



Asia Pacific Private Equity Barometer 2026

PE investment trends and opportunities

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Note to readers: Deal counts and values in this report may differ from other industry sources due to differences in data collection methodologies, inclusion criteria, and the treatment of undisclosed or estimated deal values. Regional definitions and deal type classifications may also vary between data providers. Readers should be aware of these factors when comparing figures across different reports. Details regarding AVCJ data and deal inclusion criteria can be found in the methodology on page 31.

Foreword

In last year's edition of our Asia Pacific (ASPAC) Private Equity Barometer, we cautiously anticipated a gentle but steady recovery in deal activity as macro conditions stabilized and confidence gradually returned to the market. While pockets of momentum have emerged, the second half of 2024 and early 2025 did not unfold exactly as expected. Deal volumes turned downward before posting a small rebound in H1 2025 – yet across the region, investment value dropped to some of its lowest levels in five years.

Investor caution has deepened over the past year amid a slew of macroeconomic headwinds, chief among them being the renewed unpredictability in global trade policy. Tariff threats and protectionist rhetoric have already cast a shadow over international trade flows, and the ripple effects are being felt across PE investments, particularly in sectors with global supply chains and heavy export dependencies.

Regardless of this turbulence and short-term noise, ASPAC continues to stand out as a region of long-term opportunity and potential for private equity. Its diversity remains one of its greatest strengths, offering a mix of mature stable markets like Japan and Australia alongside fast-growing emerging economies across Southeast Asia and India. This dynamic mix enables investors to calibrate their strategies across a wide range of risk-return profiles, with opportunities spanning succession-driven mid-market deals,

cross-border growth platforms, and sector-specific transformations driven by AI and digitalization, decarbonization and demographics shifts.

Looking ahead, there are reasons to be optimistic. While overall deal values remain subdued, there are signs that volumes may be stabilizing. Valuations are recalibrating to more sustainable levels, helping to reset expectations and encourage activity. Meanwhile, fundraising has continued to gain momentum – a sign that institutional investors remain confident in the region's long-term prospects.

Of course, the immediate outlook is not without risks – and new protectionist policies and shifting trade alliances could continue to weigh on deal flows. Private equity firms will need to remain agile, with a sharp eye on geopolitical developments and their implications for portfolio companies and exit timing.

Even so, the underlying fundamentals of the region remain solid. Demographics, consumption growth, innovation and ongoing structural reforms continue to support a compelling long-term investment thesis. And in an environment of continued change, PE investors that can identify value, execute discipline and support portfolio companies through operational improvement and strategic transformation will be best positioned to succeed.

This report seeks to act as a barometer of PE activity across the ASPAC region. By analyzing several key factors – such as investment flows, pricing and valuation shifts, value creation opportunities, regional markets and the exit environment – we aim to provide an overview of the emerging trends and developments that could shape the next 12-24 months. For investors, fund managers and other stakeholders, this report should provide key insights into where the market is heading – and how to make the most of it.



Andrew Thompson


Asia Pacific Head of Asset Management and Private Equity, KPMG in Singapore

ASPAC private equity barometer: 2026 outlook and expectations


Data trends and specialist insights show the state of the current climate and where temperatures for PE activity and regional opportunities are likely to rise, fall or remain stable in the near term.


Current climate  2026 outlook 


 **Investment activity and deal opportunities**
While activity remains subdued, momentum is building and key indicators suggest investors currently seated on the sidelines could re-enter the market and tap into the region's diverse and enticing array of deal opportunities.


 **Australia**
Though activity is still measured, the Australian market is seeing early signs of an uptick, with succession planning and the mid-market presenting steady deal flow.

 **Value creation opportunities**
New levers of growth and innovation – led in no small part by the rise of AI – are allowing PE to ramp up operational improvements to drive returns in a high-stakes environment.

 **India**
As one of the region's most vibrant PE markets, India features robust economic growth, digital expansion and an increasingly sophisticated startup and mid-cap ecosystem.

 **Pricing and valuations**
Trends point to a healthier and more rational market, as valuations settle into a sustainable range, while investors are also finding renewed confidence to do deals, especially in the mid-market.

 **China**
Geopolitical and regulatory concerns continue to weigh on activity, keeping investor sentiment cautious and dealmaking largely focused on domestic or niche opportunities.

 **Exit environment**
Exits remain a challenge, but confidence is slowly returning via trade sales and secondaries, while the IPO market has shown renewed activity.

 **Singapore and Southeast Asia**
While investment levels have been cooler, Southeast Asia is gaining renewed attention as investors and strategics seek alternative markets to China and as the sub-region's positive demographics boost its attractiveness.

 **Japan**
Investor interest in Japan continues to grow, supported by a stable macro environment and greater receptiveness to private equity solutions.

 **South Korea**
South Korea continues to offer a stable deal environment for PE – and while headline activity hasn't accelerated, consistent fundamentals and a reliable exit market keep it firmly on the radar for long-term focused investors.



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Investment activity and deal opportunities: Signs of a turning tide?



Section 01

Investment activity and deal opportunities: Signs of a turning tide?

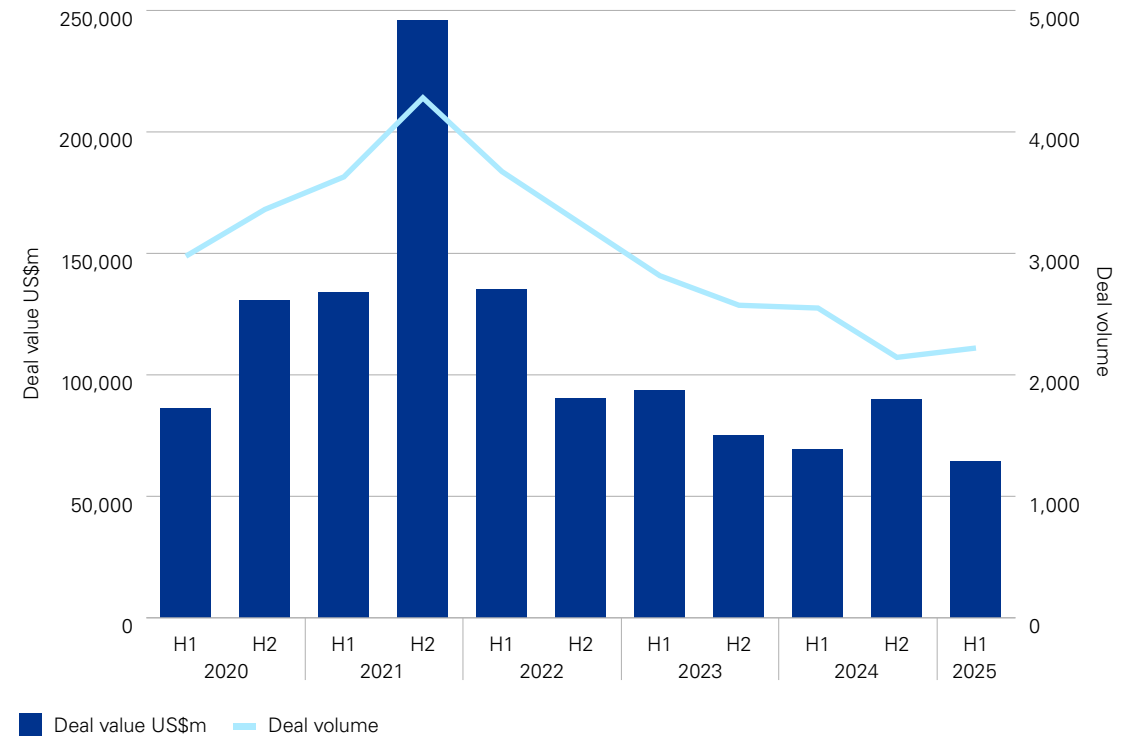
While the ASPAC private equity market remains relatively cool, the improving trajectory of deal volumes, however modest, matched with strong fundraising point to a gradual warming trend. If macroeconomic and geopolitical pressures ease, the region could see a more robust rebound in dealmaking over the next 12 months.



Private equity investment activity in ASPAC reflects ongoing caution in the market. Deal volumes edged up slightly in H1 2025, hinting at an inflection point. Meanwhile, deal values have fallen to new lows, underscoring the impact of higher borrowing costs, persistent inflation and ongoing geopolitical concerns. Yet, there are many compelling signals that this cooling period may be giving way to a gradual warming of sentiments as PE investors step back into the market.

Nevertheless, the road ahead for ASPAC’s PE market appears increasingly promising – and while challenges persist, several trends suggest a cautiously optimistic outlook for the months ahead.

Figure 1: ASPAC private equity investment trends



Source: AVCJ

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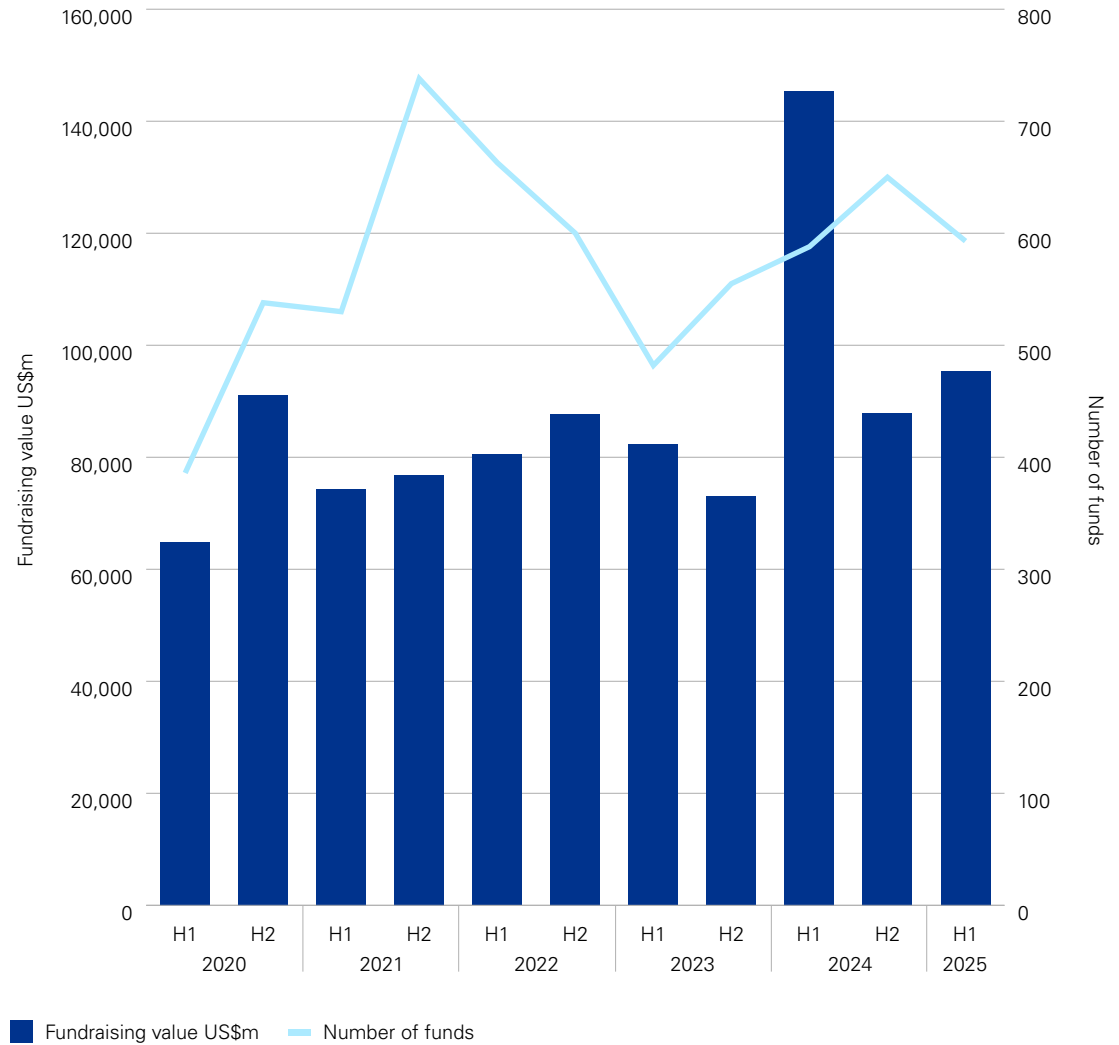
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Deal volume: A cautious climb

After reaching a five-year low in H2 2024, PE deal volume rose 4% in H1 2025 with 2,221 transactions. The uptick, however modest, reversed a multi-year downtrend that started in late 2021 and suggests investors may be selectively re-entering the market, encouraged by stabilizing macroeconomic conditions and emerging pockets of opportunity. While still well below pre-pandemic totals, this activity hints at a foundation for growth and renewed deal activity – or at the very least, stability at lower but more reliable levels.

In sharp contrast to the gentle recovery in total deals, investment values plummeted to their lowest point since 2019, with H1 2025 posting just US\$64.3 billion, a 28% drop from the previous half year. This decline, however, should not be viewed solely as a negative. A pricing reset is helping to bring valuations back to a level that better reflects underlying fundamentals, especially after the frothy peaks of the pandemic-era dealmaking surge. For disciplined investors, this shift opens the door to value-oriented opportunities where pricing and performance expectations are more closely aligned.

Figure 2:
ASPAC private equity fundraising



Source: AVCJ



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Fundraising: A growing war chest

There are, however, indicators that PE in ASPAC could be on the verge of a new growth phase. Fundraising activity, for instance, in 2024 reached its highest level in five years (US\$233.4 billion), reversing the slower inflows seen earlier in the decade. Likewise, capital raised increased in H1 2025 by 9% from the previous halfyear to hit US\$95.4 billion, the second highest opening half to a year since 2019. Such an influx reflects renewed investor confidence in the region's long-term growth story, as both global and regional LPs commit to new funds. This growing war chest is giving PE firms the flexibility to pursue a wider range of transactions, from opportunistic mid-market deals to larger, strategic acquisitions when market conditions align.

Deal opportunities: Onward and upward

ASPAC remains one of the few regions globally where investors can balance high-growth potential with

economic stability. Mature economies like Japan, Australia and South Korea offer large, stable assets and predictable regulatory environments, while India and Southeast Asia continue to draw growth-oriented capital thanks to demographic advantages and digital transformation. China's sheer size continues to create a magnetic draw – although ongoing and arising challenges are making it less accessible for foreign investors.

The latest heat chart of recent investments shows where PE investors are finding the strongest themes and also hints at where future deal opportunities may be waiting.

- TMT remains the dominant sector across advanced and emerging markets, reflecting ongoing digitalization and the rise of AI adoption.
- Medical and healthcare remains active given changing demographics, aging populations and new biotech innovations.

- Investment in manufacturing and transportation shows growing emphasis in industrial and supply chain realignment, a trend that may just be picking up.
- Other sectors – like agriculture, construction, leisure and mining – saw smaller deal flow but could provide niche opportunities for specialized investors.

The breadth of opportunities across the region today is striking – and recent activity only hints at what lies ahead. Indeed, as conditions normalize, the pipeline of deals is only set to grow.



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Figure 3
ASPAC heat chart: Number of PE deals valued greater than US\$15m (H2 2024 – H1 2025)

	China	India	South Korea	Japan	Southeast Asia	Australia	Grand Total
TMT	77	107	39	32	32	21	308
Medical	65	24	16	12	6	6	129
Infrastructure, Transportation & Utilities	37	19	10	12	8	8	94
Manufacturing & Textiles	32	9	15	7	1	1	65
Electronics	34	4	10	6	1		55
Financial Services	3	26	3	5	4	3	44
Consumer & Retail	2	15	7	5	4	1	34
Services (Non-financial)	2	6	5	3	2	1	19
Leisure & Travel	1	2	7	3	1		14
Ecology	1		8				9
Mining & Metals	3		3	1	1	1	9
Agriculture	4	3			1	1	9
Construction		5	2				7
Grand Total	261	220	125	86	61	43	796



Source: AVCJ





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Pricing and valuations: Normalization continues



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Pricing and valuations: Normalization continues

Stabilizing deal sizes, the durability of mid-market activity and continued (though selective) pursuit of mega deals suggest that the market is on a positive trajectory. While uncertainties remain, the fundamentals-driven landscape points to a more sustainable and balance growth cycle in 2025 and beyond.

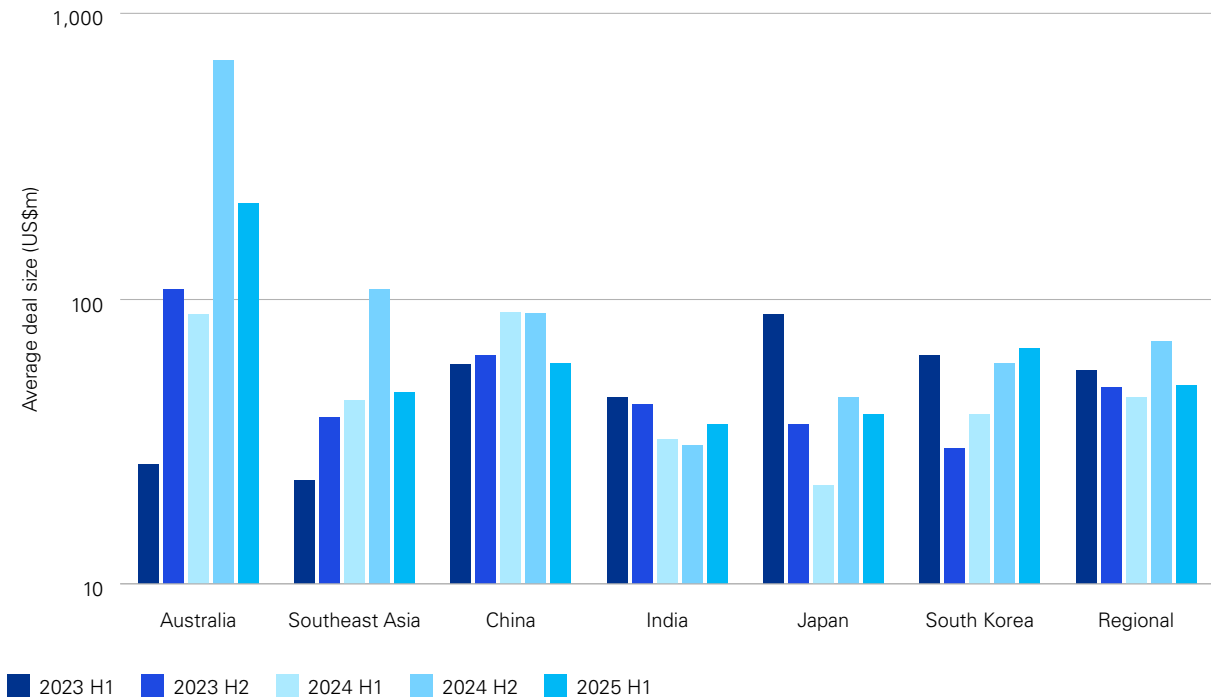


While the region experienced a temporary lift in valuations in late 2024, the prevailing trend is one of moderation and discipline. Deal sizes are stabilizing as private equity investors focus on long-term value and targeted growth opportunities in the mid-market, not to mention the occasional mega deal.

Deal values: Short-term spike, long-term stability

Regional valuation averages continued to normalize in 2025, following a brief but notable spike at the end of 2024. Average deal size reached approx. US\$72 million in H2 2024 before falling back to US\$50 million in H1 2025. The brief upswing did not mark a new norm and was ultimately driven by a small number of large-cap deals in developed markets, particularly Australia and Japan.

Figure 4: ASPAC private equity investment trends: Average deal size (US\$m)



Note: Average deal size of deals with disclosed values; graph uses logarithmic scale
Source: AVCJ



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The broader trend suggests a continued focus on smaller, more strategic transactions. Across the region, investors remain cautious and disciplined, with capital primarily going toward lower and mid-market deals. This is coming not only as a response to economic uncertainty and interest rate volatility, but as a reflection of a more mature and selective approach to value creation.

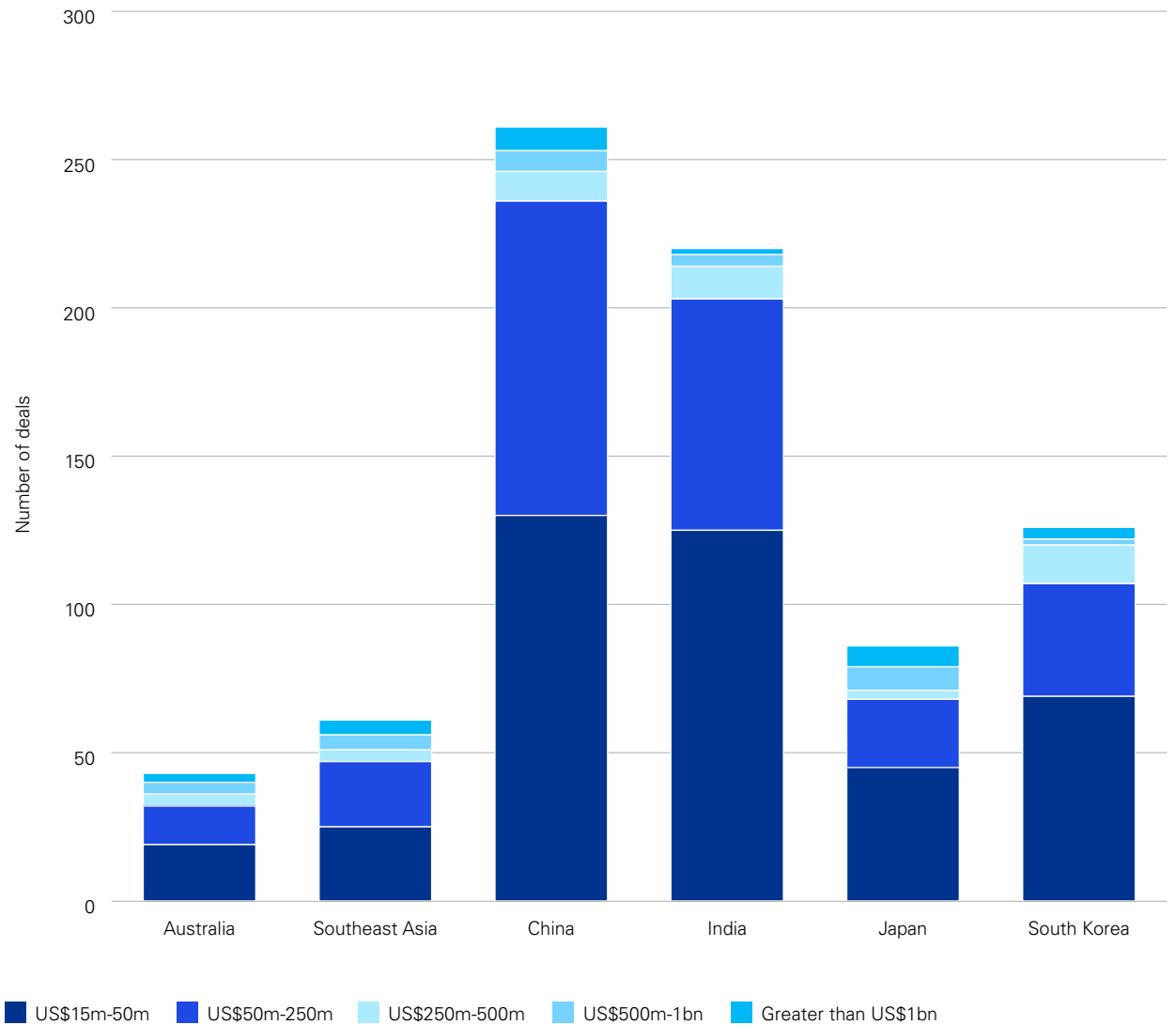
Australia stands out for its unusually large swings. Its average deal size skyrocketed to US\$681 million (due mostly to the US\$16 billion AirTrunk deal) before falling to US\$214 million in H1 2025. Even at that lower level, it remains well above its regional peers, an indication that Australia continues to draw large-scale investments.

Mid-market deals: The growth lane

The mid-market (US\$15 million to US\$500 million) continues to be a core component of PE deal flow. These transactions accounted for 30% of PE deals since the latter half of 2024. Mid-market values jumped from 32% of total regional values in H2 2024 to 45% in H1 2025.

Mid-market deals offer the optimal balance between size and agility. They are large enough to generate meaningful portfolio impact yet flexible enough to adapt to shifting market dynamics. These opportunities are increasingly being used to secure strategic footholds in high-growth sectors, facilitate regional expansion and execute operational improvement strategies aimed at long-term value creation.

Figure 5: **ASPAC PE investment trends: Number of deals valued greater than US\$15 million (H2 2024 – H1 2025)**



Source: AVCJ





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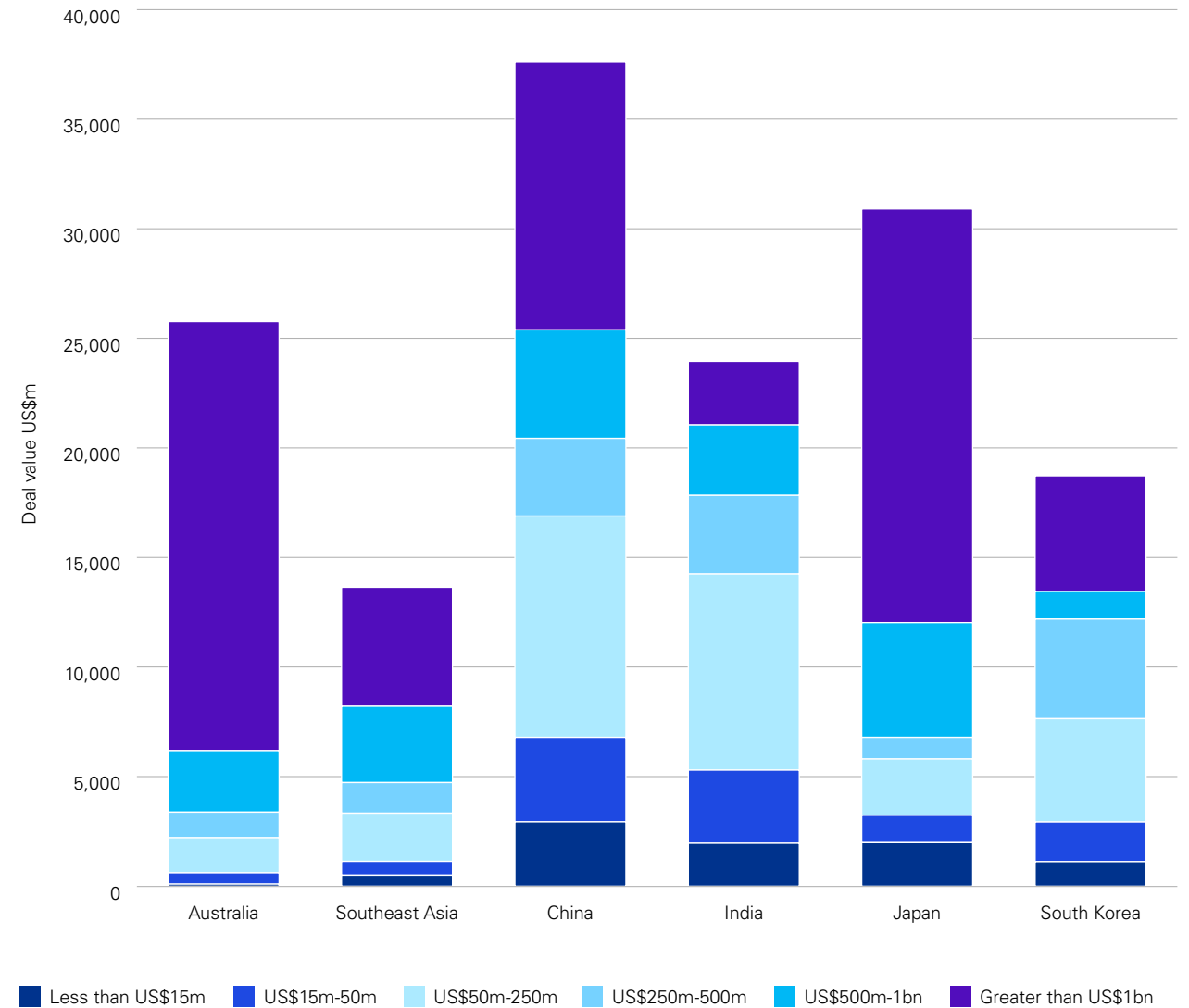
The mid-market segment has been particularly robust in larger markets like China and India, where sustained investor appetite and deep pools of mid-sized companies provide a steady flow of opportunities. South Korea also demonstrates strong momentum given its market size, while Japan highlights the potential for fewer but higher-value deals.

Australia, though recording comparatively lower deal volumes than its peers, remains an attractive and stable mid-market destination. Mid-sized deals accounted for 60% of investments there in H2 2024 and 72% in H1 2025.

Mega deals: Giants at work

Mega deals (valued above US\$500m) also played a significant role in shaping overall PE activity. Japan stands out as a leader in this space, with 15 deals delivering US\$24 billion in value. Australia, likewise, saw meaningful values, alongside China. The concentration of mega deals in these markets reflects both the maturity of these economies and the presence of large, institutional-quality assets. These deals signal that ASPAC is increasingly positioned to host transactions of a scale once only seen in Western markets, giving global investors confidence in the region’s capacity to deliver transformative opportunities.

Figure 6: ASPAC private equity investment trends: Deal segments by total values (H2 2024 – H1 2025)



Source: AVCJ





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Value creation opportunities: New engines of growth and innovation

While the familiar pillars of digital innovation and operational improvements still form the backbone of value creation strategies, new forces are emerging that will shape the edge between good and great returns. Specifically, the rise and expanding reach of AI could be a proverbial shot of adrenaline that takes efficiency and growth to the next level.

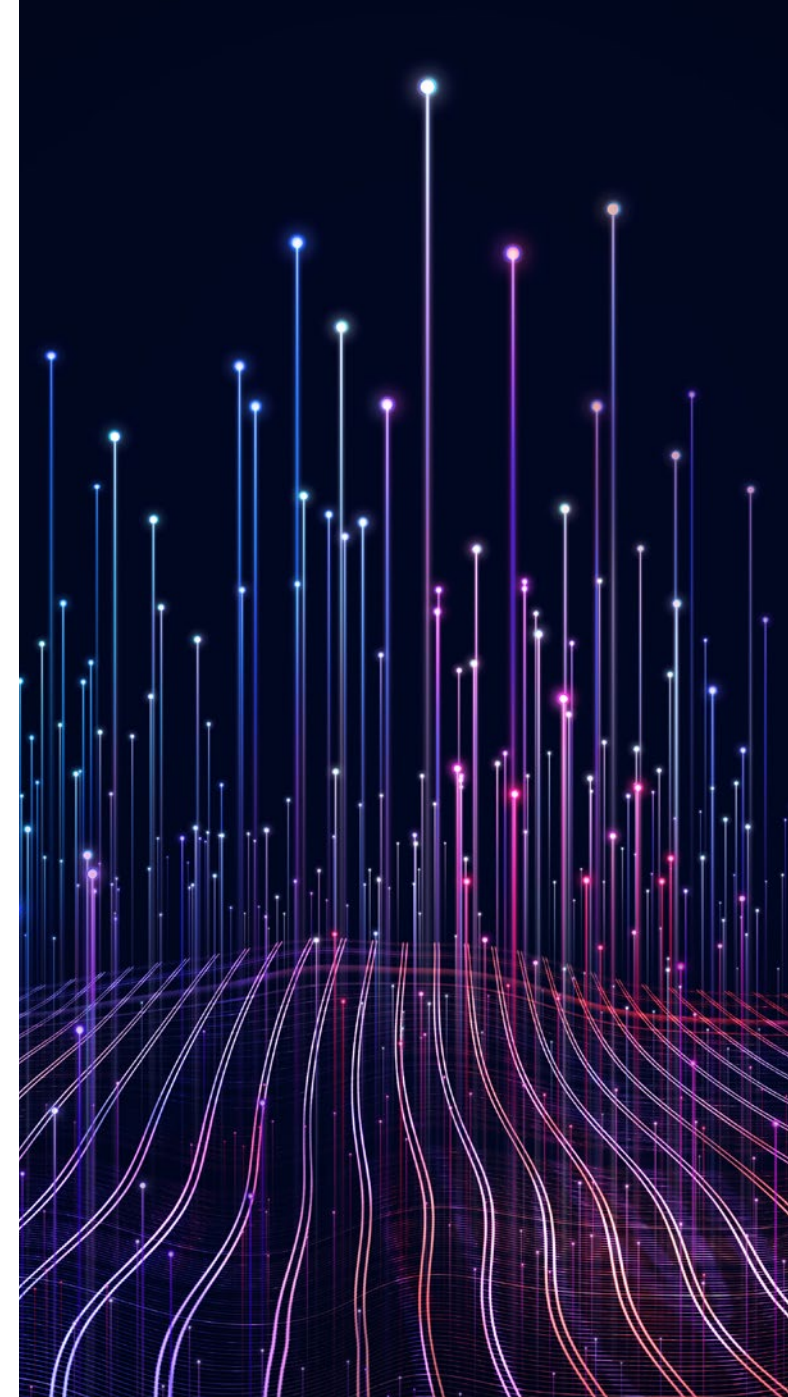


As PE firms adapt to an increasingly changing and challenging investment landscape, many are leaning into strategies that do more than just weather the storm. Specifically, they're looking to create long-term value and competitive advantages that will outlast this turbulence – and ASPAC continues to offer these opportunities in abundance.

Tech and AI: New frontier

Tech remains the center of gravity for PE investment and a key lever of value creation. With 31% of total values (approx. US\$46 billion) and 47% of all deals (2,015 transactions) since H2 2024, the scale of investment underscores just how central digital capabilities and other innovations are to the region's PE priorities.

Nowhere is this more apparent than artificial intelligence (AI). Just a buzzword only a few years ago, AI is quickly becoming a critical lever of value creation for many investors and their portfolio companies.





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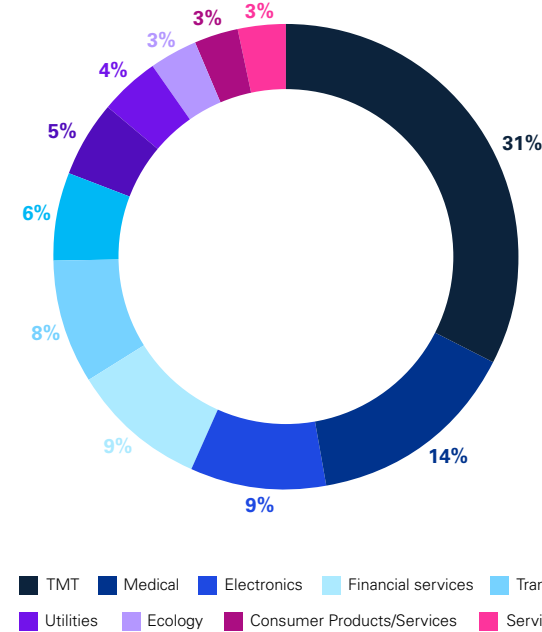
PE firms are now embedding AI into portfolio company operations, customer engagement and risk management to unlock efficiency and resilience. What’s more, the shift is sector-agnostic, unlocking opportunities and applications in finance, healthcare, logistics and manufacturing.

While regulatory frameworks are uneven across the region, ASPAC’s digital-savvy markets and government-led innovation agendas are accelerating adoption. For investors, AI deployment offers dual benefits: operational upside and positioning portfolio companies for premium exist as tech capabilities become central to valuations.

Regional opportunities are becoming more visible in the AI space:

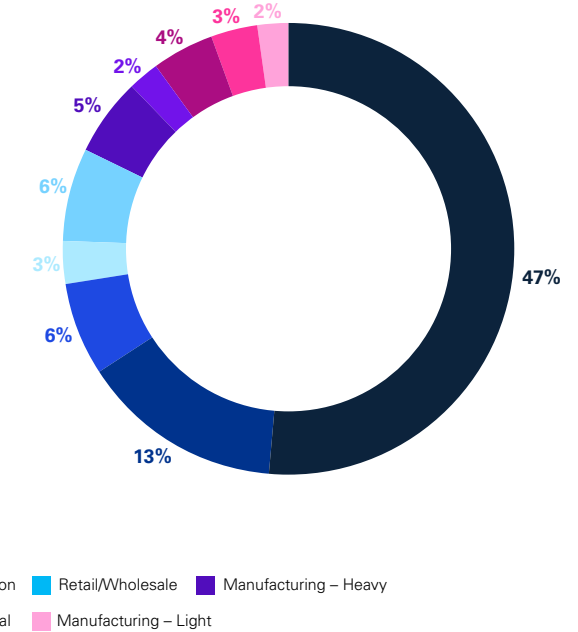
- In China, government backing for AI innovation provides fertile ground for sector leaders, though regulatory oversight remains a factor
- Japan’s established corporates are turning to AI to streamline operations
- Australia is applying AI in financial services and resources sectors to improve productivity
- Southeast Asia and Singapore are emerging as test beds for AI-enabled consumer and logistics businesses, leveraging the region’s digital-native populations.

Figure 7: **ASPAC PE investment, breakdown of top sectors – value (2H 2024 – 1H 2025)**



Source: AVCJ

Figure 8: **ASPAC PE investment, breakdown of top sectors – volume (2H 2024 – 1H 2025)**





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Operational improvements: Cornerstone strategy

New market complexities and macro challenges mean improving operations at portfolio companies is not just a cost-cutting exercise -- it's about building agile, scalable businesses capable of thriving in volatile markets. As such, operational transformation remains at the core of PE value creation tactics.

Key priorities today include productivity gains through automation and digitization, adopting lean manufacturing and optimizing supply chains to mitigate geopolitical and climate-related disruptions. AI is playing an increasingly important role, as PE firms integrate real-time analytics to refine inventory management or streamline back-office functions.

Mid-market companies across the region – often operationally underdeveloped but rich in growth potential – are prime targets for these transformations. PE firms can help these businesses scale regionally, adapt new governance structures and professionalize management teams. Cross-border expansion strategies are also tied to operational readiness – and leaders in this space are helping these companies by ensuring that systems, compliance frameworks and culture can flex across jurisdictions.

The view within key markets is promising:

- China's slowing growth is encouraging investors to drive efficiencies within existing businesses, particularly manufacturing
- In India, digital transformation and operational upgrades are enabling mid-market firms to expand into new markets and geographies

- Australia's mid-market is seeing PE firms implement lean processes to boost margins and scale companies across the wider ASPAC region
- Southeast Asia, with its fragmented markets, offers opportunities to consolidate and streamline regional operations, while Singapore remains a hub for deploying best-practice operational models

Sustainability and decarbonization: New priority?

Sustainability continues to move beyond regulatory compliance to become a greater priority in the value creation tool kit. Portfolio companies are being positioned to meet tightening ESG standards, rising investor scrutiny and customer expectations, with decarbonization increasingly tied to long-term growth and exit value. Now, as the region's diverse regulatory environments – ranging from aggressive net-zero targets to early-stage ESG adoption – continue to shape the pace and focus of investments, PE firms can leverage sustainability and decarbonization not just to meet mandates, but as a competitive differentiator and a source of operational resilience.



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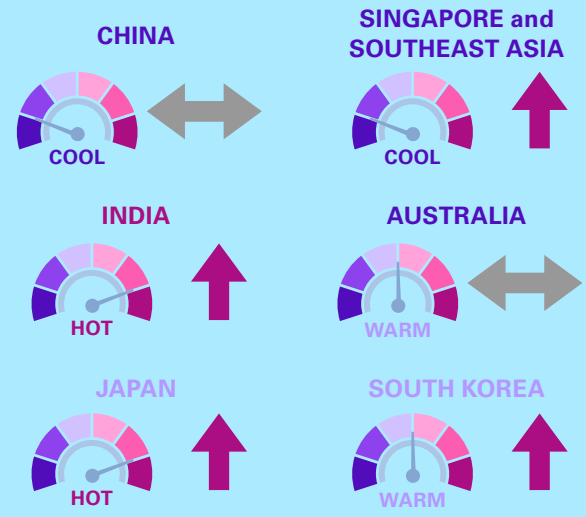
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Regional overview: Which markets are gaining ground or slowing down?

Investment in China may remain subdued as geopolitical and regulatory headwinds continue to temper investor appetites, particularly from foreign capital. However, across the rest of the region there is dedicated interest and growing opportunity sets in both advanced economies like Japan, Australia and South Korea and emerging markets like Southeast Asia and India, signalling that a positive outlook may lie ahead.



Private equity investment in ASPAC remains a story in ongoing realignment. In H2 2024, the gulf between China and the rest of the region widened sharply, reversing a narrowing trend from earlier that year. In H1 2025, that gap has closed somewhat -- but the broader trend line for China still points downward, a reflection of changing investor sentiment.

Indeed, China's shifting regulatory environment, uneven post-pandemic recovery and geopolitical undercurrents have prompted investors to re-weight toward markets where the risk-reward balance feels more predictable. In turn, the other markets of ASPAC have seized the opportunity to step into the spotlight, each offering its own blend of demographics, sector growth and reform narratives.





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China: Too big to ignore

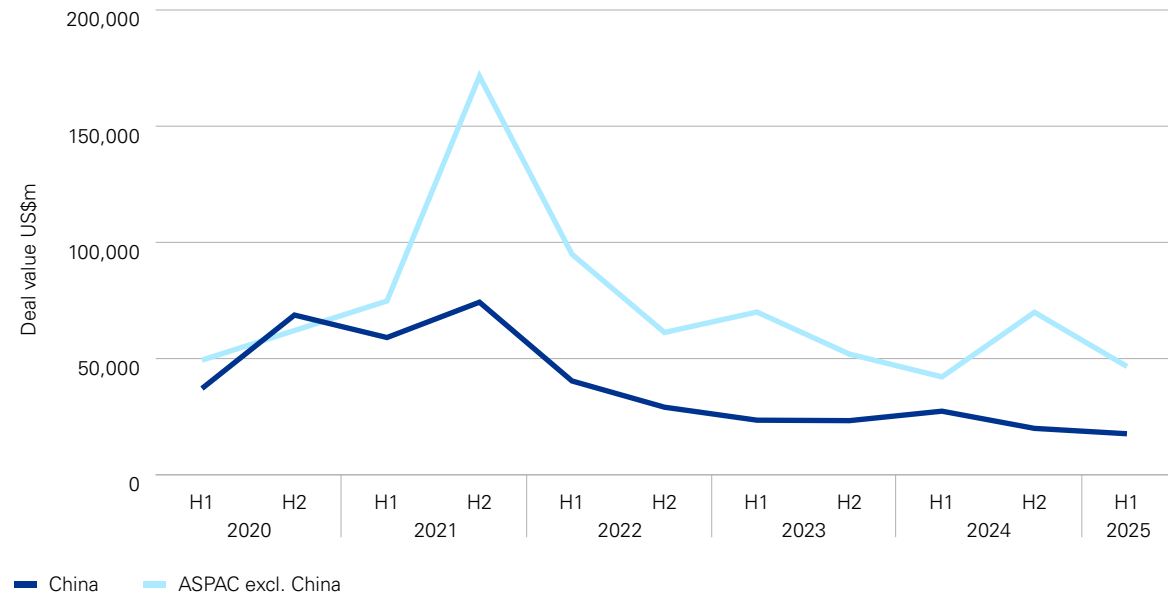
PE investment in China sank to just US\$17.7 billion in H1 2025 – the lowest level since 2019 – marking a dramatic multiyear fall from peaks seen in late 2021. While the downtrend in investment has been steady, deal volumes saw a slight rebound in H1 2025 (702 transactions) compared to the previous halfyear (593 transactions). Notably, however, these numbers were still among the lowest in years.

Despite the pullback, China dominates the ASPAC investment landscape, accounting for 32% of deals and 27% of investment value in H1 2025, the top market in both fields. Regardless of trends, it seems, the message among investors is clear: China remains the biggest game in town – although fewer and fewer seem willing to play.

US-China trade relations, for instance, have cast a long shadow over the market’s prospects and outlook. Equally, regulatory uncertainty, capital controls and outbound investment restrictions have slowed cross-border activity and lengthened deal timelines.

Still, there are opportunities to be found by investors with local presence, regulatory fluency and longer investment horizons. As far as the near-term outlook is concerned, China is likely to be smaller and quieter but still rich with potential for those willing to stay in the game. And while China may no longer be the freewheeling frontier it once was, for PE, it remains the market that matters.

Figure 9: ASPAC private equity investment: Investment value trends (US\$m)



Source: AVCJ



China remains too big and too important to ignore – and the outlook for PE in China is increasingly positive. We expect to see more landmark transactions coming through, as well as a busier IPO market. Investor confidence appears to be returning, particularly in sectors aligned with China’s long-term policy priorities.



Louis Ng
Head of Private Equity,
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India: Finding its footing

India has been on a rebound-retreat cycle for much of the past two years. Total deals in late 2023 (410 transactions) gave way to a fresh high in early 2024 (510 transactions), only to fall back in the second half of that year (402 transactions). The latest totals for H1 2025 show a slight rebound to 457 deals.

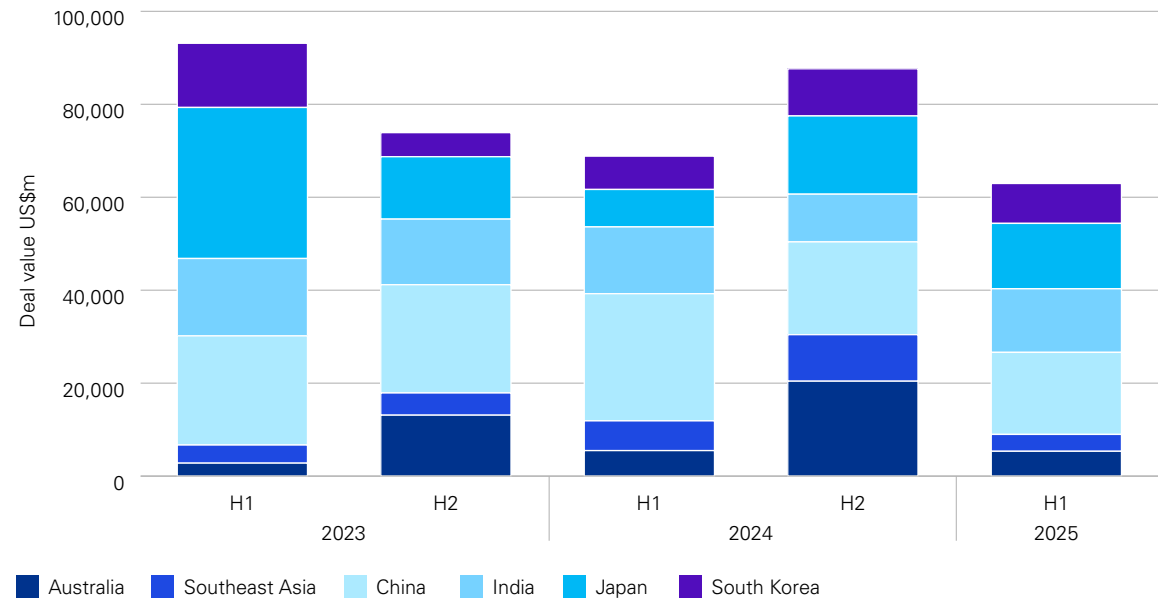
Investment trends tell a similar story. From US\$14.4 billion in H1 2024, values dropped to US\$10.3 billion in late 2024 before rebounding to US\$13.7 billion in H1 2025. While still below historical peaks, this upward momentum suggests some investors are willing to move off the sidelines.

Also important is India’s share of regional activity. The country accounted for 21% of total PE deal value and volume across ASPAC in H1 2025 – its highest share in recent years – signalling that funds are recalibrating their regional focus in India’s favor.

What sets India apart, particularly against the backdrop of declining figures in China, is its combination of stability, predictability and growth. Robust demographics, a burgeoning middle class and a government eager to attract foreign capital underpin its resilience. Additionally, the economy is being propelled by key trends such as digital adoption, a thriving startup ecosystem, infrastructure development and reforms designed to ease business activity and boost manufacturing.

In this regard, India offers something of a sweet spot for PE investors: high-growth opportunities in tech, consumer and infrastructure, matched with a more predictable regulatory and political environment. In an era of cautious capital, that balance matters.

Figure 10: ASPAC private equity investment: Target geographies by deal value



Source: AVCJ



From an investor’s perspective, India offers a near-ideal environment for PE. The depth of its capital markets, the government’s focus on manufacturing and economic reforms, and the abundance of opportunities across a broadening range of sectors create an exceptionally attractive investment landscape. We expect PE deployment in India to increase significantly in the coming years – potentially several times over current levels.



Nitish Poddar
Partner, Head of Private Equity,
KPMG in India





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Singapore and Southeast Asia: Emerging opportunities

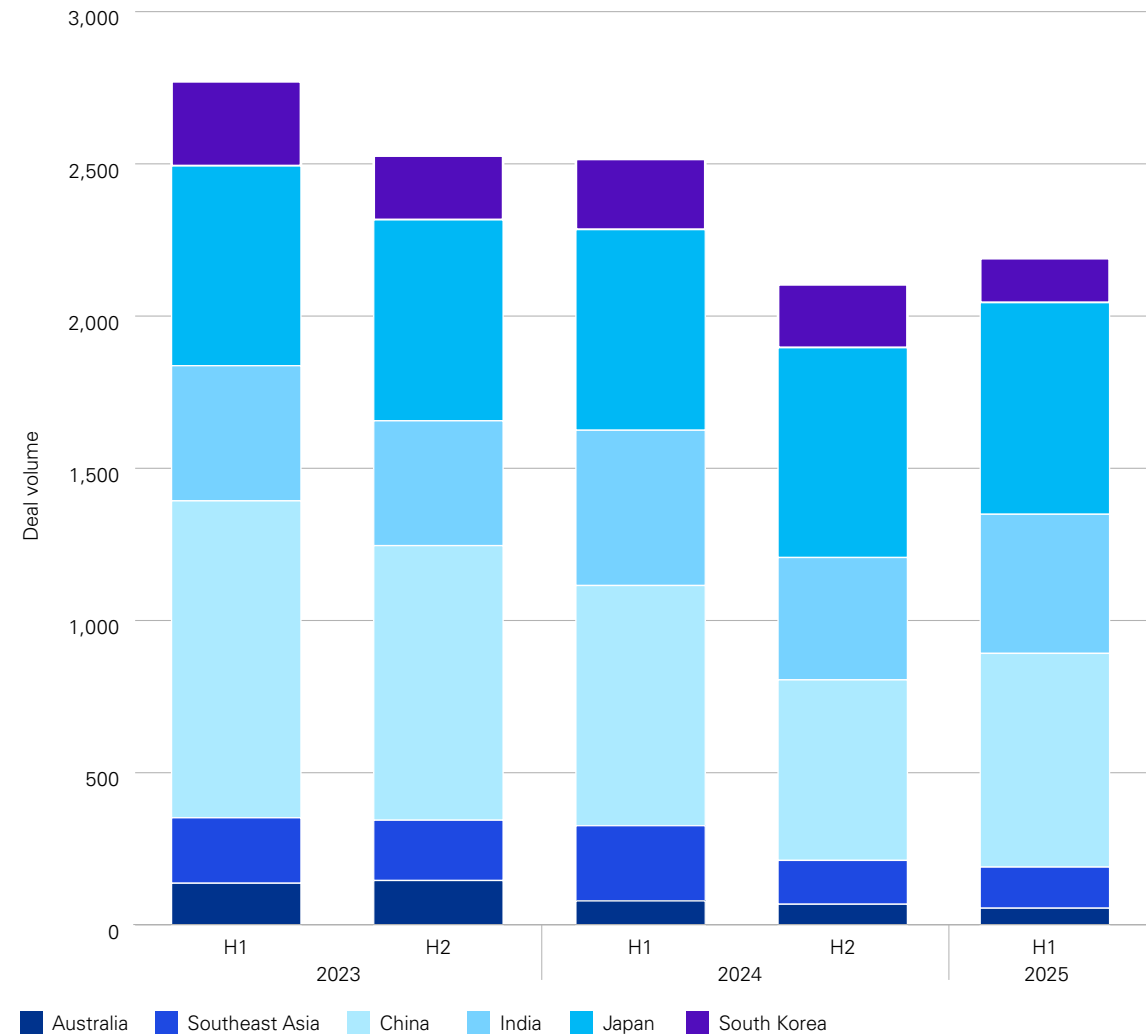
Southeast Asia’s PE market has seen a dramatic shift over the past year. After recording US\$10 billion in investments in H2 2024, activity dropped to just US\$3.6 billion in H1 2025.

Ongoing US-China trade relations have undoubtedly been a major undercurrent shaping investor sentiment and trends. With US tariffs rippling across Asian supply chains, Southeast Asia has emerged as both a buffer and beneficiary. Multinationals are accelerating China+1 strategies, diversifying production into Vietnam, Indonesia and Thailand. For PE investors, this has translated into opportunities in manufacturing, logistics and industrials – sectors positioned to capture the rerouting of global trade. Beyond this trade realignment, opportunities are arising in tech, consumer and healthcare as Southeast Asia’s young demographics and expanding middle class create growing demand for these services.

Within Southeast Asia, Singapore remains a crown jewel. The city-state’s core strengths continue to command attention: it’s political stability, transparent legal system and role as a regional financial hub give it an edge as a safe harbor amid global turbulence. For many funds, Singapore is less about sheer scale and more about quality and strategic access to Southeast Asia’s rising economies. PE firms are likewise increasingly being drawn to the city-state’s deepening startup and growth-stage tech scene, particularly in fintech, AI and healthtech.

Singapore accounted for roughly 50% of PE deals in the Southeast Asia sub-region in H2 2024 and H1 2025. By investment values, those numbers were 41% and 37%, respectively.

Figure 11: ASPAC private equity investment: Target geographies by volume



Source: AVCJ. Note: Within data trends, undisclosed deals and deals valued below US\$15m account for a significant share of activity in many Asian markets. Including these transactions provides a more complete and accurate picture of overall deal flow and market behavior, in addition to identifying meaningful trends.





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Australia: Mid-market and mega deals

Recent PE activity in Australia has been marked by sharp contrasts. From just US\$5.5 billion in H1 2024, values jumped to more than US\$20 billion in the later half of that year. That spike, however, was almost completely led by a single transaction: the US\$16 billion acquisition of data center operator AirTrunk. Stripped of that mega deal, the underlying market looked far more subdued. By H1 2025, total deal value had fallen back again, landing at just over US\$5 billion.

Deal flow has followed a similar downward trajectory. From 79 transactions in early 2024, deal numbers fell to 68 in H2 2024 before settling even lower at 55 in H1 2025 – the lowest level since 2019.

What is emerging from these trends is a picture of a market in transition. The AirTrunk deal underscores that Australia can still generate blockbuster opportunities in the right sectors, but such moments are the exception, not the rule. It also highlights how global funds view Australia not just as a satellite market, but as a strategic foothold in ASPAC.

Beyond mega deals, smaller mid-market transactions – often linked to succession planning where PE can unlock value – are a key space for investment. Opportunities are particularly robust in sectors like healthcare, industrials and financial services, all areas that benefit from Australia’s aging population, export orientation and maturing entrepreneurial ecosystem.

Likewise, compared to its regional peers, Australia stands apart for its consistency and institutional maturity. While some markets may offer heady growth and volatility, Australia offers predictability – and in uncertain times, that’s a compelling proposition.



Australia continues to be a mature and disciplined PE markets in ASPAC, anchored by a strong mid-market segment and stable, predictable operating environment. The market’s combination of high-quality businesses and governance has created a resilient ecosystem that continues to attract both domestic and international investors.



James Hindle

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Japan: Strong and stable

From early 2024 through H1 2025, Japan's private equity market has shown steady momentum. Investments climbed from just over US\$8 billion in H1 2024 to nearly US\$17 billion in the second half, before easing to US\$14 billion in early 2025. Rather than a sharp downturn, the numbers point to a market with a solid base of activity, punctuated by a few larger transactions that swing overall values.

Where Japan truly stands out is on deal volume. Totals have moved higher since H2 2024, from 659 to 695 in H1 2025. While seemingly small jumps during that time, this activity builds on a longer-term trend: Japan is the only market in ASPAC where PE deals have risen steadily since 2019 rather than declining. While many of these deals were valued below US\$15m (or featured deals with undisclosed values), the trend nonetheless signals both investor confidence and a structural shift in the role of PE within the market.

Perhaps more importantly, in the latter half of 2024, Japan's deal volume surpassed China's (the first market in ASPAC to do so). In H1 2025, those two markets ran neck and neck: China's 702 deals to Japan's 695. This dynamic would have been difficult to imagine just a few years ago.

The numbers reflect a deeper change. Once hesitant to embrace PE, Japan's corporations are now turning to private equity for restructuring, divestitures and succession solutions. That shift is creating a steady pipeline of deals that shows no signs of slowing, positioning Japan as both a consistent performer and an increasing central player in the ASPAC investment landscape.



Everything is moving in the right direction for Japan with positive deal activity, governance reforms, financing conditions and investor sentiment. There's also been a cultural shift: selling to PE was once viewed with hesitation but that has changed significantly. Founders and corporates now see PE as a strategic partner that can bring in growth capital, operational expertise and discipline, offering solutions across successions, privatizations, and portfolio realignments."



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South Korea: A maturing market

Investment activity in South Korea has charted a complex but compelling path in recent years. Following a strong close in 2023, investment began to taper in H1 2024, with 232 transactions valued at just over US\$7 billion. Activity dipped further in the second half of that year with 208 deals, even as total value jumped to US\$10 billion, suggesting a pivot to fewer but larger investments. By H1 2025, however, deal volume softened again to 146, with value holding relatively steady at US\$8.6 billion, highlighting investor selectivity amid rising macroeconomic frictions.

South Korea offers a unique mix of innovation and industrial strength. Investors are increasingly drawn to the country's mature tech ecosystem, including AI, semiconductors and EV supply chains. Unlike other markets in ASPAC, South Korea combines a stable rule of law with deep consumer markets and globally integrated conglomerates.

However, the market has not been immune to external shocks. Recent US trade tariffs introduced in early 2025 have disrupted parts of South Korea's export-heavy industrial landscape. While this has injected short-term caution into the investment environment, this dislocation has also been viewed as a chance to acquire distressed or undervalued assets with strong long-term fundamentals.



South Korea is at an inflection point, transitioning from a historically local market into one that is increasingly open and globally connected. Likewise, with a favorable FX environment, a stable economy and strong domestic businesses, the country is also well positioned to attract more international investment over the next year – and we expect momentum to build around carveouts, non-core asset sales and tech-driven opportunities as global funds deepen their presence.



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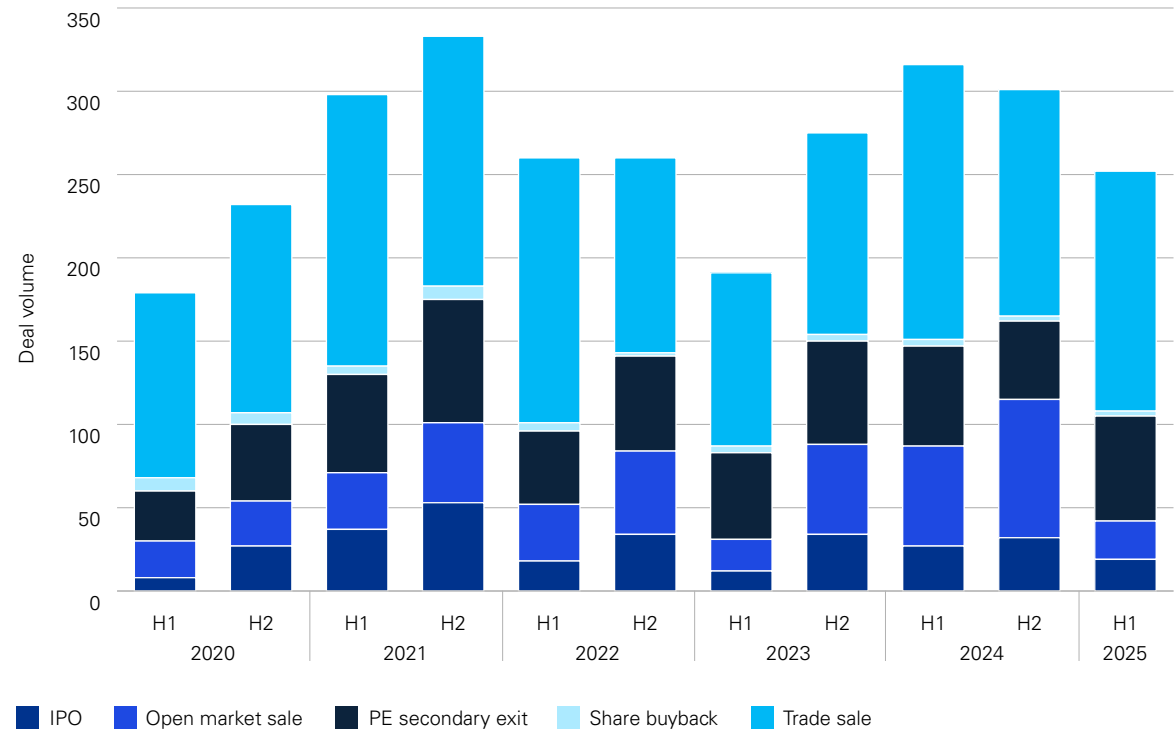
Exit environment: A promising outlook?

While the first half of 2025 represents a step down from the highs of late 2024, the underlying appetite for quality assets remains evident. This suggests that exit activity could rebound once conditions stabilize and public markets regain firmer footing.



After racing ahead in late 2024, PE firms have eased on the breaks of their exits. Exit volumes in H1 2025 fell to 252 deals, down from 301 in H2 2024, while values cooled to US\$33.4 billion. This was well below the blockbuster US\$47.9 billion notched in H2 2024, which was one of the region’s strongest tallies since 2019. Although showing some signs of recovering, IPOs remain an unreliable off-ramp, forcing firms to seek alternative routes. Trade sales and secondary buyouts have taken pole position, with sponsors favoring deals that offer certainty and speed in a market still prone to valuation whiplash.

Figure 12: ASPAC private equity exit trends (number of exits)



Source: AVCJ



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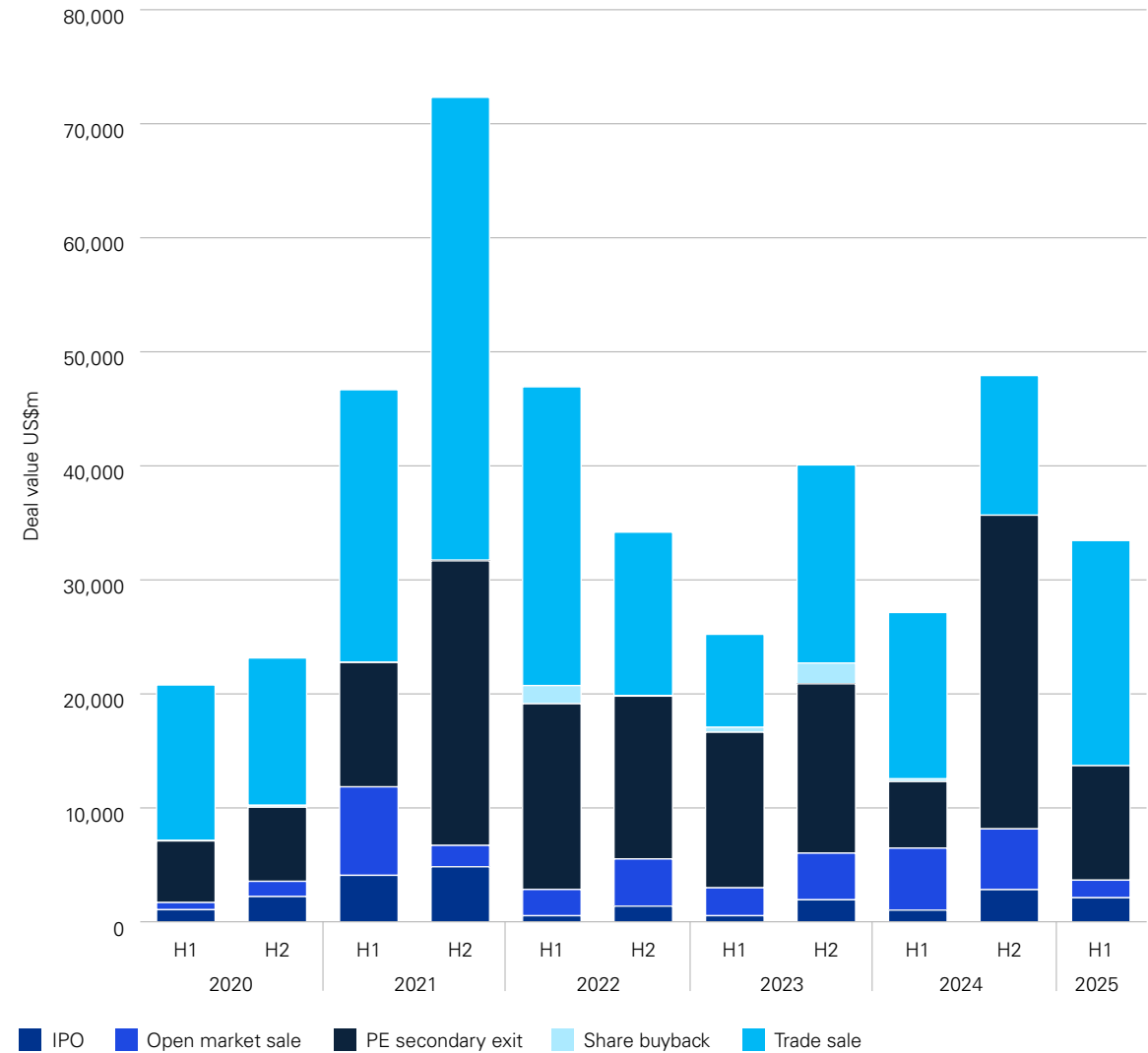
Trade sales: Still center stage

Sales to strategic buyers remain the preferred exit route, as GPs double down on exits that offer speed, certainty and strong buyer appetite. In H1 2025, trade sales accounted for 57% of exits (144 deals) and 59% of values (US\$19.7 billion). Total trade sale proceeds were up sharply from US\$12.2 billion in H2 2024.

Japan stands out as a key contributor to this trend, with the most trade sales by volume (122) and value (US\$12.3 billion) since late 2024. A stable economic outlook, deep pool of strategic buyers and an improving M&A climate are making Japan an increasingly attractive market for these exits. In other markets like China, India and Australia, trade sale activity is being supported by ongoing consolidation in key sectors and a growing appetite among domestic and regional buyers.

Trade sales continue to emerge as the clearest path to liquidity in a market environment still marked by patchy IPO windows and cautious secondary investors. Corporates seeking growth through acquisition have proven to be dependable exit partners, offering not only strategic rationale but also competitive valuations. In this environment, trade sales are enabling PE firms to realize value efficiently and redeploy capital into new opportunities, supporting portfolio rotation and long-term performance.

Figure 13: ASPAC private equity exit trends (value of exits)



Source: AVCJ





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Secondary market: A rising exit strategy

In the ever-evolving playbook of PE exits, secondaries are proving their worth. In H1 2025, these exits accounted for 25% of total exits and 30% of exit values and have consistently been the second-most used off-ramp for PE in recent year.

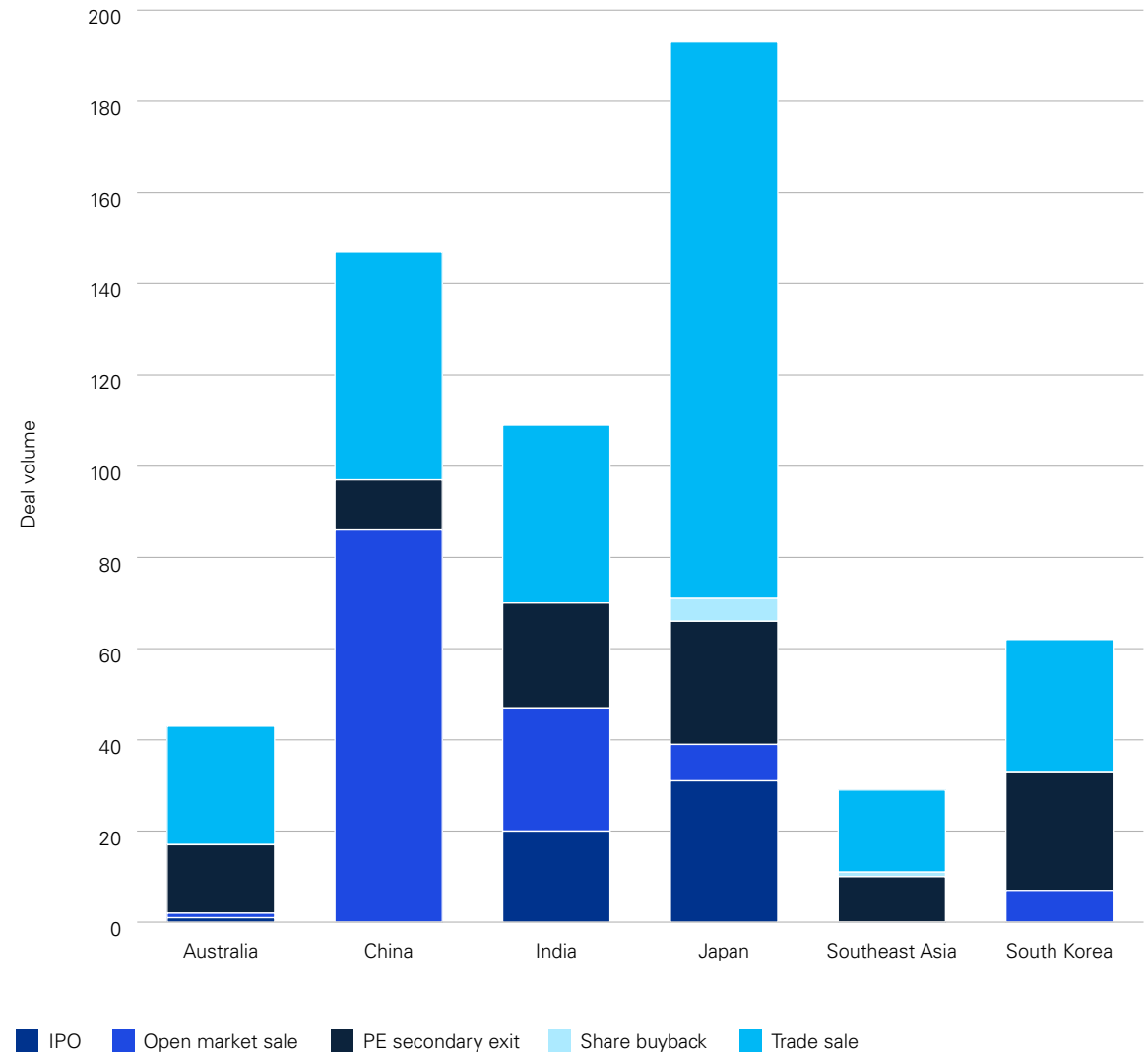
Against the backdrop of unpredictable IPO windows and even as trade sales face challenges (some deals are taking longer amid corporate caution, tightening due diligence and cross-border regulatory frictions), secondaries offer speed, control and a growing pool of dedicated capital. In today’s market, where patience doesn’t always pay, secondaries deliver a timely, structured way to exit.

Indeed, secondary transactions have been a feature of exits in markets across ASPAC with large numbers in Japan, South Korea and India. Secondary exits dominated Australian exit values since late 2024, although the US\$16bn AirTrunk accounted for the majority of that value when the company changed hands between consortiums of private investors.

Continuation funds: Practical alternative

Across ASPAC, continuation funds are moving from the margins into the mainstream as managers seek new ways to bridge liquidity needs with long-term growth opportunities. The model is gaining traction in markets such as Australia, India and Southeast Asia, where assets often mature more slowly, yet still offer compelling upside.

Figure 14:
ASPAC private equity exit trends: Number of exits by geography (H2 2024 – H1 2025)





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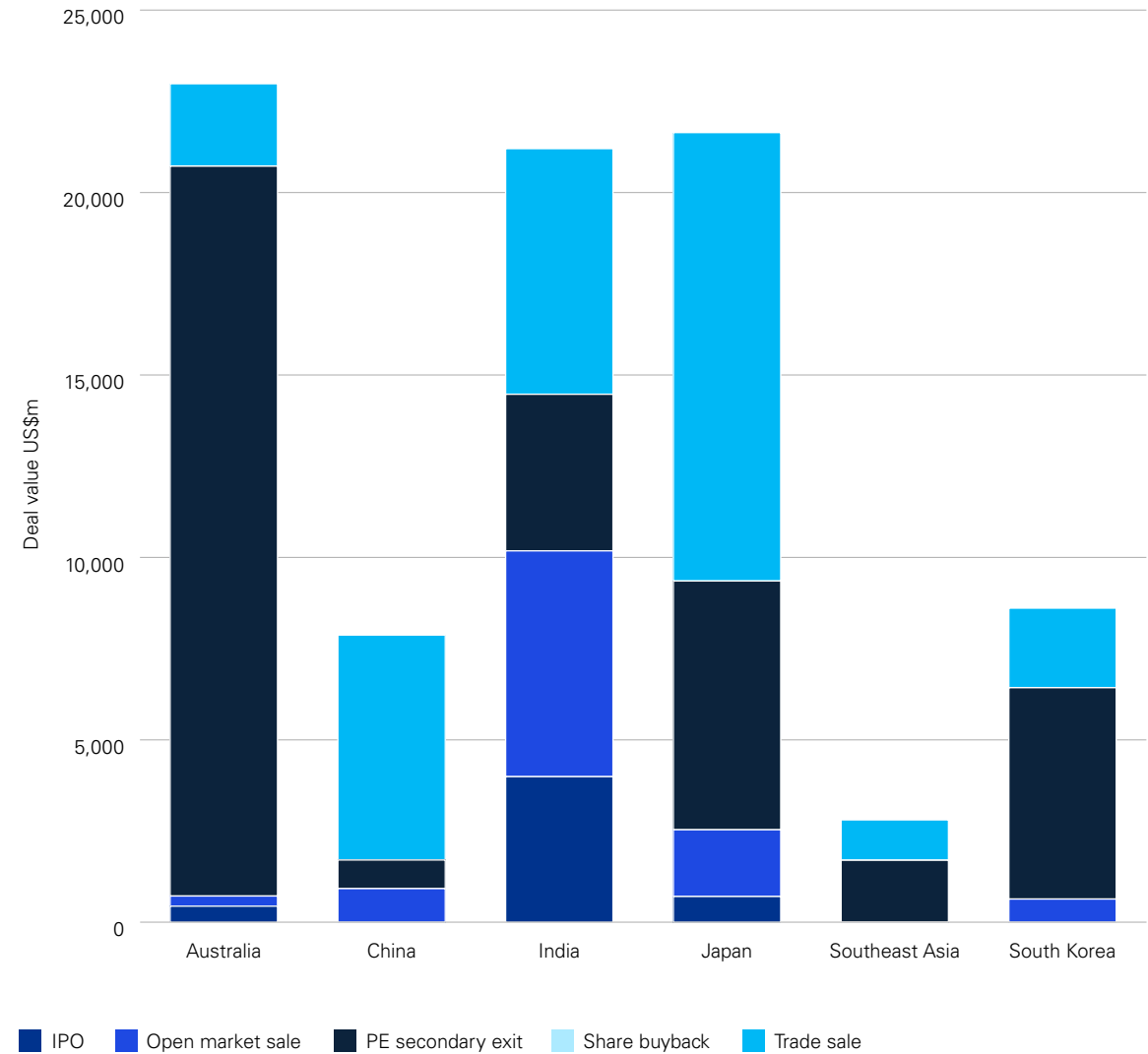
The attraction is clear. For GPs, continuation funds unlock partial liquidity while keeping exposure to asset they know well and believe in. For LPs, the model provides the option to cash out or reinvest alongside GPs. Ultimately, in a market where timing can make or break returns, continuation funds offers something rare: flexibility. Today, they're proving that sometimes the best way to exit is to not leave at all, but to stay in the game a little longer.

IPOs: Dual-tracks gain favor

IPOs have bounced back with surprising vigor, with values across 2024 doubling, from US\$1 billion in H1 2024 to US\$2.8 billion in the latter half of that year. Values dropped slightly to US\$2.1 billion in H1 2025, although still ranking as one of the highest halfyears since 2019. Even so, IPOs accounted for just 6% of exit values since late 2024 as PE firms pursue other routes to exit investments.

That being said, the IPO isn't without purpose. Some firms are turning to dual-track processes, not necessarily to list, but to lift leverage. By filing IPOs while simultaneously courting trade buyers, sponsors are using the specter of a public listing to extract better valuations in parallel sale discussions. This playbook tactic is gaining traction, especially as trade sales continue to account for a larger share of exits. While a true IPO revival may be waiting in the wings, dual-track strategies offer PE firms a pragmatic path forward.

Figure 15:
ASPAC private equity exit trends: Deal value of exits by geography (H2 2024 – H1 2025)





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Data in this report comes from AVCJ and was compiled on 24 July 2025. All figures are in USD unless otherwise stated.

All figures reference announced deals unless otherwise stated.

Markets (countries and jurisdictions) in Asia Pacific for this analysis include: Australia, Bangladesh, Brunei, Cambodia, Chinese Mainland, India, Indonesia, Japan, Laos, Malaysia, Marshall Islands, Myanmar (Burma), Nepal, New Zealand, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Vietnam; Hong Kong (SAR), China; and Macau (SAR), China. Throughout the report, all references to “China” in graphs and analysis pertain only to Chinese Mainland.

Within trends data and graphs, deal totals include deals with undisclosed values, unless otherwise stated.

Deal types included in this dataset: private equity investment – minority investments of private equity firms in the established public or private companies, or in new businesses with significant scale; private equity buyout – the purchase of a controlling stake in a company which results in the private equity firm to be the largest shareholder; private equity receivership – the company usually filed chapter 11 in the court; private equity privatization – the purchase of the government’s operation and transfers it into the private sector by private equity firm; venture capital

investment – minority investments in a seed/early-stage or technology company.

Deal types excluded: joint ventures; property/real estate transactions restricted to land, buildings, portfolios or sale and leaseback agreements; equity carve-outs and spin-off; de-mergers; reverse takeovers; transactions involving undeveloped oil and gas fields and undeveloped mines; acquisitions of brands, rights and/or licenses (including Government awarded telecom spectrum licenses); acquisitions of individual assets (i.e. dry bulk vessel) and asset portfolios; on-sales/subsequent sales/back-to-back transactions which are inter conditional; internal restructurings where the effective change of control does not meet inclusion criteria; acquisition of options and warrants; dual listing collapses; equity-related financings from private investors.

Full AVCJ database inclusion and deal criteria methodology is available through avcj.com



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