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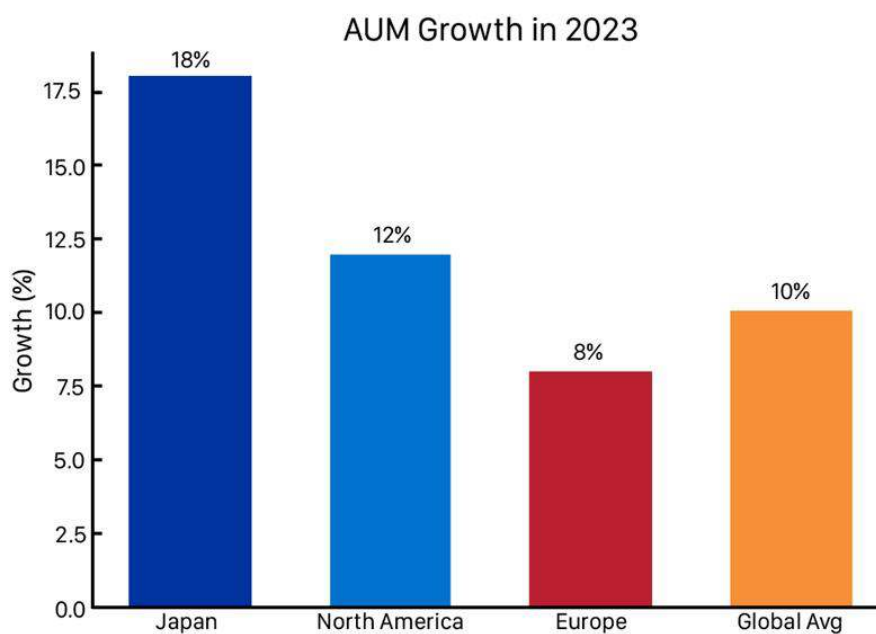
BETTING BIG: GLOBAL ASSET MANAGERS AND JAPAN

September 2025

Betting Big: Global Asset Managers and Japan

Japan's New Role in Global Markets

Japan's US\$7 trillion in household cash savings has long symbolised the country's cautious approach to investment. The tide is now turning. In 2023, inflows into Japanese investment trusts reached US\$107.7 billion, an 89% increase year-on-year, while overall assets under management ("AUM") in Japan grew 18%, the fastest of any major market.



Source: Boston Consulting Group, Global Asset Management Report 2024

What was once a slow and gradual shift is now gathering pace, with consequences that extend well beyond Japan. From household savers entering alternatives for the first time to life insurers reallocating billions into private credit, Japan is fast becoming one of the world's most important sources of capital.

Institutions: Moving Beyond JGBs

Japanese institutions are also rewriting their playbook. Life insurers are increasing allocations to private credit and infrastructure debt, whilst pension funds are steadily raising their private equity exposure and deepening partnerships with global managers to access a broader range of private markets opportunities.

Retail and HNW: From Niche to Mainstream

Japanese retail and high-net-worth ("HNW") investors are poised to play an increasingly significant role in the global private markets landscape. We expect Japanese retail investors and HNWs to lift their offshore fund holdings from roughly US\$35 billion in 2023 to more than US\$100 billion by 2027. This growth is being driven by strong demand for offshore private market exposure—particularly through publicly offered feeder funds linked to global managers like Blackstone, KKR and EQT—alongside government policy initiatives to double household income from investments by 2027. Industry data support this trajectory. The Japan Securities Dealers Association and the Japan Investment Trust Association both report double-digit growth in offshore fund inflows, with one survey showing an 18% year-on-year jump in 2024.

Our projection is intentionally cautious. It assumes that only 0.7% of Japan's US\$14 trillion in household assets moves offshore over the next five years. Yet many domestic wealth platforms recommend allocating up to 5% to private markets, in line with global practice. If investors follow that guidance, growth could exceed our forecast.

This shift will democratise private markets in Japan. Global managers now have strong incentives to launch products that qualify for the Nippon Individual Savings Account (NISA). The next wave is likely to feature evergreen funds, giving retail investors long-term access to private assets in a format suited to household savings.

"Junior" and "Silver" NISAs: Untapped Markets

Japan's broader NISA reforms have already drawn many younger and middle-aged savers into the market. Two new proposals—expanding NISA access for seniors and for minors—could unlock even deeper pools of capital.

NISA for Seniors

Savers aged 65 and above hold more than 60% of the nation's household wealth. Japan's Financial Services Agency has recommended expanding NISA to include funds that offer stable, regular income—exactly the kind of product that would appeal to older savers. Such measures could help shift sizeable bank deposits into productive investments.

NISA for Minors

The FSA has also proposed lowering the age limit for participation in the NISA, with the aim of allowing children and teenagers under 18 to benefit from the same tax advantages as adults. This would widen the investor base from an early age, deepen financial literacy, and create lifelong market participants.

Together, these initiatives would extend NISA's reach across every generation, mobilising the country's largest reservoirs of savings. This creates new opportunities for global asset managers to offer a wider range of investment solutions—such as income-generating products for retirees and growth-focused options for younger investors—helping to meet the diverse needs of Japan's evolving investor base.

The Global Vote of Confidence

Global asset managers are positioning for a surge in Japanese demand. Over the past few years, a steady stream of US and European firms have begun launching dedicated feeders—typically Cayman Islands unit trusts—for Japanese institutional, HNW and retail investors. By way of example, we have recently advised, as Cayman Islands counsel, on publicly offered Cayman unit trusts that provide exposure to the

flagship semi-liquid products of Blackstone, KKR, EQT and Goldman Sachs.

At the same time, many global managers are building out local teams in Tokyo, underscoring their commitment to Japan as a long-term growth market. Japanese regulators have already assisted dozens of foreign managers in securing local asset management and distribution licenses — including names such as EQT, StepStone, Ares, Carlyle, Brookfield, Macquarie, Columbia Threadneedle, and New Mountain Capital¹. Others, such as Blackstone, KKR and Apollo, are deepening their commitment, including through senior hires and/or larger teams. This wave of activity is a leading indicator of where Japanese allocations are heading.

[A Global Bridge for Japanese Capital: The Cayman Islands, Ireland and Luxembourg](#)

As Japanese investors expand internationally, their structuring choices are diversifying. The Cayman Islands remains the leading entry point for global alternatives, particularly in private markets, but Irish and Luxembourg fund structures are increasingly used when allocating to European asset classes. Together, these jurisdictions act as a bridge between Japan's capital and opportunities worldwide.

[Implications for Global Markets](#)

If current trends persist, Japan could emerge as one of the world's largest net exporters of capital into alternatives, standing alongside the US as a pivotal source of global investment flows. That would make Japanese investors pivotal in stabilising private credit markets, funding infrastructure, and supporting long-duration strategies in the US and Europe.

For fund managers, the challenge is anticipating where Japanese demand goes next and ensuring their platforms are ready to accommodate it.

[Conclusion](#)

As household savers, HNWs, and institutions increasingly look beyond traditional domestic assets, the scale and sophistication of Japanese capital flows are set to have a profound impact on private markets worldwide. Demographics, government policy and global market conditions suggest this is not a temporary cycle but a structural change.

Global asset managers should consider proactively adapting their product offerings, distribution strategies, and local presence to capture this growing demand. This includes developing Japan-specific fund structures and building robust partnerships with domestic platforms and institutions. Managers who invest early in understanding Japanese investor preferences, regulatory requirements, and distribution channels will be best positioned to benefit from this structural shift.

[Further Assistance](#)

If you have any questions about this article, please contact the author below or your usual Maples Group contact.

¹ Foreign asset managers expanding private market menu in Japan", AsianInvestor article, 29 August 2025

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September 2025
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