

# **Nomura Individual Investor Survey**

December 2022

15 December 2022

Global Research Division  
Nomura Securities Co., Ltd.

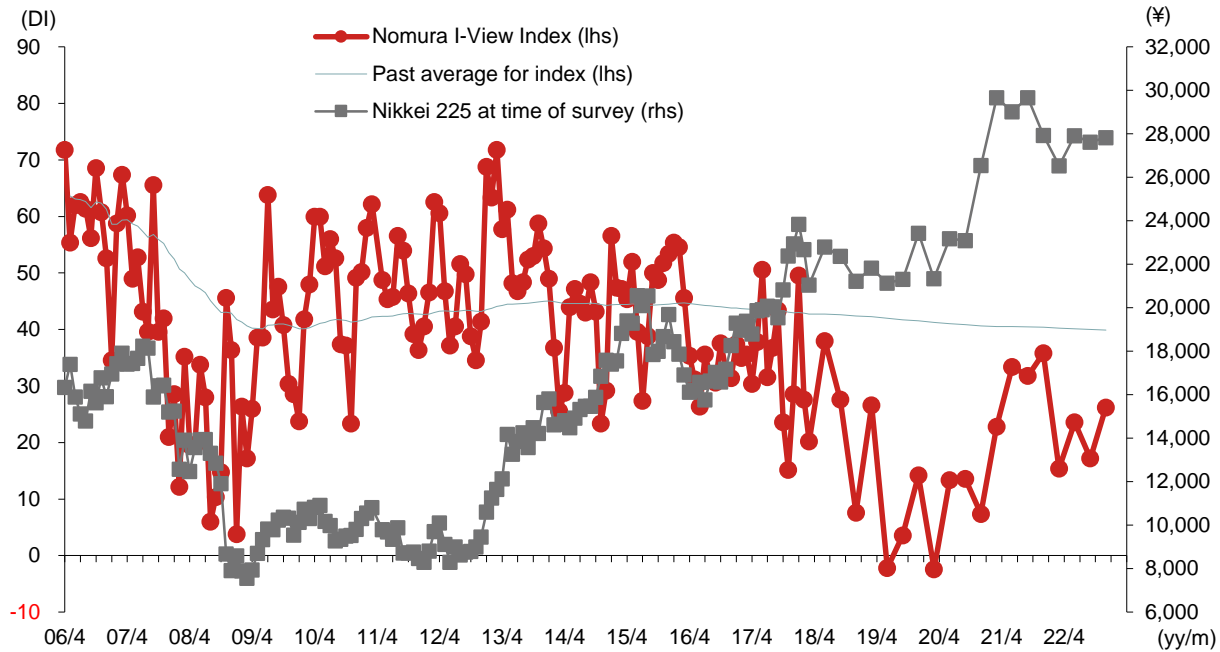
The Nomura Individual Investor Survey is a periodic survey conducted with the aim of better understanding investing activity by individuals and providing information on related trends.

# 1. Survey results

## (1) Nomura I-View Index up from previous survey at 26.2

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 26.2 in December 2022, up 9.0pt versus the previous survey. The Nikkei 225 reference level (5 December 2022 close) was 27,820.40, up 200.79 versus the previous survey (5 September 2022 close of 27,619.61).

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

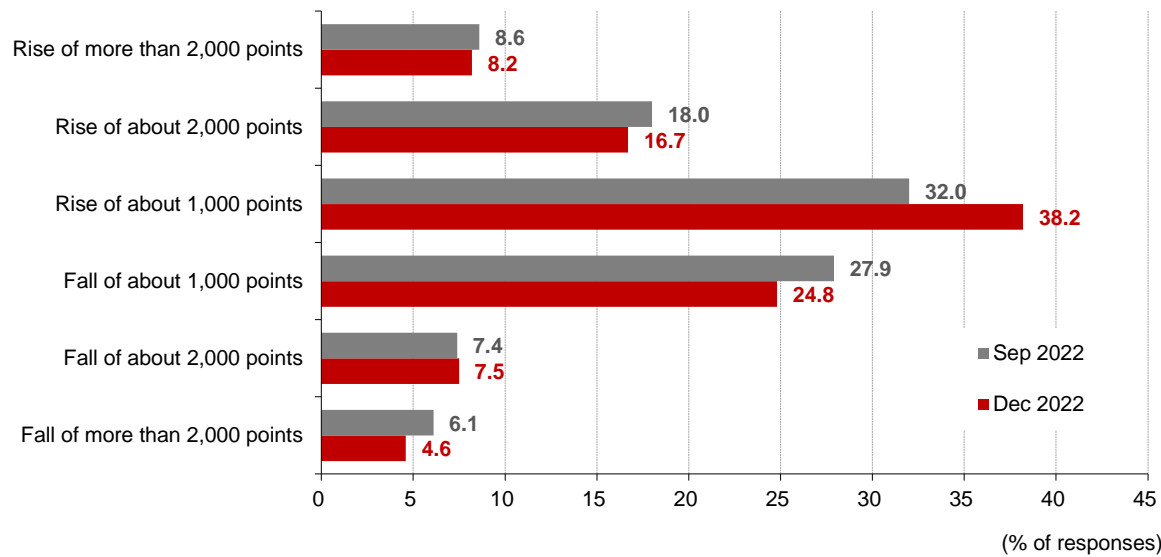


Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a diffusion index (DI). The calculation method is as follows:  $\frac{(\text{number of responses indicating expected rise in share prices in the next three months}) - (\text{number of responses indicating expected fall in share prices in the next three months})}{\text{number of respondents}} \times 100$ . 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. The closer to +100, the more bullish the outlook held by individual investors. The closer to -100, the more bearish the outlook held by individual investors.

The combined percentage of respondents expecting the Nikkei 225 to rise over the next three months was 63.1%, up 4.5ppt from 58.6% in the previous survey. The percentage of respondents expecting a "rise of about 1,000 points" was 38.2%, up 6.2ppt from the previous survey. The proportion of respondents expecting a "rise of about 2,000 points" was down 1.3ppt to 16.7%, while the proportion responding with a "rise of more than 2,000 points" fell 0.4ppt to 8.2%.

The proportion expecting a "fall of about 1,000 points" declined 3.1ppt to 24.8%. The proportion expecting a "fall of about 2,000 points" was up 0.1ppt at 7.5%, while the proportion expecting a "fall of more than 2,000 points" was down 1.5ppt at 4.6% (Figure 2).

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

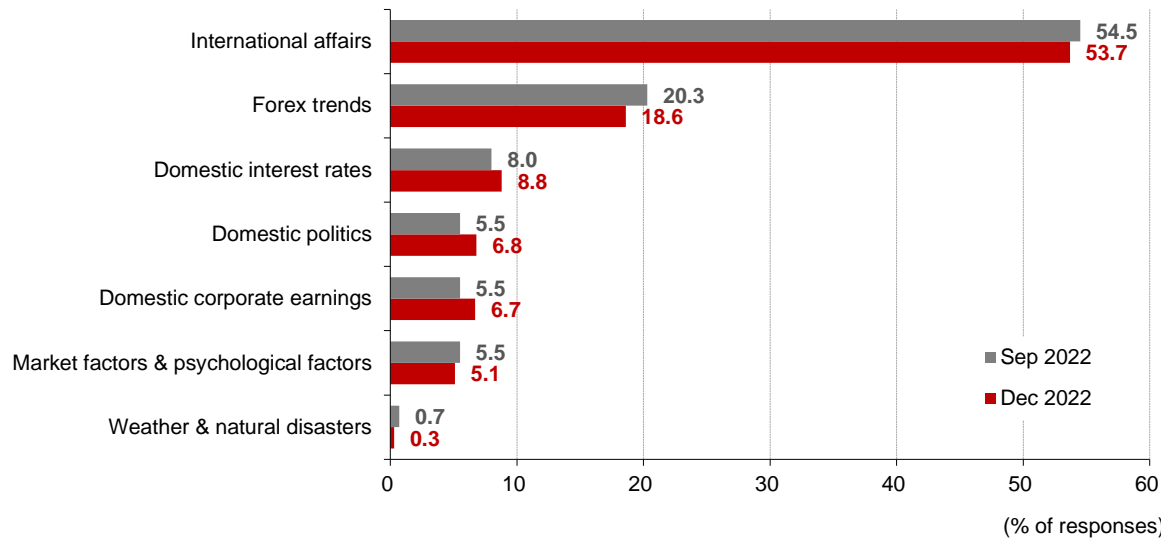


Note: Respondents were asked to share their outlook for the Nikkei 225 during the next three months based on the 5 December 2022 close of 27,820. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points, with 1,000-point increments in between.

**(2) Stronger investor focus on domestic politics and domestic corporate earnings**

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 1.3ppt versus the previous survey to 6.8%. That for "domestic corporate earnings" rose 1.2ppt to 6.7%. That for "forex trends", on the other hand, fell 1.7ppt to 18.6%.

**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.

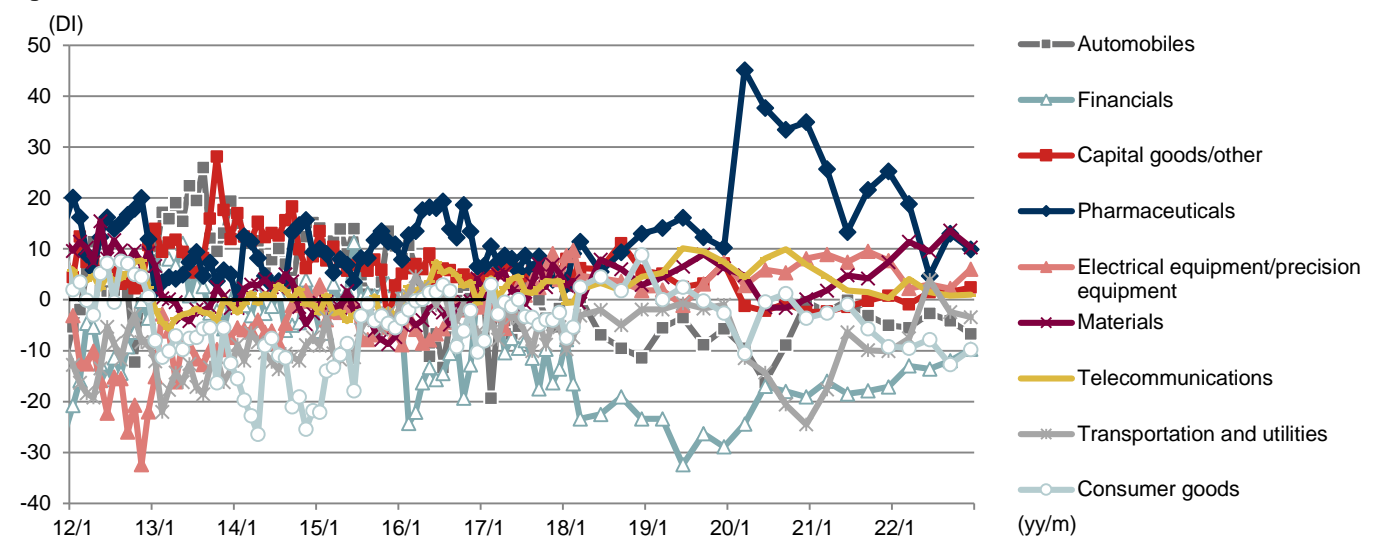
**(3) Appeal of electrical equipment/precision equipment and consumer goods sectors up, that of materials sector down**  
 On the outlook for sectors over the next three months or so, we calculate a diffusion index (DI) for each sector by subtracting the percentage of respondents viewing it as "unappealing" from the percentage of respondents viewing it as "appealing." The DI for the electrical equipment/precision equipment sector increased 3.8pt versus the previous survey to 6.0. The DI for the consumer goods sector increased 2.9pt to -9.8. By contrast, the DI for the materials sector declined 3.3pt to 10.3 (Figures 4 and 5).

**Fig. 4: Investment appeal by sector**

Sector	DI	Breakdown of DI (% of responses)		(Ref)
		Appealing	Unappealing	Previous DI
Materials	10.3	20.3	10.0	13.6
Pharmaceuticals	9.9	15.7	5.8	13.0
Electrical equipment/precision equipment	6.0	11.0	5.0	2.2
Capital goods/other	2.4	9.1	6.7	1.6
Telecommunications	1.0	6.2	5.2	0.8
Transportation and utilities	-3.4	11.2	14.6	-2.4
Automobiles	-6.7	6.4	13.1	-4.1
Financials	-9.7	9.3	19.0	-12.0
Consumer goods	-9.8	10.8	20.6	-12.7

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)**

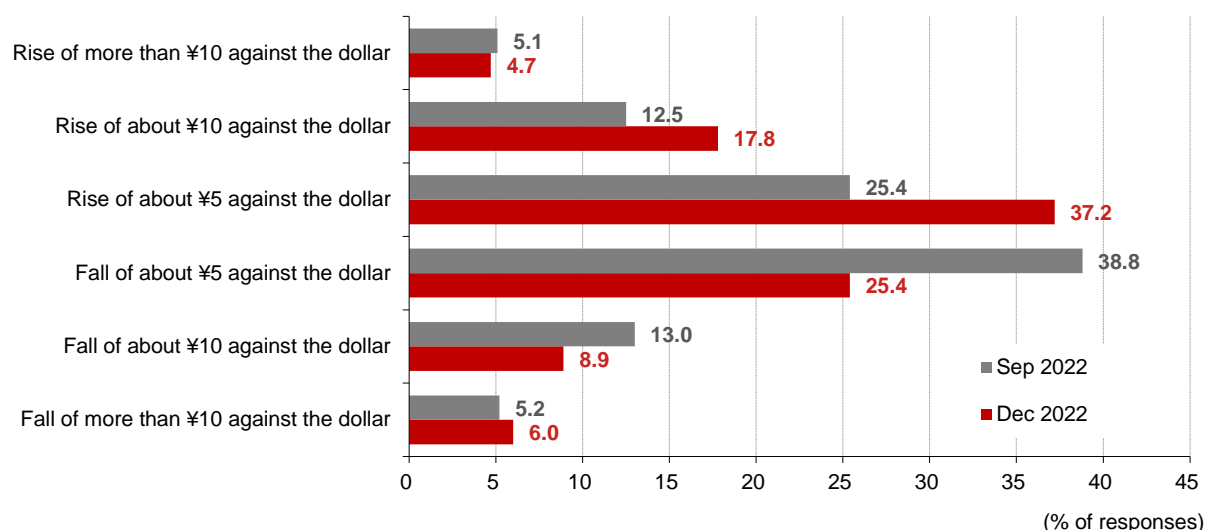
Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	76	9434	Softbank	11
2897	Nissin Foods Holdings	33	9432	Nippon Telegraph and Telephone	10
6758	Sony Group	24	9984	Softbank Group	10
8306	Mitsubishi UFJ Financial Group	24	3105	Nisshinbo Holdings	9
2914	Japan Tobacco	23	8766	Tokio Marine Holdings	9
8058	Mitsubishi Corp	23	2802	Ajinomoto	8
9101	Nippon Yusen	23	4523	Eisai	8
4502	Takeda Pharmaceutical	21	7201	Nissan Motor	8
8267	Aeon	18	3402	Toray Industries	7
7974	Nintendo	16	7267	Honda Motor	7
8591	Orix	15	8316	Sumitomo Mitsui Financial Group	7
4507	Shionogi	14	4452	Kao	6
4755	Rakuten	14	5401	Nippon Steel & Sumitomo Metal	6
6501	Hitachi	14	8031	Mitsui & Co	6
6752	Panasonic	13	8411	Mizuho Financial Group	6
9104	Mitsui OSK Lines	13	9020	East Japan Railway	6
9202	ANA Holdings	13	9433	KDDI	6
4661	Oriental Land	12			

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

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

On the outlook for USD/JPY over the next three months, the combined percentage of respondents expecting the yen to appreciate against the US dollar was 59.7%, up 16.7ppt from the previous survey. The response rate for "rise of about ¥5 against the dollar" rose 11.8ppt versus the previous survey to 37.2%. The response rate for "rise of about ¥10 against the dollar" rose 5.3ppt to 17.8% and the response rate for "rise of more than ¥10 against the dollar" fell 0.4ppt to 4.7%.

The response rate for "fall of about ¥5 against the dollar" declined 13.4ppt to 25.4%. The response rate for "fall of about ¥10 against the dollar" fell 4.1ppt to 8.9%, while that for "fall of more than ¥10 against the dollar" rose 0.8ppt to 6.0% (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 5 December 2022 indicative rate of 134.37. 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) Investment appeal of Japanese yen, Brazilian real rises

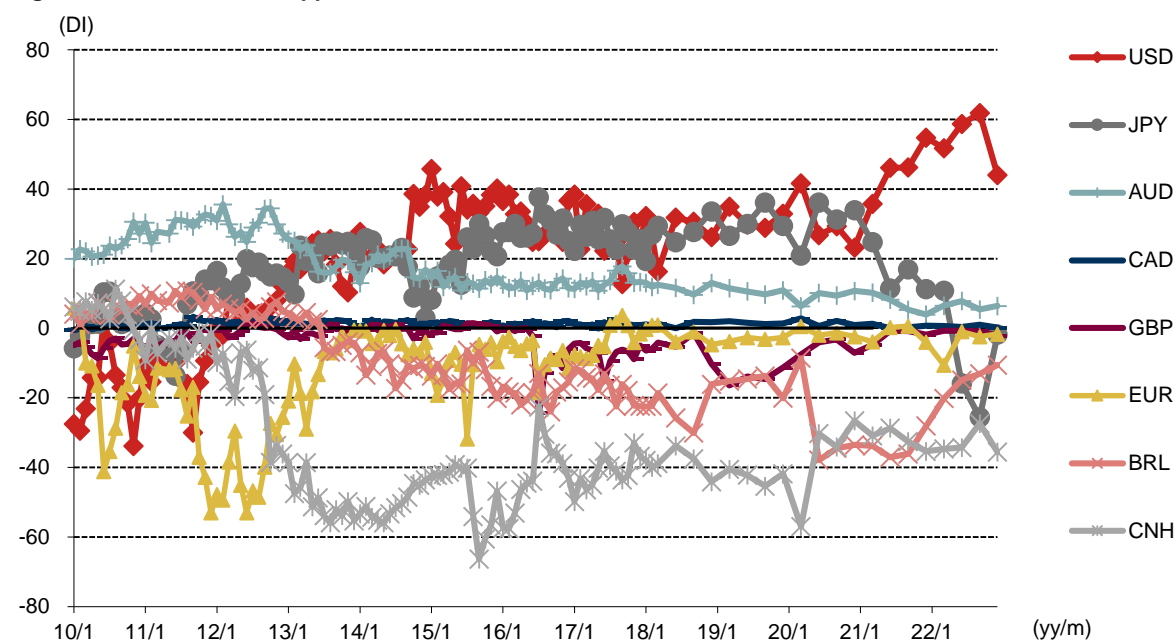
On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for Japanese yen rose 23.8pt from the previous survey to -1.8. That for the Brazilian real rose 2.5pt to -10.6. At the same time, that for the US dollar fell 17.8pt to 44.0 (Figures 8 and 9).

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

Currency	DI	Breakdown of DI (% of responses)		(Ref)
		Appealing	Unappealing	Previous DI
US dollar	44.0	54.0	10.0	61.8
Australian dollar	6.4	8.1	1.7	5.4
Canadian dollar	0.2	1.1	0.9	1.0
Euro	-1.7	3.4	5.1	-2.4
Japanese yen	-1.8	27.0	28.8	-25.6
Pound sterling	-2.1	1.6	3.7	-0.9
Brazilian real	-10.6	1.0	11.6	-13.1
Chinese yuan	-35.6	2.3	37.9	-27.4

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) Increased focus on foreign equities and Japanese bonds among financial instruments**

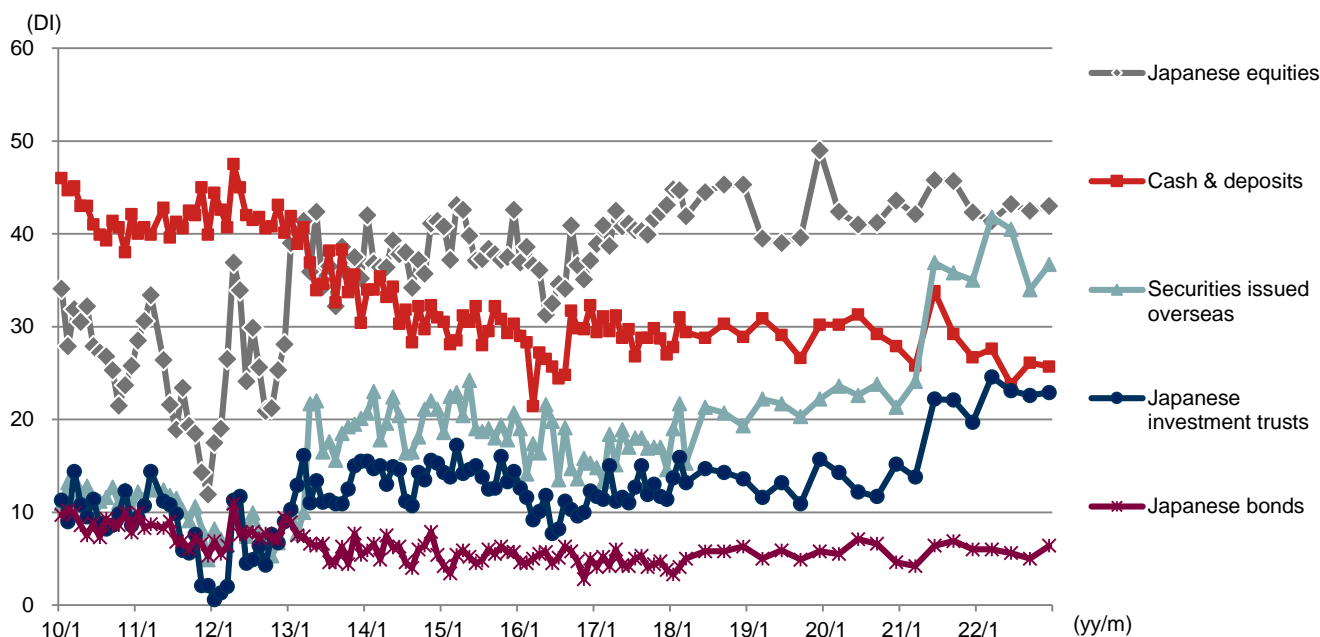
To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for foreign equities rose 2.1pt to 19.8, while that for Japanese bonds rose 1.4pt to 6.4. Meanwhile, the DI for gold fell 1.1pt to 9.3 (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	43.0	54.7	11.7	42.5
Cash & deposits	25.7	32.9	7.2	26.1
Japanese investment trusts	22.9	27.5	4.6	22.6
Foreign equities	19.8	21.4	1.6	17.7
Foreign investment trusts	12.1	13.5	1.4	11.5
Gold	9.3	10.2	0.9	10.4
Japanese bonds	6.4	9.0	2.6	5.0
Foreign bonds	4.8	5.5	0.7	4.8
Hybrid securities	2.5	2.9	0.4	2.5
Other	0.5	0.7	0.2	1.1
None	-53.0	25.8	78.8	-53.2

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) Higher percentage of respondents expect prices to be unchanged one year out**

When asked for their outlook for prices of regularly purchased goods and services one year out, 20.2% of respondents selected a "fall" response, up 0.3ppt from last time. The percentage of respondents selecting a "no change" response was up 3.0ppt at 12.4%. The proportion of respondents selecting a "rise" response fell 3.3ppt to 67.4% (Figure 12).

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

	Choices	% of responses	(Ref) Previous % of responses
1.	Fall of 5% or more	8.5	8.7
2.	Fall of 2% up to 5%	6.7	7.0
3.	Fall of less than 2%	5.0	4.2
4.	No change (0%)	12.4	9.4
5.	Rise of less than 2%	18.8	18.4
6.	Rise of 2% up to 5%	31.6	31.8
7.	Rise of 5% or more	17.0	20.5
	Total	100.0	100.0

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) ESG investment, equity market themes for 2023**

The survey included spot questions on ESG investment and equity market themes for 2023.

Asked about their interest in companies' environmental, social, and corporate governance (ESG) initiatives, respondents chose "if anything, I'm interested" more than any other response, with 37.2% of respondents choosing it, down 5.6ppt from the responses when we last asked this question in the June 2022 survey. 33.1% selected the response "if anything, I'm not interested", up 4.2ppt (Figure 13).

**Fig. 13: Interest in companies' ESG initiatives**

Choices	No. of respondents	% of responses	Previous survey Jun 2022 (%)
1. I'm very interested	103	10.3	9.7
2. If anything, I'm interested	372	37.2	42.8
3. If anything, I'm not interested	331	33.1	28.9
4. I'm not interested at all	127	12.7	9.2
5. I can't say, I don't know	67	6.7	9.4
Total	1,000	100.0	100.0

Note: The question was: "Are you interested in companies' ESG (environment, social, corporate governance) initiatives (choose one)?"

When asked whether or not ESG factors should be taken into consideration in equity markets, respondents chose "return on investment is important for stock market investment, but it is also important to consider ESG factors to some extent" more than any other response, with 45.7% of respondents choosing it, down 1.7ppt from the June survey (Figure 14).

**Fig. 14: Need to take ESG into consideration**

Choices	No. of respondents	% of responses	Previous survey Jun 2022 (%)
1. Return on investment is what is important for stock market investment, so it is not necessary to consider ESG factors	135	13.5	12.0
2. Return on investment is important for stock market investment, but it is also important to consider ESG factors to some extent	457	45.7	47.4
3. Given the importance of sustainable growth, ESG factors are at least as important to consider as return on investment when investing in the stock market	192	19.2	19.5
4. Don't know	216	21.6	21.1
Total	1,000	100.0	100.0

Note: Respondents were asked: "Do you think it is necessary to consider ESG (environmental, social, and corporate governance) factors when investing in the stock market (choose one)?"

We also asked about changes in views on ESG investment in reaction to various changes in the economy and society. The most common response was "no major change", with 53.9% of respondents selecting this response, down 0.3ppt from the December 2021 survey. The second most common response was "I regard ESG investment as somewhat important" at 31.4%, down 3.2ppt (Figure 15).

**Fig. 15: Changes in view of ESG investment**

	Choices	No. of respondents	% of responses	Previous survey Dec 2021 (%)
1.	I regard ESG investment as very important	51	5.1	4.2
2.	I regard ESG investment as somewhat important	314	31.4	34.6
3.	I do not regard ESG investment as particularly important	53	5.3	5.2
4.	I do not regard ESG investment as important at all	43	4.3	1.8
5.	No major change	539	53.9	54.2
	Total	1,000	100.0	100.0

Note: Respondents were asked to select a single response to the question: "Has your view of ESG investment changed as a result of economic and social changes arising because of the COVID-19 pandemic (choose one)?"

Finally, we asked what themes they viewed as particularly important for investment that are likely to become topics of discussion in Japan's equity markets in 2023 or that are likely to affect markets. The most common response was "forex trends" (45.7%), followed by "US monetary policy" (42.5%) and "BOJ monetary policy" (38.0%). Other themes selected by large numbers of respondents included "food and energy inflation" (37.0%) and "shareholder returns (dividends, share buybacks)" (21.9%) (Figure 16).

**Fig. 16: Themes for the Japanese equity market in 2023**

Choices	No. of respondents	% of responses
1. Food and energy inflation	370	37.0
2. Forex trends	457	45.7
3. BOJ monetary policy	380	38.0
4. US monetary policy	425	42.5
5. Renewable energy	159	15.9
6. Initiatives to cut greenhouse gas emissions, move away from plastic	108	10.8
7. Disaster mitigation, infrastructure upgrade measures	58	5.8
8. Biodiversity	14	1.4
9. Digital transformation (DX)	96	9.6
10. Spread of 5G	68	6.8
11. Automated driving	71	7.1
12. Artificial intelligence (AI)	140	14.0
13. Fintech (including cashless payments)	30	3.0
14. Metaverse	62	6.2
15. Digitalization of government	26	2.6
16. Space development	21	2.1
17. Response to the COVID-19 pandemic	129	12.9
18. Reform of medical/healthcare market	86	8.6
19. Shareholder returns (dividends, share buybacks)	219	21.9
20. Management focused on ROE	57	5.7
21. ESG-focused management	52	5.2
22. Increase in M&A deals	30	3.0
23. Stimulation of financial and capital markets	58	5.8
24. Employment-related (labor shortages, employment regulatory reform, personnel cost revisions)	59	5.9
25. Education (digitalization, adult education, etc)	14	1.4
26. Regulatory reform in agriculture, forestry, and fisheries industry, food supply	33	3.3
27. Full resumption of economic activity	85	8.5
28. Foreign tourism in Japan	93	9.3
29. Integrated resorts including casinos	12	1.2
30. Other	8	0.8
31. Nothing in particular	105	10.5
Total	1,000	100.0

Note: Respondents were asked to select up to five themes on which they intended to focus particularly when making investment decisions, out of the themes listed above that look likely to become key themes in the Japanese equity market in 2023 or to have an impact.

## 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 5 December 2022, with deadline for responses on 6 December 2022

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 (December 2022) respondents

Gender: Male (85.2%), female (14.8%)

Age: Under 30 (1.9%), 30–39 (8.9%), 40–49 (17.1%), 50–59 (25.6%), 60 and above (46.5%)

Occupation: Self-employed/fisheries, agriculture, forestry (8.9%), professional (physician/medical professional, lawyer, etc) (2.0%), company management/board member (3.6%), company employee/public servant (44.3%), student (0.1%), full-time homemaker (6.1%), part-time worker/casual worker/job-hopper (6.4%), unemployed/pensioner (25.8%), other (2.8%)

Region: Kanto (50.1%), Kinki (16.3%), Tokai/Koshinetsu/Hokuriku (17.7%), Hokkaido/Tohoku (5.4%), Chugoku/Shikoku/Kyushu (10.5%)

Financial assets held: Less than ¥1,000,000 (6.2%), ¥1,000,000–¥2,999,999 (8.8%), ¥3,000,000–¥4,999,999 (11.2%), ¥5,000,000–¥9,999,999 (16.4%), ¥10,000,000–¥29,999,999 (28.3%), ¥30,000,000–¥49,999,999 (12.8%), ¥50,000,000 or more (16.3%)

Value of Japanese stocks held: Less than ¥500,000 (14.2%), ¥500,000–¥999,999 (10.2%), ¥1,000,000–¥2,999,999 (21.1%), ¥3,000,000–¥4,999,999 (14.0%), ¥5,000,000–¥9,999,999 (15.9%), ¥10,000,000–¥29,999,999 (16.9%), ¥30,000,000 or more (7.7%)

Investment experience: Less than three years (10.6%), at least three years but less than five years (9.8%), at least five years but less than 10 years (16.2%), at least 10 years but less than 20 years (27.5%), 20 years or more (35.9%)

Investment plan for Japanese stocks: Mainly for long-term holding (43.4%), pursuit of gains from short-term appreciation (12.6%), pursuit of dividends and shareholder perks (29.7%), no particular plan (14.3%)

### Notice

The next Nomura Individual Investor Survey (March 2023) is scheduled for release on Thursday, 16 March 2023.

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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. Purchases of investment trusts (and sales of some investment trusts) are subject to a purchase or sales fee of up to 5.5% (tax included) of the transaction amount. Also, a direct cost that may be incurred when selling investment trusts is a fee of up to 2.0% of the unit price at the time of redemption. Indirect costs that may be incurred during the course of holding investment trusts include, for domestic investment trusts, an asset management fee (trust fee) of up to 5.5% (tax included/annualized basis) of the net assets in trust, as well as fees based on investment performance. Other indirect costs may also be incurred. For foreign investment trusts, indirect fees may be incurred during the course of holding such as investment company compensation.

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