JSS Clairvoyance

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GPIF releases “Investment Results for FY2025”

✓ Significant impact of rebalancing on domestic equity investments

The Government Pension Investment Fund (GPIF) released its FY2025 Investment Results on July 3, 2026.

Total assets under management stood at 293 trillion 643.7 billion yen, an increase of approximately 44 trillion yen from the previous fiscal year. While the return on domestic bonds was a low −5.11%, returns for foreign bonds were +12.33%, domestic stocks +34.62%, and foreign stocks +27.16%, with equity investments in particular posting high returns.

Key points regarding domestic equity investments are as follows: Due to a significant improvement in the rate of return—from −1.46% in fiscal year 2024—due to the impact of portfolio rebalancing, major domestic institutional investors entrusted with management by the GPIF are reducing their holdings of individual companies’ stocks.

1. Withdrawal of approximately 11 trillion yen from domestic equities

The GPIF has established a basic portfolio consisting of 25% each in domestic equities, foreign equities, domestic bonds, and foreign bonds. In fiscal year 2025, to prevent deviation from the basic portfolio, the GPIF withdrew approximately 11 trillion yen from domestic equities—which had performed the best—and approximately 4 trillion yen from foreign equities, which had the second-highest return. At the same time, it allocated approximately 15 trillion yen to domestic bonds and approximately 3 trillion yen to foreign bonds. Given that approximately 1 trillion yen was allocated to domestic equities in the previous fiscal year, FY2025 can be considered a year in which the impact of the reduction in domestic equity holdings due to rebalancing was relatively significant.

2. Passive Investment Ratio: 94.0%

The passive investment ratio for domestic equity management as of the end of fiscal year 2025 was 94.0%, a slight decrease from 95.4% in the previous fiscal year; however, there has been no change in the overall composition, where passive management continues to dominate.

3. Status of Capital Redemptions from Domestic Equities

Based on the market capitalization and rates of return by investment manager listed in the Annual Report, it can be inferred that capital redemptions from domestic equities were virtually nonexistent in actively managed portfolios and were almost exclusively drawn from passively managed portfolios. By investment manager, redemptions from Asset Management One appear to have been particularly significant. As of the end of fiscal year 2025, the GPIF’s domestic equity assets under management totaled approximately 71 trillion yen, equivalent to about 5.9% of the total market capitalization of domestic stocks. It appears that the GPIF’s activities have a significant impact on the shareholder composition of individual companies.

For further details, please refer to the URL below.
“Investment Results for FY2025” (Japanese only)
https://www.gpif.go.jp/operation/73509681gpif/gpif2025_4Q_0703_jp.pdf
“(Summary) Investment Results for FY2025” (English summary)
https://www.gpif.go.jp/en/performance/73509681gpif/annual_report_summary_2025_en.pdf

Japan Exchange Group publishes “2025 Shareownership Survey”

✓The number of individual shareholders has increased for 12 consecutive years, while the shareholding ratio of business corporations and other entities has hit a new all-time low

On July 2, 2026, the Japan Exchange Group released the results of its FY2025 survey on the distribution of share ownership among companies listed on the nation’s four stock exchanges.

The following six points were highlighted as key findings of this survey.

1. The number of individual shareholders rose by 8.39 million from the previous fiscal year to 91.98 million. This marks the 12th consecutive year of growth and is the highest level since the survey began.
2. The total value of shares held reached a record high since the survey began. In particular, holdings by foreign corporations and other entities increased significantly.
3. The shareholding ratio of foreigners stood at 34.7% (up 2.3 percentage points from the previous fiscal year), marking a record high since the survey began.
4. The shareholding ratio of individual and other investors was 17.4% (up 0.1 percentage points from the previous fiscal year).
5. The shareholding ratio of trust banks was 21.8% (down 0.6 percentage points from the previous year), while that of investment trusts was 11.3% (up 0.6 percentage points from the previous year), marking a record high since the survey began.
6. The shareholding ratio of business corporations was 17.7% (down 1.0 percentage points from the previous year), marking the lowest level since the survey began. For further details, please visit the URL below.

“2025 Shareownership Survey”
https://www.jpx.co.jp/english/markets/statistics-equities/examination/vk0khi000001sxp5-att/e-bunpu2025.pdf