

Introducing Nomura Institute of Capital Markets Research

Established in April 2004 as a subsidiary of Nomura Holdings, Nomura Institute of Capital Markets Research (NICMR) builds on a tradition begun in 1965 of studying financial and capital markets as well as financial systems, structures, and trends. NICMR offers original research and policy proposals by specialists based upon its knowledge of actual business practices.

NICMR publishes some of its research output in Japanese in the magazine *Nomura Capital Markets Quarterly*, and it posts some items in Japanese, English and Chinese on its website.

In Japan, structural changes in the economy and society have rapidly progressed. Population aging is in progress and is having a major impact on economic and social systems. Japan faces a number of challenges, including the need to reform its social security, tax, and public finance systems. As a front-runner of aging society, Japan has to overcome these challenges to develop further.

As a mature economy, one of Japan's most valuable resources is its JPY 1,600 trillion household financial assets. Whether this is used effectively will be critical to the country's future. We recognize that Japan must establish a market mechanism-driven money-flow in order for its economy to further progress. Our core mission is to contribute to financial system and securities market reforms in order to help establish such a market-structured financial system.

NICMR research encompasses not only Japanese issues, but also covers timely issues concerning international capital markets. In addition to research offices in New York, London and Beijing, NICMR established a research office in Singapore in 2015 to strengthen its Asian research platform.

The continuous growth of China and the other Asian countries is generating huge funding needs for their infrastructure and it means that this region requires not only indirect financing systems but also robust capital markets. There is an urgent need to promote development of Asian capital markets, which are a key for the future of Asian financial systems and their economies.

Since the global financial crisis, people have become increasingly aware of problems that spread beyond national boundaries. As financial regulators around the world cooperate more closely, there is a greater need for recognition of regional differences. The role of Asia from the perspective of rulemaking and global standards is also increasingly important.

Our mission includes generating financial and capital market-related policy recommendations for Asian countries based upon fundamental analysis and comparative studies of experiences in Japan and other developed countries. We believe that there are lessons to be learned from Japan's experience when it comes to issues such as the need to increase the availability of direct finance and the need to increase the availability of investment services to cater to the growing number of middle-income households.

We will continue to review such developments and strive to be even more timely in our studies and proposals. As a member of the Nomura Group, a global financial group based in Asia, we hope to continue to contribute to the development of financial markets in both Japan and the rest of Asia.



Cover of *Nomura Capital Markets Quarterly*