

# Increase of over 3 Million Individual Shareholders in FY2020

*A new survey shows that under the influence of the COVID-19 pandemic, the number of individual shareholders increased by 3.08 million from the previous year.*

TOKYO, JAPAN, August 1, 2021 /EINPresswire.com/ -- On July 7, the Tokyo Stock Exchange released the results of the "2020 Shareownership Survey." Under the influence of the COVID-19 pandemic, the number of individual shareholders increased to 59.81 million, up by 3.08 million (5.4%) from the previous year. The upward trend was supported by high stock prices and the widespread use of online securities. Some are hoping that individual investors will increase their presences as holders of tradable shares, as preparations will be underway for the market restructuring of the TSE next spring.

One remarkable takeaway from the "2020 Shareownership Survey" is that the number of individual shareholders increased by more than 3 million, even though there were no major IPOs. In FY2020, the number of individual shareholders increased by only about 410,000 due to IPOs. The number of individual shareholders of listed companies that were not affected by IPOs, stock splits, or reductions in the sizes of their investment units rose to 2.84 million. This was the largest such figure since 2000, the earliest year for which data are available.

The increase was caused by higher stock prices and an expanding base of individual investors. In FY2020, the Nikkei 225 rose sharply after a previous drop due to concerns about COVID-19. The rate of increase during the fiscal year was 54%, which was the highest such rise in 48 years. It seems that many individuals' decisions to start investing were triggered by the "stay-at-home" conditions caused by the COVID-19 pandemic. According to the TSE, systems such as the NISA (Nippon Individual Savings Account) also appear to have contributed to the expansion of the individual shareholder base.

There are expectations in the market that the number of individual investors will expand further. Under the coming market restructuring, the TSE will establish "tradable share ratio" requirements. Mr. Sengoku believes that "companies with low tradable share ratios will make efforts to increase the number of individual shareholders." Specific measures include establishing and expanding shareholder benefits and increasing dividends.

It seems that many individual investors who started investing during the COVID-19 pandemic met with success thanks to the global stock market surge. The question now is how to attract

more such individuals after the market restructuring. As companies seek to find answers, their behavior is likely to attract attention in the future.

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