Investment Management Association of Japan

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Investment Management Association of Japan
September 2026 Monthly Press Conference

- Date and time: Friday, September 11, 2026, 3:00-3:50 p.m.
- Speaker: Yoshio Hishida, Chairman, Investment Management Association of Japan
- This document is a translation of the monthly press conference held by Mr. Yoshio Hishida, Chairman of the Investment Management Association of Japan (IMAJ), on September 11, 2026.

(The following is the Q&A concerning the August 2026 investment trust market.)

Reporter

The Bank of Japan is expected to raise interest rates at this month's Monetary Policy Meeting. The shift from savings to investment under the NISA system appears to be taking hold, and investment trusts continue to attract inflows. However, in a rising interest-rate environment, some investors may move back toward bank deposits. How do you view the potential impact on inflows into investment trusts and other investment products? There is also discussion about making retail Japanese government bonds eligible for NISA. The banking industry has expressed concern that this could accelerate deposit outflows. What is the asset management industry's view?

Chairman

The interest-rate environment has changed significantly, and the rise in interest rates is bringing about a number of changes. Even so, I believe the broader shift from savings to investment is continuing. As I have said here before, higher interest rates make interest-bearing products such as bank deposits, government bonds and corporate bonds important options in asset-building portfolios. Ideally, investors will be able to build more balanced portfolios that combine these products with equities, and I believe many investors are beginning to think in those terms.

Looking at daily fund flows since the beginning of September, net inflows into publicly offered equity investment trusts, excluding ETFs, exceeded JPY 700 billion as of September 10. On a monthly run-rate basis, that would amount to roughly JPY 1.7 trillion. The pace is slightly slower than in August, when net inflows totaled JPY 2.0956 trillion, but it is broadly in line with the levels seen in April and May this year. In other words, inflows are continuing steadily. Market conditions are changing significantly, so we will continue to monitor developments closely, but at this point we do not see a major impact.

Reporter

The amounts of sales and redemptions in August were lower than in June and July. What do you think explains this decline? Looking at previous years, a similar pattern seems to occur. Is it reasonable to regard this as seasonal? In addition, the Financial Services Agency has indicated that leveraged ETFs

linked to individual stocks are not appropriate from the standpoint of the public interest. What is your view?

Chairman

On the first point, it is difficult to draw a firm conclusion about movements in sales and redemptions, but I do think there is likely to be a seasonal element. Market conditions differ from year to year, but historically activity has tended to slow somewhat during the summer and then pick up again in early autumn.

Head of IT Management Department

We saw a similar pattern in 2024: subscriptions were about JPY 4.5 trillion in July and fell to around JPY 3.5 trillion in August. Even in 2023, before the current NISA system began, subscriptions declined somewhat from July to August.

Chairman

On your second point, regarding leveraged ETFs linked to individual stocks, I believe this is an area that requires caution. You may understand our position as being basically aligned with the view expressed by the Financial Services Agency.

Reporter

The yen has appreciated rapidly, and some investors with overseas assets may now be facing valuation losses. How do you view the situation?

Chairman

Among investment trust investors, the sharp move in exchange rates has of course affected the value of some portfolios. However, many investors follow long-term, regular and diversified investment approach. Based on what we hear from asset managers and distributors, we do not believe there has been widespread alarm. Investors may naturally be concerned about where exchange rates are now and where they may go next. But when thinking about what to invest in next and how to continue building assets, many appear to believe they should keep investing steadily in line with the principles of long-term, regular and diversified investment.

In that sense, we do not currently see a major impact. At the same time, changes in exchange rates and interest rates obviously affect portfolio values. The industry therefore needs to understand carefully how investors are responding to changing market conditions and to provide support in various ways across the sector.

Reporter

This year, Japanese equity funds have continued to attract inflows, and new funds are also being launched. On the other hand, one could argue that the continued launch of new products, together with the existence of many established funds, makes it difficult for large flagship funds to develop. How do you view this trend?

Chairman

It is certainly positive to see steady inflows into investment trusts that invest in Japanese equities, and I hope that continues. Some firms are launching new funds, while others are successfully re-marketing long-established flagship funds and strengthening their sales efforts, which has led to growth in assets under management for a number of existing products.

When asset managers launch new funds, they are generally not simply repeating the same concepts and strategies as before. They are responding to changes in the market and economic environment and trying to offer funds that are well suited to current or future conditions. It is positive for investors to have access to such products. At the same time, I would also like to see more investors choosing funds that have maintained a stable track record over many years.

There are currently 5,840 publicly offered investment trusts in Japan. It would be difficult to say that this number is small. From that perspective, it is desirable for more funds with sound investment strategies that can be managed over the long term. For newly launched funds as well, it would be preferable for them to be designed not simply around what happens to be fashionable today, but around investment concepts that can remain viable as Japan pursues future growth.

Reporter

You have described investment trust inflows as solid, but there may also be a widening gap in financial literacy, and between those who have assets and those who do not. In the past, inequality was often discussed mainly in terms of differences between generations. More recently, however, even within the same generation there seems to be a growing divide between people who are highly interested in asset management and financially literate, and those who are not. More broadly, the gap between people who actively invest and those who do not appears to be widening across age groups. How does the IMAJ view this issue?

Chairman

People make investment decisions for many different reasons. Some invest actively, while others choose to be more cautious. But before that, I think there is a more fundamental problem: some people have had few opportunities to become interested in investing or asset formation, or they do not have sufficient access to the information they need, and as a result they have not been able to begin building assets. If this leads to widening economic disparities between people who actively manage their assets and those who do not, that is not a desirable outcome for society.

This is why it is important to promote the shift from savings to investment and to encourage more people to start investing early and continue over the long term, even with small amounts. We believe that this can contribute to future asset formation. From this perspective, the industry and the IMAJ have been working to improve financial literacy and promote investor education, but we recognize that these efforts need to be strengthened further. J-FLEC, the Japan Financial Literacy and Education Corporation, plays an important role in promoting financial and economic education, and we would like to deepen our cooperation with J-FLEC.

This issue is not unique to Japan. Across many jurisdictions, there is a similar gap between people who make full use of investment and asset-management opportunities and those who do not, regardless of generation. Governments and industry bodies around the world are exploring ways to address it. At the IIFA (International Investment Funds Association) Conference scheduled for next month, asset management industry associations from various jurisdictions will meet, and improving investors' financial literacy will be one of the main themes. Participants are expected to share initiatives, challenges and both successful and unsuccessful examples from their respective jurisdictions, and to discuss more effective approaches. I am also scheduled to participate as a panelist.

One point that particularly stood out in our preliminary discussions was the strong overseas interest in J-FLEC. The fact that the Japanese government has established a dedicated organization to promote financial and economic education is attracting attention as a distinctive example, and we have received requests to introduce J-FLEC's activities, achievements and challenges. Going forward, we hope to

continue sharing information in cooperation with J-FLEC, learn from overseas examples and further develop our own initiatives. We would also like to contribute internationally by sharing Japan's experience.

Reporter

At the end of August, the Financial Services Agency included in its tax reform requests a proposal to restore a NISA investor's tax-exempt holding allowance within the same calendar year after assets are sold. How does the IMAJ view this proposal, given the need for system modifications and cost burden for distributors?

Chairman

This is an issue that we, together with other organizations involved in the capital markets, have requested through industry discussions. There will of course be various implementation burdens, costs and preparatory work, but we believe it is a meaningful measure.

Reporter

As interest rates rise, we seem to be seeing more investment trusts and ETFs that invest in bonds. How do you view this development?

Chairman

As interest rates move higher, it is natural to see a gradual increase in such products. I do not think investors are yet making a large-scale shift in allocation from cash or equities into interest-bearing assets. However, it is natural - and, in my view, positive - for investors to have more choices and to think in terms of more balanced portfolios.

Reporter

Yields on Japan's long-term government bonds recently exceeded 3%. How do you think this could affect the investment trust market?

Chairman

Given my position, it is difficult to comment on a particular level of interest rates. The 3% level is symbolically significant, but it also reflects the broader global market environment. In that sense, what matters is not the number 3% itself, but how investors respond now that long-term interest rates have reached this kind of level.

Head of IT Management Department

Looking at the breakdown of publicly offered equity investment trusts, excluding ETFs, by product category, the investment-related change in overseas bond funds was plus JPY 6.9 billion, while domestic and overseas bond funds were down JPY 1.0 billion. When interest rates rise, bond prices fall, so that tends to reduce investment-related valuation changes.

(The following is the Q&A concerning the June 2026 statistics on discretionary investment management contracts and related assets.)

Reporter

When comparing domestic and overseas clients, and domestic and overseas pension funds, are there any developments that differ from past trends - for example, a particularly noticeable increase in inflows from overseas?

Head of Public Relations

The statistics on discretionary investment management and related businesses are based on the value of assets under contract, so valuation gains are probably a major factor behind the increase. We are not seeing an especially striking surge in new inflows from overseas, but assets under contract for overseas clients have continued to trend upward.

We have consistently said that we would like to attract growth capital from overseas, particularly from overseas pension funds, into Japan's domestic markets. It may be fair to say that this trend is becoming somewhat stronger. That said, the pace of growth in assets from overseas pension funds remains very slow. We would like to see stable, long-term mandates from large overseas pension funds - capital that can be entrusted to Japanese asset managers for 10 or 20 years. To achieve that, it is important to communicate the attractiveness of Japan's capital markets and for the industry to use those efforts to win mandates.

Reporter

In the wrap-account business, are new entrants such as regional banks expanding their presence alongside major securities firms, trust banks and robo-advisers?

Head of Public Relations

I think we are seeing a broader range of distributors enter the market. Among robo-adviser providers, for example, there is increasingly a clear divide between the larger players and the rest. Beyond robo-advisers, regional banks and other institutions are also entering the market, and that is one of the developments we are currently seeing.

Reporter

Assets in wrap accounts have now exceeded JPY 30 trillion. Over the medium to long term, how much further growth potential do you think the market has?

Head of Public Relations

The current size of the publicly offered investment trust market could serve as one reference point. However, as I mentioned earlier, wrap accounts are a service in which investors delegate investment management to someone else, and fees are therefore relatively high. Some people, including financially sophisticated investors, may prefer to manage their own investments rather than pay those fees. For that reason, it is difficult to imagine wrap accounts overtaking the current situation.

At the same time, some investors may begin by using a wrap account and entrusting the management to a professional, and then decide to manage investments themselves once they become more familiar with investing. We do not expect assets under contract to suddenly double, but given this underlying demand, we believe the market can continue to grow steadily.

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