



# Opportunities from Cross Border Listing, Trade and Investments

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# 1. Numbers of foreign and domestic companies listed on exchanges

Year		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>TSE Group</b>	Domestic Companies	2,055	2,103	2,119	2,174	2,276	2,323	2,391	2,389	2,374	2,320	2,281	2,280
	Foreign Companies	<b>41</b>	<b>38</b>	<b>34</b>	<b>32</b>	<b>30</b>	<b>28</b>	<b>25</b>	<b>25</b>	<b>16</b>	<b>15</b>	<b>12</b>	<b>11</b>
<b>Hong Kong Exchange</b>	Domestic Companies	779	857	968	1,027	1,086	1,126	1,165	1,232	1,251	1,308	1,396	1,472
	Foreign Companies	<b>11</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>17</b>	<b>24</b>
<b>Korea Exchange</b>	Domestic Companies	702	688	679	684	683	1,616	1,689	1,755	1,789	1,778	1,781	1,799
	Foreign Companies	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>17</b>	<b>17</b>
<b>Taiwan SE</b>	Domestic Companies	531	584	638	669	697	691	688	698	718	741	752	772
	Foreign Companies	<b>0</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>14</b>	<b>32</b>	<b>52</b>

<b>NYSE Euronext (US)</b>	Domestic Companies	2,429	1,939	1,894	1,842	1,834	1,818	1,829	1,876	1,548	1,832	1,799	1788
	Foreign Companies	<b>433</b>	<b>461</b>	<b>472</b>	<b>466</b>	<b>459</b>	<b>452</b>	<b>451</b>	<b>421</b>	<b>415</b>	<b>495</b>	<b>518</b>	<b>520</b>
<b>London SE</b>	Domestic Companies	1,926	1,923	1,890	2,311	2,486	2,757	2,913	2,588	2,415	2,179	2,362	2,288
	Foreign Companies	<b>448</b>	<b>409</b>	<b>382</b>	<b>381</b>	<b>351</b>	<b>334</b>	<b>343</b>	<b>719</b>	<b>681</b>	<b>613</b>	<b>604</b>	<b>598</b>

## 2. Merits of cross border listing, trade and investment

- Sharing investment opportunities with other countries' investors and inviting more investment from them
- Diversifying risks (for investors, for listed companies)
- Promoting name recognition and presence in financial, consumer and job markets
- Tapping into potential of growing region and countries

# 3. Factors to induce foreign companies' listing on domestic

- Presence of strong investor base
- Reliable and efficient trading platform and infrastructure, including settlement and clearing system
- Fair and effective disclosure rules and the presence of high-quality professionals in accounting and auditing
- Liberalized cross-border capital flows and free use of currencies
- Transparent and predictable regulation
- Open and impartial policies for foreign companies
- Fair legal, judiciary and tax regimes
- Political stability

# 4. Factors to encourage overseas listing by domestic companies



- Liberalization of cross-border capital flows
- Emergence and presence of domestic companies with international competitiveness

# 5. Japanese companies listed on the NYSE



## Japanese Companies Listed on the NYSE

Advantest Corporation

Canon, Inc.

Hitachi, Ltd.

Honda Motor Co., Ltd.

Konami Corporation

Kubota Corporation

Kyocera Corporation

Mitsubishi Financial Group, Inc.

Mizuho Financial Group, Inc.

Nidec Corporation

Nippon Telegraph and Telephone Corporation

Nomura Holdings Corporation

NTT DOCOMO, INC.

ORIX Corporation

Panasonic Corporation

Sony Corporation

Sumitomo Mitsui Financial Group, Inc.

Toyota Motor Corporation

# 6. Circumstances and challenges in Japan

## **Decrease in cross border listing**

- Number of foreign companies listed in Japan
- Strict disclosure requirements for companies (language barrier?)
- Availability of domestic brokerage services to invest in stocks listed on foreign exchanges
- Growing number of Japanese companies listed overseas

## **Can the situation be defused?**

- Merger of TSE and OSE ⇒ more efficient trade platform attracts foreign companies and investors
- Creation of markets for professional investors
  - TOKYO PRO Market
  - TOKYO PRO-BOND Market
- Change in regulation to allow English language prospectuses and statements

# 7. TSE-Listed Foreign Companies



	Name	Nationality	Section	Industry
1	<b>China Boqi Environmental Solutions Technology (Holding) Co., Ltd.</b>	<b>Cayman Islands</b>	<b>1st</b>	<b>Construction</b>
2	<b>YTL Corporation Berhad</b>	<b>Malaysia</b>	<b>1st</b>	<b>Construction</b>
3	<b>Japaninvest Group plc</b>	<b>U.K.</b>	<b>Mothers</b>	<b>Communication</b>
4	<b>THE DOW CHEMICAL COMPANY</b>	<b>U.S.A.</b>	<b>1st</b>	<b>Chemicals</b>
5	<b>POSCO</b>	<b>Korea</b>	<b>1st</b>	<b>Iron&amp;Steel</b>
6	<b>JPMorgan Chase &amp; Co.</b>	<b>U.S.A.</b>	<b>1st</b>	<b>Banks</b>
7	<b>Bank of America Corporation</b>	<b>U.S.A.</b>	<b>1st</b>	<b>Banks</b>
8	<b>American International Group, Inc.</b>	<b>U.S.A.</b>	<b>1st</b>	<b>Insurance</b>
9	<b>Aflac Incorporated</b>	<b>U.S.A.</b>	<b>1st</b>	<b>Insurance</b>
10	<b>Citigroup Inc.</b>	<b>U.S.A.</b>	<b>1st</b>	<b>Banks</b>
11	<b>Xinhua Holdings Limited</b>	<b>Cayman Islands</b>	<b>Mothers</b>	<b>Communication</b>

Source: TSE

\*As for POSCO, the listed securities are DRs.

As of end of 2011



## 8. Challenges in the Asia-Pacific region

### **How to increase cross border listing**

- Setting up common trading platform ?
- Promoting convergence of trading rules ?
- Convergence of accounting and auditing standard and practices ?

### **How to more effectively utilize funds in the region**

- Asian Bond Market Initiative ?
- Other initiatives and ideas ?