

Trends in Japanese Private Equity Market (2026 H1)

September 2026
Japan Investment Corporation

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Deals

- M&A activity involving Japanese companies totaled ¥16T in value in 2026 H1, broadly in line with the prior year excluding the take-private of Toyota Industries (¥6T) in 2025 H1. Large transactions, including take-privates of Japanese companies led by international PE funds, were key drivers.
- Private equity investment totaled ¥2.7T, the highest level on record. International PE funds served as buyers in take-privates of large corporations and purchases of PE portfolio companies. No large PE investments (¥50B+) involving Japanese GPs were announced.
- Large carveouts and add-ons by PE funds were limited. Growth equity was also limited, although two transactions exceeded ¥10B.

Exits

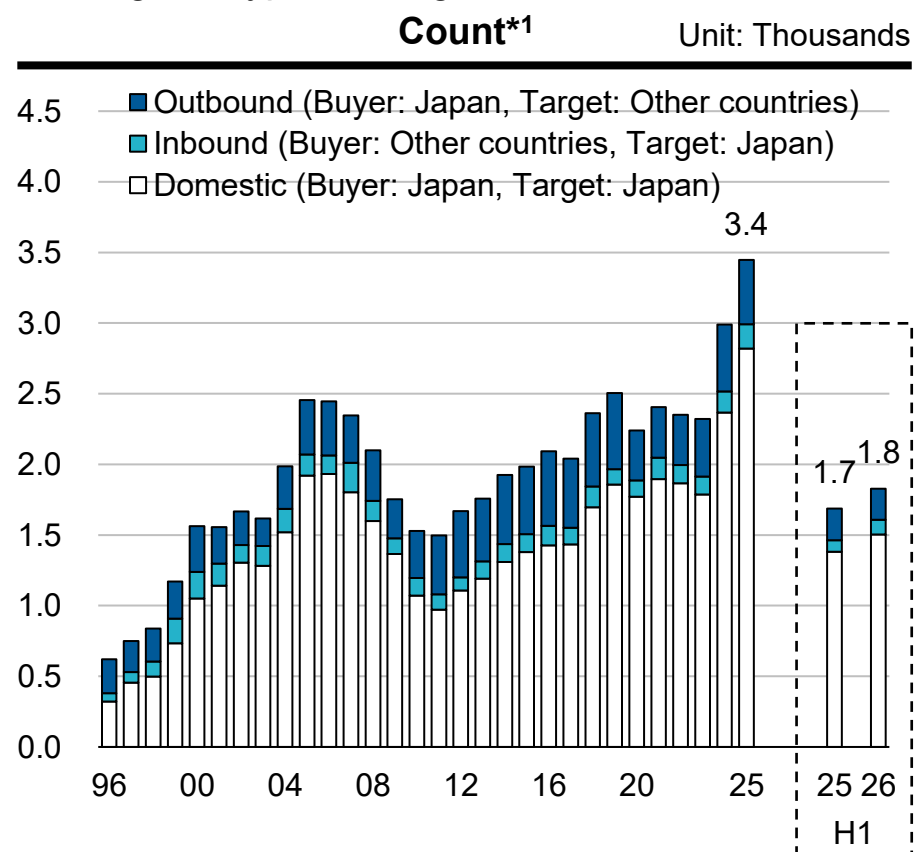
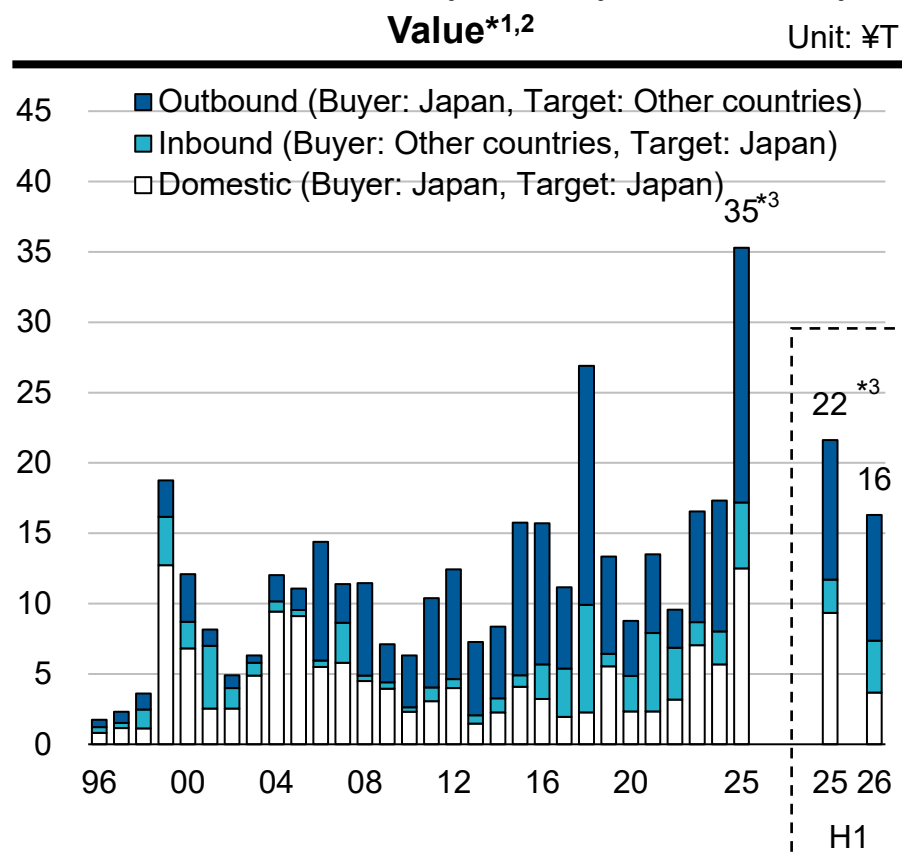
- The total number of PE exits, both M&A and IPOs, reached 70 in 2026 H1, the highest pace ever.
- M&A exit count totaled 68, most of which were sales to strategic buyers, while, by value, sponsor-to-sponsor exits were also notable (four exits exceeded ¥50B).

Fundraising

- Three Japanese GPs successfully raised PE funds exceeding ¥200B, with each fund being the largest ever raised by the respective GP.
- A lot of international PE funds targeting Japan closed above their target sizes, thanks to the strong interest in the Japanese market among global institutional LPs.

1. Deals

- M&A activity involving Japanese companies totaled ¥16T in value in 2026 H1. Excluding the take-private of Toyota Industries (¥6T) recorded in the same period last year, deal value was broadly flat.
- Driven by the following transactions (see next page for details).
 - Take-private deals of large corporations, backed by international PE funds
 - Large outbound M&A deals by large Japanese companies
- Deal counts also rose year-on-year, driven by the following two types of large transactions.



*1: Excludes real estate and hotel deals, activist minority investments, venture capital investments, and cross-shareholding transactions. Compiles based on announced dates, as of August 6, 2026.

*2: Excludes transactions where deal values have not been officially disclosed in press releases or other public sources.

*3: The take-private transaction involving Toyota Industries (deal value: ¥6 trillion) boosted the total deal value.

Top 20 M&A Deals in 2026 H1

- The largest M&A transactions in 2026 H1 included take-private and sponsor-to-sponsor deals led by international PE funds, and cross-border acquisitions and equity investments by Japanese companies.

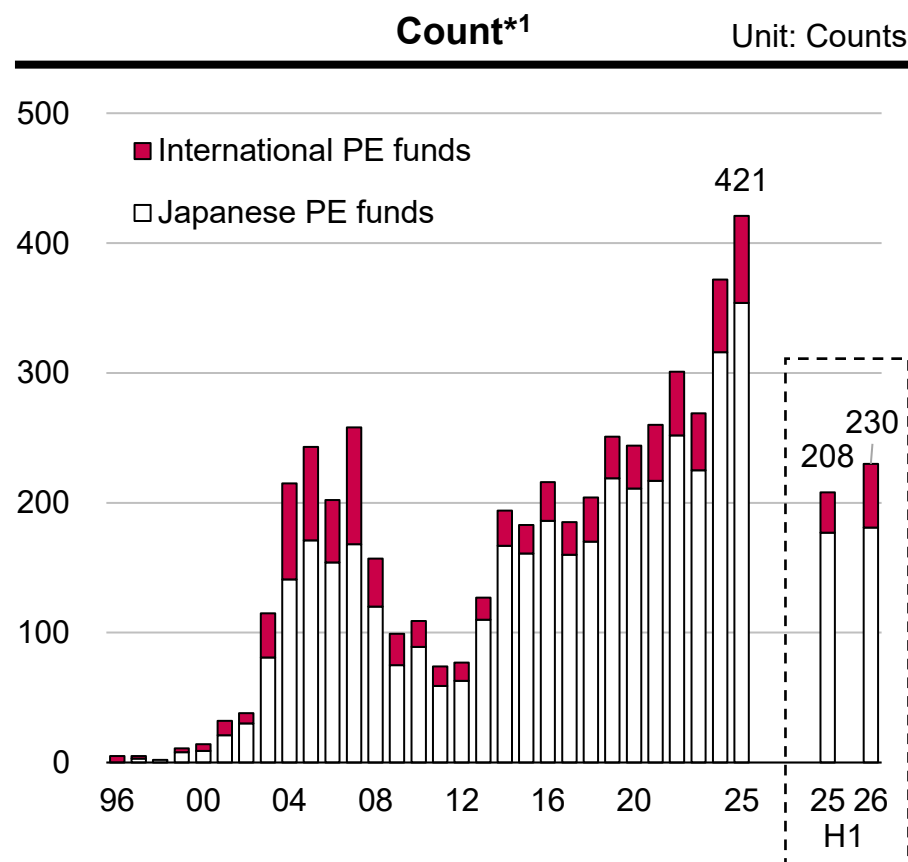
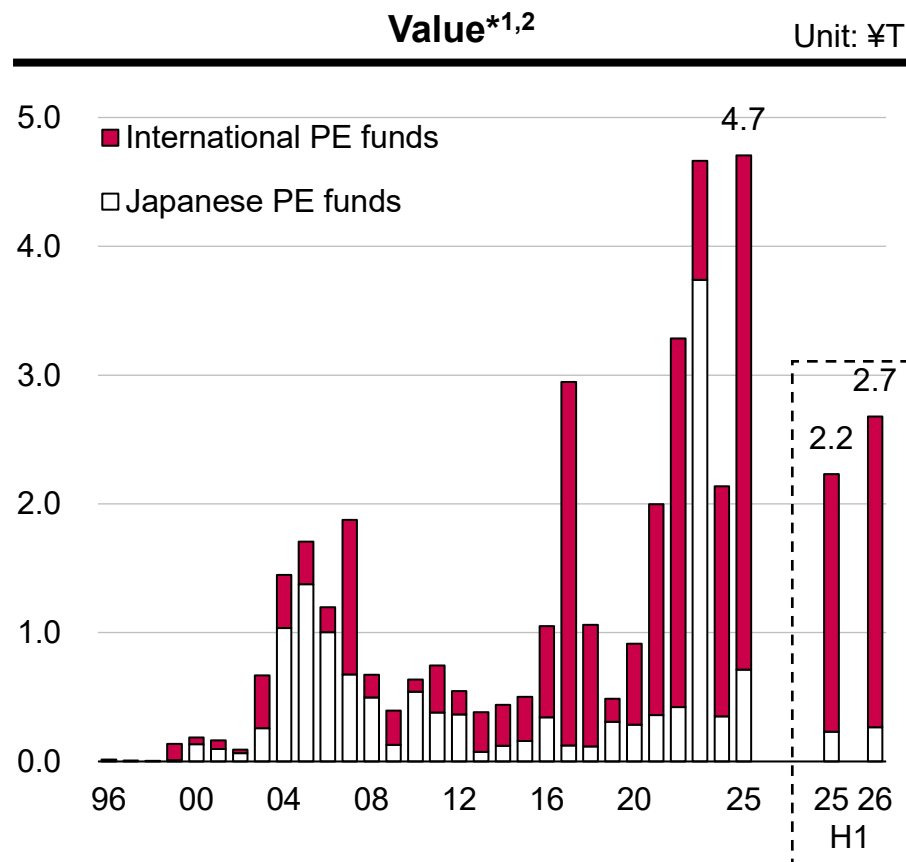
No.	Target (Description)	M&A type	Deal value	Buyer
1	Stake in OpenAI (U.S. AI Company)	Outbound	¥4.7T	SoftBank Group
2	Aethon (U.S. Shale Gas Producer)	Outbound	¥1.2T	Mitsubishi Corporation
3	Kakaku.com (Online Platform Operator)	Inbound	¥656B	EQT, Digital Garage
4	Tri Pointe Homes (U.S. Homebuilder)	Outbound	¥655B	Sumitomo Forestry
5	Nippon Sheet Glass (Glass Manufacturer)	Inbound	¥590B	Apollo
6	Taiyo HD (Semiconductor Materials)	Inbound	¥496B	KKR, Sekisui Chemical
7	Renesas Electronics' Timing Business	Inbound	¥470B	SiTime
8	Hisamitsu Pharmaceutical (Pharmaceutical)	Domestic	¥393B	Founding Family
9	ORIX Bank (Online Bank)	Domestic	¥370B	Daiwa Securities Group
10	Chevron's Downstream Businesses in Southeast Asia and Australia (Fuels and Lubricants)	Outbound	¥336B	ENEOS HD
11	12% Stake in ViiV Healthcare (U.K. Pharmaceutical Company)	Outbound	¥335B	Shionogi
12	2.5% Stake in Tokio Marine HD (Non-Life Insurance)	Inbound	¥287B	Berkshire Hathaway
13	Daiichi Sankyo Healthcare (OTC Medicines)	Domestic	¥247B	Suntory HD
14	MCJ (PC Vendor)	Inbound	¥208B	Bain, Founding Family
15	Metro Supply Chain Group (Canadian Logistics Company)	Outbound	¥207B	Nippon Express HD
16	FineToday HD (Cosmetics)	Other*	n.a. (¥200B)	Bain
17	Japan Wellbeing (Nursing Care)	Other*	n.a. (¥200B)	Advent
18	Stake in Rapidus (Semiconductor)	Domestic	¥168B	32 Japanese Companies
19	Aicuris (German Pharmaceutical)	Outbound	¥143B	Asahi Kasei
20	Ultradent Products (U.S. Dental Products)	Outbound	¥140B	Mitsui Chemicals

*: Japan-based companies owned by international GPs are classified as overseas companies.

Source: Corporate disclosures, Media reports

Private Equity Deal Trends in Japan

- Private equity investment in Japanese companies totaled ¥2.7T in 2026 H1, exceeding the level of 2025 H1.
- Well-capitalized international PE funds acted as buyers in many take-privates of large corporations and purchases of PE portfolio companies (see next page for details).



*1: Excludes real estate and hotel deals, activist minority investments, venture capital investments, and cross-shareholding transactions. Compiles based on announced dates, as of August 7, 2026.

*2: Excludes transactions where deal values have not been officially disclosed in press releases or other public sources.

Source: Compiled by JIC based on data from Recof Data's MARR Pro Database.

Top 10 Private Equity Deals in 2026 H1

- Japanese PE funds did not participate in the top 10 deals.

No.	Target (Description)	PE type	PE buyer	Deal value*1	Seller
1	Kakaku.com (Online Platform Operator)	Take-private	EQT	¥656B	-
2	Nippon Sheet Glass (Glass Manufacturer)	Take-private	Apollo	¥590B	-
3	Taiyo HD (Semiconductor Materials)	Take-private	KKR	¥496B	-
4	MCJ (PC Vendor)	Take-private	Bain	¥208B	-
5	FineToday HD (Cosmetics)	Secondary	Bain	n.a. (¥200B)	CVC
5	Japan Wellbeing (Nursing Care)	Secondary	Advent	n.a. (¥200B)	MBK
7	Altemira HD (Aluminium Products)	Secondary	MBK	n.a. (¥130B)	Apollo
8	Nippon Dry-Chemical (Disaster Protection Equipment)	Take-private	Carlyle (Co-investment with ALSOK)	¥100B	-
9	SGK HD (Scaffolding Equipment Rental)	Secondary	Carlyle	¥96B	ORIX
10	Solasto (Medical Administrative Services / Nursing Care)	Take-private	MBK	¥90B	-
(Ref.)					
-*2	Yamazén (Machinery and Tools Wholesaler)	Growth equity	Advantage Partners	¥28B (Convertible Bonds)	-

*1: Amounts shown in parentheses are based on media reports.

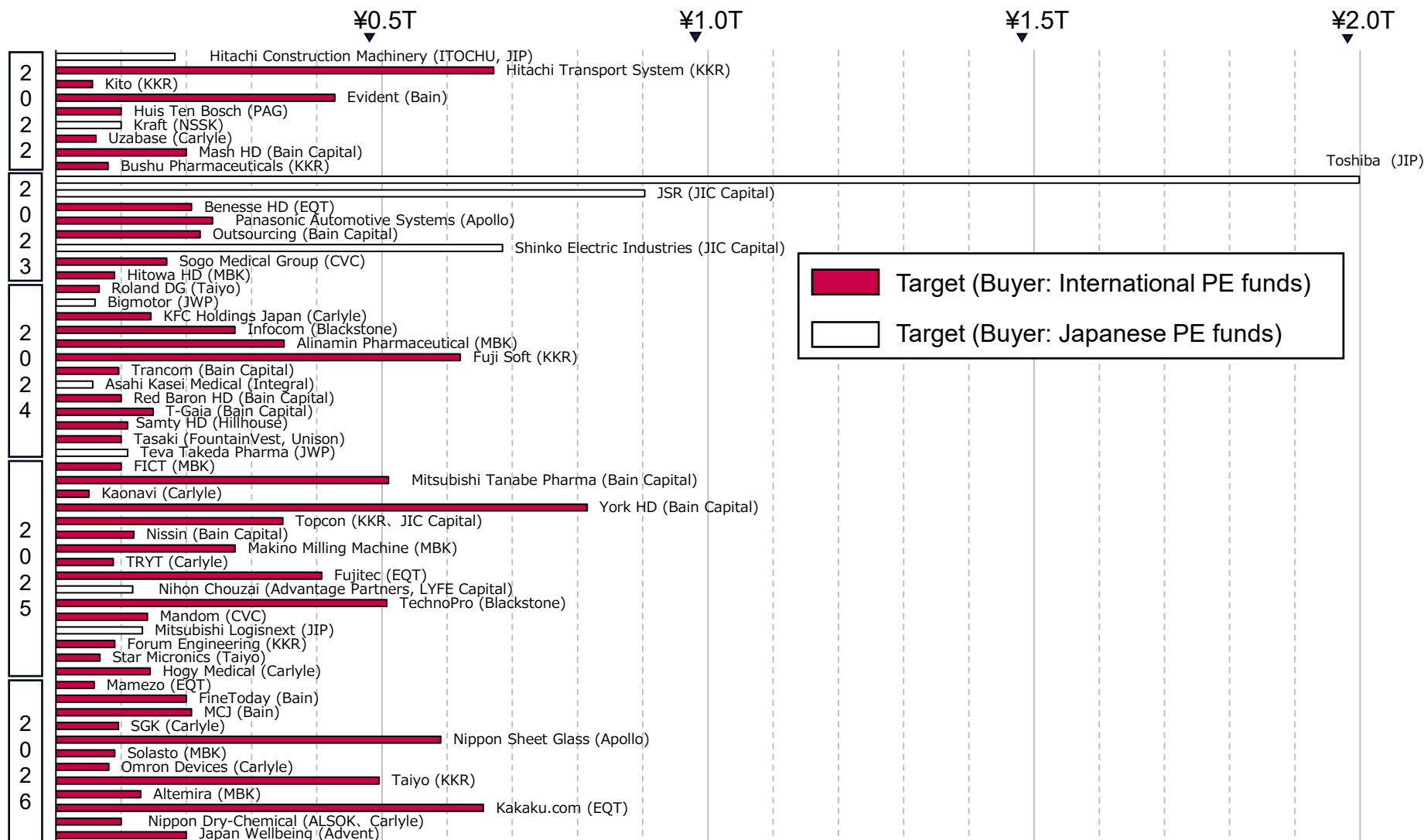
*2: The largest transaction led by a Japanese GP.

Large PE Deals since 2022 (Deal Size: ¥50B+)



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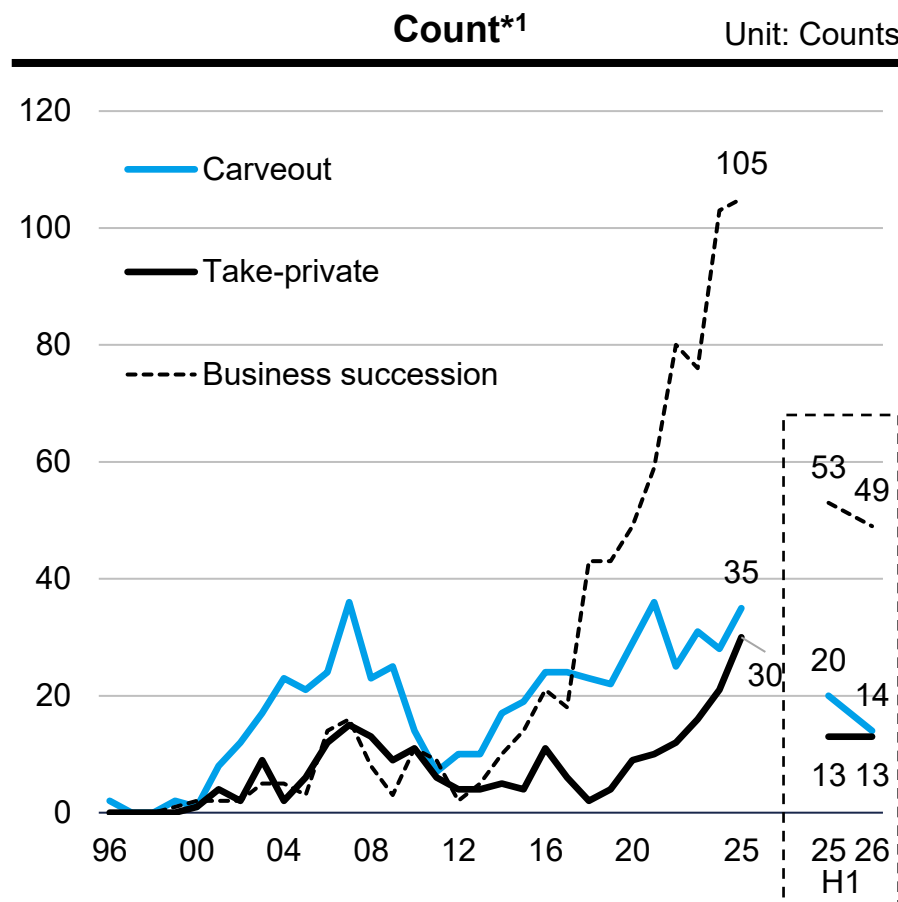
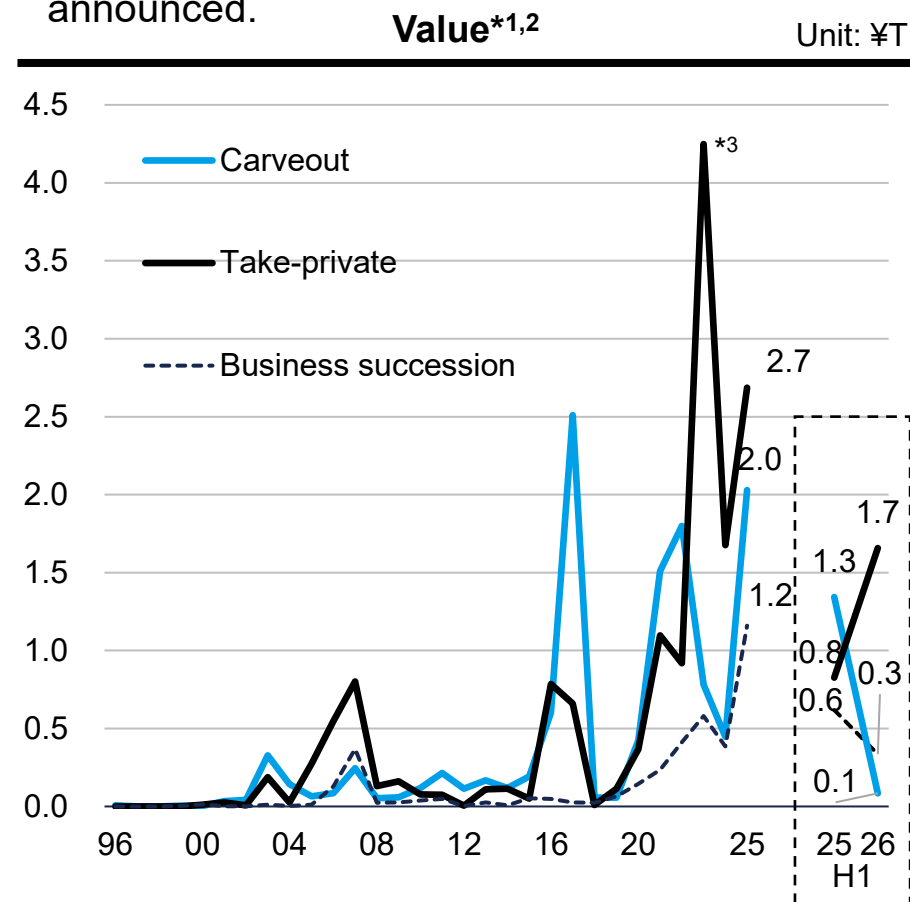
- Historically, most large PE transactions in Japan have been closed by international PE funds, and the same trend continued in 2026 H1.



Source: Corporate disclosures, Media reports

PE Deal Trends (Carveout / Take-private)

- Take-privates increased year-on-year in value, while transaction count remained flat. This appears to reflect an increasing number of companies pursuing PE-led take-privates in response to governance reforms and activist pressure.
- Carveouts decreased year-on-year in both value and count; only one large transaction (¥50B+) was announced.



*1: Excludes real estate and hotel deals, activist minority investments, venture capital investments, and cross-shareholding transactions. Compiles based on announced dates, as of August 7, 2026.

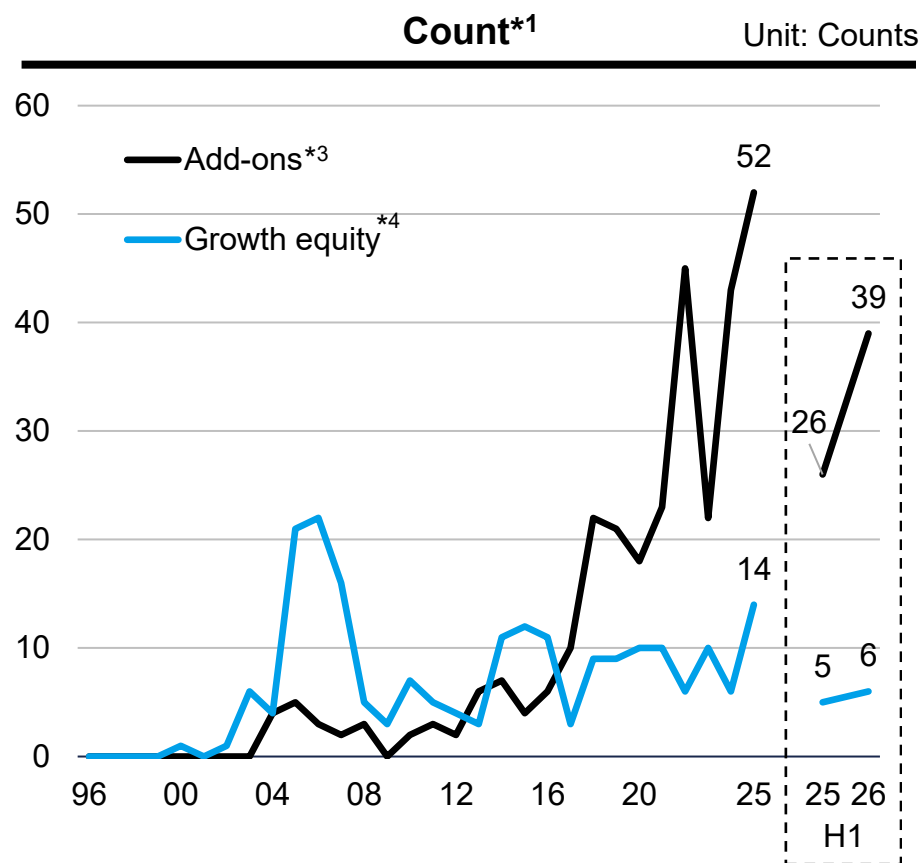
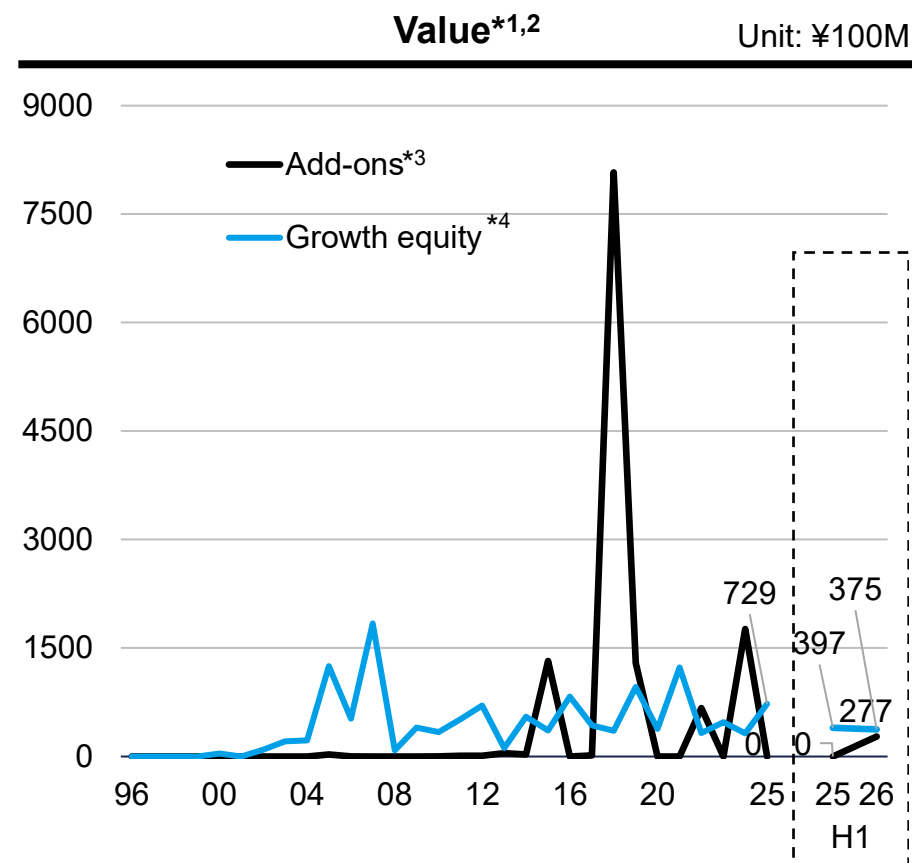
*2: Excludes transactions where deal values have not been officially disclosed in press releases or other public sources.

*3: Key deals in 2023 were Toshiba (Buyer: Japan Industrial Partners, Deal value: ¥2T), JSR (Buyer: JIC Capital, Deal value: ¥904B), and Shinko Electric Industries (Buyer: JIC Capital, Deal value: ¥685B).

Source: Compiled by JIC based on data from Recof Data's MARR Pro Database.

PE Deal Trends (Add-ons / Growth Equity)

- Add-ons increased year-on-year in count, with most add-ons consisting of roll-ups of smaller peers by PE portfolio companies.
- The number of growth equity transactions remained limited. In the first half of 2026, two deals exceeding ¥10B were announced, broadly in line with recent years.



*1: Excludes real estate and hotel deals, activist minority investments, venture capital investments, and cross-shareholding transactions. Compiles based on announced dates, as of August 13, 2026.

*2: Excludes transactions where deal values have not been officially disclosed in press releases or other public sources.

*3: Targets include overseas subsidiaries of Japanese companies, foreign companies, and Japan-based companies owned by international PE funds.

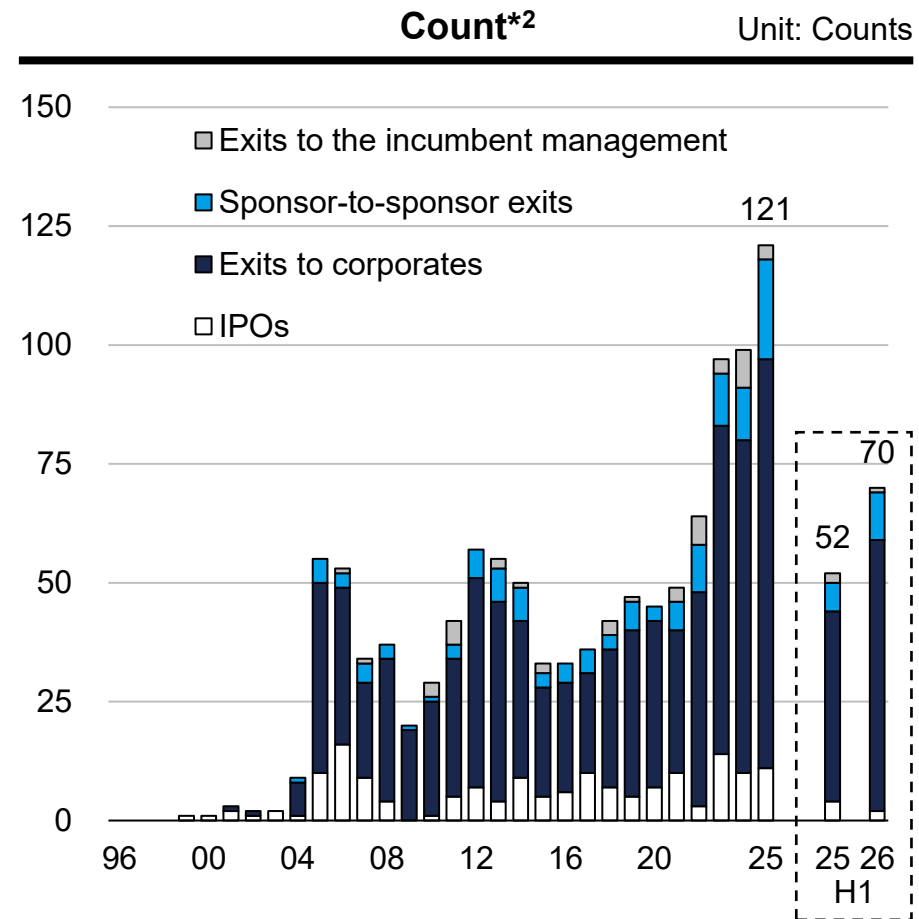
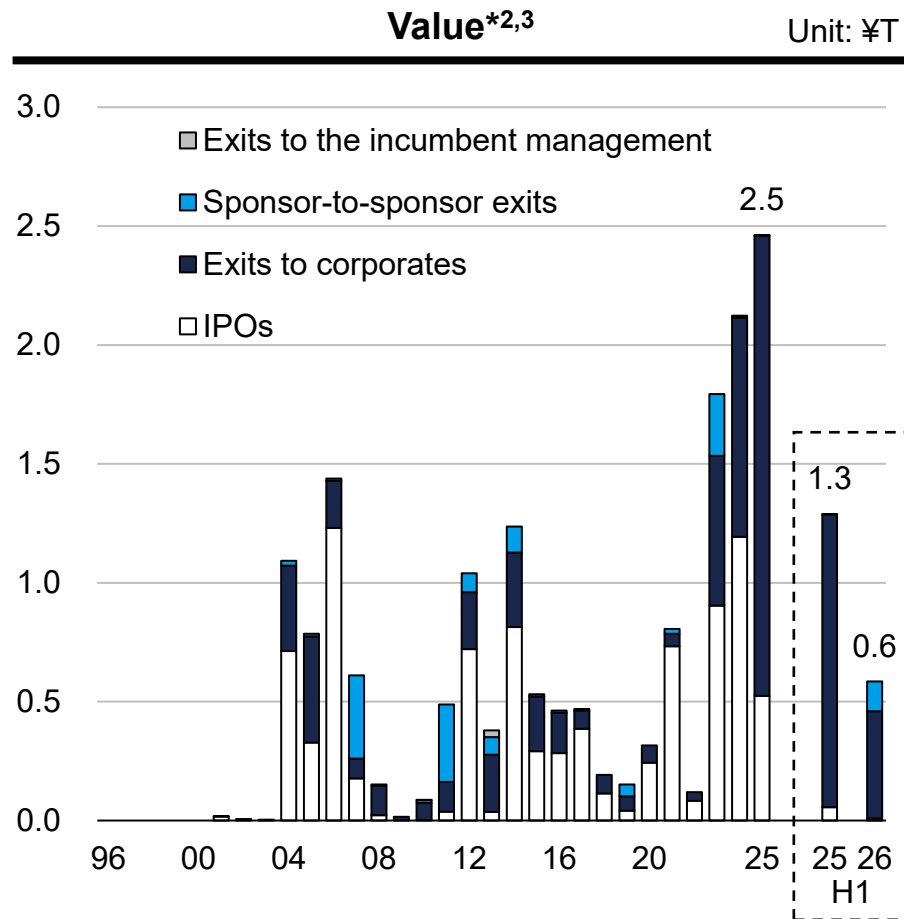
*4: Targets exclude overseas subsidiaries of Japanese companies. Deals with a fully diluted valuation of ¥1 billion or more but less than ¥100 billion are included.

Source: Compiled by JIC based on data from Recof Data's MARR Pro Database.

2. Exits

Private Equity Exit Trends in Japan

- The total number of PE exits*¹, both M&A and IPOs, reached 70 in 2026 H1, the highest pace ever.
 - M&A exits totaled 68, most of which were sales to strategic buyers, while sponsor-to-sponsor exits remained limited.
 - IPO exits totaled two. No large IPOs (¥50B+) were recorded.



*1: Includes partial exits (e.g., divestment of business units of portfolio companies).

*2: IPOs are compiled based on completed dates. Other transactions are compiled based on announced dates, as of August 13, 2026. Real estate and hotel deals are excluded.

*3: Excludes deals for which values have not been disclosed.

Source: [PitchBook](#), a Morningstar company; Compiled by JIC based on data from Recof Data's MARR Pro Database.

Top 10 Private Equity Exits in 2026 H1

- Large exits consisted mainly of sponsor-to-sponsor exits and exits to domestic and overseas strategic buyers.
- Four large sponsor-to-sponsor exits (¥50B+) were recorded.

No.	Target name (Sector)	Exit type	PE seller	Deal value*1	Holding period	Buyer
1	FineToday HD (Cosmetics)	Sponsor-to-sponsor exits	CVC	n.a. (¥200B)	5 years	Bain
2	Japan Wellbeing (Nursing Care)	Sponsor-to-sponsor exits	MBK	n.a. (¥200B)	5 years	Advent
3	Altemira HD (Aluminium Products)	Sponsor-to-sponsor exits	Apollo	n.a. (¥130B)	5 years	MBK
4	27% stake in Rigaku HD*2 (Optical Instruments)	Exit to corporates	Carlyle	¥110B	_*2	Onto Innovation
5	SGK HD (Scaffolding Equipment Rental)	Sponsor-to-sponsor exits	ORIX	¥96B	6 years	Carlyle
6	Iwasaki Electric (Lighting Equipment)	Exit to corporates	Carlyle	¥70B	3 years	Stanley Electric
7	Senqcia (Construction Materials)	Exit to corporates	Lone Star	¥69B	4 years	Noritsu Koki
8	Ayumi Pharmaceutical HD (Specialty Pharmaceuticals)	Exit to corporates	Blackstone	¥45B	7 years	GNI Group
9	C-United (Café)	Exit to corporates	Longreach	¥44B	8 years	Colowide
10	Kanamel (Video Content Production)	Exit to corporates	Carlyle	¥39B	5 years	Nippon Television HD

*1: Amounts shown in parentheses are based on media reports.

*2: The company had already completed an IPO.

Source: Corporate disclosures, Media reports

3. Fundraising

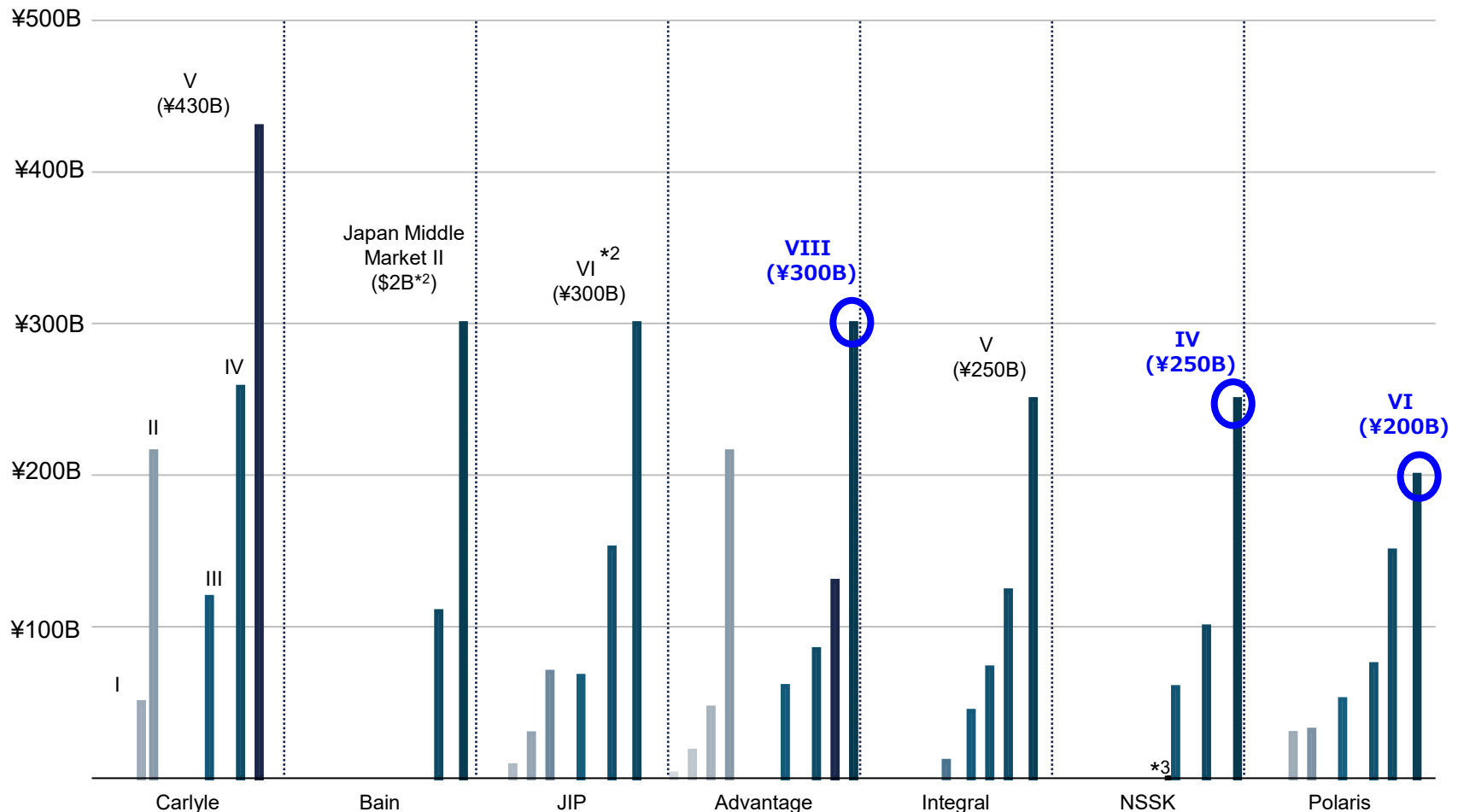
Fund Size Trends of Japan-Focused PE Funds



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- Growing interest from domestic and global institutional investors has driven an increase in the size of PE funds targeting Japan.
- Three Japanese GPs successfully raised PE funds exceeding ¥200B.

Fundraising history of Japan-focused PE funds (public disclosures and media reports)*1



*1: Examples of GPs managing Japan-focused funds (¥200B+; recently launched).

*2: Based on media reports.

*3: The fund size of the inaugural fund has not been publicly disclosed.

Source: Corporate disclosures, Media reports

- Many international PE funds investing in Japan closed above their target sizes, indicating strong interest in the Japanese market among global institutional investors.

GP	Funds currently in market / in fundraising*1	Fund size (based on publicly available information)
Advent	Advent International GPE XI (Raising)	\$26B*2
Apollo	Apollo Investment Fund XI (Raising)	\$25B*2
KKR	KKR Asian Fund V (Raising)	\$15B*2
BPEA/EQT	BPEA Private Equity Fund IX (2026) BPEA Mid-Market Opportunities Fund II (Raising)	\$15.6B (Target: \$12.5B) \$2.0B*2
Blackstone	Blackstone Capital Partners Asia III (2025)	\$13.1B (Target: \$10B)
Bain	Bain Capital Asia Fund VI (2026)	\$10.5B (Target: \$7.0B)
Hillhouse	Hillhouse Fund VI (Raising)	\$7.0B*2
CVC	CVC Capital Partners Asia Pacific VI (2024)	\$6.8B
MBK	MBK Partners Fund VI (2024)	\$5.5B
PAG	PAG Asia IV (2024)	\$4.0B
FountainVest	FountainVest Capital Partners Fund IV (2021)	\$2.9B

*1: Years in parentheses indicate vintage (based on PitchBook).

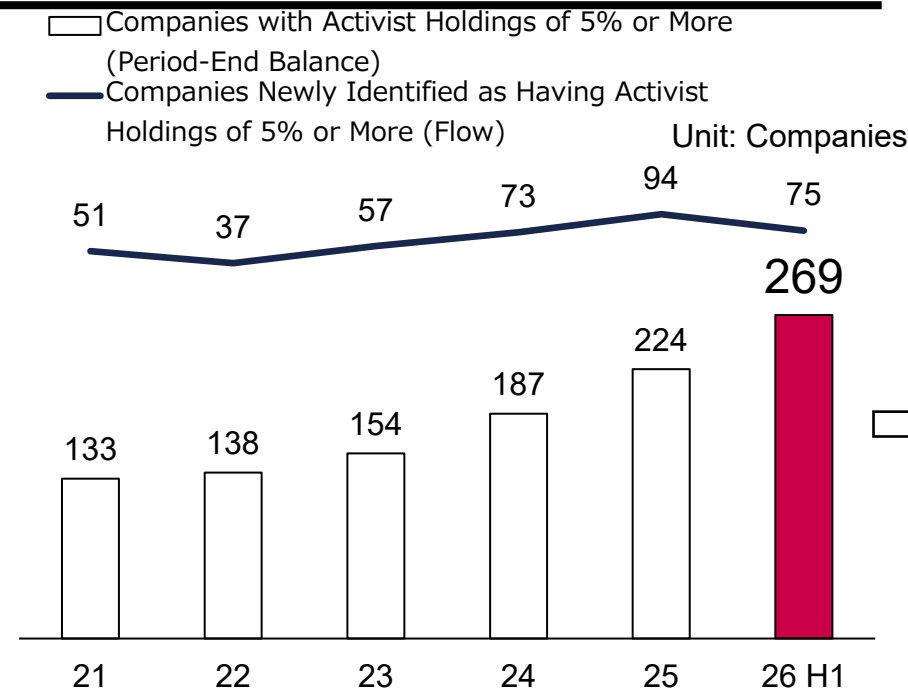
*2: Target size.

Source: [PitchBook](#), a Morningstar company, Corporate disclosures, Media reports

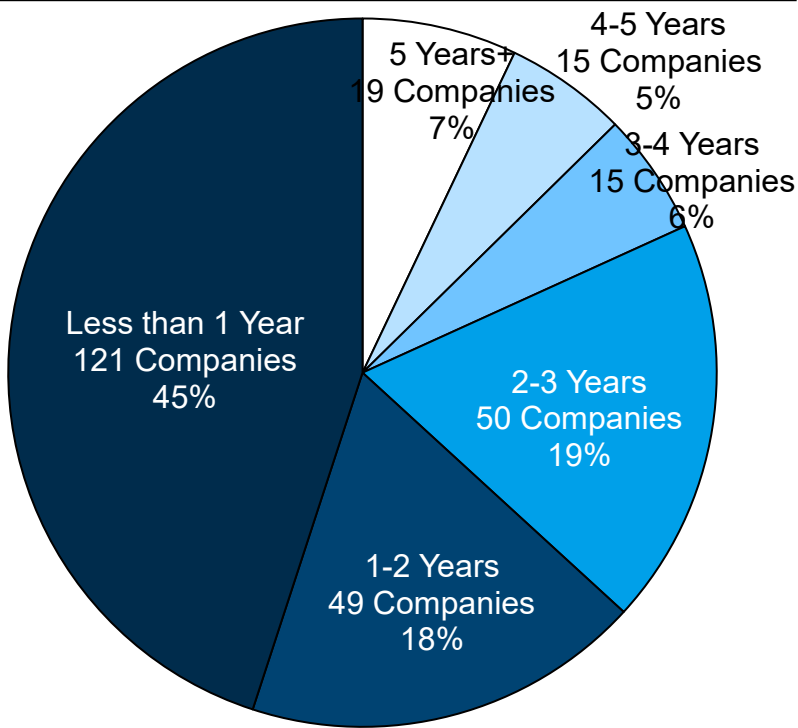
Appendix 1: Analysis of Activist-Targeted Companies

- The number of Japanese companies targeted by activists has been increasing. As of the end of June 2026, activists held 5% or more of the shares of 269 listed companies (up 45 from the end of 2025).
- In more than half of the cases, activists maintained 5%+ holdings for a relatively short period (less than 2 years). However, some holdings have lasted five years or longer (19 companies, or 7%).

Companies in which Activists Hold 5%+ Shares*1



Duration of Activist Holdings of 5%+ Shares*1,2



*1: Calculated based on the database of "Report of Possession of Large Volume (Large Shareholding Report)" filed by activists in Bloomberg. Bloomberg defines those reports filed by activists mainly as those filed by investors meeting the following criteria. Accordingly, some individual investors are included, whereas investors that Bloomberg deems not to meet the criteria are excluded.

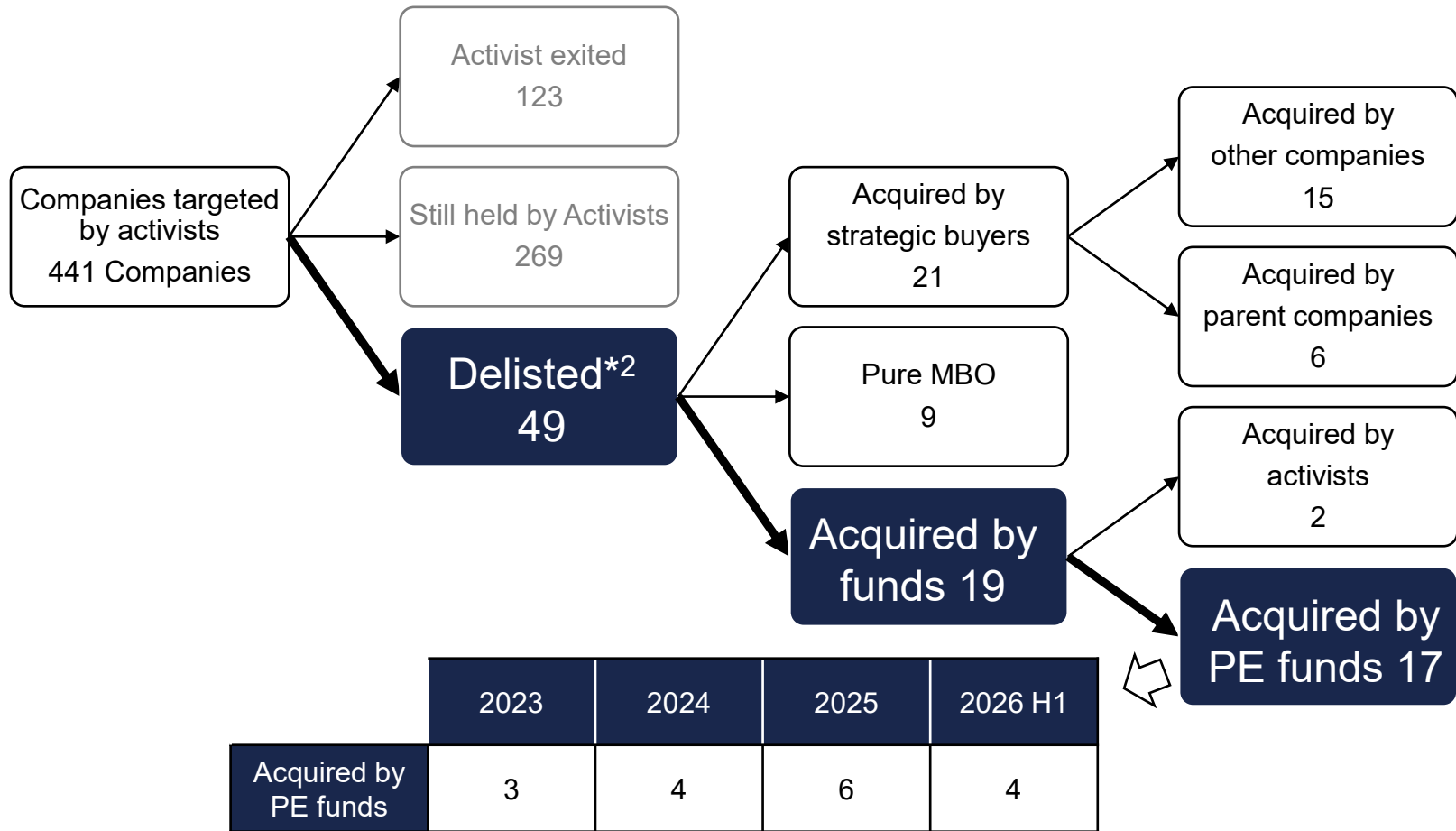
- A shareholder seeks changes at a company without the support of management.
- A well-known activist secures a board seat or builds a large stake without publicly disclosing activist intentions.
- Activist activity is confirmed by credible news reports.
- A hedge fund or investor with a track record of activism files a Large Shareholding Report.
- An unsolicited takeover proposal is made by a shareholder unrelated to management.

Note that a company is counted once even if multiple activists each hold 5% or more. If an activist exits and another activist newly acquires a 5%+ stake within the period, the company is counted in the flow.

*2: For the 269 companies in which activists held 5% or more as of the end of June 2026, the period since the longest-holding activist first acquired 5% or more was classified.

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- Since 2023, activists have disclosed 5%+ holdings in 441 companies through “Report of Possession of Large Volume (Large Shareholding Report)”. Of these companies, 49 were subsequently delisted, including 17 (35%) that were taken private with PE sponsorship.



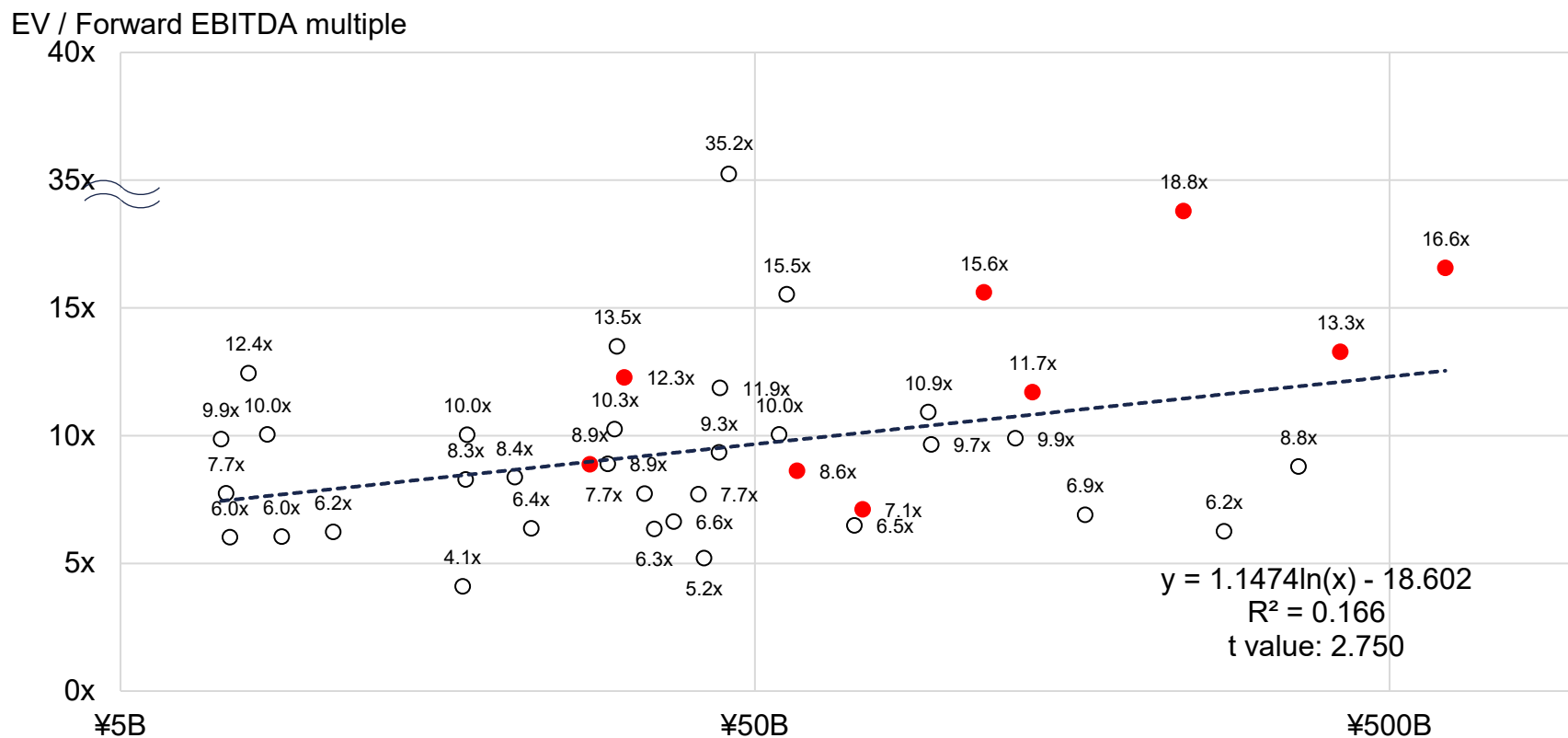
*1: For the definition of activists, see *1 on p.21.

*2: Companies delisted more than one year after the activist's exit are counted as “Activist exited”.

Appendix 2: Valuations of Take-Private Transactions

- EV / forward EBITDA multiples (vertical axis) tend to increase with deal size, as measured by EV (horizontal axis).
- Among companies taken private, deals where activists held a stake (●) tended to command higher acquisition multiples relative to deal size, reflecting pressure to raise the tender offer price, among other factors.

EV / Forward EBITDA Multiples (2022–2026 H1)*



*: Calculated as EV (enterprise value) divided by forward EBITDA.

Enterprise value = equity purchase price + net interest-bearing debt (as of the quarter/half-year/fiscal year-end immediately preceding the disclosure date of "Subject Company's Position Statement").
 Forward EBITDA: projected EBITDA for the fiscal year following the one in which "Subject Company's Position Statement" was published (or for the current fiscal year if that statement was disclosed within 180 days of the previous fiscal year-end); the lower of the figures used by the FAs of the target companies' board of directors or special committee as the basis for share price valuation was adopted.

One company was excluded as an outlier in calculating the trend line.

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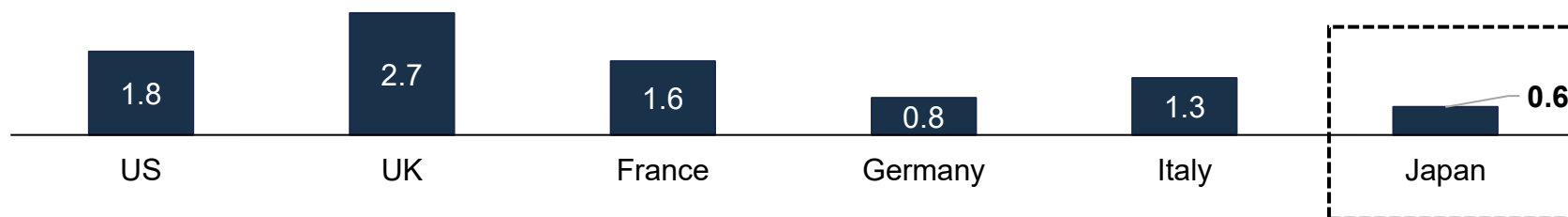
Appendix 3: M&A and PE Markets in the U.S., Europe and Japan

- PE investment in Japanese companies is equivalent to 0.6% of nominal GDP, relatively low compared with the U.S. and European markets.

$$\frac{\text{PE Investment}}{\text{Nominal GDP}} = \frac{\text{PE Investment}}{\text{M\&A Value}} \times \frac{\text{M\&A Value}}{\text{Nominal GDP}}$$

PE Investment Size (% of nominal GDP, 2021-2025 average)*

% of nominal GDP

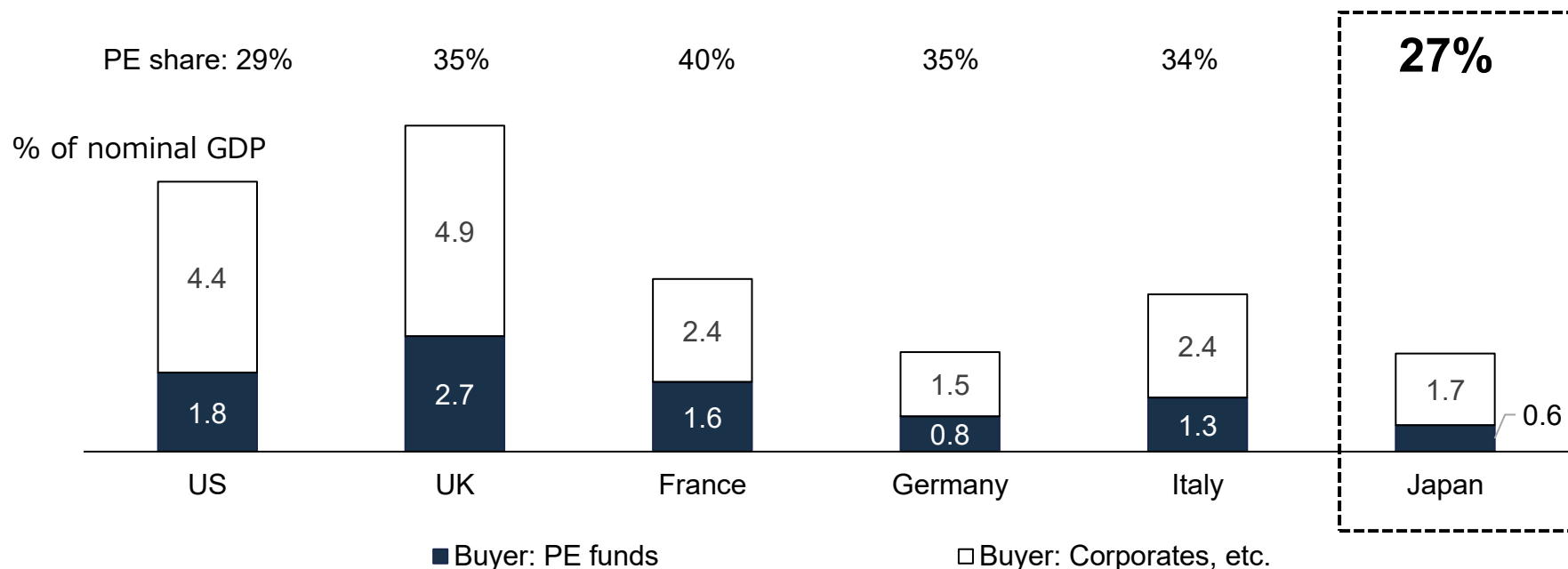


*: Total disclosed deal value of transactions recorded in Mergermarket with target geography in each country and completed between 2021 and 2025.

- PE funds account for roughly 30–40% of M&A value in each country.
- In Japan, PE funds account for 27% of M&A value, a level broadly comparable with the U.S. and European markets.

$$\frac{\text{PE Investment}}{\text{Nominal GDP}} = \frac{\text{PE Investment}}{\text{M\&A Value}} \times \frac{\text{M\&A Value}}{\text{Nominal GDP}}$$

M&A Value and PE Share of M&A (% of nominal GDP, 2021-2025 average)*



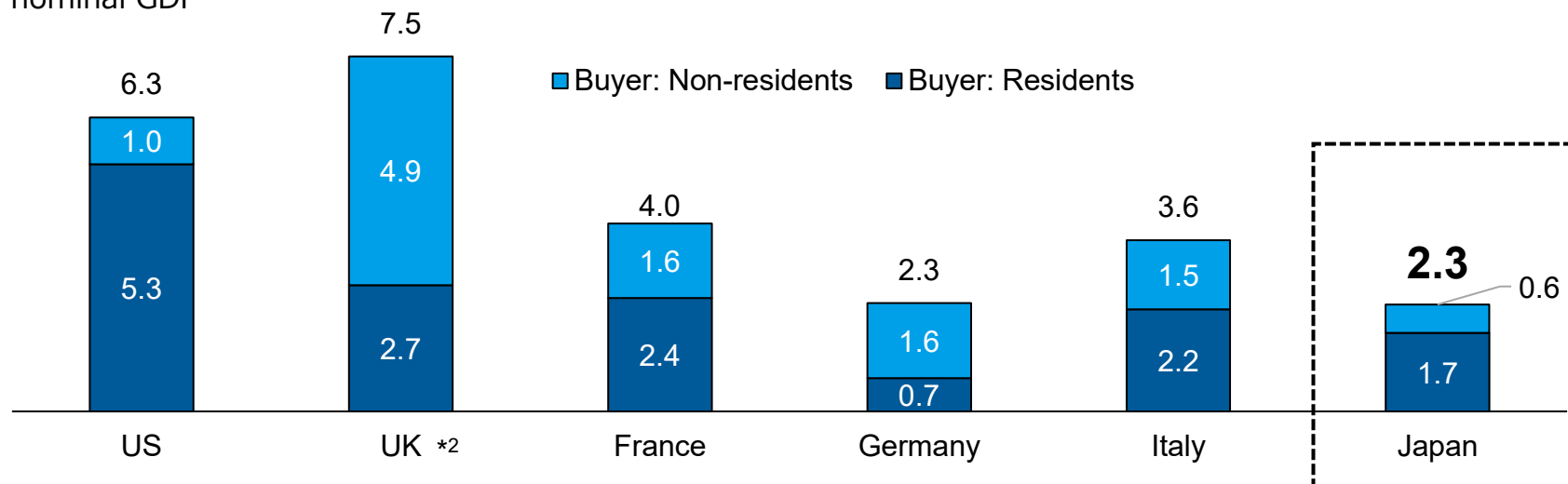
*: Total disclosed deal value of deals recorded in Mergermarket with target geography in each country and completed between 2021 and 2025.

- M&A involving target companies in Japan amounts to only about 2.3% of nominal GDP, well below the levels seen in major U.S. and European markets.
- M&A activity involving target companies in Japan is one indicator of corporate and industrial reorganization in Japan. Expanding overall M&A activity in Japan remains an important policy priority.

$$\frac{\text{PE Investment}}{\text{Nominal GDP}} = \frac{\text{PE Investment}}{\text{M\&A Value}} \times \frac{\text{M\&A Value}}{\text{Nominal GDP}}$$

M&A Value (% of nominal GDP, 2021-2025 average)*1

% of nominal GDP

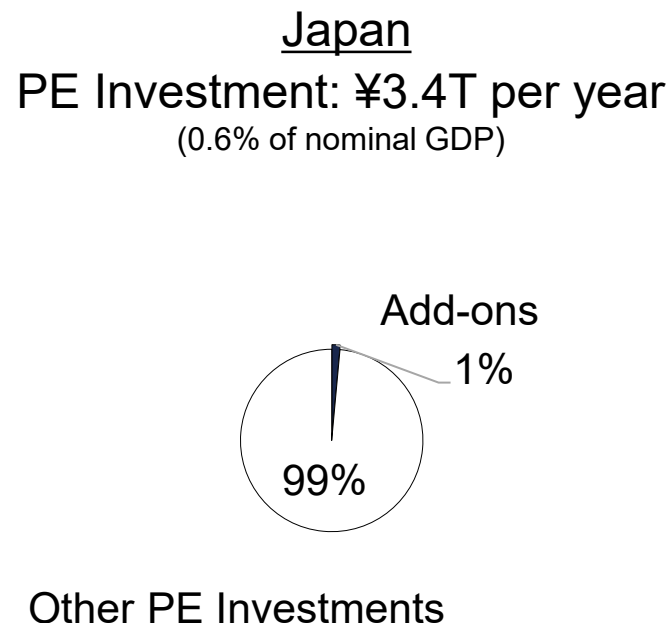
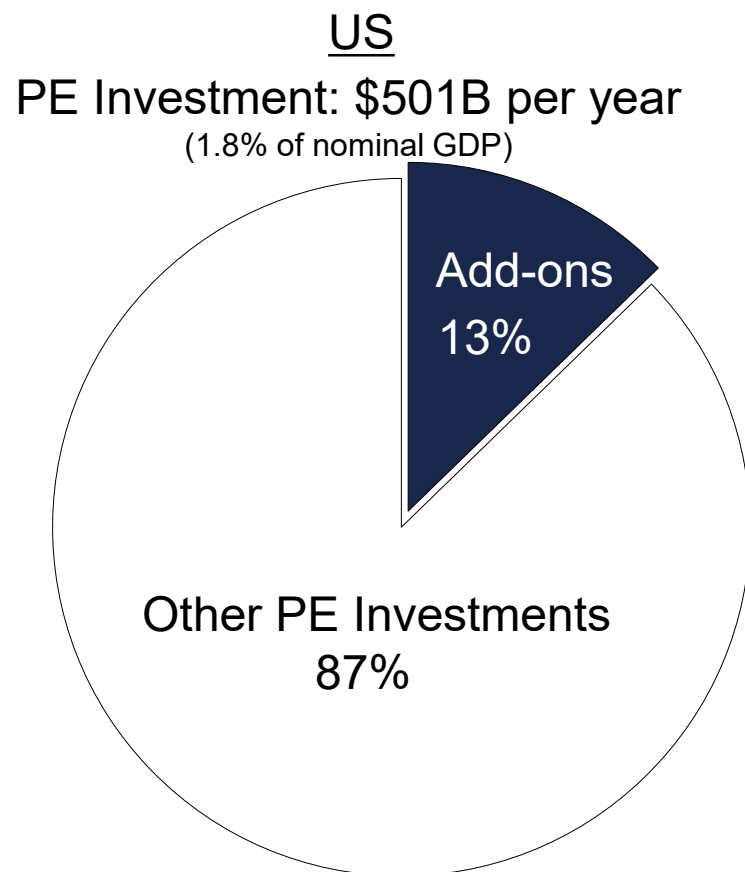


*1: Total disclosed deal value of deals recorded in Mergermarket with target geography in each country and completed between 2021 and 2025.

*2: Includes large acquisitions of U.K.-domiciled multinational companies by non-U.K. residents.

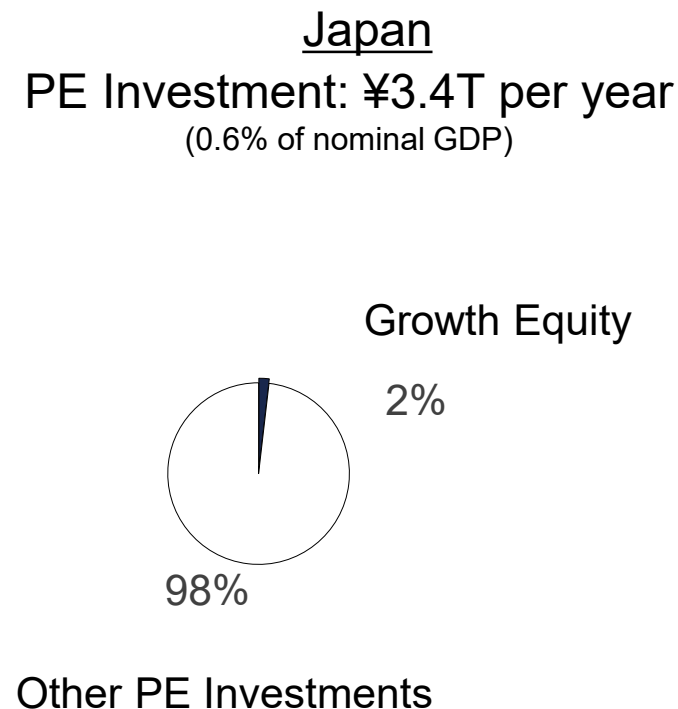
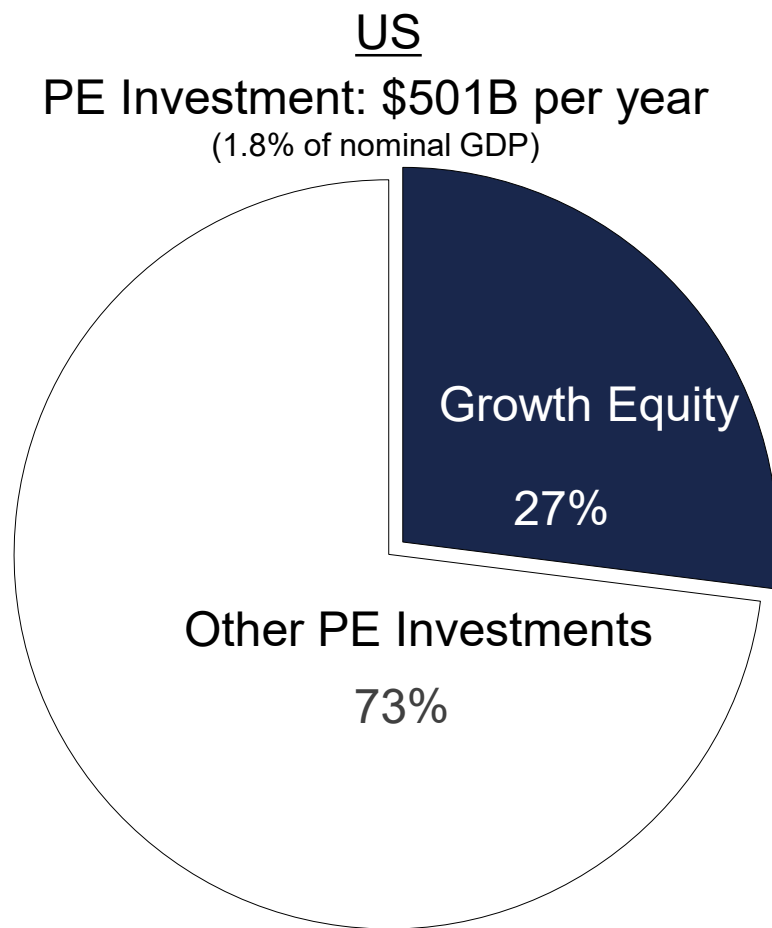
- In the U.S., PE investors actively pursue add-on acquisitions, serving as a catalyst for industrial reorganization.
- In Japan, PE portfolio companies rarely make large add-ons or execute over a dozen add-ons.

Share of Add-ons in PE Investment (2021-2025 average, %)



- In the U.S., growth equity accounts for a significant share of PE investment, with a well-established track record of large-scale growth investments.
- In Japan, growth equity deals remain very limited and account for only a small share of PE investment.

Share of Growth Equity in PE Investment (2021-2025 average, %)

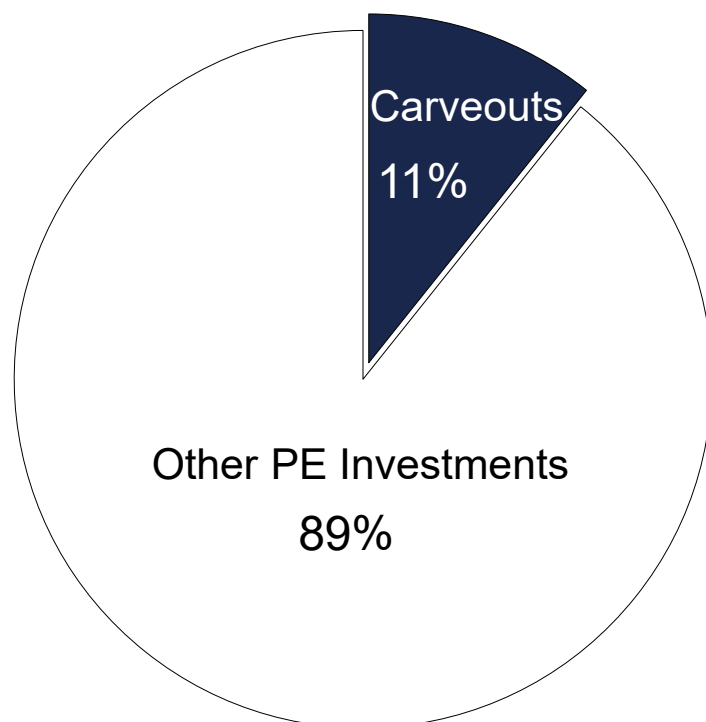


- In the U.S., PE funds play a key role in facilitating carveouts from large corporations.
- In Japan, PE funds are also increasingly serving as buyers in corporate restructurings and take-privates of listed subsidiaries. In particular, a handful of mega-deals have boosted the investment volume.

Share of Carveouts in PE Investment (2021-2025 average, %)

US

PE Investment: \$501B per year
(1.8% of nominal GDP)



Japan

PE Investment: ¥3.4T per year
(0.6% of nominal GDP)

