

Press Release  
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## **Japanese financial sector companies urged to end business benefiting the junta in Myanmar**

ayus:Network of Buddhists Volunteers on International Cooperation  
Friends of the Earth Japan  
Justice For Myanmar  
Japan International Volunteer Center (JVC)  
Network Against Japan Arms Trade (NAJAT)  
Pacific Asia Resource Center (PARC)  
Mekong Watch

Justice For Myanmar, Mekong Watch and five Japanese organizations raise concerns over the continued involvement of Japanese financial sector companies Daiwa Institute of Research (DIR) and Japan Exchange Group (JPX) in junta controlled joint ventures that facilitate transactions that benefit the junta, including through brokerage service for treasury bonds and stock market listings of military-linked companies.

Five years after the military's coup attempt, and amid increasing airstrikes and international crimes, DIR and JPX remain involved in financial institutions that have enabled sanctioned entities and businesses with documented ties to military conglomerates to raise funds.

In September 2025, the groups sent letters to DIR and JPX raising concerns about their businesses in Myanmar, inquiring whether the companies had conducted human rights due diligence in relation to their activities since the coup attempt, and whether the companies had any plans to divest in their businesses in Myanmar, among other inquiries.

While both DIR and JPX expressed their commitment to international human rights standards, neither provided a substantive response to questions posed by groups.

### **Treasury bonds and stocks financing the junta**

Japan has played a central role in the planning, implementation and operation of Myanmar's capital market.

Support for Myanmar's capital market has been historically provided through a [comprehensive](#) public-private "[All Japan](#)" initiative that included [drafting](#) of securities exchange laws and regulations, establishment of a capital market supervisory authority and stock exchange as well as legal support from the Japanese government, its agencies and companies.

DIR has had a long history in Myanmar and has been heavily embedded within this public-private effort.

DIR's then president first entered Myanmar in 1993 under the previous military junta. DIR built relationships with the former military dictatorship, establishing the Myanmar Securities and Exchange Centre (MSEC) in 1996 through a joint venture with the state-owned bank Myanma Economic Bank (MEB), which provides services including brokerage for treasury bonds and over the counter sales of stocks.

Since Myanmar military's 2021 coup attempt, Canadian sanctioned MEB has been illegally controlled by the junta, [enabling](#) its access to foreign currency for military procurement.

The UN Special Rapporteur on the human rights situation in Myanmar explicitly [recommends](#) financial institutions "terminate or freeze all financial relationships with Myanmar's state-owned banks, including Myanma Economic Bank". The UN expert has highlighted MEB's critical role in financing military procurement as sanctions against other state-owned banks increased.

MEB and MSEC have been appointed as underwriters and sales agents for government securities since 2010. In Myanmar, Treasury bonds are issued by the Treasury Department under the now illegally junta-controlled Ministry of Planning and Finance, while the Central Bank of Myanmar conducts auctions and manages the issuance of bonds.

In trading these bonds, MSEC is facilitating the raising of funds for a junta that is committing international crimes with total impunity.

MSEC has also provided a platform that enables sanctioned entities to raise funds from investors. One such entity that was listed by MSEC is EU sanctioned Forest Products Joint Venture (FPJV). FPJV is partially owned by the Myanma Timber Enterprise, a state-owned enterprise illegally controlled by the junta and which is sanctioned by the USA, EU, Canada and the UK. The listing of FPJV was available on the MSEC website in at least the year following the coup attempt but has since been taken down.

### **Yangon Stock Exchange (YSX) enables businesses with military conglomerates-links to raise funds**

JPX founded the YSX through a joint venture with DIR and MEB in 2015.

Japan's support for the establishment of YSX was [full scale](#), including institutional and regulatory design, infrastructure building and development of the systems, human resource and operational support.

This included Official Development Assistance funded [knowledge exchange program](#) carried out by Japan International Cooperation Agency (JICA) targeting Myanmar stock exchange and regulatory authorities from 2012 to 2021, as well as consultation service provided to new companies listing on the Yangon Stock Exchange (YSX).

Concerningly, since its launch, YSX has listed crony companies including those in business with military conglomerates. YSX lists Ever Flow River Group, a crony company with [documented ties](#) to internationally sanctioned military conglomerate, MEHL.

Another YSX-listed company, First Myanmar Investment Public Co., Ltd. (FMI), owns [Yoma Bank](#), which provides financial services to military companies and projects including the telecoms operator Mytel, partially owned by another internationally sanctioned military conglomerate, Myanmar Economic Cooperation (MEC).

YSX also [added to its pre-listing board](#) Myanma Agricultural & General Development Public Co., Ltd (MADPL), a company that invests in Mytel..

By maintaining a business-as-usual approach in Myanmar, JPX and DIR are proving institutional credibility to a security exchange that lists companies with documented links to sanctioned military conglomerates, allowing these companies to raise funds through its platform and are reputation laundering for MEB.

**Yuka Kiguchi, Executive Director of Mekong Watch, said,** “Both JPX and DIR say they uphold human rights standards, yet neither has disclosed the findings from any human rights diligence conducted or the details of their discussion with the Japanese government, calling into question the credibility of their professed commitments. The Japanese government, which has been actively involved such as by providing ODA, also should be held accountable and has a duty to urge the companies to protect human rights. Japanese companies and the government should not in any way be involved in raising funds for the Myanmar junta which continues to commit grave human rights violations.”

**Yadanar Maung, Justice for Myanmar’s spokesperson, said,** “It is unacceptable that Japanese companies continue to play a role in facilitating funds that benefit the junta, which is increasing its airstrikes across the country and committing international crimes with total impunity. Japan has had a central role in the development of Myanmar’s capital market and must now take immediate action to stop the flow of funds and financial sector support to the junta. Japanese companies must uphold their responsibilities under international human rights standards and guidelines.”

Below are the letters from civil society sent on September 18, 2025. [English versions follow the Japanese letters]

[DIR](#)

[JPX](#)

Responses from Daiwa Institute of Research and Japan Exchange Group on October 15, 2025. [Only in Japanese]

[DIR](#)

[JPX](#)

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