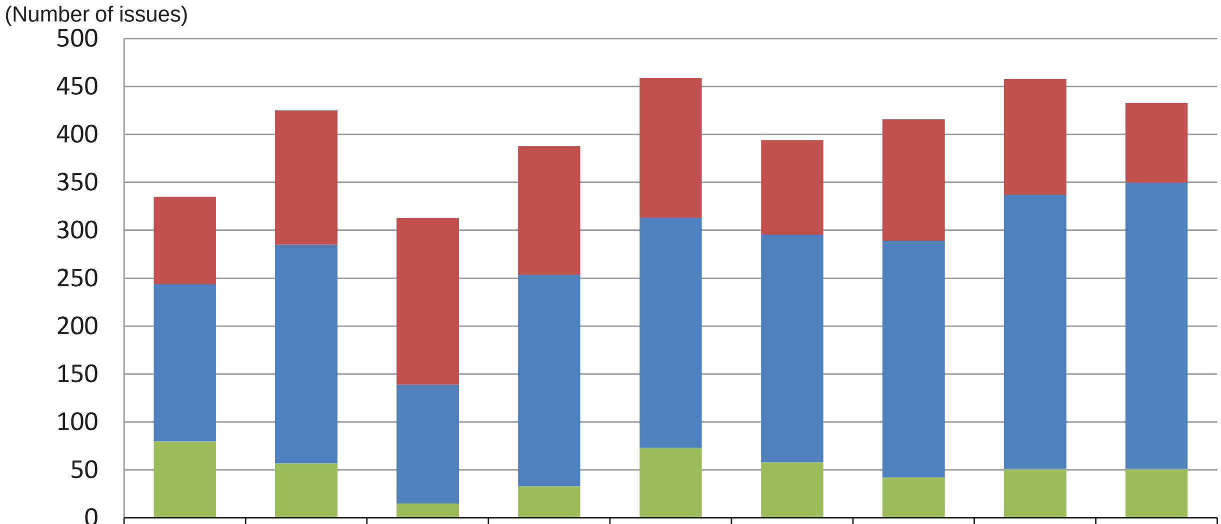
(3) Comparison of outstanding corporate bond balance to nominal GDP



	End of 2012	End of 2013	End of 2014
Outstanding corporate bond balance	59.32	60.39	60.72
GDP	474.6	483.1	490.6
Comparison of outstanding corporate bond balance to nominal GDP	12.49%	12.50%	12.37%

Sources: JSDA; Cabinet Office

(4) Number of corporate bond issues by rating

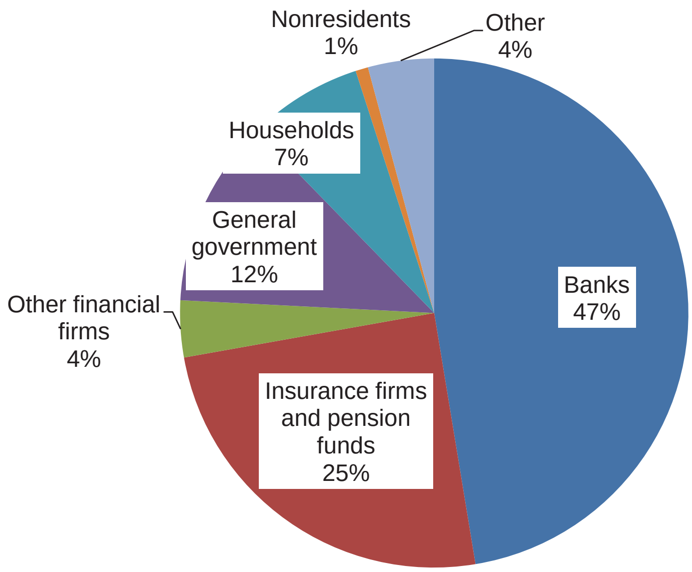


	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
AA or higher	91	140	174	134	146	98	127	121	83
A	164	228	124	221	240	238	247	286	299
BBB	80	57	15	33	73	58	42	51	51
BB or lower	0	0	0	0	0	0	0	0	0

Source: JSDA

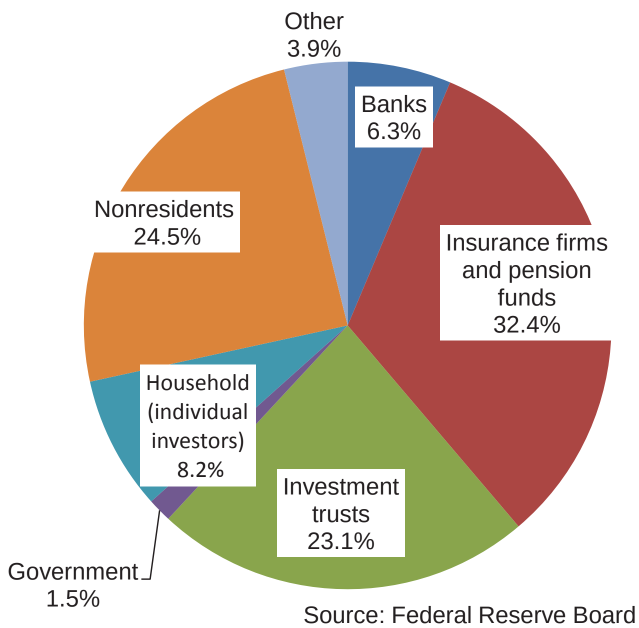
(5) Corporate bond holdings by investor type (Japan vs. U.S.)

Japan



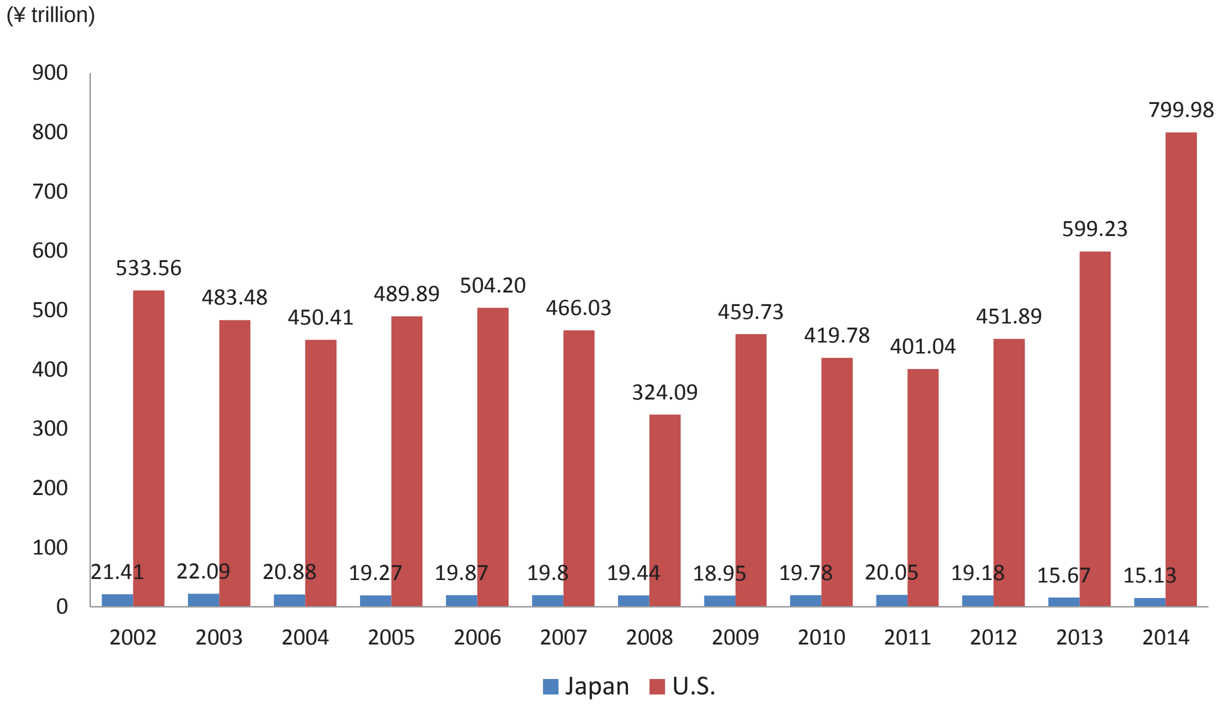
Source: Bank of Japan
Note: End of 2014

U.S.



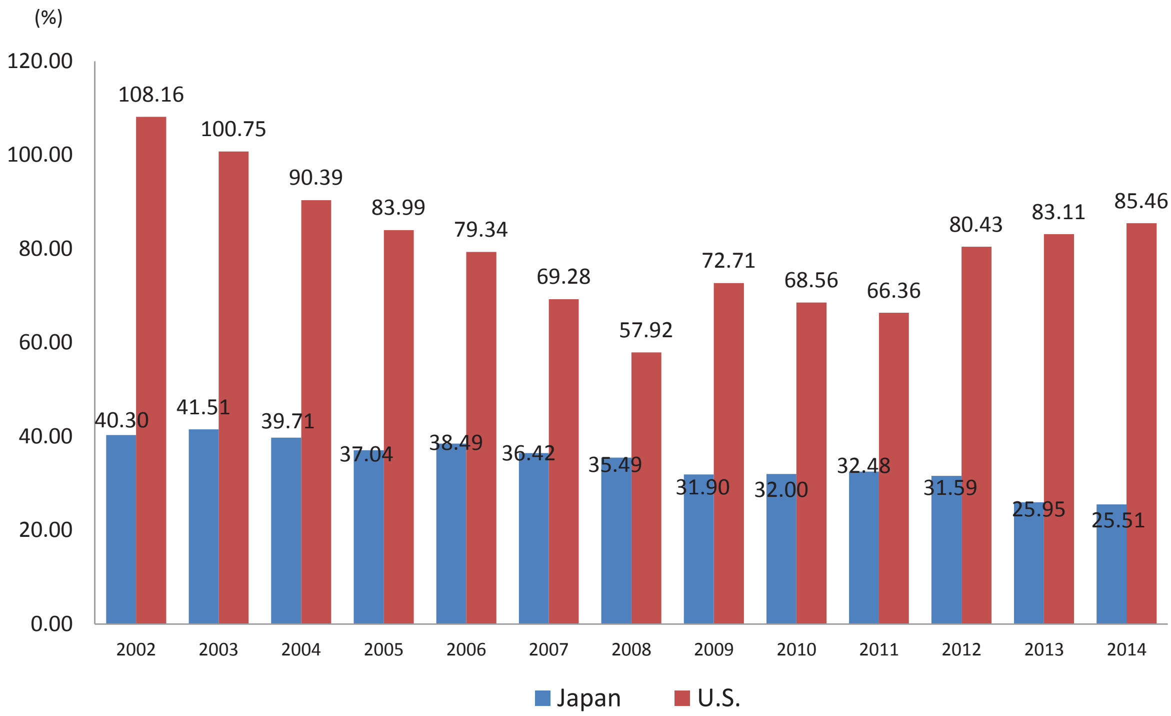
Source: Federal Reserve Board
Notes: Includes foreign bonds.
End of 2014.

(6) Corporate bond trading value (Japan vs. U.S.)



Sources: JSDA; SIFMA
Notes: Foreign bonds included for U.S. data. Respective yearend exchange rates used to convert dollars to yen. Shows sum of “outright” transactions only.

(7) Corporate bond turnover ratio (Japan vs. U.S.)



Sources: JSDA; SIFMA
Notes: Foreign bonds included for U.S. data. Shows sum of “outright” transactions only.

3. Derivatives markets

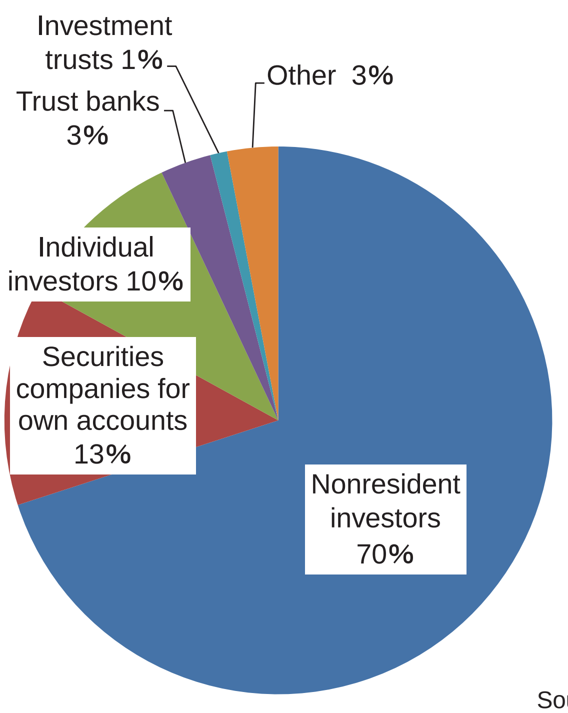
(1) Major exchange groups' annual derivatives market trading volume

(Unit: Million)

Rank	Exchange	Nation or jurisdiction	2014 trading volume
1	CME Group Inc.	U.S.	3,442
2	Intercontinental Exchange Inc.	U.S.	2,276
3	Eurex Exchange	Germany	2,097
4	National Stock Exchange of India Ltd.	India	1,880
5	BM&F Bovespa S.A.	Brazil	1,417
6	Moscow Exchange Group	Russia	1,413
7	Chicago Board Options Exchange	U.S.	1,325
8	Nasdaq OMX Group	U.S.	1,127
9	Shanghai Futures Exchange	China	842
10	Dalian Commodity Exchange	China	769
11	Bombay Stock Exchange	India	725
12	Korea Exchange	Korea	677
13	Zhengzhou Commodity Exchange	China	676
14	Hong Kong Exchanges and Clearing Limited	Hong Kong	319
15	Japan Exchange Group, Inc.	Japan	309
26	Singapore Exchange Limited	Singapore	120
31	London Stock Exchange Group PLC	U.K.	50

Source: Futures Industry Association, 2014 FIA Annual Volume Survey

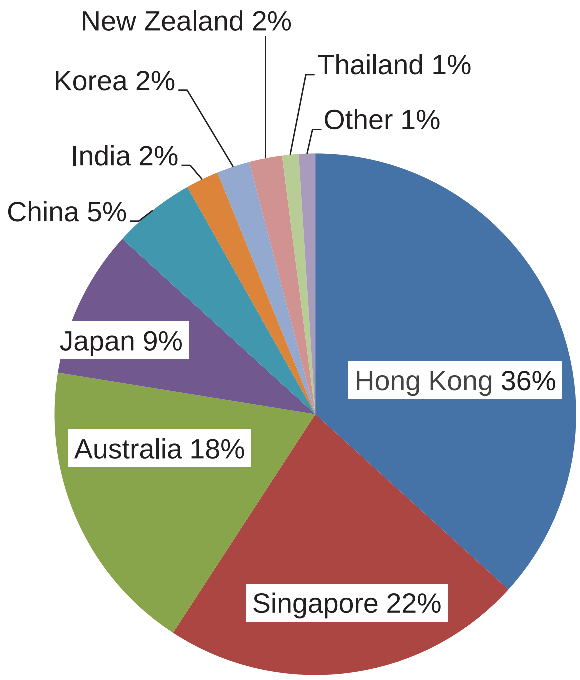
(2) Trading volume shares by investor type (Nikkei 225 Futures)



Source: Japan Exchange Group, Inc.
Note: During 2014

Ⅲ. Asset Management Industry

Hedge fund managers' locations in the Asia-Pacific region



Source: Preqin
Note: September 2013

Attachment 2

Outline of the Council for Tokyo Global Financial Center Promotional Activities

September 16, 2014
Japan Securities Dealers Association
Japan Exchange Group, Inc.
The Investment Trusts Association, Japan
Japan Investment Advisers Association

1. Purpose and Objective

To enhance the functions of the financial and capital markets in Japan, a variety of discussions are being conducted and recommendations made by many sectors to strengthen Tokyo's status as a global financial center going forward.

With these movements in mind, securities industry and asset management industry cooperatively set up the Council for Tokyo Global Financial Center Promotional Activities to discuss such topics as advantages and disadvantages of Japan and its role and challenges as a global financial center and to support those activities.

2. Composition and Administration

1) The council comprises market professionals, high profile executives in market-related institutions and intellectuals.
2) The council has a Chairperson.
3) Non-member representatives may participate as observers.
4) The Chairperson may, if necessary, invite persons related to discussions participated in the council.

3. Working groups

1) The Chairperson may, if necessary, set up a working group.
2) The Chairperson shall designate members of the working group.

4. Secretariat

The Planning Division of the Japan Securities Dealers Association shall serve as the secretariat of the council.

Attachment 3

Council for Tokyo Global Financial Center Promotional Activities—Member List

September 2015

Council Chair	Motoshige Itoh	Professor, Graduate School of Economics, Faculty of Economics, The University of Tokyo	
Member	Yugo Ishida	Representative Director and CEO, Lazard Japan Asset Management K.K.	
Member	Kazutoshi Inano	Chairman and CEO, Japan Securities Dealers Association	
Member	Yoichiro Iwama	Chairman, Japan Investment Advisers Association	
Member	Nobuyuki Iwamoto	Deputy President, Daiwa Securities Co. Ltd.	
Member	Sadakazu Osaki	Head of Research, Center for Strategic Management and Innovation, Nomura Research Institute, Ltd.	
Member	Akiyoshi Oba	President and CEO, Tokio Marine Asset Management Co., Ltd.	
Member	Susumu Okano	Senior Executive Managing Director, Head of Research Division, Daiwa Institute of Research Ltd.	
Member	Yuri Okina	Vice Chairman of the Institute, The Japan Research Institute, Limited	
Member	Atsushi Saito	Group CEO, Japan Exchange Group, Inc.	From the first to fourth council
Member	Akira Kiyota	Group CEO, Japan Exchange Group, Inc.	From the fifth council and thereafter
Member	Nobuyuki Koga	Chairman of the Board of Directors, Nomura Securities Co., Ltd.	
Member	Takumi Shibata	Representative Director, President and CEO, Nikko Asset Management Co., Ltd.	
Member	Makoto Shirakawa	Chairman, The Investment Trusts Association, Japan	
Member	Shigemitsu Sugisaki	Vice Chairman, Goldman Sachs Japan Co., Ltd.	
Member	Takuhide Hagino	President & CEO, Pictet Asset Management (Japan) Ltd.	
Member	Philippe Avril	CEO and Representative Director, BNP Paribas Securities (Japan) Limited	
Observer	Financial Services Agency		
Observer	International Bankers Association of Japan		
Observer	Ministry of Finance		
Observer	Japanese Bankers Association		
Observer	Tokyo Metropolitan Government		
Observer	Bank of Japan		

(Honorifics omitted; Japanese alphabetical order)

Attachment 4

Past meetings of Council for Tokyo Global Financial Center Promotional Activities

Meeting Date		Topics and Speakers
First meeting	October 10, 2014	1. Administration policy and future plan of the council 2. Current state of the Tokyo market as a global financial center Guest speaker: Tomoyuki Teraguchi, Senior Managing Director, Nomura Securities
Second meeting	January 15, 2015	Current state and evaluation of the Tokyo market Guest speaker: Hidehiro Imatsu, Co-head, Japan Securities Division and Asia Pacific Macro Trading Securities Division, Goldman Sachs Japan
Third meeting	March 20	Challenges facing exchange market in promoting the Tokyo market as a global financial center Speakers: Atsushi Saito, Director＆Representative Executive Officer, Group CEO, Japan Exchange Group Yasuyuki Konuma, Executive Officer, Tokyo Stock Exchange
Fourth meeting	May 29	1. Proposal for the Japanese asset management industry Speaker: Takuhide Hagino, President & CEO, Pictet Asset Management (Japan) Ltd. 2. Challenges and proposal for development and growth of the Japanese asset management industry Speaker: Yugo Ishida, Representative Director and CEO, Lazard Japan Asset Management K.K.
Fifth meeting	August 7	1. Draft report of the Council for Tokyo Global Financial Center Promotional Activities 2. Establishing the Working Group on Asset Management (provisional name)