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SALARY GUIDE | JAPAN 2011

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MANAGING DIRECTOR'S LETTER.



Welcome to Morgan McKinley's Japan Salary Guide 2011

This salary guide provides market intelligence on hiring and remuneration trends across financial services and accounting & finance in Japan.

There will undoubtedly be significant impacts on these markets following the country's devastating earthquake and tsunami in March. We have all been deeply saddened by this tragic event.

As the country attempts to recover, it is going to become increasingly important to sustain the Japanese economy. As well as looking after our own employees, our primary focus as recruitment experts is to help our clients and candidates as much as we can. We will be supporting companies in meeting their immediate resourcing needs, to ensure that where possible, their business operations can continue.

The salary information and commentary provided in this guide has been compiled by our researchers, from regular contact with employers and candidates in financial services and accountancy across Japan.

In 2010 we saw reasonably strong demand for financial services professionals in Tokyo particularly in the first three quarters. There was some growth within certain areas but for the most part the majority of hires were either back-fills on headcount that had been sacrificed during the financial crisis or replacement and upgrade hiring. A number of ongoing global economic issues created a 'softer' than expected Q4 in Japan, which had the knock-on effect of making most financial services

institutions more cautious with their headcount requirements. Moving into 2011 an immediate surge in hiring levels was not expected; rather a slow increase in demand up to bonus season was anticipated.

Given the high profile global debate over bankers' compensation there has been significant focus on the format of compensation within many financial institutions. This guide to base salaries combines our findings and our in-depth knowledge of the sector.

Hiring volume for finance and accounting professionals across the commerce & industry market recovered slowly but steadily in 2010. Nearly all vacancies were replacement hires and salaries remained at a relatively steady level.

In 2011 we are now seeing growth in the SNS (social networking services), pharmaceutical and medical device sectors, as well as a continued recovery in the luxury brands/consumer goods sectors. The focus, however, is still likely to be maintenance rather than growth in most organisations.

We hope you find this guide informative and we welcome any feedback you may have. For more specific salary or hiring information, please contact us directly.

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BANKING & FINANCIAL SERVICES.



BANKING & FINANCIAL SERVICES.

ASSET MANAGEMENT & PRIVATE BANKING

In 2010, stronger financial results were reported across many asset management and private banking firms. Accordingly, there was a marked increase in job availability. With a stream of solid results continuing in the early part of 2011, hiring levels are expected to rise this year. Job vacancies, and in some cases, job creation is on the rise in big and smaller firms

alike, showing there is some depth to the recovery. Many businesses are indicating a strong interest in hiring senior professionals and building out functions in Tokyo. In particular we expect demand for sales, product development and product management functions, especially for experienced individuals with emerging markets product knowledge.

There is also likely to be continued demand for relationship managers within the private banking sector. We expect salary levels to remain relatively stable in 2011, with the exception of high demand areas where there will be increased competition for candidates.

BASIC SALARIES (¥ MILLION PER ANNUM)

Role:	Analyst / Non-Officer	Associate / AVP / Manager	VP / Senior Manager	SVP / Director	Director / Senior Director
Fund Manager's Assistant	4 - 6	7 - 8	-	-	-
Fund Manager	6 - 8	9 - 12	13 - 15	15 - 18	19+
Research Analyst	4 - 7	8 - 12	13 - 15	16 - 17	18+
Performance Analyst	4 - 7	8 - 10	11 - 13	-	-
Product Development / Management	5 - 7	8 - 10	11 - 14	15 - 17	18+
Sales & Business Development	5 - 9	10 - 14	14 - 18	18 - 22	22+
Execution Trader	4 - 6	7 - 9	10 - 11	12 - 14	15+
Client Services	4 - 7	8 - 9	10 - 12	13 - 15	16+
Client Reporting	4 - 7	8 - 10	11 - 13	14 - 17	-
Fund Accounting	4 - 7	8 - 10	11 - 13	14 - 16	-
Trade Operations	4 - 7	8 - 10	11 - 13	14 - 16	-
Compliance	6 - 10	10 - 13	15 - 20	18 - 22	22+
Project Manager / Business Analyst	5 - 7	8 - 10	11 - 14	15 - 18	-



BANKING & FINANCIAL SERVICES.

FINANCE, RISK & AUDIT

Product control, valuations and financial control should see relatively strong hiring activity throughout 2011. AVP level candidates will be in high demand, with increased competition for top tier professionals. Companies with clear career development opportunities as well as market competitive compensation

packages will win out. This may result in companies offering a premium on some of the salaries shown below. Hiring in audit is likely to follow a similar trend to 2010, with particular interest in professionals at VP level who have strong business audit skills or significant regulatory experience.

We expect relatively stable demand for risk management functions, though this may change through the course of the year with movements coming as a result of bonus season – particularly within market risk. There is also likely to be significant interest in regulatory risk candidates, in anticipation of legislation governing risk management.

BASIC SALARIES (¥ MILLION PER ANNUM)

Role:	Analyst / Non-Officer	Associate / AVP / Manager	VP / Senior Manager	SVP / Director	Director / Senior Director
FINANCE					
Management & Regulatory Reporting	6 - 7	7 - 12	13 - 15	15 - 20	22+
Product Control	6 - 8	8 - 14	15 - 18	18 - 24	25+
Tax	6 - 8	8 - 14	15 - 18	18 - 22	22+
Financial Control	6 - 8	8 - 13	13 - 16	16 - 20	20+
Valuation Control	6 - 8	8 - 14	15 - 19	19 - 24	25+
AUDIT					
IT Audit	6 - 8	8 - 13	13 - 17	17 - 20	20+
Internal Audit	6 - 9	9 - 14	14 - 19	19 - 24	24+
RISK MANAGEMENT					
Operational Risk	6 - 7	7 - 11	11 - 16	16 - 20	20+
Credit Risk	6 - 8	8 - 12	12 - 18	18 - 22	22+
Market Risk	6 - 9	9 - 14	14 - 20	20 - 25	25+
Quantitative Risk	8 - 10	10 - 15	15 - 20	20 - 25	25+



BANKING & FINANCIAL SERVICES. FRONT OFFICE

Most of the headcount rationalisation driven by the global financial crisis has taken effect, so 2011 is likely to be a year of careful and calculated expansion. The top-tier institutions are seeking to strengthen existing teams, while smaller firms are broadening and balancing their portfolios across fixed income and equities. Throughout 2010 compensation realignment was a key issue in many

organisations, taking the form of a significant upswing in the guaranteed component of compensation packages. We expect this trend to stabilise in most front office functions during 2011, especially as we have seen industry-wide compensation volatility diminish over the last 12 months. There may be movement across the board following the payment of bonuses, but not at an aggressive rate. The biggest

movements within the market are likely to come from IBD, equity sales and research. Private equity firms have not registered significant changes in salary levels over the last two years and this looks set to continue. This is due in part to the relatively slow rate of recovery in the Japanese economy as well the lack of growth in the private equity market.

BASIC SALARIES (¥ MILLION PER ANNUM)

Role:	Analyst / Non-Officer	Associate / AVP / Manager	VP / Senior Manager	SVP / Director	Director / Senior Director
Fixed Income Sales	6 - 12	8 - 16	15 - 23	20 - 35	25 - 45
Fixed Income Trading	6 - 13	8 - 17	15 - 25	20 - 35	25 - 45
Equity Sales	6 - 9	8 - 18	15 - 23	20 - 32	25 - 35
Equity Trading	6 - 9	8 - 18	15 - 22	20 - 32	25 - 40
Equity Research	6 - 9	8 - 18	15 - 22	20 - 30	25 - 45
Derivative Structuring	6 - 9	8 - 18	15 - 25	20 - 35	25 - 35
FX / Commodities	6 - 12	8 - 18	15 - 25	20 - 30	25 - 35
IBD Coverage Banking	6 - 12	8 - 17	18 - 25	25 - 30	30 - 35
ECM / DCM	6 - 12	8 - 17	18 - 23	25 - 30	30 - 40
M&A Product Specialist	6 - 13	8 - 18	18 - 25	25 - 32	30 - 40
Structured Finance / Securitisation	6 - 12	8 - 15	15 - 20	20 - 30	25 - 40
Private Equity	7 - 10	9 - 15	15 - 18	18 - 22	20 - 40



BANKING & FINANCIAL SERVICES. INFORMATION TECHNOLOGY

2010 was a big year for IT recruitment, with a substantial push by financial services firms to rebuild their under-resourced IT functions. The focus was largely on expanding development and applications teams, especially within revenue generation functions.

The sudden universal demand for IT professionals, especially within the equity space, meant salary levels rose quickly for candidates and often resulted in bidding wars for top calibre candidates. We also saw an increased number of counter-offers as firms sought to retain their key staff.

We expect this trend to continue well into 2011. Firms will need to offer career progression and development opportunities, as well as premium compensation packages in order to attract or retain top talent.

BASIC SALARIES (¥ MILLION PER ANNUM)

Role:

APPLICATIONS

Developer – VB, NET 8 - 13

Developer – C#, C++, JAVA 8 - 14

Applications Support 9 - 16

Senior Developer – C++ / JAVA 14 - 19

Algorithm / Quant Developer 13 - 19

Software and Solution Architect 13 - 18

Head of Development 22 - 30

MANAGEMENT

IT Risk and Audit 9 - 14

IT Risk and Audit – Senior 15 - 20

Business Analyst 10 - 18

Project Manager 12 - 19

Role:

MANAGEMENT CONT.

Programme Manager 16 - 22

IT Manager 13 - 16

CIO 22 - 35

INFRASTRUCTURE

Desktop / Helpdesk / Technical Support 5 - 9

Desktop / Helpdesk / Technical Support – Team Leader 10 - 12

Desktop / Helpdesk / Technical Support – Manager 13 - 15

Network Engineer 6 - 11

Network Team Leader 11 - 13

Wintel Systems Engineer 8 - 13

Security Analyst 11 - 15

Systems, Storage & Server Administrator 8 - 16

Database Administrator 11 - 15

BANKING & FINANCIAL SERVICES.

OPERATIONS & PROJECT / CHANGE MANAGEMENT

Job openings for professionals with expertise in banking operations increased significantly in 2010, particularly in Q2 and Q3. So far, 2011 has been more about consolidation, with most job opportunities being replacement hires rather than new

headcount. It is anticipated that significant numbers of senior associate and mid-management job roles will come up in several financial institutions as they seek to upgrade their current teams. Top talent will be in high demand and employers will need

to offer attractive compensation packages to secure individuals. Japan is a high cost centre, which means experienced senior executives who can hit the ground running are particularly sought after.

BASIC SALARIES (¥ MILLION PER ANNUM)

Role:	Analyst / Non-Officer	Associate / AVP / Manager	VP / Senior Manager	SVP / Director	Director / Senior Director
OPERATIONS					
Settlements	5 - 7	7 - 11	11 - 14	14+	20+
Shared Services	5 - 7	7 - 10	10 - 15	15+	-
Operations Risk & Controls	6 - 8	9 - 13	13 - 18	18+	-
Trade / Sales Support	6 - 8	8 - 12	12 - 16	16 - 22	22+
PROJECT/CHANGE MANAGEMENT					
Business Analyst	7 - 9	10 - 14	14 - 16	-	-
Business Management	-	9 - 13	14 - 17	17 - 22	22+
Project Manager	-	10 - 14	14 - 18	18 - 22	22+



BANKING & FINANCIAL SERVICES.

COMPLIANCE

The financial crisis resulted in stronger and stricter controls in the banking industry, thus hiring levels in compliance rose in 2010. It is expected that this trend will continue throughout 2011, particularly within the advisory and control group functions.

As a result, high calibre compliance professionals can expect a premium on salaries when negotiating a move to a new financial institution.

BASIC SALARIES (¥ MILLION PER ANNUM)

Role:	Analyst / Non-Officer	Associate / AVP / Manager	VP / Senior Manager	SVP / Director	Director / Senior Director
Core / Central Compliance	6 - 8	9 - 13	14 - 18	19 - 22	22+
Market Surveillance / Monitoring	-	9 - 14	15 - 18	19 - 25	25+
Advisory		12 - 16	16 - 22	22 - 25	25+

COMMERCE & INDUSTRY.



COMMERCE & INDUSTRY.

ACCOUNTING & FINANCE

The level of hiring activity for finance and accounting professionals recovered slowly but steadily in 2010, with salaries remaining at a similar level to 2009. Annual pay-rises, which at some firms were frozen last year, are back on the agenda for 2011. This is likely to encourage talented professionals to keep an eye out for career development

opportunities. In 2010 there was fairly aggressive hiring of accounting and finance professionals within the IT sector. Growth areas such as social networking services, mobile content providers and online coupon companies often offered competitive salaries to secure talent.

Pharmaceutical, medical devices, and some hardware and software companies maintained their reputations for competitive remuneration packages. It is likely that there will be a similar pattern in 2011, although passive job-seekers may drive more mobility and volatility in the hiring market.

BASIC SALARIES (¥ MILLION PER ANNUM)

Role:	Small	Medium	Large
FP&A Manager	8 - 10	9 - 14	12 - 16
Financial Controller	10 - 12	12 - 16	14 - 18
Finance Director	13 - 15	16 - 17	18+
CFO	16 - 18	18 - 24	24+
Junior Financial Analyst	3.5 - 4.5	4 - 5.5	4 - 6
Financial Analyst	3.5 - 4.5	4.5 - 6.5	6 - 7
Senior Financial Analyst	6.5 - 7.5	6.5 - 8	8 - 10
Junior Financial Accountant	3.5 - 4.5	4 - 5.5	4 - 6
Financial Accountant	3.5 - 4.5	5.5 - 6.5	6 - 7
Senior Financial Accountant	6.5 - 7.5	6.5 - 8	7 - 8
General Accounting Manager	8 - 10	10 - 12	12 - 15

COMMERCE & INDUSTRY.

ACCOUNTING & FINANCE

BASIC SALARIES (¥ MILLION PER ANNUM)

Role:	Small	Medium	Large
Accounts Payable / Credit / AR Staff	4 - 5.5	4 - 6	4 - 6
Accounts Payable Manager	-	6 - 8	8 - 10
Collections / AR Manager	-	6 - 8	8 - 10
Cost Accountant	-	7 - 9	7 - 9
Internal Auditor	-	5 - 6	6 - 8
Internal Audit Manager	-	10 - 12	12 - 14
Head of Internal Audit	-	12 - 14	14 - 16
Tax Accountant	-	5 - 8	8 - 10
Tax Manager	-	9 - 12	12 - 15
Treasury Analyst	-	5 - 7	6 - 8
Treasury Manager	-	9 - 11	10 - 13

SALARY GUIDE | JAPAN 2011.

UNDERSTANDING THIS GUIDE

METHODOLOGY:

The salary information provided in this guide has been compiled by dedicated researchers across Morgan McKinley's financial services and commerce & industry divisions. Our researchers are in regular contact with both employers and candidates across these sectors in Japan.

SALARY DATA:

The salary ranges in this guide are indications of what individuals with similar experience might expect to earn in new roles in 2011. This salary data is based on placements made during the last six months, as well as the specialist knowledge of Morgan McKinley's consultants.

Salaries listed cover basic salaries only and do not include bonus payments or benefits. This is due to the variety of ways in which employers manage employee pay and reward.

Please note, the information presented in this document should be used as a general guide only.

In order to match candidates to the right career opportunity for them, Morgan McKinley assesses individuals on all their skills and abilities when deciding on their suitability for roles with our clients.

FURTHER INFORMATION:

For more specific salary or hiring information, please visit www.morganmckinley.co.jp or contact your Morgan McKinley consultant directly.

WE ARE MORGAN MCKINLEY.
TALK TO US.

The world's leading
employers and successful
local businesses must be
doing something right. We
believe we know what that is.

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