

PRESS RELEASE

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Is Japan on the right track to sustainable growth? Representatives from the finance industry and the capital markets in Europe and Japan discuss progress and the issues.

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

The keynote speaker, Professor Motoshige Itoh, who has played a leading role in the Japanese government’s policy deliberation process, emphasised: “Since 2012, amid the stagnant global economy, Japan has made progress in overcoming deflation and achieving a primary balance surplus under the economic policies called the “three arrows of Abenomics” backed by long-term stable administration. The most important key to resolving the stagflation in the world economy is to improve Total Factor Productivity (TFP). Japan will accelerate growth utilizing its strengths such as robotics, healthcare and cutting-edge technologies.”

The sessions that followed the speech confirmed that the government’s fiscal and monetary policies are in the right direction for escaping from deflation and reviving the economy. There was also a broad consensus that steady implementation of a growth strategy and structural reforms will be essential in overcoming the difficulties caused by the ageing population and putting the economy back on a sustainable growth path. Senior representatives from the Ministry of Finance and Bank of Japan provided their insights on fiscal consolidation including public debt management, as well as monetary policy measures.

Measures and initiatives to raise the capital market’s efficiency and integrity were also discussed. Amongst others, Mr. Akira Kiyota, CEO of JPX Group, briefed the audience on efforts to enhance the corporate value of listed companies and measures to ensure that the JPX market stays robust and functional. The panel on market infrastructure discussed the progress of and future expectations for

strategic measures to revitalize Japan's capital markets, pointing out the steady spread of Japan's Corporate Governance Code and the potential of Tokyo as a global financial centre.

The speakers at the conference agreed that, despite the difficult circumstances, measures taken by the authorities would provide mid- to long-term momentum for the growth of Japan's economy including financial and capital markets.

Commenting on the event, Mr Martin Scheck, Chief Executive of ICMA, said: "We have been pleased to organise this important summit again this year together with the JSDA. It has provided an unrivalled opportunity for a full exchange of views on cooperation in the financial markets between the UK and Japan and provided first hand input on significant developments in the Japanese economy and the progress made by the current administration in combating persistent deflation. The summit comes at a particularly auspicious time given the Brexit deliberations and the challenges facing the functioning of integrated capital markets given the increasing threats of fragmentation and protectionism."

At the event, a delegate from Japanese industry, Mr Kazutoshi Inano, Chairman and CEO of the JSDA, commented on the Brexit process: "We understand the difficulties lying ahead in the negotiations but strongly hope that both sides understand that fragmentation and barriers help no one when it comes to financial markets. We hope that UK and EU policymakers will carry out the negotiations transparently and provide a transition period for market participants to adapt to any institutional or legal changes." He also noted his expectations for more constructive collaboration between both countries.

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

Notes for editors

Japan Securities Dealers Association (JSDA)

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

Its self-regulatory functions cover rule-making, enforcement, inspection, disciplinary actions, accreditation of sales representatives, and dispute mediation. As an industry organisation serving as an interlocutor to enhance dialogue, the JSDA relays the industry's opinions to the government and other related parties,



conducts and promotes investor education to expand the base of knowledgeable investors and produces policy recommendations for activating the market and promoting the attractiveness and potential of the Japanese market to global and domestic investors. For more information, visit <http://www.jsda.or.jp/en/>.

International Capital Market Association (ICMA)

The International Capital Market Association (ICMA) is a unique organisation and an influential voice for the global capital market. It represents a broad range of capital market interests including global investment banks and smaller regional banks, as well as asset managers, exchanges, central banks, law firms and other professional advisers. ICMA's market conventions and standards have been the pillars of the international debt market for almost 50 years. For more information, visit www.icmagroup.org.

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