

# 2025 **Japan** Global Leadership Dialogue: Building Financial Corridors Across The Globe

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# Introduction

The Global Finance & Technology Network (GFTN) Forum Japan 2025 was held in collaboration with Japan Financial Services Agency (FSA), Japan FinTech Week, Fincity.Tokyo, JPX, METI, Digital Agency, and the Monetary Authority of Singapore (MAS). It focused on the theme of building financial corridors through advancing innovation in emerging technologies and strategic collaboration across borders. This report highlights key insights from the Global

Leadership Stage, providing context on the shifting macroeconomic outlook, digital transformation and roles of major Japanese financial institutions, FSA's regulatory approaches to innovation, and the evolving landscape of cross-border payments, Artificial Intelligence (AI), and digital assets globally and within Japan. Industry leaders, policymakers, entrepreneurs, and inspirational changemakers from various sectors shared their ideas and perspectives on navigating global economic uncertainties, regulatory frameworks, and embracing technological advancements to drive growth and innovation in the financial industry.

## An Insider Look: Why Japan?

### The Shifting Macroeconomic Outlook for Japan and United States

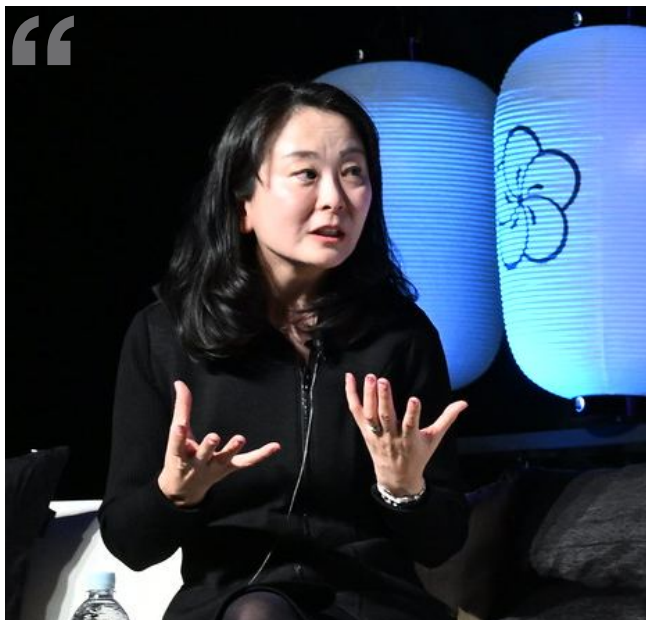
Jesper Koll and Ayako Fujita's fireside chat at the Global Leaders Dialogue offered insights into the economic landscapes of both the United States and Japan amidst global uncertainties. The speakers highlighted the resilience of the US economy, with Ayako pointing to strong

household income and a well-capitalised financial system as key factors that could withstand modest shocks. Jesper echoed this, noting the accelerating flow of foreign direct investment and human capital into the US, driven ironically by the very policies causing uncertainty. He suggested the potential US growth rate might be closer to 3% due to this capital formation and technology transfer. Ayako added that "US exceptionalism" may strengthen under the new policies.

Turning to Japan, Ayako highlighted that **the nation is well-positioned due to minimal conflict with the US administration**. She noted domestic dynamics, mentioning Japan is at a potential inflection point with the **emergence of inflation and potentially higher interest rates, which**



Jesper Koll, Global Ambassador, Monex Group, Inc.



Ayako Fujita, Chief Economist at J.P. Morgan Securities Japan

*"What has changed in Japan is that talent is for hire, and you can motivate that talent with shared options...now pay for performance, a meritocracy allows global investors in particular, but also domestic entrepreneurs to actually not poach people, but to actually, you know, capture the dreams of the younger generation."*

*"First time in 30 years, Japan now has inflation and potentially going to have higher interest rates. That will change our entire economic structure, because under the low inflation environment, everything was frozen. We don't see much of corporate turnover, and we don't see any kind of labour mobility over the past thirty years, but now things are changing."*

could reshape the economic structure. Jesper elaborated on a **significant shift in the Japanese labour market, with more young elites leaving traditionally stable bureaucratic roles for startups**. He emphasised the rise of meritocracy, where talent is for hire and can be motivated with shared options and performance-based pay, marking a significant departure from the traditional escalator system. He also highlighted the risk of increased competition from Chinese manufacturers. Ayako acknowledged this challenge but pointed out **Japan's labour shortage is a significant opportunity for technological innovation and advancement**.

## Spotlight: FSA's Role and Commitment to Financial Innovation

In a keynote address by the commissioner of the Financial Services Agency in Japan (JFSA), Hideki Ito outlined JFSA's active role in promoting financial innovation while managing risks effectively. This approach challenges the perception that Japan's financial regulations are conservative and unfriendly to foreign businesses.

In the area of payments and remittances, Japan has transitioned from a cash-centric society to widespread adoption of smartphone-based financial services. Ito explained that JFSA continuously updates the regulatory framework to accommodate new services and market entrants, including increasing the types of fund transfer services, with ongoing discussions on easing regulations for large-sum transfers.

Regarding digital assets, Ito highlighted that FSA has developed a comprehensive regulatory framework for crypto assets, stablecoins, and digital securities. As a result, when FTX went bankrupt in 2022, Japanese users were the most protected, compared to users from any other country. The FSA is now considering new frameworks for crypto assets (to be treated under investments) and easing requirements for reserve asset management for improving remittances and payments. They are also fostering growth in the digital securities market, including tokenized deposits and green world assets, which currently stands at about 140 billion yen.

The FSA recognises the transformative potential of AI to enhance financial services, having published their own comprehensive discussion paper on tangible use case scenarios of AI in finance. They are also planning to launch a Public-Private Stakeholder Study Group to improve the regulatory environment for AI adoption in the financial sector.

FSA's regulatory approach **encourages bold steps in innovation while balancing risks**. They aim to **level the playing field and be the safe harbour for new ideas and welcome non-financial companies entering the financial space**, encouraging cooperation between established players and new market entry.

Commissioner Ito emphasised the need for businesses to *embrace creativity and the fear of failure*.



*"This is the time to be very aware of the risk of not taking any risk."*

FSA **does not** seek to protect current systems; Instead, their goal is to **contribute to an economic and social environment that improves people's lives through financial innovation**.

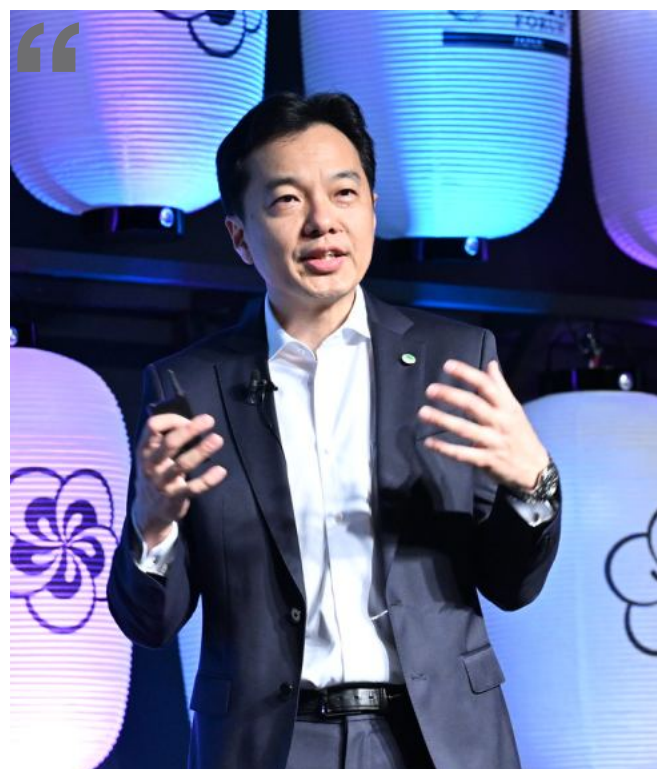
## MUFG's Digital Transformation

Nobuya Kawasaki, Executive Officer and Managing Director, Deputy Group Head of Global Commercial Banking Business Group, Mitsubishi UFJ Financial Group, Inc (MUFG), provided a comprehensive overview of MUFG's global presence and strategic focus on Asia. He highlighted MUFG's extensive network of over 2,000 branches across more than 40 countries, with a particularly strong foothold in Asia. Nobuya emphasised that **overseas business now accounts for more than half of MUFG's profit**.

The Global Commercial Banking Business Unit, which Nobuya oversees, has seen remarkable growth since its inception in 2013. In a decade, it has come to contribute 40% of MUFG's entire revenue, demonstrating the success of the bank's investment strategy in Asia. Kawasaki outlined MUFG's vision for further expansion, particularly in digital services and energy sectors.



**Nobuya Kawasaki**, Executive Officer and Managing Director, Deputy Group Head of Global Commercial Banking Business Group, Mitsubishi UFJ Financial Group, Inc (MUFG)



**Yasuki Imai**, the Vice President and Executive Officer, Head of Digital System & Services APAC Business, CEO of Financial Institutions Business Unit of Hitachi, Ltd.

*"We have more than 2,000 branches or business locations in more than 40 countries all over the world. Our presence in Asia, in terms of branches, is much larger."*

Nobuya identified significant potential for digital growth in ASEAN countries, noting the **low penetration of credit cards and digital payments compared to high mobile phone usage**. This disparity presents a substantial opportunity for squared growth in digital financial services. MUFG's investment journey has evolved from traditional banks to digital platforms, including investments in fintech companies across Vietnam, Thailand, the Philippines, and Indonesia. Through these investments, **MUFG aims to reach 35% of the population in these key ASEAN markets, equivalent to about 130 million customers**.

Nobuya introduced MUFG's ecosystem, known as 'MUFG Openly Connected Digital Ecosystem' (MODE). This initiative aims to foster collaboration between MUFG's investees and non-investee companies, leveraging MUFG's vast corporate client base and banking products.

## Hitachi - A Century of Digital Evolution and Driving a New Era of Sustainability

In the keynote address by Yasuki Imai, the Vice President and Executive Officer, Head of Digital System & Services APAC Business, CEO of Financial Institutions Business Unit of Hitachi, Ltd., the global conglomerate, Hitachi's sustainability and AI initiatives and strategies in the IT and finance sectors were spotlighted on.

*"We are combining the mission critical system development expertise that our IT sector has accumulated with AI to expand our co-creation efforts with leading clients in the financial sector. In terms of improving product productivity in system development, we have set the target of 30% increase in productivity with the power of Gen AI."*

Over the course of its 110 years of history, Hitachi has continuously adapted and transformed its business to address societal challenges, prioritising business portfolio management and global growth, especially in the energy and digital domains. One of the ways is through adapting their research and development (R&D) approach by partnering with various tech giants like Nvidia, Google, Microsoft, and AWS, which included open innovation and cooperative efforts.

Notably, Imai highlighted sustainability as a core focus, with their efforts to enhance Environmental, Social, and Governance (ESG) communication between investors and companies. Hitachi has launched **an open consortium to improve transparency in non-financial disclosures and issued green bonds using blockchain technology** to track CO2 reductions and provide comprehensive reports for investors. In addition, Hitachi hosted a **Green Finance Innovation Challenge (hackathon)** in partnership with GFTN at GFJ 2025. These initiatives aim to help expand sustainable finance and promote green investments at a global level.

# The Keys to Future Innovation and Business Growth: AI meets User Experience (UX)

## Role of Design in Value Creation

Tim Kobe's address centered on the critical role of design in shaping human experiences and driving business success. He emphasised that design is not merely about aesthetics, rather about how something works and what it does for people, with purpose at its core. Tim highlighted the "value creation engine," advocating for businesses to start with human outcomes and develop strategies and tactics accordingly. An idea, according to Tim, does not equate to innovation unless it aligns with values. Experience, as a holistic concept, should connect company values with those of the customer across various touchpoints to build relationships rather than solely focusing on transactions. Challenging assumptions is crucial for creativity, and companies should beware of "best practices" to foster



Tim Kobe, Founder & Chief Executive Officer, Eight Inc.

*"Don't do the right thing ... do the brave thing, the thing that troubles your sleep, the thing with a million unknowns that seems ridiculous one moment, and genius the next. That's the thing you should do."*

differentiation. Tim also noted that brands and interactions should evolve intelligently. Trust-building is essential, particularly in sectors like health insurance, where creating positive outcomes can foster long-term relationships. Ultimately, Tim suggested to prioritise building relationships over transactions and to embrace "brave" choices that disrupt and reshape the status quo rather than settling for the "right thing."

## SMBC's Take on AI

In another plenary address by Akio Isowa, Senior Managing Executive Officer & Group Chief Digital Innovation Officer, Sumitomo Mitsui Banking Corporation (SMBC) highlighted the transformative role of AI in unlocking new opportunities in the financial sector. He likened the journey of innovation to navigating a vast sea of chaotic data and ever-changing technologies, emphasising the need for reliable partners to overcome these challenges. Isowa positioned AI as a **"master key" capable of unlocking various "treasure chests" of creativity, borderless interactions, and organisational improvements.**

Isowa focused on AI's potential to enhance creativity, demonstrating an AI-generated video that exemplified the technology's ability to revolutionise entertainment and business processes. He noted that AI can significantly reduce workloads and improve the speed and quality of business operations, particularly in document creation. Additionally, Akio discussed AI's role in breaking down borders, not just national ones but also language and appearance barriers, using avatar technology as an example.

The address also touched on AI's potential to maximise organisational potential, particularly in Japan, where labour productivity needs to be boosted due to a declining workforce. Akio emphasised the importance of employee engagement and highlighted initiatives to visualise and improve engagement using AI's analytical capabilities. He stressed the need to combine finance with other fields to create new opportunities, citing an initiative that blends finance, education, and gaming as an example.

Isowa concluded by emphasising the importance of collaboration and security in this digital journey. He announced SMBC's new subsidiary focused on security and encouraged partnerships to leverage SMBC's strong customer base and capabilities to unlock new opportunities. His message was one of optimism and collaboration, urging attendees to find their passion and explore possibilities together.

# A Blueprint for The Global Ecosystem of Digital Assets

## Emerging Needs and Trends Within Cross-Border Payments

A panel discussion on cross-border payments shared key insights across a diverse range of global markets. The recurring theme in the discussion was **the evolving customer demand for reduced friction and increased transparency in payment processes, whether for B2C or B2B transactions. SMEs, in particular, face challenges in accepting diverse forms of international payments, signalling a need for more versatile solutions.** The discussion underscored the importance of seamless user experiences, drawing parallels to the ease of use exemplified by services like Uber, with a focus on high approval rates and robust security to build trust.



**Doug Feagin**, President, Ant International

*"I think the most pressing need we see is for SMEs. And SMEs can accept all different forms of payment domestically, but when they look to do things internationally, sometimes the solution is not there, and so that's a key challenge for them, and they need to find new solutions to accept, for example, travellers when they come to their country and want to pay. Can they actually do that? And so, I think that's a seemingly simple, but a challenging one for them."*

The panellists suggested that many transactions are essentially local payments utilising local infrastructure. This perspective advocates for leveraging existing systems for low-value retail transactions. However, challenges intensify in the B2B space, with businesses facing complexities related to Anti-Money Laundering (AML) compliance and liquidity management. Panellists emphasised the need for **fintechs to prioritise AML**, recognising it as a critical area for investment. The evolution of the cross-border payment value chain is expected to favour infrastructure providers closest to central bank clearing systems, while innovative technologies like blockchain and tokenized deposits could drive real-time payment solutions.

AI's role in cross-border payments was emphasised, with the technology poised to play a transformative role in the space, particularly in optimising foreign exchange processes. AI-driven solutions can predict currency needs and enhance the efficiency of foreign exchange transactions. Furthermore, panellists shared that **AI is being leveraged for fraud detection, AML compliance, and risk management**, as exemplified by Toss Bank's integration of AI across its operations. This holistic approach, combined with a focus on minimising friction and rapidly iterating on new releases, underscores the competitive advantage gained by embracing AI as a core enabler in the financial sector.

## Navigating the Future of Crypto: Security, Regulation, and Innovation

In a fireside chat, Richard Teng, Chief Executive Officer of Binance, shared insights into the evolving landscape of cryptocurrency and financial services. There was notable emphasis on user safety and security, particularly in the context of cryptocurrency exchanges. Binance Japan, for instance, highlighted its focus on offering a secure platform with a wide range of tokens, emphasising **user-centric decision-making processes.** This approach underscores **the importance of building trust within the crypto ecosystem, especially in regulated environments like Japan.**

Another significant point discussed was the role of regulation and compliance in shaping the future of cryptocurrency. The conversation emphasised how the challenges of adapting to strict regulations while innovating is particularly relevant in countries with crypto assets such as Japan. It was noted that engaging in dialogues with regulators and forming partnerships are crucial for creating a vibrant ecosystem. This balance is now considered a financial asset, enhancing investor protection and legitimacy.

Richard explored the potential of cryptocurrency to solve real-world problems, such as improving payment systems and facilitating global transactions. The example of traditional financial institutions taking days to process

transactions was contrasted with the speed and efficiency of crypto-based solutions. This highlights the potential for cryptocurrencies to disrupt traditional financial services by offering faster, more sustainable alternatives.

Lastly, the discussion looked forward to future strategies in the crypto space, emphasising the importance of investing in security, compliance, and innovative products. With a global strategy in place, the aim is **to expand the user base and embed cryptocurrencies more deeply into mainstream financial systems**. The focus on global governance and creating opportunities for talented individuals within the sector suggests a bright future for crypto, with potential for significant growth and integration into global markets.



**Richard Teng**, Chief Executive Officer, Binance

*“The true value of digital assets goes beyond mere investment. With people from diverse regions and backgrounds embracing digital assets, this marks a major step toward mainstream adoption.”*

## Bridging TradFi and DeFi: Unlocking the Potential of Web3 Technology

The panel on stablecoins, Web3, and the future of financial transactions highlighted several critical factors in bridging traditional finance (TradFi) and decentralised finance (DeFi). **Tokenization of assets**, such as money market funds, is a key mechanism for integrating these worlds, offering advantages like round-the-clock trading, which is particularly appealing to Asian institutions. Furthermore, the panel emphasised the significance of **regulated stablecoins** as a foundational element for payments. As regulatory frameworks mature and allow financial

institutions to interact with these new forms of digital money, we can expect a considerable acceleration in their adoption.



**Pradyumna Agrawal**, Managing Director, Investment, Temasek

*“We’ve always believed that just cash money movement will be the first so that’s an area we are currently focused on. There’s a meaningful acceleration that we expect from regulatory frameworks maturing and allowing regulated institutions to start interacting with new forms of technology and money.”*

Moreover, to drive broader adoption beyond mere cost reduction, **blockchain technology needs to unlock new revenue streams**. Standardising syndicated loans, for instance, can unlock value in previously illiquid markets by facilitating improved distribution and secondary trading. In addition, there is considerable optimism regarding the **Japanese crypto market**, especially given upcoming regulatory changes and the potential for traditional companies to leverage their intellectual property (IP) within the Web3 space.

However, successful integration hinges on addressing key regulatory concerns, including the Basel Committee’s stance on banks in the DLT space, cybersecurity, and understanding leverage within the system. **A technology-neutral approach is vital but must be coupled with robust security and stability measures**. Collaboration, robust governance frameworks, and comprehensive regulations are essential to ensure the full benefits of blockchain are realised, avoiding further fragmentation. The panellists further observed that traditional financial institutions and innovators are frequently aligned, with the main challenge lying in **harmonising diverse regulatory bodies to facilitate innovation while managing risks**



**effectively.** This, in conjunction with the **potential for blockchain to be used in capitalising on the abundance of robust intellectual property rights within the Japanese market**, highlights its potential in becoming a key player in the integration of TradiFi and DeFi.

## Japan's Evolving Payment Scene

In another panel, Japan's key developments and potential growth opportunities towards cashless transactions were highlighted. Despite significant progress, **its cashless payment ratio remains relatively low at around 40% to 50%**. Key milestones include transit IC cards like Suica in 2001 and the 2016 regulatory amendments allowing non-bank companies to enter the market, leading to rapid growth in QR code payments from \$1 to \$3 billion in just five years.

Sam Pemberton Ahmed, Founder & Chief Executive Officer, Smartpay, explained that Starbucks played a pioneering role in mobile payments, which resulted in prepaid card regulations for consumer protection.



**Sam Pemberton Ahmed**, Founder & Chief Executive Officer, Smartpay

*"I was in Hong Kong and came in 2010 with Starbucks to build the Starbucks payment in app and multi card. So actually, talking about the theme of Japan being ahead, Japan was the second market in the world. Starbucks launched in-app and mobile payment. First, we had the card, which was a prepaid card, and then we linked it to the phone, and we saw huge opportunity immediately. I think within the first year, 8 million members signed up in Starbucks, and the adoption was very fast."*

Smartpay later introduced embedded finance in Japan in 2020, addressing limited credit access with a buy now, pay later (BNPL) system.

Moving forward, Ryosuke Nomura, Chief Executive Officer, Sony Payments, identified three key areas for driving cashless innovation:

1. Increasing cashless adoption in SMEs and rural areas
2. Leveraging new technologies and regulations (i.e. web cookie policies and in-app payment regulations)
3. Improving data access and utilisation of personalised financial services (UX)

He proposed merging entertainment with payment to enhance user experience. The fresh idea of **"belonging to equity or payment"** was brought to attention as a potential driver of innovation. He also suggested introducing consumer consultation on payment options with the current fragmented state of the payment market.

There were two key incentives outlined by Sam regarding open APIs in Japan: regulators and data, noting that there is currently **less financial institution regulatory support in Japan**, compared to the US and Europe. Smartpay is also currently partnered with the Ministry of Economy, Trade and Industry (METI), the Financial Services Agency (FSA), the Japan Patent Office (JPO), and banks such as MUFG and SMBC, which allows them to retain data control and increase transaction profits. He also explained that with collaboration between industry and ecosystem and a clear



**Sam Pemberton Ahmed**, Founder & Chief Executive Officer, Smartpay

*"I think fundamentally, what we're talking about is the Japanese psyche of trusting cash over credit card, digital. There is a deep psyche in especially the woman of the house. How she manages her monthly spend is through cash, and she takes great pride in managing her family money, and that's including savings."*

target market, personalisation of the financial services can be enabled.

The panel touched on the importance of **creating value for merchants and consumers**, highlighting Paypay's massive payment shifts as a key example, from free transactions to exclusive use of Paypay credit card to top-up via various payment methods. Furthermore, another key point that raised was **understanding Japanese consumer behaviour and integrating simple blockchain payment solutions to help consumers manage their budget**.

Looking ahead to the future, Sam predicted more consolidations with overseas companies acquiring local players. The panel concluded by advising fintechs to adapt to the unique payment challenges of the Japanese market.

# The New Financial Corridor

## The Evolving India-Japan Economic Corridor

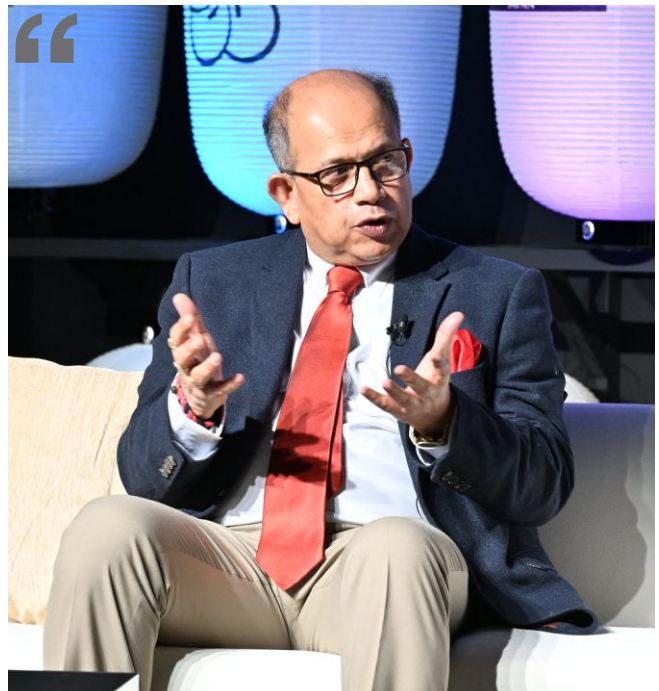


**Jawed Ashraf**, Former Ambassador of India to France and High Commissioner to Singapore, Former member of the Indian Foreign Service

"And therefore, as India and Japan are looking at their relationship in the future, they are putting a lot of emphasis on technology, in particular the digital or data-driven technologies. We also see that change is happening in Japan. There is a great revival of their traditions of innovation and inventions, from semiconductors to AI, and now in the Fintech space. We see a complementarity of interests, of resources, of demography, of skills and of scale."

One of the panels focused on the India-Japan economic corridor rapidly advancing in areas of technology, space, defence, and security. Jawed Ashraf, Former Ambassador of India to France and High Commissioner to Singapore, Former member of the Indian Foreign Service, highlighted key collaborations between the two countries. These included projects in the automotive sector with Suzuki and Honda, high-speed rail, and freight corridors. He also mentioned MOUs on semiconductors, AI, supply chain resilience, and industrial competitiveness. Initiatives like the Startup Corridor and Startup Hub are being developed to connect entrepreneurs/start-ups from both countries, while states like Andhra Pradesh and Telangana are collaborating with Japan's METI to foster startup ecosystems.

Japan remains a **priority partner for India in manufacturing** with recent initiatives, highlighting their deepening collaboration. Jawed noted that while there is already a great level of political trust between the two countries, the key challenge now is translating this into tangible economic flows.



**Dr. Amar Patnaik**, Partner, A&N Legal Solutions LLP

"The people to people contact between India and Japan could actually be much stronger given the kind of cultural ties between the two countries. Why do I say so? It is in the budget: in the last budget of the Indian government, there was an announcement that India is building the Buddhist circuit, and it is going to be culturally bringing the countries like Japan closer to India. I think that is a low hanging fruit which probably could be leveraged to higher-level relationships, like the digital and the financial flow."

To attract Japanese investments and foster trust, India is implementing reforms such as changes in labour laws, the introduction of the Insolvency and Bankruptcy Code, and data privacy laws. These efforts aim to create a favourable business environment while enhancing supply chain resilience. Additionally, Dr. Amar Patnaik, Partner, A&N Legal Solutions LLP, highlighted India's Digital Public Infrastructure (DPI) as critical for its economic success, however that digital divide still is not fully resolved. Challenges also remain in standardising principles across Asia and balancing regulation with innovation to avoid stifling startups.

Looking ahead to the future, the panellists suggested modelling trade flows after Belgium or Singapore to enhance efficiency and to increase student exchanges to support young entrepreneurs and new technologies. Singapore's potential to bridge the intellectual, political, and financial gaps between India and Japan was also touched on with its wealth of human resources, connectivity, and understanding of both countries.

India's strong demographic advantage of having the **largest youth population in the world with relevant AI skills positions it uniquely for collaboration with Japan.** Clay Chandler, Executive Editor, Asia, Fortune, elaborated that 80% of Japanese businesses have already expressed a desire to expand their operations into India (JETRO, 2024). In addition, Jawed proposed several actionable steps, including reform of the direct tax regime, new trade agreements, and revision of the comprehensive economic partnership agreement with Japan, aiming to connect industries and help India achieve the developed economy status by 2047.

The panel concluded by emphasising the need for **reimagined investments in infrastructure and human skills for a data-driven future beyond traditional trade agreements.**

## The Road Ahead for Japan: Credit Saison's Global Expansion

An enlightening discussion with Kosuke Mori, Chief Executive Officer, Saison International, facilitated by Clay Chandler, Executive Editor, Asia, Fortune, focused on Credit Saison, a 74-year-old Japanese non-banking financial institution which has been expanded globally over the past 11 years into Southeast Asia, India, and Latin America. Mori highlighted Saison's impressive growth in India since entering the market in 2019, achieving a \$2 billion loan balance in just 5 to 6 years.

Saison leverages their expertise in credit cards, **good credit rating in Japan, and B2B2C partnerships with retailers and fintechs to penetrate new markets where credit ratings may not be high.** Currently, they serve 2 million

customers and 100 fintechs. Mori emphasised that working with different fintechs served as a great vantage point, as diverse digital infrastructure use allowed them to cater to different needs and product segment areas as a gateway into the market.

Their current 3-year business plan targets a 30% to 50% global profit and a 40% to 50% increase in revenue. A notable milestone that was mentioned was the Saison joint venture with Grab in 2017, which provided credit to Grab App's captive audiences throughout Southeast Asia.

Mori highlighted the importance of **robust fintech ecosystems and regulatory support when expanding into new markets.** Saison's strategy involves **localising their playbook and adapting to each market's unique challenges, such as largely unbanked populations.** Saison aims to improve traditional infrastructure and enhance digital payments while focusing on **diversity and inclusion (DI), particularly targeting women as active spenders and savers;** They have mobilised and leveraged female workers through building relationships with co-brand partners to reach out to them.

To address Japan's key economic challenges of an aging population and stagnancy, Credit Saison is actively seeking growth opportunities outside Japan to transform itself into a truly global company.



**Kosuke Mori**, Chief Executive Officer, Saison International

*"In our journey starting from 74 years ago, what we focused on was really working on retailers and the consumer, companies with clients, touch points and so, to some extent, data right, and then the point of acquisition. So, we work with hundreds of different of those kinds of companies and then became number one co-brand credits."*

## Spotlight: The Future of Fintech

Leong Sing Chiong, Deputy Managing Director (DMD), Monetary Authority of Singapore (MAS), and Sopendu Mohanty, shared insights regarding the current state of global finance, technology, and regulatory approaches.

Sing Chiong emphasised the tension between two opposing forces in the global economy: a *'winner takes all'* environment where powerful players dominate, and a more inclusive model that spreads the benefits of technology broadly. He notes that while the 'winner takes all' situation may seem advantageous, it is not sustainable and risks escalating rivalry among countries and a retreat from globalisation. Sing Chiong argued for the **importance of multilateral cooperation**, despite the challenges it presents in the current geopolitical climate. He stressed **the need for common standards to safeguard a level playing field and generate trust in the global financial system.**



**Leong Sing Chiong**, Deputy Managing Director (DMD), Monetary Authority of Singapore (MAS)

*"It is not regulation for its own sake. But you get to better outcomes when you strike the right balance between regulation and innovation, and the same applies here, right? Innovations versus ethics."*

Regarding technological developments, DMD discussed the contrasting approaches to AI and cryptocurrency. He noted the symbolism of the Paris AI summit, which brought together diverse parties to discuss harnessing AI as a force for good, while

acknowledging the need to manage its downsides. In contrast, he observed the more unilateral approach of the US crypto summit, which seemed to align with a 'winner takes all' mentality. He suggested that the implications of US decisions on crypto could have broader impacts on digital assets globally.

On the debate between open-source and closed-source technology, DMD advocated for a balanced approach. He argued that there is space for **both models to coexist**, with open-source models democratising AI and lowering costs, whilst closed models offer advantages in scale, data quality, and reliability. He suggests that regulators might prefer closed models built on specific requirements, riding on open-source tech stacks.

DMD emphasised the importance of **balancing innovation with ethics in AI development**. He highlighted **MAS' early focus on responsible AI use, including the introduction of FEAT principles (Fairness, Ethics, Accountability, Transparency) in 2018**. He stressed that facilitating AI adoption must be coupled with an equal emphasis on its responsible use.

Regarding asset tokenization, DMD distinguished between the speculative nature of the crypto industry and the potential of tokenisation technology to achieve efficiencies and transform mainstream finance. This nuanced approach reflects the regulatory perspective on embracing technological advancements whilst maintaining financial stability and integrity.

## Conclusion

GFTN Forum Japan 2025 underscored a vital path forward for the financial industry: embracing innovation while strategically navigating global economic shifts and regulatory landscapes. Discussions emphasised **the need for agility, collaboration, and a focus on user-centric solutions**, whether in the space of cross-border payments, digital asset frameworks, or the integration of AI. A secure and healthy financial future lies in **proactively managing risks, fostering open dialogues** between established financial institutions, regulators, and emerging fintechs or startups, and **prioritising the development of solutions that improve people's lives and promote sustainable and inclusive growth**. The forum served as a powerful call to action to **embrace bold innovation with ethical frameworks and continuously develop existing and forge new resilient financial corridors across the globe.**

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