

How FinGATE is fostering a modern financial-services community in Japan



Over the past decade, a series of concerted efforts have taken wing in Japan to make Tokyo a global financial hub like New York and London.

These range from the national government's International Financial Center Initiatives, to the Tokyo Metropolitan Government (TMG)'s Global Financial City vision – and the establishment of a non-profit promotional organization, FinCity.Tokyo to boost the attractiveness of Tokyo's financial ecosystem, raising its profile as a top-class global financial city.

In this backdrop, the TMG selected Heiwa Real Estate as the certified office-space provider of “Project for Temporary Office Allocation for Financial Foreign Companies and Human Resources” in Nihonbashi Kabuto-chō.

The financial district of Nihonbashi Kabuto-chō is an integral part of the revitalization of Tokyo as a global financial hub. Apart from being home to the Tokyo Stock Exchange since 1878, Kabuto-chō has evolved into the nerve center of Japan's security markets. And Heiwa Real Estate, established in 1947 as a landlord of stock exchange buildings in Japan, is one of the key supporters powering the revitalization project.

There had been a shared understanding in Japan's asset management industry that it needed to get more diverse and develop cutting-edge practices to be relevant globally. Attracting new talent from Japan and overseas is vital in that respect. That cultural shift is underway.

In five years, Heiwa Real Estate's flagship brand FinGATE has ushered in 60 companies and organizations as tenants. FinGATE is one of the largest incubation communities in Japan that supports the growth and development of asset management companies, fintech ventures and other financial-services organizations, by developing and providing office spaces and amenities. Its tenants are both

domestic and foreign enterprises that want to grow across new segments of the Japanese economy.

Globalize asset management

Japan has 2,005 trillion yen (\$1.51 trillion) of household financial assets, more than half of which is in cash and deposits. While this addressable market makes Japan an attractive destination for global asset management companies, an ecosystem approach is imperative to usher in the best minds in finance and technology.

In a significant move, in June 2021, the Financial Services Agency and Local Finance Bureaus set up the Financial Market Entry Office at FinGATE TERRACE in Kabuto-chō.

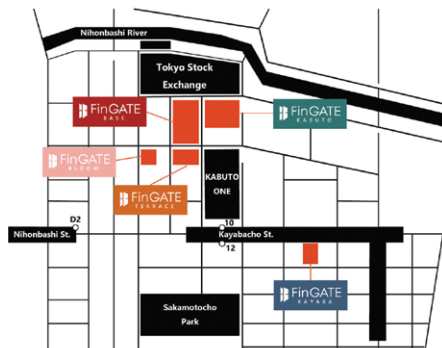
As a one-stop shop for foreign asset management firms, the Financial Market Entry Office provides consultation and support services – in English – for license registration, and supervision after registration. In the past, the need to use Japanese in administrative processes for obtaining licenses was regarded as a major hurdle to inbound interest.

As of January 2022, five overseas asset management firms got registered using the Financial Market Entry Office in Kabuto-chō.

More specifically, FinGATE helps companies ensure that their office infrastructure is compliant with the data security and privacy regulations that are par for the course in financial services, but which require attention to detail and quality control that are unique to the asset management industry.

Next-gen financial services

FinGATE has developed five facilities, namely FinGATE BASE, FinGATE KABUTO, FinGATE KAYABA, FinGATE TERRACE and FinGATE BLOOM.



In effect, asset management companies and fintech startups tapping into Japanese market from overseas, have access to office space, with subsidies

provided by the TMG when renting with FinGATE offices. (Up to three months of rent is deductible.) Apart from this, FinGATE offers workspaces, and rooms for meetings and conferences to suit the needs of startups.

Larger conference rooms are also available at KABUTO ONE, a landmark high-rise building launched in 2021. At the atrium of KABUTO ONE, one of the world's largest cube-shaped LED displays is installed to disseminate market information and others.



FinGATE, which has 60 corporate tenants and a target to expand to 100, also has tenants such as the TMG, the Financial Services Agency, FinCity.Tokyo and the Fintech Association of Japan.

Two, FinGATE connects companies with professional middle- and back-office service providers, such as legal and tax advisers and business strategy consultants – often with preferential rates.

The five FinGATE facilities have evolved into a vibrant environment for entrepreneurs, replete with matchmaking opportunities for venture-capital firms, accelerators, asset owners and major companies. FinGATE has also made the ambience of Kabuto-chō vibrant with restaurants, cafes, hotels and other entertainment facilities located in the area.

“In addition to the innate characteristics of the district itself and its objective appeal as a center for finance and startups, we have built a solid reputation with tenants based on soft power, including support for pre-startup preparations and post-launch networking within the district,” said Kiyoyuki Tsuchimoto, President and CEO of Heiwa Real Estate.

“Adding value to physical spaces with soft power and enhancing the overall appeal of the district has upgraded the place with diversity and sources of innovation,” he added.