

# TOKYO PRO-BOND Market

~ A New International Wholesale

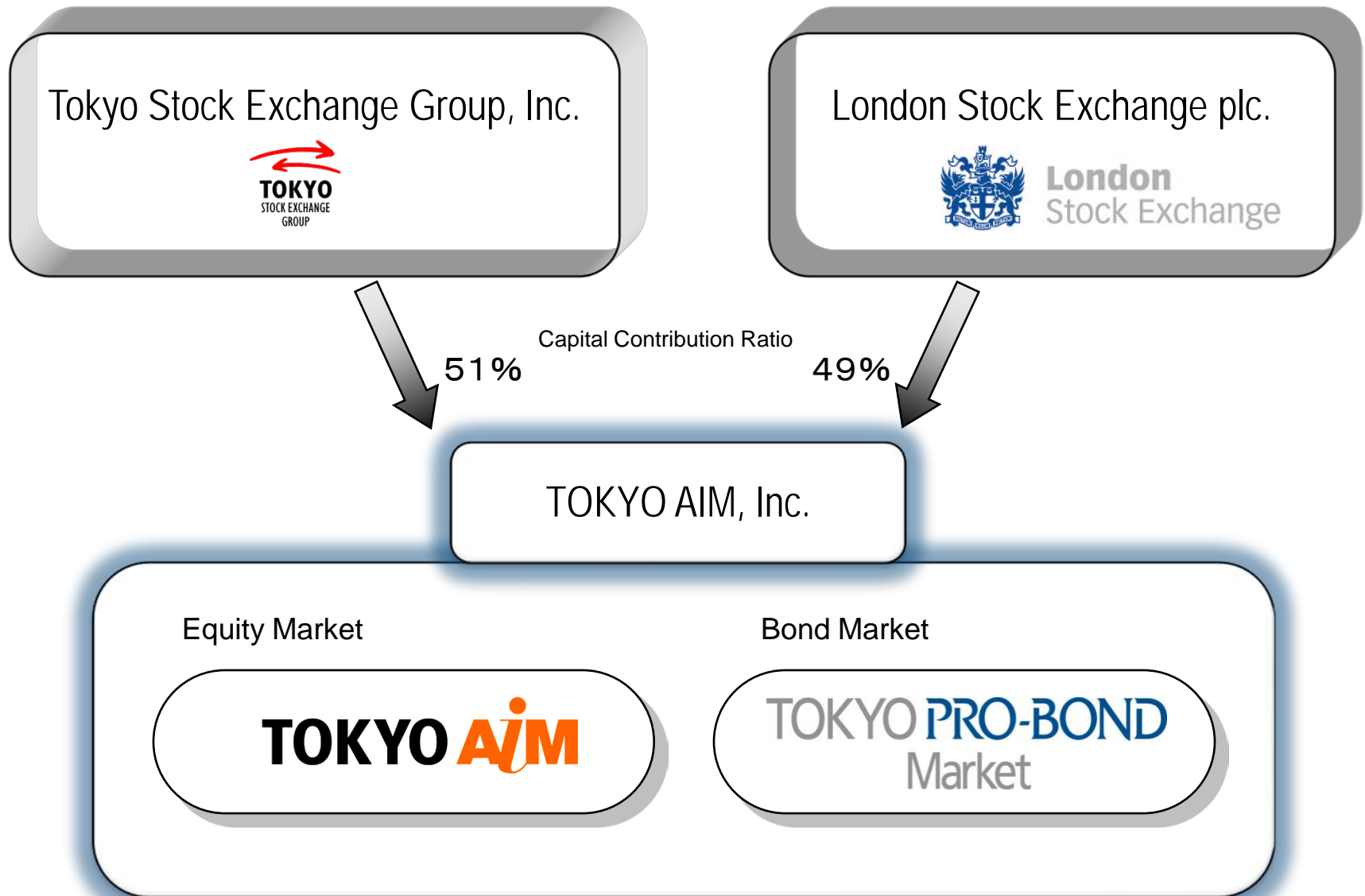
Corporate Bond Market ~

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30<sup>th</sup> April 2011

Yutaka Ito

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**Nov 10 – Dec 9, 2010**

Announcement of the market framework.  
The 1st public consultation.

**Mar 2 – Mar 23, 2011**

Announcement of the detailed rules and  
Q&As.  
The 2nd public consultation.

**(May, 2011)**

Publication of the approved rules.

**(June, 2011)**

**Launch of the market.**

i.e. First program listing or issuance.

	Samurai	Euro-Yen	TOKYO PRO-BOND Market
Investor Base	Maximum penetration -city banks, regional banks, trust banks, life and non- life insurers, pension funds, other large institutional investors (as a legal framework, retail is also included)	Similar investor base to Samurai but maximum 49 investors per tranche (more if QII)	Same investor base as Samurai (as a legal framework retail is excluded)
Language	Japanese	English	English and/or Japanese
Financial Disclosure Document	Should use J-FSA Format	Euro Format	Could use Euro Format
Programme VS Stand alone	Stand alone documentation (Shelf registration allowed)	EMTN Programme	EMTN type programme or Stand alone documentation

	Samurai	Euro-Yen	TOKYO PRO-BOND Market
<b>Listed on</b>	Not Listed (J-FSA's disclosure system)	LSE, LUX, Singapore, etc	TOKYO PRO-BOND Market (TOKYO AIM, Inc.)
<b>Legal responsibility for underwriters</b>	Heavy	Light	Light
<b>Timing</b>	Approximately 2 months Timing from drafting to close for first time issuer	Short	Short
<b>Issuing window</b>	Narrow	Wide	Wide
<b>Governing Law</b>	Japanese Law	English Law, etc	Not Limited

	Samurai	Euro-Yen	TOKYO PRO-BOND Market
<b>Ratings</b>	S & P, Moody's, Fitch or Japanese Rating (JCR/R&I)	S&P, Moody's or Fitch	S & P, Moody's, Fitch or Japanese Rating (JCR/R&I)
<b>Currency</b>	JPY	Not Limited	Not Limited
<b>Settlement</b>	JASDEC	Euroclear, etc	Not Limited
<b>Secondary Trading</b>	OTC	OTC	OTC
<b>Expenses</b>	Japanese translation's cost is significant	Limited	Limited

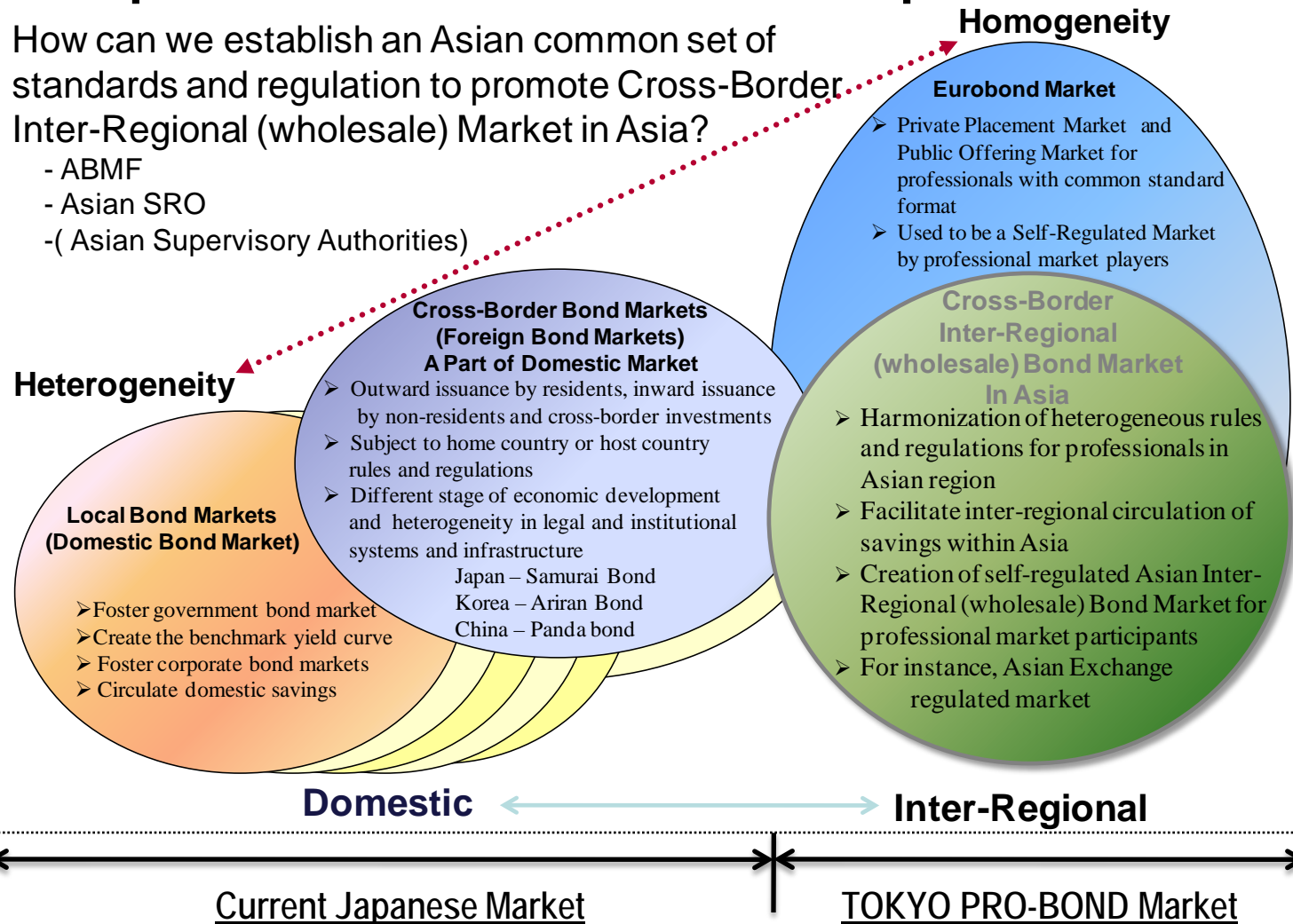
- Large Japanese corporations which issue bonds worldwide.
  
- Japanese corporations which are utilizing Euro MTN programme but targeting Japanese Investors.
  
- Non-Japanese large Corporations and Sovereign issuers
  1. currently issuing Samurai bonds.
  2. have not issued Samurai bonds.

Inukai & Hyun (2010)

## Sequence of Bond Markets Development in Asia

How can we establish an Asian common set of standards and regulation to promote Cross-Border Inter-Regional (wholesale) Market in Asia?

- ABMF
- Asian SRO
- ( Asian Supervisory Authorities)





**Please contact for details to**

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