



**Introduction to
The Consortium for Japan International
Asset Management Center Promotion
(JIAM)**

June 2018

Social Imperatives in Japan addressed by JIAM

Japan is confronting a number of key issues which require the revitalization of its asset management industry and its capabilities.

Underutilized household assets

- USD 19 trillion of Japanese household assets
- 51.5% of Japanese household assets (i.e. USD 10 trillion) allocated to bank deposits vis-à-vis 13.4% and 33.2% in the US and Europe, respectively*
- Slow pace of private asset accumulation compared to other nations

Aging population

- 27.7% of its people are age 65 or over**
- By 2036, this ratio will rise to 33.3%***
- Pension benefits comprise 70.9% of elderly household income****

Large public pension funds starting to diversify allocation

- Combined assets of Japan's public pensions is approx. USD 3 trillion
- GPIF has recorded largely stable performance over the last 10 years and is now raising its equity and alternative investment allocation to boost returns
- Other asset owners are also seeking to diversify their investments in search of higher rates of return

Source

* *Flow of funds account report on Aug. 18, 2017, Overview of Japan, US, and the Euro area by Bank of Japan*

** *Current population estimates as of Oct.1, 2017, by Statistic Bureau*

*** *Population Projections for Japan as of July 31, 2017 by National Institute of Population and Social Security Research Tokyo, Japan*

**** *Comprehensive Survey of Living Conditions 2016 by Household Statistics Office to the Director-General for Statistics and Information Policy, MHLW*

JIAM is a not-for-profit consortium to address Japan's profound social imperatives

JIAM is not:

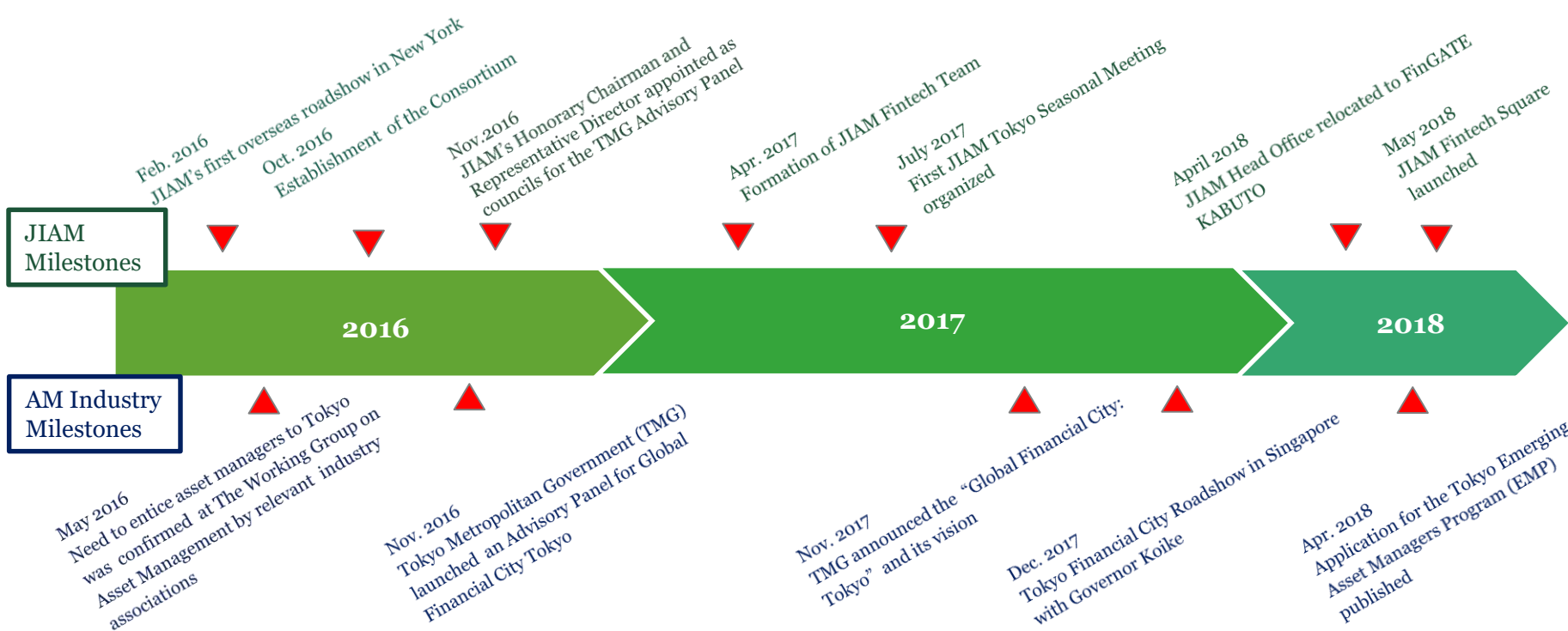
1. to protect financial institutions vested interests
2. an industry association
3. a capital introducer
4. public sector led

Instead JIAM is:

1. for Japan based residents to achieve healthy household asset allocations
2. a goal oriented consortium
3. an asset management community organizer/promoter
4. private sector led

History of JIAM

JIAM has been promoting Tokyo as a global asset management center together with Tokyo Metropolitan Government (TMG) and key industry stakeholders over the last 2 years.



About JIAM

Legal Entity Name 一般社団法人 国際資産運用センター推進機構
*The Consortium for Japan International Asset Management Center
Promotion (JIAM)*



Date of Establishment October 27, 2016

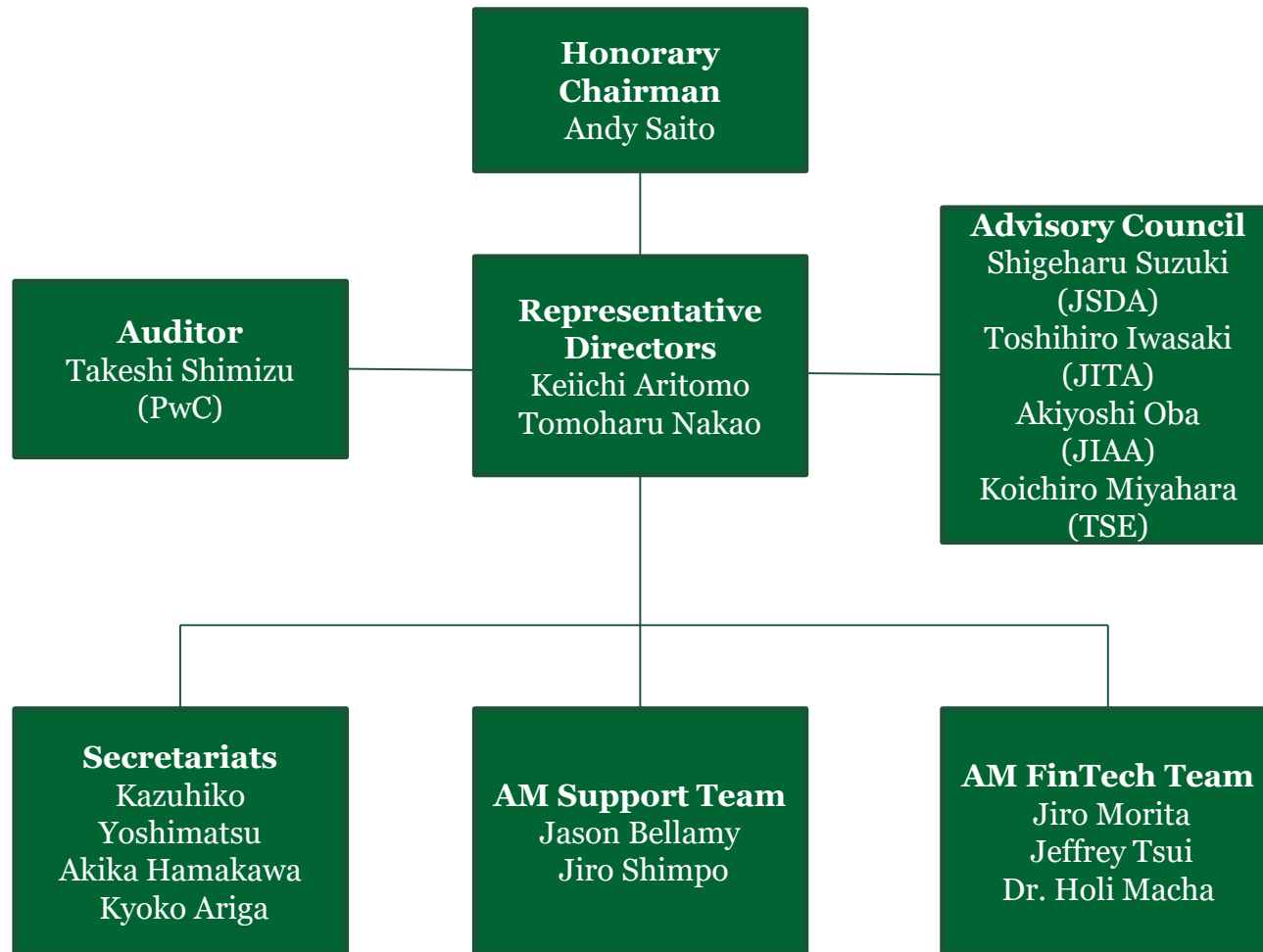
Location FinGATE KABUTO, 6-5 Nihonbashi-kabuto-cho, Chuo-ku, Tokyo
103-0026, Japan

Website <https://jiam.tokyo>

Facebook <https://www.facebook.com/jiam.tokyo>

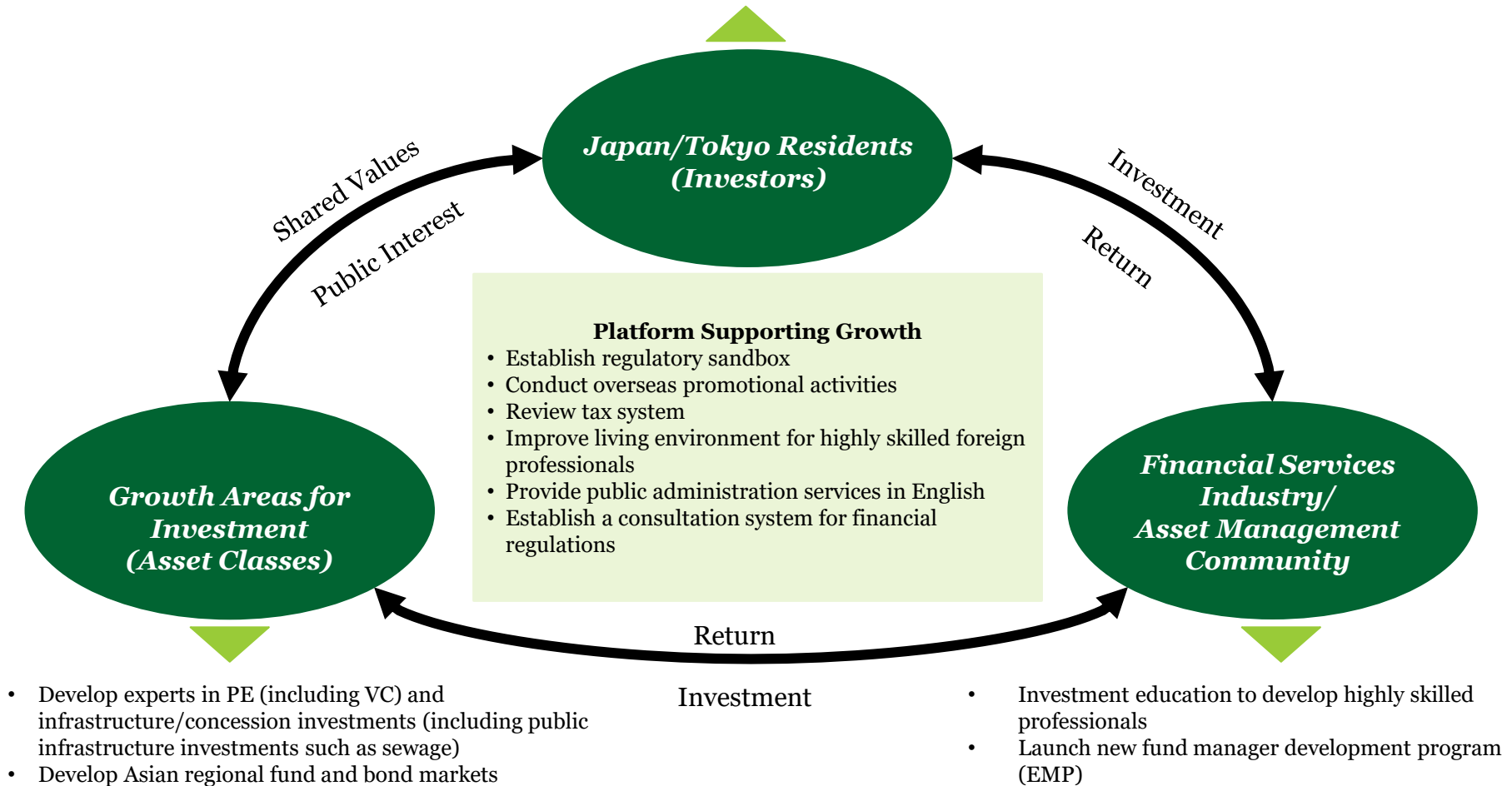


JIAM organization chart



JIAM vision - Complete Investment Value Chain in Japan

- Investment Education for the General Public



Membership

JIAM is supported by industry associations and private sector members sharing the same aspirations.



MORI HAMADA & MATSUMOTO

JIAM Fintech Square Members



CIBC Fund Administration Services Asia

JIAM - What We Do

JIAM will provide support to asset managers to nurture diversified Japanese household asset portfolios.
(details in Appendix)

- A Roadshow**
Provide an introduction and guidance on industry requirements and market entry
- B Business establishment support**
Support in establishing a legal entity in Tokyo and acquiring appropriate licenses.
Introduce candidate service providers
- C Advocacy**
Propose policies for the development of an internationally competitive business environment for asset managers
- D Fintech for Asset Management**
Promote and propose B2B fintech solutions to Japan AM firms.

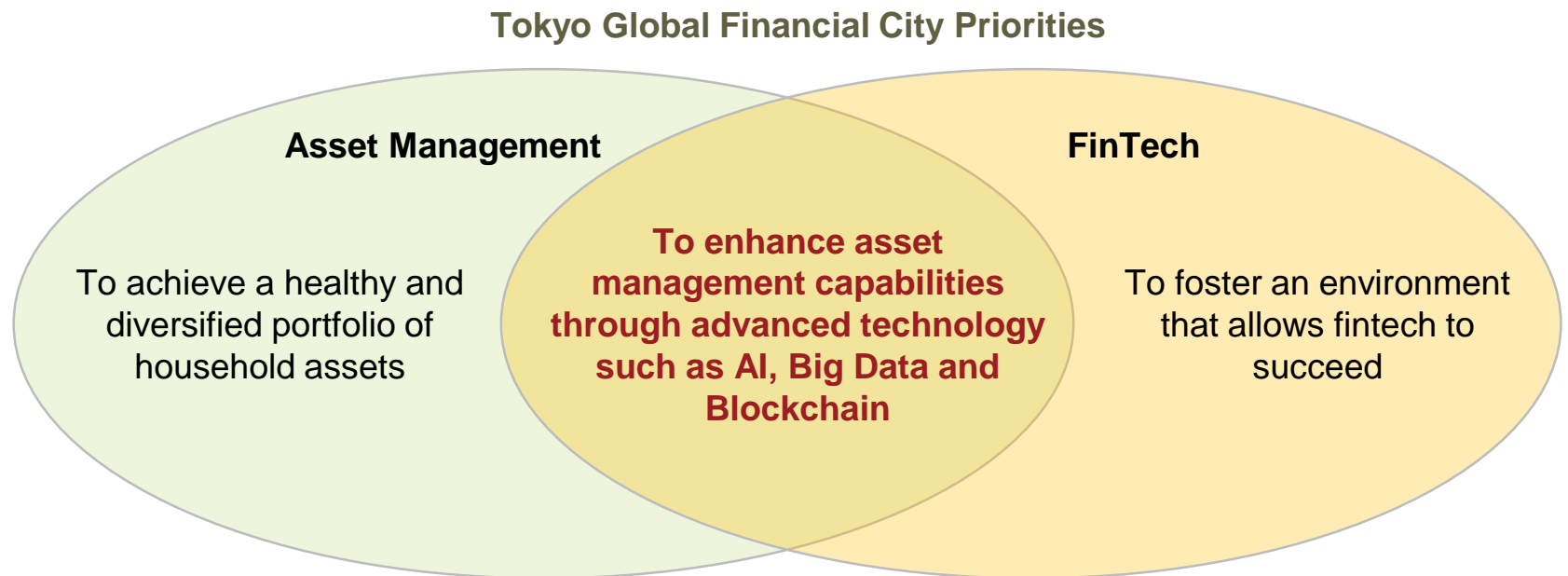
Asset Management Community
Diversified and qualified asset managers

JIAM's ultimate beneficiaries

Japan-based residents
A robust and well-diversified portfolio of household assets

Current JIAM domains

Tokyo Governor Koike's Advisory Panel suggested that in building a platform to develop Tokyo as a financial center, it should prioritize and focus on asset management and fintech.



JIAM in numbers

200+ AMs

Asset managers that JIAM has interacted with

200+ FinTechs

JIAM has interacted with

~20 FinTech solutions

JIAM is showcasing at JIAM Fintech Square

JIAM visited **9** Major Financial Cities

Singapore, Hong Kong, London, New York, Paris and others

33 sponsors

JIAM sponsoring members

JIAM spoken at **19** Global Seminars

17 Roadshows

JIAM has conducted in major financial cities of the world

Close relationship with **12** Global Financial Promotion Authorities

City of London, Embassies, MAS, Paris Europlace and more

6+ Languages Spoken by JIAM

English, Japanese, French, Mandarin and others

JIAM 2.0 – Next Steps

1. Build and inspire asset owner community in Japan
2. Coordinate with broader government agencies such as Ministry of Finance, Ministry of Economy, Trade and Industry (METI), Ministry of Health, Labour and Welfare as well as Financial Services Agency (FSA) and Tokyo Metropolitan Government (TMG)
3. Showcase asset management oriented FinTech solutions through JIAM Fintech Square (JFS)
4. Collaborate with broader asset management related industry associations (e.g., IBA, CFA Society, ACCJ)
5. Further seamlessly collaborate with TMG



JIAM Leadership (1/2)

JIAM Leadership Profiles

Leadership



Honorary Chairman

Atsushi (Andy) Saito
Senior Fellow
KKR Global Institute, KKR Japan

Profiles

Atsushi Saito is Commissioner of the Nippon Professional Baseball Organization and a Senior Fellow of KKR Global Institute, KKR Japan. He served as Chairman of KKR Japan from 2015 until assuming his role with KGI in 2017. Mr. Saito served as Group CEO, President and CEO of the Japan Exchange Group (JPX) from January 2013 until his retirement in June 2015. He previously served as the President and CEO of the Tokyo Stock Exchange (TSE) from June 2007, and in August 2007, became the first President and CEO of the Tokyo Stock Exchange Group, the holding company of the TSE and a self-regulatory corporation of the exchange. In this capacity, he oversaw the merger of the TSE and the Osaka Securities Exchange (now known as the Osaka Exchange) to form JPX in January 2013. Prior to his time at the TSE, Mr. Saito was the President and CEO of the Industrial Revitalization Corporation of Japan (IRCJ), a government-sponsored group focused on turnaround investments. While at IRCJ, he demonstrated strong leadership in the revitalization of several Japanese companies. In addition to these roles, Mr. Saito was a CEO of Sumitomo Life Investment Co. He previously held various executive roles at Nomura Securities and was appointed Executive Vice President of Nomura in 1995. He was Member of the Board of the World Federation of Exchanges. He holds a BA in commerce from Keio University.

JIAM Leadership (2/2)

JIAM Leadership Profiles

Leadership



Keiichi Aritomo
Asia Head
Kensho Technologies



Tomoharu Nakao
Executive Director Heiwa
Real Estate

Representative Directors

Profiles

Keiichi Aritomo is co-founder and Representative Director of JIAM. He is also advisory counsel and deputy chair of the “Global Financial City: Tokyo” Advisory Panel and is Asian Representative Director of Kensho Technologies, a leading machine learning and big data powered trading analytics engine provider. He is a former Partner at PwC, McKinsey & Co. and Deloitte, where he specialized in the financial services industry and technology strategies across North America, Europe, Southeast Asia and Japan. He is a US CPA, and holds an MBA from the University of Warwick and an MS in urban and transportation planning from the Nagoya Institute of Technology.

Tomoharu Nakao is co-founder and Representative Director of JIAM. He is also Managing Director of Heiwa Real Estate, a real estate development company and landowner of stock exchanges in Japan. He joined the Tokyo Stock Exchange upon graduating with a BA in economics from Kyushu University. He has experience in listing, regulations and public relations. He was previously director and auditor at two publicly listed companies.

JIAM Team Members

JIAM Team Members Profiles

Secretariats



Kazuhiko Yoshimatsu, Secretary General

Kazuhiko Yoshimatsu became Secretary General of JIAM in April 2018. He has over 20 years' experience in the capital markets. He joined the Tokyo Stock Exchange in 1997 and worked in business development and planning in trading, listing and compliance. He also has 2 years' experience at the Financial Services Agency, and worked in corporate and global strategy at the Japan Exchange Group until March 2018.



Akika Hamakawa, Deputy Secretary General

Akika Hamakawa has been with JIAM since its inception in 2016. She worked in accounting, public relations and procurement at Mitsui OSK Lines and Japan Airlines. She holds a master's degree in jurisprudence from Hitotsubashi University and is fluent in English and French.

Asset Management Support Team



Jason Bellamy, Senior Advisor

Jason Bellamy is a Senior Advisor to JIAM and Sumitomo Mitsui Trust Bank. He has over 30 years' experience in the financial industry (Morgan Stanley, Daiwa, Credit Suisse, UBS, Standard Life Investments), specifically in fixed income, Japanese & Asian equities, private banking and hedge fund management. A graduate of the London School of Economics, he is fluent in Japanese.



Jiro Shimpo, Senior Advisor

Jiro Shimpo is a Senior Advisor to JIAM. For over three decades, he was engaged in investing at buy-side institutions including a trust bank, an insurance company and an asset management firm. Most recently, he advised institutional investors on alternative investments. He holds a BA in economics from Waseda University and an MBA from the University of Chicago.

Asset Management Fintech Team ~JIAM Fintech Square Team~



Jiro Morita, Director

For over 20 years, Jiro successively worked as Deputy General Manager of the Tokyo Global Financial Center Promotion Office, Director of Data & Analytics Division, COO of a cyber service company at Accenture, PwC and other ICT operation companies. While experiencing a wide variety of projects as a consultant, he has had experience as a managing director of a listed company.



Jeffrey Tsui, Fintech Specialist

Jeffrey Tsui has extensive banking and asset management industry experience from working with some biggest banks and asset managers, including StateStreet in Boston and Tokyo. He started early career with an AI research startup as NLP and Machine Learning software engineer and later joined financial service sector as software development manager and later become FinTech strategy expert.



Holi Macha, Fintech Specialist

Holi Macha holds a PhD from Yokohama National University in advanced information and communication technologies (ICT) and specialized in automotive artificial intelligence. She joined JIAM in 2017 to nurture her keen interest in the application of AI, ICT and big data analytics for asset management. Previously she served as a researcher at Orange Labs in Tokyo. She is a native French speaker and is fluent in English and Japanese.

Appendix

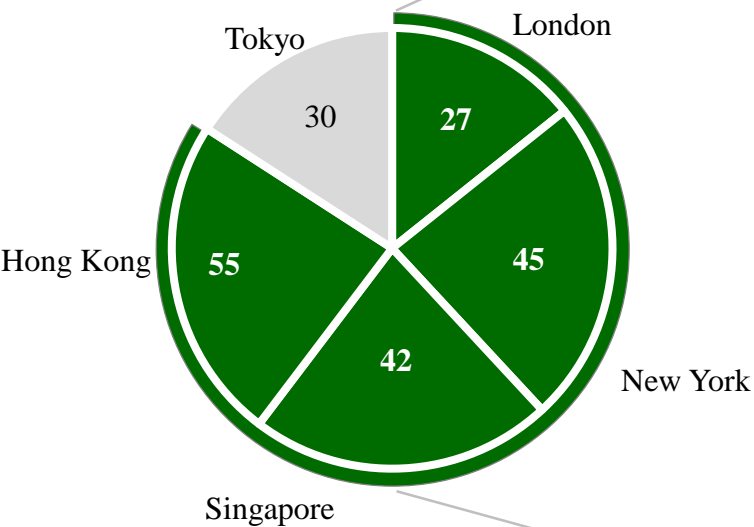
Appendix 1 - JIAM, What we do (1/7)

A Roadshow

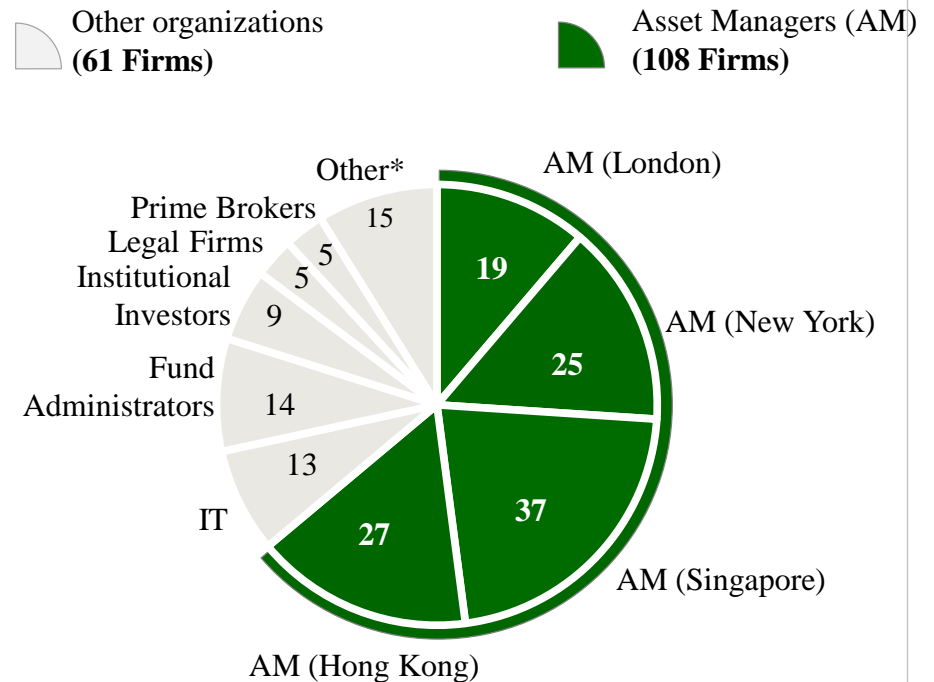
JIAM conducted up to 200 surveys and interviews with asset management firms during 2016-2018.

Survey by City

Total 199 Firms



Offshore Firms - Breakdown by Business Type



* - Includes industry associations, government agencies, etc.

Source: Asset Management Industry Needs Survey

Appendix 1 - JIAM, What we do (2/7)

A

B

C

D

Roadshow

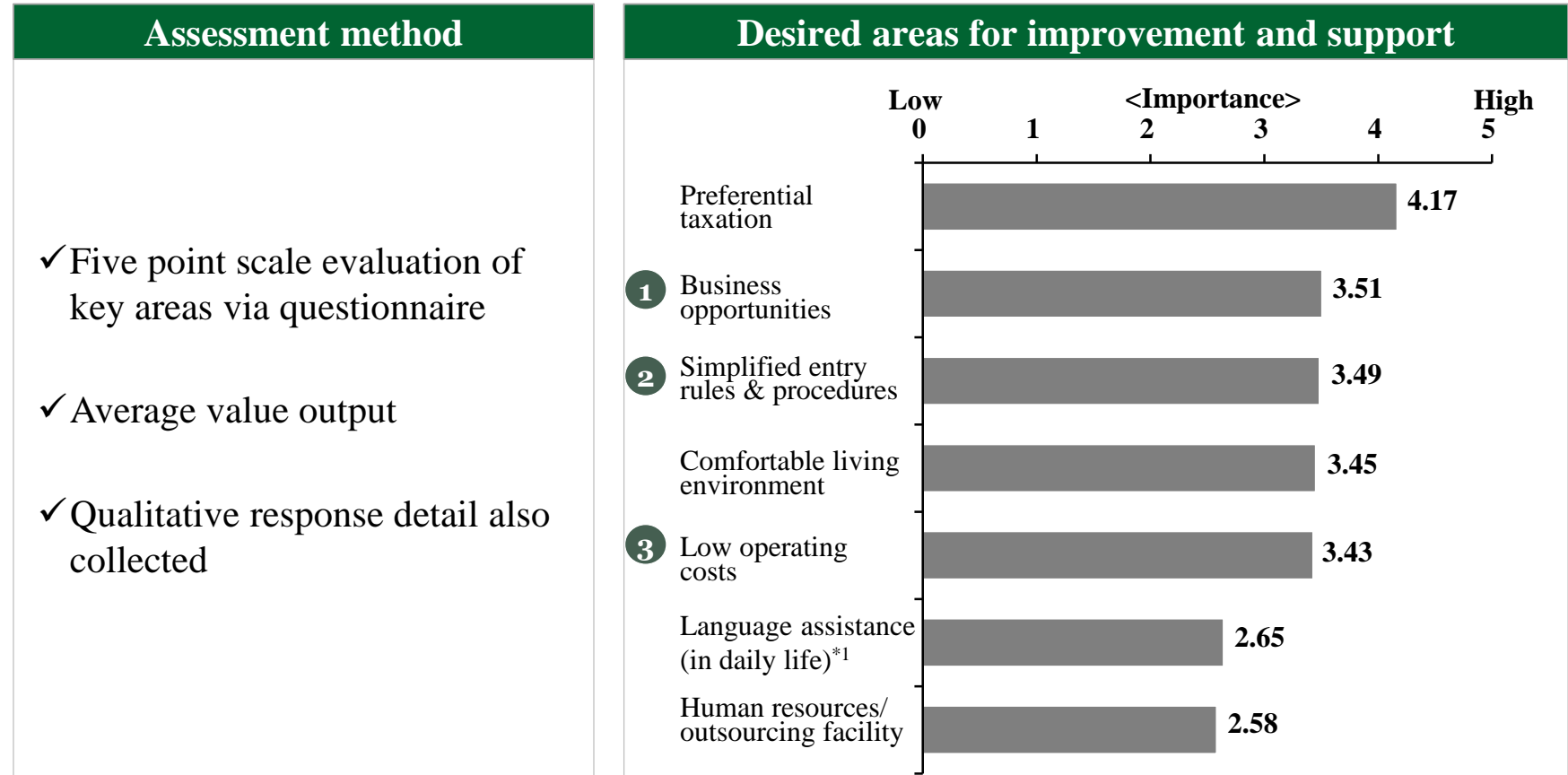
Business Launch Support

Advocacy

Fintech for AM

A Roadshow

JIAM identified and summarized key challenges in launching and conducting asset management and related businesses in Japan.



*1 - Language assistance on market entry are included under “Simplified entry procedures”

Source: *Asset Management Industry Needs Survey*

Appendix 1 - JIAM, What we do (3/7)

B Business Launch Support



JIAM can assist across an entire range of activities and decisions necessary to establish a successful business in Tokyo.

1

Business Opportunities

- Creating business matching opportunities between Japanese institutional investors and independent asset managers
- Referral to capital introducers to access potential clients

2

Market Entry Support

- Provide a guidebook on licensing procedures supervised by expert attorneys
- Provide Japan market entry case studies
- Referral to legal firms with expertise on Japan licensing & entry procedures

3

Low Operating Costs

- Referral to servicer providers including fund administrators, HR companies, tax consultants, IT companies and auditors.

Appendix 1 - JIAM, What we do (4/7)

B Business Launch Support

A

Roadshow

B

Business
Launch
Support

C

Advocacy

D

Fintech
for AM

JIAM organizes “JIAM Seasonal Meetings” for members and industry stakeholders.

- Conference agenda includes roundtable sessions and networking activities to facilitate business relationships among participants:
 - Asset managers
 - Government officials
 - Financial regulators
 - Industry association members
 - Stock exchange officials
 - Asset allocators
 - Service providers
- JIAM also conducts asset management industry events in Tokyo collaborating with embassies and foreign promotional institutions. e.g.
 - Lord Mayor of the City of London
 - Australian Embassy, Tokyo
 - Paris Europlace



JIAM Seasonal Meeting (24th July 2017)

C Advocacy

- Tokyo Metropolitan Governor Yuriko Koike has established an advisory panel consisting of industry experts and is studying further measures to attract overseas asset management and fintech companies to Tokyo.
- JIAM is assisting this initiative as an advisory panel member.

Drafting Interim Report “Global Financial City Tokyo”

- JIAM drafted interim report “Global Financial City Tokyo” as Director Keiichi Aritomo was assigned as deputy chairman of the Governor Koike advisory panel.
- Final report was delivered in Nov. 2017.

Designing a Financial Sector Promotion Organization for Tokyo

- Establishing the Financial Promotion Organization is one of the key agenda of this initiative.
- JIAM is assisting Tokyo Metropolitan Government for designing this organization.

Designing an EMP (Emerging Managers Program) for Tokyo

- The Tokyo Metropolitan Government(TMGG) published Emerging Managers Program in April. 2018
- JIAM assisted the TMGG for designing this program.

Appendix 1 - JIAM, What we do (6/7)



D Fintech for Asset Management in Japan

- The advisory panel has suggested that in building a platform to develop Tokyo as global financial center, Asset Management and Fintech should be both prioritized. However, the intersection between them is relatively unknown in Japan.
- JIAM launched an Fintech Square program for promoting oversea/domestic fintech firms and proposing fintech solutions to address asset management industry level issues in Japan.

JIAM Fintech Square Showroom

- Build an environment to demonstrate fintech solutions and forge an active community for discussion and collaboration.
- Located next to Tokyo Stock Exchange, opened in May, 2018.

Overseas Fintech Promotion

- Promote overseas Fintech firms to Japanese asset owners and asset managers.
- Solution localization and integration for Japan clients in collaboration with our consulting and tech members.

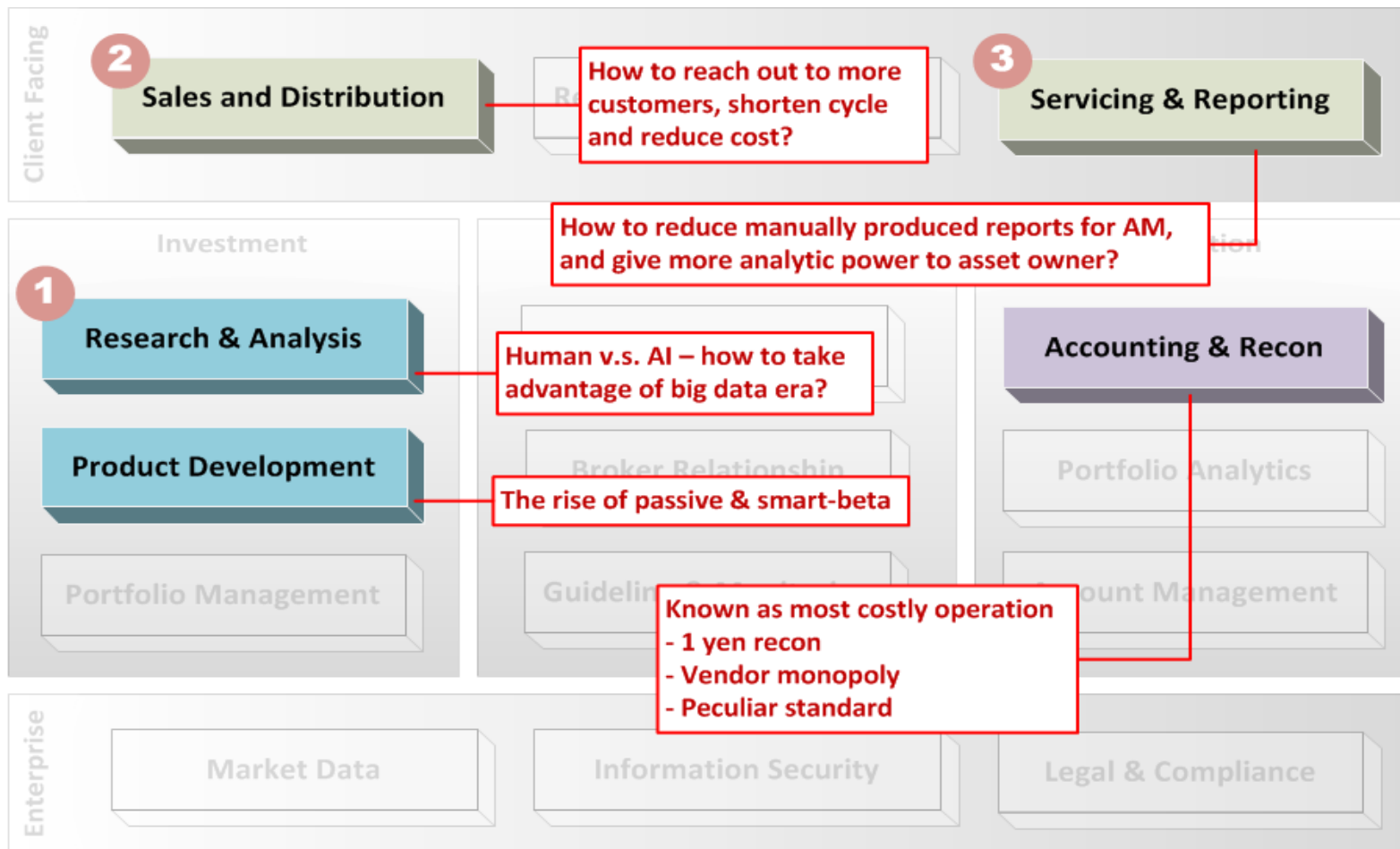
Independent Solution Proposals

- Propose long term fintech solutions addressing industry level efficiency issues such as fund distribution cost and client servicing cost, etc.
- Socialize ideas and push for changes.

Appendix 1 - JIAM What we do (7/7)

D Fintech for Asset Management in Japan

We have discussed areas in the asset management industry that can be significantly improved by technology, with many asset owners and asset managers. Below is a highlight of these areas and few top ones that we would like to focus on.



Appendix 2 - 事業内容

1. 資産運用会社等の起業・誘致に向けた情報発信

海外各都市でのロードショー、国内外でのセミナーの開催及びWEBサイト・SNS等を通じ、当局、業界団体及び当機構における資産運用業のビジネス環境整備に向けた取組み等に係る情報を発信。

2. 資産運用会社等の起業・誘致に向けたビジネスサポート

資産運用会社等の起業及び誘致に係るターゲットを特定し、資産運用会社等に係る会社設立、ライセンス取得、ビジネスインフラ整備及びビジネス機会の創出に係るサポート活動を実施。

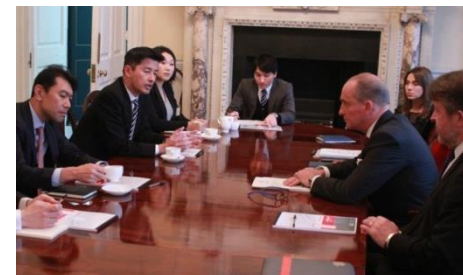
3. 資産運用ビジネスの国際競争力強化に向けた政策提言

東京都「国際金融都市・東京のあり方懇談会」にて議論された、東京版金融プロモーション組織の整備、Emerging Manager Programの導入等、我が国の資産運用ビジネスの国際競争力強化に必要な諸施策について、引き続き調査・研究を行い、必要に応じて当局等への政策提言を行う。

4. 資産運用ビジネスの高度化に向けたFintechの活用促進

我が国の資産運用ビジネスの高度化に向け、主に海外資産運用系Fintechに関する調査・研究を行い、その成果について国内アセットアロケーターや資産運用会社等への情報発信を行う。情報発信に係る施設として、JIAM Fintech Square(仮称)を平成30年4月頃に開設。

(一般社団法人 国際資産運用センター推進機構 (JIAM) 定款抜粋)



**The Consortium for Japan International
Asset Management Center Promotion**

