Nomura Individual Investor Survey

March 2013

March 15, 2013

Investment Strategy Department

Nomura Securities Co., Ltd.

The Nomura Individual Investor Survey is a monthly survey conducted with the aim of better understanding investing activity by individuals and providing information on related trends.

1. Survey overview

(1) Nomura I-View Index rises 8.4pt m-m, to 71.8

The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook for share prices and calculated by subtracting the percentage of responses for "fall" from that for "rise," was 71.8 for March, up 8.4pt m-m and equaling the high of 71.8 in April 2006 (the first survey). The proportion of respondents who said they expect a rise of "about 1,000 points" (the most popular response) increased 5.8ppt m-m, to 49.2%, and the proportion expecting a rise of "about 2,000 points" rose 0.6ppt, to 26.0%. The combined proportion of respondents expecting share prices to fall was 14.1%, down from 18.3% in the previous survey.

(2) Number of investors focusing on forex trends levels off as attention turns to international affairs

Respondents were asked to select the factor most likely to impact the stock market in the next three months. Forex trends was the most-watched factor for the second straight month, selected by 31.1% of respondents, but this marked a decline of 6.0ppt m-m. While the response rate for domestic politics rose 2.5ppt, to 22.8%, this factor dropped to third place, from second place last month. International affairs moved up to second place, on a 10.8ppt rise to 28.0%.

(3) Autos remained most attractive sector, but the DI spread among sectors has narrowed

Respondents were asked to choose one sector as an "appealing" investment target and one as "unappealing" over a timeframe of about three months. We calculated a diffusion index for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing." Automobiles was the most appealing sector for the second straight month. However, its DI declined by 1.3pt m-m, and the gap narrowed between this sector and the capital goods/other sector, which overtook financials to move into second place. The sector that saw the greatest improvement this month was transportation & utilities, with its DI rising 4.3pt m-m. Nevertheless, it remained the least attractive sector. The DIs for defensive and domestic demand sectors such as consumer goods and pharmaceuticals generally improved m-m.

(4) Rising expectations for yen to weaken against the dollar, but decline in proportion expecting substantial weakening

On the outlook for the USD/JPY over the next three months, the combined proportion of respondents expecting the yen to weaken against the dollar was 72.7%, up 2.3ppt from 70.4% the previous month. This percentage has now risen for four consecutive months, starting in December 2012. The majority of respondents, 54.7%, said they expected a "fall of about ¥5 against the dollar", with the response rate for this category rising 5.3ppt m-m. In the February survey, the number of individual investors expecting a "fall of about ¥10 against the dollar" rose sharply, to 17.3%, but this month it fell back by 3.0ppt, to 14.3%.

(5) Yen displaces Australian dollar as most appealing currency

Respondents were asked to choose one currency as an "appealing" investment target and one as "unappealing" over an approximately three-month timeframe. We calculated a diffusion index for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." This month, the Japanese yen became the most appealing currency for the first time since this survey question was introduced in January 2010. The DI for the yen rose 13.9pt m-m, to 23.7. The Australian dollar slipped to second place after its DI fell for the fifth straight month, by 2.5pt to 22.6. The Australian dollar had previously topped the ranking for 37 straight months, since the question was first introduced. The DIs for the euro and the US dollar had improved markedly in recent months, but this time the DI for the euro fell 8.5pt m-m and the DI for the US dollar fell 2.2pt.

(6) Equities was most appealing financial instrument for second straight month

To give an indication of plans for holding financial instruments, we calculate DIs for each financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holding from the percentage planning to hold the instrument for the first time or increase their holding. The DI for equities rose 1.2pt, to 41.4, its highest level since this survey question was introduced in January 2010. Equities topped the ranking for the second straight month, remaining ahead of cash & deposits, which had a DI of 40.7. The DI for investment trusts improved notably m-m, rising 3.2pt to 16.1. This marked its highest DI since the survey question was introduced, exceeding its previous high of 14.4, recorded in both March 2010 and March 2011.

(7) Decreasing the tax burden seen as key condition for increasing equity investment

For this month's first spot question, we asked individual investors what conditions they consider important for increasing investment in equities. The largest proportion of respondents (31.8%) said "decreasing the tax burden on equity investment", followed by "expanding shareholder returns (dividends, share buybacks)" (22.0%), "increasing trust in politics and policy" (21.2%), and "reducing concerns over meeting future living expenses" (16.2%).

We also asked respondents what level of dividend yield they seek and what shareholder distribution policies they focus on. The largest proportion of respondents (27.7%) said they look for a dividend yield of “2% or more but less than 3%,” followed by “3% or more but less than 4%” (26.6%) and “1% or more but less than 2%” (16.4%). The average dividend yield demanded by respondents came to 2.98%. The simple-average dividend yield for TSE-1 companies was 1.79% as of end-February 2013, 1.19ppt lower than the average yield sought by individual investors.

Among the shareholder distribution policies on which individual investors focus, the most popular response (multiple answers possible) was "dividend increase/resumption", selected by 62.2% of respondents. This was followed by "shareholder perks" (51.4%) and "share buybacks" (16.1%).

(8) Individual investors say they will focus on domestic stocks if CPI inflation of 2% starts to look achievable

For our second spot question, we asked individual investors about their likely investment activity in the event that the 2% y-y CPI inflation target advocated by the Abe administration and the Bank of Japan starts to appear within reach. First, when asked about the time it is likely to take to reach the 2% CPI inflation target, the most common response, selected by 28.7% of respondents, was "it will not be achieved". The second most common response was "two years" (26.6%), followed by "three years" (20.4%).

Second, when asked about how long it will take before wages rise, the largest proportion of respondents (39.3%) said "wages will not rise". The second most popular response was "two years" (17.5%), followed by "three years" (15.7%) and "one year" (15.3%).

Third, when asked about which assets they intended to invest in if the 2% CPI inflation target starts to look achievable, the most common response by a considerable margin was "domestic equities", with a response rate of 71.5%, followed by Japanese REITs (6.8%) and gold (6.4%).

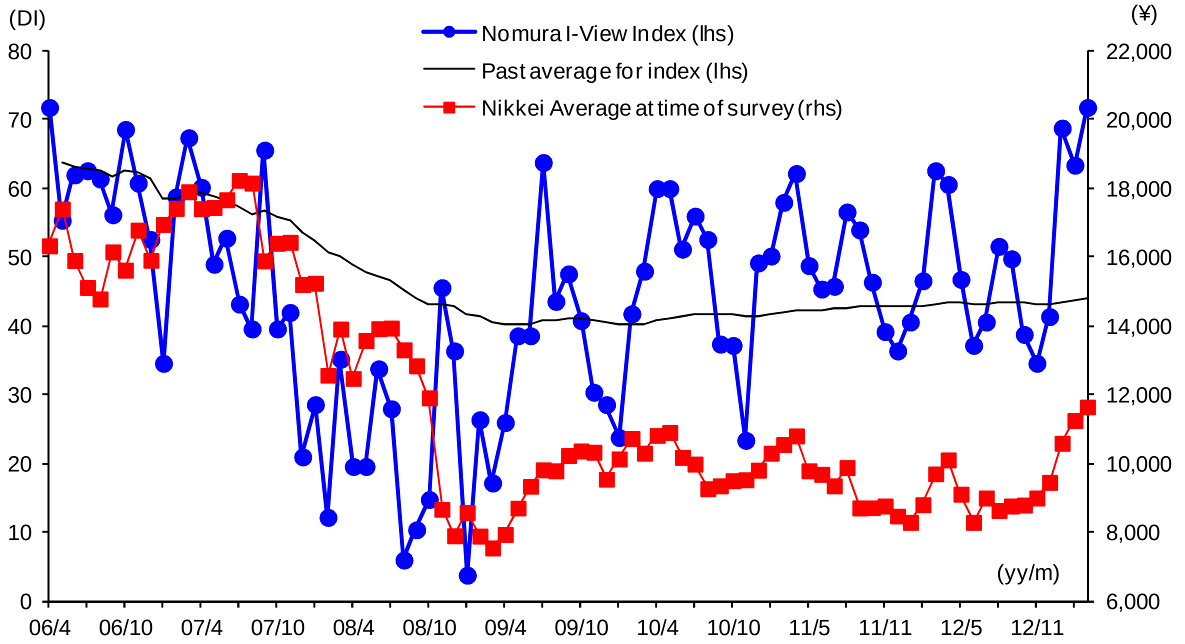
2. Survey results

(1) Nomura I-View Index rises 8.4pt m-m, to 71.8

The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook for share prices and calculated by subtracting the percentage of responses for "fall" from that for "rise," was 71.8 for March, up 8.4pt m-m and equaling the high of 71.8 marked in April 2006 (the first survey). In the February survey, the index declined as the proportion expecting a correction after rapid recent gains increased slightly, but this month the proportion expecting share prices to rise turned upward again against a backdrop of continuing share price gains (Figure 1).

The Nikkei Average reference level (4 March close) was 11,652, up by 392pt from the previous survey (4 February close of 11,260).

Fig. 1: The Nomura I-View Index and reference level of Nikkei Average at time of survey

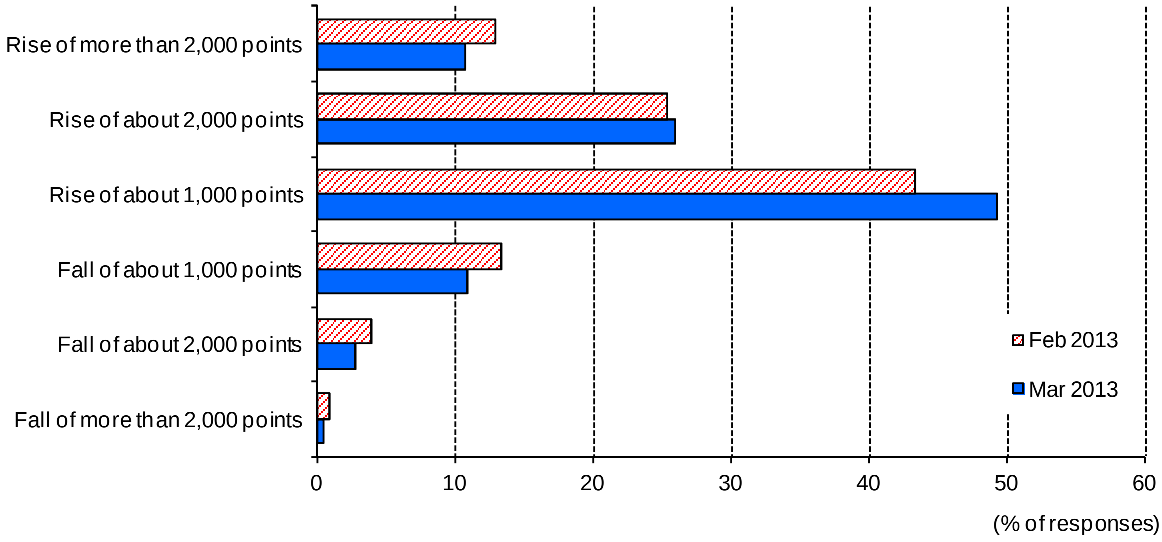


Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a diffusion index. The calculation method is as follows: [(Number of responses indicating expected rise in share prices in the next three months) minus (number of responses indicating expected fall in share prices in the next three months) divided by number of respondents] x 100. The figure for January 2010 used here excludes respondents who projected the Nikkei Average would be flat. (2) The Nomura I-View Index ranges from –100 to +100. The closer to +100 the figure is, the more bullish the outlook held by individual investors. The closer to –100 the figure is, the more bearish the outlook held by individual investors.

The combined proportion of respondents expecting the Nikkei Average to rise over the next three months was 85.9%, up 4.2ppt from 81.7% in the last survey. The proportion of respondents who said they expect a rise of "about 1,000 points" (the most popular response) increased 5.8ppt m-m, to 49.2%, and the proportion expecting a rise of "about 2,000 points" rose 0.6ppt, to 26.0%. The proportion expecting a rise of "more than 2,000 points" fell by 2.2ppt, to 10.7%.

The combined proportion of respondents expecting share prices to fall was just 14.1%, down from 18.3% last month. In last month's survey, it appeared that some investors were concerned about a possible correction, given the rapid rise in share prices seen up to that time. This caution seems to have abated somewhat this month (Figure 2).

Fig. 2: Outlook for Nikkei Average during the next three months

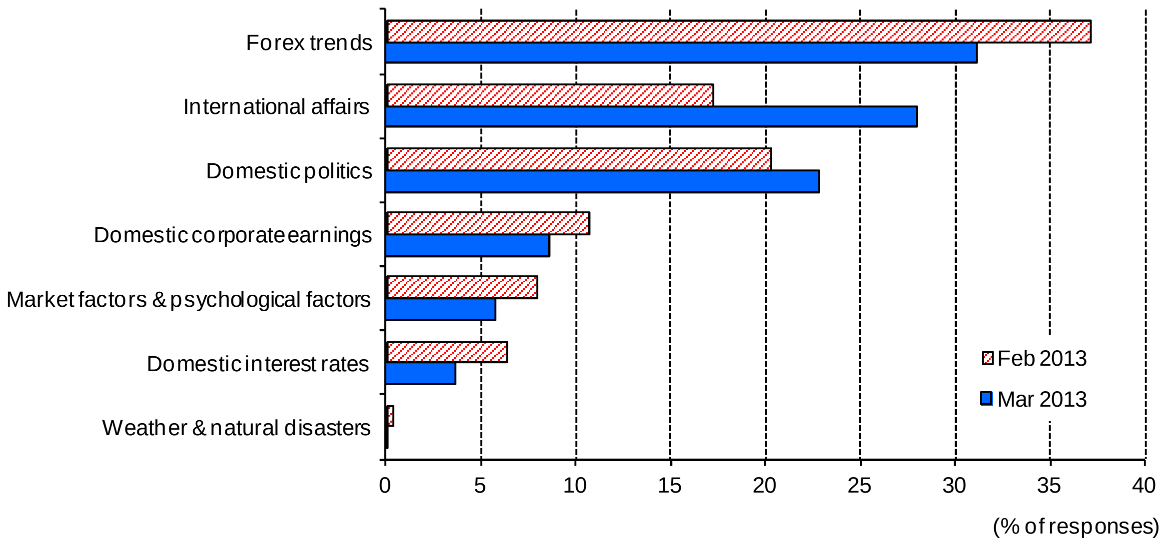


Note: Respondents were asked to share their outlook for the Nikkei Average during the next three months based on a 4 March closing figure of 11,652. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points with 1,000-point increments in between.

(2) Number of investors focusing on forex trends levels off as attention turns to international affairs

Respondents were asked to select the factor most likely to impact the stock market in the next three months. Forex trends was the most-watched factor for the second straight month, selected by 31.1% of respondents, but this marked a decline of 6.0ppt m-m. While the response rate for domestic politics rose 2.5ppt, to 22.8%, this factor dropped to third place, from second place last month. International affairs moved up to second place, on a 10.8ppt rise in its response rate, to 28.0% (Figure 3). It appears that investors have been focusing on the DJIA as it neared a record high, the battle in the US Congress over fiscal reconstruction, and the lack of political clarity in Italy after the general election.

Fig. 3: Impact of factors on the stock market



Note: Respondents were asked to choose one answer from a possible seven responses concerning factors likely to impact the stock market over the next three months or so.

(3) Autos remains most attractive sector, but the DI spread among sectors has narrowed

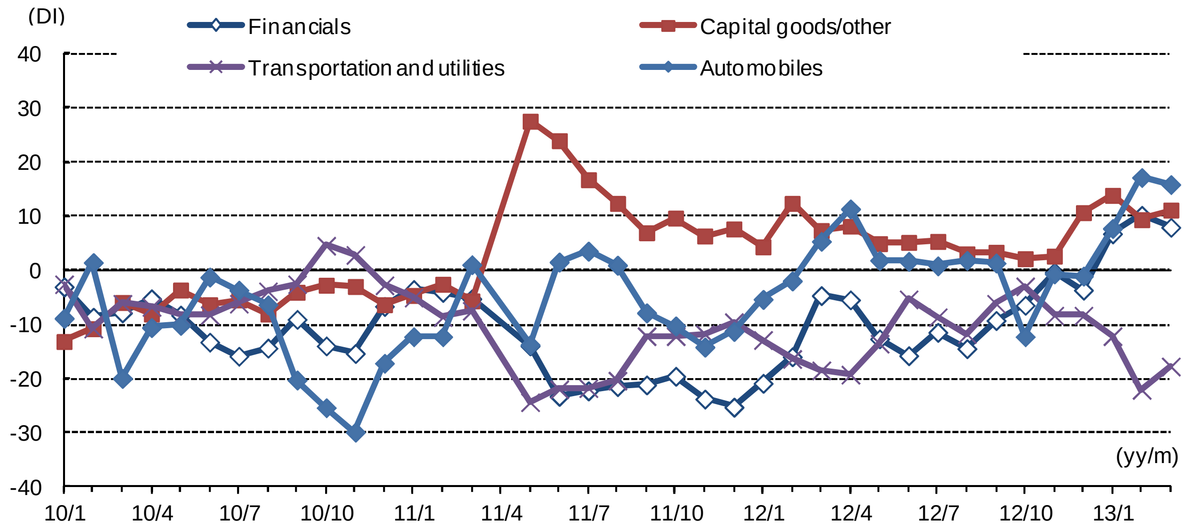
Respondents were asked to choose one sector as an "appealing" investment target and one as "unappealing" over a timeframe of about three months. We calculated a diffusion index for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing." Automobiles was the most appealing sector for the second straight month. However, its DI declined by 1.3pt m-m, and the gap narrowed between this sector and capital goods/other, which overtook financials to move into second place. The DI for financials fell 2.2pt m-m, to 8.0, while that for capital goods/other rose 1.8pt, to 11.2. The sector that saw the greatest improvement this month was transportation & utilities, with its DI rising 4.3pt m-m. Nevertheless, it remained the least attractive sector. The DIs for defensive and domestic demand sectors such as consumer goods and pharmaceuticals generally improved m-m. Overall, it appears that while economy-sensitive sectors remain highly appealing, there are some signs of a rethink on defensive and domestic demand sectors (Figures 4, 5).

Fig. 4: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Automobiles	15.9	20.0	4.1	17.2
Capital goods/other	11.2	14.9	3.7	9.4
Financials	8.0	16.4	8.4	10.2
Pharmaceuticals	4.4	10.1	5.7	3.4
Materials	0.1	12.5	12.4	0.3
Telecommunications	-5.7	3.0	8.7	-4.4
Electrical equipment/precision equipment	-6.1	11.1	17.2	-2.8
Consumer goods	-10.1	8.2	18.3	-11.3
Transportation and utilities	-17.7	3.8	21.5	-22.0

Note: Respondents were given nine sectors and asked to choose one viewed as an appealing investment target and one viewed as unappealing. For each sector we calculated a diffusion index by subtracting the percentage of responses for unappealing from that for appealing. The materials sector comprises mining, textiles, paper & pulp, chemicals, oil, ceramics, steel, nonferrous metals, and trading houses. The financials sector comprises banks, miscellaneous finance, securities, and insurance. The capital goods/others sector comprises construction, machinery, shipbuilding, transportation equipment, miscellaneous manufacturing, and real estate. The transportation and utilities sector comprises railroads & buses, trucking, shipping, airlines, warehousing, electric power, and gas. The consumer goods sector comprises marine products, food, retail, and services.

Fig. 5: Trend in DIs for selected sectors



(4) Most-watched stocks

Respondents were asked to name one stock that they would like to have in their portfolio, irrespective of short- or long-term investment horizon (including stocks actually held) or that they find appealing. We show the most popular responses below (Figure 6).

Fig. 6: Name a stock with appeal (1,000 valid responses)

Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	140	9437	NTT Docomo	11
8411	Mizuho Financial Group	35	2702	McDonald's Holdings (Japan)	10
4502	Takeda Pharmaceutical	25	6752	Panasonic	10
8306	Mitsubishi UFJ Financial Group	23	8316	Sumitomo Mitsui Financial Group	10
8267	Aeon	20	3402	Toray Industries	8
6758	Sony	19	6753	Sharp	8
4661	Oriental Land	17	2811	Kagome	7
6501	Hitachi	16	7011	Mitsubishi Heavy Industries	7
6301	Komatsu	14	7201	Nissan Motor	7
9984	Softbank	14	4503	Astellas Pharma	6
7267	Honda Motor	13	4755	Rakuten	6
8058	Mitsubishi Corp	13	7751	Canon	6
9202	All Nippon Airways	12	2712	Starbucks Coffee Japan	5
6502	Toshiba	11	5401	Nippon Steel & Sumitomo Metal	5
8604	Nomura Holdings	11	8308	Resona Holdings	5

Note: Not included in valid responses were answers of “none” or clearly mistaken responses.

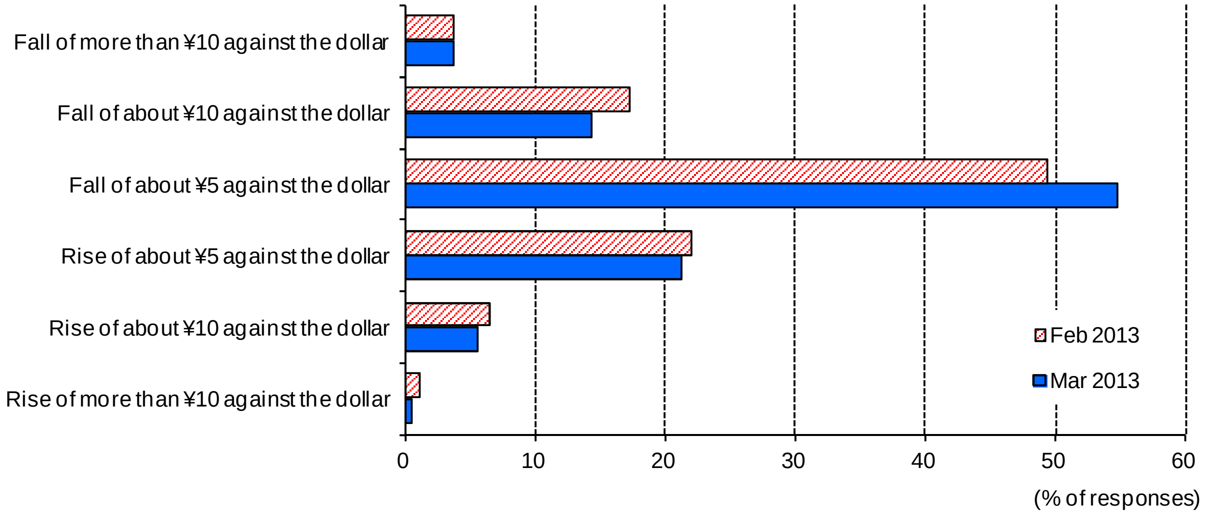
(5) Rising expectations for yen to weaken against the dollar, but proportion expecting major weakening has declined

On the outlook for the USD/JPY over the next three months, the combined proportion of respondents expecting the yen to weaken against the dollar was 72.7%, up 2.3ppt from 70.4% the previous month. This percentage has now risen for four consecutive months, starting from December 2012. The majority of respondents, 54.7%, said they expected a "fall of about ¥5 against the dollar", with the response rate for this category rising 5.3ppt m-m. In the February survey, the number of individual investors expecting a "fall of about ¥10 against the dollar" rose sharply, to 17.3%, but this month it fell back by 3.0ppt, to 14.3%. It thus appears that fewer individual investors now expect to see a substantial weakening of the yen against the dollar.

The combined proportion of respondents expecting the yen to strengthen against the dollar declined by 2.3ppt m-m, to 27.3%, from the previous month's 29.6%. This was the lowest reading since May 2011 (Figure 7).

At the time of the latest survey (4 March), the noon indicative USD/JPY rate was 93.32, indicating a weaker yen than at the time of the previous survey (92.67 as of 4 February).

Fig. 7: Respondents' three-month outlook for the USD/JPY rate



Note: Respondents were asked to share their outlook for the USD/JPY rate over the next three months, referencing a 4 March 2013 indicative rate of US$1=¥93.32. They could choose one answer from a possible six responses ranging from a rise of more than ¥10 against the dollar to a fall of more than ¥10 against the dollar, with ¥5 increments in between.

(6) Yen displaces Australian dollar as most appealing currency

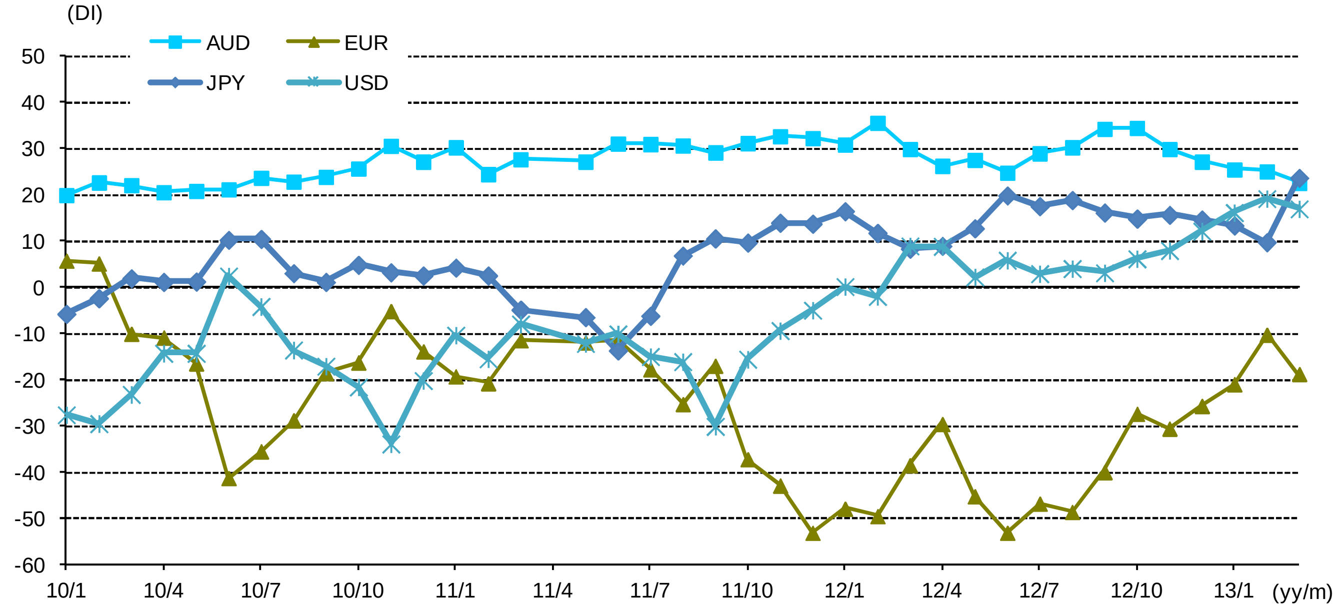
Respondents were asked to choose one currency as an "appealing" investment target and one as "unappealing" over an approximately three-month timeframe. We calculated a diffusion index for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." This month, the Japanese yen became the most appealing currency for the first time since this survey question was introduced in January 2010 (no survey was conducted in April 2011). The DI for the yen rose 13.9pt m-m, to 23.7. The Australian dollar slipped to second place after its DI fell for the fifth straight month, by 2.5pt to 22.6. The Australian dollar had topped the ranking for 37 straight months, since the question was first introduced. The DIs for the euro and the US dollar had improved markedly in recent months, but this time the DI for the euro fell 8.5pt m-m and the DI for the US dollar fell 2.2pt. This marked the first decline in four months for the euro and the first in six months for the US dollar. The DI for the Chinese yuan, meanwhile, declined 1.7pt, to -45.8, putting the currency at the bottom of our ranking for the sixth straight month (Figures 8, 9).

Fig. 8: Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Japanese yen	23.7	31.1	7.4	9.8
Australian dollar	22.6	24.4	1.8	25.1
US dollar	17.0	24.3	7.3	19.2
Brazilian real	2.4	8.2	5.8	2.9
Canadian dollar	1.5	2.3	0.8	1.3
Pound sterling	-3.1	1.0	4.1	-0.6
Euro	-18.7	6.1	24.8	-10.2
Chinese yuan	-45.8	1.6	47.4	-47.5

Note: Respondents were given nine possible responses, consisting of the above eight currencies and "other," and asked to choose one viewed as an appealing investment target and one viewed as unappealing. Those selecting "other" were asked to specify a currency.

Fig. 9: Trend in DIs for selected currencies



(7) Equities was most appealing financial instrument for second straight month

To give an indication of plans for holding financial instruments, we calculate DIs for each financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holding from the percentage planning to hold the instrument for the first time or increase their holding. The DI for equities rose 1.2pt, to 41.4, its highest level since this survey question was introduced in January 2010. Equities topped the ranking for the second straight month, remaining ahead of cash & deposits, which had a DI of 40.7. The DI for investment trusts improved notably m-m, rising 3.2pt to 16.1. This marked its highest DI since the survey question was introduced, exceeding its previous high of 14.4, recorded in both March 2010 and March 2011. The DI for securities issued overseas rose 2.3pt m-m, reaching its highest level since April 2012 (Figure 10).

Fig. 10: Financial instruments for which investors are either seeking to increase or decrease their holdings

Financial instrument	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Plan to increase	Plan to decrease	
Equities	41.4	54.5	13.1	40.2
Cash & deposits	40.7	43.8	3.1	38.9
Investment trusts	16.1	24.5	8.4	12.9
Gold	13.6	14.4	0.8	13.9
Securities issued overseas	10.0	11.9	1.9	7.7
Bonds	7.4	10.3	2.9	7.5
Hybrid securities	3.2	3.4	0.2	2.5
Other	0.6	0.9	0.3	1.0
None	-51.3	24.1	75.4	-47.9

Note: Respondents were given a selection of nine financial instruments and asked to choose those for which they planned to increase their holdings and those for which they planned to decrease their holdings (multiple responses were allowed). In the exhibit, "plan to increase" refers to financial instruments that investors plan to hold for the first time or for which they plan to increase their holding, while "plan to decrease" refers to instruments that investors plan to cease holding or for which they plan to decrease their holding. Hybrid securities and gold were added to the list of choices from the February 2012 survey.

(8) Decreasing the tax burden seen as key condition for increasing equity investment

For this month's first spot question, we asked individual investors about the conditions they consider important for increasing investment in equities. The largest proportion of respondents (31.8%) said "decreasing the tax burden on equity investment", followed by "expanding shareholder returns (dividends, share buybacks)" (22.0%), "increasing trust in politics and policy" (21.2%), and "reducing concerns over meeting future living expenses" (16.2%).

Last time we asked this question (March 2012), the top response was "increasing trust in politics and policy", but this response slipped to third place this time. By contrast, "decreasing the tax burden on equity investment" rose to first place this time, from third place (Figure 11).

Fig. 11: Conditions individual investors see as important for increasing equity investment

	Choices	% of responses	(Ref) previous (Mar 2012) % of responses
1	Decreasing the tax burden on equity investment	31.8	20.0
2	Improving transparency of corporate disclosure	3.7	5.5
3	Improving financial services	4.7	3.6
4	Expanding shareholder returns (dividends, share buybacks)	22.0	20.4
5	Increasing trust in politics and policy	21.2	32.3
6	Reducing concerns over meeting future living expenses	16.2	17.0
7	Other	0.4	1.2
	Total	100.0	100.0

Note: We asked investors to choose one item from the list shown in the table as an answer to the question "Aside from improvement in the macro environment (economy, forex, corporate earnings, etc), what condition do you consider most important for increasing your investment in equities?"

We also asked respondents what level of dividend yield they require and what shareholder distribution policies they focus on.

The largest proportion of respondents (27.7%) said they look for a dividend yield of "2% or more but less than 3%," followed by "3% or more but less than 4%" (26.6%) and "1% or more but less than 2%" (16.4%) (Figure 12). The average dividend yield demanded by respondents comes to 2.98% (the note to Figure 13 shows our calculation method). The simple average dividend yield for TSE-1 companies was 1.79% as of end-February 2013, 1.19ppt lower than the average yield sought by individual investors (Figure 13).

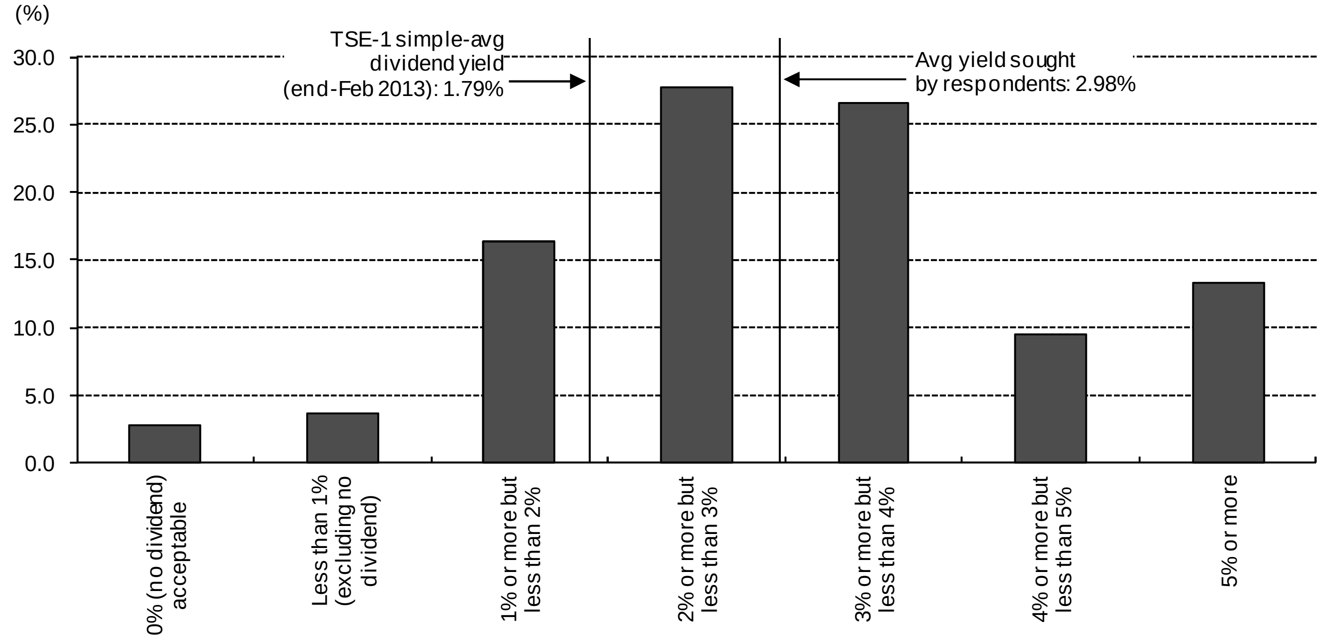
Compared with the last time we asked this question (February 2012), the major changes were the 5.4ppt rise (from 21.2% to 26.6%) in the proportion seeking a dividend yield of "3% or more but less than 4%," and the 3.5ppt fall (from 19.9% to 16.4%) in the proportion looking for a yield of "1% or more but less than 2%." The simple average dividend yield for TSE-1 companies has been trending down since November 2012 as share prices have risen, but the average yield sought by individual investors has increased from 2.77% as of February 2012 to 2.98% as of the latest survey (Figure 13).

Fig. 12: Dividend yields considered attractive by individual investors

	Choices	% of responses	(Ref) previous (Feb 2012) % of responses
1	0% (no dividend) acceptable	2.8	5.2
2	Less than 1% (excluding no dividend)	3.7	5.2
3	1% or more but less than 2%	16.4	19.9
4	2% or more but less than 3%	27.7	26.8
5	3% or more but less than 4%	26.6	21.2
6	4% or more but less than 5%	9.5	10.0
7	5% or more	13.3	11.7
	Total	100.0	100.0

Note: In relation to the issue of "expanding shareholder returns (dividends, share buybacks)" that featured in the previous question, respondents were asked to choose one of a possible seven answers to the following question: when investing in Japanese stocks, what level of dividend yield do you seek?

Fig. 13: Dividend yields considered attractive by individual investors (response distribution)



Note: We calculated the average dividend yield based on responses as follows: 0% × 2.8% + 0.5% × 3.7% + 1.5% × 16.4% + 2.5% × 27.7% + 3.5% × 26.6% + 4.5% × 9.5% + 5% × 13.3%. We assumed dividends of 0% for "0% (no dividend) acceptable," 0.5% for "Less than 1% (excluding no dividend)," 1.5% for "1% or more but less than 2%," 2.5% for "2% or more but less than 3%," 3.5% for "3% or more but less than 4%," 4.5% for "4% or more but less than 5%," and 5% for "5% or more."

Among the shareholder distribution policies on which individual investors focus, the most popular response (multiple answers possible) was "dividend increase/resumption", selected by 62.2% of respondents. This was followed by "shareholder perks" (51.4%) and "share buybacks" (16.1%).

Compared with the February 2012 survey results, there was a notable 3.4ppt increase in the response rate for "share buybacks", from 12.7% to 16.1% (Figure 14).

Fig. 14: Shareholder distribution policies on which individual investors focus

	Choices	% of responses	(Ref) previous (Feb 2012) % of responses
1	Dividend increase/resumption*	62.2	74.7
2	Shareholder perks	51.4	51.9
3	Share buybacks	16.1	12.7
4	None in particular	9.2	9.0
	No. of respondents	100.0	100.0

Note: We asked respondents to select one or more answers to the following question (multiple answers possible): which shareholder distribution policies (including shareholder perks) do you focus on? The latest survey used "dividend increase/resumption" instead of "cash dividend", so strict comparability has not been maintained.

(9) Individual investors say they will be focusing on domestic stocks if CPI inflation of 2% starts to look achievable

For our second spot question, we asked individual investors about their likely investment activity in the event that the 2% y-y CPI inflation target advocated by the Abe administration and the Bank of Japan starts to look achievable. First, when asked about the time it will likely take to achieve the 2% CPI inflation target, the most common response, selected by 28.7% of respondents, was "the target will not be achieved". The second most common response was "two years" (26.6%), followed by "three years" (20.4%).

The combined response rate of those expecting the CPI inflation target to be achieved in one year or less was just 14.4%, while 41.0% of respondents expected the target to be achieved within two years and 61.4% expected it to be reached within three years (Figure 15).

Fig. 15: Likely time before CPI inflation target of 2% y-y is reached

	Choices	No of responses	% of responses
1	Within one year	47	4.7
2	One year	97	9.7
3	Two years	266	26.6
4	Three years	204	20.4
5	Four years	30	3.0
6	Five years	69	6.9
7	It will not be reached	287	28.7
	Total	1,000	100.0

Note: We asked respondents to select one answer in response to the question: how long do you think it will take before CPI inflation reaches the target of 2% y-y?

Second, when asked about how long it will take before wages rise, the largest proportion of respondents (39.3%), said "wages will not rise". The second most popular response was "two years" (17.5%), followed by "three years" (15.7%) and "one year" (15.3%).

The combined response rate for those expecting wages to rise within one year was just 20.7%, but 38.2% of respondents thought wages could rise within two years, and 53.9% thought wages could rise within three years (Figure 16).

Fig. 16: Likely time before wages rise

	Choices	No of responses	% of responses
1	Within six months	18	1.8
2	Six months	36	3.6
3	One year	153	15.3
4	Two years	175	17.5
5	Three years	157	15.7
6	Four years	68	6.8
7	Wages will not rise	393	39.3
	Total	1,000	100.0

Note: We asked respondents to select one answer in response to the question: how long do think it will take before wages rise?

Third, when asked about which assets they intended to invest in if the 2% CPI inflation target started looking within reach, the most common response by a considerable margin was "domestic equities", with a response rate of 71.5%, followed by REITs (6.8%), gold (6.4%), domestic bonds (4.3%), real estate (4.1%), and foreign equities (3.5%) (Figure 17).

Fig. 17: Assets in which individual investors are likely to invest if the CPI inflation target of 2% starts to look achievable

	Choices	No of responses	% of responses
1	Domestic equities*	715	71.5
2	Foreign equities*	35	3.5
3	Domestic bonds*	43	4.3
4	Foreign bonds*	22	2.2
5	Japanese REITs	68	6.8
6	Gold	64	6.4
7	Real estate	41	4.1
8	Other	12	1.2
	Total	1,000	100.0

Note: We asked respondents to select one answer in response to the question: in which assets would you likely invest if the 2% CPI inflation target starts to look achievable? Equity and bond categories include related products such as investment trusts.

3. Nomura Individual Investor Survey

With the aim of better understanding investing activity by individuals and providing information on those trends, the Equity Research Department of Nomura Securities conducts a monthly survey—the Nomura Individual Investor Survey. The results of the survey have been published monthly since April 2006.

Survey method: Questionnaire conducted electronically using the internet monitor questionnaire service administered by Nomura Investor Relations Co., Ltd.

Survey target: Survey sent to 3,000 individual investors randomly selected from the approximately 24,000 with equity investment experience participating in Nomura Investor Relations' internet monitor questionnaire service.

Number of responses: 1,000 (survey closed when 1,000 responses received)

Survey period: Survey distributed on 4 March with deadline for responses on 5 March.

Survey content: Questions included each month are (1) share price outlook, (2) factors expected to impact the stock market, (3) attractive sectors and stocks, (4) USD/JPY rate outlook and attractive currencies, and (5) financial instruments for which investors plan to change their holdings. Respondents are also queried each month on their personal profiles.

4. Nomura Individual Investor Survey (March 2013) respondents

Gender: Male (81.3%), Female (18.7%)

Age: Under 30 (1.9%), 30–39 (14.2%), 40–49 (28.1%), 50–59 (28.3%), 60 and above (27.5%)

Occupation: Self-employed/fisheries, agriculture, forestry (7.7%), Professional (physician/medical professional, lawyer, etc) (2.3%), Company management/corporate officer (4.1%), Company employee/public servant (52.4%), Housewife (8.3%), Part-time worker/casual worker/job-hopper (4.9%), Unemployed/pensioner (18.0%), Other (2.3%)

Region: Kanto (44.0%), Kinki (21.3%), Tokai/Koshinetsu/Hokuriku (17.1%), Hokkaido/Tohoku (6.1%), Chugoku/Shikoku/Kyushu (11.5%)

Financial assets held: Less than ¥1,000,000 (6.6%), ¥1,000,000–¥2,999,999 (12.6%), ¥3,000,000–¥4,999,999 (15.3%), ¥5,000,000–¥9,999,999 (18.8%), ¥10,000,000–¥29,999,999 (26.0%), ¥30,000,000–¥49,999,999 (11.7%), ¥50,000,000 or more (9.0%)

Value of domestic stocks held: Less than ¥500,000 (15.4%), ¥500,000–¥999,999 (13.6%), ¥1,000,000–¥2,999,999 (24.7%), ¥3,000,000–¥4,999,999 (15.3%), ¥5,000,000–¥9,999,999 (13.6%), ¥10,000,000–¥29,999,999 (13.0%), ¥30,000,000 or more (4.4%)

Investment experience: Less than three years (6.5%), Three years to less than five years (12.8%), Five years to less than 10 years (27.5%), 10 years to less than 20 years (31.0%), 20 years or more (22.2%)

Investment plan for domestic stocks: Mainly for long-term holding (53.9%), Pursuit of gains from short-term appreciation (12.2%), Pursuit of dividends and shareholder perks (21.5%), No particular plan (12.4%)

Notice

The next Nomura Individual Investor Survey (April 2013) is scheduled for release on Friday, 12 April 2013.

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STOCKS

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SECTORS

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