Japan’s Fintech Transformation

3 Waves of Change that is paving the way for greater Fintech adoption in Japan

1. Regulatory Transformation

2. Fintech Ecosystem

3. Digital Shift towards 2020
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Regulatory Transformation

**Reg. X #1**
Revision of various Banking Acts by the Japanese Financial Services Agency (FSA)

**Reg. X #2**
Creation of Fintech Support Desk by FSA to support Fintech companies

**Reg. X #3**
Establishing a Fintech collaborative framework with other international government entities

**Reg. X #4**
Conducting international joint research on Blockchain
Revision of Banking Acts by Japanese Financial Services Agency (FSA)

a. Amending Bank Law that allows more flexibility for Banks to invest in technology
   • As a part of Bank’s IT strategy they can invest in Fintech start-ups without an investment upper limit of 5%

b. Enforcing crypto currency regulation
   • Any crypto currency exchange entity must be legally registered
   • To maintain the trust level of the users, crypto currency deposited by users must be managed by respective rules (ex: segregated management)

c. Introducing an Open API “Mandatory Effort” rule
   • Enables Fintech start-ups to access Financial institution’s systems via API connection.
Creation of Fintech Support Desk by FSA to support Fintech Start-ups

- Established in December 2015

- Inquiries around specific interpretation of Japanese banking laws to Fintech technology, or applicability of regulations to Fintech business prior to launch
Establishing Fintech collaboration with other government entities

- Established in March 2017
- Collaborating with Great Britain’s **FCA** (Financial Conduct Authority) Singapore’s **MAS** (Monetary Authority of Singapore), etc.
Conducting international joint research on Blockchain

- Established in March 2017

- International participating entities include: MIT Media Lab from the US, Canada’s Central Bank, Singapore’s MAS, etc.
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FINOLAB is not only a Fintech incubation hub but also a community for both start-ups and corporate members.
Startup Members

Startups in FINOLAB (as of July 2017)
Corporate Members

9 corporate members in FINOLAB (as of July. 2017)

-全日空商事株式会社
-CHUBU Electric Power
-FUJITSU
-MIZUHO
-The Norinchukin Bank
-SAPPORO
-SEVEN BANK
-TOHO MARUKEI
Tokio Marine & Nichido Fire Insurance Co., Ltd.
FIBC
II
Financial Innovation Business Conference
Spring Board for overseas Fintech startups into the Japanese market

• Pioneering Fintech Pitch annual conference in Japan hosted by ISI-Dentsu since 2012.
• Fintech Startups pitch to leading venture capital firms and major financial institutions in this event.
Success Stories

**Alpaca (Robo Trade)**

- Won the grand prize at FIBC in February 2016.
- Went on to enter into collaboration partnership with Japan’s mega bank, Bank of Tokyo Mitsubishi UFJ from May 2017.

![Alpaca and MUFG logos]

**MFS (Mortgage Service)**

- Pitched at FIBC in February 2016.
- Received direct capital funds from ISID, Dentsu and Monex.

![MFS, Monex Group, Dentsu and ISID logos]

Many other start ups that pitched at FIBC event have been matched with sponsoring companies to conduct successful POCs and R&D projects.
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Towards a great Fintech Opportunity
Thank You

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