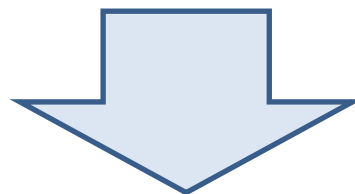


# Secretariat's Explanatory Material

May 16, 2016

# Panel of Experts on FinTech Start-ups

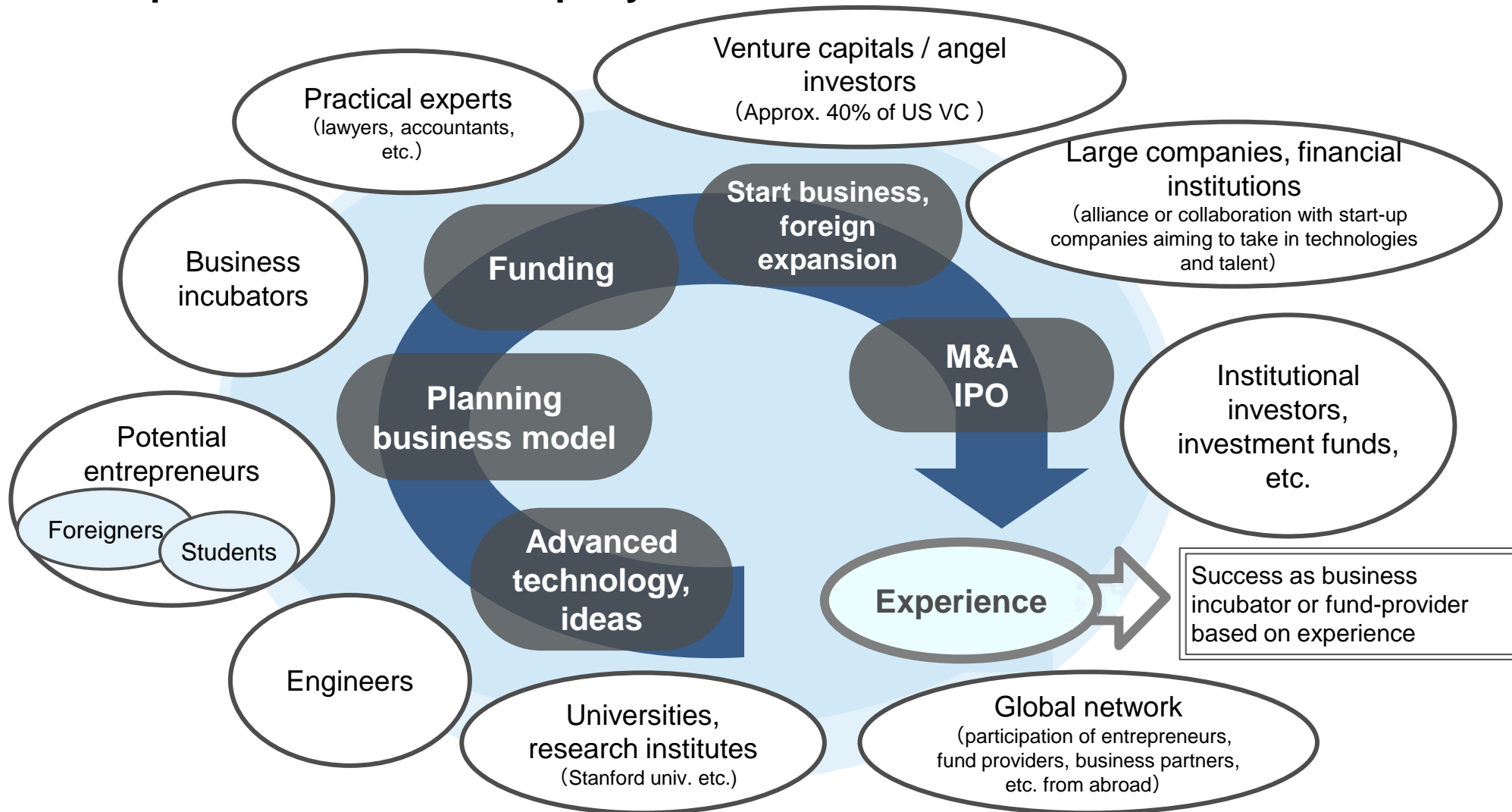
- FinTech has attracted great attention. However, advanced FinTech start-ups and venture capitalists have not much emerged in Japan when compared with the situation in other advanced economies.
- In order to promote FinTech start-ups' growth and success regardless of borders, it is important to create an ecosystem in which a range of players—such as those who specialize in technologies (like researchers and engineers) and those who specialize in business development (like enterprises, fund providers, and law and accounting experts)—gather, and FinTech start-ups emerge and grow through the collaboration of such players, while taking advantage of Japanese socioeconomic strengths.



**Discuss possible measures to create a “FinTech ecosystem” and the possible impacts on financial services by the trend of FinTech, etc.**

# Silicon Valley Ecosystem

- **Parties-involved are accumulated** within an area of approx. 4,800 km<sup>2</sup>
- **Top-notch global IT companies** grow and approx. **1.7 thousand start-up companies** start business per year.



# Perspectives for consideration (examples)

## Current environment surrounding Japanese Fintech start-ups

- Limited examples are observed for students, young researchers, foreigners, etc. launching start-ups in Japan.
- The relationship between the technology community (including engineers and researchers at universities and research institutions) and finance or the business community is still at the early stage.
- Innovative ecosystem is not established where business are incubated, while experienced entrepreneurs or specialists are involved in the incubation.
- A few FinTech companies expand their businesses abroad. Global alliances or networks concerning FinTech are weak.



## Perspectives for consideration (examples)

- What would be the challenges in bringing entrepreneurs of the future such as students or researchers to start a business?
- What would be an ideal relationship between the business community and technology community in FinTech sector from the perspective of promoting innovation.
- How do talents from various fields gather and collaborate in Japan? And what would be needed to establish such environment?
- What would be necessary as an endeavor to encourage the emergence of global FinTech start-up companies from Japan?
- How would the businesses of traditional Financial Institutions be challenged by the advance of FinTech, and how quickly would such challenge occur?