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Access the online version here
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Information Related to the Kumamoto Earthquake in 2026, etc.

We offer our sincere prayers for the repose of the souls of those who lost their lives in the Kumamoto Earthquake in 2026 that took place on July 28 and due to the disaster, etc. accompanying heavy rains in Chiba Prefecture from August 13, and express our heartfelt sympathy for all people affected by these disasters.

The FSA has created a website page titled "Information Related to the Kumamoto Earthquake in 2026," through which information useful for the people affected by the disaster is provided.

https://www.fsa.go.jp/ordinary/earthquake202607/press.html

Some of the information now available on the webpage is shown below.

■ FSA Consultation Hotline for the Kumamoto Earthquake in 2026

The FSA has launched the FSA Consultation Hotline for the Kumamoto Earthquake in 2026 in order to deal with inquiries about which sections of financial institutions should be contacted by disaster-affected people and about their transactions with financial institutions following the Kumamoto Earthquake in 2026 disaster.

The service can be accessed via a toll-free telephone number, so please feel free to use it if you have any concerns about transactions with financial institutions.

0120－156811 (toll-free telephone number)
[Service hours] Weekdays: 10:00 a.m. to 5 p.m.
*If you call from an IP phone, dial 03-5251-6813.
saigai@fsa.go.jp (e-mail address)

■ Related to housing loans

Individual persons facing difficulty making housing loan repayment due to the effects of the recent disasters may ask for the waiver of their housing loans or the reduction of the repayment amount in accordance with the Guidelines on Debt Workout for Natural Disaster Victims.*

For detailed information, contact the financial institutions from which you have taken out loans.

■ Related to life and non-life insurance policies

In the areas to which the Disaster Relief Act has been applied, insurance industry associations respond to inquiries about insurance policies from customers who have lost documents and other information related to their policies due to the damage inflicted on houses and other property by the recent disasters. For detailed information, check the FSA's website, etc.

■ Alert over fraudulent solicitation for relief donations

On occasions of past earthquakes and other disasters, there were many cases of bank transfer scams fraudulently soliciting relief donations. There is a risk that similar evil crime abusing people's goodwill will occur also after the Kumamoto Earthquake in 2026. Please be careful to prevent fraudulent solicitation for relief donations.

■ Financial measures to deal with disasters

- Kumamoto Earthquake in 2026

The Kyushu Regional Finance Bureau, jointly with the Bank of Japan, issued a request for financial measures to deal with disasters to financial institutions, etc. located in areas in Kumamoto Prefecture to which the Disaster Relief Act has been applied.
https://www.fsa.go.jp/news/r8/ginkou/20260729.html

- Heavy rains in Chiba Prefecture in August 2026

The Kanto Regional Finance Bureau, jointly with the Bank of Japan, issued a request for financial measures to deal with disasters to financial institutions, etc. located in areas in Chiba Prefecture to which the Disaster Relief Act has been applied.
https://www.fsa.go.jp/news/r8/ginkou/20260814.html

Information will continue to be updated as necessary, so please access the web page.

* Regarding the Guidelines on Debt Workout for Natural Disaster Victims (Great East Japan Earthquake and Natural Disaster Victims Debt Workout Guidelines Management Organization) http://www.dgl.or.jp/ (Available in Japanese)

Outline of the Draft Amendments of the Guidelines for Supervision Concerning Structured Deposits

ONO Satohiro, Deputy Director
IKOMA Erika, Section Chief
SHOJI Mari, Staff member,
Banking Business Division I, Supervision Bureau
SUEHIRO Kenji, Deputy Director
HIRATA Naoki, Section Chief,
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*Authors' titles and organization names are those at the time when this article was authored.

On July 30, 2026, the FSA published the draft amendments of the Guidelines for Supervision(*1) in relation to the sale of structured deposits, and commenced procedures for public consultation.(*2) The background and outline, etc. of the amendments are introduced below.

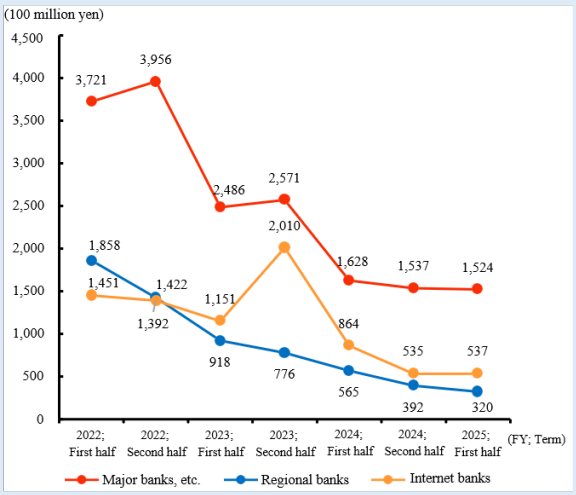
1. Outline of the structured deposits

Structured deposits are deposits, etc. with embedded derivatives and characteristically carry a risk of a loss of principal, unlike ordinary deposits and fixed-term deposits.

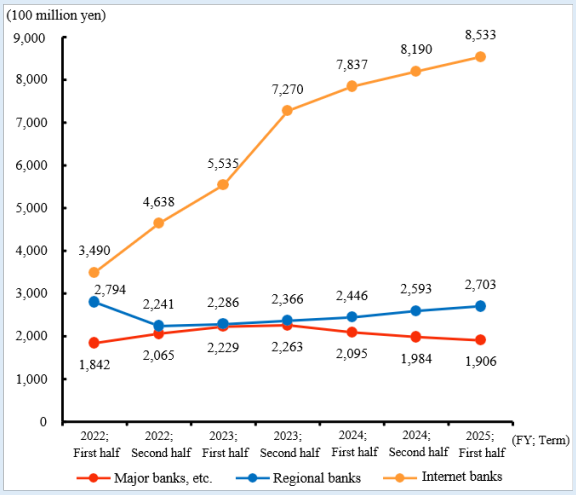
Structured deposits include those for which banks hold the right to extend deposit terms (maturity extension-type), those for which banks hold the right to shorten deposit terms (maturity reduction-type), and those with the possibility that deposited currency and payout currency are different (dual currency-type).

Major banks, etc., regional banks, and internet banks all sell structured deposit products. Recently, major banks, etc. sell the largest amount of structured deposits, while in terms of the outstanding amount, internet banks hold the largest amount.

Changes in the Sales of Structured Deposits



Changes in the Outstanding Amounts of Structured Deposits



(Note 1) Structured deposits are deposit products with embedded derivatives, such as those for which payout currency is determined based on the status of exchange rate fluctuations and those for which banks hold the right to select a maturity date.
(Note 2) Data for 10 major banks, etc., 100 regional banks, and 14 internet banks are compiled.

Cited from the "Compilation of Quantitative Data on the Status of Sale, etc. of Risk-Involving Financial Products Targeting Individuals (Term ending in September FY2025)"

1 Meaning the "Comprehensive Guidelines for Supervision of Major Banks, etc.," "Comprehensive Guidelines for Supervision of Small and Medium-sized and Regional Financial Institutions," "Comprehensive Guidelines for Supervision for Co-operative Financial Institutions," and "Comprehensive Guidelines for Supervision for Fishery Co-operative Credit Business"; the same applies hereinafter.

2 https://www.fsa.go.jp/news/r8/sonota/20260730-3/20260730-3.html

2. Current regulations and awareness of issues

(1) Risk profiles of structured deposits

Structured deposits carry a risk of a loss of principal, unlike ordinary deposits and fixed-term deposits, as mentioned above.

More specifically, maturity extension-type structured deposits are financial products for which banks hold the right to decide whether or not to extend deposit terms for fixed-term deposits with an initial maturity of one year within ten years at the maximum or other periods of time on a yearly basis. In the case of this type of financial product, deposit interest rates are higher than for general fixed-term deposits and their principals are guaranteed if customers hold them to maturity. However, if customers cancel their deposits before maturity due to changes in fund needs or investment principles or other reasons while deposit terms are being extended, considerable levels of cancellation fees may be demanded. When interest rates are rising as in the current phase, banks are presumed to extend deposit terms, but as a result, a fixed interest rate initially agreed upon may remain unchanged for the extended period, and depositors may lose opportunities to make investments at higher interest rates.

(2) Current regulations

In light of such risk profiles, structured deposits are legally positioned as specified deposits, etc. and regulations similar to those for shares, investment trusts, etc. are imposed. More specifically, regarding structured deposits, banks, etc. are subject to regulations, including conduct control, such as the obligation to provide information prior to conclusion of contract, prohibition on compensation of loss, and the principle of suitability.

In particular, as the obligation to provide information prior to conclusion of contract, banks, etc. are required to deliver a document for delivery prior to conclusion of contract to provide customers with explanations concerning the scope of persons subject to acceptance, handling of the termination of the contract including the calculation methods of fees, and the possibility that in the case of a maturity extension-type structured deposit, the customer may be put at a disadvantage when the bank extends the deposit term, due to the deposit interest rate falling below a market interest rate. Thus, customer protection measures are put in place.

(3) Diversification of sales channels

In recent years, sales channels have been becoming more and more diverse as a result of the widening use of the internet and apps. However, some websites and apps selling structured deposits fail to indicate the aforementioned risk profiles in a way that attracts customers' attention, and the relevant information does not necessarily reach customers sufficiently.

In consideration of such circumstances, the FSA decided to amend the Guidelines for Supervision to encourage banks, etc. to enhance their systems for providing explanations to customers.

3. Concrete details of the draft amendments

Given the above, the FSA published the draft amendments as follows to request banks, etc. to enhance their systems for providing explanations upon selling structured deposits.

(1) Enhancement of the content of explanatory materials

As mentioned above, laws and regulations have already obliged banks, etc. to first provide information when selling structured deposits by requiring them to state certain matters in a document for delivery prior to conclusion of contract.

In light of the increasing diversification of sales channels, the latest amendments require banks, etc. to state the following matters in an easy-to-understand manner in material outlining the product or an important information sheet, which play a central role in providing explanations to customers and making solicitations, etc., among explanatory materials other than documents that banks, etc. are legally obliged to prepare, not only in a document for delivery prior to conclusion of contract.

(2) Enhancement of explanation items

Banks, etc. are required to provide explanations on items that are considered to be especially important for customers in understanding the nature and risk profiles of the relevant financial product, while presenting concrete examples.

More specifically, banks, etc. are required to state and explain the following matters in material outlining the product or other materials noticeable to customers.

- The fact that the product embeds derivatives and carries a risk different from that of ordinary fixed-term deposits, and concrete differences
  (e.g.) The risk of the loss of principal when canceling the deposit before maturity

- Attributes of unsuitable customers
  (e.g.) The specific situations of customers, such as lacking experience and knowledge concerning investments sufficient to conduct options trading, and the nature of the funds
- Attributes of suitable customers
  (e.g.) The specific situations of customers, such as investing extra funds that will not become necessary until the latest maturity date, and the nature of the funds
- Cancellation fee levels and factors for determining them
  (e.g.) Factors for determining cancellation fee levels, such as a difference between the interest rate of the structured deposit and the market interest rate at the time of the cancellation
- Breakdown and composition of the interest rate
  (e.g.) The amount of the option premium

4. Conclusion

Upon selling risk-involving financial products amid the increasing diversification of sales channels, banks, etc. need to enhance their materials for providing information so that customers can fully understand the risks of those products, in consideration of the fact that customer attributes, sales routes, trading purposes vary by individual.

The latest amendments are based on these circumstances. The FSA will continue making efforts to ensure customer protection.

After completing the public consultation procedures at the end of this August, the FSA will proceed with required actions for the amendments.

Amendments of the Guidelines for Supervision in Relation to Systems, etc. for Providing Explanations on Structured Deposits (Outline)

Outline

- Structured deposits(*) dealt in by financial institutions are positioned as specified deposits, etc. under the Banking Act, and financial institutions dealing in them are subject to regulations, such as the obligation to provide information prior to conclusion of contract.
  (*) Deposits, etc. with embedded derivatives prescribed in Article 2, paragraph (20) of the Financial Instruments and Exchange Act
- At present, structured deposits for which financial institutions hold the right to extend the maturity(*) are mainly sold by internet banks, but **there are cases where banks fail to specifically state and explain differences in risk profiles of those structured deposits compared with ordinary fixed-term deposits** in material outlining the product or other materials.
  (*) Typical ones are fixed-term deposits with a fixed interest rate and an initial maturity of one year for which financial institutions can extend deposit terms by up to ten years on a yearly basis after the lapse of the initial one year, or other deposit products substantially similar to such fixed-term deposits. Generally, depositors **enjoy preferential fixed interest rates compared with other ordinary fixed-term deposits**, but **may lose opportunities to make investments at higher interest rates when a market interest rate rises**. Furthermore, **when cancelling deposits before maturity**, depositors are **highly likely to lose the principal** due to the need to pay cancellation fees.

Response

- The FSA amends the Comprehensive Guidelines for Supervision of Major Banks, etc. and other guidelines to request financial institutions dealing in structured deposits as mentioned above to state and explain the following matters in material outlining the product or other materials noticeable to customers.
  - The fact that the product embeds derivatives and **carries a risk different from that of ordinary fixed-term deposits, and the specific differences**
  - **Attributes of unsuitable customers and attributes of suitable customers**
  - **Cancellation fee levels and factors for determining them**
  - **Breakdown and composition of the interest rate**

(*) The Japanese Bankers Association also plans to discuss required amendments, including the amendment of the Guidelines on Deposits with Embedded Derivatives.

Reorganization of the FSA

Reorganization of the FSA

While working on various duties, including supervision of financial institutions and designing and planning of finance-related systems, the FSA has faced various new challenges in financial administration, such as the need to further develop initiatives for promoting Japan as a leading asset management center and implement other important policies, the need to respond to the advancement of digital technologies in the finance sector, and the need to enhance monitoring of financial institutions.

In order to deal with these challenges, the FSA decided to reorganize its structure this summer with the aim of developing an environment to enable staff members to conduct effective and efficient supervisory activities in a more meticulous manner, while properly reviewing the coverage of the Supervision Bureau to prevent it from becoming too extended.[1]

The key points of the reorganization conducted this August are explained below.

1. Aim to promote business development and innovation in individual sectors and further enhance supervision and monitoring of each department

The conventional Strategy Development and Management Bureau was reorganized into the Asset Management and Insurance Supervision Bureau in order to strengthen collaboration between supervision of the asset management companies, whose weight is increasing recently, and supervision of insurance companies, which are also asset owners.

Then, the current Supervision Bureau was reorganized into the Banking and Securities Supervision Bureau in order to enhance group-based supervision based on the current situation of the banking business and securities business.

In addition, regarding the Vice Commissioner for Policy Coordination, who is in charge of professional and cross-sectional themes, such as countermeasures against money laundering and cyberattacks against financial institutions, and performs duties in collaboration with the aforementioned two supervisory bureaus, their title was changed to Vice Commissioner for Supervisory Policy Coordination and their roles were clarified.

2. Aim to strengthen the FSA's system for its constant evolution

Accompanying the establishment of the Asset Management and Insurance Supervision Bureau and the Banking and Securities Supervision Bureau, the functions of planning and making comprehensive adjustments for the overall financial administration, which have been fulfilled by the Strategy Development and Management Bureau, are to be fulfilled by the Secretariat Department, for which the Vice Commissioner (Director-General of a Bureau-level) was newly appointed.

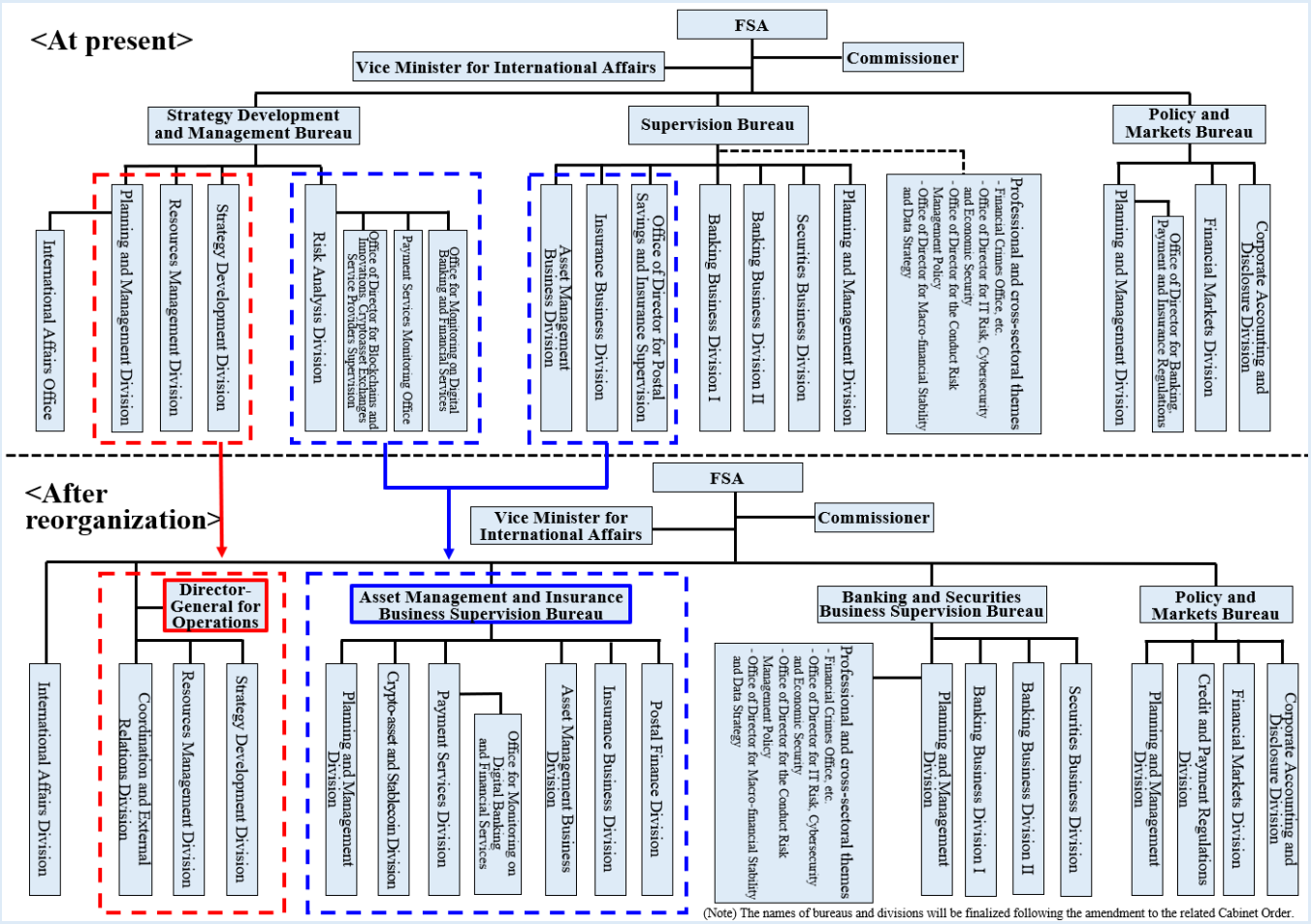
The title of the existing Deputy Director-General (Division Director-level) was changed to the Division Director, and the International Affairs Division, Credit Business Division, Postal Financial Business Division, Payment Services Division, and Cryptoasset and Stablecoin Business Division were newly established.

The reorganization above is based on the Cabinet Order Partially Amending the Cabinet Order for Organization of the Financial Services Agency (Cabinet Order No. 246 of 2026) and was made effective on August 7, 2026.

The FSA will continue its efforts, while reviewing its organizational structures on an ongoing basis, so that it will be able to provide high-quality financial administration services in a rapidly changing financial and economic environment.

[1] https://www.fsa.go.jp/news/r8/20260805.html

Figure: Outline of the Reorganization



Serial Feature: FSA Staff Members Frankly Talked about Financial Administration!
— Promoting Japan as a Leading Asset Management Center (3)—

This feature introduces the organization and the affairs of the FSA in an easy-to-understand manner through interviews with senior officials and staff members in charge. Following the June and July issues, this month's issue covers in detail the government initiative to promote Japan as a Leading Asset Management Center. This policy aims to achieve Japan's economic growth and enhance the prosperity of its people by carrying out various measures targeting the entities that make up investment chains, including households, financial products distributors, asset management companies, asset owners, and corporations. This is the last part of the series featuring the initiative to promote Japan as a leading asset management center.

* This interview article is based on interviews conducted and information publicly disclosed before July 2026; the titles of the participants and the names of relevant organizations are those held and used at the time of the interviews.

< Participants >

HATTORI Takahiro:	Project Associate Professor, Graduate School of Public Policy, the University of Tokyo
HABA Michinori:	Deputy Director-General, Strategy Development and Management Bureau, FSA
NAKAMURA Kaori:	Director for Financial Markets Planning, Financial Markets Division, Policy and Markets Bureau, FSA
MIYAUCHI Fumi:	Deputy Director, Asset Management Business Policy Office, Asset Management Business Division, Supervision Bureau, FSA

Progress Report 2026 for Advancing Asset Management Services in Japan

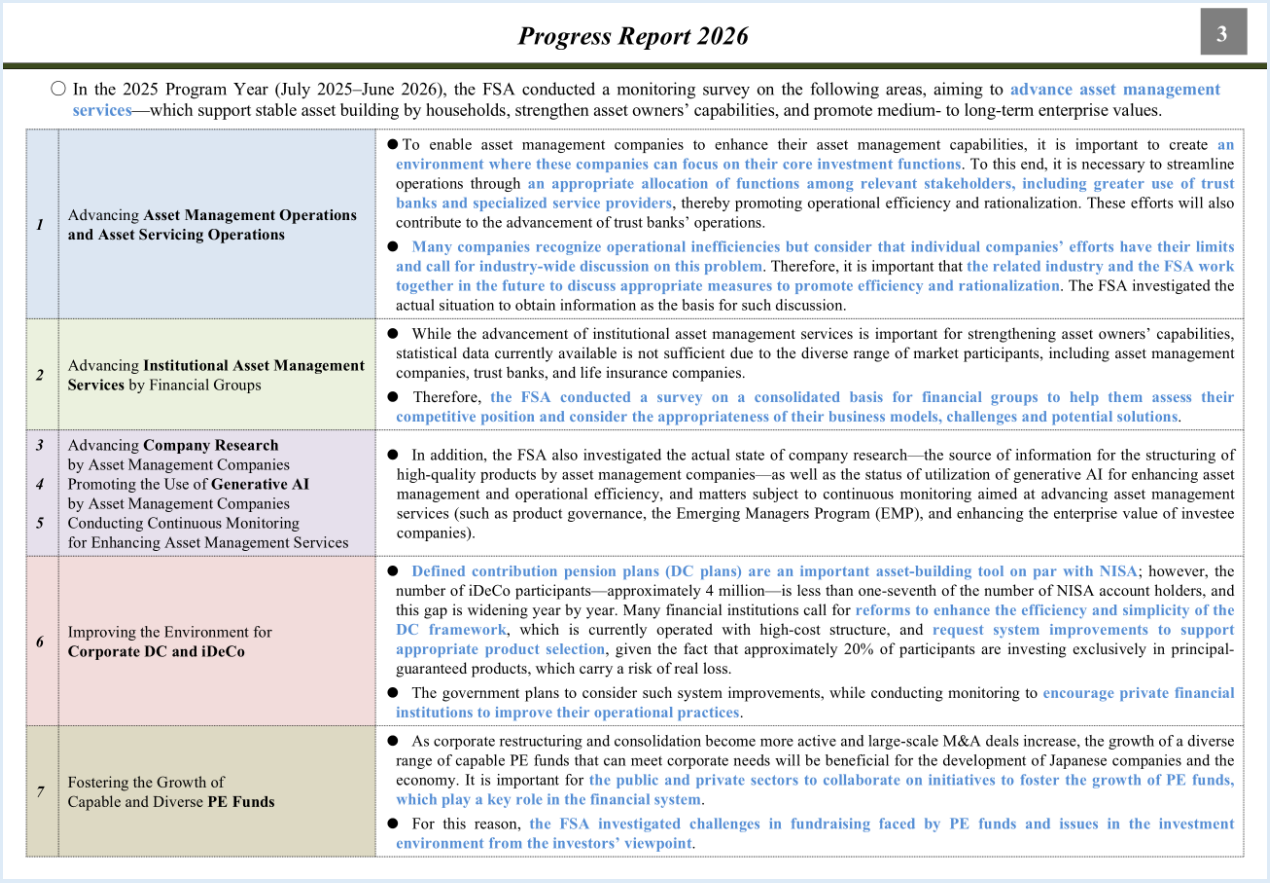
Miyauchi: In "Progress Report 2026 for Advancing Asset Management Services in Japan," published in July this year, we sought to ascertain the details of the current situation with the goal of advancing asset management services, by addressing not only the themes that had long been identified and discussed as challenges within the industry but also a wide range of new themes that had not been covered previously.

Let me explain some of the themes covered in the 2026 report. First, in the previous part of this serial article, we discussed the advancement of asset management operations and asset servicing operations and pointed out issues, such as the single-party NAV calculation framework.[1] Regarding this theme, the report indicates a future direction, stating as follows: to enable asset management companies to focus on their core investment functions, relevant stakeholders should streamline operations through an appropriate allocation of functions among them, such as entrusting operational and administrative processes intensively to trust banks and specialized service providers, and the related industry and the FSA should work together to improve efficiency and rationalize operations. Furthermore, to provide a basis for future discussions within the related industry, the report compiles findings on: (1) instructions from asset management companies to trust banks, (2) accounting for investment trusts, and (3) reporting from asset management companies to distributors and asset owners. Based on the extensive data and opinions we received from asset management companies, specialized service providers entrusted by asset management companies to handle administrative tasks, trust banks, and system vendors, we endeavored to present the actual situation in as much detail as possible in the report.

[1] https://www.fsa.go.jp/access/r8/275/275_05.pdf (Available in Japanese)

In addition, as new themes, the report discusses challenges in fundraising faced by private equity (PE) funds and issues in the investment environment from the investors' viewpoint. As corporate restructuring and similar activities intensify and large-scale M&A deals increase, it is expected that not only foreign PE funds but also Japanese PE funds will grow into funds capable of handling large-scale deals. The report summarizes the current situation and challenges based on numerous interviews with PE funds with assets under management of 50 billion yen or more and major domestic investors. We hope that this report will serve as a useful resource for both the public and private sectors when they work together to foster the development of Japan's PE market.

Figure 1. Progress Report 2026 for Advancing Asset Management Services in Japan



Progress Report 2026 3

○ In the 2025 Program Year (July 2025–June 2026), the FSA conducted a monitoring survey on the following areas, aiming to **advance asset management services**—which support stable asset building by households, strengthen asset owners' capabilities, and promote medium- to long-term enterprise values.

1	Advancing **Asset Management Operations and Asset Servicing Operations**	● To enable asset management companies to enhance their asset management capabilities, it is important to create **an environment where these companies can focus on their core investment functions**. To this end, it is necessary to streamline operations through **an appropriate allocation of functions among relevant stakeholders, including greater use of trust banks and specialized service providers**, thereby promoting operational efficiency and rationalization. These efforts will also contribute to the advancement of trust banks' operations. ● **Many companies recognize operational inefficiencies but consider that individual companies' efforts have their limits and call for industry-wide discussion on this problem**. Therefore, it is important that **the related industry and the FSA work together in the future to discuss appropriate measures to promote efficiency and rationalization**. The FSA investigated the actual situation to obtain information as the basis for such discussion.
2	Advancing **Institutional Asset Management Services** by Financial Groups	● While the advancement of institutional asset management services is important for strengthening asset owners' capabilities, statistical data currently available is not sufficient due to the diverse range of market participants, including asset management companies, trust banks, and life insurance companies. ● Therefore, **the FSA conducted a survey on a consolidated basis for financial groups to help them assess their competitive position and consider the appropriateness of their business models, challenges and potential solutions.**
3 *4* *5*	Advancing **Company Research** by Asset Management Companies Promoting the Use of **Generative AI** by Asset Management Companies Conducting Continuous Monitoring for Enhancing Asset Management Services	● In addition, the FSA also investigated the actual state of company research—the source of information for the structuring of high-quality products by asset management companies—as well as the status of utilization of generative AI for enhancing asset management and operational efficiency, and matters subject to continuous monitoring aimed at advancing asset management services (such as product governance, the Emerging Managers Program (EMP), and enhancing the enterprise value of investee companies).
6	Improving the Environment for **Corporate DC and iDeCo**	● **Defined contribution pension plans (DC plans) are an important asset-building tool on par with NISA**; however, the number of iDeCo participants—approximately 4 million—is less than one-seventh of the number of NISA account holders, and this gap is widening year by year. Many financial institutions call for **reforms to enhance the efficiency and simplicity of the DC framework**, which is currently operated with high-cost structure, and **request system improvements to support appropriate product selection**, given the fact that approximately 20% of participants are investing exclusively in principal-guaranteed products, which carry a risk of real loss. ● The government plans to consider such system improvements, while conducting monitoring to **encourage private financial institutions to improve their operational practices**.
7	Fostering the Growth of Capable and Diverse **PE Funds**	● As corporate restructuring and consolidation become more active and large-scale M&A deals increase, the growth of a diverse range of capable PE funds that can meet corporate needs will be beneficial for the development of Japanese companies and the economy. It is important for **the public and private sectors to collaborate on initiatives to foster the growth of PE funds, which play a key role in the financial system**. ● For this reason, **the FSA investigated challenges in fundraising faced by PE funds and issues in the investment environment from the investors' viewpoint**.

Financial Markets Division and product governance

Hattori: In the first place, why did you choose to work for the FSA, Ms. Nakamura?

Nakamura: I never originally planned to become a civil servant. When I started job hunting, I listened to people from several companies without choosing any specific industry. Through that process, I realized that government ministries and agencies set various rules relating to respective industries, and I felt that, given my personality, I was better suited to be involved in rule-making. That is how I chose the FSA. One reason for my choice was that finance seemed like an area where things moved the most quickly.

Hattori: Speaking of rule-making, Ms. Miyauchi talked about asset management services from the perspective of supervisory authorities, and as I see, the Financial Markets Division, where Ms. Nakamura works, is responsible for policy planning and legislative amendments. I heard an overview of the Policy and Markets Bureau in the first round of this serial interview project, in which Deputy Director-General Shibata and others participated.[2]

2 https://www.fsa.go.jp/en/newsletter/accessfsa2025/265.pdf

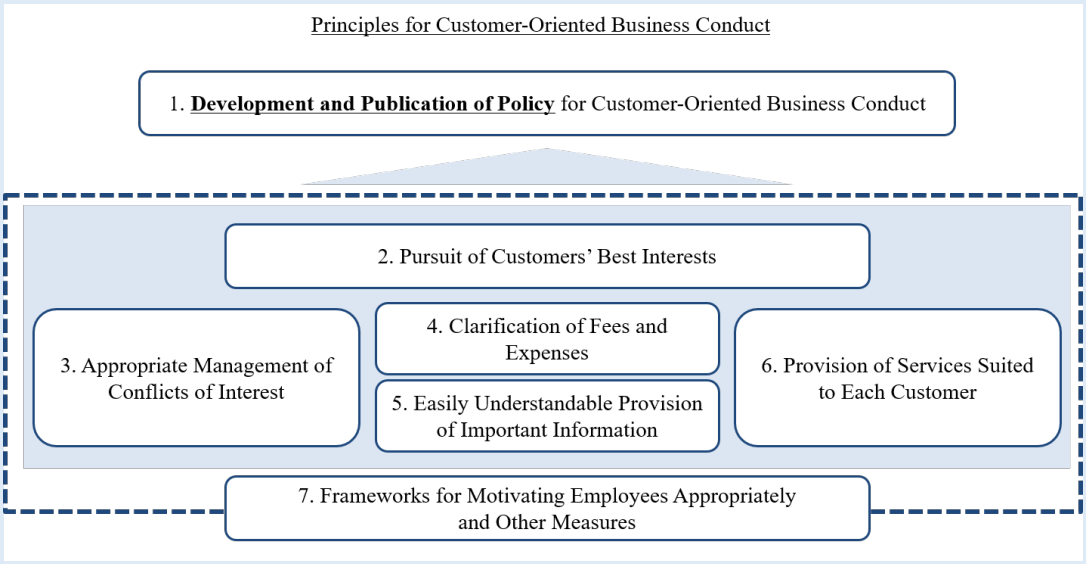
Nakamura: As you say, the Financial Markets Division is responsible for policy planning and legislative amendments related to financial markets. In the previous program year, we carried out legislative amendments regarding cryptoassets. The Financial Markets Planning Office, where I work, is in charge of not only legislative amendments for cryptoassets but also initiatives concerning customer-oriented business conduct. To ensure that people will purchase financial products with peace of mind, it is essential for all financial service providers—those involved in the structuring and distribution of financial products and services—to strive to conduct their business in a customer-oriented manner.

Figure 2 summarizes the Principles for Customer-Oriented Business Conduct, consisting of seven principles.



Photo: Director Nakamura

Figure 2. Principles for Customer-Oriented Business Conduct

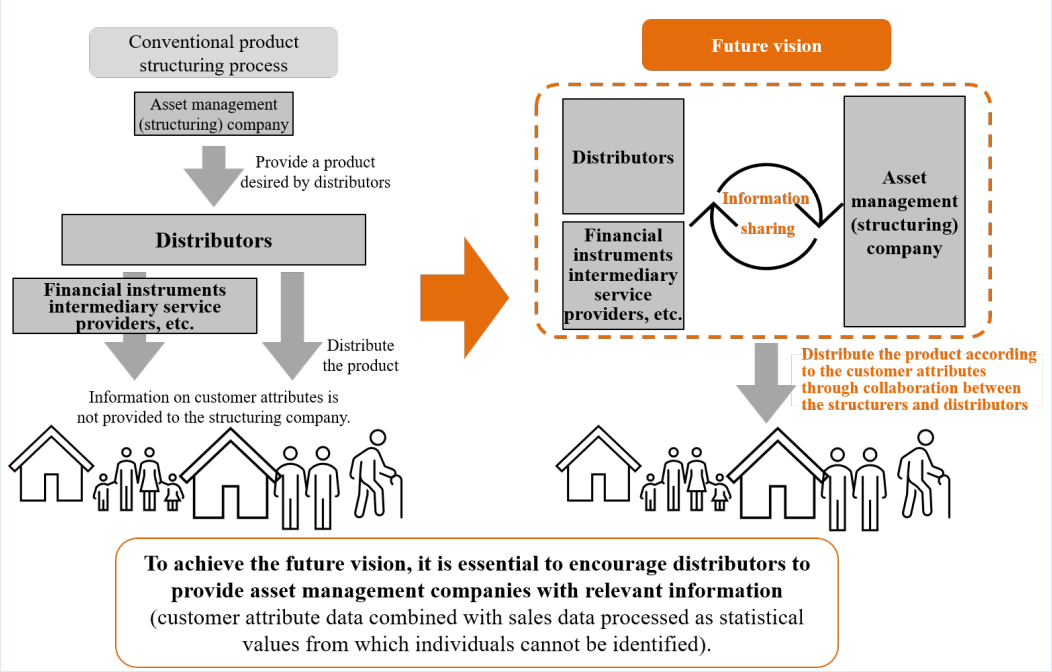


One of our recent initiatives is product governance. Its purpose is to ensure that entities engaging in product manufacturing (structuring) and those engaging in product distribution work together to provide products that are in the best interests of customers.

A key concern behind this initiative is that information regarding investors who have purchased financial products is retained by distributors, such as securities companies, but is rarely shared with asset management companies that create products. For example, in the case of groceries, it is hard to imagine manufacturers saying that they have no idea of whether their products are selling to the target customers they assume or who the actual purchasers are because it is supermarkets, not them, that sell the products to customers. On the other hand, in the case of investment trusts, information sharing between manufacturers and distributors is insufficient, so we are working to improve this.

Accordingly, we have launched an initiative to verify whether the attributes of the target customers match the attributes of customers who actually purchased the products by facilitating information sharing between asset management companies and distributor companies. As of the end of June this year, the first phase of information sharing between the two parties has been completed, so we are now entering the next phase, where we will explore more efficient methods of information sharing and ways to improve the structuring and distribution of financial products.

Figure 3. Toward building relationships that serve the best interests of customers across the entire process of product structuring and distribution



Hattori: The term "product governance" often appears in progress reports. It's a soft law, isn't it?

Nakamura: Yes, that's correct. If you draw a clear line with mandatory rules, it tends to lead to questions like, "So, is this okay? And what about that?" Such clarification is sometimes necessary, but, from the perspective of providing services tailored to each individual customer—as required by the concept of customer-oriented business conduct—I don't think that approach to regulation necessarily aligns with reality.

Hattori: Did you introduce these initiatives because you recognized challenges in the process of Promoting Japan as a Leading Asset Management Center?

Nakamura: Within the framework of the government initiative to promote Japan as a Leading Asset Management Center, stable asset building by households is one of the key pillars. However, I believe that, for the asset management industry as a whole to provide better services, healthy competition must also be fostered. I think the role the FSA can play is to establish an environment as needed, while ensuring investor protection.

Hattori: What other initiatives are in place regarding customer-oriented business conduct?

Nakamura: As shown in Figure 4, recent initiatives regarding customer-oriented business conduct include: codifying in law the duty of sincerity and fairness in consideration of customers' best interests; formulating the Principles for Product Governance; and establishing rules concerning provision of information on a potential conflict of interest.

Figure 4. Recent initiatives for ensuring customer-oriented business conduct

Codifying in law the duty of sincerity and fairness in consideration of customers' best interests (Effective as of November 1, 2024)

- It was **provided in the Act on the Provision of Financial Services** that financial service providers have the common duty to **perform their services sincerely and fairly**, while taking into consideration **the best interests** of customers, etc.

Formulating the Principles for Product Governance (Published on September 26, 2024)

- In order to **establish product governance** (governance for ensuring that financial products are provided in the best interests of customers) across the entire process of product structuring and distribution, **the Principles for Customer-Oriented Business Conduct were revised** to add supplementary principles applicable to structurers.

Establishing rules concerning the provision of information on a potential conflict of interest (Effective as of December 1, 2025)

- **Rules were established** to require financial service providers to **provide information to their customers on matters regarding a potential conflict of interest with the customers** (e.g., information on fees received by distributors from structurers), so that the customers can choose appropriate financial products (structured bonds, investment trust, etc.) (through amendments to the Cabinet Office Order).

Hattori: What kind of system is in place for monitoring issues, such as fraudulent sales?

Nakamura: Following the organizational restructuring, monitoring is handled by the Office of Policy Planning for Conduct Risk in the Banking and Securities Business Supervision Bureau, as well as the divisions within the Supervision Bureau that are responsible for specific industry sectors. The Financial Markets Division, to which I belong, is in charge of regulatory frameworks, whereas cross-sectional monitoring is conducted by the Office of Policy Planning for Conduct Risk. In July, we published the results of the monitoring for the 2025 Program Year along with a collection of data.[3]

Haba: From our perspective, we cannot determine the absolute appropriate level for fees on financial products. Every field has its professionals, and the asset management sector is no exception. I believe that it is legitimate for these professionals to receive appropriate fees in exchange for the services they provide. Such fees are acceptable as long as they are commensurate with the value of the services provided to customers. On the other hand, practices such as churning—recommending customers to engage in frequent trading and charging fees each time—can by no means be considered a fair manner of obtaining rewards for professional work. Furthermore, I question whether the industry can sustain itself by employing such a business model. Therefore, I think it is important for regulatory authorities to ask financial institutions, "Is your work, your proposal, or your fee level appropriate from a customer-oriented perspective?" and for financial institutions to be able to explain with confidence, "As professionals, we are performing this work for the benefit of our customers and receiving this compensation accordingly."

Hattori: I get the impression that many of the participants in this interview project concurrently hold positions at the Cabinet Secretariat. How does their experience at the Cabinet Secretariat serve to their current work at the FSA? What is the significance of working outside the FSA?

Haba: The Cabinet Secretariat serves as the command center when dealing with issues that involve not only the FSA but also the government as a whole—such as the policy to promote Japan as a Leading Asset Management Center. In the private sector as well, when carrying out a company-wide project under the direct control of the CEO, a project team is often set in place within the CEO's office. The Cabinet Secretariat serves a similar function. I believe that experience gained in that kind of position is very meaningful for an administrative official. From the perspective of enabling FSA staff to develop their skills, I think it would be beneficial to increase their opportunities to work on secondment not only at the Cabinet Secretariat but also at various other ministries and agencies. In addition to gaining experience in other organizations, seeing the FSA from the outside allows its staff to take a broader view of financial administration and understand how best to collaborate with other ministries and agencies. While this is not easy given the staffing shortages at the FSA, I think that experience in working overseas, if possible, would also lead the FSA staff to gain a deeper understanding of the FSA's operations.

Some people say that it would be better for FSA staff to stay within the FSA and enhance their expertise, but that's an issue of extent. We need administrative officials who are well versed in specific areas—and the more knowledge they have, the better—but it is also crucial for our organization to have officials with diverse experiences and perspectives. I believe a sense of balance is particularly important for senior officials. That said, I do think we should avoid rotating positions on an annual basis. In some cases, it is better for directors and deputy directors-general to stay in their positions for about three years. I also believe that to gain broad experience, they should try a variety of roles. So, it's a tricky issue—but ultimately, I think what matters most is balanced personnel management and staffing.

Hattori: To wrap up the discussion on this topic, could you please share a few words on your thoughts regarding the future of the asset management sector and what you hope to see?

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[3] Results of Monitoring on Customer-Oriented Business Conduct by Structurers and Distributors of Risk-Involving Financial Products (2025 Program Year)
https://www.fsa.go.jp/news/r8/kokyakuhoni/20260729.html

Haba: In July this year, the Cabinet Secretariat announced a new financial services strategy created by upgrading the Policy Plan for Promoting Japan as a Leading Asset Management Center. This strategy includes numerous ambitious policy proposals aimed at the further development of the asset management sector.

To realize a “strong economy” envisioned by the Takaichi Cabinet, the financial sector is expected to play a vital role of supplying growth capital. To this end, while it is important for traditional sectors, such as banking, securities, and insurance, to fulfill their respective functions effectively, there are also very high expectations for the asset management sector. To put it negatively, Japan has slightly fallen behind in this sector, and foreign PE funds, including Bain Capital, Carlyle, and Blackstone, are operating actively in Japan. On the other hand—to put it positively—the asset management industry itself is one of Japan’s most promising growth sectors, and we expect to see the emergence of domestic asset management companies capable of competing on the global stage. I am convinced that by fostering this sector—not through the efforts of the FSA alone but through the government-wide efforts—Japan’s financial industry as a whole will develop significantly, ultimately leading to the development and growth of the Japanese economy.

Initiatives for Upgrading the FSA
—Upholding Trust, Empowering the Future—

Introduction

A team directly under the FSA Commissioner, the "Financial Services Agency 20-Year Committee," (established in August 2025) is leading efforts to realize an organization that continuously evolves and delivers high-quality financial sector policy over the next five, ten, and twenty years through ongoing upgrades of its organization and staff capabilities. The team compiled and published a summary of the initiatives in August 2026.[1]

Shared understanding of objectives

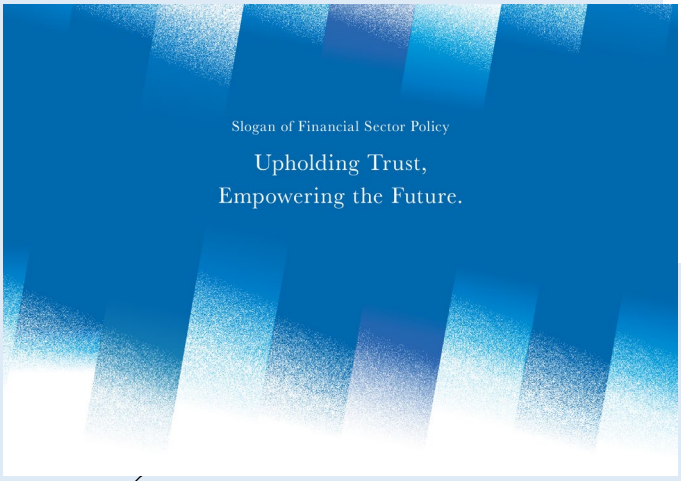
For the FSA to continuously evolve as an organization, it is important to foster a shared understanding of the objectives of financial sector policy and revisit the fundamentals of their day-to-day work.

As part of the initiatives, the FSA adopted a slogan, "Upholding Trust, Empowering the Future,"
to help staff better connect with these objectives .

In adopting the slogan, we extensively considered the results of agency-wide discussions on the objectives and roles of financial sector policy as well as multiple staff surveys.

This slogan reflects the aim of financial sector policy to achieve a balance between

- the aspects of stabilizing the financial system, ensuring user protections, securing fairness and transparency in the market (so-called "stability-oriented" aspects); and
- the aspects of having financial institutions fully perform their financial intermediary function, enhancing user convenience and invigorating the market (so-called "growth-oriented" aspects).



The financial system underpins the activities of individuals, businesses, and society as a whole.
Trust is what enables people to use financial services with confidence.
In a rapidly changing world, we uphold trust in the financial system.

Building on this trust, we strive to create a society in which convenient and diverse financial services are available to all.
We empower individuals and businesses to take on the challenges that shape their future, from daily steps to global leaps.

Through these efforts, we are committed to realizing sustainable economic growth, steady asset building, and a society in which every person can envision a brighter future.

Financial sector policy slogan (left) and message contained in the slogan (right)

1 https://www.fsa.go.jp/en/about/upgrading.html

Human resource development and improving workplace environment

In order to achieve the objectives embodied in the financial sector policy slogan, the FSA will proceed with the initiatives for human resource development and improvement of the workplace environment.

In addition to the following initiatives, the FSA will continue to provide high-quality financial sector policy services through continuous self-transformation to upgrade the FSA .

Human Resource Development

Enhancement of Expertise	The FSA established an inspector development team and initiated discussions on measures to promote knowledge accumulation and transfer while responding to emerging issues. It will continue to deepen expertise across a broader range of fields, and strengthen collaboration with academia.
Career Development	The FSA enhanced explanation provided for personnel rotations. It will further develop the capabilities of HR staff, promote more meaningful dialogue with employees. It will also improve feedback through the performance evaluation process.
Management	Training programs for senior management were enhanced. The FSA will further improve them by broadening participation, enriching content, and providing training earlier in the business year.

Improving Workplace Environment

Operational Efficiency	The FSA introduced a generative AI-based support tool to respond to staff questions and inquiries. It will further develop tools to meet staff needs.
Flexible Working Style	Networking events were organized for staff members returning from childcare leave and those raising children, facilitating the exchange of experiences on work styles suited to different life stages and fostering employee networks. Satellite offices will be introduced from August.
Communication	The FSA held intensive agency-wide discussions on upgrading the agency and its people. It will further promote exchanges of views among senior management and employees, at the division and office level, and in small groups, as well as strengthen information sharing within and outside the agency. The FSA will also establish a chat platform open to all staff to promote communication across departments and offices. *The FSA will continue to reflect the opinions of external experts, such as the Expert Panel on Policy Evaluation and the Financial Administration Monitor, in its efforts to upgrade the FSA.
Office Environment	Workspace improvements, including office layout and desk renovations, have been implemented (most recently in June) and will be expanded across the entire FSA.

Children' Visit to Kasumigaseki (Government District)

The Children's Visit to Kasumigaseki was held over two days, on July 29 and 30, 2026.

This event, which is held during children's summer holidays, is an initiative in which the central government ministries and agencies located in Kasumigaseki, including the Ministry of Education, Culture, Sports, Science and Technology, cooperatively provide participating children with explanations, such as by using exhibitions, to introduce duties under their jurisdictions with the aim of having children broadly learn about society, understand government's policies, and deepen contact with their parents through hands-on activities.

The Financial Services Agency also holds events mainly targeting elementary school students every year. This year, the program included financial and economic education lectures separately for upper-grade elementary school students and junior high school students, and for lower-grade elementary school students, in order to help them understand the role and importance of money in an easy-to-understand manner.

1. "Introduction to the FSA's Work"

Targeting upper-grade elementary school students and junior high school students, Director of the Public Relations Office Kume (at the time of the event) provided explanations on the FSA's work with the aim of having children understand what the FSA is doing. He explained the flow of money and the FSA's work, while also referring to topics familiar to them.



Photo: A lecture titled "Introduction to the FSA's Work"

2. Quizzes on the FSA

Lower-grade elementary school students tackled 6 quizzes on the FSA and the NISA program given by Wanisa.

Aiming to win a commemorative gift by getting all the answers correct, participants worked hard with their guardians.



Photo: Children working on quizzes on the FSA

3. Financial and Economic Education Lectures

Kid's Money Station, which specializes in financial education, provided financial and economic education lectures. This time, a lecture titled "Money in Foreign Countries and Money in Japan" was provided to upper-grade elementary school students and junior high school students, while lower-grade elementary school students enjoyed a game, "Experience of Going Out Without Paying in Cash."

[Kid's Money Station]

Kid's Money Station was established with the thought that children would learn the importance of goods and money and have the power to become independent. Approximately 300 lecturers are enrolled nationwide, and various lectures on money education and career education are provided at local governments' facilities, schools, etc.

“Money in the World and Money in Japan”

—SUMITA Shota and MIYAUCHI Yuko, Lecturers—

Participants engaged in a task under the theme, “What happens to the price of hamburgers when the yen appreciates or depreciates?” They learned about the mechanism of exchange in an enjoyable way.

While using real foreign bills, lecturers told participants that there are various currencies in the world and carefully explained the mechanism of how the values of individual currencies fluctuate.



Photo: Lecture titled “Money in the World and Money in Japan”

“Experience of Going Out Without Paying in Cash”

—KITAMURA Yuki and HIGO Noriko, Lecturers—

Through a play, lecturers told participants about the importance of using cashless payment services in a planned manner as the movement of money is less-visible.

Participants learned about the respective characteristics and payment mechanisms of electronic money, debit cards, and credit cards through enjoying work.



Photo: Children enjoying “Experience of Going Out Without Paying in Cash”

4. Tour of the Minister’s Office and the tribunal in the FSA

As a tour of the Financial Services Agency, participants were taken to the Minister’s Office, where the Minister for Financial Services works, and the tribunal where the trial proceedings for violations of the Financial Instruments and Exchange Act, etc. are held. In the Minister’s Office, not only children but also their guardians sat on the Minister’s chair or otherwise enjoyed taking commemorative photos.



Photo: Visit to the Minister’s Office



Photo: Visit to the tribunal

5. Special Event

(1) Messages from and Q&A sessions with Minister Katayama and State Minister Iwata

As a special event, Mr. IWATA Kazuchika, State Minister of Cabinet Office for Financial Services, and Ms. KATAYAMA Satsuki, Minister of State for Financial Services, attended on July 29 and 30, respectively, and delivered messages to participants.

On each day, after messages by the Minister or the State Minister, a Q&A session was held. Many children raised their hands in response to a question, “Do you have any questions for the Minister or the State Minister?” Minister Katayama and State Minister Iwata frankly and carefully answered innocent questions from children one by one and all enjoyed friendly communication.



Photo: Minister Katayama answering children's questions

—Questions from children for Minister Katayama—

- **How can I become a minister?**
- **What is the most difficult task?**



Photo: State Minister Iwata answering children's questions

—Questions from children for State Minister Iwata—

- **What do you like about being the State Minister?**
- **What should elementary school students learn when it comes to money?**

(2) Commemorative photo shooting with the Minister and the State Minister

Commemorative photos of children were taken with the Minister, the State Minister, and Wanisa, the FSA's official mascot character. Children seemed a little nervous about being with the Minister or the State Minister, with whom they seldom have contact, but showed bright smiles throughout the event.



Photo: Commemorative photo of children with the Minister



Photo: Commemorative photo of children with the State Minister

6. Hands-on experience corner

At the hands-on experience corner, many children held replicas of bills amounting to 100 million yen and gold bullion prepared for the event and made a fuss, saying “They’re so heavy!”

Children also looked curiously at many books on money and foreign bills around the world and seemed to be deepening their understanding on finance while enjoying themselves.



Photo: Hands-on experience corner

A Nationwide Campaign, Financial and Economic Education Caravan

—"Learn with Wanisa: Money Class for the Future," Deputy Director-General, WANISA, Busy Making Courtesy Visits! vol.16—

Event in Chiba on July 25, 2026







Event in Osaka to be held on September 12, 2026

■ **Date and time: 10:00 a.m. to 4:30 p.m. on Saturday, September 12, 2026** (tentative)

■ **Venue: Lalaport Kadoma** (1-11 Matsuocho, Kadoma-shi, Osaka)
1F Center COURT

■ **Performers: Moriyasubanbanbigaro, Smile, SAKAI Ai, Runny Nose, Obata no Oniisan, ABE Wakana, HIRAYAMA Mai (NMB48), UK and Gion (masters of ceremonies)**

＼ワニーサとなかまたちも来るよ！／



■ **Major content**

➢ **Stage show**

* Attack by Warusa!? Guide the World to Peace with Correct Knowledge on Money!?
* Learn about Money! Happy Family with All Members Together
* *Unko* Money Drill: Life Edition (targets: first to third graders)

➢ **Mini lecture programs**

* Learn using Minecraft—Quest of Finance—Knowledge on Money, the Valiant's Weapon

[Provided by the SMBC Group] *NOT OFFICIAL MINECRAFT PRODUCT.NOT APPROVED BY OR ASSOCIATED WITH MOJANG

* *Unko* Money Drill: Economy Edition (targets: fourth to sixth graders)

At the venue, various exhibition booths on money-related themes will be established by cooperating companies and associations.

*** For details, please access the official website below.***

https://wanisa-caravan.fsa.go.jp/event/osaka/ (Available in Japanese)

ワニーサが行く 日本全国ごあいさつの旅

Deputy Director-General, WANISA, visits prefectural governors and people in the finance sector to ask for cooperation in further enhancing financial and economic education.

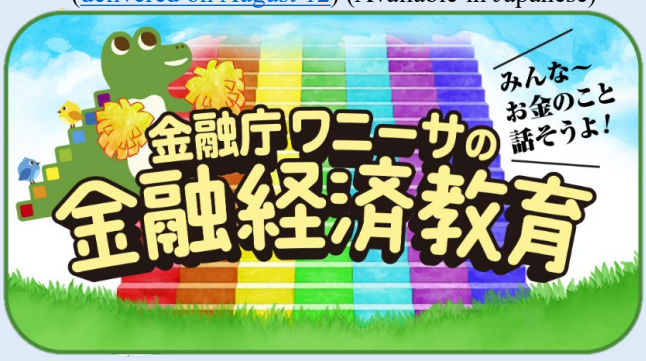
Videos of Wanisa's courtesy visits are posted on the official X account (@Wa_nisa_FSA)!



▶Courtesy visit to President Irie of the Tottori Bank (delivered on August 12) (Available in Japanese)



▶Courtesy visit to President Nakazawa of the Hokuriku Bank (delivered on August 13) (Available in Japanese)



I have carried out activities for promoting financial and economic education in many areas nationwide!
FSA WANISA's Financial and Economic Education
Please also visit the Website!





* 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 April (July 1 to July 31, 2026)

- The sixth meeting of the Working Group on Corporate Disclosure of the Financial System Council (August 28, 2026)
- Regarding the Revision of the Q&A on Financial Instruments Business (August 27, 2026)
- Joint session of the 57th general meeting of Financial System Council and the 45th meeting of Sectional Committee on Financial System (August 24, 2026)
- Initiative Summary of Upgrading the FSA (August 7, 2026)
- Publication of the summary of "Annual Report on Insurance Monitoring 2026" (August 6, 2026)
- Stewardship Code: List of institutional investors who have accepted the Principles for Responsible Institutional Investors as of June 30, 2026 (August 4, 2026)
- Publication of Slogan of Financial Sector Policy (August 3, 2026)

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

Employees of the Financial Services Agency have been contributing writings about the status of the Agency's activities, including the introduction and explanation of its measures, to various publications. Such writings are published on the website of the Financial Research Center. This article covers some of these writings.

— Introduction of recently published contributions — [All available in Japanese]

◆ We Want You to Know More about Our Tasks—Toward Mutual Understanding and Collaboration — No. 9 Financial Services Agency (Financial Crimes Office) (provisional English title)
KAMIYA Makiko, Deputy Director, Financial Crimes Office, Risk Analysis Division, Strategy Development and Management Bureau
(Published in the July issue of *Keisatsu Koron*)

◆ Key Points in Excellent Disclosure of Narrative Information in Account Settlement for the Term Ending in March 2026 (Vol.1) and (Vol. 2) (provisional English title)
TAKAHASHI Atsuko, Director for Financial Reports Examination, SHIRATSUKI Hidekazu, Corporate Accounting Officer, SEO Yusuke, Section Chief, Corporate Accounting and Disclosure Division, Policy and Markets Bureau
(Published in the June 1 and June 10 issues of the *Keirijouhou*)

◆ Explanation of the Amended Regulation on Financial Statements, etc. in Relation to Practical Solution Reports on the Interim Accounting Standards and Special Corporate Tax for Defense (provisional English title)
KAKOGI Shinsuke, Chief Accounting Officer, MAKINO Seiya, Corporate Accounting Officer, SAITO Yoshihiro, Chief of Corporate Accounting Section 1, ANDO Takaya, Staff member of Corporate Accounting Section 1, Corporate Accounting and Disclosure Division, Policy and Markets Bureau
(Published in the June 1 issue of the *Keirijouhou*)

◆ < Account Settlement for the Term Ending in March 2026 > Key Points in Excellent Disclosure of Narrative Information (provisional English title)
TAKAHASHI Atsuko, Director for Financial Reports Examination, SHIRATSUKI Hidekazu, Corporate Accounting Officer, SEO Yusuke, Section Chief, Corporate Accounting and Disclosure Division, Policy and Markets Bureau
(Published in the June issue of the Accounting and Audit Journal)

◆ Results of the Review of Annual Securities Reports for FY2025 and Matters to Note Based Thereon (provisional English title)
KOBAYASHI Daisuke, Deputy Director, ISODA Testuo, Officer, ITO Norihiro, Special Researcher, Corporate Accounting and Disclosure Division, Policy and Markets Bureau
(Published in the June issue of the Accounting and Audit Journal)

◆ Practices of and Disclosure about Human Resources Strategies and Investment in Human Capital Linked to Management Strategies
Explanation of the Guidelines for Visualization of Human Capital (Revised) (Vo. 1) and (Vol. 2) (provisional English title)
KURAMOCHI Koichiro, Director for International Accounting,, YAMAZAKI Shinichi, Deputy Director, Corporate Accounting and Disclosure Division, Policy and Markets Bureau, FSA
DOJO Kazuya, Deputy Director, YOSHIMOTO Takeru, Section Chief, Human Resource Policy Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry
(Published in the May 10 and 20 and June 1 issues of the *Keirijouhou*)

◆ The Future of the Tender Offer System and the Large Shareholding Reporting System (7): The Large Shareholding Reporting System—Outline and Scope of Application (I) (provisional English title)
KONAGAYA Akito, Director, TANIGUCHI Tatsuya, former Director for Corporate Governance Reform Promotion, KAMIKUBO Tomohiro, former Officer, Corporate Accounting and Disclosure Division, Policy and Market Bureau
(Published in the April 15 issue (No. 2420) of the Commercial Law Review)

◆ Amendments to Cabinet Office Order on Disclosure of Corporate Affairs, etc.—Application of Sustainability Disclosure Standards, Enhancement of Human Capital Disclosure, Measures to Promote Information Disclosure Before General Shareholders' Meetings, etc. (provisional English title)
TOYAO Daisuke, Disclosure Planning Coordinator, YAMADA Yuya, Deputy Director, SAITO Takayoshi, Officer, MIZUSHIMA Tatsuya, Staff member, Corporate Accounting and Disclosure Division, Policy and Markets Bureau
(Published in the April 15 issue (No. 2420) of the Commercial Law Review)

◆ The Future of the Tender Offer System and the Large Shareholding Reporting System (6): The Tender Offer System—Information Disclosure upon Tender Offer (provisional English title)
KONAGAYA Akito, Director, TANIGUCHI Tatsuya, former Director for Corporate Governance Reform Promotion, KAMIKUBO Tomohiro, former Officer, KANEKO Satoshi, Deputy Director, Corporate Accounting and Disclosure Division, Policy and Market Bureau
(Published in the April 5 issue (No. 2419) of the Commercial Law Review)

* Authors' titles and organization names are those at the time of authoring.

👉 For other contributions, please visit the website of the Financial Research Center.

Editorial Postscript

Thank you for reading Access FSA. My name is OZAWA Hiroshi. I assumed the office of Director of the Public Relations Office on August 7. Firstly, I offer my sincere prayers for the repose of the souls of those who lost their lives in the Kumamoto Earthquake in 2026 and the heavy rains in Chiba Prefecture in August 2026 and express my heartfelt sympathy for all people affected by these disasters. Disaster-related information helpful for afflicted people is being provided and some of it is introduced on the first page. Please refer to it as you need.

This year's personnel reshuffle was one month later than usual, but under a new system, we renewed our determination to fulfill our mission to transmit information on financial administration, such as the FSA's measures, accurately and in an easy-to-understand manner.

On August 7, the FSA underwent a structural reorganization aimed at developing an environment to enable staff members to meticulously respond to new challenges in financial administration. Additionally, as initiatives for upgrading itself, the FSA published the adopted slogan and has been making efforts for developing human resources and improving the workplace environment for the purpose of achieving the objectives embodied in the financial sector policy slogan. This month's issue takes up these topics that are very important for the FSA.

Furthermore, regarding the serial feature, talk between Project Associate Professor Hattori and staff members of the FSA, the part concerning the initiative to promote Japan as a Leading Asset Management Center, which is one of the major policies of the national government, finally ends in this month's issue.

We will continue making efforts to further improve the content of Access FSA so that many of you will better understand the policies and organization of the FSA and so that we can communicate the feelings of FSA staff members engaging in financial policies.

OZAWA Hiroshi, 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.)



https://www.fsa.go.jp/index.html