

Aiming to be Asia's Financial Hub

As Tokyo positions itself as the region's major financial center, FinCity.Tokyo is leading the way.



The Tokyo Stock Exchange

In April 2019, the Organization of Global Financial City Tokyo, branded as FinCity.Tokyo, was established as Japan's first public-private partnership financial promotion organization. One of the roles of FinCity.Tokyo is to promote Tokyo globally as an international financial hub, and the organization has carried out roadshows overseas as part of this. In October 2023, it hosted a one-week roadshow in New York. "Some 140 financial related people took part in the main event and investor interest was very high," said FinCity.Tokyo Chairman Nakaso Hiroshi.

The other role is to formulate policies based on dialogue with market participants. "In cooperation with the national government, relevant ministries and agencies, local governments, and industry associations, we have been working to improve Tokyo's environment as a financial city," said Nakaso. Through these efforts, the number of its members, including financial institutions, real estate, venture companies, and universities, has increased from 30 at the beginning to 57 currently.

Bridging Firms and Investors

One key project is the promotion of the "Emerging Managers Program (EMP)," which supports small- and medium-sized listed companies in securing growth capital when financial backing from venture capital diminishes after going public. FinCity.Tokyo hosts the annual Tokyo Asset Management Forum (TAMF), providing an opportunity for direct dialogue and match-making between emerging managers and investors internationally. The forum provides companies with much-needed growth capital and offers opportunities for emerging managers to enter the market.

Held alongside TAMF, the FinCity Global Forum (FGF) highlights Tokyo's strengths and potential as an international financial hub. This forum gathers industry leaders and overseas investors to discuss Tokyo's competitive advantages and vision for the future.

Another important focus is FinCity.Tokyo's English-language disclosure support for small- and



FinCity.Tokyo Chairman Nakaso speaks at the ABAC event in Tokyo.
Photo: courtesy of FinCity.Tokyo

medium-sized listed companies. By enhancing the accessibility of corporate information for overseas investors, this initiative strengthens connections between Japanese companies and global investors. "FinCity.Tokyo serves as a bridge between companies and investors both domestically and internationally," says Nakaso.

Special Financial Zone

In June 2024, the national government designated Tokyo as a "Special Zone for Financial and Asset Management Businesses". This means that Tokyo's efforts as an international financial center are linked to national policies as a whole and are being promoted in coordination with other cities. "By taking full advantage of the special zone status, FinCity.Tokyo aims to leverage Tokyo's strengths and provide investment opportunities, while actively being involved in formulating government-led policies," he said.

One key project to be pushed in the zone is to build an interoperable carbon credit market in Asia. The project will facilitate decarbonization in the region and provide a mechanism for companies to trade carbon credits to offset their emissions. Under the project, FinCity.Tokyo aims to create sustainable investment flows and strengthen Tokyo's position as a hub for sustainable finance. "Tokyo's role in the decarbonization of the Asian region is essential to its future development as an international financial city," said Nakaso.

Presence on the Regional Stage

The Asia-Pacific Economic Cooperation Business Advisory Council (ABAC) held a meeting in Tokyo in August 2024, when Nakaso chaired a finance task force. ABAC is the only official private-sector advisory body where representatives from its 21 economies and regions make recommendations on regional issues to Asia-Pacific Economic Cooperation (APEC) leaders. During the event, FinCity.Tokyo hosted a keynote speech and panel discussion on decarbonization and sustainable finance in Asia.

"It is a significant achievement for us to be able to inform so widely about Tokyo's strengths as an international financial center through this ABAC conference, and to demonstrate our commitment to public-private partnerships to address the urgent issue of decarbonization, a shared challenge in the APAC region," Nakaso said.



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Potential of Tokyo

Nakaso stresses that Tokyo has the potential to become a hub for global financial institutions. "While Tokyo boasts the rich resources befitting a real economy such as the manufacturing and service sectors, its financial system is also extremely reliable," Nakaso said. "Furthermore, the extension of Japan's supply chain throughout Asia makes Tokyo 'well-positioned' to provide cross-border financial support," he continued. "Tokyo's robust financial infrastructure and its size give it a comparative advantage in international financial markets."

"FinCity.Tokyo will continue to capitalize on its strengths as a public-private partnership to attract foreign companies in Tokyo," he added. "Through these initiatives, FinCity.Tokyo is committed to connecting investors and businesses at home and overseas, and further help establish Tokyo as an international financial hub that drives sustainable economic growth."