



Chairman's Column

Visiting Singapore — A future realized in 14 years (2011-2025)

I visited our Singapore office at the end of July. The purpose of my trip was to attend the board of directors meeting to approve financials as a director of the Singapore office (under Singaporean law, the meeting should be held within 6 months of FYE). In addition, I spoke to our Singapore office members about ASA Group's purpose, mission, values, business model, the market, and our company's history. I am not sure how effective my message was in English, but I had a wonderful time talking to our team.

While Japan's politicians are dragging each other down in a possible resignation of the current prime minister, whenever I visit Singapore, I get a strong sense of the country's economic development. From the hotel, I can see the reclaimed land expanding out to sea, and skyscrapers being added. A client of ours has moved into an impressive building, a sign that the company is doing well.

Our Singapore office was established in 2011. At the time, the exchange rate was 80 yen per Singaporean dollar. Mr. Naganawa, our managing director said "Mr. Matsuzawa, you can think of the cost of things and labor expenses as 80% of Japan." After 14 years, the Singapore dollar is at 115 yen with the yen weakening. Adjusting for inflation, Singapore's costs are now over



1.2 times that of Japan – completely taking over Japan in 14 years. In fact, a bowl of Ippudo Ramen is about 3,000 yen in Singapore. Looking at 2024 GDP per capita, Singapore was 5th, which was far ahead of Japan at 34th.

Japan's economic growth halted during "the lost 30 years". Meanwhile, Singapore has become Asia's international financial hub. With English as its main language, and low taxes, it has also succeeded in bringing in talent and building systems that support wealth creation. The country also has favorable tax treaties with the world. This trip made me realize just how far ahead Singapore is.

by Kazuhiro Matsuzawa, Chairman



ASA News

Changing landscape of the labor force - One year since De-Vrand

We hope you are hanging in there during this incredibly hot summer. As for me, I went to Katsuura in Chiba prefecture to cool off. Many families and surfers were enjoying the each, and the lively voices of children were heard. As I was people-watching, I pondered about what our future will look like.

Recent news reported on a lack of lifeguards nationwide, which resulted in beach closures. While Katsuura had plenty of lifeguards on duty, the recent news makes it clear that the looming labor shortage impacts our daily lives.

According to the Ministry of Internal Affairs and Communications, Japan's workforce will fall to 70 million people by 2027, a 5.44 million decrease compared to 2015. This amounts to a loss of 10,000 workers every week. A report by the Recruit Works Institute, "Future Predictions 2040 in Japan: The Dawn of the Limited-Labor Supply Society" indicates that by 2027 Japan will face a labor shortage exceeding one million people.

At ASA Group, under "De-vrand," our message to our employees is to aim for "financial freedom and more time for our employees," and "realizing the wellbeing of our employees and their families." A 6-hour workday is one of our goals. Of course, improving our quality of service is the other equally important goal.



Our ongoing initiatives include implementation of our ERP (Thēseus Data Lake (TDL)) for our fund clients, greater operational transparency, a voluntary intra-company employee transfer system, adoption of fully-flexible work arrangements, and a talent management system. We have a lot of work in front of us.

In an age where human capital management is imperative, the mindset of the company must transform to allow employees to think of "how" they want to live their life. We feel that by leaning into this challenge and supporting individuals at our firm, we can contribute to the future of our society.

"Enabling the world's capital to flow, for a hopeful future for everyone" – under this guiding principle, ASA Group will continue to evolve. We look forward to continuing to be your trusted partner.

by Ayumi Gennai, Head of Business Infrastructure



Real Estate

Access for individual investors - The growing Real Estate STO market in Japan

As blockchain technology enables securitization of assets, Japan's real estate STO market is gaining momentum. A real estate STO is a digital security attached with trust beneficiary interest and sold in small lots to investors. It differs from traditional private funds and REITs with its higher flexibility in fund-raising and dividend payout structure, which allows easier access for individual investors.

Kenedix is often cited as a leader in this field. As of August 2025, the firm has issued more than 10 STOs for a wide range of assets including bayside high-rises, official Disney hotel, commercial, and logistics facilities. The firm has established itself in the market with total issuance exceeding 100 billion yen (source: Kenedix Corporation press releases).

Other firms like Mitsui Bussan Digital Asset Management has a presence in the market with high value properties like Quintessa Hotel Tokyo Ginza and logistics facilities. Additionally, Credit Saison and Starts are among new entrants from different industries that have breathed new life in the market with unique wealth building models such as condominiums with preschools and credit-backed small-lot products. Ichigo Owners and Digital Securities Preparation (backed by Dai-ichi Life) are promoting small-scale, diversified condominium projects within the 23 wards of Tokyo. Japan's STO market which began in 2021 has rapidly grown. As of March 2024, total issued securities reached 37 and total issuance was 150 billion yen (source: Japan STO Association Report).



Of these 90% are related to real estate - making the STO, synonymous with the real estate STO. Additionally, as of August 2025, the market is estimated to have exceeded 200 billion yen.

On the other hand, there are various challenges. Unlike publicly listed securities on an exchange, most real estate STOs are issued through private placement. Although secondary markets like the Osaka Digital Exchange's START are being developed, trading volume remains limited. The lack of liquidity poses an "exit barrier" when investors wish to sell. Furthermore, tax law, asset valuation methods, and standardization of disclosures are among the items that need development to realize a mature market.

Even then, with investments becoming digitalized and small-lot, the real estate STO is making its presence known. As the "third form of real estate finance", that is not REIT or crowdfunding, there is hope that the STO market will grow with the evolution of blockchain and amendment of the Financial Instruments and Exchange Act.

by Shigeru Hirai, Knowledge Management Office