

# Better Ways to Spend Money in Tokyo

Japan's banking culture provides opportunities for Tokyo-based fintech start-ups.

by **Kelly Wetherille**

When most people think of tech start-ups, they think of Silicon Valley. But Tokyo is also proving itself to be the perfect home to some very interesting and innovative initiatives in the fintech sector. Two companies, Moneytree and Money Forward, are leading the way with technology that helps people to easily manage their finances.

It is said that while in the United States many people go their entire lives with just one bank account, in Japan the average person has accounts with three banks by the time they turn 30. Add this to various credit card accounts, and managing one's money can become a very messy affair. This is where businesses like Moneytree and Money Forward come in.

These two Tokyo-based companies have developed technology that links information from different bank, credit card, and online shopping accounts into one user-friendly smartphone app, making it possible for people to easily track their spending across different channels, all in one place.

Moneytree was founded in 2012 and launched its app in 2013, winning Apple's Best of iPhone award that same year. The company's chief executive and founder, Australian-born Paul Chapman, said that the company's real business is providing a platform for data aggregation, which helps both the customers and their banks.

"Our mission is to better connect banks with their customers," Chapman said.

Young, diverse, multicultural workers brainstorming at Money Forward.

Moneytree signed Mizuho, its first bank client, in 2016. It now works with over 20 banks from across Japan, including all three of Japan's major banking corporations: Mizuho Financial Group, Sumitomo Mitsui Banking Corporation, and Mitsubishi UFJ Financial Group. It was the first company ever to receive simultaneous investment from these three megabanks.

In addition to banks, Moneytree provides its platform to other companies as well, including those that make accounting software to help people more easily file their

taxes and manage their accounts. "We work with everyone, not just major banks," Chapman said. "We provide a data platform for banking, finance, and fintech."

Money Forward, also founded in 2012, provides similar products and services to Moneytree. "We want to solve the challenges relating to money by helping people manage their assets," said a spokesperson for Money Forward.

Through the Money Forward ME app, customers can see all of their finances in one place, including their bank accounts and credit card statements, and even their online

shopping history from places such as Amazon. Through data tracking in the app, users can see which categories of products and services they spend most of their money on, and they can even see how their spending compares with other users in the same age bracket. This helps people to more actively follow the flow of their money, and to make adjustments to their budget or spending habits accordingly. "Most Japanese people do not learn about money in school," the spokesperson said. "They just start earning and have to figure it out as they go."

While Moneytree and Money Forward were founded in Tokyo, both have international aspirations. Money Forward recently opened an office in Vietnam, which recruits and trains staff to support the team in Tokyo. At the same time, the company is doing research into the market to see how its unique platform might best serve customers there.

Moneytree is also looking beyond Japan for the future. Chapman refers to it as a "born-global company started in Japan," meaning that it has the potential to expand overseas. But before it looks further than Japan, the company will focus on growing its presence domestically.

Japan, with its unique banking culture, provides both challenges and opportunities for growth for fintech companies. And because of this, if these companies can succeed here, their likelihood to succeed overseas only increases.

The broad open-planned office of Moneytree, with a kitchen and many plants.

