



Outlook for Japanese Economy & Stock Market

Monthly comments & views by
Sumitomo Mitsui DS Asset Management (SMDAM)

-January 2020-

Executive summary

➤ Japanese Economy

Japanese government is going to make large fiscal spending measures from next year. Size of the total project is announced to be JPY 26 trillion, among which JPY 9.4 trillion is spent from government budget. The largest part of the package is for infrastructure spending in order for preventing & reducing natural disasters. This time's stimulus measure was almost twice of SMDAM's preceding expectations, and forecast to lift Japanese GDP growth by 0.4% in FY2020 and 0.1% in FY2021. (P8)

- Partial trade deal was announced by US and China. New tariff in December was suspended, which has already been reflected on SMDAM's forecast, and tariff imposed in September was halved in rate from 15% to 7.5%. This deal is estimated to improve global GDP by 0.1 to 0.2%. (P3)
- FY2019 capital expenditure plan for software stayed at robust 10.1% YoY increase. Even excluding software, FY 2019 capital expenditure plan showed further 3.3% increase from the robust CAPEX. (P10)

➤ Japanese Stock Market

Diplomatic uncertainties receded by US-China partial deal and Brexit becoming a certain thing. Downward earnings forecast revision for Japanese stocks has ended and economic recovery in 2020 is getting more certain by large fiscal spending plan. Investors have become more positive on the prospect of Japanese economy and Japanese stock market. Japanese stocks' extremely low & attractive valuation in PE ratio has corrected to a neutral level, however, Japanese stock markets are expected to move in a solid undertone. (P17)

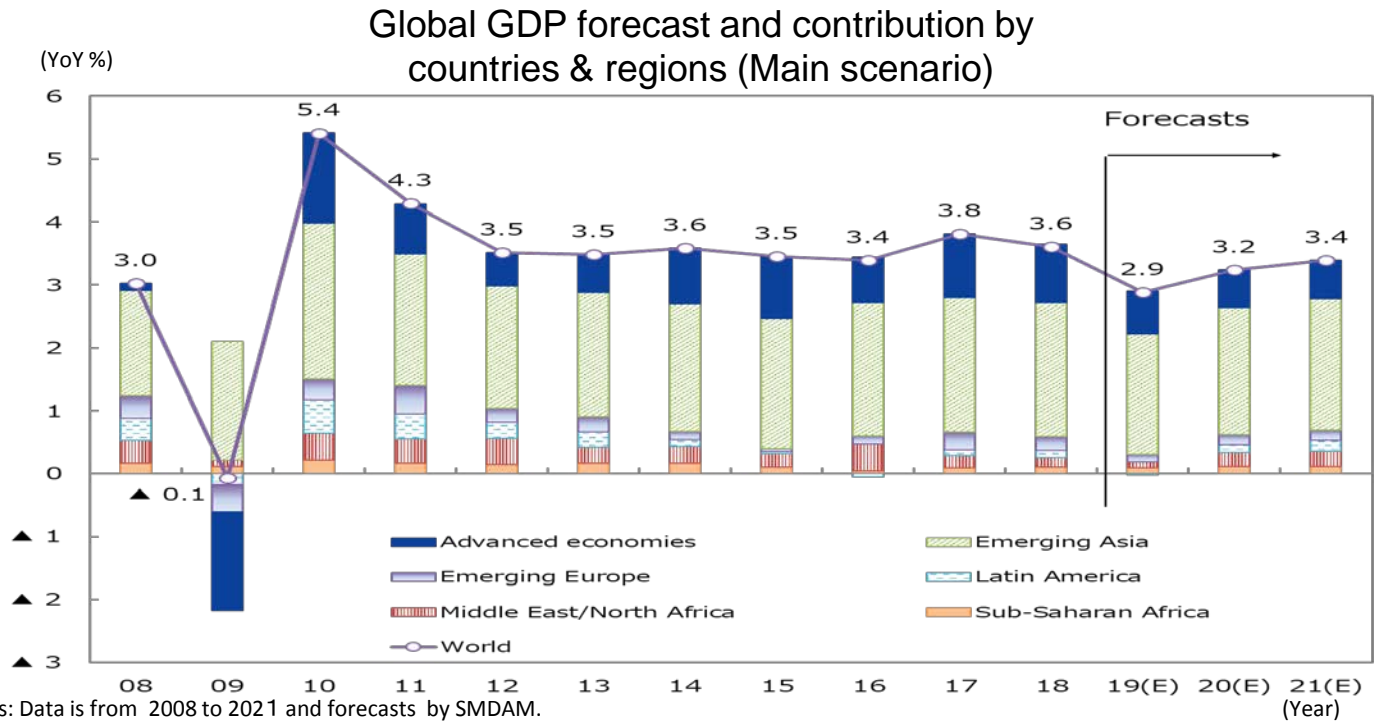
- Recurring profits for 227 companies in SMDAM's research coverage are forecast to contract by -4.6% in the current FY2019 (ending in March 2020) and then come back to a solid grow of 6.1% in FY2020. (P21)
- Nikkei Newspaper reported lately that Stewardship Code would be reinforced in April 2020 requiring investors to evaluate ESG factors of invested companies. (P25)



Outlook for Japanese Economy

Outlook for the global economy

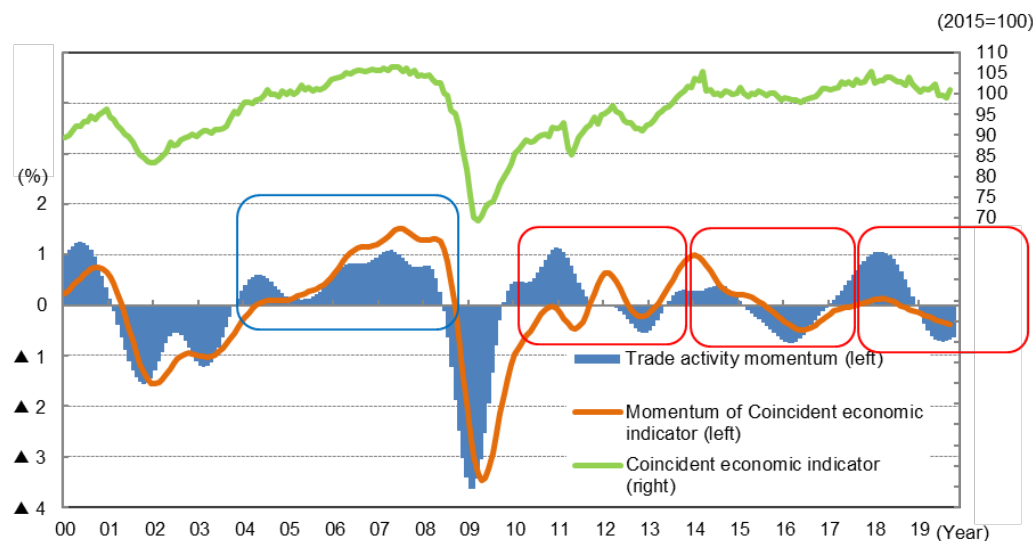
- SMDAM maintained GDP growth forecast for FY2020 and slightly lifted forecast for FY2021 by 0.1%. Recently announced phase 1 agreement between US and China is positive for the global economy by reducing uncertainties and improving sentiment of businesses and individuals.
- Recession is going to be avoided supported by such factors as monetary easing, fiscal expansion and cyclical recovery in manufacturing industries, especially IT related ones.



Partial US-China trade deal mildly improves expected economic recovery

- Partial trade deal was announced by US and China. New tariff in December was suspended, which has already been reflected on SMDAM's forecast, and tariff imposed in September was halved in rate from 15% to 7.5%. This deal is estimated to improve global GDP by 0.1 to 0.2%.
- SMDAM is monitoring trade activity momentum of Japan, which is composed of various related statistics supposed to work as leading indicators. This momentum shows that bottoming pattern is now appearing.

Momentum of Japanese economic indicator and trade activities

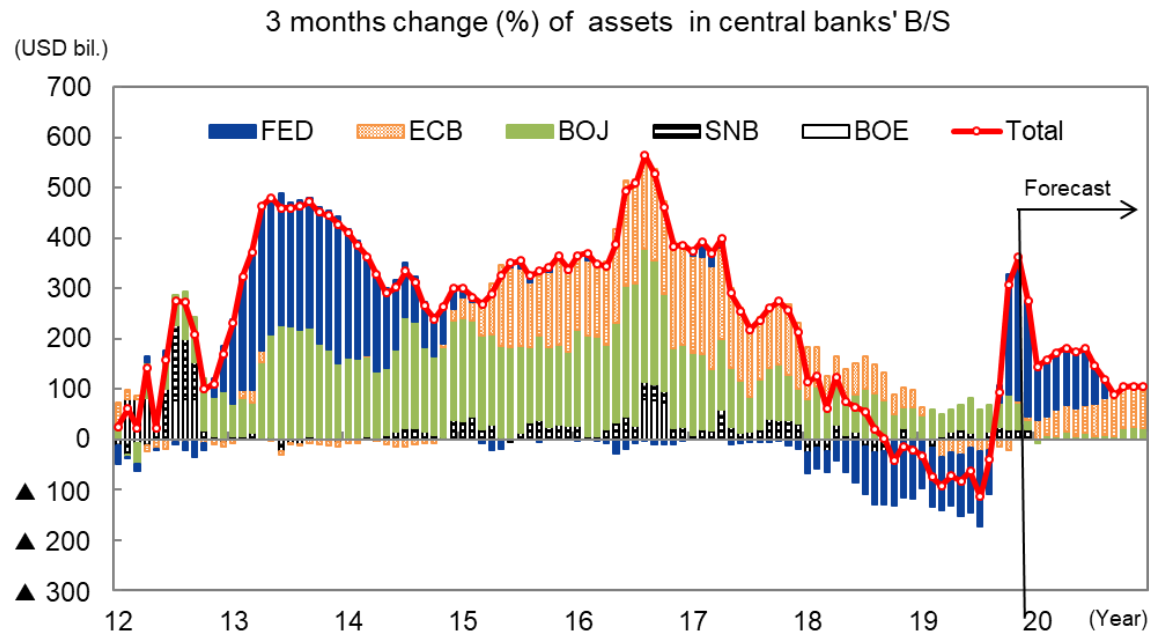


Note: Data is monthly from Jan 2000 to September 2019 for coincident economic indicator and to November 2019 for trade activity momentum. Trade activity momentum is composed by SMDAM using various trade related statistics. Momentum of coincident economic indicator was created by SMDAM using coincident economic indicator published by cabinet office.

(Source) Cabinet Office and other various trade related statistics, compiled by SMDAM

Global quantitative easing is progressing

- FRB started expanding its balance sheet as a reserve management in order for containing volatility of FF rates and expansion was larger than expected in September. FRB says this is not a quantitative easing, however, visible expansion could be interpreted as positive for financial markets.
- BOJ will keep current easing pace. Large fiscal stimulus measures in Japan amounting to JPY 26 trillion will be able to support economic growth in Japan even without extra monetary easing.

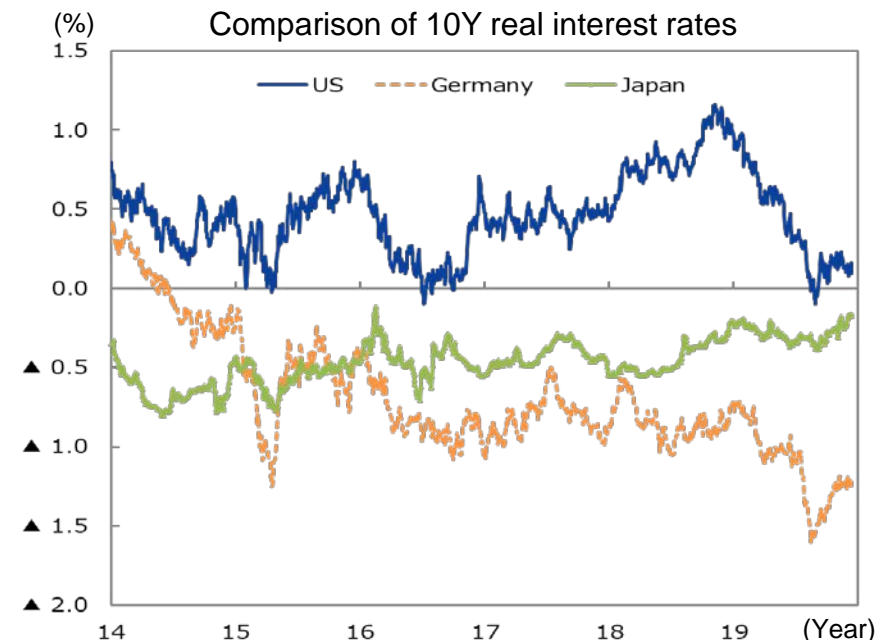


Note: Data is from Jan 2012 to Oct 2019 and SMDAM's forecasts to Dec 2020.

Assumes that ECB restarts monthly EUR 20 bil. bond purchases from Nov. 2019 and increase the purchasing to EUR 30 bil. from Mar. 2020. FED expands B/S as reserve management. BOJ maintains current purchasing pace.

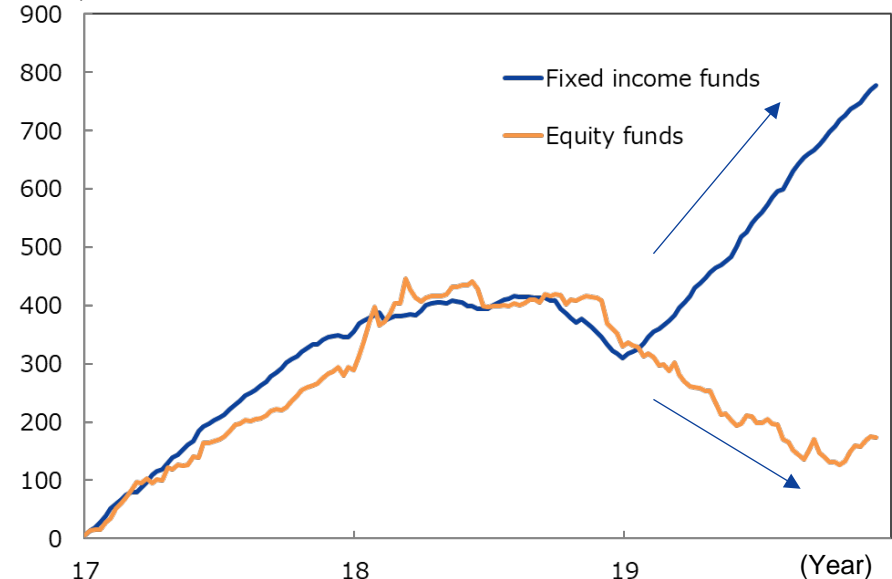
Global capital has been flowing into US fixed income markets

- In 2019, global economy significantly slowed down and FRB and ECB cut short term interest rates. Capital flowed out from equities and into fixed income. US has almost solely attracted this huge capital inflow, for which comparatively high real interest rate was a driver in the background, which also supported strength of US dollars.
- Outflow from equity stopped lately and we need to watch if this turn-around of capital flow into equity continues.



Note: Data is daily from 1st Jan 2013 to 13th Dec 2019. Real interest rate = government bond yield – inflation rate implied by inflation linked government bond.
(Source) Bloomberg

Global cumulative capital flow for Unit trust / Investment trust funds (USD bil.)



Note: Data is weekly from 4th Jan 2017 to 11th Dec 2019.
(Source) EPFR, compiled by SMDAM Economic Research Department

SMDAM Japanese economic outlook for FY19-21

- SMDAM up-revised GDP forecast for FY2019, FY2020 and FY 2021 by 0.2%, 0.1% and 0.1% respectively from the previous month.
- Japanese economy is forecast to keep solid growth going into FY2020, for which new large fiscal spending makes significant contribution.

(YoY %)	FY16	FY17	FY18	FY19E	FY20E	FY21E
Real GDP growth	0.9%	1.9%	0.3%	0.9%	0.6%	0.8%
Private Consumption Expenditure	0.0%	1.1%	0.1%	0.3%	0.4%	0.7%
Private Housing Investment	6.3%	-1.4%	-4.9%	1.7%	-1.6%	0.0%
Private Capital Investment	-0.4%	4.3%	1.7%	2.3%	1.1%	1.3%
Public Consumption Expenditure	0.7%	0.3%	0.9%	2.3%	0.8%	1.0%
Public Capital Investment	0.6%	0.5%	0.6%	3.2%	3.9%	2.5%
Net Exports (contrib. to GDP growth)	0.8%	0.4%	-0.1%	-0.3%	-0.1%	-0.1%
Exports	3.6%	6.5%	1.6%	-1.4%	0.6%	1.0%
Imports	-0.9%	3.9%	2.2%	0.3%	1.0%	1.8%
Nominal GDP	0.8%	2.0%	0.1%	1.5%	1.2%	1.2%
GDP Deflator	-0.2%	0.1%	-0.2%	0.6%	0.6%	0.4%
Industrial Production	0.8%	2.9%	0.3%	-2.7%	0.3%	1.9%
CPI (excl. fresh food)	-0.2%	0.7%	0.8%	0.4%	0.4%	0.5%

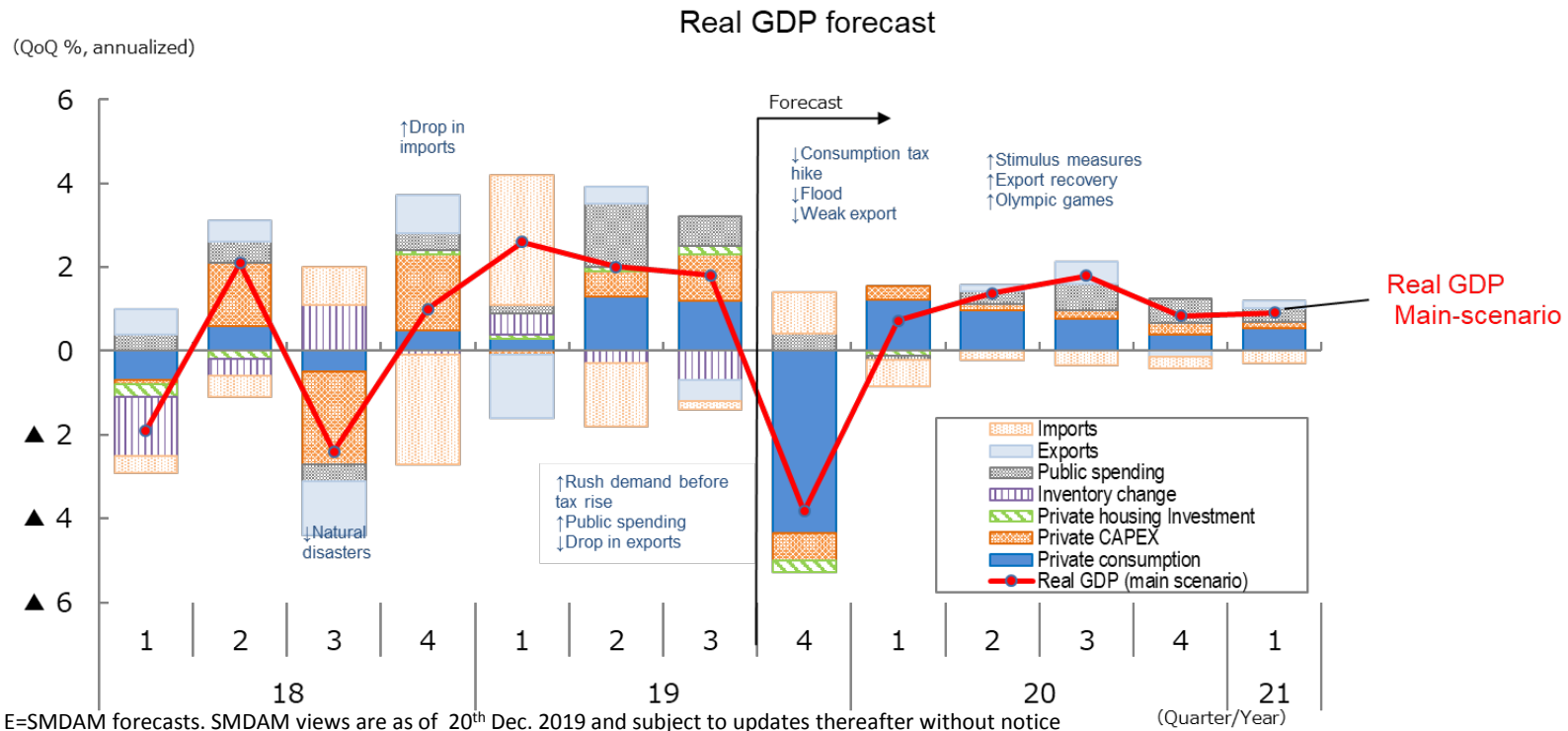
Note: E=SMDAM forecasts. SMDAM views are as of 20th Dec. 2019 and subject to updates thereafter without notice

(%, YoY except Net Exports)

(Source) Cabinet Office, Bank of Japan, Ministry of Economy, Trade and Industry, Ministry of Internal Affairs and Communications, SMDAM forecasts

New fiscal stimulus measures to support economic growth in Japan

- Japanese government is going to make large fiscal spending measures from next year. Size of the total project is announced to be JPY 26 trillion, among which JPY 9.4 trillion is spent from government budget. The largest part of the package is for infrastructure spending in order for preventing & reducing natural disasters.
- This time's stimulus measure was almost twice of SMDAM's preceding expectations, and forecast to lift Japanese GDP growth by 0.4% in FY2020 and 0.1% in FY2021.



Note: E=SMDAM forecasts. SMDAM views are as of 20th Dec. 2019 and subject to updates thereafter without notice
 (Source) Cabinet Office, Bank of Japan, Ministry of Economy, Trade and Industry, Ministry of Internal Affairs and Communications, SMDAM forecasts

Daily sales data shows milder impact of this time's tax hike

- Nikkei CPINOW provides daily sales data derived from POS system of retailers nationwide in Japan.
- This time, rush demand purchases happened only just before the tax hike, and contraction of sales after the tax hike has been milder this time compared to the previous hike in 2014.
- Not included in this POS data are some big ticket items such as auto mobiles, which showed larger negative impact in October than this POS data showed.

Comparison of sales change before and after tax hikes



Notes: YoY sales change on days before and after the consumption tax hike with tax hike date =0.

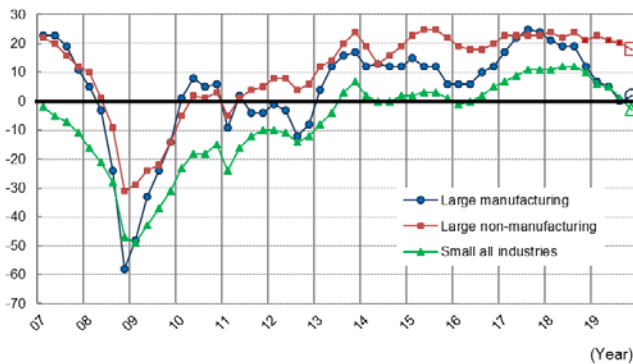
7 days moving average. Data for this time is from 15th March. to 4th December.

(Source) NOWCAST Inc., Nikkei CPINOW

Appetite for CAPEX stays strong despite deteriorating business sentiment

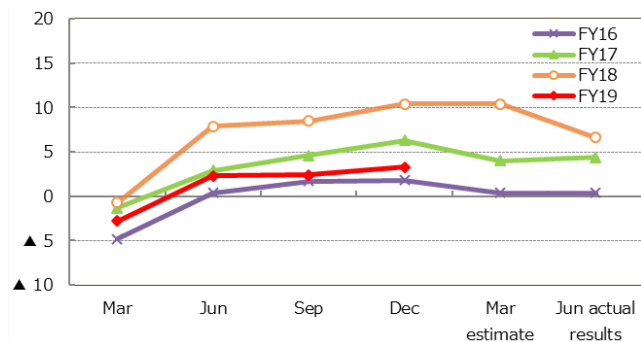
- BOJ's "TANKAN" business survey in December showed deterioration in business sentiment of manufacturing and small enterprises meanwhile sentiment of non-manufacturing enterprises showed resilience.
- FY2019 capital expenditure plan for software stayed at robust 10.1% YoY increase as the right end chart shows.
- Even excluding software, FY 2019 capital expenditure plan showed further 3.3% increase from the robust CAPEX in FY2018 as the middle chart shows.

BOJ "TANKAN" business survey, current condition DI
(Last plots are for future condition DI as of Sep. 2019)



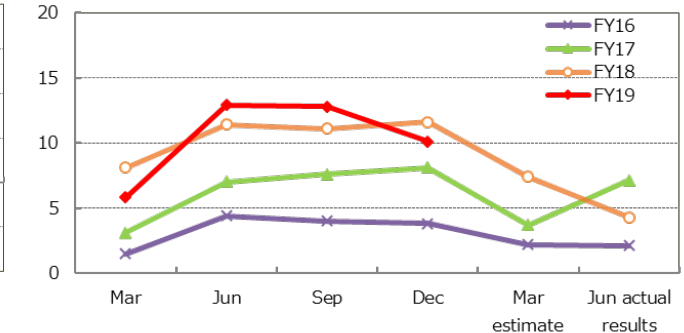
Note: Data is quarterly from Mar. 2007 to Dec. 2019
Diffusion Index above 0 means condition is good.
(Source) Bank of Japan

CAPEX plan, excluding software and R&D
(all size, all industries)
(YoY %)



Note: The chart shows history of the CAPEX plan for each fiscal year. Mar estimate is at each fiscal year end and Jun actual results are surveyed after the end of each fiscal year.
(Source) Bank of Japan

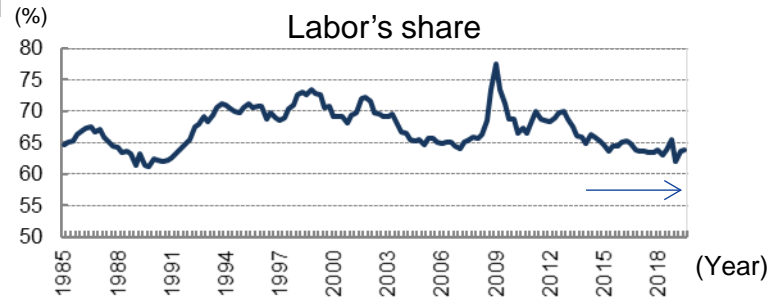
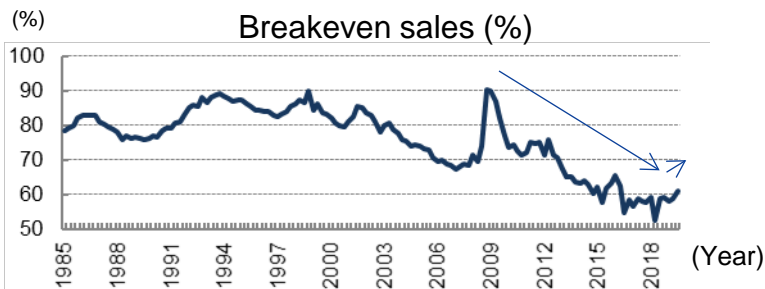
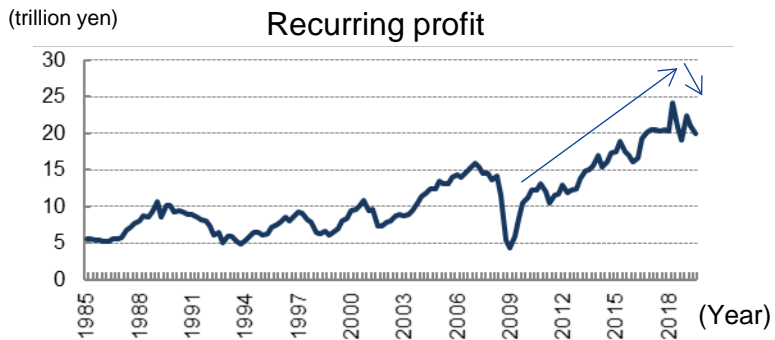
CAPEX plan for software
(all size, all industries)
(YoY %)



Japanese companies have reasonably large buffer to stay profitable

- Japanese companies have reasonably large buffer to stay profitable despite recent contraction in revenue.
- Breakeven point is quite low in more than 30 years of history exhibited. Companies are still profitable even if sales decline by 40%. Also, labor share has been kept low despite robust revenue growth.
- Labor cost is mildly increasing due to labor shortage. From labor's side, household income could be sustained even if Japan experiences mild recession, which will be supportive for private consumption.

Corporate Financial Statement Statistics (Sep 2019, all size, all industries, seasonally adjusted)



Note: Data is quarterly from 1Q 1985 to 3Q 2019.

(Source) Ministry of Finance

Presidential election year will bring in various motives for investors

- Diplomatic uncertainties receded as US-China made a partial deal and Brexit became certain.
- US presidential election is going to be the biggest scheduled event for the global financial markets.

Upcoming key events

Month	Region/Country	Events	Notes	
2019	Japan	18-19 Bank of Japan Monetary Policy Committee Meeting		
		Additional government spending plan for stimulating economy		
	US	10-11 FOMC meeting		
	December	US-China	15 Additional tariff was suspended by phase 1 deal	
	UK	12 General election	Conservative won and Brexit is now certain	
	Middle East	OPEC meeting		
	China	Central Economics Work Conference		
2020	January	US	28-29 FOMC meeting US President Impeachment Trial begins	
		UK	31 UK is going to exit EU.	How fast trade treaties can be made?
	US-Japan	US-Japan Trade Agreement becomes effective		
	Japan	Ordinary National Diet Session begins	JPY 26 trillion fiscal stimulus package to go through	
		20-21 BOJ Monetary Policy Committee Meeting & Perspective Report		
	February	US	US Presidential Primary Election Campaigns to begin	
			US President's Budget Plan	
			FRB chairman's testimony at US congress	
	March	Japan	18-19 BOJ Monetary Policy Committee Meeting	
	April	Japan	Work style reform legislations. (overtime limit for mid-small businesses, same job same wage principle for large businesses) Wavering education costs, such as for universities, for low income households.	
	June	Japan	End of the government led incentive program for cash-less payments. 15-16 BOJ Monetary Policy Committee Meeting	
	Jul-Aug	Japan	Tokyo Olympic Games	
	November	US	US presidential election	

(Source) Various publications, assembled by SMDAM



Japan is still competitive in innovation, but has some weaknesses

- According to World Economic Forum, Japan was ranked 8th in innovation among 137 economies, which is still competitive, however on a moderate declining trend. As a strength, R&D in Japan is largely led by companies and producing the largest number of patents in this ranking.
- On the weak side, however, this company led R&D tends to be “progressive” rather than “innovative” and often lacks in global collaboration. Government initiative on innovation is stronger in economies such as US, Germany Singapore and China.
- Facing with strong global competition in developing key technologies such as AI or Autonomous Driving Technology, Japanese companies are changing approach to more open and more collaborating with global partners.

Global Competitiveness Ranking of Innovation among 137 economies

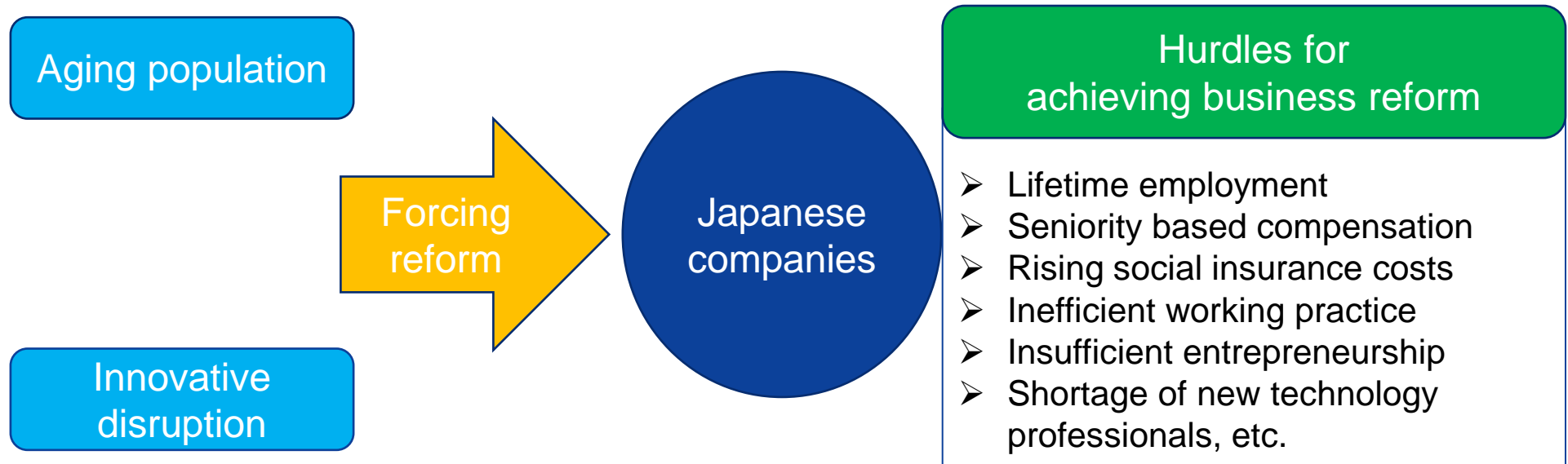
	Switzerland	U.S.	Israel	Finland	Germany	Netherlands	Sweden	Japan	Singapore	Denmark	China
Innovation total	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	28th
a) Capacity for innovation	1	2	3	7	5	6	4	21	23	16	44
b) Quality of scientific research institutions	1	5	3	8	11	4	13	14	12	16	36
c) Company spending on R&D	1	2	3	7	4	8	6	5	17	16	21
d) University-industry collaboration in R&D	1	2	3	4	7	5	10	23	8	21	28
e) Gov't procurement of advanced technology products	37	2	11	20	6	19	17	23	5	39	10
f) Availability of scientists and engineers	12	2	6	1	11	19	20	8	9	44	29
g) PCT patents	3	10	6	4	7	9	2	1	12	8	30

Note: All numbers are rankings among 137 economies. Top 10 rankings are highlighted in green. Japan's relative weakness is highlighted in orange.

(Source): World Economic Forum, The Global Competitiveness Report 2017–2018

Japanese society is changing slowly but steadily

- It may look slow or even stagnant from outside, but Japanese society is making necessary reforms.
- Many problems are stemming from deep rooted Japanese culture & social practice, which became apparent in the face of “aging population” and “innovative disruption”.
- Change of the deep rooted culture & practice should take time, however, it is making progress, and will eventually put Japan in an advantage over other advanced economies, which also have aging population lagging Japan.



Japanese society is changing slowly but steadily

■ Examples of long-term social challenges and progressing solutions

Source of problems	Challenges	Solutions
1. Aging population	a) Pension system reform	<ul style="list-style-type: none"> ● Unconventional "macro-slide" has been implemented to curb pension payment increase referring to "low birth rate" and so on. ● Encourage people to continue working into 70's. ● Encourage people to shift saving to investments. (NISA*, DC)
	b) Labor shortage	<ul style="list-style-type: none"> ● Capital investment for enhancing labor efficiency. (FA, AI, IoT, autonomous driving car, renovating software, etc.) ● Allowing more foreign workers. ● Encourage people to delay retirement. ● Support female workers. (increase nursery, etc.)
2. Weak consumption propensity	c) Clearing peoples worry for the future life	<ul style="list-style-type: none"> ● Pension system reform. ● Gradual adjustment of seniority based wage system to shift compensation from elderly to younger workers. ● Increase of new generation companies. ● Increase of young people working with non-seniority wage system.
3. Rigid employment practice	d) Encouraging business structure reform	<ul style="list-style-type: none"> ● Elder people to retire or continue working at lower wage. ● Gradual adjustment of seniority based wage system. ● More fluid labor market enabling companies to make restructuring. ● Young people are not expecting lifetime employments and focusing on building own career (already progressing).
4. Inefficient working practice	e) Enhancing labor efficiency	<ul style="list-style-type: none"> ● Work style reform to progress.
5. Insufficient entrepreneurship	f) Enhancing "challenge spirit" g) Education reform	<ul style="list-style-type: none"> ● Increase of successful new generation companies. ● Increase of young people with skills of new technologies. ● Young and talented people choose new generation companies rather than old & large firms (already progressing).
6. Shortage of new technology professionals		

Note: *NISA is "Nippon Individual Savings Account". (Source) SMDAM



Outlook for Japanese Stock Market

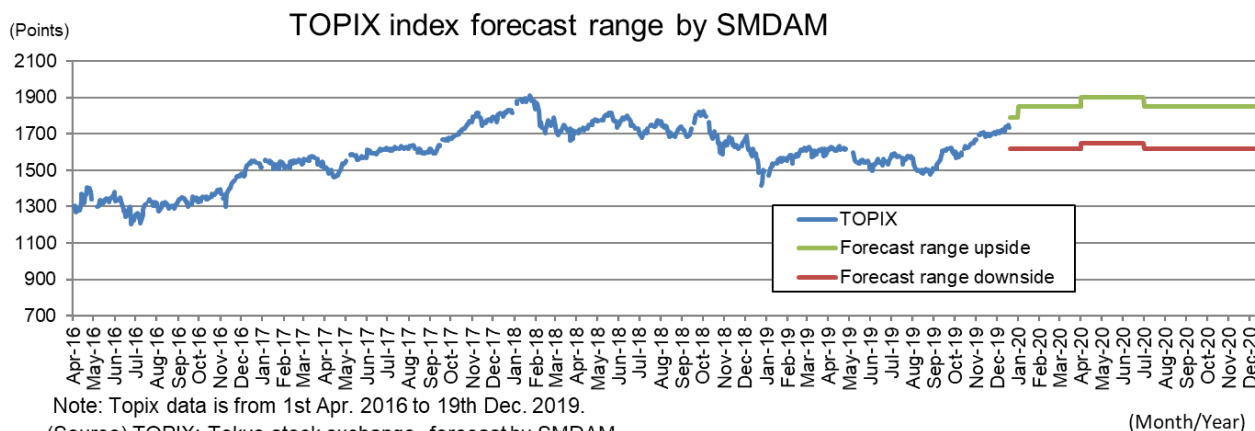
Japanese stock markets are expected to try upside

■ SMDAM short-term view

➤ Diplomatic uncertainties receded by US-China partial deal and Brexit becoming a certain thing. Downward earnings forecast revision for Japanese stocks has ended and economic recovery in 2020 is getting more certain by large fiscal spending plan. Investors have become more positive on the prospect of Japanese economy and Japanese stock market. Japanese stocks' extremely low & attractive valuation in PE ratio has corrected to a neutral level, however, Japanese stock markets are expected to move in a solid undertone.

Longer-term outlook (6-months and beyond)

➤ US presidential election is expected to keep supplying motives for investors as well as volatility in the global financial markets. Inflation is expected to stay at extremely low level and continuing easy monetary policy will support the financial markets. Positive sentiment is likely to continue for the Japanese stock market in the 1H of 2020. JPY 26 trillion economic stimulus package and robust domestic capital investment are going to support the Japanese economy and corporate earnings even if economic recovery in China remains mild. Cautiousness could be back around autumn before the result of the US presidential election.



Note: SMDAM's projection is as of 20th Dec. 2019 and subject to updates without notice.

Base scenario & Upside / Downside risks for our forecasts

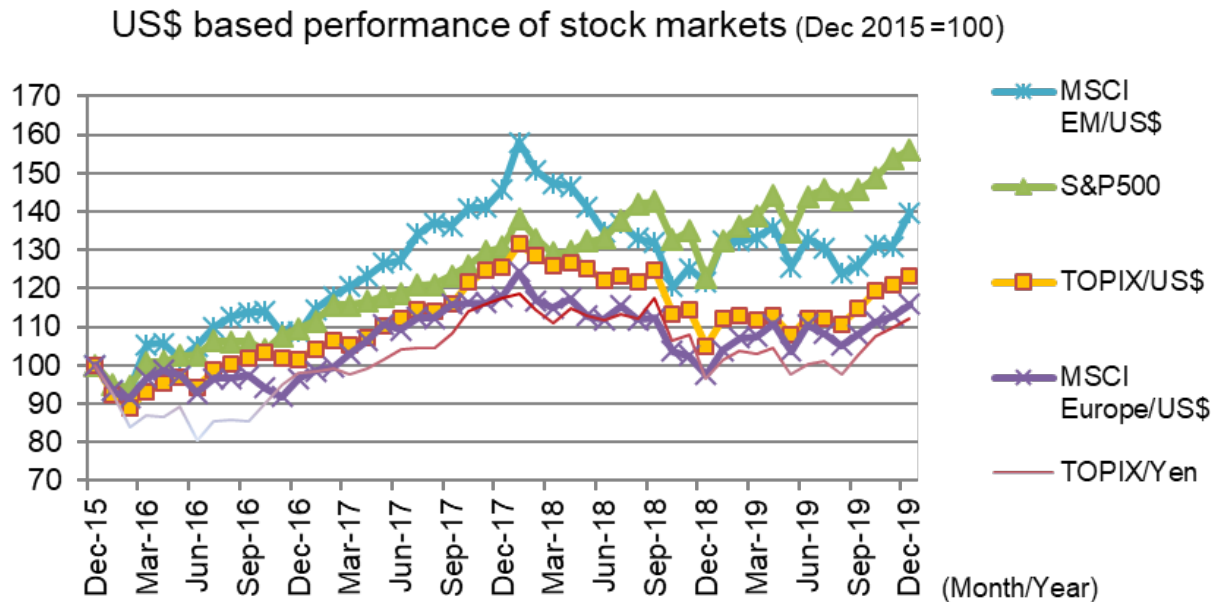
- Our **Base Scenario** is assuming the following views:
 - Severe tensions between US and China go on, however, US is going to avoid making a fatal blow to the global economy.
 - US economy keeps growing despite possible mild slowdown.
 - Consumption tax hike in Japan in October will make a limited impact on private consumption.
 - Japanese yen does not get extremely stronger beyond 100 yen against US\$.
 - Tension in the East Asia or Middle East does not get out of control.
 - Central banks continue easing monetary policies.
- **Upside Risks** include:
 - US and China make significant concessions in the trade negotiations.
 - Stronger-than-expected global growth.
 - Denuclearization in Korean peninsula makes a visible progress.
 - Japanese economy gets stronger than expected boosted by large fiscal spending.
- **Downside Risks** include:
 - US economy significantly slows down and puts global economy into a recession.
 - Chinese economy falls into a significant slowdown spreading negative shock globally.
 - Trade negotiation between US and China completely breaks up igniting a decades of power struggle.
 - Seriously escalating geo-political tensions in Middle East & East Asia.
 - Political turmoil flares up in US running up to US presidential election in 2020.
 - Populism gains in Europe further destabilizing EU.
 - Japanese Consumption Tax Hike in October makes unexpectedly severe impact on private consumption.

Note: SMDAM's projection is as of 20th Dec. 2019 and subject to updates without notice.



Rebounds in global stock market continue

- US stock market continues to rally recording new historical highs.
- Emerging markets have shown strong recovery lately.

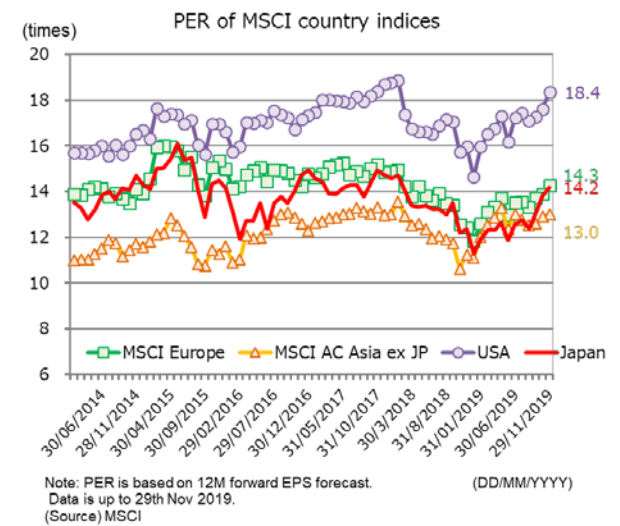
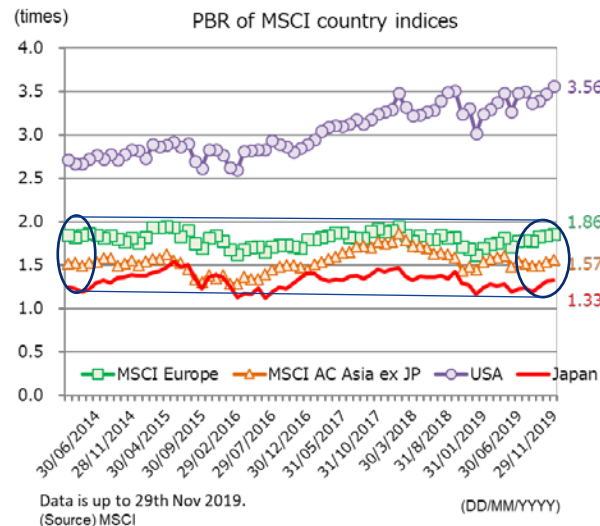
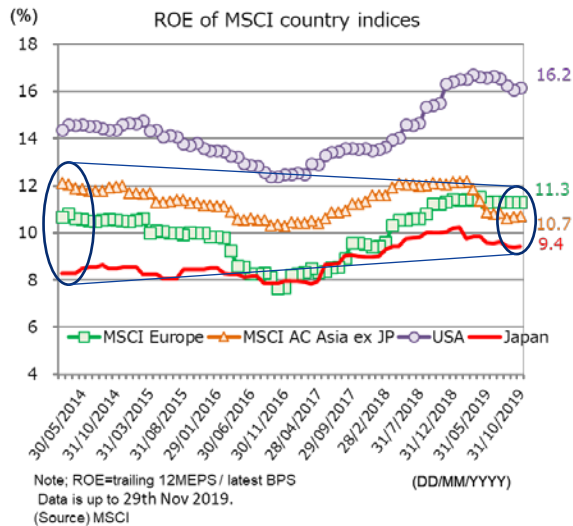


Notes: Data is up to 19th Dec. 2019.

(Source) Datastream, MSCI and Tokyo Stock Exchange, compiled by SMDAM.

Relative stock valuation remains attractive for the Japanese stocks

- ROE gap between Japan and Europe and also between Asia got narrower in the last five years, which is exhibited on the left chart.
- However, this improvement in ROE has not been reflected on PBR (Price to Book Ratio), which stays at low level compared to other markets, which is shown in the middle chart.
- PE ratio for Japan rose to a level just below Europe, and Asia is now the lowest, which has been a normal picture in the recent history.



Profit is forecast to come back to a solid growth in FY2020

- Recurring profits for 227 companies in SMDAM's research coverage are forecast to contract by -4.6% in the current FY2019 (ending in March 2020) and then come back to a solid grow of 6.1% in FY2020.
- Manufacturing industries are forecast to show robust profit recovery in FY2020 growing by 13.9%.
- Non-manufacturing industries are forecast to show negative -3.1% growth in FY2020. However, this is due to large negative effect coming from telecommunication sector, for which investment portfolio of a company makes a large swing in profits. When excluding telecommunication sector, non-manufacturing industries are forecast to show mild 2% profit growth in FY2020.

SMDAM Corporate Earnings forecasts (227 Companies research coverage excl. financials)

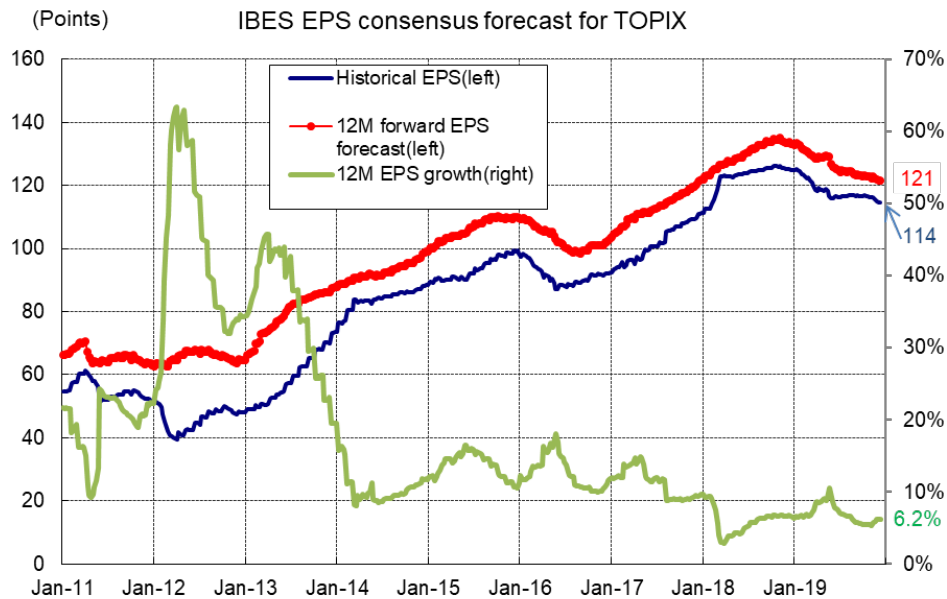
Fiscal year	FY 2017	FY 2018	FY 2019E	FY 2020E
Date of forecast	Actual	Actual	as of 6th Dec. 2019	as of 6th Dec. 2019
Sales (YoY %)	9.1%	7.8%	0.9%	1.6%
Operating Profits (YoY %)	16.6%	5.3%	-7.0%	8.4%
Recurring Profits (YoY %)	18.5%	3.9%	-4.6%	6.1%
Net Profits (YoY %)	36.1%	3.0%	-11.7%	7.6%
Recurring profits (YoY %)				
Manufacturing 132 companies	23.0%	-2.3%	-8.9%	13.9%
Non-manufacturing 95 companies	12.1%	13.6%	1.1%	-3.1%

Note: Key assumptions for FY2019 & 20 are Yen/US\$ 109 and 110 respectively, Yen/EUR stays at 120.

(Source) SMDAM Corporate Research Department 1, Toyo Keizai

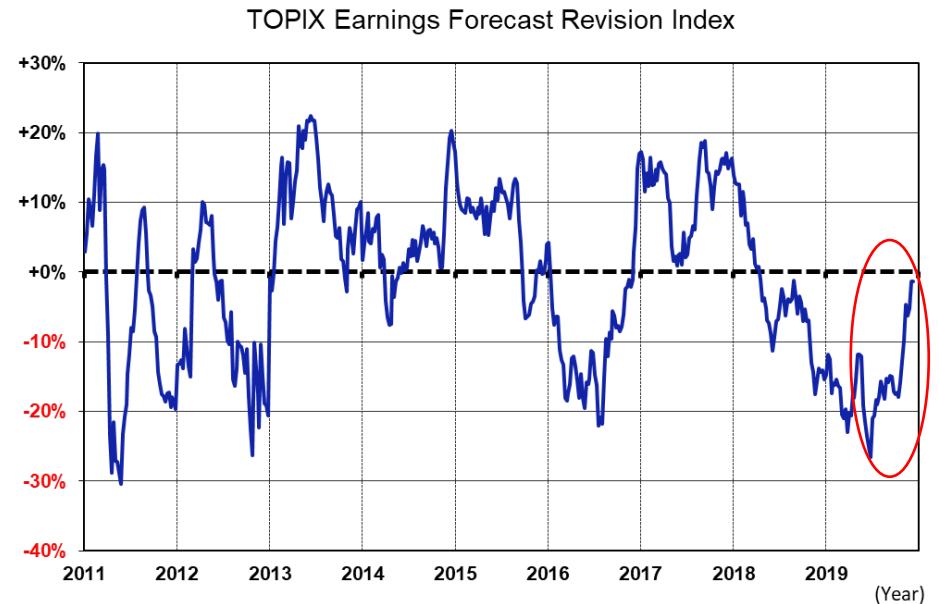
Downward earnings revision is coming to an end for Japanese stocks

- Downward earnings forecast revision finally seems to have ended for Japanese stocks as right hand chart shows.



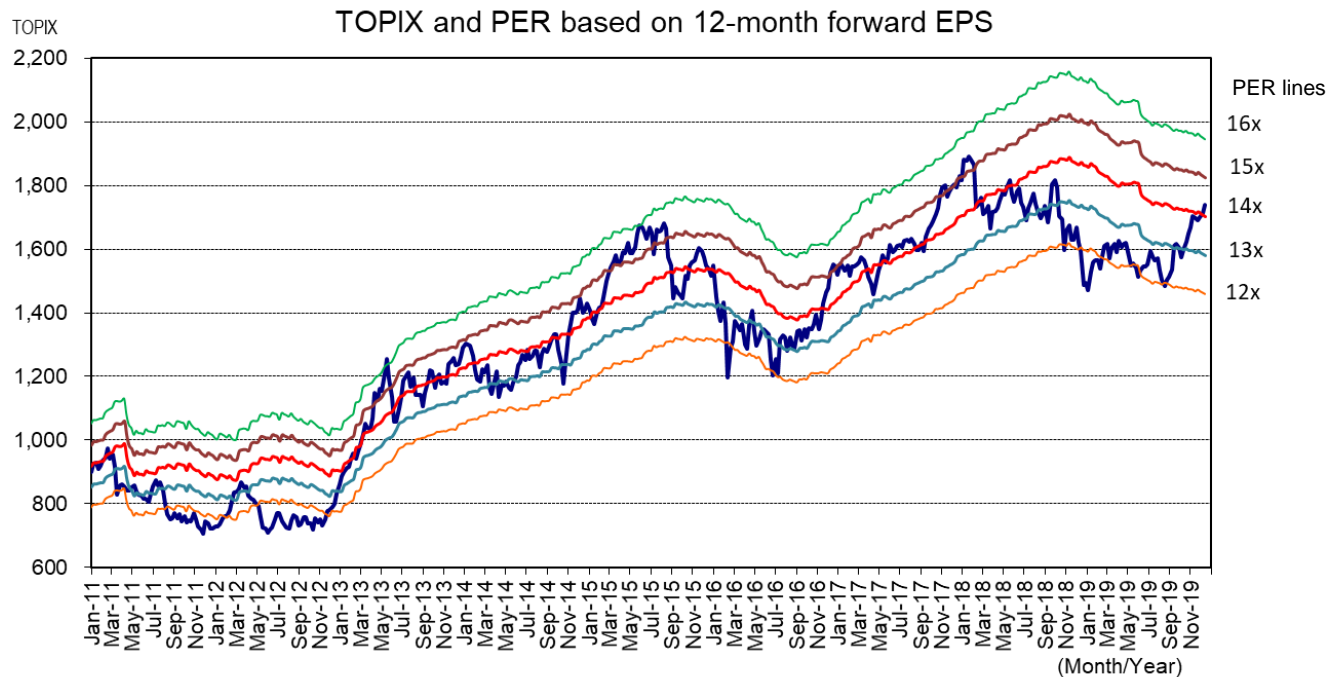
Note: Weekly data from 4th Jan. 2011 to 10th Dec. 2019. (Month/Year)

(Source) Datastream, IBES



PER for TOPIX entered into upper side of the historical range

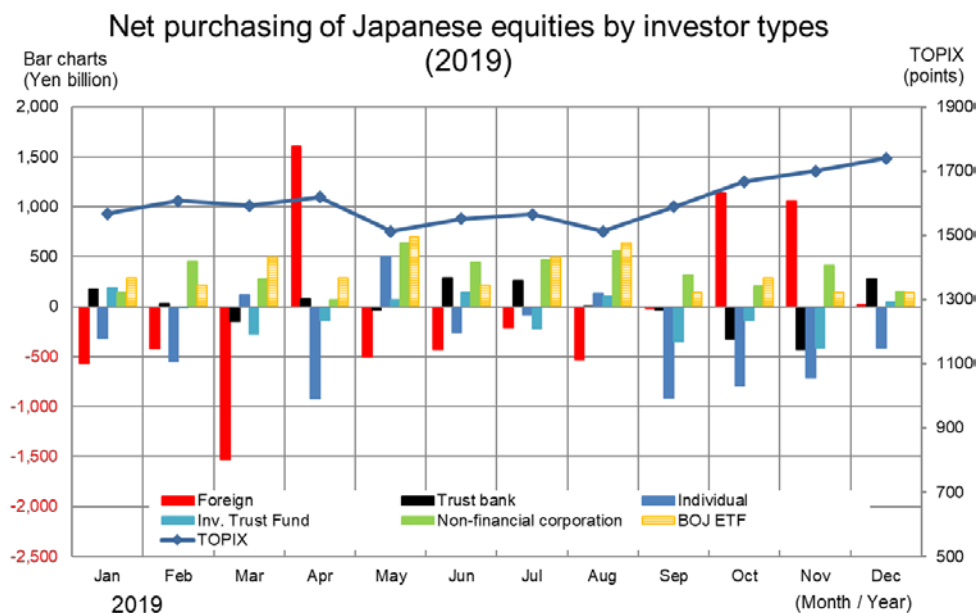
- PE ratio for TOPIX rose slightly over 14 times based on 12m forward EPS forecast, which assumes about 6% EPS growth in coming 12 months.
- 15 times PER has been the upside of the historical core range since PM Abe started expansive policy mix in 2013, and 16 times PER was the upper limit for extreme bull run such as observed in 2015.



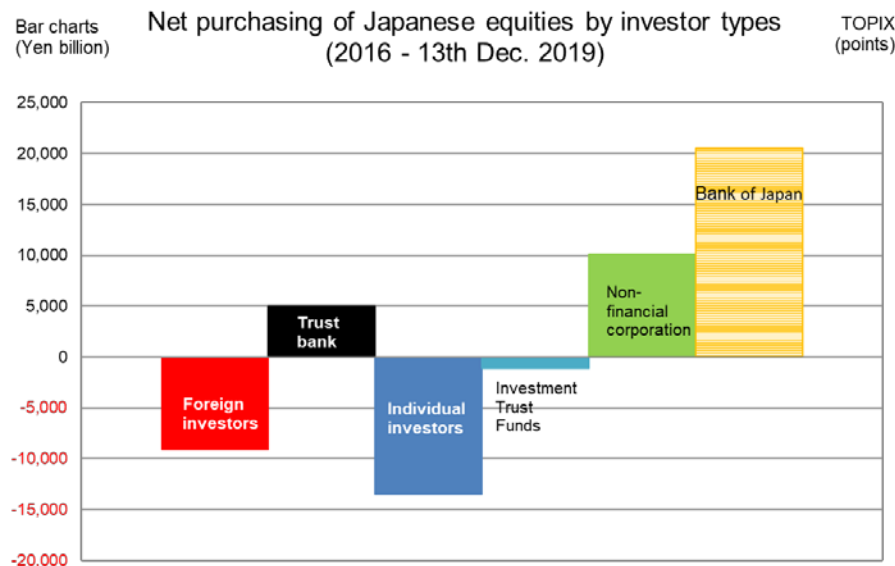
Note: Data is weekly from 4th Jan. 2011 to 13th Dec. 2019. TOPIX was 1739.98 at the end of the period.
(Source) Tokyo Stock Exchange, Datastream and IBES, compiled by SMAM

Foreign investors turned to purchasing Japanese equities

- Since 2016, foreign investors were net sellers. Foreign investors bought Japanese equities aggressively between 2013 and 2014, however, they have sold about 75% of the cumulative net purchases afterwards. They started to buyback Japanese equities on the back of attractive stock valuation and improving outlook for the global economy.
- Japanese companies have been continuously buying back own shares as the second largest buyer only next to BOJ.
- Individuals have been the largest seller of Japanese equities, however, purchasing via IPO is not included in this statistics and actual selling by individuals gets smaller when IPO is included.



Note: Data is for Tokyo stock exchange and Nagoya stock exchange up to 13th Dec. 2019.
BOJ ETF figure is officially released data from BOJ.
(Source) Japan Exchange Group, Bank of Japan



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Advancing Corporate Governance Code and Stewardship Code

- Stewardship Code (SC) was set in February 2014. Investors are taking more pro-active approach in talking to the companies and exercising proxy voting rights. Financial Services Agency discloses the name of institutional investors, which publicly accepted SC.
- After inception of Corporate Governance Code (CGC) in June 2015, pressure has been increasing on companies to improve its governance, efficiency and shareholder returns.
- These two codes have been progressively reviewed and enhanced, and making visible impact on the corporate behavior and investors' attitudes as shareholders.
- Nikkei Newspaper reported lately that SC would be reinforced in April 2020 requiring investors to evaluate ESG factors.
- In the most recent amendment of CGC, companies are required to explain the rationale of "cross holdings" or "strategic holdings" of other companies' shares, which implicitly provide protection against takeovers and hostile shareholder actions, and is often negative for achieving shareholder value.

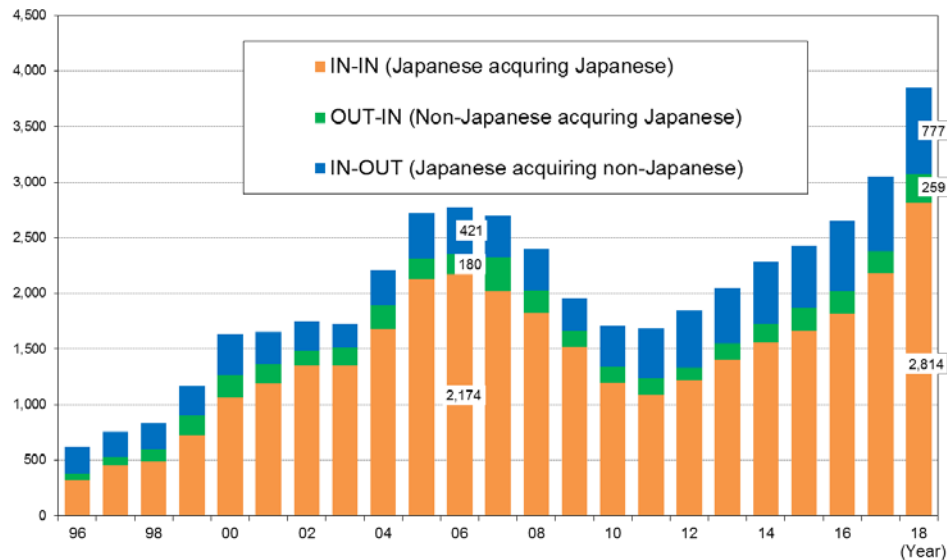
Total number of institutional investors, which publicly declared acceptance of the stewardship code	
Trust banks	6
Investment management companies	177
Insurance companies	23
Pension funds	35
Others (include proxy voting advising companies)	7
Total	248

Note: As of 8th May 2019.
(Source) Financial Services Agency

Business restructuring is progressing for Japanese companies

- Japanese companies are getting more and more willing to make positive business restructuring.
- Number of M&A deals between Japanese companies (IN-IN) rose from 2,174 in 2006 to 2,814 in 2018 increasing by 30%, which is an evidence that business restructuring is progressing in Japan.
- Number of the deals of Japanese companies acquiring overseas businesses also rose from 421 in 2006 to 777 in 2018, increasing by 84%.

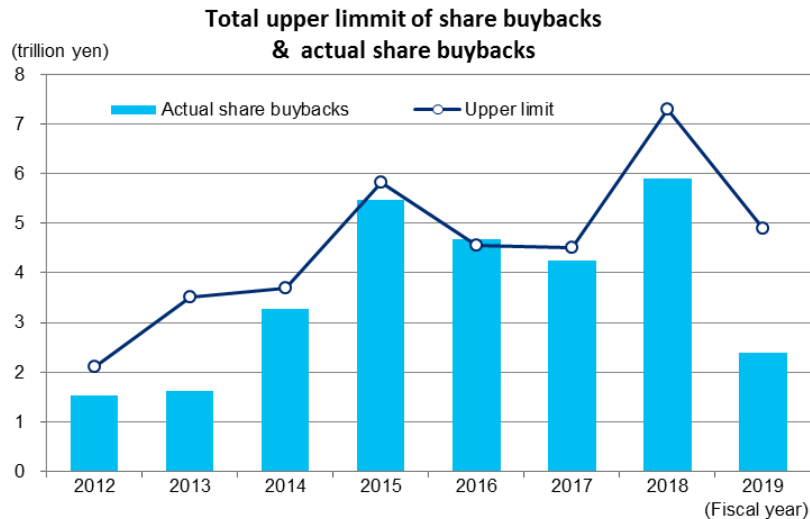
Number of M&A deals involving Japanese companies
(Excluding transactions among the same business group)



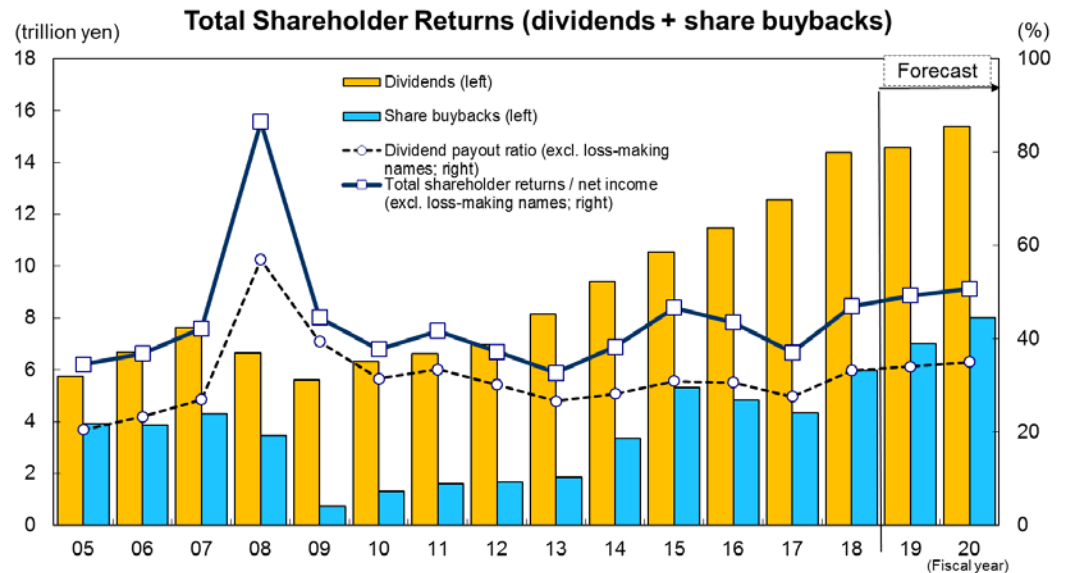
Note: IN-IN means Japanese company acquiring Japanese one, OUT-IN is for Non-Japanese company acquiring Japanese company, and IN-OUT is for Japanese company acquiring non-Japanese company.
(Source) RECOF and SMBC NIKKO Securities.

Behavior of Japanese companies are making positive changes

- Share buyback is one of the powerful tools for Japanese companies in disposing of accumulated liquidity in the B/S and enhancing EPS growth as well as ROE.
- In FY2018 (from April 2018 to March 2019), total upper limit of share buybacks, proposed as board of directors' resolutions, increased sharply and also actual share buybacks increased to renew a historical record.
- Dividends also renewed historical record in FY2018 and expected to increase further in FY2019.



Note: Share buyback proposals: As of 9th August, collected in units of one month based on the date of the Board of Directors' resolution. Share buybacks: As of end of July 2019. Universe is TSE stocks (excluding overseas firms). (Source) Astra Manager, Citi Research.



Note: All listed firms. Dividend projections are Toyo Keizai estimates, share buybacks forecast is by Daiwa Securities. Data as of Aug 2019. (Source) Toyo Keizai, QUICK, INDB, compiled by Daiwa Securities.

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