



# A Tale of Two Global Financial Cities

Early development of the Marunouchi business district was modeled on London.

Top image: The redbrick Mitsubishi Ichigokan, designed by a British architect, opened in Marunouchi in 1894. Photo: courtesy of Mitsubishi Estate

**T**wo storied capitals of island nations perched on the edge of their continents, Tokyo and London are true global metropolises and financial centers. Both have long, rich histories but enjoy different roles in the global economy, and face differing challenges. Tokyo and the City of London are deepening their cooperation as they seek to adapt and flourish in the shifting landscapes of the increasingly interconnected economic and financial world.

The fate of the fishing port of Edo was transformed in 1590 when Tokugawa Ieyasu, the warlord who would finally unite Japan, chose to make it his residence. Establishing his shogunate in the town, the arrival of samurai lords and their entourages helped create one of the largest metropolises in the world with a population of approximately one million within a little over a century.

## New Era, New Markets

When the samurai era came to an end in 1868—when Edo was renamed Tokyo (meaning eastern capital)—the

government began to pay a yearly stipend to former members of the warrior class. This was replaced shortly afterward by a one-off payment in the form of government bonds. Trading in these bonds was a driving force behind the opening of the Tokyo Stock Exchange (TSE) in Kabutocho in 1878, the birth of Japan's financial markets.

Directly to the west of Kabutocho, now the other side of Tokyo Station, lies the Marunouchi district, once home to Edo Castle and the surrounding mansions of daimyo lords. Marunouchi had become overgrown grasslands when the head of the Mitsubishi Company bought it at the government's request in 1890, but it was soon on its way to becoming a bustling business district.

The redbrick Mitsubishi Ichigokan, designed by British architect Josiah Conder, was the first Marunouchi office building when it opened in 1894. In line with Mitsubishi's mission to create a business district that rivaled London and New York, more redbrick buildings were built in the surrounding area. With around a dozen redbrick buildings lining one street by 1911, the district was



The Mitsubishi Ichigokan Museum, a reconstruction of the original Ichigokan, completed in 2010. Photo: iStock

dubbed “Iccho London,” a riff on the Japanese “cho,” meaning a block which measures approximately 100 meters, the length of the street.

London itself began as a Roman settlement nearly 2,000 years ago and the defensive walls built around it a couple of centuries later define the borders of the City of London, which remains a kind of city-within-a-city and a financial center. Three City of London institutions founded in the 17th century remain pillars of its financial prowess: Lloyd's of London insurance exchange, the Bank of England, and the London Stock Exchange.

By the 19th century, London had expanded far beyond the original City and with more than half of international trade using the British pound, become a global economic hub.

In the early 20th century, Marunouchi continued its rapid expansion with the opening of Tokyo Station, and the addition of American-style buildings led to the Gyoko-dori area. New office space drew more major companies into the district. Japan's breakneck rapid-growth era from the 1960s to the 1980s saw the district accounting for an ever-greater portion of its fast-rising GDP.

## Working Side by Side for a Shared Future

Tokyo Metropolitan Government (TMG) and the City of London Corporation first announced a Memorandum of Understanding in 2017, setting in motion deeper cooperation between the two cities as TMG launched its Global Financial City: Tokyo Vision to bolster the competitiveness and attractiveness of the Japanese capital. Since then, the two metropolises have held a series of joint financial, fintech and green finance seminars as they seek to be at the forefront of the ongoing shifts in the global economy and markets.

Development in the two cities also continues apace. Mitsubishi Estate is reenergizing Marunouchi, along with the neighboring Otemachi and Yurakucho districts, creating open spaces and a more people-centered town with a vision looking another 100 years into the future. Meanwhile, the latest addition to the skyline of the Square Mile as the City of London is known, is the “8 Bishopgate” skyscraper, Mitsubishi Estate's largest overseas project, completed in June 2023.

In a rapidly changing world where fresh, and often unexpected, challenges emerge one after another, Tokyo and London are deepening their ties and working together to secure prosperity and quality of life for many more centuries to come.