JSDA 日本証券業協会 Japan Securities Dealers Association

Market Report

September 2025

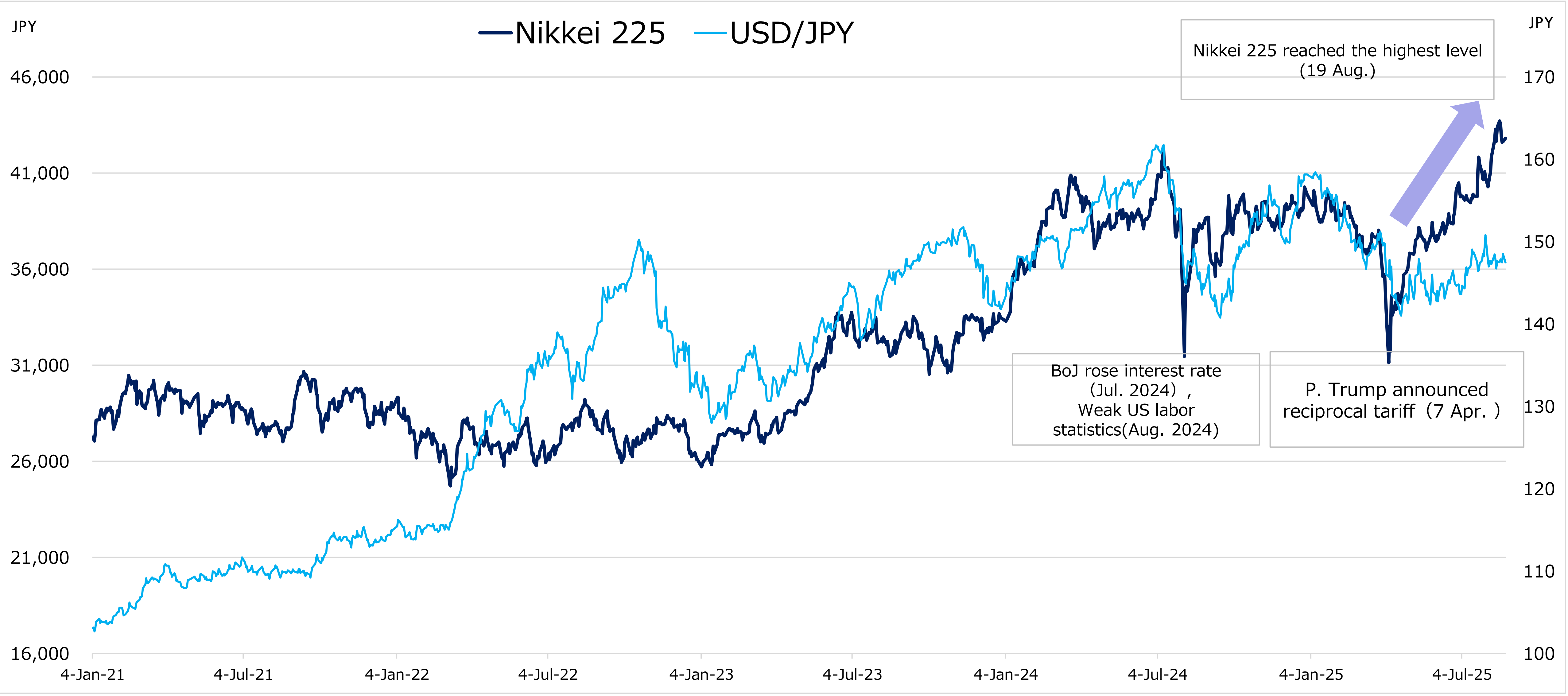
10/4は証券投資の日
とうしくん®

Mandate Passkeys authentication

- Due to phishing and malware, customer IDs and passwords has been stolen and in internet transactions, there have been cases where the stolen information was exploited for unfair trading through unauthorized access and impersonation.

- Now conducting the revisions to the Financial Services Agency's supervisory guidelines and the Securities Industry Association's guidelines as follows:
  Multi-Factor Authentication
  - ✓ Implement and mandate (set as the default) phishing-resistant multi-factor authentication for critical operations such as login, fund withdrawals, and changes to the registered withdrawal bank account.
    Examples include authentication using passkeys and authentication based on PKI (Public Key Infrastructure).

Recent Stock Market Trends in Japan



Recent Policy Response by the Japanese Government

- Japanese government published “Doubling Asset-based Income Plan” in November 2022 and “Policy Plan for Promoting Japan as a Leading Asset Management Center” in December 2023, along with on-going corporate governance reform.

Policy Plan for Promoting Japan as a Leading Asset Management Center

Stable **household-based asset formation**
- ✓ Expanded and permanent NISA
- ✓ Improved financial literacy

- ✓ Sustainable **corporate growth**
- ✓ Improved **market functioning**

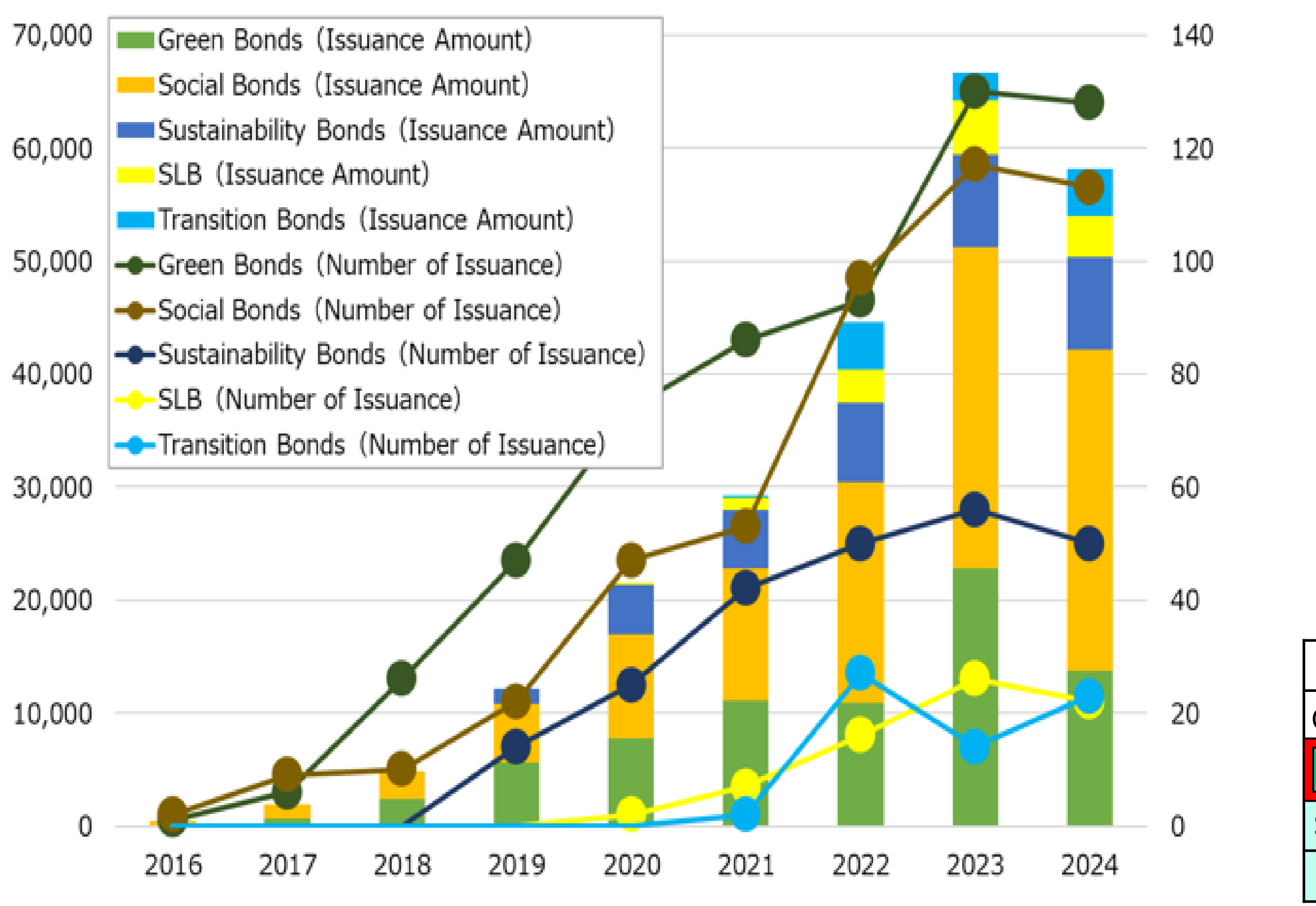
- ✓ **Asset management sector** reform
- ✓ Improved capabilities of **asset owners**

Ensuring customer-oriented business conduct by **distributors**
(banks and securities companies)

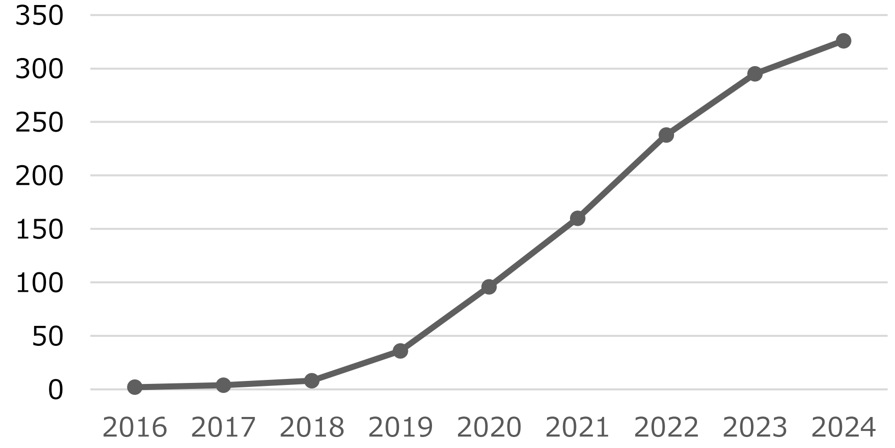
Source: Policy Plan for Promoting Japan as a Leading Asset Management Center, JFSA website https://www.fsa.go.jp/en/policy/pjlamc/20231214.html

ESG/SDG Bond Issuance in Japan

Issuance amount and number of ESG/SDG Bonds*1 Publicly Offered in Japan



Number of ESG/SDG Bond Issuers (with Outstanding Issuance)



Preferred financing methods in the medium to long term*2

	Whole business entities	carbon intensive industries	Manufacturing (excl. carbon intensive industries)	Non-manufacturing (excl. carbon intensive industries)
Loans	75.9%	89.6%	64.7%	66.7%
Cash reserves	61.6%	62.5%	73.5%	46.7%
ESG Bonds	**50.9%**	**60.4%**	**41.2%**	**46.7%**
Straight Bond	37.5%	52.1%	26.5%	26.7%
Equity	7.1%	6.3%	8.8%	6.7%

Sources: Japan Securities Dealers Association, “List of Public Bond Issues”; Bank of Japan, "June 2025 Climate Change-Related Market Function Survey Results”

*1 In this slide, ESG/SDG Bonds refer to labeled bonds such as green bonds, social bonds, sustainability bonds, sustainability-linked bonds, and transition bonds.

*2 The figures represent the share of financing methods preferred by respondents who expect a significant increase in funding needs for climate action by fiscal year 2030.

Annual Conference of the Principles
- Hosted by ICMA and JSDA

11th Annual Conference of the Green, Social, Sustainability and Sustainability-Linked Bond Principles (collectively known as the "Principles") will be held in **Tokyo, Japan, on Thursday 6th November 2025**.

- The ICMA Principles and related guidance on sustainable finance are widely recognized as international standards.
- **The Conference of the Principles is the premier global annual event** for the sustainable bonds market, gathering key representatives from around the world and across the value chain to engage in critical discussions on the future of sustainable finance.
- Updates on the Principles and related guidance will be announced at the conference.

11th Annual Conference of the Principles	
Date & Time	6 November 2025　9:00 a.m.- 6:00 p.m. (Registration starts at 8:30 a.m.)
Venue	Palace Hotel Tokyo (1 Chome-1-1 Marunouchi, Chiyoda City, Tokyo 100-0005, Japan)
Host	International Capital Marlet Association (ICMA)
Co-host	Japan Securities Dealers Association (JSDA)
Event Website	https://www.icmagroup.org/events/11th-annual-conference-of-the-principles/

The Shift from Savings to Investment and Beyond

Driving the growth of Japan's economy by accelerating the shift and supplying risk capital

- Further develop and promote NISA and defined contribution pension system
- Work with J-FLEC to promote financial literacy and change investment behaviors
- Provide secure and realiable securities services (eg, adressing unauthorized access/fraudulent transaction issues, and supporting elderly customers)

Stable Asset Building

Strengthening Capital Market Capabilities

- Promote fundraising for startups, (such as J-Ships and other means for investing in unlisted shares)
- Expand the corporate bond market
- Promote sustainable finance

Uplifting the Securities Industry to Support the Capital Flow

Improving professional ethics and expertise	Enhancing cyber security measures	Driving operational efficiency in middle and back-office	Pursue digital transformation and use of AI to improve operational efficiency and customer services