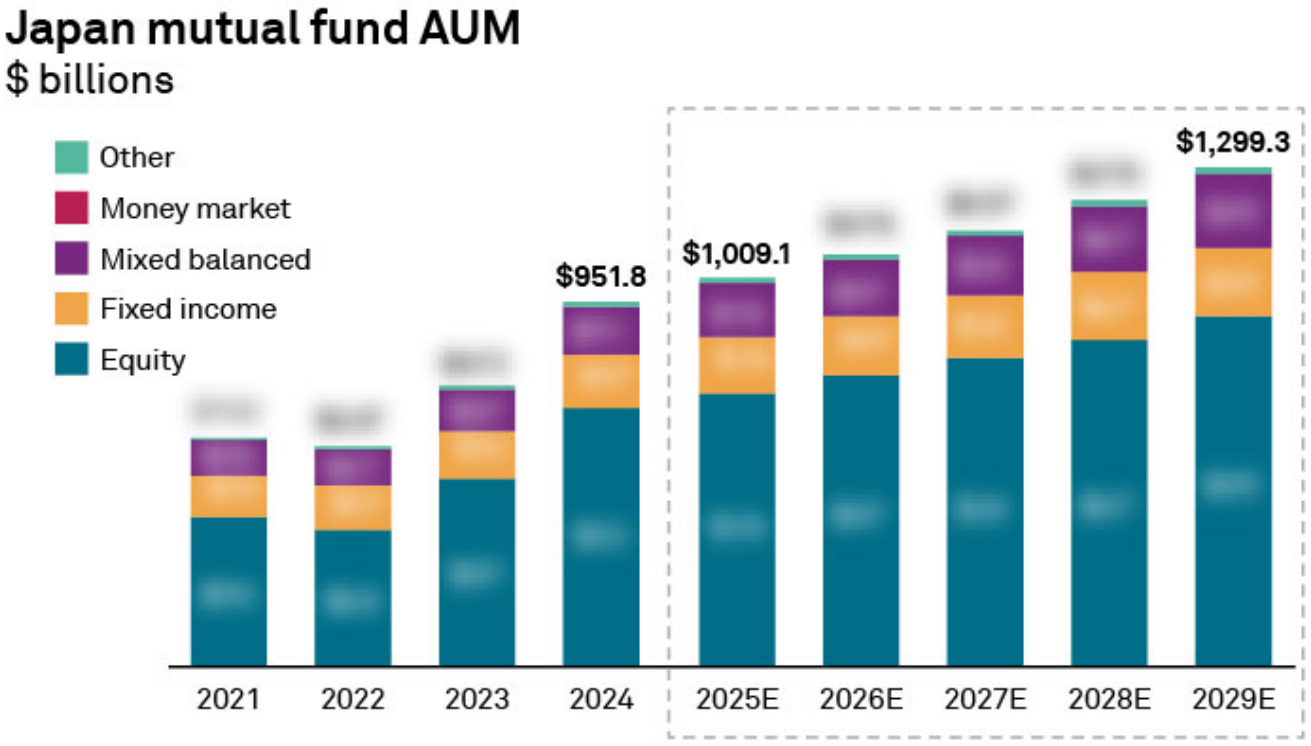
Crisil
Coalition
Greenwich

A dramatic shift in the competitive landscape of asset managers in Japan

June 24, 2025

Client requirements for asset management in Japan have continued to evolve rapidly in the last three years, driven by several business, macroeconomic and geopolitical factors.

- There continues to be ongoing, if quiet, substitution of active mandates into passives, driving down the economics of managers focused mainly on actives.
- Besides moving to passives, institutions are making a significant shift toward private assets to balance their overall portfolio return generation.
- Despite softer fund flows in recent months, Japan's mutual fund market is projected to surpass US$1 trillion in total assets this year. This growth is underpinned by structural changes, including tax reforms and the transition from DB to DC pensions. Within this broader trend, retail investors are increasingly reallocating into equity funds, particularly through NISA accounts. These dynamics favor managers with the right product lineup and a strong grasp of key distribution channels for high-net-worth and retail clients. Crisil Coalition Greenwich sizes the Japan retail fund market regularly as part of our Asia Intermediary Market Sizing research, providing data-driven insights into product trends, distributor activity and competitive positioning.



Source: Crisil Coalition Greenwich Asia Intermediary Market Sizing

- Short-to-medium term macroeconomic factors, such as the buoyant Japanese equities markets and growing interest in Japanese government bonds as a safe-haven asset, given the volatility in U.S. Treasuries, give an advantage to managers who have stronger capabilities in these asset classes.

Domestic managers gaining ground over international peers

Crisil Coalition Greenwich speaks to about 250 institutional investors and about 100 Japanese retail distribution partners each year. Through these conversations, we see a clear reversal in the positioning of Japanese managers versus global managers operating in Japan.

International asset managers for traditional assets (public fixed income, equities, multi-asset, money markets, etc.) who, up to 3 years ago, were setting the standards with the strength and depth of their relationships with Japanese clients, have fallen behind Japanese managers. In several key measures of strategic relationship management—from understanding clients' goals to relationship management capability and credibility with investment committees—domestic Japanese managers now outpace their international peers.

While investment performance is usually judged independently and more quantitatively by clients, we see clients' view of investment capabilities and performance of global managers also flagging compared to domestic firms. This is likely driven by changes in product mix requirements, which are strengthening the hands of the domestic managers., as well as challenges facing global managers, in terms of senior bandwidth devoted to product development and client coverage, in a climate where business economics remain challenged compared to the past. Smaller international managers have been hit particularly hard, while the very large international managers have been able to leverage business scale and product breadth to ride out the headwinds. We see managers take different approaches in this setting.

Opportunities for both domestic and international managers

Domestic managers continue to act on opportunities where competition from international peers is lower, while also using this period to recalibrate their investment and research capability in listed and private Japanese equities to address increasing overseas demand for investments into Japanese assets.

Larger international managers have the opportunity to refine their sales strategy to address Japanese clients' changing needs. This has accelerated with detailed knowledge of client demand by sub-segments and regions within Japan. Their established brand strength as well as, in some cases, alternative assets capabilities, get them a seat at the table for most mandates, with most large managers vying for a strategic advisor relationship with key Japanese clients.

Greenwich Quality Index—Trends in service and investments for domestic vs. international managers



Note: Based on 234 respondents in 2022, 228 in 2023 and 246 in 2024. Analysis based on managers receiving five or more evaluations. Larger international managers consist of 11 firms that maintained the largest relationship footprint (20 or more evaluations) in the 2024 study.
Source: Coalition Greenwich Voice of Client – 2022, 2023, and 2024 Japanese Institutional Investors Studies

Smaller international managers need to become much more targeted in client selection in the short term, with clear knowledge of the target asset allocation of clients and the competition level within each client. They also need to build a data-driven view of product demand and a product development roadmap for the medium term.

---

www.greenwich.com | ContactUs@greenwich.com

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets

function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., an S&P Global company. ©2025 Crisil Ltd. All rights reserved.