

# **Nomura Individual Investor Survey**

September 2021

16 September 2021

Global Research Division  
Nomura Securities Co., Ltd.

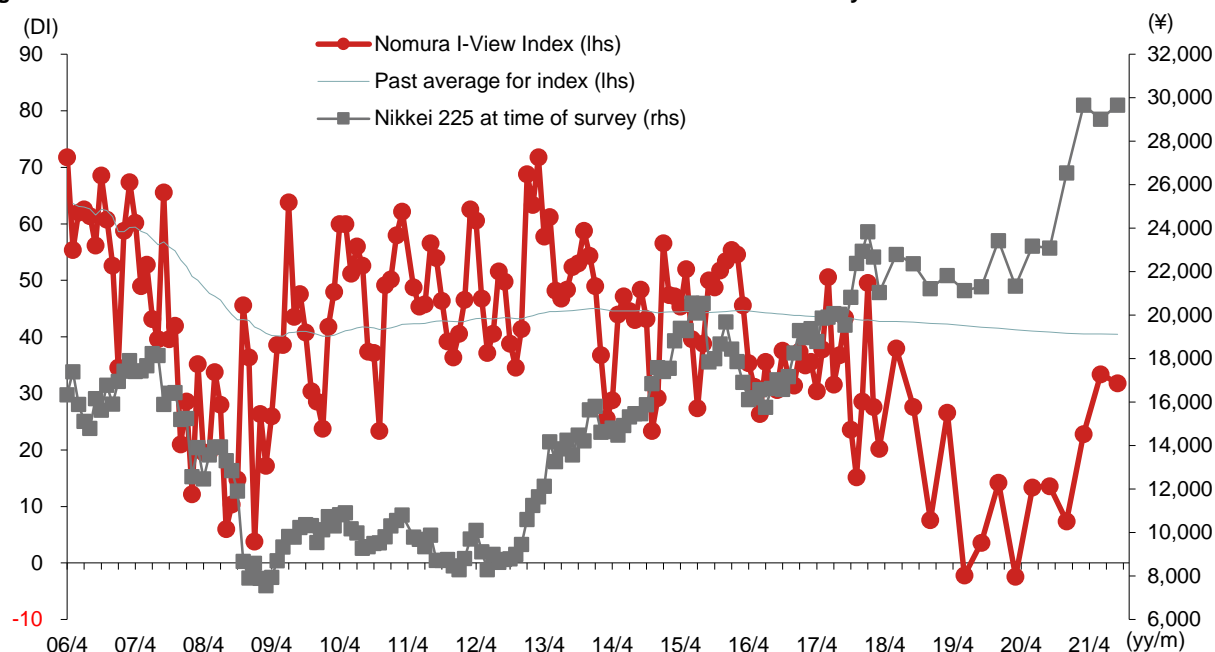
The Nomura Individual Investor Survey is a periodic survey conducted with the aim of better understanding investing activity by individuals and providing information on related trends.

# 1. Survey results

## (1) Nomura I-View Index down from previous survey at 31.8

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 31.8 in September 2021, down 1.6pt versus the previous survey in June. The Nikkei 225 reference level (6 September 2021 close) was 29,659.89, up 640.65 versus the previous survey (7 June 2021 close of 29,019.24).

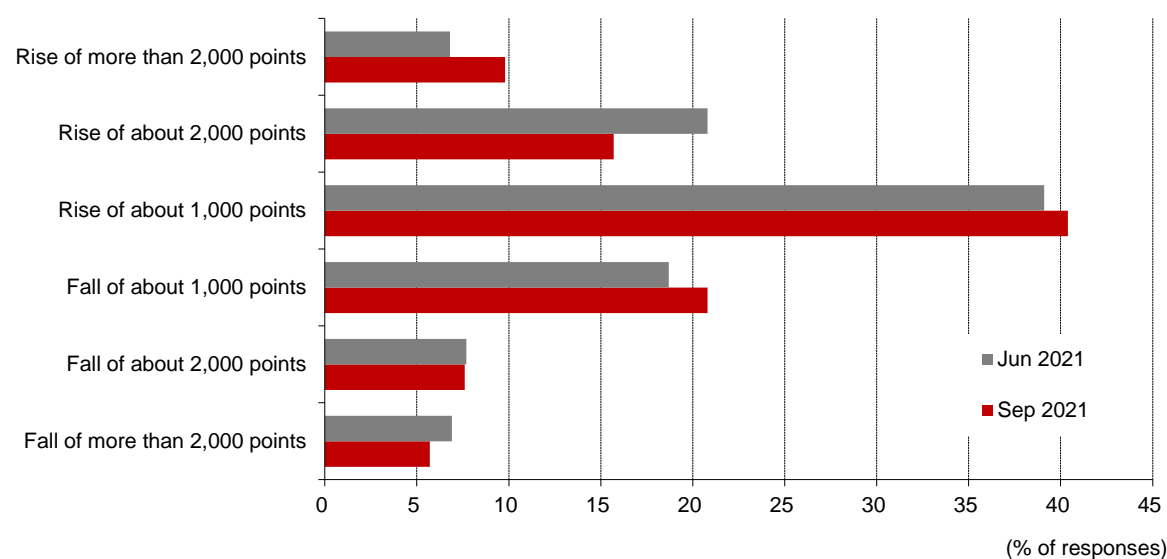
**Fig. 1: The Nomura I-View Index and reference level of Nikkei 225 at time of survey**



Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a diffusion index (DI). The calculation method is as follows:  $\frac{[(\text{number of responses indicating expected rise in share prices in the next three months}) - (\text{number of responses indicating expected fall in share prices in the next three months})]}{(\text{number of respondents})} \times 100$ . The figure for January 2010 used here excludes those respondents who projected that the Nikkei Average would be flat. (2) The Nomura I-View Index ranges from -100 to +100. (3) The Nikkei 225 index ranges from 6,000 to 32,000. The closer to -100, the more bearish the outlook held by individual investors. The closer to +100, the more bullish the outlook held by individual investors.

The combined percentage of respondents expecting the Nikkei 225 to rise over the next three months was 65.9%, down 0.8pt from 66.7% in the previous survey. The percentage of respondents expecting a "rise of about 1,000 points" was up 1.3ppt versus the previous survey at 40.4%. The percentage of respondents expecting a "rise of about 2,000 points" was down 5.1ppt at 15.7%, while the percentage expecting a "rise of more than 2,000 points" rose 3.0ppt to 9.8%.

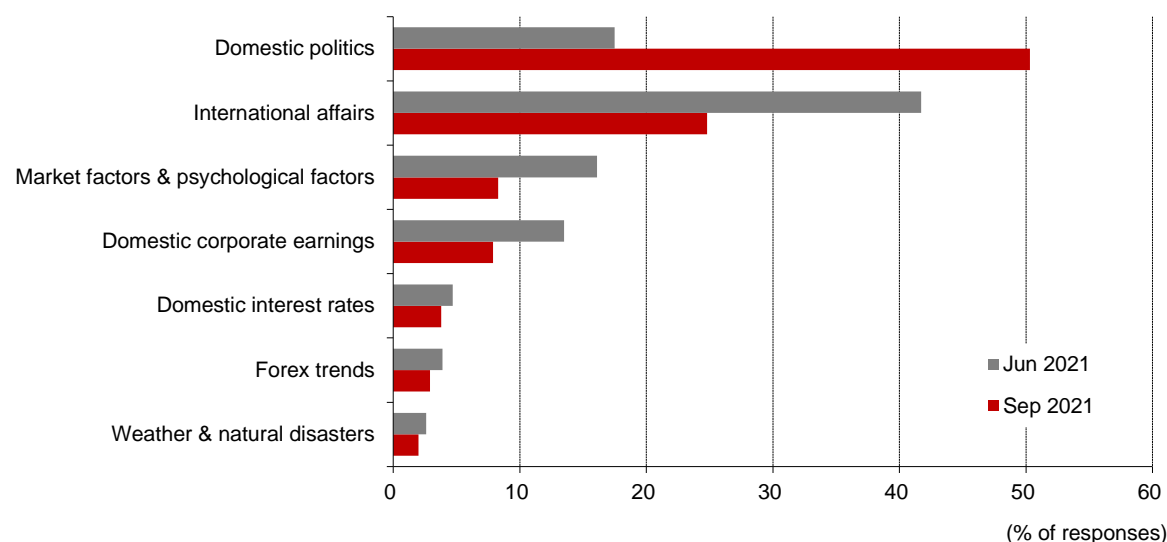
The percentage expecting a "fall of about 1,000 points" rose 2.1ppt to 20.8%. The percentage expecting a "fall of about 2,000 points" was down 0.1ppt at 7.6%, while the percentage expecting a "fall of more than 2,000 points" was down 1.2ppt at 5.7% (Figure 2).

**Fig. 2: Outlook for Nikkei 225 during the next three months**

Note: Respondents were asked to share their outlook for the Nikkei 225 during the next three months based on the 6 September 2021 close of 29,659. 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) Investors show increased focus on domestic politics

Respondents were asked to select the factor most likely to affect the stock market over the next three months. The response rate for "domestic politics" rose 32.8ppt versus the previous survey to 50.3%. The percentage responding "international affairs" meanwhile fell 16.9ppt to 24.8% and the percentage responding "market factors & psychological factors" fell 7.8ppt to 8.3%.

**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) Appeal of pharmaceuticals sector increases, while appeal of consumer sector fades

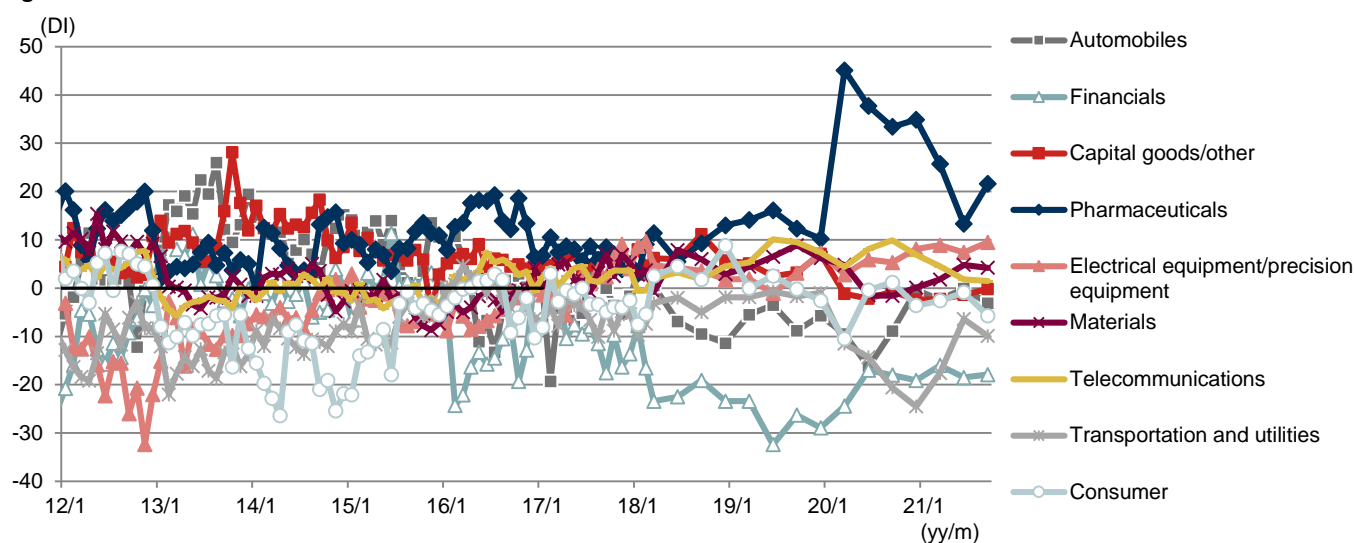
On the outlook for sectors over the next three months or so, we calculate a diffusion index (DI) by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the pharmaceuticals sector increased 8.3pt versus the previous survey to 21.6, while the DI for the consumer sector fell 4.8pt to -5.7 (Figures 4 and 5).

Fig. 4: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Pharmaceuticals	21.6	25.7	4.1	13.3
Electrical equipment/precision equipment	9.5	12.3	2.8	7.4
Materials	4.2	12.8	8.6	4.8
Telecommunications	1.5	5.8	4.3	1.8
Capital goods/other	-0.2	5.1	5.3	-1.4
Automobiles	-3.1	6.8	9.9	-0.1
Consumer	-5.7	13.2	18.9	-0.9
Transportation and utilities	-9.9	12.1	22.0	-6.4
Financials	-17.9	6.2	24.1	-18.5

Note: Respondents were given nine sectors and asked to choose one they viewed as an appealing investment target and one they viewed as unappealing. For each sector, we calculated a DI 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 financial sector comprises banks, miscellaneous finance, securities, and insurance. The capital goods/other 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 sector comprises marine products, food, retail, and services.

Fig. 5: DIs for selected sectors



**(4) Most-watched stocks**

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

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

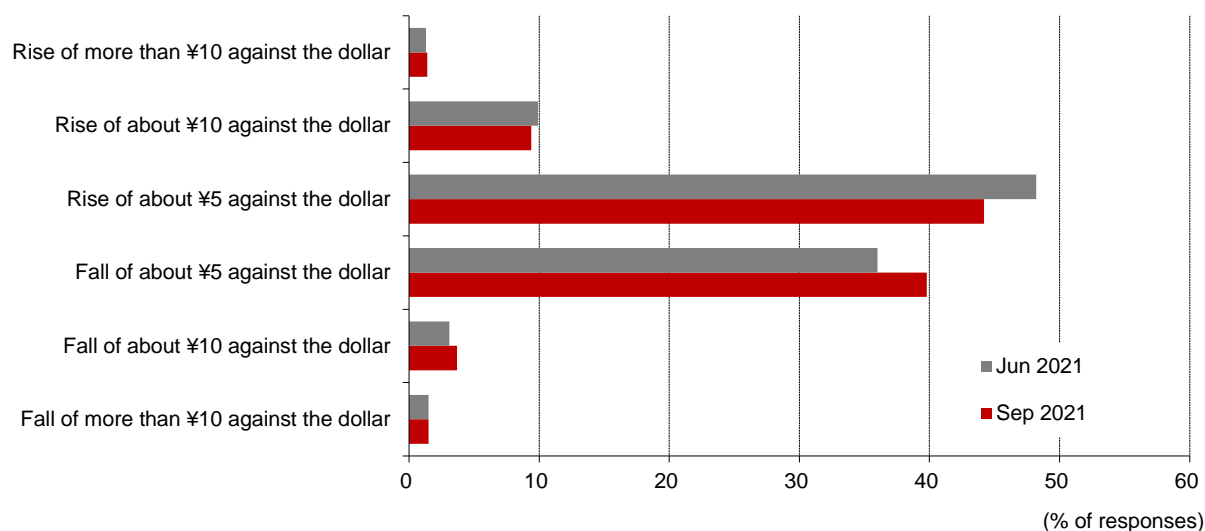
Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	108	4901	Fujifilm Holdings	11
4502	Takeda Pharmaceutical	45	8306	Mitsubishi UFJ Financial Group	11
4507	Shionogi	38	2914	Japan Tobacco	10
6758	Sony Group	26	6501	Hitachi	10
9434	SoftBank Corp	25	5020	ENEOS Holdings	9
8267	Aeon	22	9201	Japan Airlines	9
2897	Nissin Foods Holdings	19	7201	Nissan Motor	8
8591	Orix	19	8058	Mitsubishi Corp	8
9202	ANA Holdings	16	4452	Kao	7
9101	Nippon Yusen	15	4568	Daiichi Sankyo	7
9433	KDDI	15	6861	Keyence	7
9984	SoftBank Group	15	9020	East Japan Railway	7
9432	Nippon Telegraph and Telephone	14	2702	MCDONALD'S HOLDINGS COMPANY(JAPAN),LTD.	6
6594	Nidec	12	6920	Lasertec	6
6981	Murata Manufacturing	12	8001	Itochu	6
7974	Nintendo	12	9022	Central Japan Railway	6
4755	Rakuten Group	11			

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

**(5) Rise in percentage of investors expecting yen to depreciate against US dollar**

On the outlook for USD/JPY over the next three months, the combined percentage of respondents expecting the yen to depreciate against the US dollar was 45.0%, up 4.4ppt from the previous survey. The response rate for "fall of about ¥5 against the dollar" rose 3.8ppt versus the previous survey to 39.8%. The response rate for "fall of about ¥10 against the dollar" rose 0.6ppt to 3.7%, while that for "fall of more than ¥10 against the dollar" was unchanged at 1.5%.

The response rate for "rise of about ¥5 against the dollar" declined 4.0ppt to 44.2%. The response rate for "rise of about ¥10 against the dollar" fell 0.5ppt to 9.4% and the response rate for "rise of more than ¥10 against the dollar" rose 0.1ppt to 1.4% (Figure 7).

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

Note: Respondents were asked to share their outlook for USD/JPY over the next three months, referencing the 6 September 2021 indicative rate of 109.78. They could choose one answer from six possible 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.

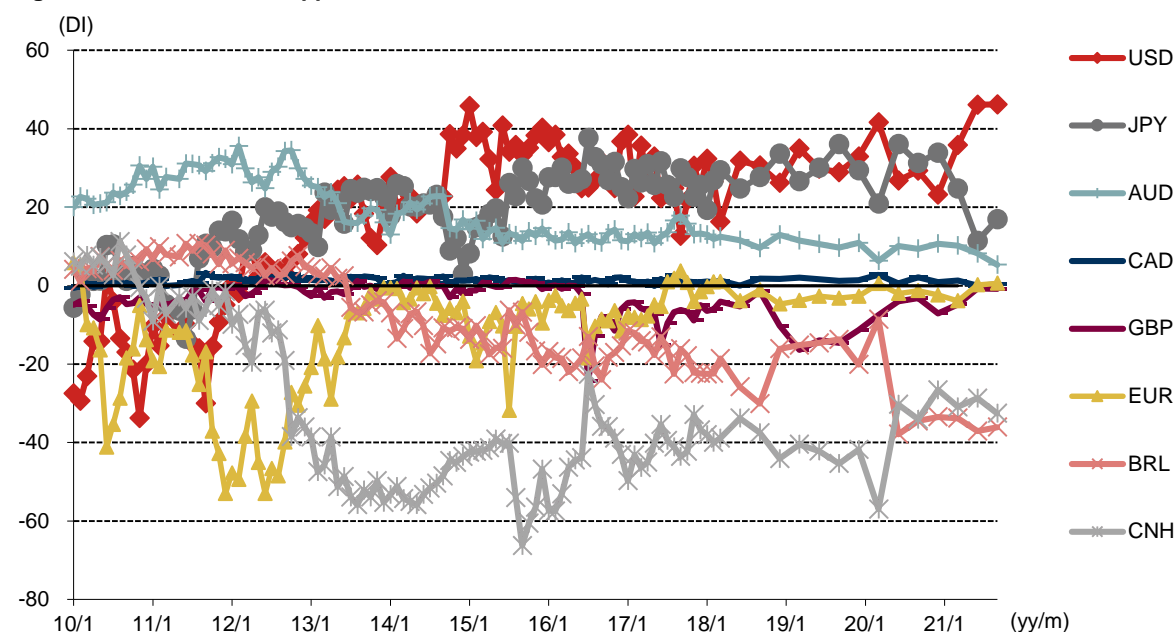
#### (6) Rise in DI for investment appeal of Japanese yen

On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the Japanese yen rose 5.5pt to 16.9. The DI for the Chinese yuan meanwhile fell by 3.9pt to -32.6, and the DI for the Australian dollar fell 2.9pt to 5.3 (Figures 8 and 9).

**Fig. 8: Investment appeal by currency**

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
US dollar	46.2	50.0	3.8	46.1
Japanese yen	16.9	29.0	12.1	11.4
Australian dollar	5.3	8.4	3.1	8.2
Euro	0.6	4.4	3.8	0.2
Canadian dollar	0.3	1.2	0.9	0.0
Pound sterling	-0.8	2.1	2.9	-0.7
Chinese yuan	-32.6	3.1	35.7	-28.7
Brazilian real	-36.1	0.4	36.5	-37.1

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

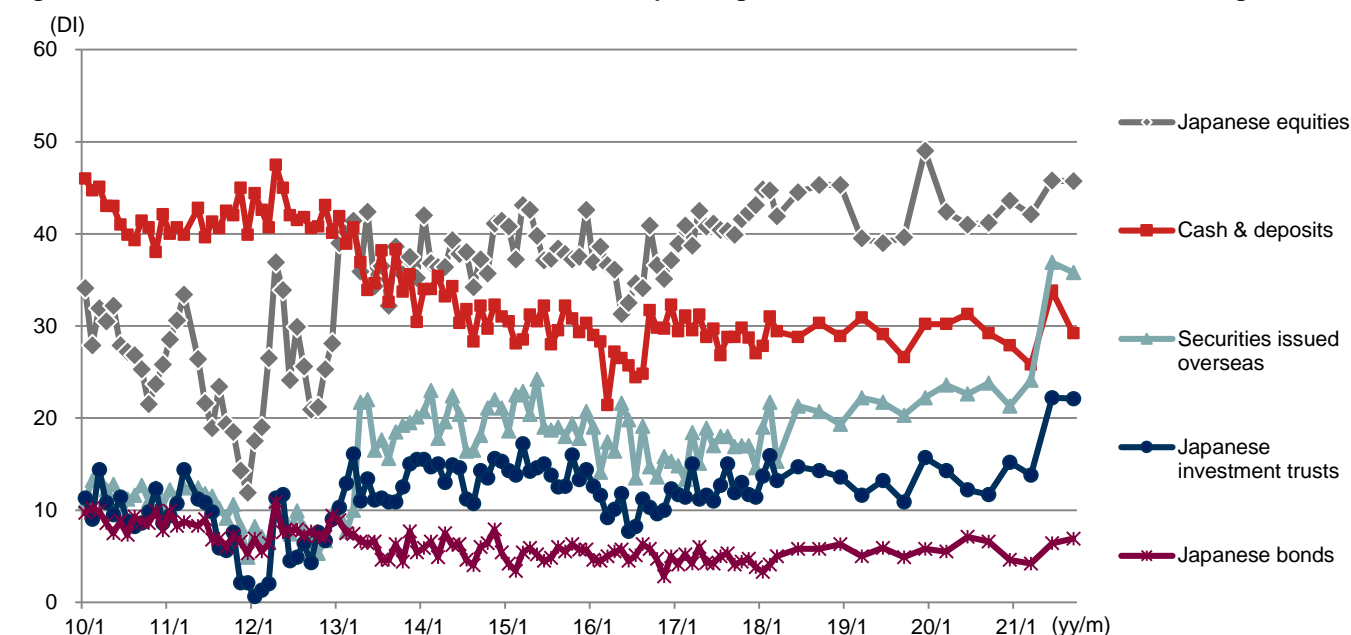
**Fig. 9: DIs for investment appeal of selected currencies****(7) Among financial instruments investors show greater interest in gold and foreign equities**

To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for gold rose 1.3pt versus the previous survey to 9.1 and that for foreign equities rose 1.1pt to 21.9. The DI for cash & deposits was down 4.6pt at 29.2 (Figure 10).

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

Financial instrument	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Plan to increase	Plan to decrease	
Japanese equities	45.7	57.2	11.5	45.8
Cash & deposits	29.2	35.7	6.5	33.8
Japanese investment trusts	22.1	27.1	5.0	22.2
Foreign equities	21.9	22.9	1.0	20.8
Foreign investment trusts	10.9	12.1	1.2	11.6
Gold	9.1	9.4	0.3	7.8
Japanese bonds	6.9	8.5	1.6	6.4
Foreign bonds	3.0	4.7	1.7	4.5
Hybrid securities	2.5	2.7	0.2	2.9
Other	1.1	1.5	0.4	1.3
None	-55.0	23.8	78.8	-57.2

Note: Respondents were given a list of 11 responses and asked to choose those financial instruments for which they planned to increase their holdings and those for which they planned to decrease their holdings (multiple responses were allowed). "Plan to increase" refers to financial instruments that investors plan to hold for the first time or for which they plan to increase their holdings, while "plan to decrease" refers to instruments that investors plan to cease holding or for which they plan to decrease their holdings. Hybrid securities and gold were added to the list of choices from the February 2012 survey. Since the April 2013 survey, we have divided the former category of "Securities issued overseas" into "foreign equities", "foreign investment trusts", and "foreign bonds".

**Fig. 11: DIs for financial instruments in which investors are planning either to increase or to decrease their holdings**

Note: "Securities issued overseas" is the total for "foreign equities," "foreign investment trusts," and "foreign bonds."

#### (8) A greater percentage of respondents expect prices to be higher one year out

When asked for their outlook for prices of regularly purchased goods and services one year out, 50.9% of respondents selected one of the "rise" responses, up 6.5ppt from last time. The proportion of respondents selecting the response "no change" was down 1.8ppt at 38.1%. The proportion of respondents selecting one of the "fall" responses fell 4.7ppt to 11.0% (Figure 12).

**Fig. 12: Outlook for prices one year out**

	Choices	% of responses	(Ref) Previous % of responses
1	Fall of 5% or more	2.4	2.8
2	Fall of 2% up to 5%	3.5	5.3
3	Fall of less than 2%	5.1	7.6
4	No change (0%)	38.1	39.9
5	Rise of less than 2%	33.3	29.5
6	Rise of 2% up to 5%	14.9	12.6
7	Rise of 5% or more	2.7	2.3
	Total	100	100

Note: Respondents were asked to select one response to the question: "How do you expect prices of regularly purchased goods and services to differ from current levels one year out?"

#### (9) Exercise of voting rights, cryptoassets (cryptocurrencies)

The September survey included spot questions about exercising voting rights at general shareholders' meetings and cryptoassets (cryptocurrencies).

A total of 60.9% of respondents said that they had exercised their voting rights at general shareholders' meetings, up 2.2ppt versus the figure in the September 2020 survey. The percentage of respondents who exercised voting rights with regard to all companies in which they owned shares was 43.4%, up 0.2ppt from last year's survey. The percentage of respondents who said they had exercised voting rights in some of the stocks they owned was 17.5%, up 2.0ppt on the survey a year earlier (Figure 13).



**Fig. 13: Exercise of voting rights at general shareholders' meetings**

Choices		No. of respondents	% of responses	Previous survey (Sep 2020) (%)
1.	Attended general meeting and exercised rights for all stocks owned (including online participation)	43	4.3	1.8
2.	Exercised rights for all stocks owned in writing (by post)	168	16.8	23.8
3.	Exercised rights for all stocks owned electronically (by internet, mobile phone, smartphone)	194	19.4	14.9
4.	Exercised rights for all stocks owned via a combination of methods listed in choices 1–3 above	29	2.9	2.7
5.	Attended general meeting and exercised rights for some stocks owned (including online participation)	11	1.1	1.8
6.	Exercised rights for some stocks owned in writing (by post)	63	6.3	6.7
7.	Exercised rights for some stocks owned electronically (by internet, mobile phone, smartphone)	84	8.4	5.7
8.	Exercised rights for some stocks owned via a combination of methods listed in choices 5–7 above	17	1.7	1.3
9.	Did not exercise rights for any stocks owned	286	28.6	32.0
10.	Held no stocks in subject companies	105	10.5	9.3
Total		1,000	100.0	100.0

Note: We asked investors to select one of the above 10 options with regard to the exercise of voting rights at general shareholders' meetings held in June 2021 for March year-end companies.

We also asked investors who said they had exercised voting rights whether they had voted in favor of or against the resolutions (multiple responses allowed). The percentage of investors who said they voted in favor of all resolutions was 75.2%, up 6.5ppt from the survey a year earlier. Meanwhile, among those resolutions they had voted against, the response rate was highest for "dividends (use of surplus funds)," at 10.3%, followed by "Selection of directors/auditors (including auditors at companies with an audit board)," at 8.5%. (Figure 14).

**Fig. 14: Resolutions opposed by the investors surveyed (multiple responses allowed)**

Choices	No. of respondents	% of responses	Previous survey (Sep 2020) (%)
Voted in favor of all resolutions	458	75.2	68.7
Dividends (use of surplus funds)	63	10.3	13.3
Director compensation/bonuses	49	8.0	10.6
Retirement bonuses for directors	44	7.2	9.4
Grant of stock options	18	3.0	4.3
Selection of directors/auditors (including auditors at companies with an audit board)	52	8.5	9.7
Introduction of takeover defense measures	13	2.1	2.7
Change in the number of directors (reduction, establishment of upper limit)	21	3.4	3.6
Change in the maximum number of issuable shares	14	2.3	1.9
Share buybacks	25	4.1	3.1
Other	2	0.3	0.7
Total	609	100.0	100.0

Note: We asked investors who selected responses 1–8 in Figure 13 which company resolutions they had voted against (multiple responses allowed).

We also asked respondents who had not exercised their voting rights to indicate why (multiple responses allowed). The most common reasons given were "Because the impact of my vote is small", at 54.2%, and "Because it is a hassle", at 43.4% (Figure 15).

**Fig. 15: Reasons for not exercising voting rights**

Choices		No. of respondents	% of responses	Previous survey (Sep 2020) (%)
1.	Because it is a hassle	124	43.4	40.6
2.	Because the impact of my vote is small	155	54.2	51.9
3.	None of the resolutions required me to express an opinion	38	13.3	13.8
4.	I did not have the time to study the resolutions	16	5.6	5.0
5.	I could not attend the general meeting or I forgot to mail the voting card	5	1.7	3.8
6.	My investment style is mainly short term or seeking capital gains, so I do not view exercising my voting rights as important	9	3.1	2.5
7.	I have no interest in exercising voting rights	54	18.9	19.4
8.	I did not understand the resolutions well	16	5.6	5.9
9.	Other	0	0.0	0.6
Total		286	100.0	100.0

Note: Investors who chose response 9 to the question in Figure 13 ("Did not exercise rights for any stocks owned") were asked to select all of the answers from among those given above that described their reasons for not exercising their voting rights.

Next we asked investors about their ownership of cryptoassets (cryptocurrencies). Those who said they owned cryptocurrencies accounted for 9.5% of all respondents, while the remaining 90.5% said they did not. A total of 86.3% said they had never owned cryptocurrencies (Figure 16).

**Fig. 16: Ownership of cryptoassets (cryptocurrencies)**

Choices		No. of respondents	% of responses
1.	Yes, I own cryptoassets and they account for half or more of my total assets	19	1.9
2.	Yes, I own cryptoassets and they account for less than half of my total assets	76	7.6
3.	I have owned cryptoassets previously but I do not now	42	4.2
4.	I have never owned cryptoassets	863	86.3
Total		1,000	100.0

Note: Respondents were asked "Do you own cryptoassets (cryptocurrencies) such as Bitcoin (choose one)?"

We also asked respondents who had selected options 3 or 4 to the question in Figure 16 to give the reason why they do not own cryptocurrencies. The most popular response was "I do not have a good understanding of how they work," at 37.6%. The next most popular response, at 30.6%, was "Price movements are too volatile" (Figure 17).

**Fig. 17: Reasons for not owning cryptoassets (cryptocurrencies)**

Choices		No. of respondents	% of responses
1.	Currency values are not protected in the same way as conventional currencies by the government, etc	248	27.4
2.	Price movements are too volatile	277	30.6
3.	They are limited in terms of where they are accepted for payment	30	3.3
4.	I do not have a good understanding of how they work	340	37.6
5.	Other	10	1.1
Total		905	100.0

Note: We asked respondents who had selected options 3 or 4 to the question in Figure 16 to say why they do not own cryptoassets (cryptocurrencies) (one response only permitted).

## 2. Nomura Individual Investor Survey

With the aim of better understanding investing activity by individuals and providing information on those trends, Nomura Securities periodically conducts a survey—the Nomura Individual Investor Survey. The results of the survey have been published 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 6 September 2021, with deadline for responses on 7 September 2021

Survey content: Questions included each time are (1) share price outlook, (2) factors expected to impact the stock market, (3) attractive sectors and stocks, (4) USD/JPY outlook and attractive currencies, (5) financial instruments for which investors plan to change their holdings, and (6) inflation outlook (since July 2013). Respondents are also asked spot questions each time and queried about their personal profiles.

## 3. Nomura Individual Investor Survey (September 2021) respondents

Gender: Male (85.8%), female (14.2%)

Age: Under 30 (0.7%), 30–39 (6.4%), 40–49 (17.7%), 50–59 (25.5%), 60 and above (49.7%)

Occupation: Self-employed/fisheries, agriculture, forestry (7.8%), professional (physician/medical professional, lawyer, etc) (2.1%), company management/board member (4.1%), company employee/public servant (45.2%), student (0.1%), full-time homemaker (5.9%), part-time worker/casual worker/job-hopper (5.6%), unemployed/pensioner (26.9%), other (2.3%)

Region: Kanto (51.7%), Kinki (18.4%), Tokai/Koshinetsu/Hokuriku (15.1%), Hokkaido/Tohoku (5.0%), Chugoku/Shikoku/Kyushu (9.8%)

Financial assets held: Less than ¥1,000,000 (5.5%), ¥1,000,000–¥2,999,999 (6.5%), ¥3,000,000–¥4,999,999 (12.2%), ¥5,000,000–¥9,999,999 (16.9%), ¥10,000,000–¥29,999,999 (28.1%), ¥30,000,000–¥49,999,999 (14.1%), ¥50,000,000 or more (16.7%)

Value of Japanese stocks held: Less than ¥500,000 (10.3%), ¥500,000–¥999,999 (11.1%), ¥1,000,000–¥2,999,999 (22.3%), ¥3,000,000–¥4,999,999 (17.3%), ¥5,000,000–¥9,999,999 (16.4%), ¥10,000,000–¥29,999,999 (14.6%), ¥30,000,000 or more (8.0%)

Investment experience: Less than three years (6.0%), three years to less than five years (7.3%), five years to less than 10 years (13.8%), 10 years to less than 20 years (29.5%), 20 years or more (43.4%)

Investment plan for Japanese stocks: Mainly for long-term holding (49.3%), pursuit of gains from short-term appreciation (9.5%), pursuit of dividends and shareholder perks (26.8%), no particular plan (14.4%)

### Notice

The next Nomura Individual Investor Survey (December 2021) is scheduled for release on Thursday, 16 December 2021.

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When Japanese government bonds (JGBs) for individual investors are purchased via public offerings, only the purchase price shall be paid, with no sales commission charged. As a rule, JGBs for individual investors may not be sold in the first 12 months after issuance. When JGBs for individual investors are sold before maturity, an amount calculated via the following formula will be subtracted from the par value of the bond plus accrued interest: (1) for 10-year variable rate bonds, an amount equal to the two preceding coupon payments (before tax) x 0.79685 will be used, (2) for 5-year and 3-year fixed rate bonds, an amount equal to the two preceding coupon payments (before tax) x 0.79685 will be used.

When inflation-indexed JGBs are purchased via public offerings, secondary distributions (uridashi deals), or other OTC transactions with Nomura Securities, only the purchase price shall be paid, with no sales commission charged. Inflation-indexed JGBs carry the risk of losses, as prices fluctuate in line with changes in market interest rates and fluctuations in the nationwide consumer price index. The notional principal of inflation-indexed JGBs changes in line with the rate of change in nationwide CPI inflation from the time of its issuance. The amount of the coupon payment is calculated by multiplying the coupon rate by the notional principal at the time of payment. The maturity value is the amount of the notional principal when the issue becomes due. For J117 and subsequent issues, the maturity value shall not undercut the face amount.

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In interest rate swap transactions and USD/JPY basis swap transactions ("interest rate swap transactions, etc."), only the agreed transaction payments shall be made on the settlement dates. Some interest rate swap transactions, etc. may require pledging of margin collateral. In some of these cases, transaction payments may exceed the amount of collateral. There shall be no advance notification of required collateral value or collateral ratios as they vary depending on the transaction. Interest rate swap transactions, etc. carry the risk of losses owing to fluctuations in

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