

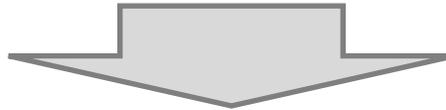
Outline of the Interim Report on Policy for “Global Financial City Tokyo”

June 2017

Tokyo Metropolitan Government

Interim Report on Policy for “Global Financial City Tokyo”

- Revitalizing the financial sector is crucial for Tokyo to emerge victorious in the competition against the world’s cities and continue to grow. This is the core of Tokyo’s growth strategy.
- If the financial sector’s share of the GDP is doubled (from 5 percent to 10 percent), Japan’s GDP is estimated to rise by 30 trillion yen.
- The globally competitive environment has become even harsher, due to the growing presence of Hong Kong and Singapore.
- With a sense of urgency that this is our last opportunity, we must tackle structural and intrinsic issues and transform radical measures into concrete actions.
- The Advisory Panel for Global Financial City Tokyo was established in November 2016. Five meetings have been held so far.



While giving consideration to the Interim Review presented in May by the Advisory Panel, the Tokyo Metropolitan Government (TMG) has compiled the Interim Report on Policy for “Global Financial City Tokyo.”

Tokyo's vision for a global financial city

Serve as Asia's financial hub

Supply Japan's personal financial assets as funds for the growth of Japan and the rest of Asia

Concentration of talent, funds, information, and technologies

Go beyond the realm of finance to create new industries and businesses

Focus on asset management and FinTech firms

Attract and develop domestic and foreign businesses in these areas

Contribute to solving social issues

Have financial players put the interests of investors/customers first and practice ESG investment

To achieve these four visions, Tokyo will take specific actions in cooperation with the national government and relevant private-sector entities.

Specific measure 1: Creating an attractive business and living environment

(1) Consider reduction of tax burden

In order to encourage domestic and foreign financial companies, particularly asset management and FinTech firms, to expand to Tokyo, the TMG will consider reducing two metropolitan taxes on corporations—business tax on corporations and metropolitan inhabitant tax on corporations—and request the national government to take such measures as cutting the corporation tax rates (e.g. employing preferential tax treatment under the National Strategic Special Zone scheme) and reviewing the inheritance tax system.

(2) Enhance the consultation system and English services for financial business-related administrative procedures

- The TMG will collaborate with FSA for the realization of a “fast-entry system,” through measures such as the Financial One-Stop Service.
- Prepare an English guidebook on procedures needed for registration/licensing as a financial business
- Make the Tokyo One-Stop Business Establishment Center more convenient (e.g. submission of documents in English)

(3) Create a living environment where foreign financial professionals can work comfortably

- Utilize the special zone scheme to promote “living close to work” projects (e.g. building the health care and education environment)
- Promote the use of foreign housekeepers by highly skilled financial and other professionals

Specific measure 2: Nurturing players for participation in the Tokyo market

(1) Attract overseas financial companies

- Measures such as offering incentives and easing regulations to attract firms
Attract 40 companies in the next four years by offering free consulting, special visa status, and other measures
- Collaborative efforts by the public and private sectors for overseas promotion
Conduct studies on the establishment of a promotion organization that straddles different industries, while also considering the outcomes of such promotional activities
- Establish the Tokyo Financial Award (tentative name)
By having not only domestic companies, but businesses abroad as well, be eligible to receive this award, we will be able to attract winners to Tokyo

(2) Cultivate asset management businesses

- Seek the introduction of an emerging managers program (EMP) and other programs

(3) Nurture FinTech businesses

- Implement accelerator programs
- Seek the formation of a FinTech ecosystem (Tokyo version FinTech center) that boosts innovation, by gathering relevant entrepreneurs, investors, research institutions, and other players

(4) Nurture financial professionals

- Nurture highly skilled financial and other professionals by making full use of programs of the Tokyo Metropolitan University

Specific measure 3: Contributing to solving social issues

(1) Ensure fulfillment of fiduciary duty

- Consider measures to ensure compliance with the Principles of Fiduciary Duty and other rules in cooperation with the FSA

(2) Ensure compliance with the Corporate Governance Code and Stewardship Code

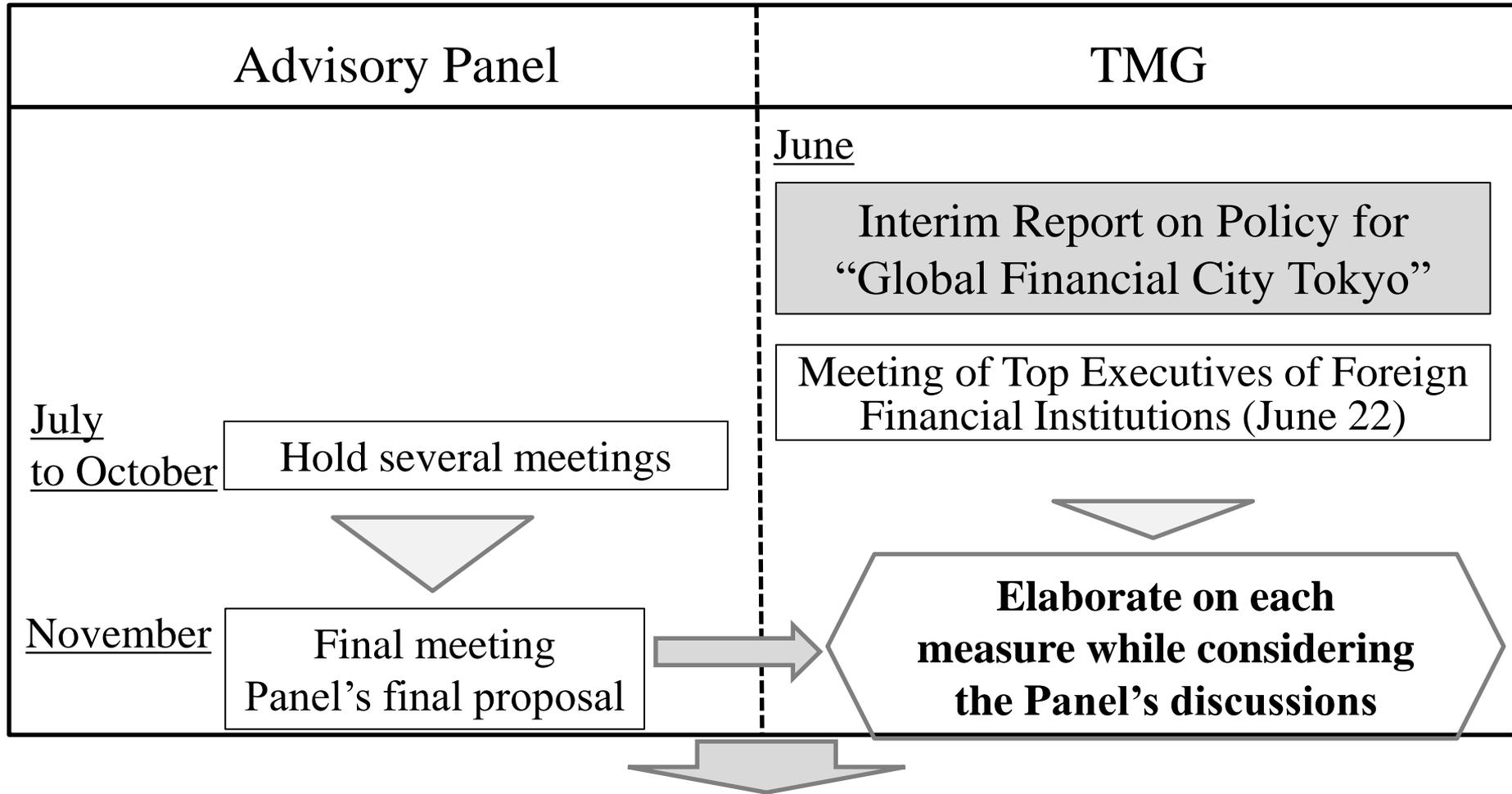
(3) Promote the use of green finance

- Issue Tokyo Green Bonds, and consider measures to encourage the private sector to issue green bonds

(4) Establish the Tokyo Financial Award (tentative name)

- Establish an award for domestic and foreign businesses that develop and provide financial services and products that can answer the needs of the Tokyo residents and issues of metropolitan administration, and spread ESG investment

Future course of action for formulation of the Policy Report for “Global Financial City Tokyo”



The Final Report, which details the TMG’s new report—what could be called the “Tokyo Financial Big Bang”—will be compiled in fall 2017.