

# **Nomura Individual Investor Survey**

September 2023

14 September 2023

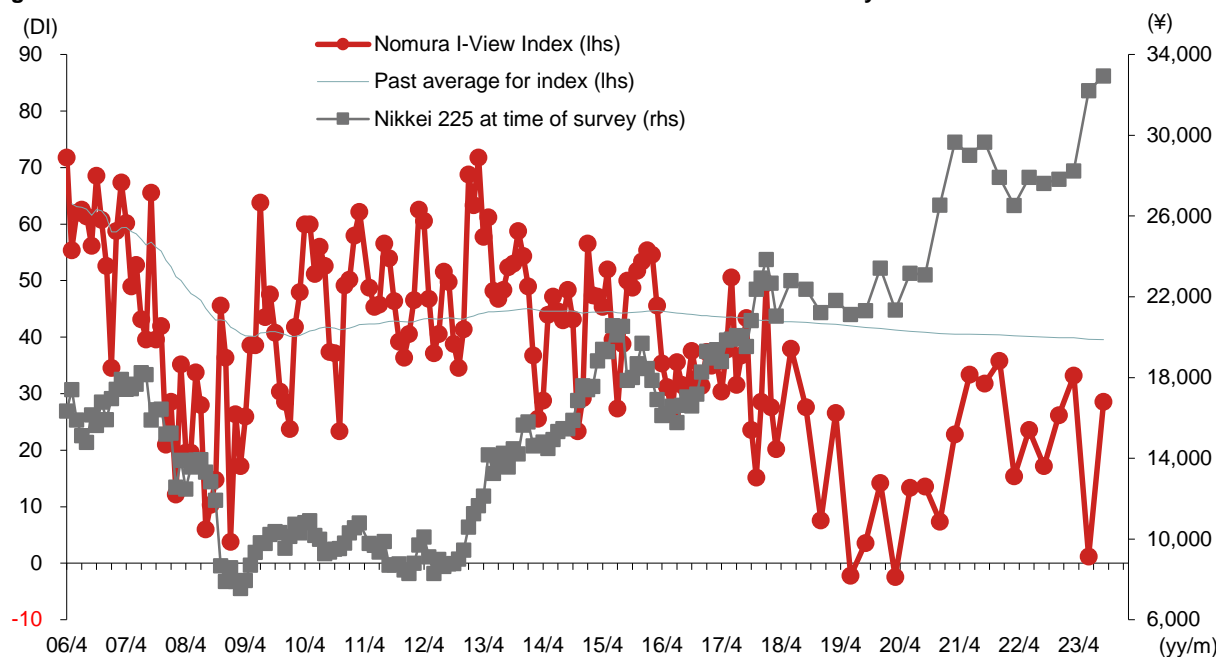
Global Research Division  
Nomura Securities Co., Ltd.

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) Nomura I-View Index comes in higher than previous survey at 28.6**

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," came in at 28.6 in September, up 27.4pt versus the previous survey. The Nikkei 225 reference level (4 September 2023 close) was 32,939.18, up 721.75 versus the previous survey (5 June 2023 close of 32,217.43).

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

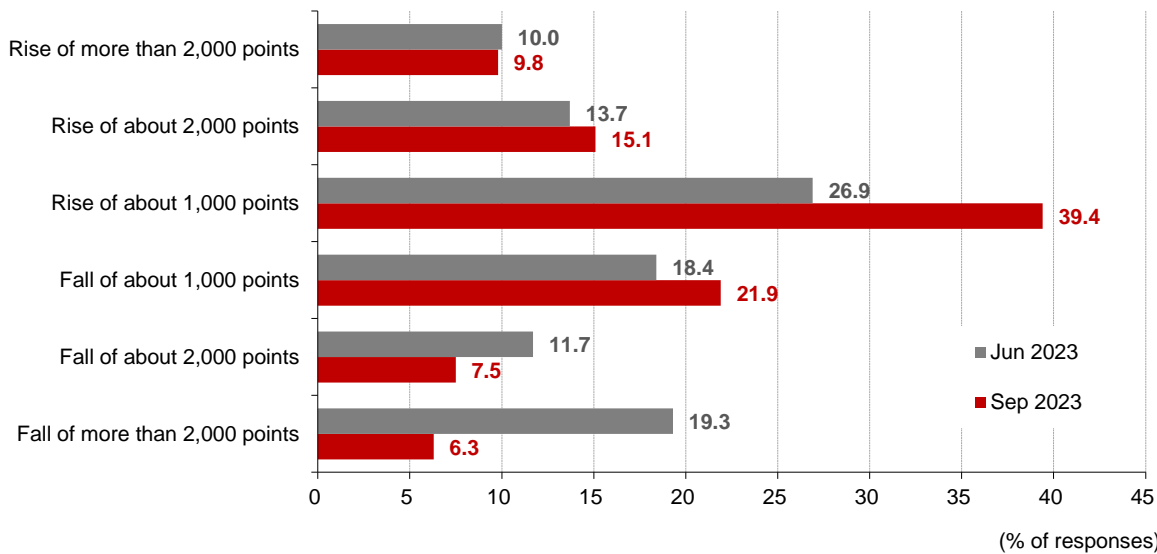


Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a diffusion index (DI). The calculation method is as follows:  $\frac{(\text{number of responses indicating expected rise in share prices in the next three months}) - (\text{number of responses indicating expected fall in share prices in the next three months})}{\text{number of respondents}} \times 100$ . 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 64.3%, up 13.7ppt from 50.6% in the previous survey. The percentage of respondents expecting a "rise of about 1,000 points" was up 12.5ppt versus the previous survey at 39.4%. The percentage of respondents expecting a "rise of about 2,000 points" was up 1.4ppt at 15.1%, while the proportion responding with a "rise of more than 2,000 points" fell 0.2ppt to 9.8%.

The proportion expecting a "fall of about 1,000 points" rose 3.5ppt to 21.9%. The proportion expecting a "fall of about 2,000 points" was down 4.2ppt at 7.5%, while the proportion expecting a "fall of more than 2,000 points" was down 13.0ppt at 6.3% (Figure 2).

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

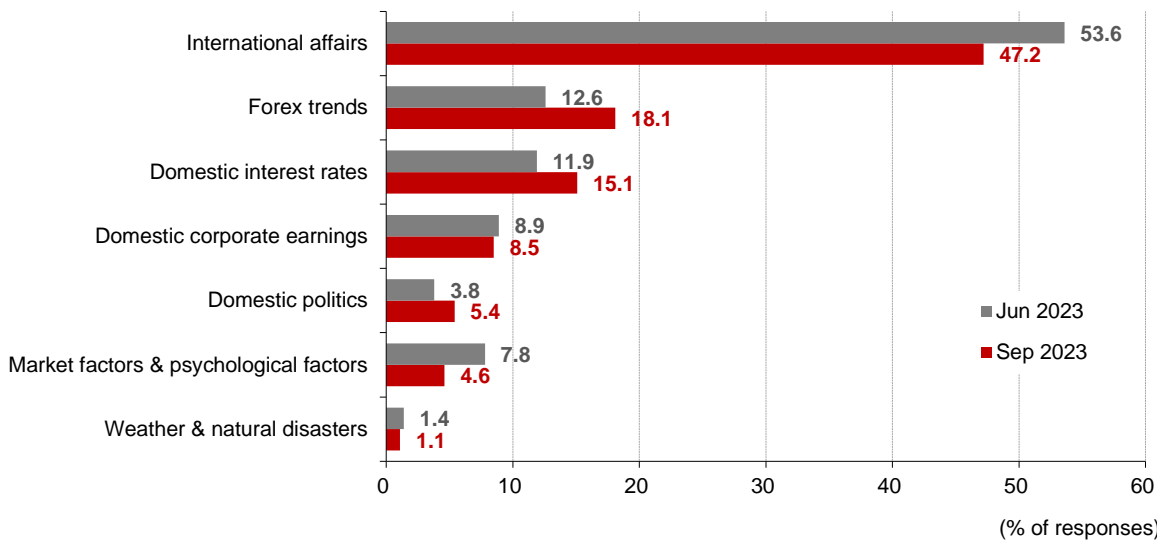


Note: Respondents were asked to share their outlook for the Nikkei 225 during the next three months based on the 4 September 2023 close of 32,939. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points, with 1,000-point increments in between.

**(2) Stronger focus on forex trends and domestic interest rates**

Respondents were asked to select the factor most likely to affect the stock market over the next three months. The percentage selecting "forex trends" rose 5.5ppt versus the previous survey to 18.1%. The response rate for "domestic interest rates" increased 3.2ppt to 15.1%, while the percentage for "international affairs" fell 6.4ppt to 47.2%.

**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 financials, pharmaceuticals sectors up, appeal of consumer goods, capital goods/other sectors down**

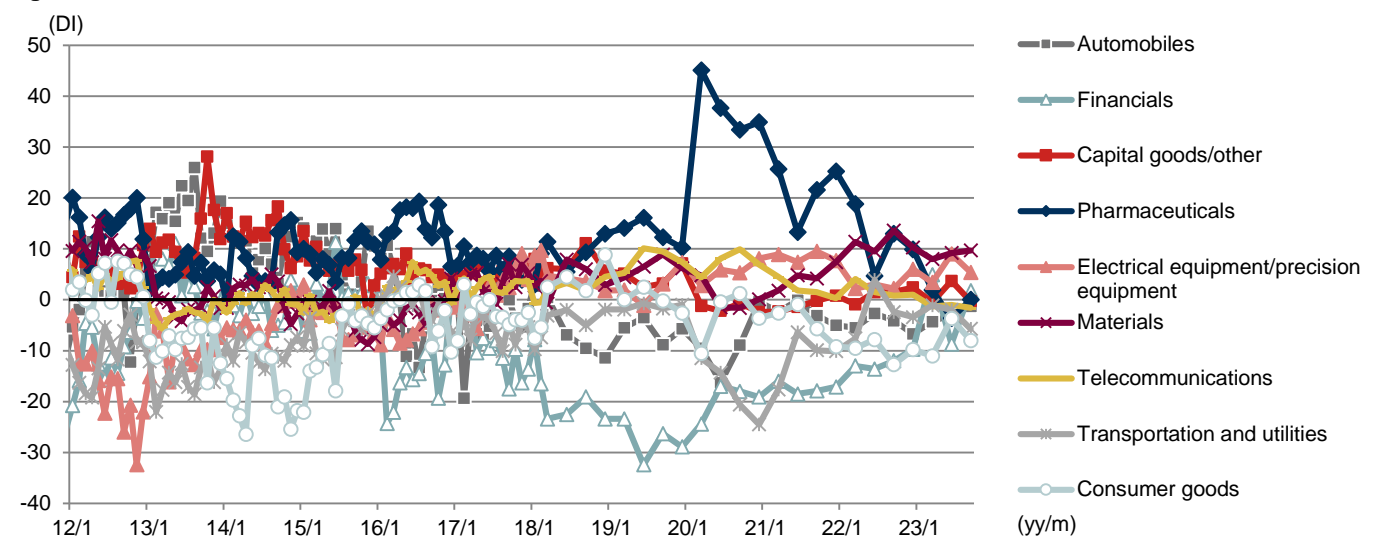
On the outlook for sectors over the next three months or so, we calculate a diffusion index (DI) for each sector by subtracting the percentage of respondents viewing it as "unappealing" from the percentage of respondents viewing it as "appealing." The DI for financials increased 10.5pt to 1.8. The DI for the pharmaceuticals sector also rose, by 3.6pt, to 0.0. Meanwhile, the DI for consumer goods declined 4.3pt to -8.0, and the DI for capital goods/other declined 4.0pt to -0.3 (Figures 4 and 5).

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

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Materials	9.7	19.5	9.8	9.2
Electrical equipment/precision equipment	5.4	11.7	6.3	9.0
Financials	1.8	17.1	15.3	-8.7
Pharmaceuticals	0.0	10.4	10.4	-3.6
Capital goods/other	-0.3	7.0	7.3	3.7
Automobiles	-1.3	7.0	8.3	-2.9
Telecommunications	-1.6	4.9	6.5	-1.0
Transportation and utilities	-5.7	9.5	15.2	-2.0
Consumer goods	-8.0	12.9	20.9	-3.7

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 financials 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 goods 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)**

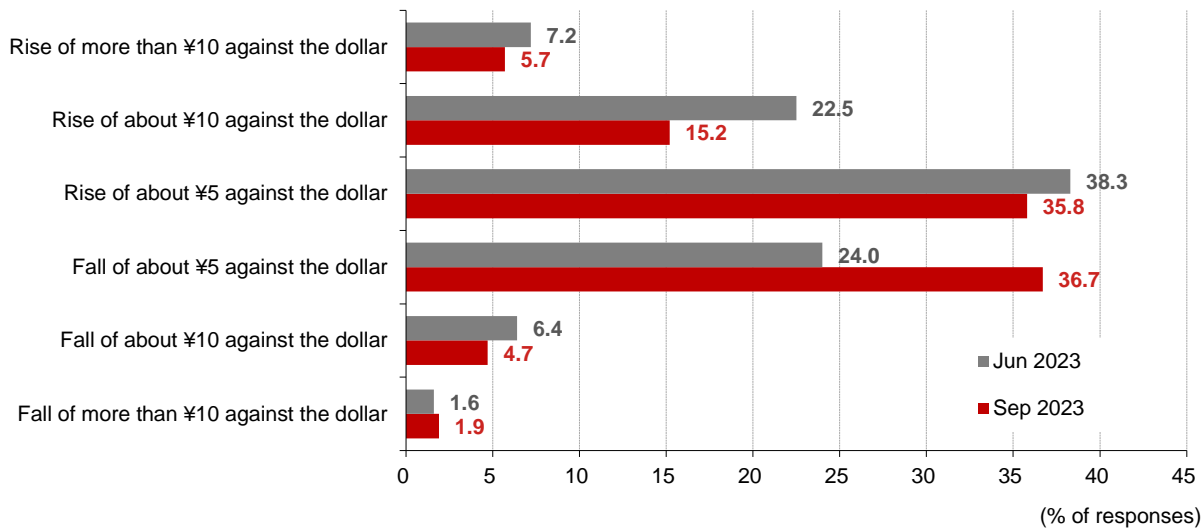
Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	89	6501	Hitachi	10
8306	Mitsubishi UFJ Financial Group	40	8593	Mitsubishi UFJ Lease & Finance	10
9432	Nippon Telegraph and Telephone	35	9020	East Japan Railway	10
2914	Japan Tobacco	32	9433	KDDI	10
2897	Nissin Foods Holdings	31	7974	Nintendo	8
8058	Mitsubishi Corp	23	8031	Mitsui & Co	8
8267	Aeon	21	9434	SoftBank Corp	8
4502	Takeda Pharmaceutical	17	1605	Inpex	7
6758	Sony Group	17	2702	McDonald's Holdings (Japan)	7
8035	Tokyo Electron	16	4063	Shin-Etsu Chemical	7
8591	Orix	15	9104	Mitsui OSK Lines	7
8316	Sumitomo Mitsui Financial Group	14	4523	Eisai	6
4661	Oriental Land	13	6861	Keyence	6
9984	SoftBank Group	13	7011	Mitsubishi Heavy Industries	6
4755	Rakuten	11	7201	Nissan Motor	6
9101	Nippon Yusen	11	8411	Mizuho Financial Group	6
9202	ANA Holdings	11	9201	Japan Airlines	6

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

**(5) Fall 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 56.7%, down 11.3ppt from the previous survey. The response rate for "rise of about ¥5 against the dollar" fell 2.5ppt versus the previous survey to 35.8%. The response rate for "rise of about ¥10 against the dollar" fell 7.3ppt to 15.2% and the response rate for "rise of more than ¥10 against the dollar" fell 1.5ppt to 5.7%.

The percentage of responses for "fall of about ¥5 against the dollar", meanwhile, rose 12.7ppt to 36.7%. The percentage for "fall of about ¥10 against the dollar" fell 1.7ppt to 4.7%, while that for "fall of more than ¥10 against the dollar" rose 0.3ppt to 1.9% (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 noon 4 September 2023 indicative rate of 146.16. 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 DI increases for US dollar, Brazilian real

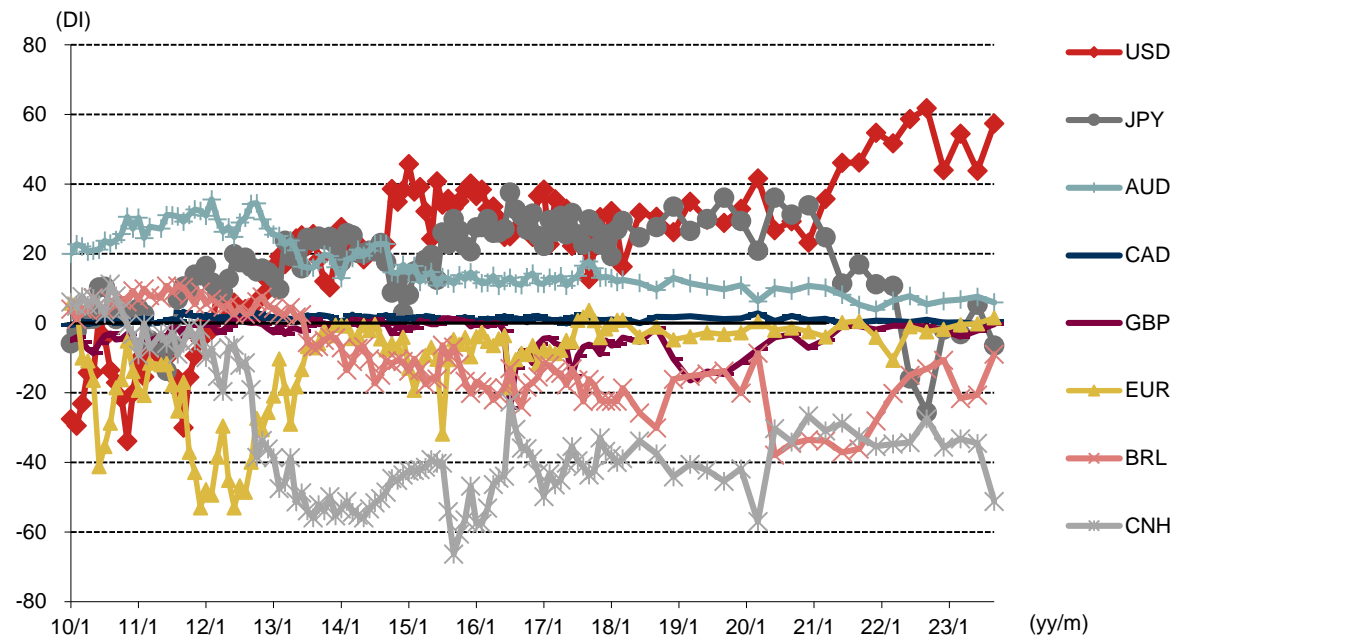
On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the US dollar rose 13.6pt to 57.4. The DI for the Brazilian real also rose, by 11.7pt to -8.9, while the DI for the Chinese yuan fell 16.7pt to -51.2 (Figures 8 and 9).

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

Currency	DI	Breakdown of DI (% of responses)		(Ref)
		Appealing	Unappealing	Previous DI
US dollar	57.4	62.2	4.8	43.8
Australian dollar	6.0	7.4	1.4	7.6
Euro	1.6	5.2	3.6	-0.1
Canadian dollar	0.8	1.0	0.2	-0.3
Pound sterling	-0.3	1.2	1.5	-2.1
Japanese yen	-6.4	20.5	26.9	5.4
Brazilian real	-8.9	0.7	9.6	-20.6
Chinese yuan	-51.2	0.5	51.7	-34.5

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 cash & deposits among financial instruments**

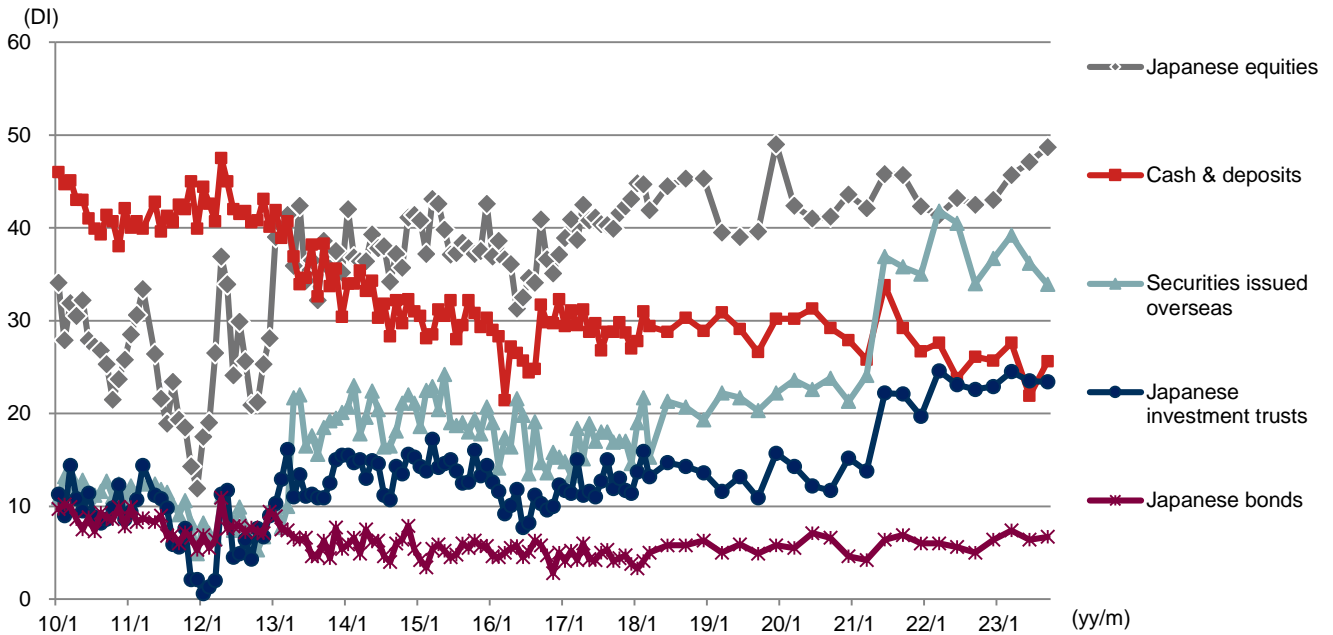
To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for cash & deposits rose 3.7pt to 25.6, while that for foreign investment trusts fell 1.8pt to 11.5 (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	48.7	57.3	8.6	47.1
Cash & deposits	25.6	32.5	6.9	21.9
Japanese investment trusts	23.4	27.5	4.1	23.5
Foreign equities	17.4	18.8	1.4	18.4
Foreign investment trusts	11.5	12.6	1.1	13.3
Gold	9.8	10.0	0.2	9.2
Japanese bonds	6.7	8.4	1.7	6.4
Foreign bonds	5.0	5.6	0.6	4.5
Hybrid securities	1.5	2.1	0.6	2.5
Other	0.7	0.8	0.1	1.0
None	-58.2	23.2	81.4	-54.0

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) Increased 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, 71.3% of respondents selected one of the three "rise" responses, up 4.4ppt from last time. The percentage of respondents selecting the response "no change" was down 3.4ppt at 11.5%. The proportion of respondents selecting a "fall" response fell 1.0ppt to 17.2% (Figure 12).

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

	Choices	% of responses	(Ref) Previous % of responses
1.	Fall of 5% or more	6.1	6.6
2.	Fall of 2% up to 5%	6.5	7.4
3.	Fall of less than 2%	4.6	4.2
4.	No change (0%)	11.5	14.9
5.	Rise of less than 2%	24.5	22.7
6.	Rise of 2% up to 5%	33.5	31.0
7.	Rise of 5% or more	13.3	13.2
	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) Exercising of voting rights, future investment behavior in response to inflation, and NISA usage**

This survey included spot questions on the exercising of voting rights, future investment behavior in response to inflation, and NISA usage.

Some 62.6% of respondents said that they had exercised voting rights at general shareholders' meetings, up 3.5ppt on the figure in the survey a year ago. The proportion of respondents who exercised voting rights with regard to all companies in which they owned shares was 45.8%, up 2.7ppt from last year's survey. The proportion that said they had exercised voting rights for some stocks they owned was 16.8%, up 0.8ppt compared with the year-earlier survey (Figure 13).

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

	Choices	No. of respondents	% of responses	Previous survey Sep 2022 (%)
1.	Attended general meeting and exercised rights for all stocks owned (including online participation)	54	5.4	5.1
2.	Exercised rights for all stocks owned in writing (by post)	111	11.1	12.6
3.	Exercised rights for all stocks owned electronically (by internet, mobile phone, smartphone)	257	25.7	22.2
4.	Exercised rights for all stocks owned via a combination of methods listed in choices 1–3 above	36	3.6	3.2
5.	Attended general meeting and exercised rights for some stocks owned (including online participation)	13	1.3	1.3
6.	Exercised rights for some stocks owned in writing (by post)	49	4.9	3.6
7.	Exercised rights for some stocks owned electronically (by internet, mobile phone, smartphone)	94	9.4	9.0
8.	Exercised rights for some stocks owned via a combination of methods listed in choices 5–7 above	12	1.2	2.1
9.	Did not exercise rights for any stocks owned	279	27.9	27.4
10.	Held no stocks in subject companies	95	9.5	13.5
	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 2023 for March year-end companies.

We also asked investors who attended general meetings for all stocks owned and those who exercised rights for all stocks in writing (by post) (corresponding to options 1 and 2 in Figure 13; 165 respondents) whether they voted in favor of or against the resolutions. The percentage of investors who said they voted in favor of all resolutions was 61.8%. Among those resolutions they had voted against, the highest percentage of responses was for "dividends (use of surplus funds)," at 13.9%, followed by "retirement bonuses for directors" and "selection of directors/auditors (including auditors at companies with an audit board)," at 10.9% apiece (Figure 14).

**Fig. 14: Resolutions on which investors voted against**

	Choices	No. of respondents	% of responses
1.	Voted in favor of all resolutions	102	61.8
2.	Dividends (use of surplus funds)	23	13.9
3.	Director compensation/bonuses	17	10.3
4.	Retirement bonuses for directors	18	10.9
5.	Grant of stock options	6	3.6
6.	Selection of directors/auditors (including auditors at companies with an audit board)	18	10.9
7.	Introduction of takeover defense measures	2	1.2
8.	Change in the number of directors (reduction, establishment of upper limit)	2	1.2
9.	Share buybacks	5	3.0
10.	Other	7	4.2
	Total	165	100.0

Note: We asked investors who selected responses 1 and 2 in Figure 13 ("Attended general meeting and exercised rights for all stocks owned (including online participation)" and "Exercised rights for all stocks owned in writing (by post)") 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 56.3%, and "Because it is a hassle", at 42.3% (Figure 15).

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

Choices		No. of respondents	% of responses	Previous survey Sep 2022 (%)
1.	Because it is a hassle	118	42.3	54.4
2.	Because the impact of my vote is small	157	56.3	54.7
3.	None of the resolutions required me to express an opinion	42	15.1	9.5
4.	I did not have the time to study the resolutions	9	3.2	4.7
5.	I could not attend the general meeting or I forgot to mail the voting card	5	1.8	1.1
6.	My investment style is mainly short term or seeking capital gains, so I do not view exercising my voting rights as important	4	1.4	2.6
7.	I have no interest in exercising voting rights	52	18.6	16.1
8.	I did not understand the resolutions well	12	4.3	4.0
9.	Other	3	1.1	0.0
	Total	279	100.0	100.0

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

We then asked respondents about how rising inflation was likely to influence their investment behavior. The most common response, selected by 36.6% of all respondents, was "Taking inflation into account, I have no intention of changing my asset allocation." The next most popular response, at 30.7%, was "Rather than savings or bonds, I plan to increase my exposure to equities, which are more likely to withstand inflation" (Figure 16).

**Fig. 16: Changes in future investment behavior in response to inflation**

Choices		No. of respondents	% of responses	Previous survey Sep 2022 (%)
1.	Rather than savings or bonds, I plan to increase my exposure to equities, which are more likely to withstand inflation	307	30.7	27.0
2.	I plan to increase my exposure to financial instruments such as exchange-traded funds (ETFs) linked to prices of commodities such as gold or crude oil	63	6.3	5.0
3.	As Japan relies on imports for food and energy, I plan to increase my exposure to foreign currency-denominated assets such as foreign equities and foreign bonds to mitigate the risk of yen depreciation	118	11.8	12.1
4.	Taking inflation into account, I have no intention of changing my asset allocation	366	36.6	34.6
5.	Given the risk that inflation could cause the economy to slow, I plan to reduce my investment in risk assets, such as equities	59	5.9	10.2
6.	I plan to reduce the amount I invest as inflation has resulted in higher living costs	80	8.0	9.8
7.	Other	7	0.7	1.3
	Total	1,000	100.0	100.0

Note: We asked investors to select one response only to the question: "How is your investment behavior likely to change in response to the global rise in inflation? Please select the option that best reflects your view."

Next, we asked investors questions related to Nippon Individual Savings Accounts (NISAs), for which a new scheme is due to be adopted featuring permanent tax exemptions with no time limit, an increase in caps on investments, and the possibility to hold general and Tsumitate-type accounts concurrently. In answer to the question about their usage of NISAs, the most popular response, at 35.8%, was "I invest almost every year mainly using a general NISA." The second most frequent response was "I have never invested using a NISA," at 33.0% (Figure 17).

**Fig. 17: Usage of NISA**

Choices		No. of respondents	% of responses	Previous survey Sep 2022 (%)
1.	I invest almost every year mainly using a general NISA	358	35.8	32.6
2.	I invest almost every year mainly using an installment-type NISA	138	13.8	13.0
3.	I have invested before using a general NISA but not every year	150	15.0	15.5
4.	I have invested before using an installment-type NISA but not every year	24	2.4	3.1
5.	I have never invested using a NISA	330	33.0	35.8
	Total	1,000	100.0	100.0

Note: We asked respondents to select one response to the question: "From 2024 a new Nippon Individual Savings Account (NISA) scheme is due to be introduced under which tax exemptions will be made permanent, investment caps will be increased and it will be possible to hold Tsumitate and general NISA accounts concurrently. Have you used a NISA before?"

We then asked investors about their intentions with regard to NISAs from 2024 onwards. The most popular response, at 26.5%, was "I will increase my investment in general NISAs only," and the second most popular response, at 22.9%, was "I will (still) not be using NISAs" (Figure 18).

**Fig. 18: NISA usage from 2024 onwards**

Choices		No. of respondents	% of responses	Previous survey Sep 2022 (%)
1.	I will increase my investment in both general and installment-type NISAs	220	22	15.7
2.	I will increase my investment in general NISAs only	265	26.5	28.7
3.	I will increase my investment in installment-type NISAs only	95	9.5	8.5
4.	The amount I invest using NISAs will remain the same (or decrease)	191	19.1	18.6
5.	I will (still) not be using NISAs	229	22.9	28.5
	Total	1,000	100.0	100.0

Note: We asked investors to select one response about their intentions regarding investment using the NISA scheme from 2024 onwards.

Finally, we asked investors what financial products they plan to invest in using the NISA scheme. The most common response was "Japanese equities", at 70.6%, followed by foreign equity investment trusts at 21.7% and active investment trusts at 18.8% (Figure 19).

**Fig. 19: Financial products investors plan to invest in using the new NISA scheme**

Choices		No. of respondents	% of responses
1.	Japanese equities	544	70.6
2.	Active investment trusts (investment trusts investing in Japanese equities that seek to outperform the market)	145	18.8
3.	Passive investment trusts (investment trusts that track Japanese equity indices)	119	15.4
4.	Foreign equities	110	14.3
5.	Foreign equity investment trusts	167	21.7
6.	Japanese bonds	18	2.3
7.	Japanese bond investment trusts	16	2.1
8.	Foreign bonds	9	1.2
9.	Foreign bond investment trusts	26	3.4
10.	REITs	61	7.9
11.	Balanced investment trusts (investing in equities and bonds)	75	9.7
12.	Other financial products	2	0.3
13.	Undecided	63	8.2
	Total	771	-

Note: We asked investors to select up to three financial products they plan to invest in using the new NISA scheme from 2024.

## 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 4 September 2023, with deadline for responses on 5 September 2023

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 2023) respondents

Gender: Male (85.6%), female (14.4%)

Age: Under 30 (0.9%), 30–39 (6.2%), 40–49 (15.7%), 50–59 (26.9%), 60 and above (50.3%)

Occupation: Self-employed/fisheries, agriculture, forestry (7.0%), professional (physician/medical professional, lawyer, etc) (2.0%), company management/board member (5.0%), company employee/public servant (45.2%), student (0.1%), full-time homemaker (6.0%), part-time worker/casual worker/job-hopper (6.7%), unemployed/pensioner (26.0%), other (2.0%)

Region: Kanto (50.0%), Kinki (19.3%), Tokai/Koshinetsu/Hokuriku (15.5%), Hokkaido/Tohoku (4.3%), Chugoku/Shikoku/Kyushu (10.9%)

Financial assets held: Less than ¥1,000,000 (6.2%), ¥1,000,000–¥2,999,999 (8.6%), ¥3,000,000–¥4,999,999 (11.3%), ¥5,000,000–¥9,999,999 (15.9%), ¥10,000,000–¥29,999,999 (25.8%), ¥30,000,000–¥49,999,999 (15.4%), ¥50,000,000 or more (16.8%)

Value of Japanese stocks held: Less than ¥500,000 (11.0%), ¥500,000–¥999,999 (11.1%), ¥1,000,000–¥2,999,999 (20.1%), ¥3,000,000–¥4,999,999 (15.3%), ¥5,000,000–¥9,999,999 (14.3%), ¥10,000,000–¥29,999,999 (19.1%), ¥30,000,000 or more (9.1%)

Investment experience: Less than three years (7.0%), at least three years but less than five years (8.4%), at least five years but less than 10 years (15.3%), at least 10 years but less than 20 years (27.1%), 20 years or more (42.2%)

Investment plan for Japanese stocks: Mainly for long-term holding (43.5%), pursuit of gains from short-term appreciation (11.9%), pursuit of dividends and shareholder perks (29.2%), no particular plan (15.4%)

### Notice

The next Nomura Individual Investor Survey (December 2023) is scheduled for release on Thursday, 14 December 2023.

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