

Private Debt
Investor

Japan Korea Week 2023

26-29 June | Seoul & Tokyo

Post event report

**Key highlights, speaker line-up and
attendee list from the event**



*Great opportunities to gain insights and opinions
from the most active global GPs and LPs.*

Akira Tsutsui
Director, **ORIX Life Insurance**

privatedebtinvestor.com/japankoreaweek/

PEI



Key highlights from producer

The 5th annual **PDI Japan Korea Week** successfully took place on 26-29 June. Over 400 Japanese and Korean institutional investors, global fund managers and asset managers attended, making it the largest gathering of private debt professionals in the region. Industry experts discussed opportunities in the current macroeconomic conditions, the most pressing issues facing private debt investors and the role of private debt in their portfolios.

Diversification was a buzzword we commonly heard throughout the Seoul and Tokyo Forum. Investors are considering options that offer more liquidity, more flexibility and lower volatility.

New addition to this year's PDI Japan Korea Week are the investor only interactive roundtables, which allowed investors to meet and discuss their pressing concerns with their industry peers.

I would like to express our deepest gratitude to our speakers for delivering incredible panel discussions and remarkable presentations.

Once again, thank you to our attendees for their involvement and engagement at the forums, including our interactive Q&As.

I hope you enjoyed the networking and I look forward to seeing you at our future PDI events.

Kind regards,

Niann Lai
Senior Conference Producer, Head of Private Debt Events, Asia
PEI Group

Featured speakers



Yayoi Ariga
Director, Head
of Alternatives
Investment
MetLife Insurance
K.K. Japan



YS Cho
Head of Private Debt
Investment Division
Samsung Asset
Management



**Yunsam (Sam)
Cho**
General Manager,
Overseas Alternative
Investment Team
Kyobo Life Insurance



Mikyung Chung
Head of Investment
Team
Mirae Asset Global
Investments



Mark Glengarry
Senior Managing
Director, Blackstone
Credit
Blackstone



Vikas Keswani
Managing Director
and Head of North
American Specialty
Lending
HPS Investment
Partners



Tadasu Matsuo
Managing Director
and Head of Global
Alternative Investments
Japan Science and
Technology Agency
(JST)



Yuji Sakurai
Senior Vice President,
Strategic Finance
Department
Development Bank of
Japan



Edwin Wong
Partner and Head
Ares Asia



Our attendees included

- » ABL Life Insurance
- » Aflac Asset Management Japan
- » AIA Life Insurance
- » Alternative Investment Capital
- » Aozora Asia Pacific Finance
- » Aozora Bank
- » Asahi Mutual Life Insurance
- » Asset Management One
- » AXA Life Insurance
- » Berenberg Bank
- » Chiyoda Corporation
- » Daido Life Insurance
- » DB Insurance
- » DBJ Asset Management
- » Development Bank of Japan
- » DGB Life Insurance
- » DIC Pension Fund
- » Farmers' Pension Fund
- » Federation of National Public Service Personnel Mutual Aid Associations
- » Fubon Hyundai Life Insurance
- » Fujitsu Pension Fund
- » Fukuoka Financial Group
- » GIC Real Estate International Korea
- » Government Employees Pension Service
- » Hachijuni Bank
- » Hana Insurance
- » Hanno Shinkin Bank
- » Hanwha Asset Management
- » Hanwha Life Insurance
- » Heungkuk Life Insurance
- » Hyogo Prefectural Credit Federation of Agricultural Cooperatives
- » Hyundai Commercial
- » Hyundai Insurance
- » Hyundai Marine & Fire Insurance
- » International Christian University
- » Japan Investment Corporation
- » Japan Post Bank
- » Japan Post Insurance
- » Japan Science & Technology Agency (JST)
- » Kookmin Bank
- » Korea Development Bank
- » Korea Federation of SMEs
- » Korea Fire Officials Credit Union
- » Korea Investment Corporation (KIC)
- » Nagatacho Family Office
- » Nara Chuo Shinkin Bank
- » National Federation of Fisheries Cooperatives
- » National Federation of Workers and Consumers Insurance Cooperatives
- » National Forestry Cooperative Federation
- » National Kyosai Federation of Japan Agricultural Cooperatives (ZENKYOREN)
- » National Pension Service of the Republic of Korea
- » NH Bank
- » NH Life Insurance
- » Nippon Expressway Pension Fund
- » Public Officials Benefit Association (POBA)
- » Samsung Fire & Marine Insurance
- » SBI Shinsei Bank
- » The Dai-ichi Life Insurance
- » Waseda University
- » Woori Bank



2023 audience at a glance



1:1

LP:GP ratio



400+

Attendees



80+

Speakers



200+

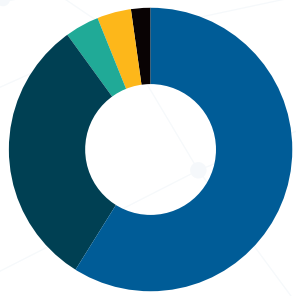
Investors



12+

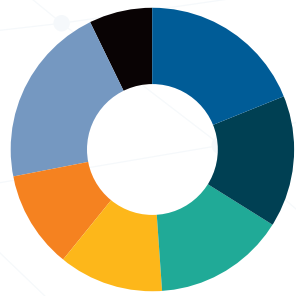
Countries represented

Firm type



- 59%** Institutional investors
- 31%** Fund managers
- 4%** Service provider
- 4%** Advisor/Partner
- 2%** Others

Geography



- 19%** United States
- 15%** United Kingdom
- 11%** Australia
- 7%** Rest of EMEA
- 15%** Japan
- 12%** Hong Kong
- 21%** Rest of APAC

Insights from the Week

With Korean and Japanese institutional investors increasing allocations to private debt, the question on everybody's minds is which strategies and markets are of interest across the risk-reward spectrum.

"Managers are encouraging private equity sponsors to take a more considered approval to leverage in 2023."

Debt managers call for tough conversations with PE sponsors ➡



"We expect coupons and cash dividends will be generated from year one. To a certain extent, a J-curve is anticipated, and the upfront dividend or cash return is what we expect out of private debt, especially senior direct lending."

Keynote speaker

Tadasu Matsuo

Managing Director and Head of Global Alternative Investments, **Japan Science and Technology Agency**

"Downside protection will play a significant role in JST's portfolio construction, particularly within credit. CMBS, real estate, commercial real estate related debt are at the centre of the topic right now."

How JST's \$69bn university fund plans to build its alts portfolio ➡





"We believe this year we are preparing for recession, especially in the US and the Europe, and we have already budgeted to increase distressed allocation to a maximum of 10 percent."

Pension Fund of Japanese Corporations hikes distressed debt allocation ➡

"An expanding pool of Japanese investors have conviction in high-risk distress - a significant development for the country's LP base."

More Japanese LPs are betting on red ➡

"Power was 'coming back to the lenders' this year. Leverage has come down about half of a turn; some protections have increased; maybe the headroom with covenants have narrowed a bit, which is a good news."

Antonella Napolitano

Global Head of Investor Relations and Capital Formation

Deerpath Capital Management

Lenders get stricter on covenants in high-rate environment ➡

"South Korean institutional investors continue to invest in real estate debt for diversification, they are considering investment options that offer more liquidity and flexibility."

Song Ah Lee

Director, Alternative Investment Division

Kyobo AXA Investment Managers

South Korean investors pivots to real estate debt funds ➡



A man in a dark suit, white shirt, and striped tie is speaking at a podium. He is wearing a blue lanyard with a badge that says "Private Debt Investor" and "Tokyo Forum 2013". The podium has a blue sign that says "Private Debt Investor" and "Tokyo Forum".

Insights from PDI Tokyo Forum Chairman

This event certainly delivered with in-depth analysis and a wide range of opinions from subject matter experts, providing a clear and concise picture of global private debt markets.

But what made this event really stand out was the degree to which speakers were unanimous on the event's most important consideration: this is indeed a golden age for private debt. Spreads are wider, covenants are tighter, and leverage is lower.

And with so many arguments coming from so many angles all pointing to the same conclusion, the takeaway is clear.

Certainly, there are still risks, but here too many speakers outlined portfolio management, investment strategies, and documentation themes to better manage risk. The only remaining question is not whether to take advantage of this once-in-a-generation opportunity, but how best to do so.

James Haines

Head of Global Real Estate
Structured Debt
Aozora Bank

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PDI Japan Korea Week

March 2024 | Singapore

PDI APAC Forum

6-7 September

PDI New York Forum

Private Debt Investor

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“The conference helped our business to understand the market situation and strategies, as well as networking with a broad range of audiences.”

Jun Nishimoto

Associate, **AXA Life Insurance**

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