Overview

Treasury Advisory as a Service

Enhancing Return on Cash without Compromising on Credit Quality or Liquidity: The Case for a Singapore-Based Treasury Advisor for Japanese Corporate Cash Management

March 1, 2026

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uncover, design, deliver

Stainesbridge

With Japan's prolonged low interest rate environment, corporates holding large cash reserves face persistently low yields and limited access to diversified, investment-grade instruments. Traditional domestic deposit options offer minimal return, while in-house treasury teams may lack the regional access and/or bandwidth to explore higher-yielding yet risk-controlled opportunities abroad. **"Treasury Advisory as a Service" provides a practical solution** — a Singapore-based structure and a treasury advisor can identify and manage suitable offshore instruments to **enhance returns and diversify exposure while maintaining full compliance with corporate funding needs.** Learn how your institution can better manage its cash reserves.



The Challenge

In Japan's prolonged low-interest environment, corporates are struggling to generate meaningful returns on their excess cash reserves. With policy rates hovering near zero, traditional deposit and money market placements deliver minimal yield—often below inflation—resulting in an opportunity cost on idle liquidity.

While some companies explore offshore alternatives, they face structural and operational barriers: limited access to global investment-grade instruments, restrictive domestic banking platforms, and a lack of specialized in-house treasury expertise to navigate regulatory, tax, and risk considerations.

The result is a treasury portfolio that remains overconcentrated in low-yield domestic assets, despite ample capacity for safe diversification.

The Strategic Gap

Beyond yield, corporates are increasingly expected to manage liquidity proactively—optimizing returns while maintaining capital security and alignment with corporate governance standards. Yet, Japan-based treasuries often lack direct access to primary markets for regional USD-, other G4 currency-, or SGD-instruments, ESG and green bond issuances, or institutional share classes of global fixed income funds. **The challenge is not one of risk appetite, but of structural access, compliance oversight, and execution efficiency.**

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The Solution – Treasury Advisory as a Service

"Treasury Advisory as a Service" bridges this gap by combining the flexibility of a Singapore-based treasury structure with the expertise and execution of reputable banking partners. Through the establishment of a wholly-owned Singapore subsidiary and an investment account, corporates can **access a wider universe of investment-grade opportunities—USD and SGD corporate bonds, Asian sovereign debt, and diversified money-market funds—within a controlled, mandate-driven framework**. The advisory model ensures that treasury decisions remain client-approved, mandate-compliant, and transparently reported, while achieving enhanced yield and currency diversification without added credit risk. **This structure transforms excess cash into a disciplined, yield-generating asset, aligning treasury management with global best practices and long-term value creation.**

Treasury Advisory as a Service's overall benefits are (1) Risk Diversification, (2) Yield Optimization, (3) Currency Diversification, and (4) Lower Fees.

1. Risk Diversification

A major risk that is often overlooked is that the safety of bank deposits. Sure, these entities are heavily regulated, however, banks are not immune to failures. To further define the deposit at risk, Japan's bank deposit insurance system which is managed by the Deposit Insurance Corporation of Japan (DICJ) only covers JPY 10 million per depositor, per financial institution. While current deposits are fully covered, their interest rates essentially set the floor of what can be earned.

The better allocation of one's cash is to diversify one's holdings while still maintaining the overall credit risk profile. This can be attained by tapping into the financial markets with access to products (such as money market funds) that enable treasurers to de-risk from banks while also optimize their portfolio's risk-return profile.

2. Yield Optimization

With Japan's interest rates near zero, **deploying surplus cash into USD or other G4 currency fixed-income markets can deliver a meaningful yield pickup.** The table below provide a side-by-side comparison of the U.S. T-Bills, Japan T-Bills and Japan Bank Savings rates and evidently shows the difference in yields.

Yields & Cash-Like Returns
over trailing 5 years (2021-2025)

Year	U.S. 3-Month T-Bill	Japan T-Bill	Japan Bank Savings*
2021	0.10%	0.02%	0.001%
2022	3.00%	0.02%	0.001%
2023	5.00%	0.02%	0.001%
2024	4.97%	0.20%	0.02%
2025	3.70%	0.50%	0.10%

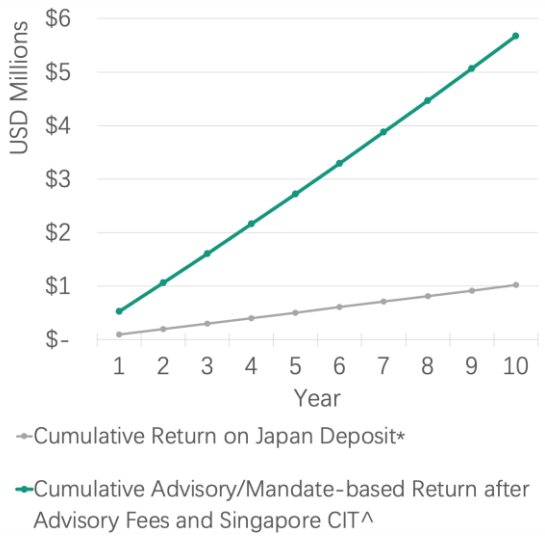
* Japan Bank Savings reflects advertised ordinary savings deposit rates at MUFG, SMBC, and Mizuho (rates were essentially identical and near-zero until BOJ normalization).

In the illustration below of a USD 20 million assets under advisement (AUA) and reinvestment of annual net interest earned, **the enhanced strategy deployed will by year 2, exceed the benchmark 10-year holding period return of Japan deposits.**

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The key point to note is that the cash balance is deployed in liquid, investment grade instruments and with greater diversification than bank deposits.

Projected Cumulative Return on USD 20 million



Illustrative Return Data

Year	Cumulative Return on Japan Deposit*	Cumulative Advisory/Mandate-based Return after Advisory Fees and Singapore CIT^
1	$100,000	$527,020
2	$200,500	**$1,062,657**
3	$301,503	$1,607,053
4	$403,010	$2,160,350
5	$505,025	$2,722,694
6	$607,550	$3,294,232
7	$710,588	$3,875,116
8	$814,141	$4,465,498
9	$918,212	$5,065,534
10	**$1,022,803**	$5,675,380

* Japan Desposit rate is based on an annual return of 0.5%.
^ Cumulative Advisory/Mandate-based Return after Advisory Fees and Singapore Corporate Income Tax is based on an average gross return of 3%.

While the above table demonstrates the return differences in yields, one needs to account for the FX exposure.

3. Currency Diversification

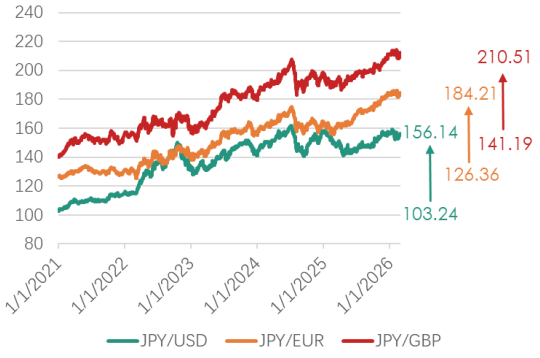
A review of the JPY/USD rate over the past five years emphasizes the benefit of diversifying across currencies. The following chart plots the significant devaluation of the JPY. **From a treasury management perspective, this results in boosting the yield on USD instruments if the entity's reporting currency is the JPY.**

JPY/USD Exchange Rate Jan 2021- Feb 2026[1]



The same trend applies to the remaining G4 currencies.

G4 Exchange Rate Jan 2021- Feb 2026[2]



[1] JPY/USD FX rates are obtained from the Wall Street Journal

[2] *Ibid.*

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A comparison against the Singapore Dollar (SGD) as a benchmark for the secondary/quasi safe haven currency also produces similar results.

JPY/SGD Exchange Rate
Jan 2021- Feb 2026[3]



This supports the need for international businesses to properly assess the impact of foreign exchange holdings and the need to obtain talent to manage this risk while capturing the upside potential.

4. Lower Fees

Treasury Advisory as a Service charges a low asset under advisory (ASA) fee to optimize returns while matching the liquidity needs of the corporation. This is unlike other investment opportunities that do not provide the same level of client customization, which may impede a corporation's flexibility during times of stress.

Strategic Rationale for Stainesbridge and a Singapore Presence

1. Trusted, Value Driven Advisor

Stainesbridge is a Singapore-based company that has built its reputation on identifying value creation opportunities and building solutions that efficiently capture the value – such as unlocking value in real estate through product differentiation; making sense of the energy transition in the APAC region for investment purposes; and constructing a treasury strategy to earn an additional 40% on yield without added credit risk. More information about Stainesbridge can be found at www.stainesbridge.com/research.

2. Broader Market Access

Singapore offers institutional access to a wide spectrum of investment-grade instruments not readily available through Japan's domestic financial channels; these include:

- → USD-denominated Asian sovereign and corporate bonds
- → Global investment-grade bond and money-market funds (institutional share classes)
- → ESG and green bonds issued across Southeast Asia

These instruments can provide **enhanced yield with comparable credit quality.** Stainesbridge has in place (1) the banking network to establish the necessary investment accounts to enable access to

[3] *Ibid.*

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such instruments, and (2) the capability to identify the most suitable investments that align maximizes the yield on excess cash while ensuring a corporate's liquidity needs are met.

3. Global Market Access and Expertise

Singapore is a leading Asian financial hub where its managers have direct access to:

- → Primary market allocations for new regional and global issues
- → Specialist credit research
- → Efficient execution and settlement infrastructure

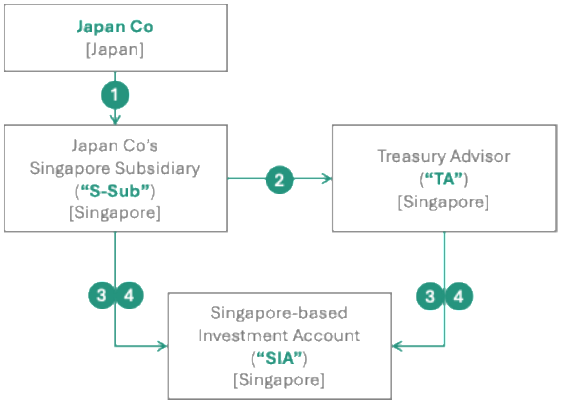
This allows more informed, timely portfolio management decisions, and access to a wider range of financial products and solutions.

4. Structural and Tax Efficiencies

Singapore's highly-developed and pro-business regulatory framework allows for efficient pooling of offshore investments, potentially optimizing after-tax returns and simplifying cross-border structuring under the Japan–Singapore Double Tax Agreement (DTA). The specific structure deployed will be subject to further analysis to ensure it optimizes upon on available DTAs.

Proposal

1. Structure



1. Japan Co. establishes and funds Singapore Subsidiary ("S-Sub")
2. S-Sub enters into "Investment Advisory" agreement with Treasury Advisor ("TA")
3. TA leads opening of S-Sub's Singapore Investment Account ("SIA"); S-Sub funds SIA [Note: Account ownership remains with S-Sub]
4. TA and S-Sub co-manage SIA [Note: TA inputs recommendation; S-Sub approves recommendation for execution]



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2. General Advisory Terms

The Treasury Advisor to:

- → co-develop the treasury mandate with Japan Co.
- → strictly follow treasury mandate as defined by Japan Co.
- → provide monthly performance and treasury mandate compliance review
- → provide quarterly commentary on markets
- → maintain confidentiality on recommendations and selection

The Singapore Subsidiary to:

- → co-develop the treasury mandate with the Treasury Advisor
- → share forecast of funding needs in a timely manner to avoid early termination penalties in structured products; such penalties arising from no fault of the Treasury Advisor will not factor into its performance
- → provide a clear hierarchy of reporting lines
- → provide timely feedback and commentary on monthly and quarterly reports
- → compensate the Treasury Advisor at an agreed upon fee on average assets under advisement (AUA)[4] with a set amount as the floor, commencing upon engagement

3. Key Considerations and Risks

FX Exposure Investments denominated in foreign currencies create FX exposures; hedging strategies need to be considered.

Tax Implications Japanese CFC[5] and transfer pricing rules must be reviewed before implementation. Tax on dividend[6] and interest need to be assessed.

Liquidity Management The portfolio should maintain sufficient short-term instruments to meet the corporate's immediate operational needs.

Conclusion

As a Singapore-based treasury advisor, Stainesbridge offers credible advantages in yield enhancement, diversification, and regional access—while maintaining flexibility, transparency, and personalized strategies for complex financial situations.

[4] Assets Under Advisement (AUA) refers to the total market value of financial assets for which a financial advisor provides guidance, planning, or recommendations, but doesn't directly control or manage, unlike Assets Under Management (AUM) where the advisor makes trading decisions. AUA offers a broader picture of an advisor's influence, covering everything under a wider scope, allowing for non-discretionary, consultative financial planning that empowers clients to make informed decisions. This offers

[5] CFC is Controlled Foreign Company and refers to a set of anti-tax haven rules designed to prevent Japanese individuals and corporations from using subsidiaries in low-tax jurisdictions to avoid Japanese taxation. Need to have substantial economic activity at S-Sub to mitigate CFC classification risk.

[6] Dividend repatriation should be clean: No Singapore tax + 95% exemption in Japan.

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investment-grade risk standards. For corporates with substantial foreign currency reserves or multi-Asian exposure, this arrangement can serve as a **strategic treasury optimization measure** rather than a speculative investment. Finally, Treasury Advisory as a Service offers tailor-made solutions to match the corporate's liquidity requirements while optimizing on the available yield.

Next steps

1. Enter engagement with Treasury Advisor
2. Review cross-border tax implications with Japanese and Singapore tax consultants
3. Assess cashflow requirements and forecasts
4. Assess FX-hedged and unhedged scenarios for expected net yields
5. Register Singapore entity, open and fund Singapore-based investment account
6. Draft cash allocation mandate in collaboration with Treasury Advisor
7. Commence operation

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About Stainesbridge

Stainesbridge Pte. Ltd. ("Stainesbridge") is a Singapore-based boutique management consultancy firm. Established in 2020, it specializes in three core focus areas: treasury advisory, market access, capital raising, and venture building. Its projects span financial, aviation, healthtech, real estate, and tourism sectors.

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