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Contents

P1



**25th anniversary of
the establishment of the FSA**

Conferences

P5

**Joint session of the 55th general meeting of
Financial System Council and the 43rd meeting of
Sectional Committee on Financial System**

Policy Commentary

P7

**Data Analysis Project Case Competition
(July 2024 - June 2025)**

**Macro-financial Stability and Data Strategy Office, Risk Analysis Division,
Strategy Development and Management Bureau**

Special Feature

P15

**A spin-off interview following an article carried by
“The Finance,” a monthly public information magazine
published by the Ministry of Finance
“Interview with Deputy Director-General Shibata
—Past and Present of the Financial Services Agency”**

Notice

P18

**A Nationwide Campaign,
Financial and Economic Education Caravan
Deputy Director-General, WANISA,
Busy Making Courtesy Visits Nationwide! vol.3**

P20

JFSA's Major Activities in June

P22

**Introduction of Discussion Papers
in Financial Research Center**

Access the online version here

<https://www.fsa.go.jp/en/newsletter/index.html>

25th anniversary of the establishment of the FSA

This year marks the 25th anniversary of the FSA, which was established on July 1, 2000, through the integration of the Financial Supervisory Agency and the Ministry of Finance's Financial System Planning Bureau.

When the FSA was established, its priority objective was to regain trust in financial administration and stabilize the financial system through the disposal of non-performing loans. Since then, the environment

surrounding financial administration has changed drastically due to the population shrinkage, aging of society with a low birthrate, the launch of new financial services, the acceleration of financial institutions' business expansion across sectoral boundaries and national borders, and the evolution and diffusion of digital technology in the financial industry.

Upon the 25th anniversary, let us look back at the history of the FSA.

On the 25th anniversary of the establishment of the FSA

KATO Katsunobu,

Minister of State for Financial Services

(From the opening remarks of the ministerial press conference after the cabinet meeting on July 1, 2025)



Today marks the 25th anniversary of the establishment of the FSA, which was formed through the merger of the former Financial Supervisory Agency and the Financial System Planning Bureau of the Ministry of Finance. I would like to express our sincere gratitude to persons concerned for their understanding and cooperation in financial administration.

The mission of the FSA is as stated in the document distributed to you, namely to enhance national welfare, and the priorities of the administration have changed with the times. Looking back, 25 years ago when the FSA was established, the priority was to stabilize the financial system by restoring trust in financial administration and resolving non-performing loans.

On the other hand, although Japan's financial system is generally stable at present, it faces uncertainty in domestic and overseas economic and financial markets and structural changes in the economy and society as the transition to a "world with interest rates" progresses.

In addition, amid a trend of population decline and aging, strengthening "regional financial capacity" to support regional economies is also a very important issue. By the end of this year, we will formulate and strongly promote a plan to strengthen regional financial capacity, which packages related measures.

Furthermore, in recent years, financial services and transactions utilizing digital technologies such as AI and blockchain have been rapidly expanding, and we believe that the areas in which the FSA is expected to play a role are also expanding.

Supporting these diverse financial sectors from an administrative perspective is precisely the mission of the FSA. To fulfill this mission, the Agency and all of its staff will continue to make every effort. We appreciate your understanding and cooperation in financial administration.

*(Indicated in the reference material distributed)

The FSA's mission

To increase the welfare of the people through sustainable growth of businesses and the economy as well as stable asset formation by striking a balance among: [1] stabilizing the financial system and having financial institutions fully perform their financial intermediary function, [2] ensuring user protection and enhancing user convenience; and [3] securing fairness and transparency over, and invigorating, the market.

SETO Takakazu,
State Minister for Financial Services

Twenty-five years ago, I was engaged in designing the institutional system for the management of postal savings as an employee of the asset management division of the former Ministry of Posts and Telecommunications. At present, under the Policy Plan for Promoting Japan as a Leading Asset Management Center, which the government as whole is implementing, the duties of the Asset Management Business Division, which has been newly established at the FSA in order to promote further development of the asset management business, have something common with what I experienced at that time. I am convinced that the FSA shoulders grave responsibility for addressing the challenges of that kind that are common to all times.

While continuing to address challenges related to financial administration that are common to all times, such as protecting users, preventing financial crimes, and stabilizing the financial system, and while

strongly supporting active initiatives and endeavors by financial-sector stakeholders, all of us at the FSA will work together to contribute to the development of the Japanese society and economy.



NISHINO Daisuke,
Parliamentary Vice-Minister for Financial Services

In 2000, when I was a student, it was greatly impactful for me that the Ministry of Finance was split up and the Financial Services Agency was newly established. It occurred to me at that time that Japan was in the midst of a financial crisis and that it became more necessary than before to establish an agency specialized in financial administration in order to stabilize the financial system.

I believe that since then, the FSA has flexibly and appropriately dealt with the policy challenges of the time. In recent years, the FSA has performed not only traditional duties, such as supervisory administration, but also new duties, including addressing policy challenges like the Policy Plan for Promoting Japan as a Leading Asset Management, sustainable finance, and fintech.

Going forward, the environment surrounding the financial sector is expected to change further, but all of us at the FSA will work together to enable the agency to perform its expected role.



**<<The commemorative logo for the 25th anniversary of
the establishment of the FSA>>**

We **created a special logo** to mark the 25th anniversary of the establishment of the FSA. The logo is scheduled to be used in various ways, including as part of the header of the website of the FSA, for a limited period of time. Please watch out for the new logo!



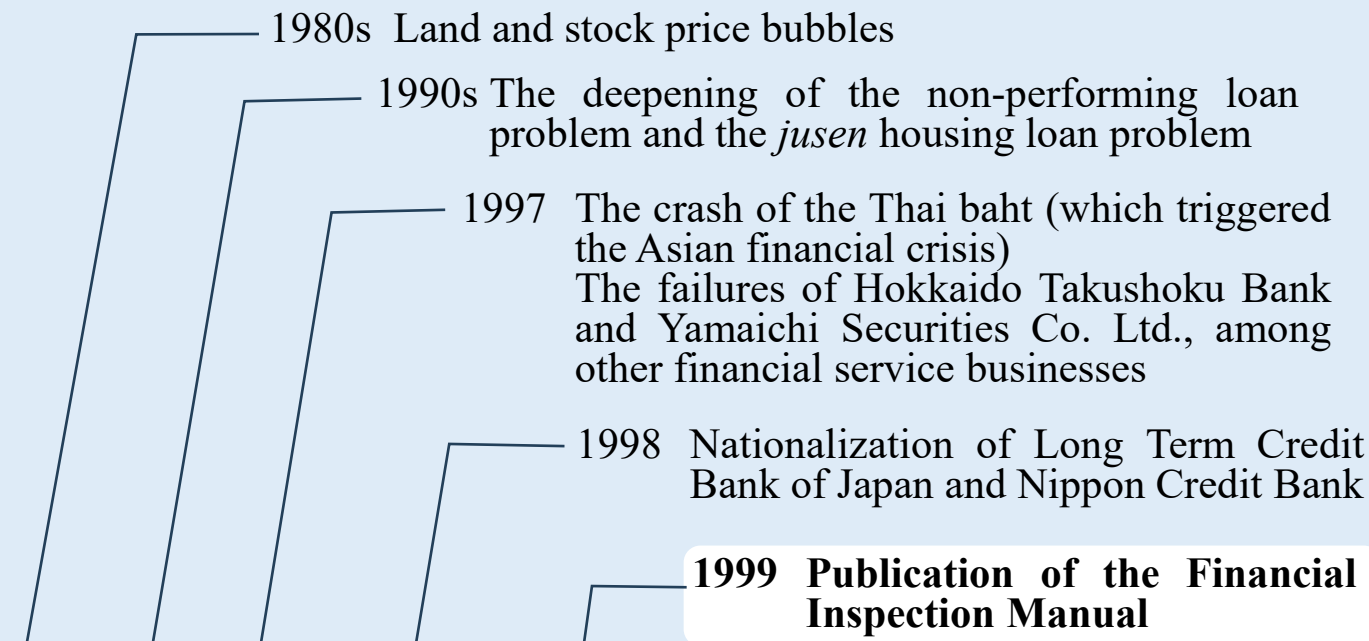
(Ordinary version)



(25th anniversary version)



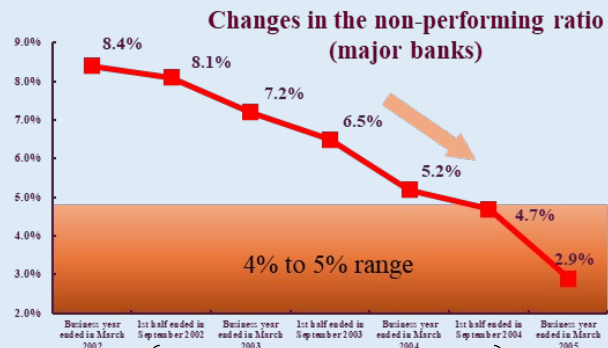
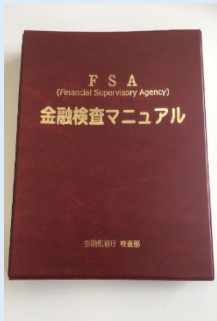
Events related to financial administration



1980 1990 1998 2000

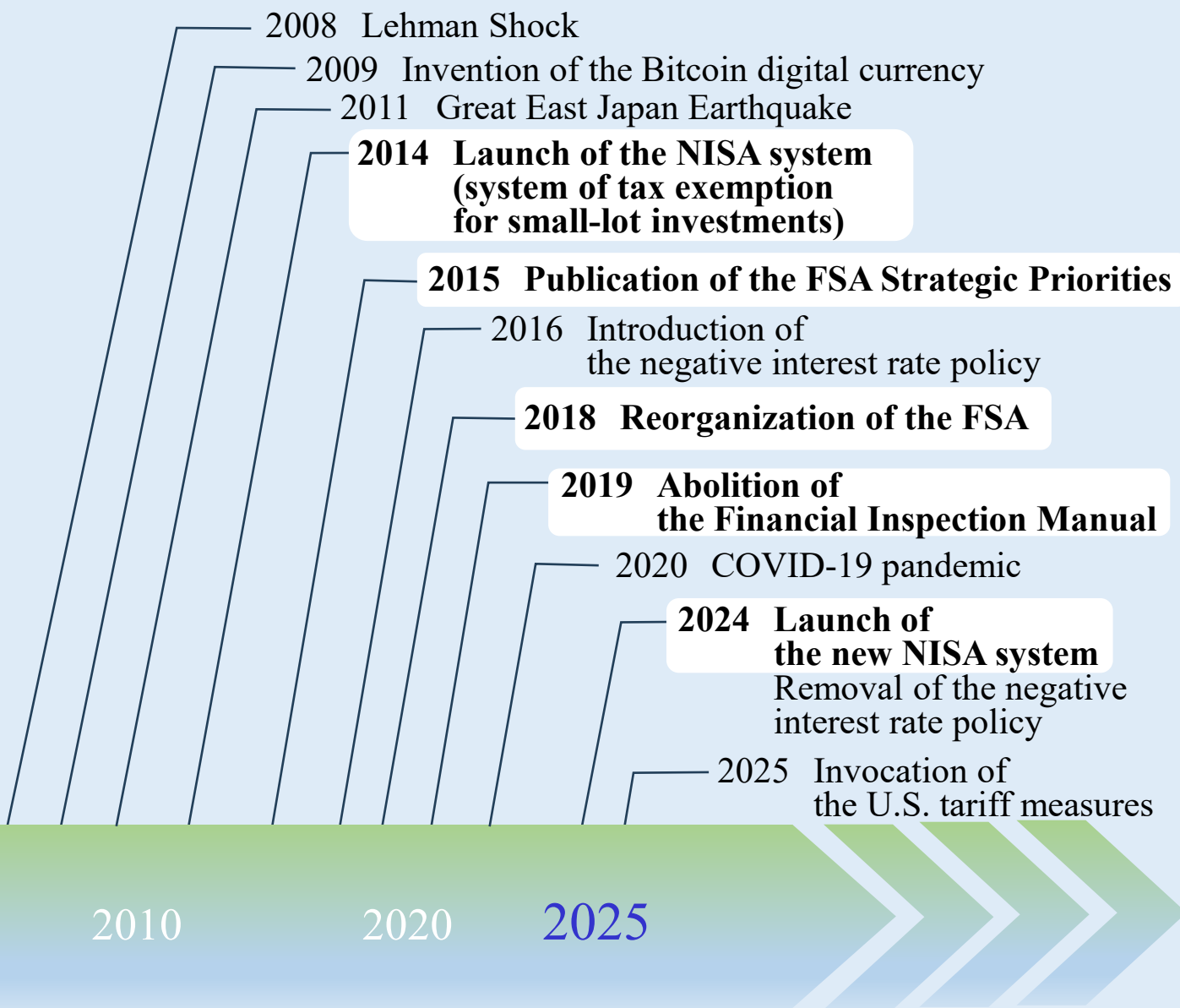
1998
Establishment of the Financial Supervisory Agency

2000
Establishment of the Financial Services Agency



(Figure: Changes in the non-performing ratio (major banks))

*The figures are on the basis of disclosure under the Financial Revitalization Act.



2001 Implementation of special inspections (major banks)

2002 Publication of the Program for Financial Revival

**2003 Recapitalization of a major bank (Resona Bank)
Temporary nationalization of
a major regional bank (Ashikaga Bank)**

**2005 Removal of the ban on deposit payoff
Achievement of the goal of halving
the non-performing loan ratios
at major banks**

(Figure: Overview of the new
NISA system, launched in 2024)

	つみたて投資枠 併用可	成長投資枠
非課税保有期間	無制限	無制限
制度 (口座開設期間)	恒久化	恒久化
年間投資枠	120万円	240万円
非課税保有限度額 (総枠)	1,800万円	
		1,200万円 (内訳)
投資対象商品	長期の積立・分散投資に適した 一定の投資信託 (金融庁の基準を満たした投資信託に限定)	上場株式・ 投資信託等 ※
対象年齢	18歳以上	18歳以上

目次	
はじめに.....	2
1. 金融行政の目的.....	3
2. 金融 経済の環境変化への対応.....	4
2. 金融行政の目指す姿・重点施策.....	5
1. 活力ある資本市場と安定的な資産形成の実現、市場の公正性・透明性の確保.....	5
2. 金融仲介機能の十分な発揮と健全な金融システムの確保.....	10
3. 顧客の信頼・安心の確保.....	13
4. IT技術の進展による金融業・市場の変革への戦略的な対応.....	14
5. 国際的な課題への戦略的な対応.....	16
6. その他の重要施策.....	17
2. 金融行政の推進.....	18
1. 金融庁のガバナンス.....	18
2. 金融行政のあり方.....	19



<Most recent edition>

Joint session of the 55th general meeting of the Financial System Council and the 43rd meeting of Sectional Committee on Financial System

On June 25 this year, the joint session of the 55th general meeting of the Financial System Council and the 43rd meeting of Sectional Committee on Financial System were held.*¹ At this joint session, after then FSA Commissioner Ito delivered a speech, the Financial System Council was consulted on four points.



Photo: Then FSA Commissioner Ito delivering a speech

The outlines of the points of consultation are as follows. Going forward, working groups will be established under the Financial System Council to deliberate specifics.

(1) Deliberation on regulatory systems related to cryptoassets

Recently, domestic and foreign investors have recognized cryptoassets as investment targets. In this situation, it has become necessary to better protect users given the frequent occurrence of fraudulent investment solicitation activity. On the other hand, attention should also be paid to the possibility that overly stringent regulations may undermine Japan's competitiveness by inducing service providers to

leave Japan. In order to ensure that cryptoasset trading market can develop in a sound manner while gaining the people's trust, it is essential to strike a balanced approach between user protection and the promotion of innovation.

Given the above circumstances, the FSA conducted an examination concerning regulatory systems related to cryptoassets, and, in April this year, it published the results in the form of a discussion paper and solicited opinions.*² In light of the opinions submitted, in order to deliberate the specifics of the development of regulatory systems, the FSA consulted the Financial System Council as follows:

Consultation

In light of the fact that domestic and foreign investors have recognized cryptoassets as investment targets, the Council should conduct deliberation on regulatory systems related to cryptoassets while giving consideration to both the user protection and the promotion of innovation.

(2) Deliberation on the enhancement of regulation of unfair transactions

In recent years, during the process of investigation regarding unfair transactions, etc., the Securities and Exchange Surveillance Commission (hereinafter the "SESC") has found some practices that may be considered to be unfair but which cannot be identified as illegal under existing laws and regulations and others that can be identified as illegal but against which the amount of administrative monetary penalty is too low to have a deterrent effect.

In light of those cases, on June 20 this year, the SESC submitted a proposal to the Prime Minister and the FSA Commissioner.*³

*¹ Regarding the agenda of the meeting and reference materials distributed at the meeting, access the following URL: https://www.fsa.go.jp/singi/singi_kinyu/soukai/siryoku/20250625.html (Available in Japanese)

*² Regarding "Examination of the Regulatory Systems Related to Cryptoassets (Discussion Paper)," access the following URL: https://www.fsa.go.jp/en/news/2025/20250410_2/crypto_dp.html

*³ Regarding the submission of the recommendation based on the provision of Article 21 of the Act for Establishment of the Financial Services Agency, access the following URL: https://www.fsa.go.jp/sesc/news/c_2025/2025/20250620-1.html (Available in Japanese)

While giving consideration to the contents of the proposal submitted by the SESC, the FSA consulted the Financial System Council as follows because it is necessary to consider how to enhance the regulation of unfair transactions in ways that fully generate a deterrence effect against unfair and illegal practices in order to secure investors' trust in the fairness and transparency of the market.

Consultation

In light of various recent problems related to the capital market, the Council should conduct deliberation on enhancing the regulation of unfair transactions in order to secure investors' trust in the fairness and transparency of the Japanese market, promote the protection of users, and ensure full exercise of market functions.

(3) Deliberation on disclosure of corporate information

It is necessary to consider ideal information disclosure practices that contribute to investment decisions and how to realize them in light of the changes in the environment surrounding information disclosure.

For example, the act of soliciting 50 or more customers (excluding qualified institutional investors) to purchase newly issued securities falls under “public offering.” If the value of funds to be raised is 100 million yen or higher, it is required to submit a securities registration statement (thereafter, it is required to continuously submit annual securities report). From the viewpoint of further promoting investment in startups, etc., it is necessary to consider making revisions, such as raising the 100-million-yen threshold exempting from the requirement for submitting a securities registration statement, in light of the cost of information disclosure necessary for fund-raising.

As disclosure concerning non-financial information (descriptive information) contained in annual securities reports, such as sustainability information, has been enhanced, there are concerns that companies may try to refrain from active information disclosure in securities reports in order to avoid being pursued for liability for misstatements. In light of this situation, it is necessary to consider how to govern the liability for misstatements (safe harbor rules) as part of the effort to develop an environment to enhance information disclosure.

In light of the above challenge, the FSA consulted the Council as follows:

Consultation

The Council should conduct wide-ranging deliberation on the vision of corporate information disclosure that contributes to investment decisions and how to realize it in light of the changes in the environment surrounding information disclosure, such as the growing fund-raising needs of startups, etc. and the enhancement of disclosure of non-financial information.

(4) Deliberation on enhancing regional financial power

In order to ensure that regions can achieve sustainable development amid changes in the surrounding environment, such as the population shrinkage trend, it is necessary for regional financial institutions to further exercise their ability to contribute to regional economies (regional financial power) not only by supplying funds (investments and loans) to promising projects but also by performing a wide range of financial intermediary functions (e.g., M&A support for regional business operators, attracting necessary businesses and workers to regions, and helping business operators facing management challenges make management improvements). Under these circumstances, in order to enhance regional financial power, the government plans to develop a “Regional Financial Power Enhancement Plan”, which is a package of relevant measures, by the end of 2025 and strongly promote it. In view of this policy, it is necessary to consider how to develop an environment that enables regional financial institutions, which are expected to underpin regional financial power, to fully perform their role.

In light of the above situation, the FSA consulted the Council as follows.

Consultation

The Council should consider measures necessary for enhancing regional financial power so that regional financial institutions, etc., can fully perform their role of contributing to regional economies amid changes in the surrounding environment, such as the population shrinkage trend in regions.



Photo: A general meeting of the Financial System Council

Data Analysis Project Case Competition (July 2024 - June 2025)

Macro-financial Stability and Data Strategy Office, Risk Analysis Division,
Strategy Development and Management Bureau

1. Introduction

The Financial Services Agency (FSA) is promoting a variety of initiatives so that a wide range of employees will become interested in data analysis and that data can be used in financial administration. As part of these initiatives, from the perspective of promoting the sharing and accumulation of knowledge within the FSA, the FSA has been consolidating and supporting Data Analysis Projects within the FSA since the year of July 2020-June 2021, promoting the sophistication of data analysis as part of its work, and promoting and supporting the launch and implementation of data analysis that employees are working on independently for policy making and monitoring.

In the year of July 2024-June 2025, the FSA expanded the possibilities of internal data analysis by using AI for text data analysis and by developing a dashboard using BI tools, in addition to conducting econometric data analysis as it has already been doing. In addition, in cooperation with the Financial Research Center, the FSA launched the Data Analysis Study Hour (DASH) initiative and held meetings related to data analysis in which outside experts delivered speeches and FSA employees made presentations regarding analysis results. Through these activities, the FSA encouraged employees to be interested in data analysis and steadily promoted the expansion of data analysis activity.

In this article, based on the contents of presentations made at the DASH research presentation by the officer, we provide an overview of the analyses conducted in the excellent projects that won the Commissioner's Award and other awards and cite comments from interviews with project team members who were in charge of those analyses. (*The employees' affiliated divisions and offices are those to which they belonged at the time of the interview.)

2. Commissioner's Award

➤ Three HFT-related analyses (Sudden price fluctuations in the stock market as seen from a bird's eye view; examination of analysis results, and the merits and demerits of HFT; high-frequency trading using information on orders from individual investors)

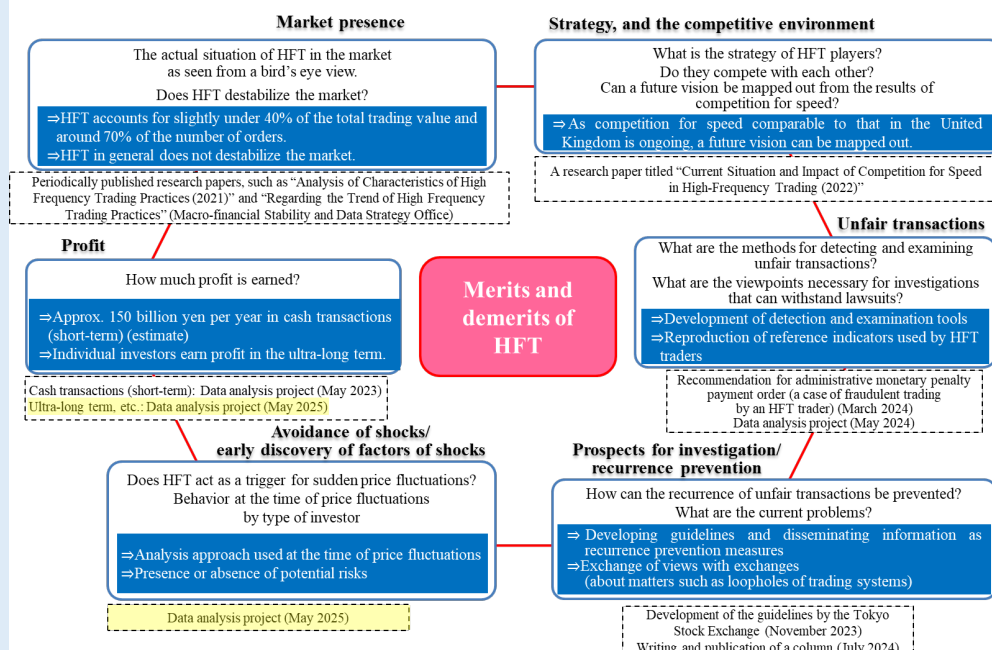
➤ Market Surveillance Division, Executive Bureau, Securities and Exchange Surveillance Commission (SESC): HFT Team Examiner Ohyama, Examiner Hara, Examiner Kimura, Examiner Sasaki, and Senior Examiner Honma

- Explain the overview of the analysis

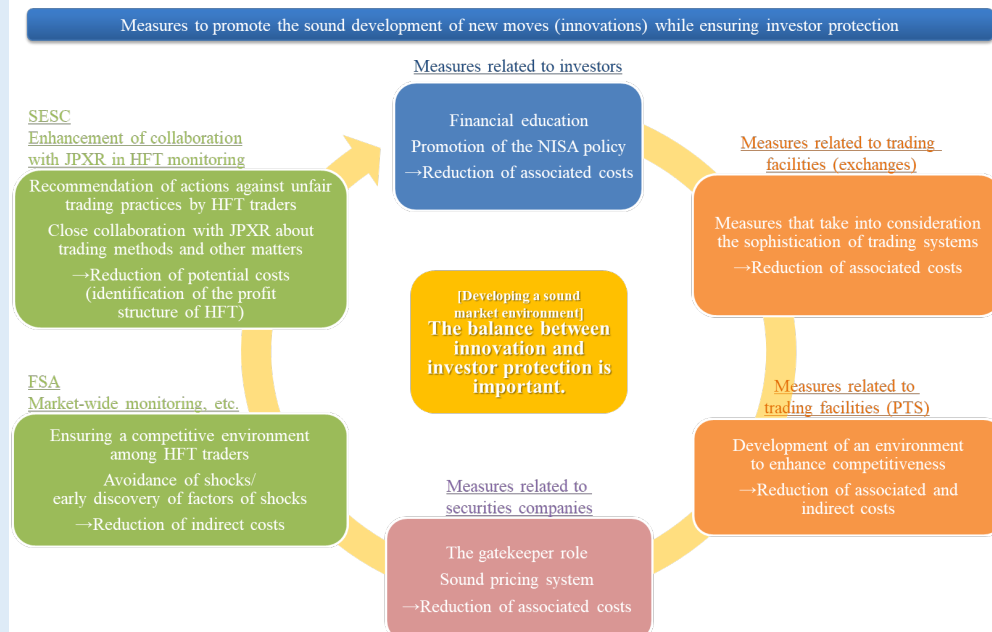
Since the introduction of the HFT registration system in 2018, from five viewpoints (market presence, strategy and the competitive environment, profit, unfair transactions, and prospects for investigation), we have so far conducted various activities—starting with the collection of order data on an all-issue basis from exchanges and other trading facilities (the Tokyo Stock Exchange, the Osaka Securities Exchange and private trading systems [PTS]) and including HFT-related analyses, inspections, and collaboration with divisions in charge of examination of transactions and investigation (which led to recommendations for administrative monetary penalty payment order)—in order to examine the merits and demerits of HFT, which have been difficult to identify. At this time, with respect to the last remaining viewpoint (avoidance of shocks/early discovery of factors of shocks), we analyzed and examined the situations of the cash, futures, and options market on August 5, 2024 (when sudden price fluctuations occurred), from a bird's eye view. As a result, we made it clear that judgments based on localized analysis could generate misunderstandings, identified potential risks inherent in the futures market, and summarized the merits and demerits of HFT. As for “high-frequency trading using information on orders from individual investors,” as our team itself developed a trading strategy, we found clues useful for analyzing market-making strategy and directional strategy and explained the viewpoints necessary for monitoring those strategies and individual and some of individual investors' investment behavior that form genuine balance of supply and demand on the order book.

Examine the merits and demerits of HFT

(summarize the results of analyses and other activities, starting with the collection of trading data, that have been conducted over a long period of time)



[From a bird's eye view] Examination of financial administration based on the HFT team's findings concerning the merits and demerits of HFT



- What difficulty did you face and which points did you keep in mind when conducting the analysis?

One problem was that it was necessary to precisely and quickly conduct activities, such as selecting pieces of information that met certain criteria from among the vast volume of detailed order book reproduction data received from exchanges and processing the selected information. Without the members of our team who have professional IT skills, this analysis would have been impossible.

As for points that we kept in mind, we took care to proceed with this analysis cautiously, holding discussions over and over again within the team while giving consideration to the position of our

analyses in the overall analysis project, including various analyses related to HFT that we have been conducting over time.

- At this time, your team won the Commissioner's Award. How do you feel about having won the award?

Having been given the precious opportunity to demonstrate to the whole of the agency the efforts of our team, which is just one part of the Market Surveillance Division, I would like to express my sincere appreciation to the people who were in charge of planning and managing this project and to the director and deputy director of the division, who provided cordial support to our analysis activity.

3. Chief Data Officer (CDO) Award

- Analysis to identify the actual situation of the credit risk management system
- Macro-financial Stability and Data Strategy Office, Strategy Development and Management Bureau: Section Chief Sekiguchi

- Please explain the overview of the analysis.

Using highly detailed data (e.g., detailed information on loans to corporate borrowers classified on a transaction-by-transaction basis) collected through a joint data platform, I conducted an analysis to identify the actual situation of the credit risk management system in terms of quantitative data under three themes. First, I analyzed the assignment of debtor categories to borrowers to which two or more banks provided loans from the viewpoint of whether the loans were provided across regional boundaries. Second, I developed models that use machine learning to forecast change in the borrower category based solely on financial information, with those models tailored to several different patterns of change in the borrower category, and verified their forecasting accuracy. Third, I analyzed the security status of regional banks in order to understand the current situation. Neither of those analyses are intended to debate the appropriateness of the current situation. Rather, they are intended to verify the viewpoints of monitoring activity using highly detailed data and promote the sophistication of the approach.

In addition, I described the results of verification of data-sharing using BI tools so that relevant divisions and offices can easily use highly detailed data.

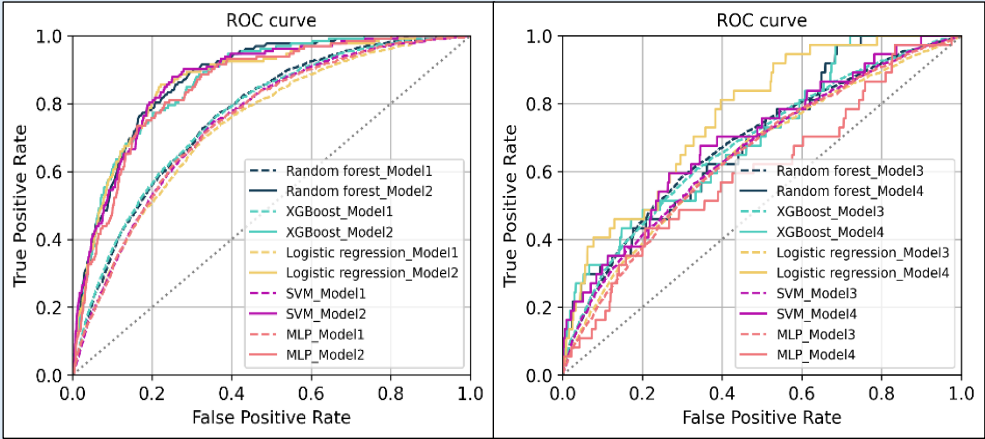
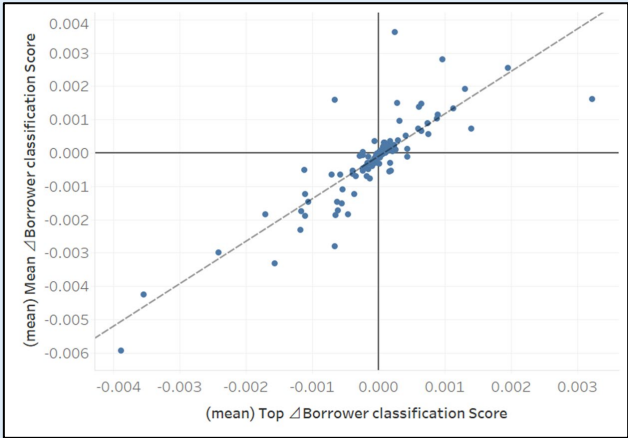
- What points did you keep in mind when conducting the analysis?

Regarding the analysis results, I took care to avoid using mathematical formulas to the greatest possible extent and to use graphs so that people unfamiliar with statistics or machine learning can intuitively understand the results.

- At this time, you won the CDO Award. How do you feel about having won the award?

I owe the award to the support I received from the people around me, so I would like to first express my heartfelt appreciation to the members of the Macro-financial Stability and Data Strategy Office and outside experts whom I consulted about the specifics of the analysis. I would also like to use this occasion to express my appreciation to the people who contributed to the development of the joint data platform.

I will continue efforts to contribute to the sophistication of financial administration by using data to identify the actual situation of the credit risk management system from multiple angles.



4. Technical Award (AI Award)

- Analysis and examination of text data using AI technology
- Macro-financial Stability and Data Strategy Office, Strategy Development and Management Bureau: Text analysis team

Inspector Yamada. Section Chief Sekiguchi, Deputy Director Suzuki, and Deputy Director Tanno

- Explain the overview of the analysis

In this analysis, we established a technique to analyze “specific themes” regarding “arbitrary text data” by using LLM (large language model) and other AI technologies under a completely off-line environment. For example, by conducting an analysis regarding the theme “real estate loans and housing loans” with respect to disclosure brochures prepared by banks, we identified the characteristics of those loans and time series changes specific to types of banking businesses and examined consistency between the results of AI-based analysis and actual data.

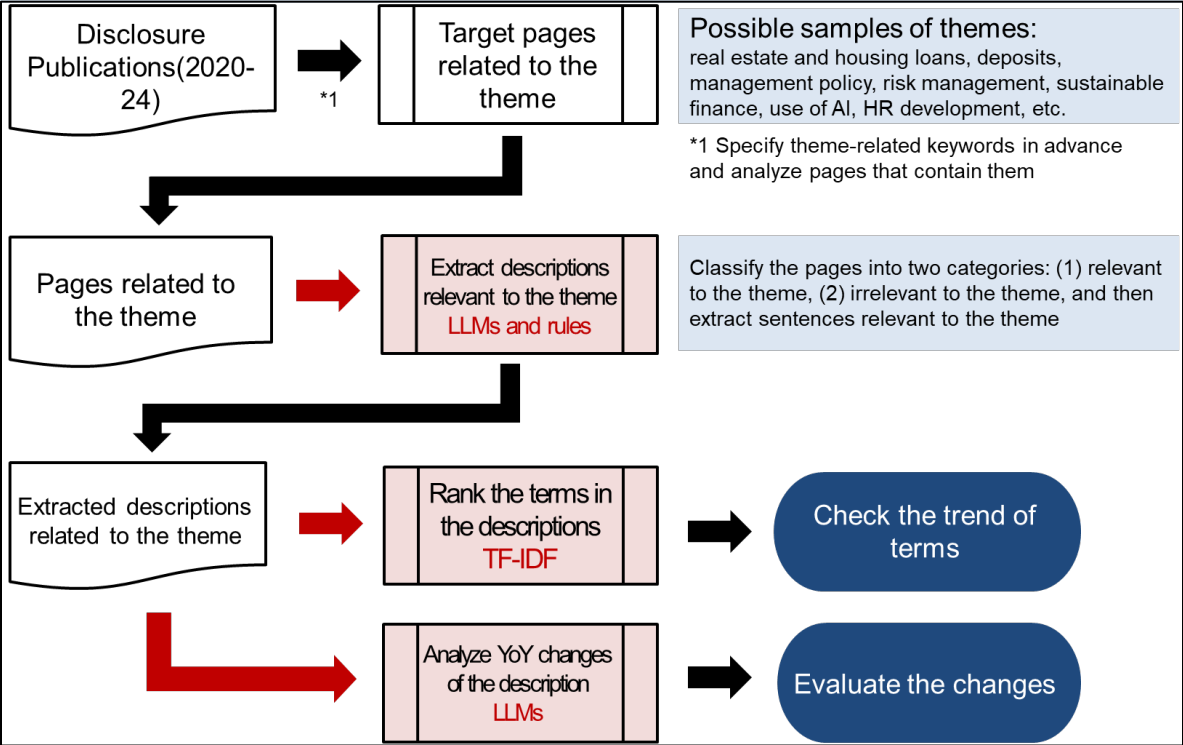
- What points did you keep in mind when conducting the analysis?

In some respects, our analysis did not proceed as had been planned at its beginning. However, we tried to accurately identify the current situation and results while receiving cooperation from various people, including those who did not belong to our office, and succeeded in establishing a versatile technique that can be adapted to various sorts of text data, including documents stored within the agency.

Although fully automated analysis using AI technology is possible, we took care to curb risks specific to AI, such as hallucinations, by applying such solutions as keeping the process of final checks by humans in place.

- At this time, you won the Technical Award (AI Award). How do you feel about having won the award?

Over a period of around one year, we continued the analysis with assistance from many people, so I am deeply moved at having won the Technical Award. I would be delighted if various people found this analysis, which used “AI technology that is versatile and adaptable,” to be useful.



5. Visualization Award

➤Use of a BI tool (QuickSight) to visualize data and improve operational efficiency

➤ Regional Financial Planning Office, Banking Business Division II, Supervision Bureau: Dashboard team

Deputy Director Miyaji, Deputy Director Ando, Deputy Director Katanosaka, Section Chief Iwashima, Section Chief Matsuo, Inspector Sakamoto

- Explain the overview of the analysis

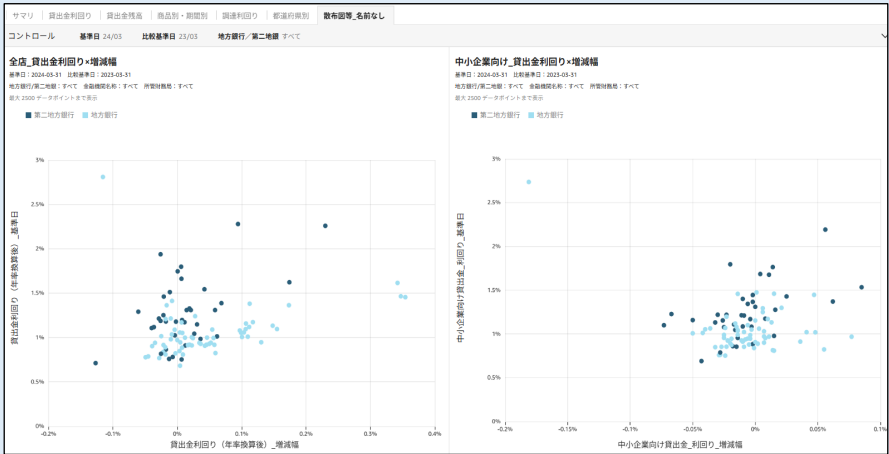
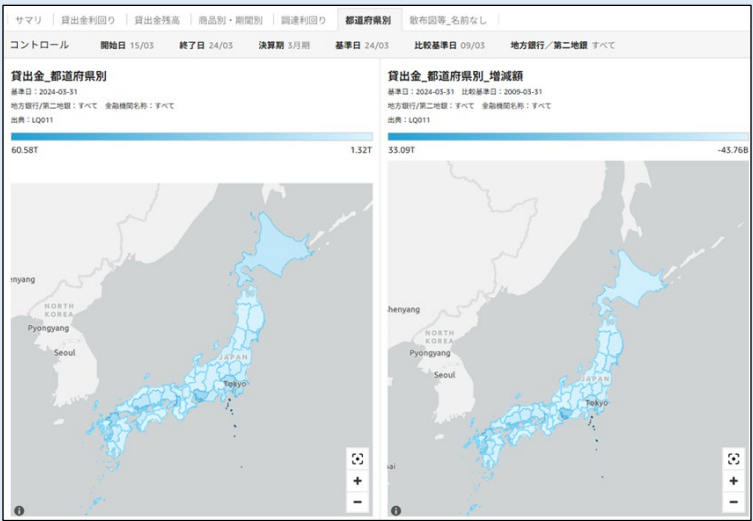
Using a business intelligence (BI) tool called “QuickSight,” we created dashboards concerning the financial analysis of financial institutions. Through the intuitive operation of the dashboards, we can efficiently conduct basic financial analyses concerning net profit, core business profit, and loans. The dashboards also visualize data in areas where analysis was previously rather difficult, for example by indicating changes in the amounts of deposits and loans held by individual financial institutions on a prefecture-by-prefecture basis, or by providing scatter plot comparisons between regional financial institutions. As we have ultimately created more than 100 dashboards, we expect that everyone will find a dashboard that they want to use for analysis.

- What points did you keep in mind when conducting the analysis?

We designed the dashboards after considering which items should be analyzed at what granular level in order to enable relevant people within the agency, including those working for the Local Finance Bureaus, to better understand the financial conditions of financial institutions. We took care to create the dashboards based on a versatile design in order to make the maintenance of the dashboards easy for our successors.

- At this time, you won the Visualization Award. How do you feel about having won the award?

We are honored to have won a wonderful award like this. We have won the award because many people have come to recognize the dashboards. I hope that the dashboards will be used by as many people as possible, contributing to the sophistication of financial administration.



6. Visualization Award

➤Use of a BI tool (QuickSight) to visualize data and improve operational efficiency

➤Macro-financial Stability and Data Strategy Office, Strategy Development and Management Bureau: Dashboard team

Deputy Director Suzuki, Deputy Director Matsutsuji, Deputy Director Tanno, Section Chief Sekiguchi, section member Aoyama, section member Hotta, and section member Kurokawa

- Explain the overview of the analysis

At the FSA, a system which stores data submitted by financial institutions to be used for the monitoring purpose was totally renewed. At the same time, BI tools were introduced. We seized this occasion to replace various analysis sheets prepared by Excel with BI tools and to create dashboards that enable multi-angle, real-time tracking of activities by financial institutions and risks.

- What points did you keep in mind when conducting the analysis?

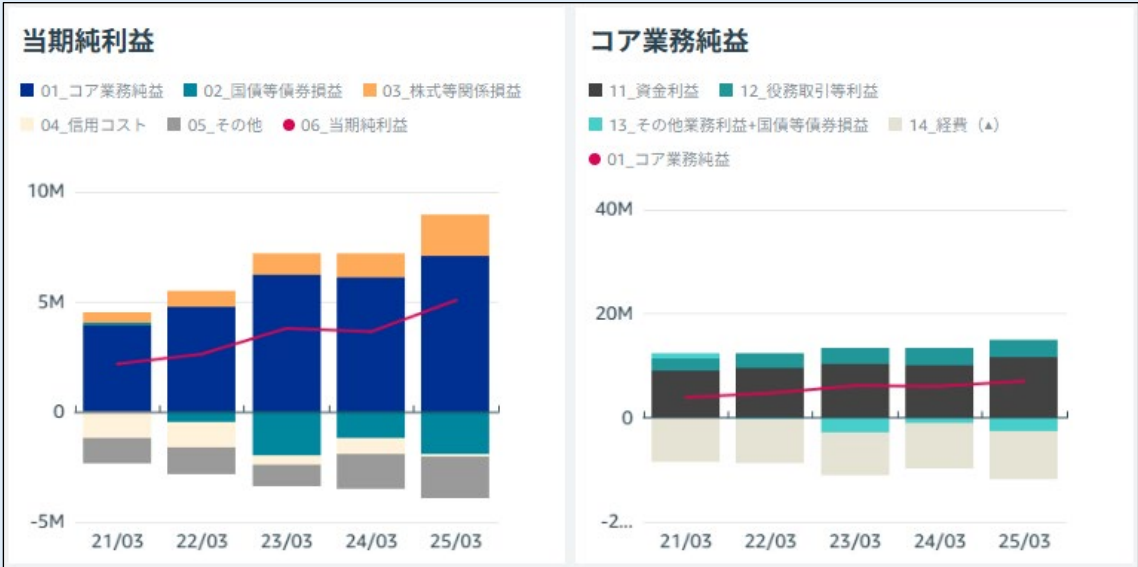
At the FSA, BI tools were previously introduced on a division-by-division basis or on an office-by-office basis in some cases. However, at this time, BI tools that have for the first time been linked to the computer system on an agency-wide basis, including the Local Finance Bureaus, have been introduced in earnest. In the meantime, we have proceeded with our project in a sort of trial-and-error manner while giving consideration to systemic constraints—what the system can do and what it cannot do—and security.

Our office, by the nature of its operations, has aimed not only to look at the situation from the viewpoint of monitoring individual financial institutions but also to keep track of and examine the vulnerabilities of the financial system and cross-sectoral risks from a macro perspective. When developing the dashboards, we took care to create practically useful ones while soliciting opinions from the people of relevant FSA divisions and the Local Finance Bureaus, and as a result, we somehow managed to realize such dashboards.

- At this time, you won the Visualization Award. How do you feel about having won the award?

We have implemented the project in cooperation with members of the Regional Financial Planning Office who were assigned to it, so I feel greatly honored to have won the award together with their team. Thank you very much. I would also like to express my appreciation to the members of relevant FSA divisions, of the Local Finance Bureaus, and of this office from whom we solicited opinions when creating the dashboards.

There are indicators and functions that can be improved or adopted as additional ones, so I hope that we can create dashboards that can continue to be used while undergoing continuous improvements.



7. Rookie Award

- Identification of the recent deposit trend and analysis of relationship with interest rate rises
- Macro-financial Stability and Data Strategy Office, Strategy Development and Management Bureau: section member Hotta

- Explain the overview of the analysis

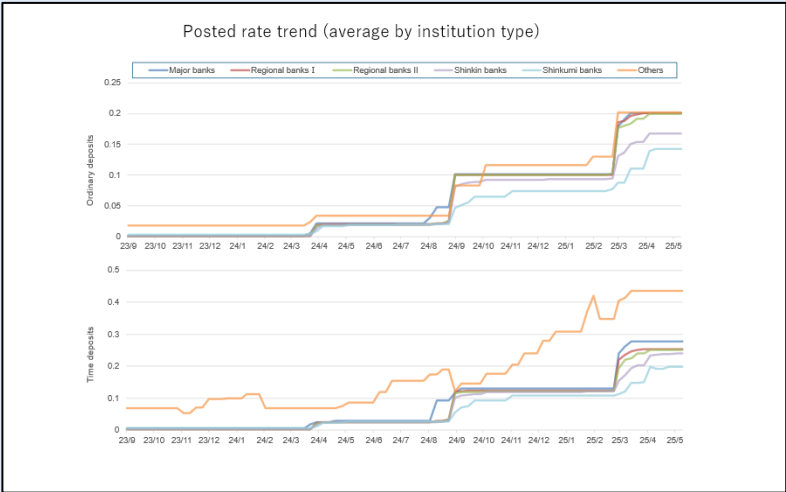
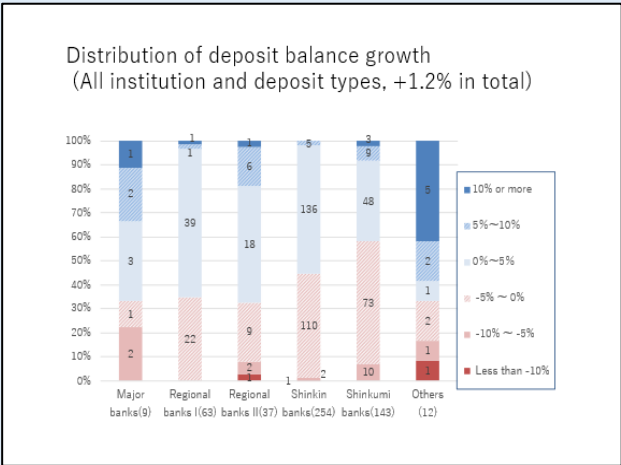
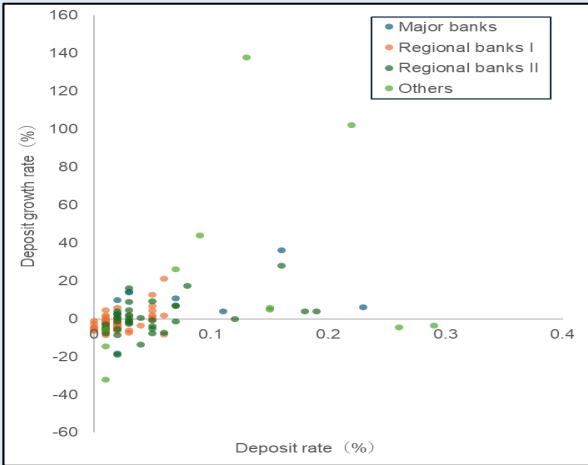
I checked changes in the recent growth rates of the balance of deposits and changes in deposit interest rates at financial institutions in the phase of rising interest rates. We found that although the overall balance of deposits increased, the growth rate of the balance of deposits varied by business type and by deposit type. We also found the presence of a correlation between changes in the population size and in the balance of deposits. When we examined the relationship between deposit interest rates and the growth rate of the balance of deposit, we found the presence of a positive correlation between deposit interest rates, which are affected by promotional campaigns, among other factors, and change in the balance of deposits.

- What points did you keep in mind when conducting the analysis?

I had no experience of data analysis, so I had to learn everything, from how to treat datasets to how to look at the results of regression analysis, from scratch, and that was difficult. I'm sure I caused some inconvenience to people around me. However, as I took care to ask experts questions immediately when I hit a wall during the process of analysis, I managed to achieve some results while enjoying data analysis.

- At this time, you won the Rookie Award. How do you feel about having won the award?

I extend my heartfelt thanks to the managers from whom I received guidance and to the many senior coworkers whom I consulted. I was able to win a wonderful award like the Rookie Award despite my lack of experience in data analysis exactly because of the support that I received from the people around me. I would like to make use of the knowledge that I acquired through the analysis work for my future jobs.



8. Conclusion

The year of July 2025-June 2026 marks the sixth year of the Data Analysis Project initiative. Until now, a total of 112 projects, including ongoing ones, have been launched by employees aspiring to make use of data analysis for identifying and resolving new challenges for financial administration (as of the end of the year of July 2024-June 2025). Among them, there are many projects that achieved certain results, including those that have been published externally in reports and those that have significantly contributed to the sophistication and efficiency improvement of operations. In short, steady progress has been made in expanding the scope and sophistication of data analysis.

The FSA's data analysis capabilities have improved over the years. Apart from the projects described here, the FSA conducts advanced analyses regarding various challenges and themes related to financial administration by using new analysis techniques while attaching importance to the basics. The FSA will continue efforts to improve and utilize data analysis capabilities toward the further evolution of financial administration by working to raise the level of data analysis capabilities of all employees while supporting the further development of knowledge and skills of those who perform advanced data analyses like the ones that won awards at this time and assisting those who struggle with the challenge of data analysis work.

A spin-off interview following an article carried by “The Finance,” a monthly public information magazine published by the Ministry of Finance “Interview with Deputy Director-General Shibata —Past and Present of the Financial Services Agency”

Recently, a dialogue article featuring conversations between FSA Deputy Director-General Shibata and Project Associate Professor Hattori of the University of Tokyo’s Graduate School of Public Policy was carried by [The Finance](#), a monthly public information magazine published by the Ministry of Finance, on the theme “Past and Present of the Financial Services Agency.”

*Part 1 of the two-part article was featured in the July issue (published on July 17) and Part 2 will be featured in the August issue, which is scheduled to be published on August 18.



At this time, as a spin-off of that article, we held an interview with Deputy Director-General Shibata and asked him once again to talk about his feelings about the FSA and the policies that he is currently involved with while looking back at what was discussed in the conversations covered by that article.

Interviewers:

Strategy Development and Management Bureau,
FSA

TAKAHASHI Shun, Deputy Director, Resources Management Division (formerly, Deputy Director, Corporate Accounting and Disclosure Division, Policy and Markets Bureau)

IIDA Eri, in charge of personnel affairs coordination, Resources Management Division

KUME Hitoshi, Director, Public Relations Office

(i) Matters related to corporate disclosure

Takahashi: This is the third year since you took charge of the Corporate Accounting and Disclosure Division. One of the important measures under the jurisdiction of the Corporate Accounting and Disclosure Division is the corporate governance reform. This year marks the 10th year since the development of the Corporate Governance Code (hereinafter the “Code”). What is your view of the current status of the reform? Also, please tell me about the initiative that you have been involved in most recently.

Shibata: The corporate governance reform is an initiative that aims for the sustainable growth of companies and the enhancement of corporate value. The FSA’s engagement in the reform represents a new policy approach in that, unlike the traditional market administration, which aims to preserve market fairness, it seeks to directly influence the economy and companies’ behavior in order to improve the management of Japanese companies, or to encourage Japanese companies to adopt an aggressive stance toward management, for example.

Takahashi: I have worked for the FSA since 2016. It was precisely when I was engaging in job-hunting activity that the Code was developed. I found it attractive that the new approach has presented the principles in the form of the Code,

rather than regulating companies with laws and other rules.

Shibata: Policy, like medicine, has both benefits and adverse side effects. It has been pointed out that the Code, which is in principle a soft law with a high level of flexibility, could itself become a rigid rule and induce perfunctory compliance as a side effect. Therefore, as we consider revising the Code, we would like to return to the starting point and, rather than aiming to ensure compliance itself, help companies enhance corporate value by making effective use of assets, such as cross-shareholdings and cash and deposits for capital investment, research and development investment, and human capital investment for the sake of future growth.



(Photo: Deputy Director-General Shibata)

(ii) 25th anniversary of the establishment of the FSA

Takahashi: This year marks the 25th anniversary of the establishment of the FSA. In the past, the FSA was called the “Agency of Disciplinary Action.” As you mentioned earlier, recently, the FSA has encouraged corporate growth and investment—in other words, it has played a role in encouraging forward-looking reforms. Please tell me about the changes in the organization and role of the FSA like that.

Shibata: Initially after the establishment of the FSA, the priority challenge was to dispose of non-performing loans and respond to the financial crisis. Later, as the Japanese financial system has been stabilized, the FSA has come to uphold the principle of administration for the benefits of users, rather than for the benefits of businesses, as exemplified by its promotion of the “customer-oriented business conduct.” Financial institutions are intermediaries of finance, and it is users of financial services, including people, households, and companies, that we, as public servants, should serve. Twenty-five years after the establishment of the FSA, I have the sense that that perception is taking hold.

(iii) Organizational reform

Takahashi: In the meantime, in 2017, a major organizational reform was carried out at the FSA. At that time, you were in charge of reforming the FSA’s personnel management policy and institutional culture. Please tell me about what you experienced and thought at that time.



〔Photo: Deputy Director Takahashi〕

Shibata: One problem pointed out at that time as we reaffirmed the FSA’s mission was the inspection and supervisory approach focused on “form, the past, and parts,” which had been established in view of the past priority challenges for financial administration. One major policy challenge at that time was to shift the focus to “substance, the future, and the whole.” Regardless of whether the issue is an inspection and supervisory approach, an ideal organization is one that can come up with policies for correcting problems like that on its own from an organization-wide perspective. Anyone can change the status quo after having been told to do so by someone else or after misconduct or crisis has occurred. This reform was somewhat different in that it was carried out in normal times. Over time, an organization comprised only of homogeneous individuals tends to stop trying new things or to hesitate to change the comfortable status quo and delay doing what needs to be done. On the other hand, as exemplified by the use of AI and cryptoassets, the field of financial administration is characterized by a fast pace of change and a high level of expertise compared with other fields of administration. Therefore, unless we update our mindset and continue to change ahead of society at large, we cannot take appropriate administrative actions. There is no need to do the same things as our predecessors. If we continue to do only the same things, the organization will rot. That is the essence of the FSA’s reform that I mentioned earlier.

(iv) A message to students, etc.

Iida: I joined the FSA three months ago. My own feeling is that the FSA is changing in a relatively flexible way. In order to maintain the organization, I believe that we should have a clear goal of what kind of organization the FSA will become in the future. In response to each challenge, should we figure out what approach to take through fast thinking? Or should the organization as a whole take its time when thinking?



〔 Photo: Section member Iida 〕

Shibata: That is a good question. The FSA as an organization has existed for 25 years, with the composition of members changing every year. Each and every employee who constitutes the organization is a cell of a living organism, so to speak. As cells continue to be renewed, the organization is rejuvenated every year.

Under these circumstances, the goal of “what the FSA should work for” will never change regardless of the extent of change in the composition of cells. Under that universal goal, we should deal with each and every challenge. The challenges differ from division to division and from department to department, as well as from one age to another. There is no single solution, and various approaches are possible, which leads to the diversity of the organization.

The field of financial administration is characterized by a high level of expertise compared with the fields of administration under the jurisdictions of other ministries and agencies, so it is necessary to bring together the wisdom of each of us. You should not be afraid to actively express your opinions. In the case of financial administration, any division or department should be conscious of the whole of the financial system. The financial system is comprised of various parts, including providers and receivers of funds, and direct and indirect finance. The parts of which we take charge change during the course of our career, and as a result, our perspective on the whole of the financial system broadens. For my own part, I have the sense that my perspective has broadened over my long career in financial administration.

Takahashi: This is the last question. As I am now in charge of recruitment, I am often asked by students what they should do before starting to work for the agency or while they are young. What are your thoughts, based on your varied experience?

Shibata: Mr. Kume, what are your thoughts?

Kume: I recommend being interested in fields that, at first glance, appear to be not directly related to finance. In some cases, geopolitical risks and various other risks affect industries and the management of financial institutions. Therefore, having a broad perspective not limited to expert knowledge concerning finance is more useful for holding fruitful dialogue with financial institutions.



〔 Photo: Director Kume 〕

Shibata: I agree. In 2012, when I was stationed in London, I acutely felt that possessing financial knowledge alone was not enough. During the period of my stay in London, I tried to be interested in the Middle East situation (which was a hot topic at that time due to the sanctions against Iran, among other factors). Looking back now, that is exactly geoeconomics.

It is a popular misunderstanding that joining the FSA means becoming adept in finance. We are financial administrators, and if I am asked whether finance or administration should be given more emphasis, my answer is administration. We do not have as much knowledge concerning financial businesses as those who work for financial institutions. One reason why we can hold dialogue with them is that we are keeping watch over affairs other than finance and another is that as administrators, we can look at the whole of the financial system from a bird's eye view.

A Nationwide Campaign, Financial and Economic Education Caravan

Deputy Director-General, WANISA, Busy Making Courtesy Visits Nationwide! vol.3

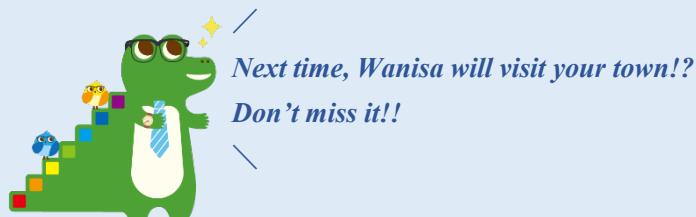


The FSA has been working on the dissemination and promotion of financial and economic education.

WANISA, appointed by Minister of State for Financial Services Kato as Deputy Director-General in charge of the promotion of people's asset building and financial and economic education, is making courtesy visits to prefectural governors and bank presidents nationwide to ask for cooperation in strengthening collaboration for the further enhancement of financial and economic

education under the direction of Prime Minister Ishiba.

Videos of Wanisa's courtesy visits are posted occasionally on the official X account ([@Wa_nisa_FSA](#)). Wanisa will continue visiting various places throughout Japan. Please keep an eye on Wanisa's movements!



©2010 Kumamoto Prefecture Kumamon, a photo taken on May 30, 2025

▶ Courtesy visit to Kumamoto Governor Kimura ([delivered on June 16](#)) (Available in Japanese)



▶ Courtesy visit to Saga Governor Yamaguchi ([delivered on June 24](#)) (Available in Japanese)



►Courtesy visit to President Kataoka of the Bank of Yokohama (delivered on June 26) (Available in Japanese)



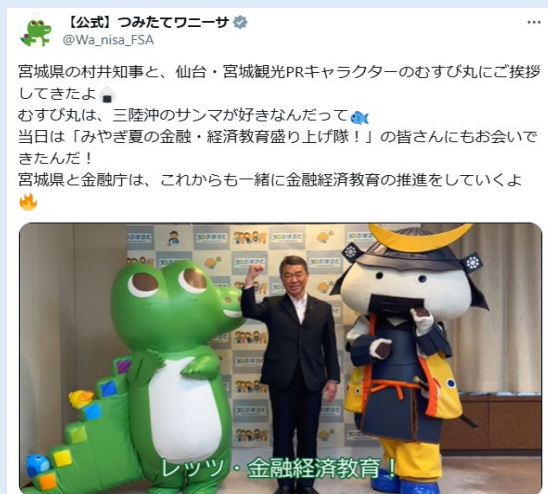
►Courtesy visit to Tochigi Governor Fukuda (delivered on July 2) (Available in Japanese)



►Courtesy visit to Okayama Governor Ibaragi (delivered on July 7) (Available in Japanese)



►Courtesy visit to President Kato of the Chugoku Bank (delivered on July 9) (Available in Japanese)



►Courtesy visit to Miyagi Governor Murai (delivered on July 15) (Available in Japanese)

* Appointment of “Deputy Director-General, WANISA”
<https://www.fsa.go.jp/en/newsletter/accessfsa2025/258.pdf> (Access FSA No. 258)
 (Note) Deputy Director-General, WANISA, is not an official position but a fictional role as part of the mascot character’s setting.



JFSA's Major Activities in June (June 1 to June 30, 2025)

- [Analysis for the Healthy Development of Stablecoins \(June 30\)](#)
- [Monitoring of foreign bank branches and foreign securities companies \(June 30\)](#)
- [Publication of the meeting materials of thirtieth meeting of the Council of Experts Concerning the Follow-up of Japan's Stewardship Code and Japan's Corporate Governance Code which was held on June 2, 2025 \(June 30\)](#)
- [Publication of the "Action Programme for Corporate Governance Reform 2025" \(June 30\)](#)
- [Updated list of issuers of gift certificates in repayment procedures based on the 'Payment Services Act' \(June 26\)](#)
- [Finalisation of Japan's Stewardship Code \(Third revision\) \(June 26\)](#)
- [Publication of the finalized "the Partial Amendment to the Designation of a country or region under Articles 17-2 and 17-3 of the Order for Enforcement of the Act on Prevention of Transfer of Criminal Proceeds" after public consultation \(June 25\)](#)
- [Publication of "FSA Analytical Notes \(2025.6\) vol.3: Attempt to identify early warning signals on credit risks using regional banks' loan data and macroeconomic indicators" in Japanese \(June 25\)](#)
- [Published Minutes from the first to the third meeting of The Expert Panel on the Stewardship Code. \(June 23\)](#)
- [The eighth meeting of the Working Group on Disclosure and Assurance of Sustainability-related Financial Information \(of the Financial System Council\) \(June 20\)](#)
- [Release of "2nd Scenario Analysis on Climate-Related Risks \[Insurance Sector\]" \(June 20\)](#)
- [Release of "Second Scenario Analysis on Climate-Related Risks \(Banking Sector\)" \(June 20\)](#)
- [Practices and Issues on Climate-related Risk Management ~ Building on "Supervisory Guidance on Climate-related Risk Management and Client Engagement" ~ \(June 20\)](#)
- [Joint session of the 55th general meeting of Financial System Council and the 43rd meeting of Sectional Committee on Financial System \(June 18\)](#)
- [A speech on "Remarks on priorities for developing capital markets" at the Eurofi High Level Seminar 2025 \(June 17\)](#)
- [Contribution of "Towards a more vibrant and resilient economy: A Japanese perspective" to the Eurofi Magazine \(June 17\)](#)

JFSA's Major Activities in June (June 1 to June 30, 2025)

- [Publication of “FSA Analytical Notes \(2025.6\) vol.2: I. Analysis on credit risk management practices, and II. Understanding the utilization of Credit Guarantee System” in Japanese \(June 17\)](#)
- [Publication of “FSA Analytical Notes \(2025.5\): I. Attempt to effectively utilize text data, and II. Current trends in deposits” \(June 17\)](#)
- [Overview of financial results of major insurance companies as of March 31, 2025 \(June 13\)](#)
- [Overview of the Japanese regional banks' financial results for the fiscal year ended March 31, 2025 \(June 12\)](#)
- [Overview of major banks' financial results as of March 31, 2025 \(June 10\)](#)
- [Publication of “FSA Analytical Notes \(2025.6\) vol.1: Loans extended to newly founded companies ” in Japanese \(June 10\)](#)



JFSA's official English X(formerly Twitter) account
https://x.com/JFSA_en



**We are promoting
information dissemination
using X (formerly Twitter) !**

Contributions by the Financial Services Agency Employees

The Financial Research Center of the Financial Services Agency publishes discussion papers summarizing research results by the Center's research fellows. This article presents some of these writings.

- Selected Discussion Papers recently published -

◆ [Study on Insurance Agents Systems in Major Countries: Focusing on Large-Sized Shared Insurance Agents](#)
(Available in Japanese)

NAKAIDE Satoshi, Special Research Fellow, Financial Research Center, Financial Services Agency
(Professor, Faculty of Commerce, Waseda University)

YAMASHITA Tetsuya, Special Research Fellow, Financial Research Center, Financial Services Agency
(Professor, Faculty of Law, Kyoto University)

DOKI Takahiro, Special Research Fellow, Financial Research Center, Financial Services Agency
(Professor, School of Law, Chukyo University)

JUNG Chanok, Special Research Fellow, Financial Research Center, Financial Services Agency
(Assistant Professor, College of Law and Politics, Rikkyo University)

* Mr. Yamashita, Mr. Doki, and Mr. Jung resigned at the end of their terms as of the end of May 2025.

◆ [Study on the effective conduct of TLPT by financial institutions in line with global development](#)
(Available in Japanese)

KITAHARA Yukihiko, Research Fellow, Financial Research Center, Financial Services Agency

◆ [Study on the Potential for the Utilization of Generative AI in Audit Practices and Challenges Related to Audit Quality](#) (Available in Japanese)

NOMA Mikiharu, Special Research Fellow, Financial Research Center, Financial Services Agency
(Professor, School of Business Administration, Hitotsubashi University)

👉 For other contributions, please visit the website of the Financial Research Center.
<https://www.fsa.go.jp/frtc/kikou/index.html> (Available in Japanese)

Editorial Postscript

Thank you very much for reading Access FSA. My name is Hitoshi Kume, and I am the new Director of the Public Relations Office. With some new faces now in the Public Relations Office, we are committed to fulfilling our roles in public and media relations activities under a new structure.

July 1 was the 25th anniversary of the establishment of the FSA. As noted in the speech by the Minister of State for Financial Services and messages from the State Minister and the Parliamentary Vice-Minister, featured at the beginning of this month's issue, since its establishment, the FSA has continually dealt with various new policy challenges in accordance with changes in the socioeconomic structure. This summer as well, we have been reviewing the monitoring system. In this way, we are making day-to-day efforts for organizational transformation.

This month's issue includes a data analysis project by FSA staff and an interview with a top official as a special feature. We will make further efforts to improve Access FSA, hoping to give many people greater insight into our policy measures and organization and share the perspectives of the FSA staff who work on financial policies.

Kume Hitoshi, Director of the Public Relations Office, FSA
Edited and issued by the Public Relations Office, FSA

(*The opinions expressed in this report are the personal views of the author and do not necessarily reflect the organization with which the author is affiliated.)

