



Steve Yen, a vice president at the financial software firm Numerix, shared his thoughts about working and living in Tokyo.

FinTech and Tokyo: a Match Made in Heaven

Steve Yen and his firm Numerix are part of a booming industry that may help Tokyo once again reign as a top global financial center.

by Martin Foster

When Steve Yen joined the U.S. FinTech firm Numerix in 2012, he probably didn't realize that the industry was going to be part of an attempt to boost Tokyo back to a preeminent position as an Asian hub for the global financial market.

FinTech—short for “Finance Technology”—is the application of computer software and advanced technologies to

improve and reduce costs in financial processes like money transfers, payments and investing. Many consider it to hold the key to the future of international finance. As Pierre Gramegna, Luxembourg's minister of finance, said in a May 2015 speech, FinTech is “not only an enabler but the driving engine.”

In recent years, Tokyo has been lagging behind the fast-rising regional powerhouses of Singapore and Hong Kong as a financial center. Gone are the days of the 1980s when Tokyo even rivaled New York and London for luring global business.

But now, the Tokyo Metropolitan Government (TMG) aims to drive the Japanese capital back to the top, through such projects as attracting some 40 foreign asset management or FinTech specialists to establish businesses in Tokyo by the end of March 2021. According to the Yano Research Center, FinTech firms' sales could rise from 4.8 billion yen in the year

ending March 31, 2016 to 80.8 billion yen by 2021.

What makes Japan an extremely favorable location for FinTech development is its position as the sixth wealthiest country in the world in private household savings and home to 5 of the world's top 20 banks by asset holdings, and its place as a world-beating technological innovator. What makes Tokyo a strong contender to host FinTech is that the city accounts for approximately 20 percent of Japan's GDP.

Steve Yen has already made Tokyo his base of operations. “The city is definitely an attractive market for starting a FinTech business,” says Yen, vice president of business development for the Asia-Pacific region at Numerix, a New York-headquartered company focused on providing derivatives and risk analytics software. “It's an important market for us because this is where we first started when we came to Asia.”

A locally-based company introduced Yen to the TMG programs, and also helped his company to identify potential business leads, including setting up meetings for him. Yen speaks highly of the city's aggressive moves. “The TMG has been actively approaching us to help us to grow. No other city or state government has provided us with the services that the TMG offered,” he says.

The TMG is continuing to target new FinTech firms with new ideas. In November 2017, the Tokyo government released a report detailing their vision entitled “Global Financial City: Tokyo,” which outlines incentives to attract asset management and FinTech companies to set up shop in the city. Incentives and support measures include joint initiatives with the national government to reduce corporate taxes, establishment of a fast entry system that expedites administrative procedures for financial companies and the creation of an easier living environment for staff sent to work in Tokyo, such as allowing non-Japanese doctors to treat foreign patients who visit Japanese hospitals.

Yen has adapted well to life in the Japanese capital, and his reading habits help him blend in: “I have been a big fan of manga and anime since I was a child,” he says, “and I still follow *Dragon Ball Super* and *Detective Conan* today!” After work, he takes advantage of the city's endless number of dining spots serving excellent food and drink. “I am a big beer drinker, and have visited many restaurants and bars in the Yurakucho and Shimbashi areas,” says Yen. “In recent years, I have really enjoyed exploring the Ebisu area as well.”

For further relaxation, Yen tries to get out of town on the weekend, taking advantage of the *onsen* hot springs, many of them within easy reach of the Tokyo area. “I definitely love *onsen*! During the weekends, I often go to Karuizawa or Hakone for a short getaway.”

Yen lists more reasons why he believes Tokyo will continue to be attractive to international businesses. “It has a strong transportation infrastructure, highly qualified talent and a strong customer base,” he says. “It's just a great city to live and work in. And when I'm away, I always miss the friendliness and the quality of the service.”