Results of the Survey on General Consumer Interests and Usages of Next-generation Finance

Second Volume, 2023

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I. Survey Overview

Purpose and Methodology of the Survey

1. Purpose

- The objective of this survey is to clarify the public perceptions of new digital financial products such as crypto assets, NFTs, security tokens, and stablecoins. It seeks to explore future investment intentions and past investment performance, purpose of acquisition and holding, investment styles such as trading frequency, and information sources for investments.
- The study further aims to examine how the attributes of survey respondents (such as income, financial assets, age, gender, educational background, financial literacy, and risk aversion) influence the survey results.
- The same questionnaire will be conducted in multiple overseas countries to enable for international comparisons and to highlight the characteristics specific to Japan.
- In addition to digital financial products, the survey will assess perceptions, investment experiences and styles related to traditional financial assets and products, such as stocks and FX derivatives. This analysis will include a comparison of their differences and interconnections with digital financial products.
- By conducting the survey on an annual basis, we aim to monitor changes over time.
- In addition to fixed survey items, topical questions can be set to expand the scope of analysis and address emerging issues of interest.
- We aim to make individual-level data publicly available, serving as a research infrastructure for researchers and others interested in analyzing new digital financial products. This also includes facilitating joint research in the development and analysis of questionnaire.

2. Survey Methods and Samples

- Survey execution method:
  Outsourcing to an internet research company
- Sampling Method:
  Surveys are randomly distributed and collected from domestic and overseas online monitors managed by the research company, as well as from monitors of overseas partner research companies. The survey concludes once the required number of respondents, categorized by gender and age group, has been reached. Subsequently, adjustments are made to ensure that the gender and age group composition aligns with each country's population distribution.
- Survey countries:
  Japan, USA, UK, Germany, China, Korea
- Eligibility criteria:
  i) Aged 20 and over, and
  ii) Excludes employees in sector such as survey research, newspapers, broadcasting, mass communication, advertising and market research.
- Survey period:
  From August 23 to September 19, 2023.
- The items of the current survey (individual items will be described later in Section 4 on page 9).
  ① Respondent attributes
  ② Awareness and investment experience of risky financial products such as stocks and FX derivatives
  ③ Awareness and investment experience of four types of digital financial products; crypto assets, NFT, stable coin (SC), security token (ST)
  ④ Topical survey: Attributes such as financial literacy, risk aversion, and time preference
- Sample size and sampling method

  Japan: 15,000 and 5 other countries: 2,000 each; 25,000 in total

  For the Japan sample, 5,000 respondents were selected based on the condition that they held at least one of four digital financial products. This group is referred to as the conditional samples, as it is based on the premise

of holding financial assets. The remaining 10,000 individuals constitute the ‘unconditional sample.’ In total, 20,000 unconditional samples were collected, with 10,000 from Japan and 10,000 from overseas, consistent with the numbers from last year’s survey.

In this report, only the unconditional samples are used. This is because in the conditional samples, the characteristics of the holders of the digital financial products are likely to differ from those in the unconditional one, potentially affecting the aggregate values of the questionnaire responses. The conditional samples for Japan will be used in future analyses.

The conditional sample for Japan was collected in a way that ensures no overlap with the unconditional sample. At the beginning of the survey, a preliminary questionnaire asked the respondents whether they currently own or have experience with holding digital financial products. Only those who answered ‘yes’ were given the subsequent questions.

- Correction based on the age structure of the samples:
  Weightback aggregation is applied to individual response data, classified by gender and age group, using fixed sample sizes (as detailed in the table below). This adjustment is necessary because the sample sizes deviate from the actual population distribution in each country. Weighting factors, calculated from the discrepancies between the actual population distribution and the fixed sample sizes, are applied to individual response data. This ensures that the aggregated figures accurately reflect the true population distributions in each country. The male-to-female ratio in the population shows relatively minor differences compared to the fixed equal sample sizes. However, the adjustment by age group significantly impacts the overall weightback correction.

- Notes on weightback-corrected aggregates
  Weightback correction based on gender and age group can be applied to aggregated values. If the aggregation policy changes (for example, using a policy other than the population distribution ratio), it becomes necessary to recalculate the aggregated values from individual-level response data. For example, this could involve calculating aggregate values with equal weights.
  In regression analyses using individual response data, equal weights are generally applied except in special cases. In such instances, age and gender are not used as factors influencing aggregated values, but are instead treated as dummy variables, along with other attributes, to assess their impact.

- Gender bias in the conditional sample
  In the conditional sample, equal gender representation was not enforced. Instead, responses were collected randomly, without consideration of gender or age, and the survey concluded once the target number was reached. This approach was taken because there are fewer women in Japan's monitoring group who own crypto assets, making it difficult to gather 5,000 samples. Consequently, there is a strong bias towards male respondents.

- Number of eligible people by gender and age group in each country

		Japan (Unconditional)	Japan (Conditional)	Other Countries (Unconditional)
woman	20-29 years old	1,000	5,000	200
	30-39 years old	1,000		200
	40-49 years old	1,000		200
	50-59 years old	1,000		200
	60 years old and above	1,000		200
man	20-29 years old	1,000		200
	30-39 years old	1,000		200
	40-49 years old	1,000		200
	50-59 years old	1,000		200
	60 years old and above	1,000		200

Note: In controlling the number of samples, one category is for people aged 60 and above, but in the aforementioned weightback aggregation, the correction is performed by dividing into two categories: those in their 60s and those in their 70s and older.

- Changes in the contents of the survey from the previous survey

  ① Additional survey questions concerning attributes such as financial literacy, risk aversion/preference, and time preference rate were incorporated.

  ② The survey further incorporated questions regarding trading frequency, perceived returns on past investments, types of crypto assets held, and key information sources when making investment decisions.

  ③ In the prior survey, limited sample size of crypto asset holders, particularly among Japanese respondents, hindered sufficient cross-analysis to explore differences in response tendencies between holders and non-holders. To address this shortage, the current survey secured a dedicated sample of 5,000 respondents for Japan.

  ④ With guidance from the Center for Social Research and Data Archives at the Institute of Social Science, University of Tokyo, we refined the

questionnaire wording to improve response rates. As a result, the items with fixed question content were included in which the question text and answer options were not exactly the same as the previous survey.

3. Contents of this report and points to note regarding its use

- This report presents a simple weightback aggregation of each survey item, without performing cross-tabulations or econometric analysis.
- Aggregate results for each item are displayed in charts, accompanied by concise explanations of the key findings.
- Wherever possible, numerical values are included in the charts to facilitate secondary use.
- When reprinting, reproducing, or quoting, please ensure that the source and the survey name (refer to the cover page) are clearly cited.
- Individual data is provided exclusively for academic research purposes. We are also open to proposals for joint research.
- For inquiries regarding the contents of the report, questionnaire methods or data sets, please contact us.

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4. Individual contents of the four groups of questionnaire items

1. Audience Attributes
   - Q1 Gender
   - Q2 Aage
   - Q3 Residential area
   - Q4 Educational background
   - Q5 Size of company/organization by employee count
   - Q6 Cohabiting family members
   - Q7 Annual household Income
   - Q8 Balance of financial assets held by households
   - Q9 Household debt balance

2. Risky financial products (domestic stocks and bonds, foreign stocks and bonds, FX derivatives)
   - Q10 Awareness
   - Q11 Investment experience
   - Q12 Perception of domestic stocks and domestic stock investment trusts
   - Q13 Perception of foreign stocks and foreign stock investment trusts
   - Q14 Perception of foreign exchange derivatives
   - Q15 Average investment profit and loss since the start of the investment
   - Q16 Frequency of online trading
   - Q17 Perception of online trading

3. Digital financial products: Crypto assets, SC, ST, NFT
   - Q18 Awareness
   - Q19 Investment experience
   - Q20 Future investment intentions
   - Q21 Types of crypto assets currently held
   - Q22 Crypto asset exchange currently used
   - Q23 Amounts of digital financial products held
   - Q24 ratio of digital financial assets to all financial assets
   - Q25 Investment trends over the past year
   - Q26 Timing when you stopped investing
   - Q27 Future investment plans (experienced investors)
   - Q28 Future investment plans (inexperienced investors)
   - Q29 Purpose of acquiring and holding of crypto assets
   - Q30 Asset management methods
   - Q31 Frequency of trading
   - Q32 Important information for crypto asset investments
   - Q33 Types of NFTs held
   - Q34 Perception of crypto assets

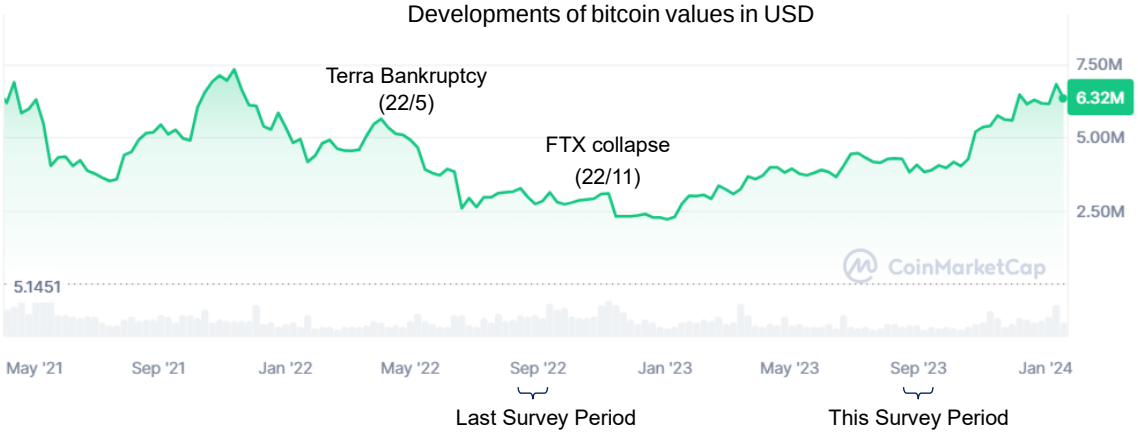
Q35 Perception of SC
Q36 Perception of ST
Q37 Perception of NFT

4. Financial literacy, risk aversion, etc.
Q38 Financial literacy 1: simple interest
Q39 Financial literacy 2: compound interest
Q40 Financial literacy 3: real interest rate
Q41 Financial literacy 4: portfolio diversification effect
Q42 Risk Aversion and Risk Appetite 1
Q43 Risk Aversion and Risk Appetite 2
Q44 Sources of information on market and economic developments in investment and asset management
Q45 Time preference
Q46 Preferences for executive involvement in stochastic events

Reference: Market Environment for Crypto Assets

In the crypto asset markets of 2022, Terra/LUNA, which aimed to peg its value to fiat currencies, collapsed in May, and in November, FTX Trading also went bankrupt. The price of bitcoin, representing the crypto asset market, plummeted to less than half of its peak from just before the May event to July and remained sluggish for the rest of the year. However, it started to recover in 2023, and from October, it further increased in value due to the emergence of proposals for crypto asset ETFs. Notably, the recent rapid rally began in February 2024 (the chart below reflects the period just before this rally).
The first survey in 2022 was conducted after the market crash that began in May had stabilized. The current survey period corresponds to the time in the summer of 2023 when the price was relatively stable, in other word, plateaued, following its recovery from the beginning of 2023 to April.

Developments of bitcoin values in USD



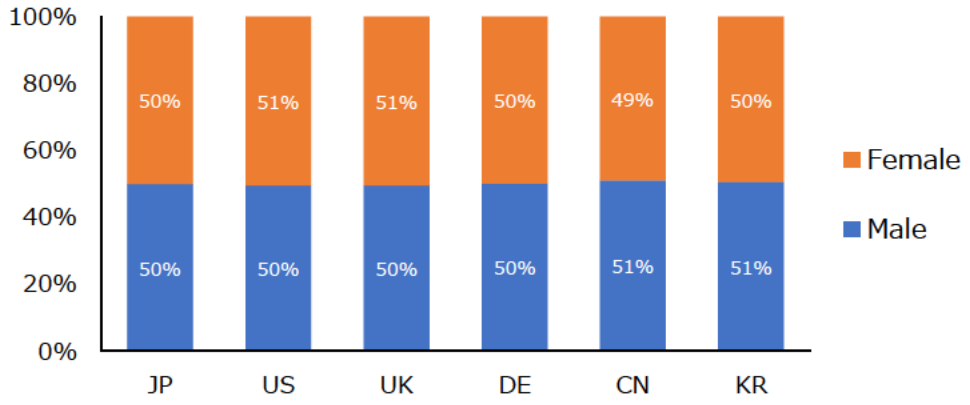
Source: Coin Market Cap

II. Survey Results

1. Attributes of the respondents

Q1. Gender

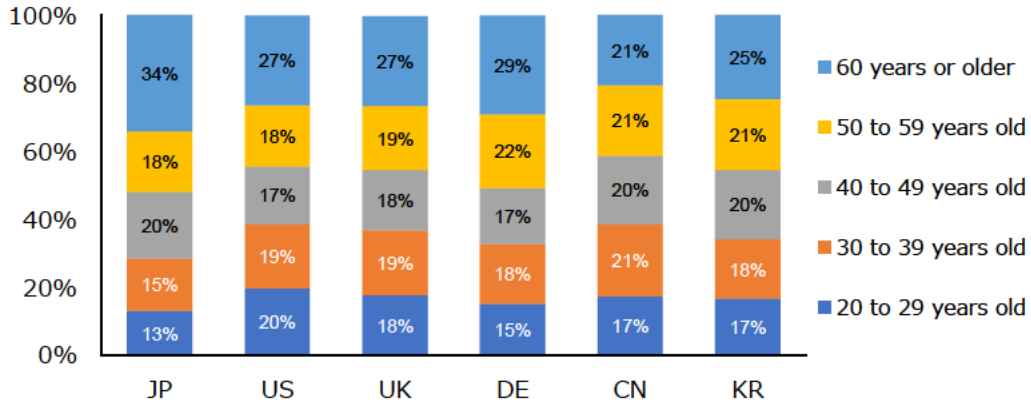
[Question]
- Please indicate your gender.



Note: Sampling from online monitors is conducted with an equal 50:50 ratio of female and male. However, the resulting figures are not balanced by gender because weightback aggregation adjusts for the actual population composition ratio by gender and age in each country. Individuals aged 60 and above are grouped together (with sample sizes set equal to those of other 10-year age brackets, as detailed in page 7). In this age group, the number of individuals in their 70s and older, where the gender ratio is increasingly asymmetrical, was relatively small, so the actual ratio of female and male in their 70s and older is not fully reflected in the weightback tally. For details of the aggregation method, please refer to Section 2 of 'Purpose and Methodology of the Survey' above.

Q2. age

[Question]
- Please indicate your age.

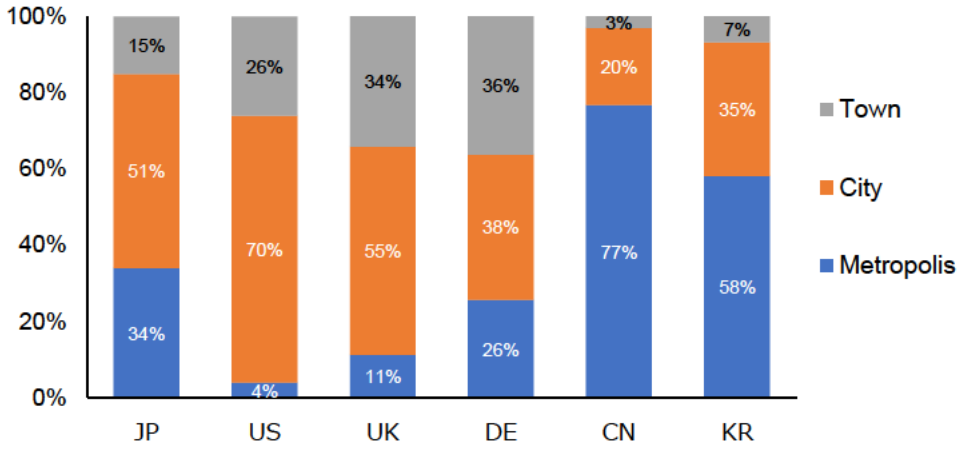


Note: Sampling from online monitors is conducted evenly across all age group. However, due to weightback aggregation, the resulting figures are adjusted to closely reflect the actual population composition of each country. Individuals aged 60 and above are grouped together, so if the portion of this age group is high, it will have a relatively strong influence on the overall results. For more details, please refer to Section 2 of 'Purpose and Methodology of the Survey' above.

Q3. Living area

[Question]
- In which area do you reside?

→ Respondents in China and Korea are biased towards metropolitan areas.



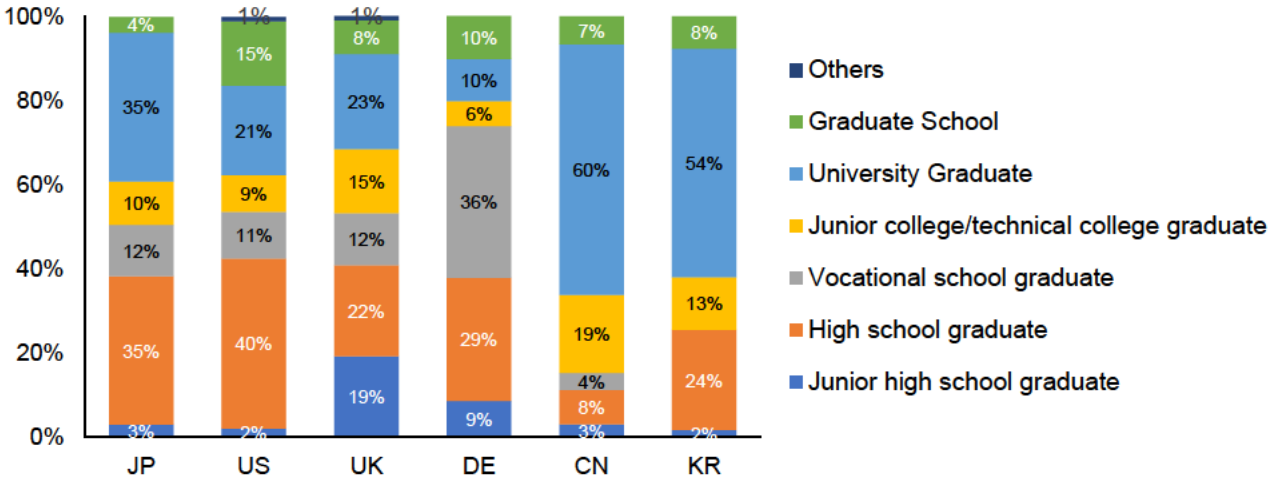
Note: Since the definitions of residential areas vary by country, adjustments have been made to align the data more closely with the actual situation in Japan.

Q4. Educational background

[Question]

- Please provide your educational background. If you are currently a student or have dropped out, please indicate the highest level of education you have completed.

→ Respondents in China and Korea are biased towards higher education.



Note: Since the educational systems differ by country, adjustments have been made to better align the data with the actual situation in Japan.

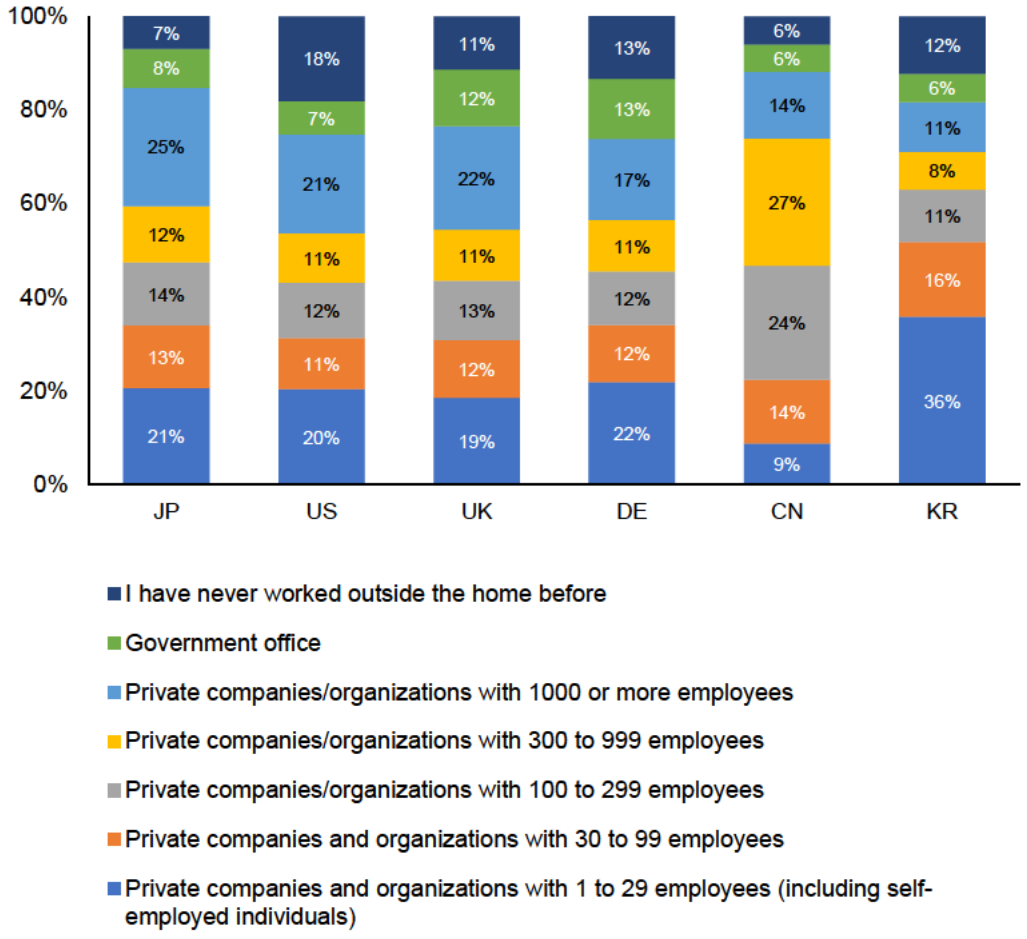
Q5. Size of your company/organization by employee count

[Question]

- Which of the following categories best describes the company or organization you currently work for? If you are not currently employed, please provide information about your most recent employment.

  * Please consider the total number of employees, including those in affiliated companies or organizations.

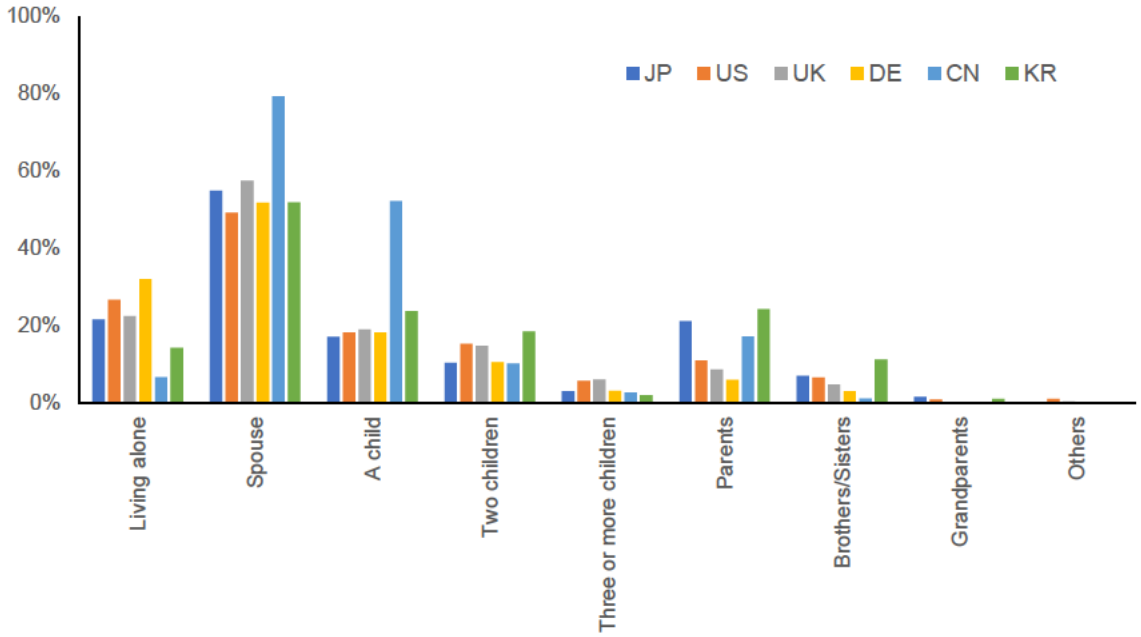
→ Korea has a high percentage of small businesses with fewer than 30 employees. In China, companies with 100 to 999 employees represent the largest proportion compared to other countries.



Q6. Cohabiting family

[Question]

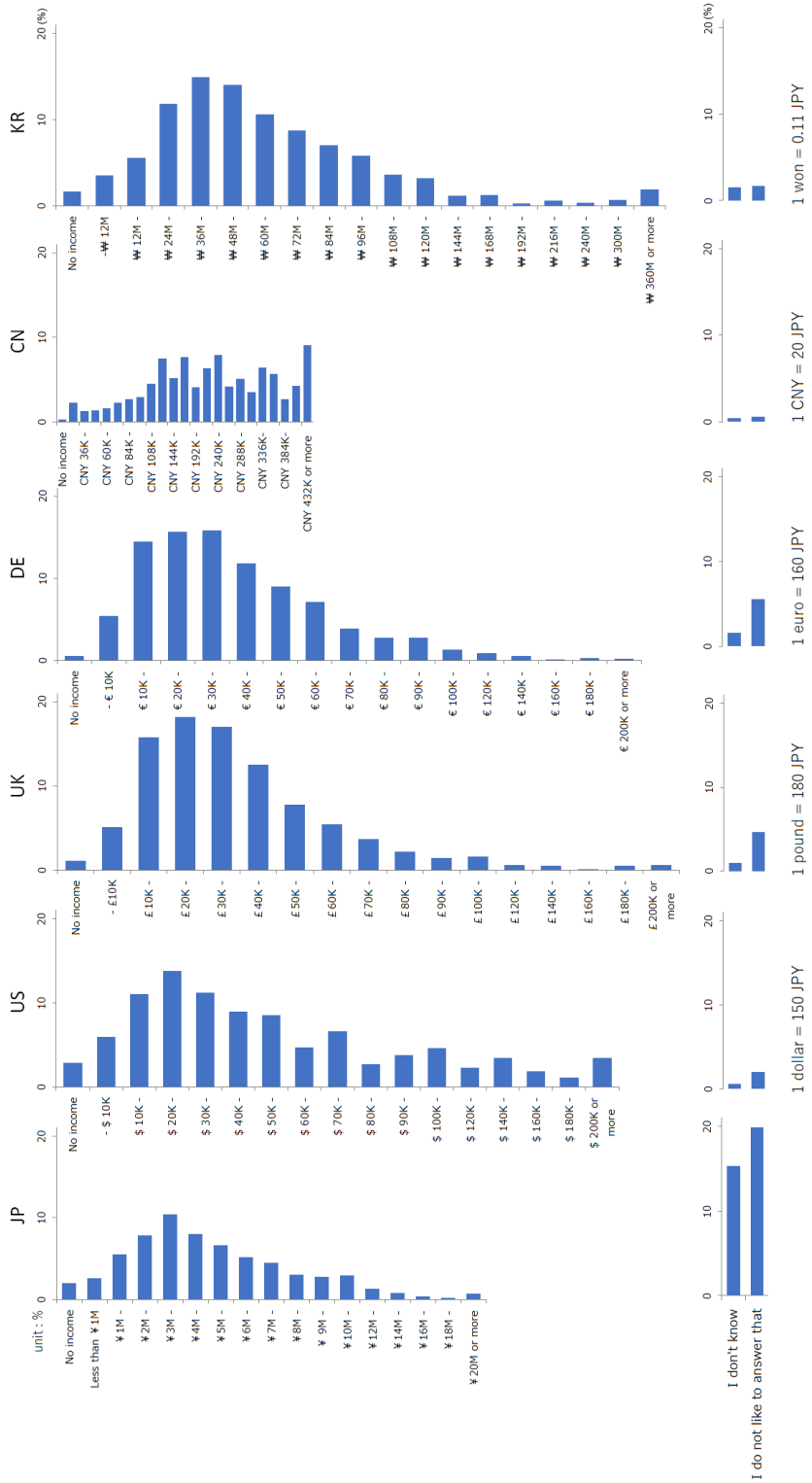
- Please answer all the family members you are living with. (Multiple answers allowed)



Q7. Annual household income

[Question]

- What is your annual household income (the total annual income of your family members who share a living with you)?

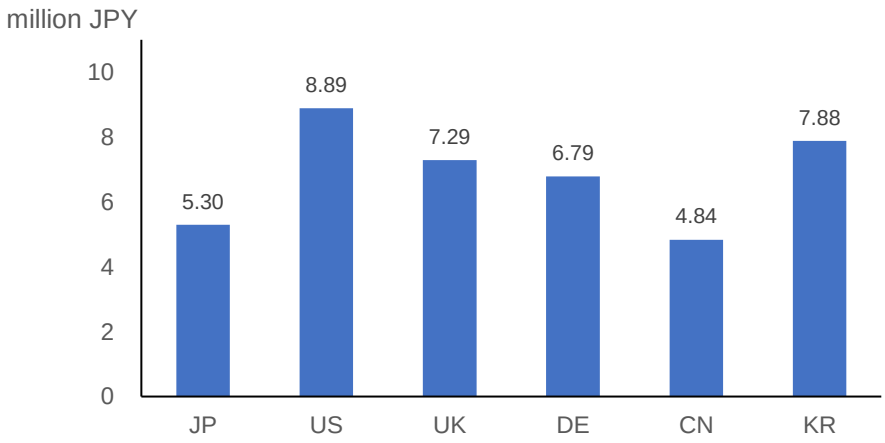


Note: The horizontal axis has been adjusted so that the income ranges are approximately equivalent by applying the exchange rates shown in the figure. The absence of higher income ranges in China is due to the upper limit not being appropriately set. On the far right, the proportion of respondents who selected 'I don't know' and 'I don't like to answer' is displayed on the same scale as the figure on the left.

(continued)

- → In each country, the income distribution has a long tail on the right side (high income), and when adjusted for the exchange rate (shown on the right side of the chart on the previous page), the peak value (mode) generally falls within the 3 to 4 million yen range.
- → Using a simple method to calculate the average income for each country and convert it into yen-denominated figures, the U.S., followed by Korea and the U.K. show the highest annual household income (see chart below).
- → In Japan, the proportion of responses selecting 'Don't like to answer' and 'Don't know' is exceptionally high, accounting for 20% and 15%, respectively. In other countries, these responses range only from 2 to 6% and 1 to 4%.

Average income calculated by the simple method



Note: For calculation, the midpoint of each category (data interval) is used. The highest category uses the lower boundary values. The options 'Don't know' and 'Don't like to answer' were excluded from the calculation.

Q8. Balance of financial assets held by households

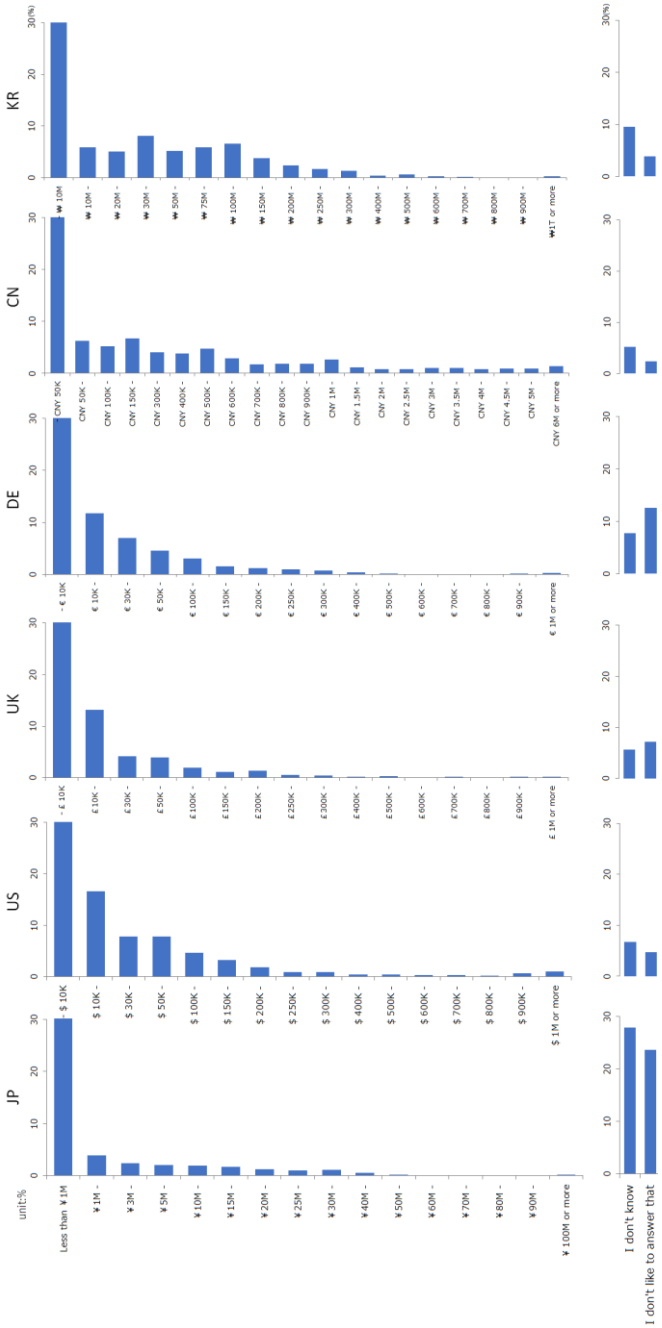
[Question]

- How much financial assets does your household hold? Please select the amount you believe is closest.

  * Please do not include digital financial products such as crypto assets.

  * You do not need to deduct any loan amounts.

→ With the exception of China and Korea, the right tail decreases sharply, and the long tail shows the characteristics of the power-law distribution.

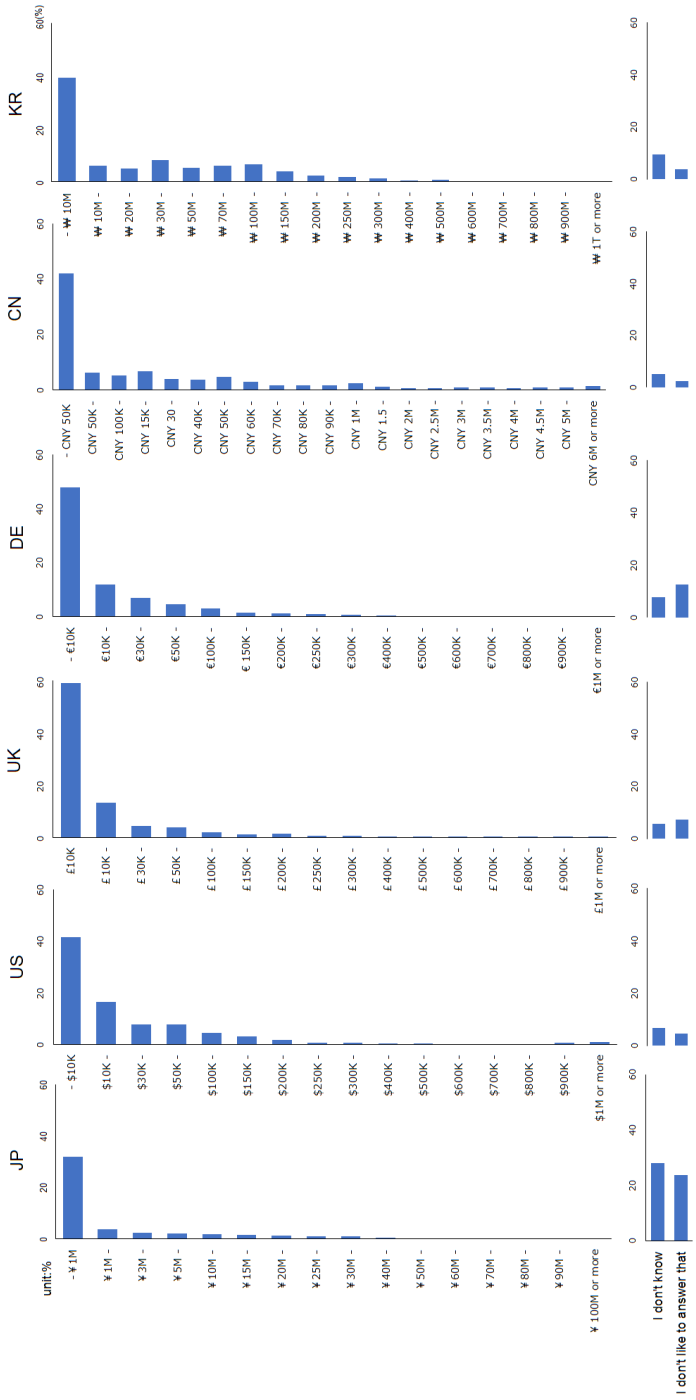


Note: The ranges on the horizontal axis are not evenly spaced. As a result, horizontal axis adjustments (after conversion to yen) for comparing the levels across countries were not performed. On the far right, the proportion of respondents who selected 'Don't know' and 'Don't want to answer' is displayed on the same scale as the figure on the left.

Q9. Household debt balance

[Question]

- If you don’t mind, please tell us the total amount of outstanding loans or debt your household have? Please select the amount you believe is closest.



Note: The ranges on the horizontal axis are not evenly spaced. As a result, horizontal axis adjustments (after conversion to yen) for comparing the levels across countries were not performed. On the far right, the proportion of respondents who selected ‘Don’t know’ and ‘Don’t like to answer’ is displayed on the same scale as the figure on the left.

Important considerations on sampling revealed by the attribute survey

- → Compared to other countries, the samples from China and Korea are skewed toward metropolitan residents and individuals with higher levels of education.
- → The sample from Korea has a higher proportion of high-income individuals and those with substantial financial assets compared to other countries.
- → Variations in respondent samples regarding annual income, financial assets, educational background and other factors may influence the investment behavior observed in this survey. When comparing countries, it is important to consider two potential influences on aggregated results: 1) the disparity between the population and respondents of each country, also known as sampling bias and 2) differences in the population characteristics by country, such as the variations in average income across countries when considering the entire population.
- → In this survey, only sampling bias by gender and age group, that is, the gap between the sample and the actual population, is corrected through weightback aggregation.

2. Risky financial products (domestic stocks and bonds, foreign stocks and bonds, FX derivatives)

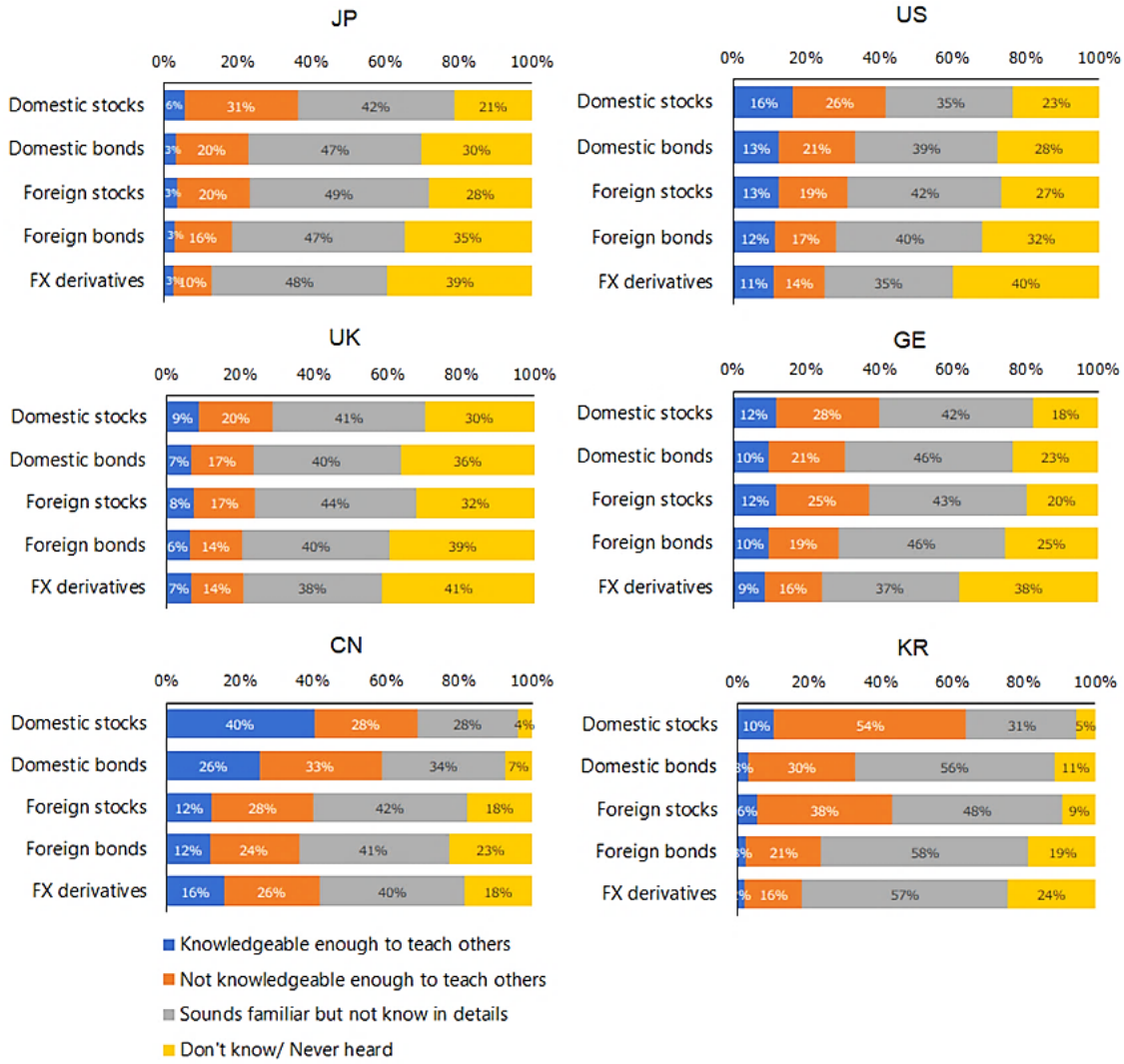
Q10. Awareness of risky financial products

[Question]
- How familiar are you with each of the following financial products?

→ Among those who consider themselves 'Knowledgeable enough to teach others,' the level of awareness in Japan is significantly lower across all financial products compared to other countries.

→ When including those who are 'Not knowledgeable enough to teach others but with some knowledge,' the gap with other countries narrows, but Japan still falls into the lower group compared to the six countries surveyed (see next page).

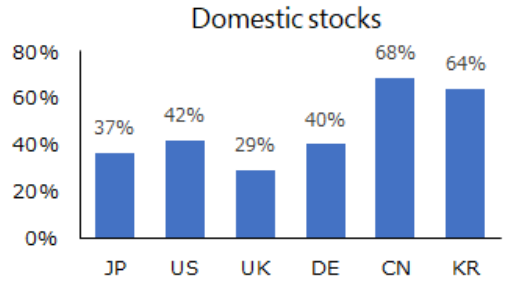
→ Across all countries, domestic stocks exhibit a high level of awareness.

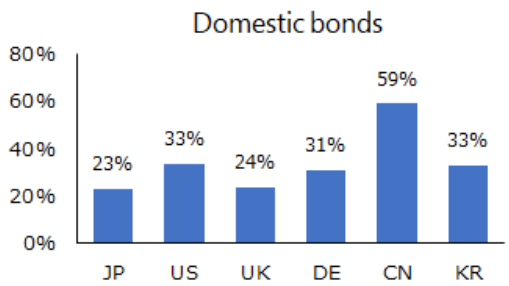


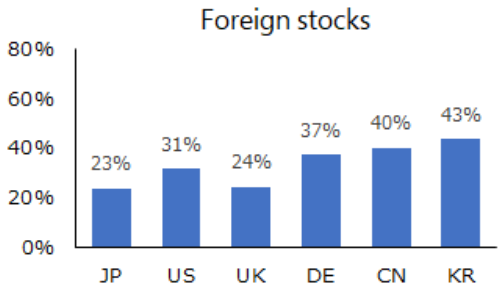
Q10. Awareness of risky financial products: by product

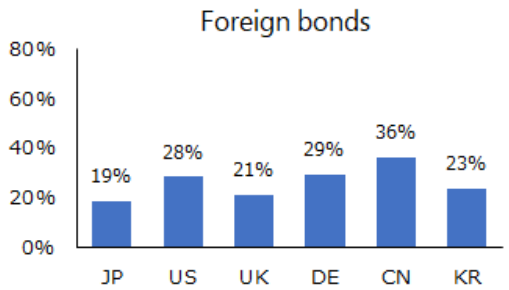
The composition ratio of the sum of ‘Knowledgeable enough to teach others’ and ‘Not knowledgeable enough to teach others, but I have some knowledge.’

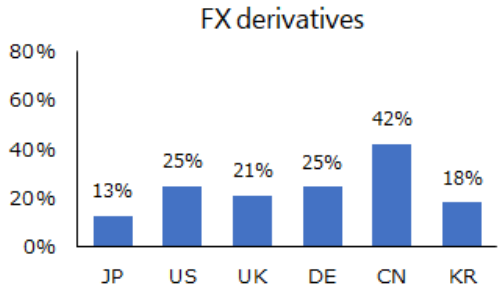
→ Awareness levels of financial products vary significantly by country. For example, in Germany, the difference in awareness between foreign and domestic stocks is minimal, indicating a weaker home bias — the tendency to favor domestic financial products — compared to other countries. In contrast, home bias is relatively strong in China.











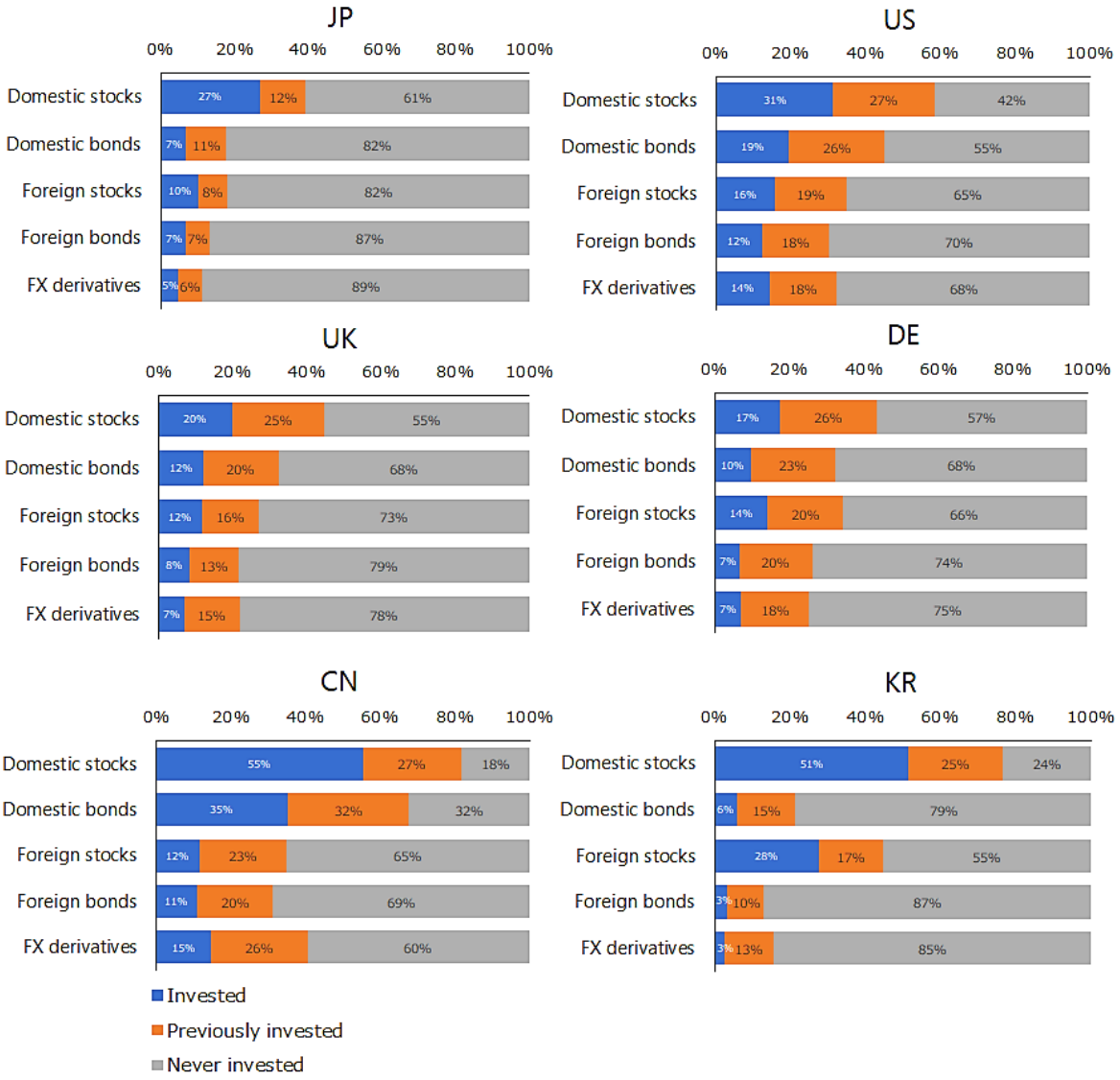
Q11. Experience with investing in risky financial products

[Question]

- Please describe your investment experience with the following financial products.

→ A high level of investment experience, as well as product awareness, is commonly associated with domestic stocks.

→ Japan has lower levels of investment experience than other countries as well as awareness of financial products (see also next page).



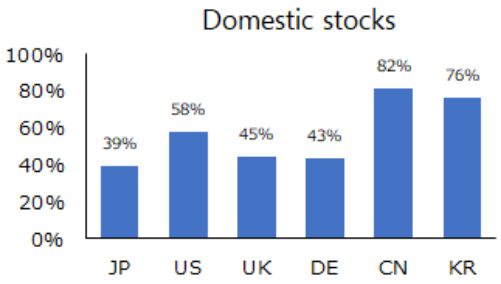
Note: Respondents who select 'Don't know/never heard' in Q10 are excluded from further questions.

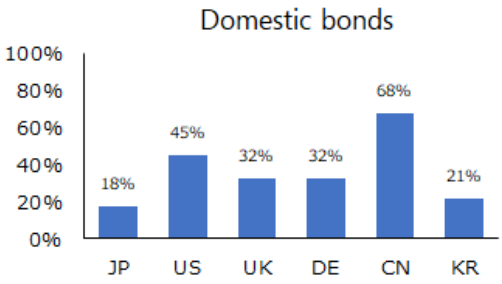
Q11. Experience with investing in risky financial products: by product

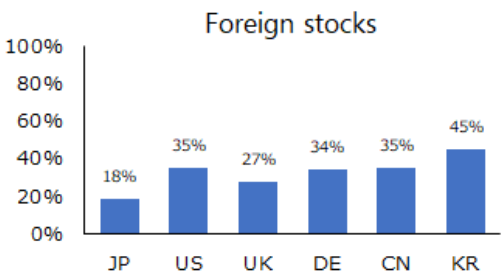
Composition ratio of ‘currently owned’ and ‘invested but not currently owned.’

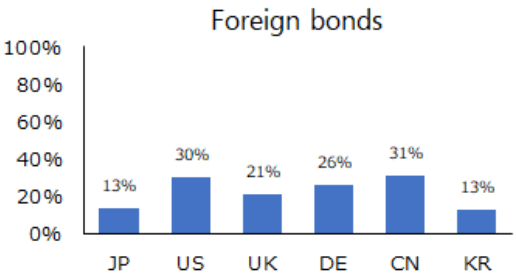
→ Japan’s investment experience in domestic stocks is slightly lower than in other countries, but the gap is much wider for other products.

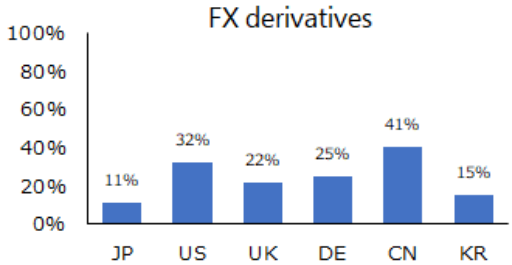
→ In addition to having a smaller home bias, Germany also has a moderate equity bias (preference for stocks over bonds) compared to other countries. In China, home bias is high for both stocks and bonds. In Korea, equity bias is substantial in both domestic and international investments, with a significant home bias in stocks as well.





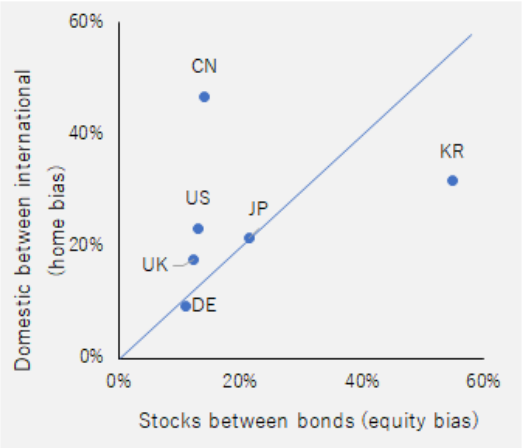






(Reference)

Stocks vs. Bonds (Equity bias), Domestic vs. International (Home bias)

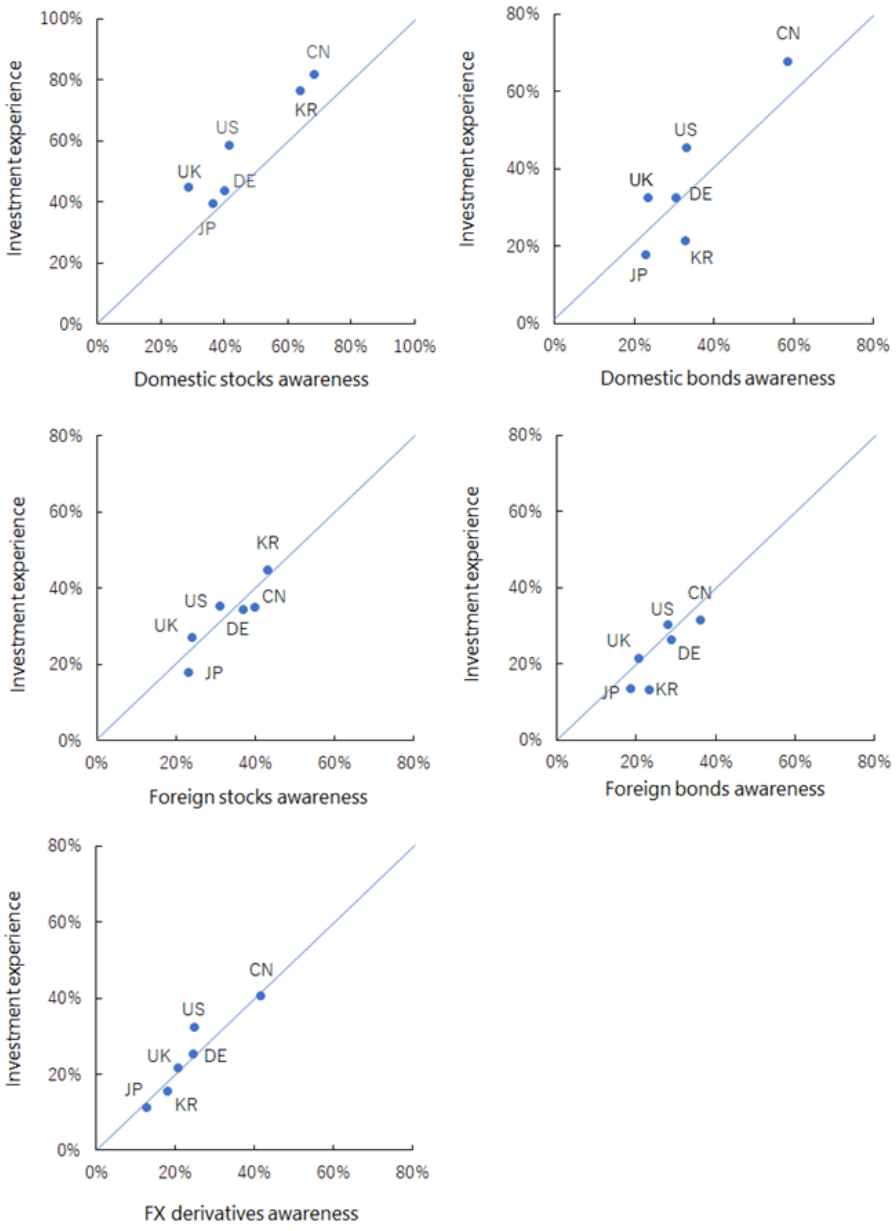


Q10&11. Correlation between awareness and investment experience

→ Awareness and investment experience are positively correlated across all products.

→ In all countries, the level of experience in domestic stocks surpasses the level of awareness (see the table on the next page). This is especially true in the U.S. and the U.K., where investment experience is notably higher than awareness.

→ In contrast, in Japan, this phenomenon is observed only with domestic stocks, while investment experience in other products lags behind awareness. The rest of the world falls somewhere between the U.S./U.K. and Japan.



(continued)

Awareness – Investment experience (difference in percentage composition)

	Domestic stocks	Domestic bonds	Overseas stocks	Foreign bonds	FX derivatives
JP	-3%	5%	5%	5%	2%
US	-17%	-12%	-4%	-2%	-7%
UK	-16%	-9%	-3%	-1%	-1%
DE	-3%	-2%	3%	3%	-1%
CN	-13%	-9%	5%	5%	1%
KR	-12%	12%	-1%	10%	3%

Q12. Perception of domestic stocks and domestic equity investment trusts

[Question]

- What are your thoughts on domestic stocks and mutual funds primarily invested in domestic stocks, both denominated in local currency? (Multiple answers allowed)

→ In each country, 'Loss concern' is the most commonly cited factor. Outside of China, 'Loss concern' outweighs 'Profitable', especially in Japan, followed by Korea.

→ In Japan, there are fewer selections for 'Risk reduction,' 'Convenience,' and 'Interest', and concerns about 'Lack of investor protection,' 'Security concerns,' and 'Personal information protection' are lower than in other countries. Another notable characteristic of Japan is that the high number of respondents with 'No impression.'

Answer options for Q12, Q13 and Q14

Abbreviated names are used for items in the figures.

1	Expected to be profitable
2	Diversifying investments across financial products with different price fluctuations reduces investment risk
3	Convenience of the product
4	Interest in the product
5	Concern about possible losses
6	Difficulty in understanding the structure and risks of the product
7	Difficulty in understanding investment methods and the fear of not being able to utilize them effectively
8	Insufficien investor/consumer protection
9	Lack of trust in issuers or intermediaries
10	Concern about personal information leakage
11	Fear of misuse of identity authentication or identity theft fraud
12	Disadvantageous tax treatment
13	Difficult to use due to strict regulations
14	Other
15	No particular impression

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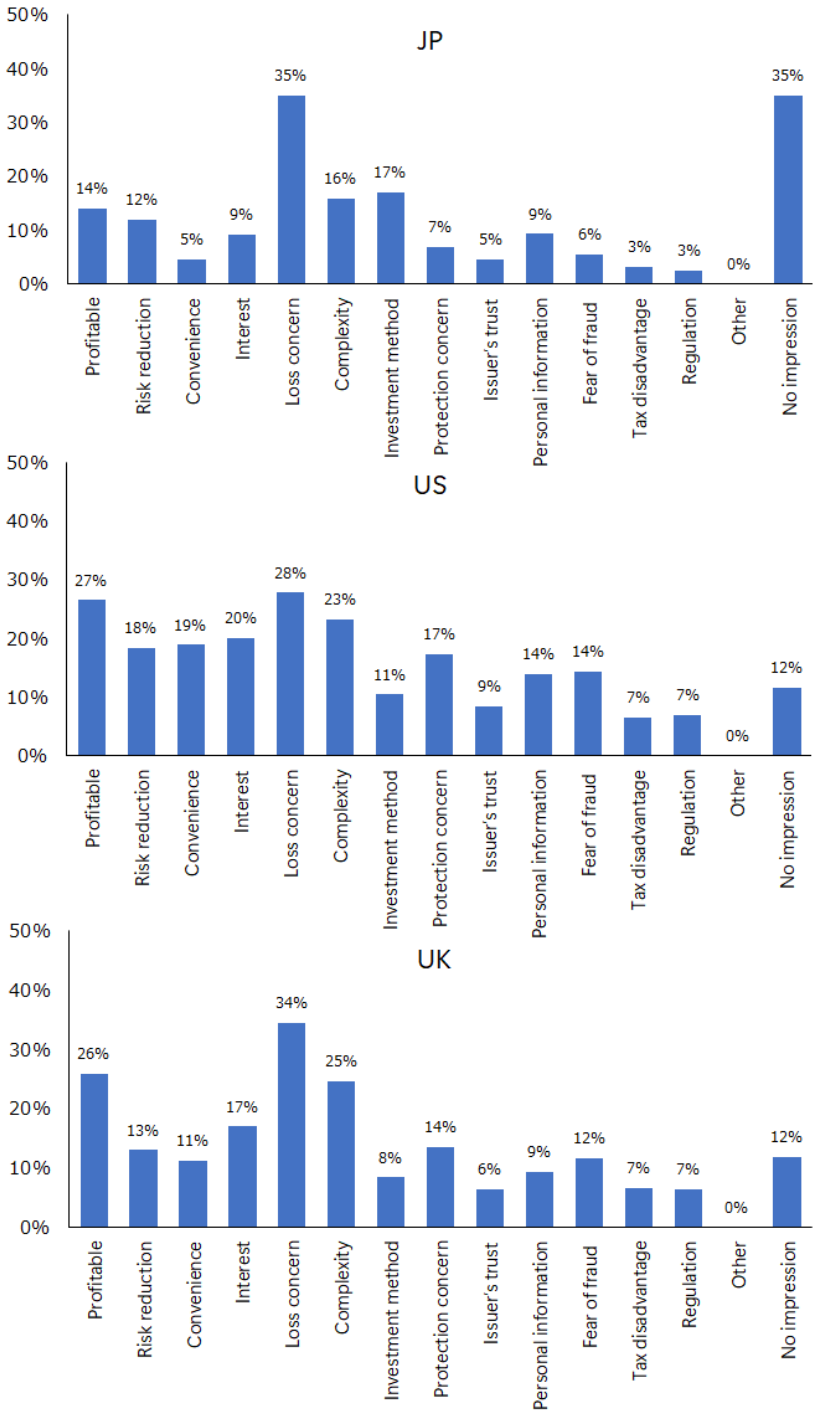

Note: Respondents who select 'Don't know/Never heard' in Q10 are excluded from further questions. The same applies to Q13 and Q14.

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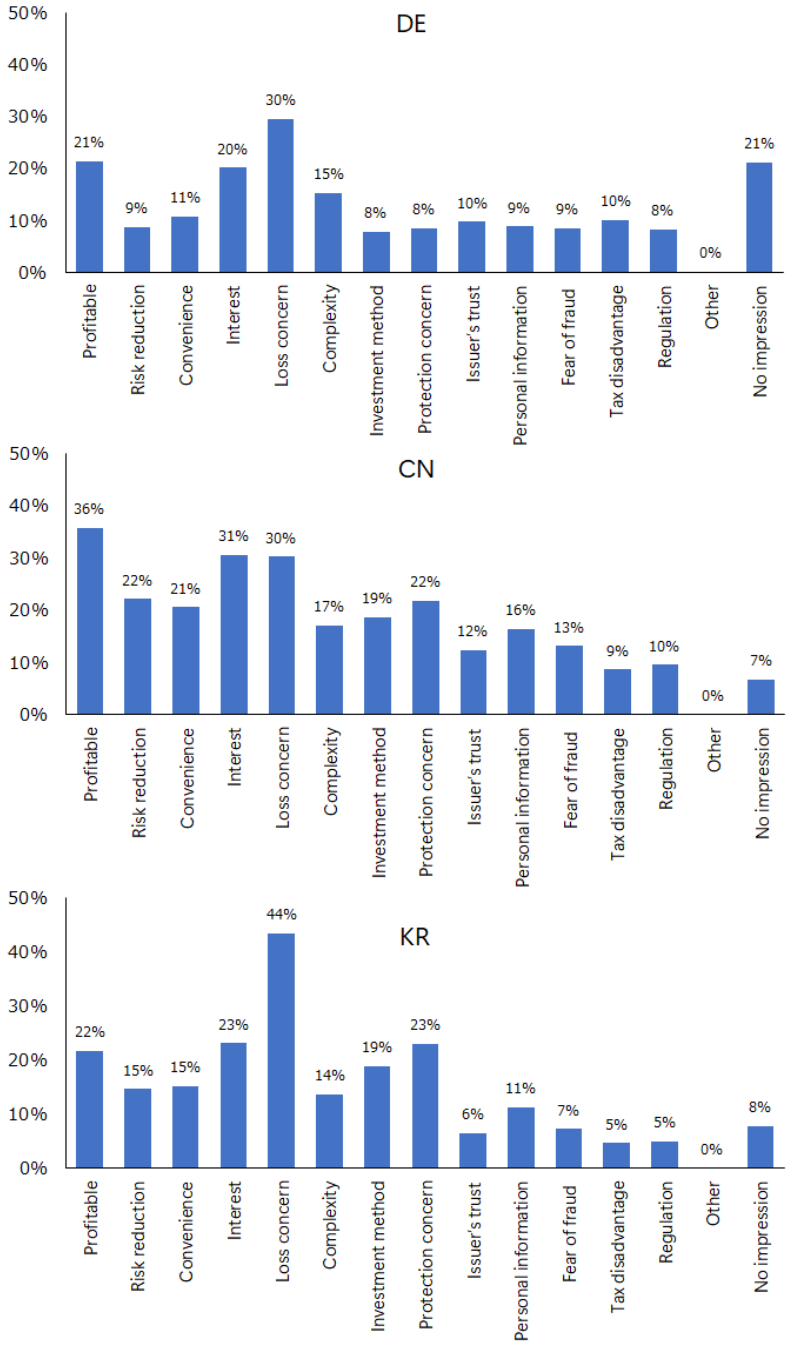


Top 3 reasons

	1st	2nd	3rd
JP	Loss Concern	No Impression	Investment method
US	Loss Concern	Profitable	Complexity
UK	Loss Concern	Profitable	Complexity
DE	Loss Concern	Profitable	No Impression
CN	Profitable	Interest	Loss Concern
KR	Loss Concern	Interest	Protection Concern

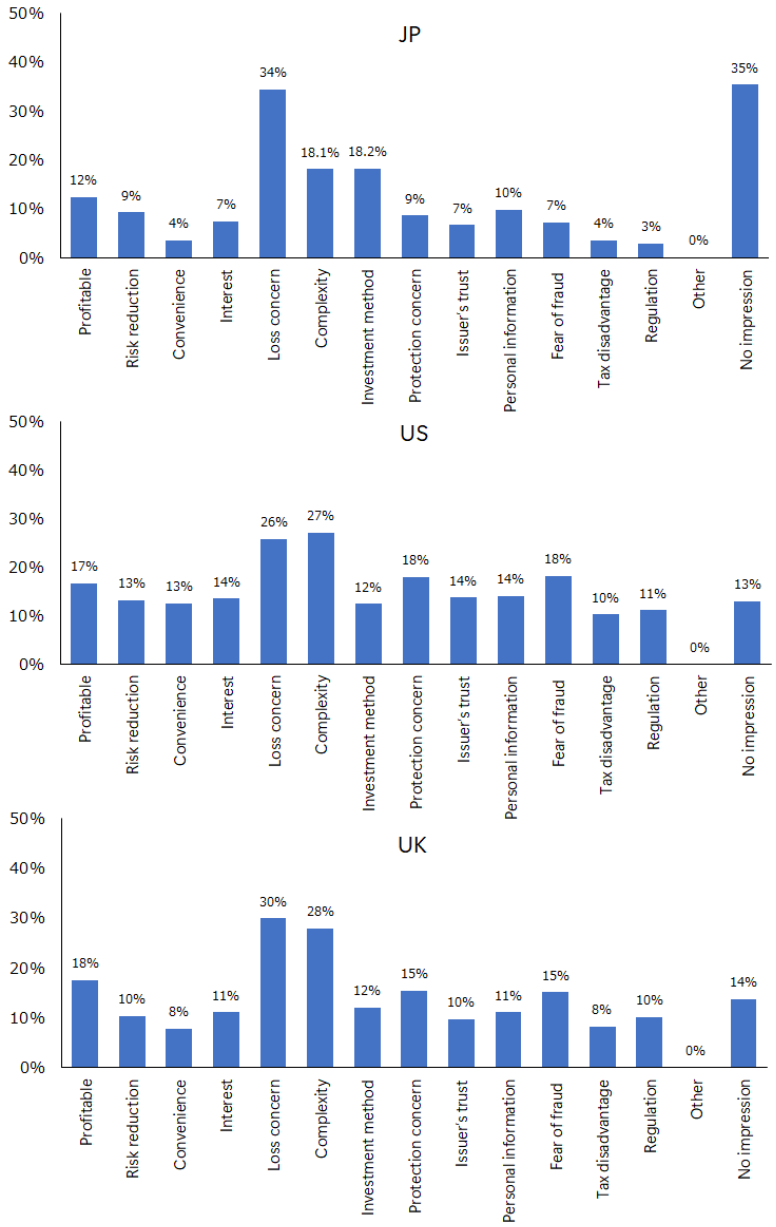
Q13. Perception of foreign stocks and foreign equity investment trusts

[Question]

- What are your thoughts on foreign stocks and mutual funds primarily invested in foreign stocks, both denominated in foreign currency? (Multiple answers allowed)

→ In all countries, 'Profitable' is lower than those of domestic stocks. 'Complexity of the product' ranks higher on the list compared to domestic stocks.

→ In China, 'Loss concern' ranks highest in contrast to domestic stock investments. Negative factors related to regulation, taxation, security concerns, and personal information protection are more prominent than with domestic stocks.



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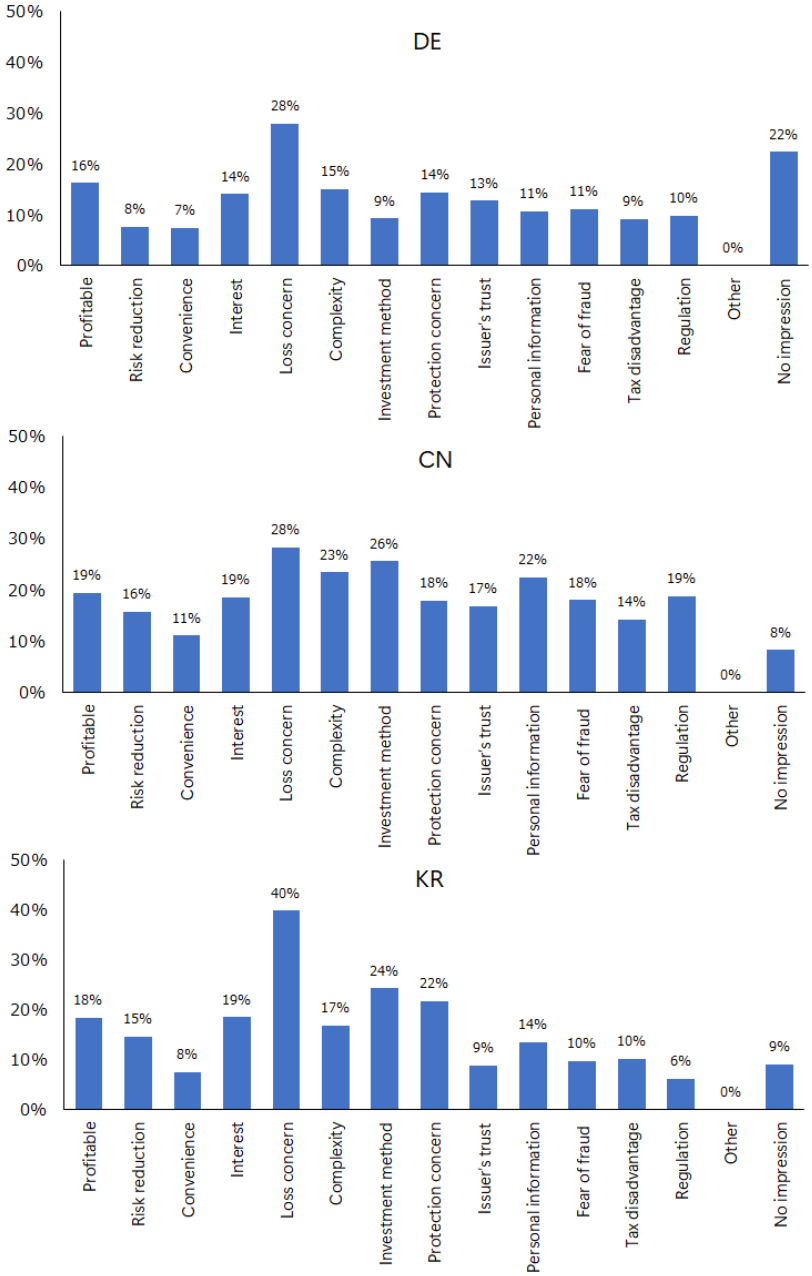


Top 3 reasons

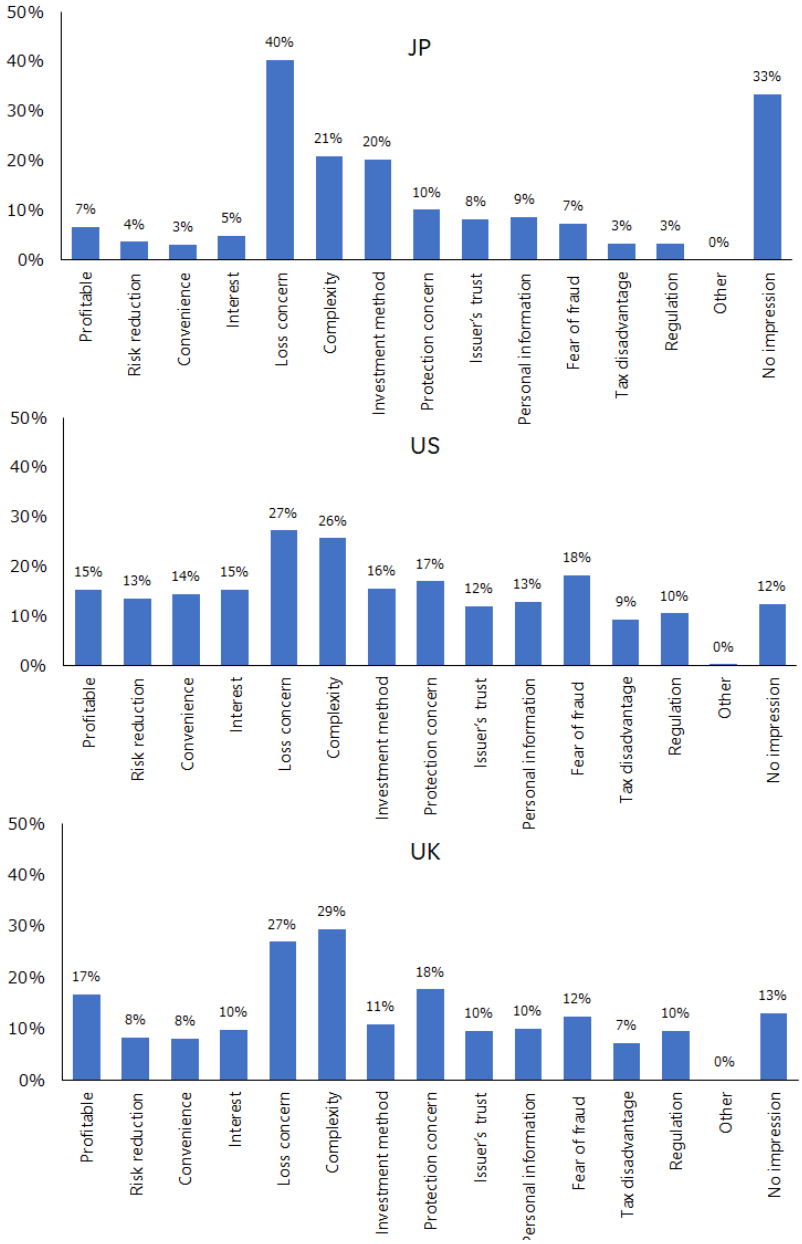
	1st	2nd	3rd
JP	No Impression	Loss Concern	Investment method
US	Complexity	Loss Concern	Fear of fraud
UK	Loss Concern	Complexity	Profitable
DE	Loss Concern	No Impression	Profitable
CN	Loss Concern	Usage Anxiety	Complexity
KR	Loss Concern	Usage Anxiety	Protection Concern

Q14. Perception of foreign exchange derivatives

[Question]
- What are your thoughts on FX derivatives? (Multiple answers allowed)

→ In Japan, 'Profitable' declines further than stocks, while 'Loss concern' increases.

→ In each country, 'Complexity of the product' and 'Unfamiliar with investment method' tend to be the most common reasons after 'Loss concern.' This trend is most pronounced in FX derivatives, followed by foreign stocks and domestic stocks.



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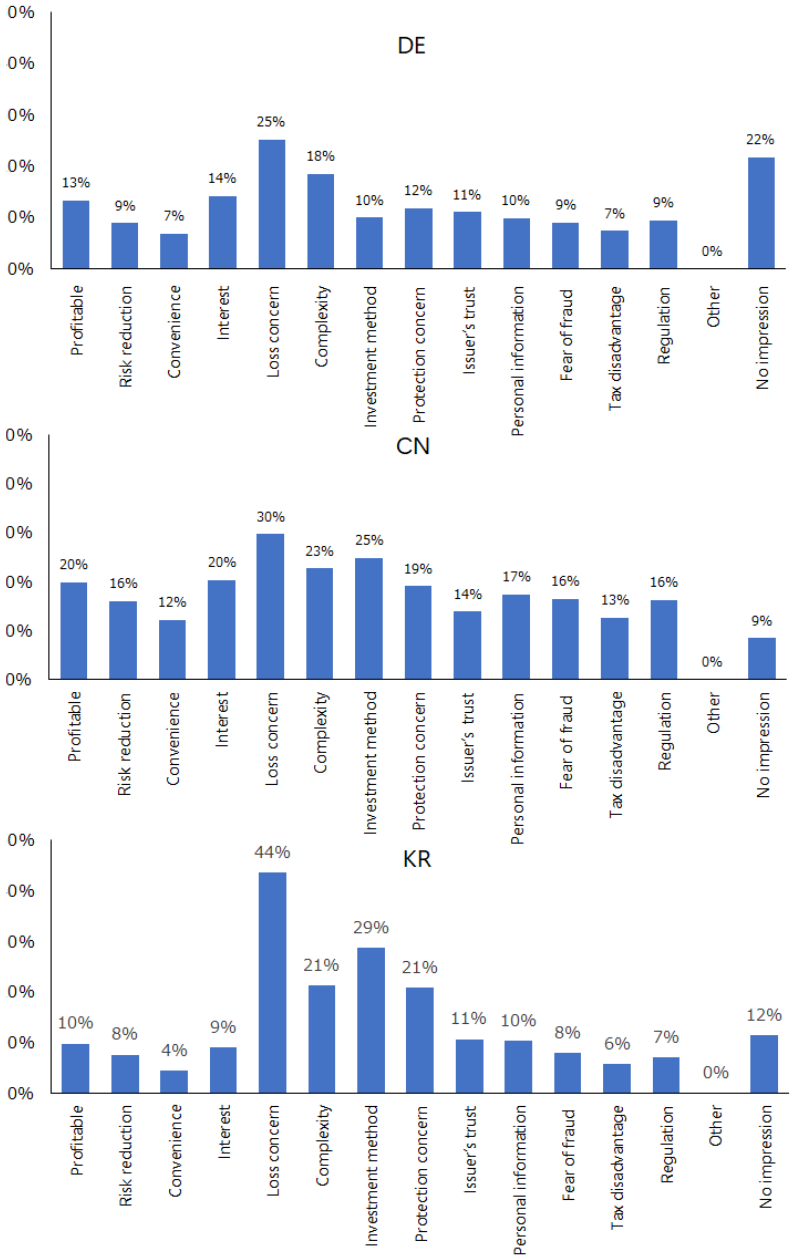
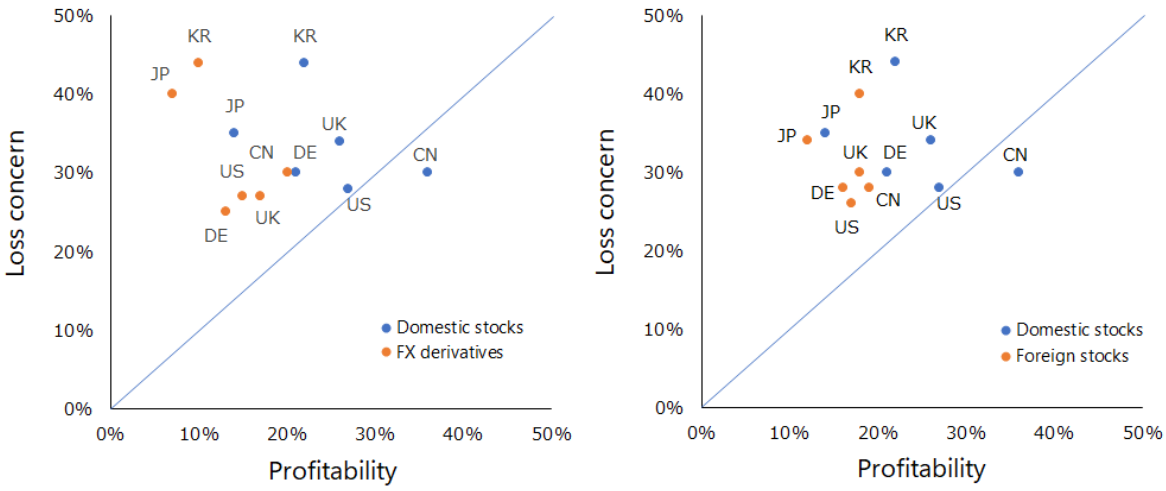


Top 3 reasons

	1st	2nd	3rd
JP	Loss Concern	No Impression	Complexity
US	Loss Concern	Complexity	Fear of fraud
UK	Complexity	Loss Concern	Protection Concern
DE	Loss Concern	No Impression	Complexity
CN	Loss Concern	Investment method	Complexity
KR	Loss Concern	Investment method	Complexity

Q12, 13 & 14. Profitability and loss concern

- → Across all countries and financial products -- domestic and foreign stocks and FX derivatives -- loss concerns outweigh profit expectations. The only exception is Chinese domestic stocks.
- → FX derivatives compared to domestic stocks show that both profit expectations and loss concerns are lower in the UK and Germany than in domestic stocks. In China, Korea, and the U.S., profit expectations in FX derivatives are lower than domestic stocks, while loss concerns are about the same. In Japan, loss concerns in FX derivatives is larger than domestic stocks and profit expectations are lower.
- → Comparing foreign stocks with domestic stocks, almost all countries have seen a slight decrease in both of profit expectations and loss concerns for foreign stocks (the decline in profit expectations tends to be slightly larger).



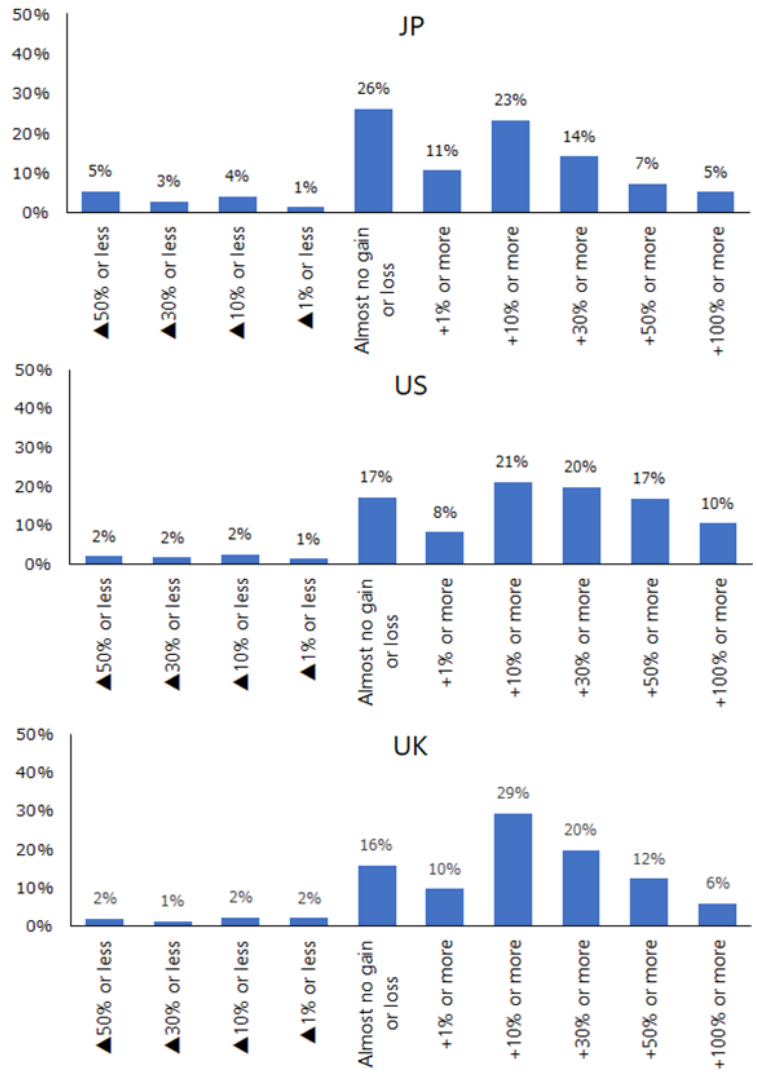
Q15-1. Average investment profit and loss since the start of investment: domestic stocks

[Question]

- For domestic stocks and mutual funds primarily invested in domestic stocks, denominated in local currency, please select the choice that best represents your investment profit and loss (yield) since you began investing.

→ This question is intentionally designed to be less rigorous to allow for the verification of how subjective perceptions of investment performance influence investment behavior (as it is challenging to obtain a rigorous answer through a questionnaire).

→ Respondents reporting high returns of 30% or more are most prevalent in the U.S., the U.K., and Germany (see the table at the end of figures). Korea exhibits a higher incidence of negative returns compared to other countries.



Note: Respondents who selected 'Never invested' in Q11 were excluded.

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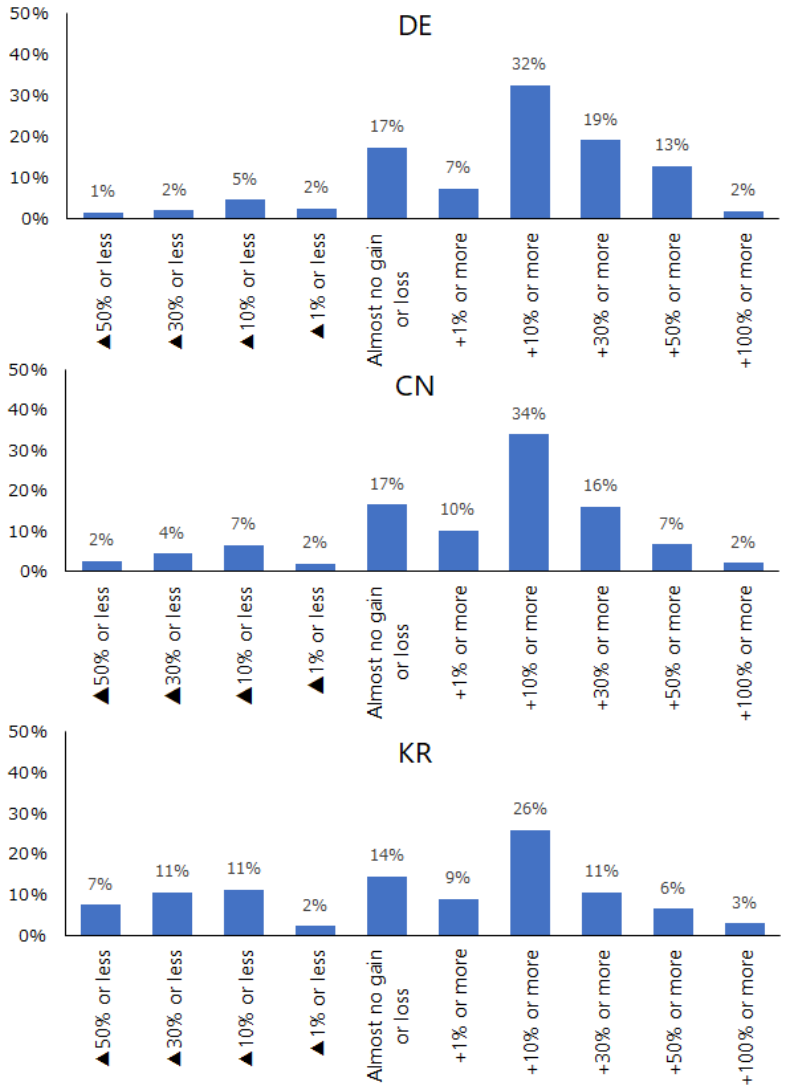


Aggregation of 3 categories (%)

	Negative	0-30%	30% or more
JP	14	60	27
US	7	46	47
UK	7	55	38
DE	10	57	33
CN	15	60	25
KR	31	49	20

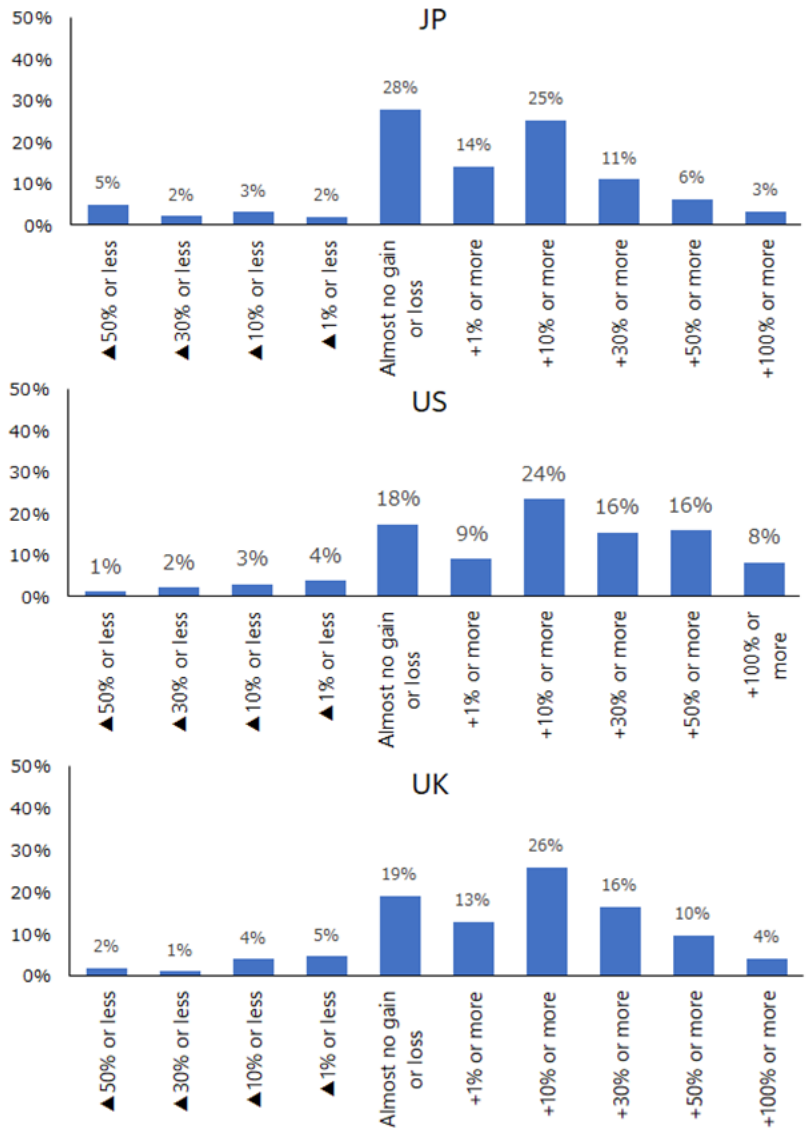
Q15-2. Average investment profit or loss since the start of investment: foreign stocks

[Question]

- For foreign stocks and mutual funds primarily invested in foreign stocks, denominated in foreign currency, please select the choice that best represents your investment profit and loss (yield) since you began investing.

→ High returns of 30% or more are generally less common in foreign stocks than in domestic stocks. The exception to this is China.

→ In the U.S., many respondents report high returns on foreign stocks, though not as much as on domestic stocks.



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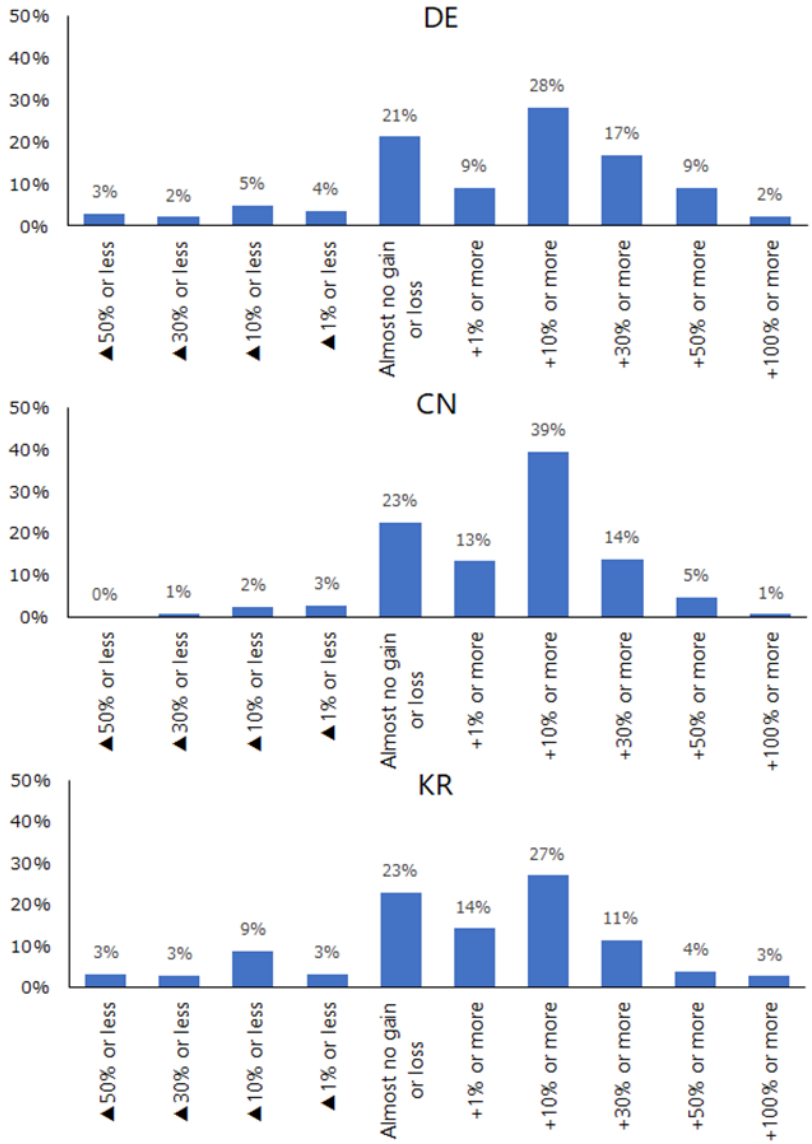


Aggregation of 3 categories (%)

	Negative	0-30%	30% or more
JP	12	67	21
US	10	50	40
UK	12	58	30
DE	13	58	28
CN	6	75	19
KR	18	64	18

Q15-3. Average investment profit and loss since the start of investment: FX derivatives

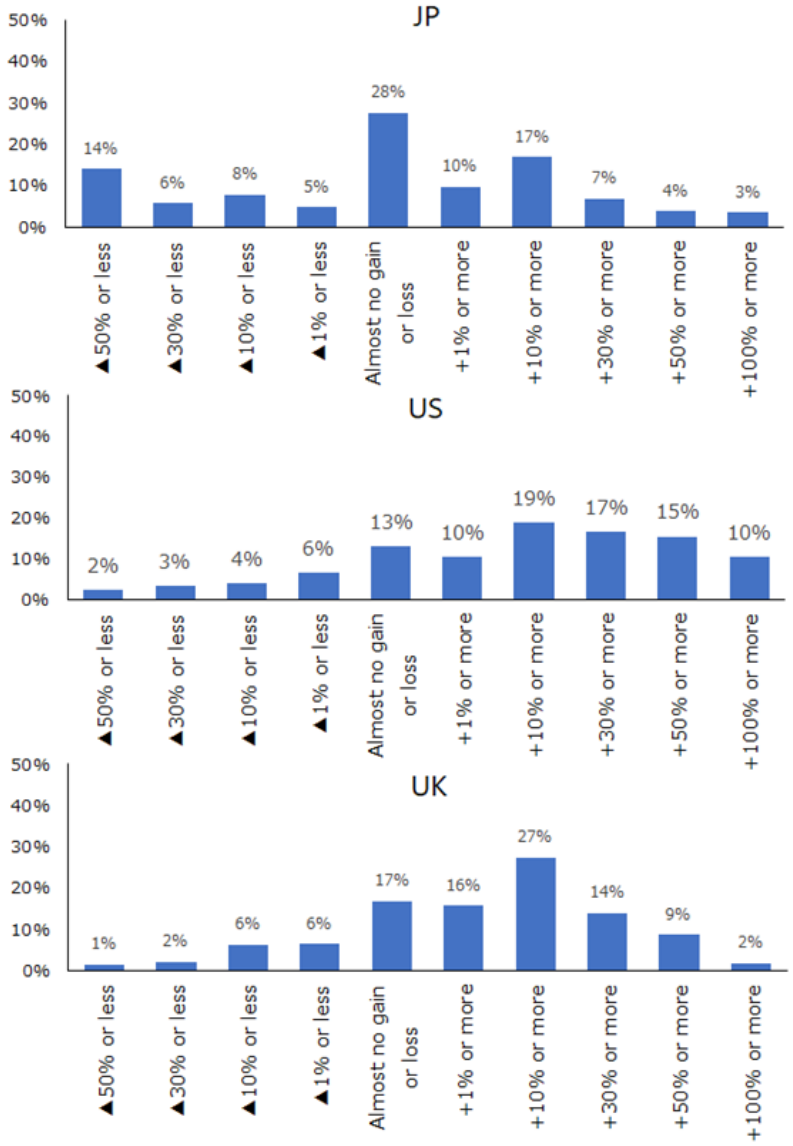
[Question]

- For foreign exchange derivatives, please select the option that best represents your investment profit and loss (yield) since you began investing.

→ Japan has a higher number of respondents reporting loss compared to other countries.

→ In the U.S., the U.K. and Germany, the number of respondents reporting losses is somewhat higher compared to domestic and foreign stocks.

→ The proportion of respondents with high returns of 30% or more is generally lower than for domestic and foreign stocks, except in the U.S.



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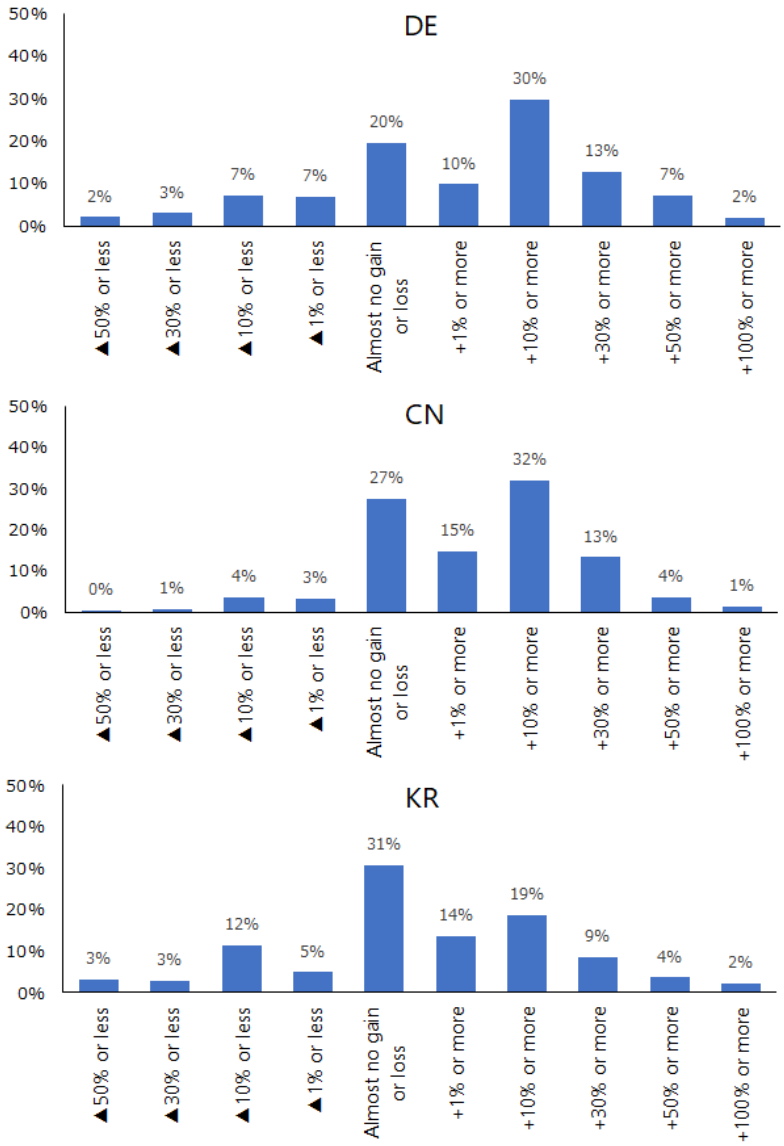


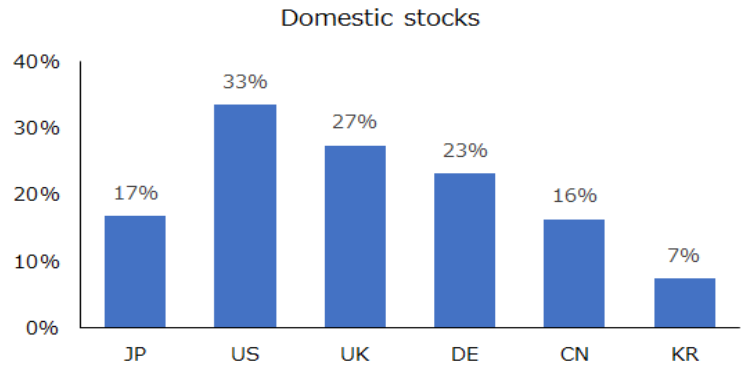
Aggregation of 3 categories (%)

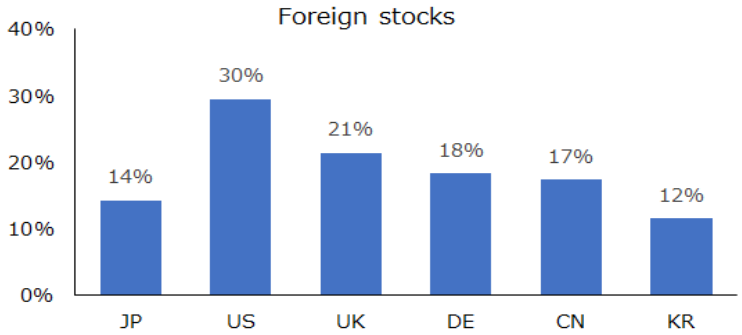
	Negative	0-30%	30% or more
JP	32	54	14
US	16	42	42
UK	16	60	24
DE	19	59	22
CN	8	74	18
KR	23	63	15

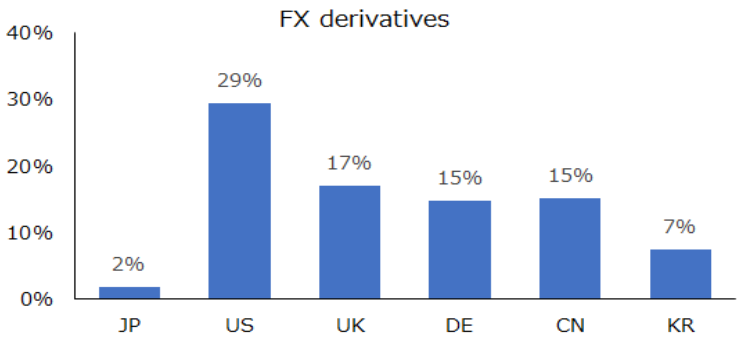
Q15-4. Average return calculated by the simplified method

→ The U.S. stands out for having the highest average returns across all products, followed by the U.K., Germany, and China, in that order. Japan generally shows lower returns, with FX derivatives being particularly low.

→ Examining the distribution shape in terms of the average values and the cumulative distribution on the next page, the differences between countries are more pronounced than the differences between financial products.

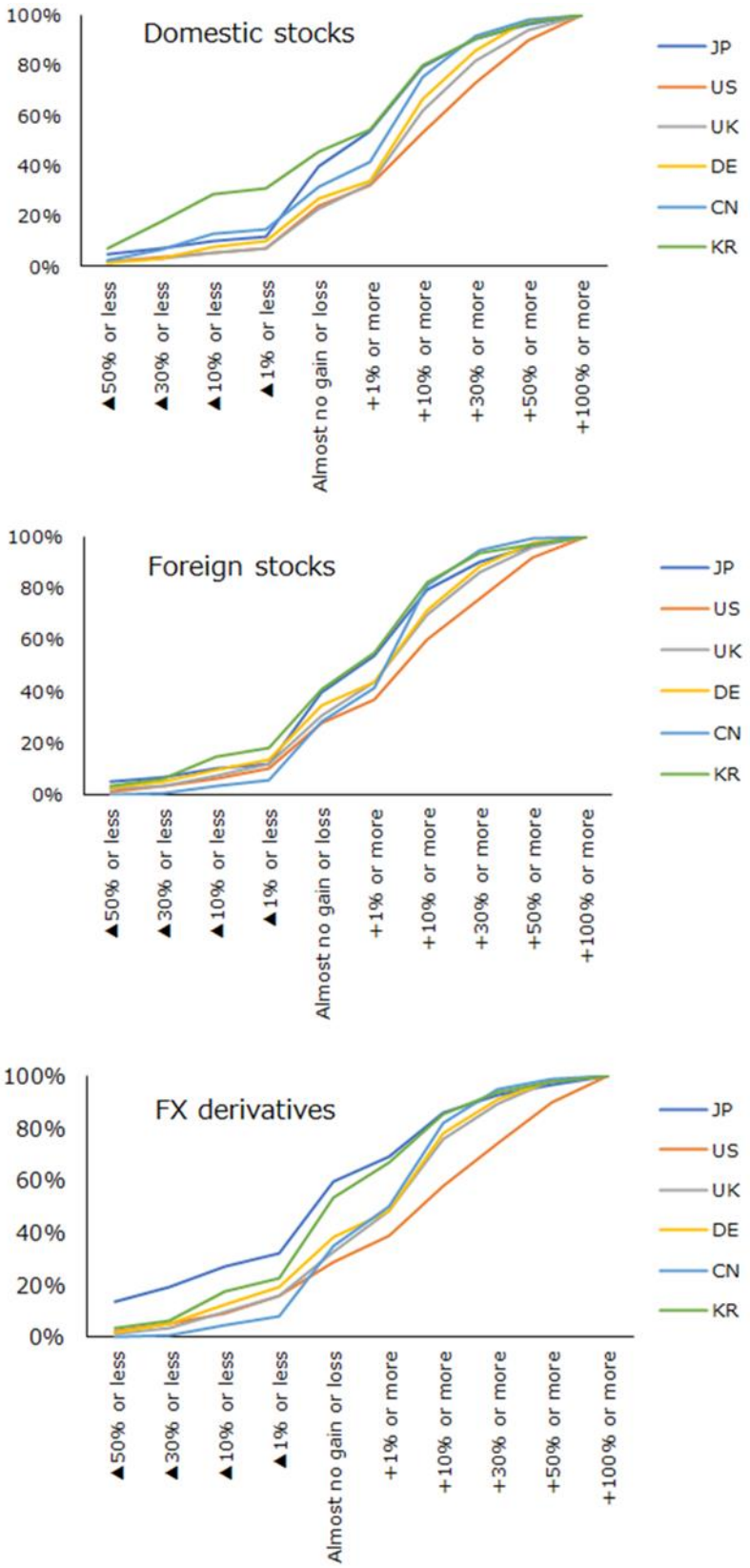






Note: The midpoint of each bin is used, and the upper and lower boundary values, i.e. -50% and 100%, are applied for the highest and lowest bins.

Q15-5. Cumulative distribution of average returns



Q16. Frequency of use of online trading: for all respondents

[Question]

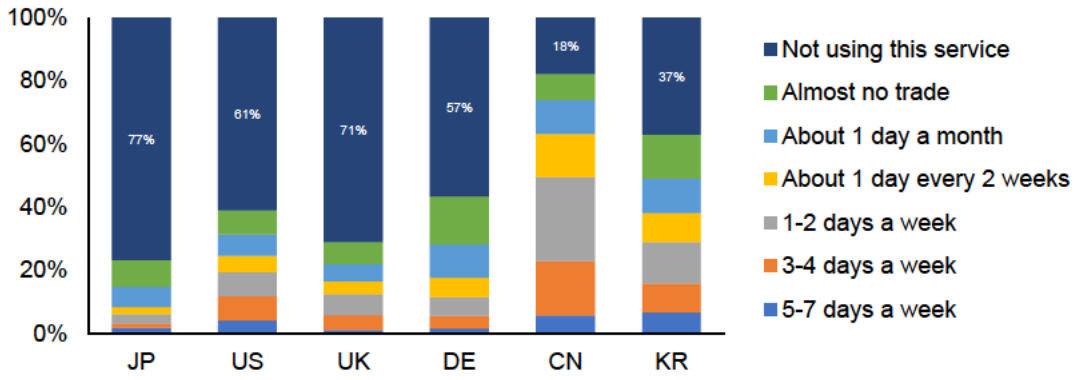
- How often do you buy and sell securities and FX through online trading? Please select the option that best describes your frequency.

→ China and Korea have a significant number of users, including many frequent traders.

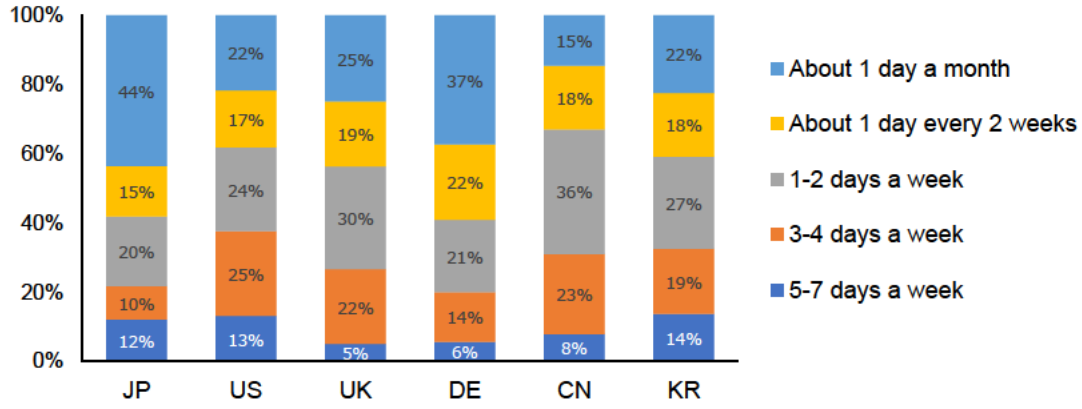
→ When considering composition ratio of users shown in the second figure, the number of people with a high frequency (5~7 days a week) is highest in Korea, followed by the U.S. and Japan.

→ The average trading frequency in each country ranges from 6 to 9 times per month.

Buy and sell frequency



Limit the denominator to the number of users



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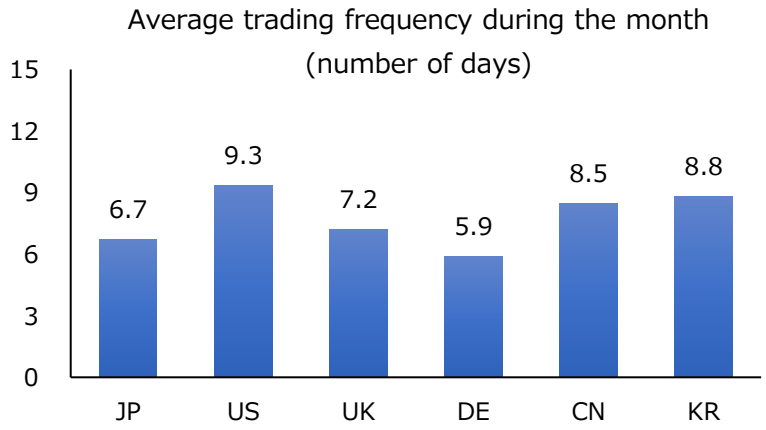


Note: The midpoint of each frequency choice is used to calculate the average value. Responses like 'Don't use this service' and 'Only opened an account and rarely trade' are excluded from the calculation.

Q17.Awareness of online trading: for all respondents

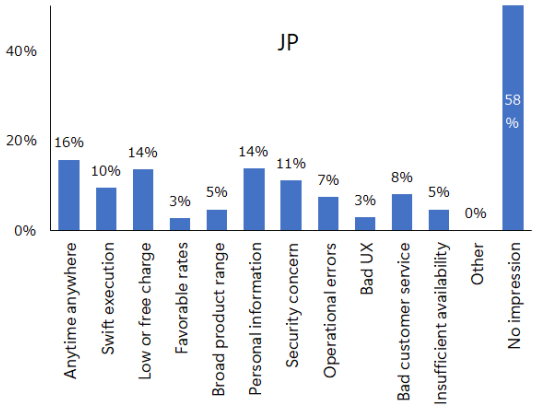
[Question]

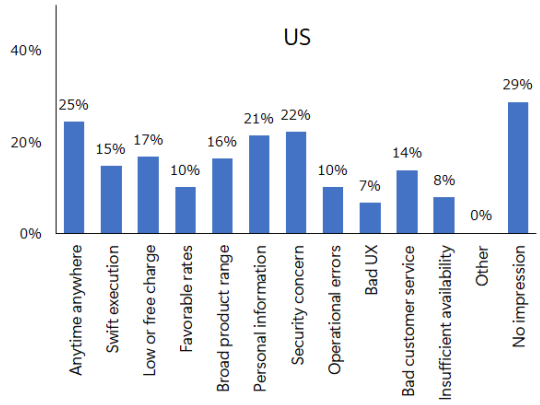
- What are your thoughts on online trading?

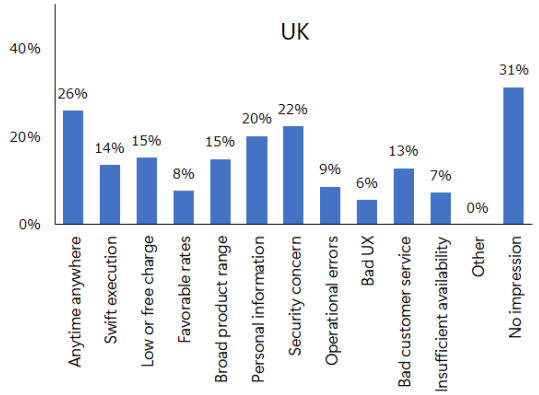
→ Across all countries, there is strong support for ‘Anytime, anywhere’ trading.

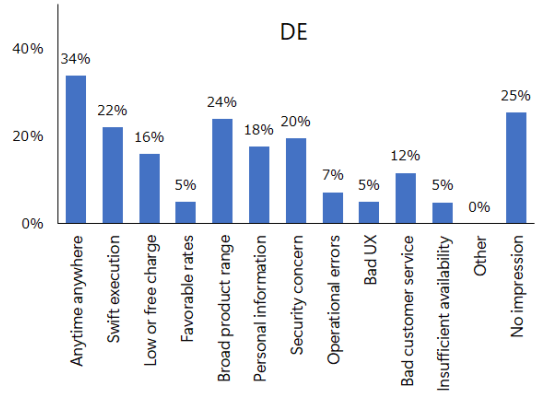
→ Next, concerns about personal information leakage and misuse of personal authentication are the most frequently selected. There is relatively little concerns about poor usability and fear of operational error.

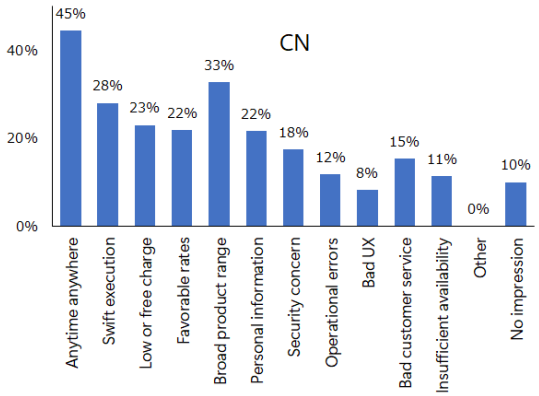
→ In Japan, the response of ‘Broad range of products, services and information’ is low, where as China and Germany show high support for this option.

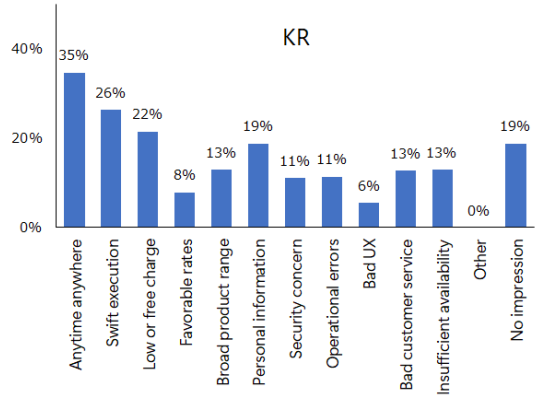












3. Digital Financial Products: Crypto assets, SC, ST and NFT

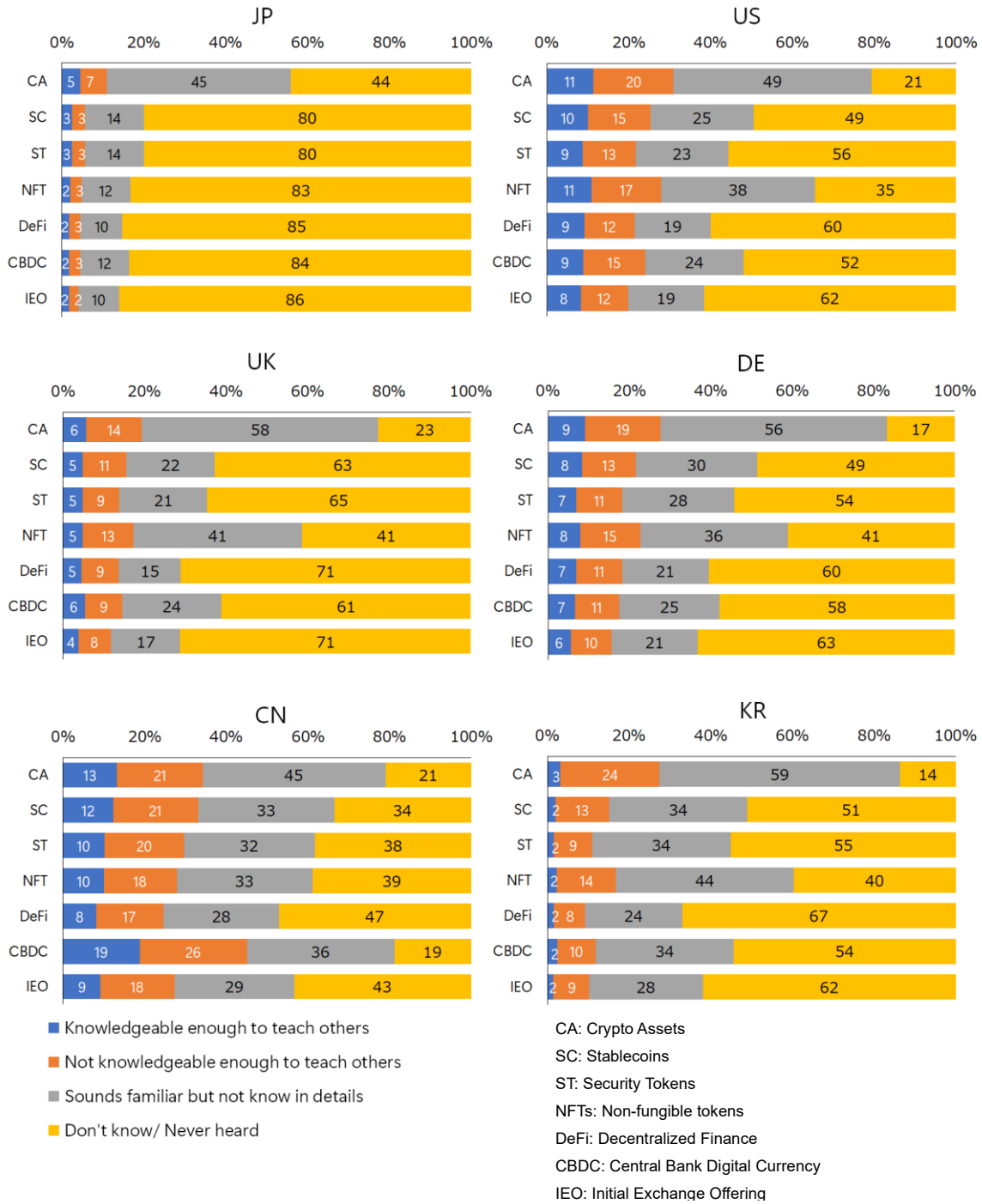
Q18. Awareness of digital financial products

[Question]

- How familiar are you the following products, such as crypto assets?

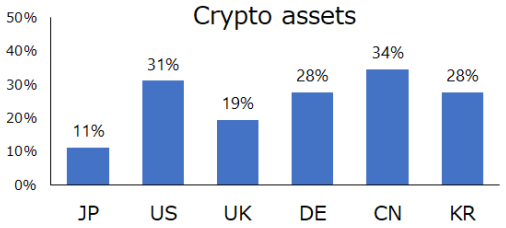
→ Awareness of digital financial products in Japan is lower than other countries.

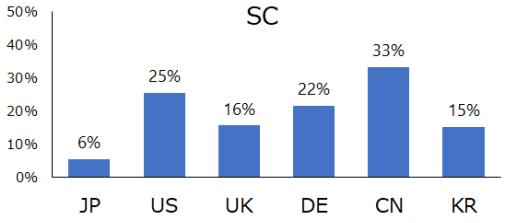
→ In the U.S. and China, all products are relatively well recognized.

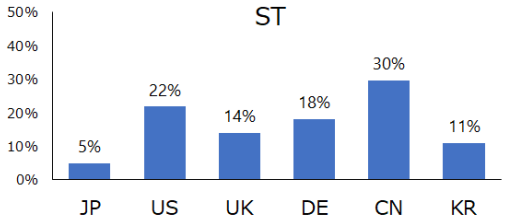


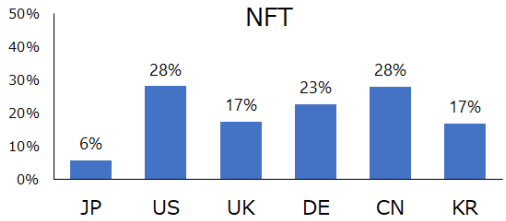
Q18. Awareness of digital financial products: by product

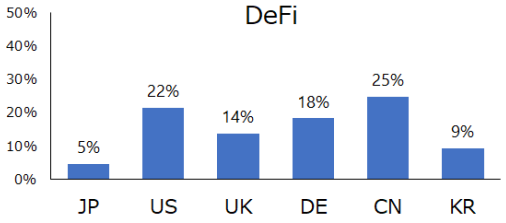
The sum of two options of ‘Know enough to teach others’ and ‘Don't know enough to teach others but have some knowledge.’

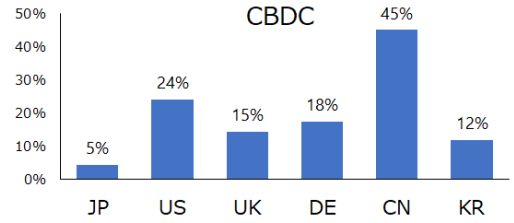


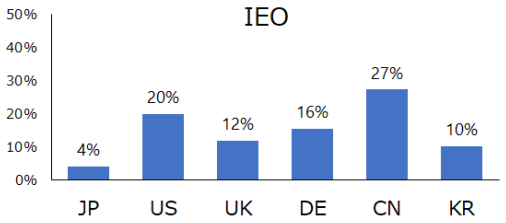








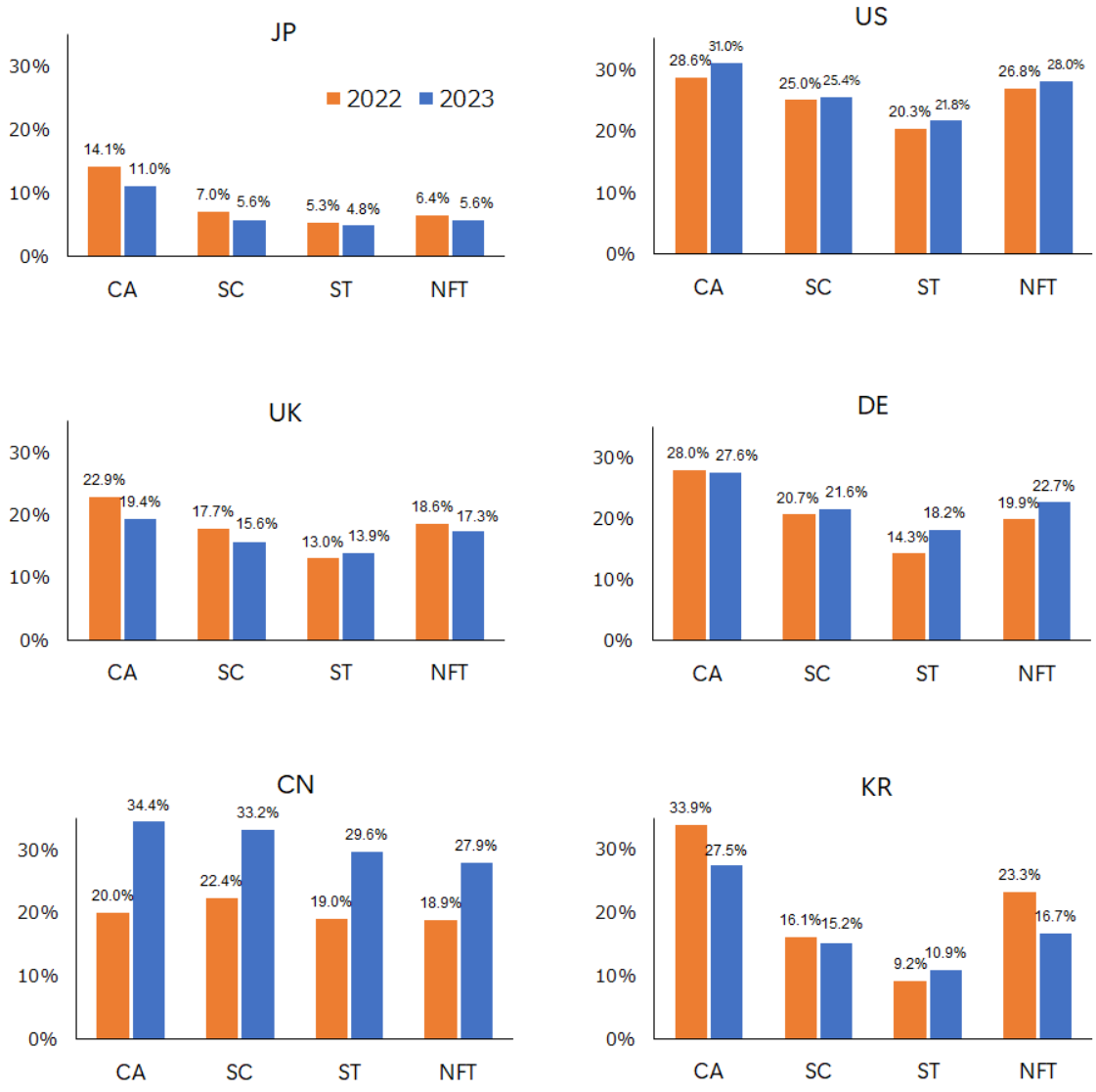




Q18. Awareness of digital financial products: compared to the previous survey in 2022

→ In Japan, Korea, and the U.K., awareness has generally declined since the previous survey. Among these three countries, Korea and the U.K. have seen an increase in security token awareness, while Japan is the only country to experience a decline in all four products.

→ In China, awareness of all products increased significantly. In the U.S., awareness of crypto assets, security tokens, and NFTs also grew. Germany stands out for the notable increase in awareness of security tokens and NFTs.



Note: DeFi, CBDC, and IEO have been added since the 2023 survey.

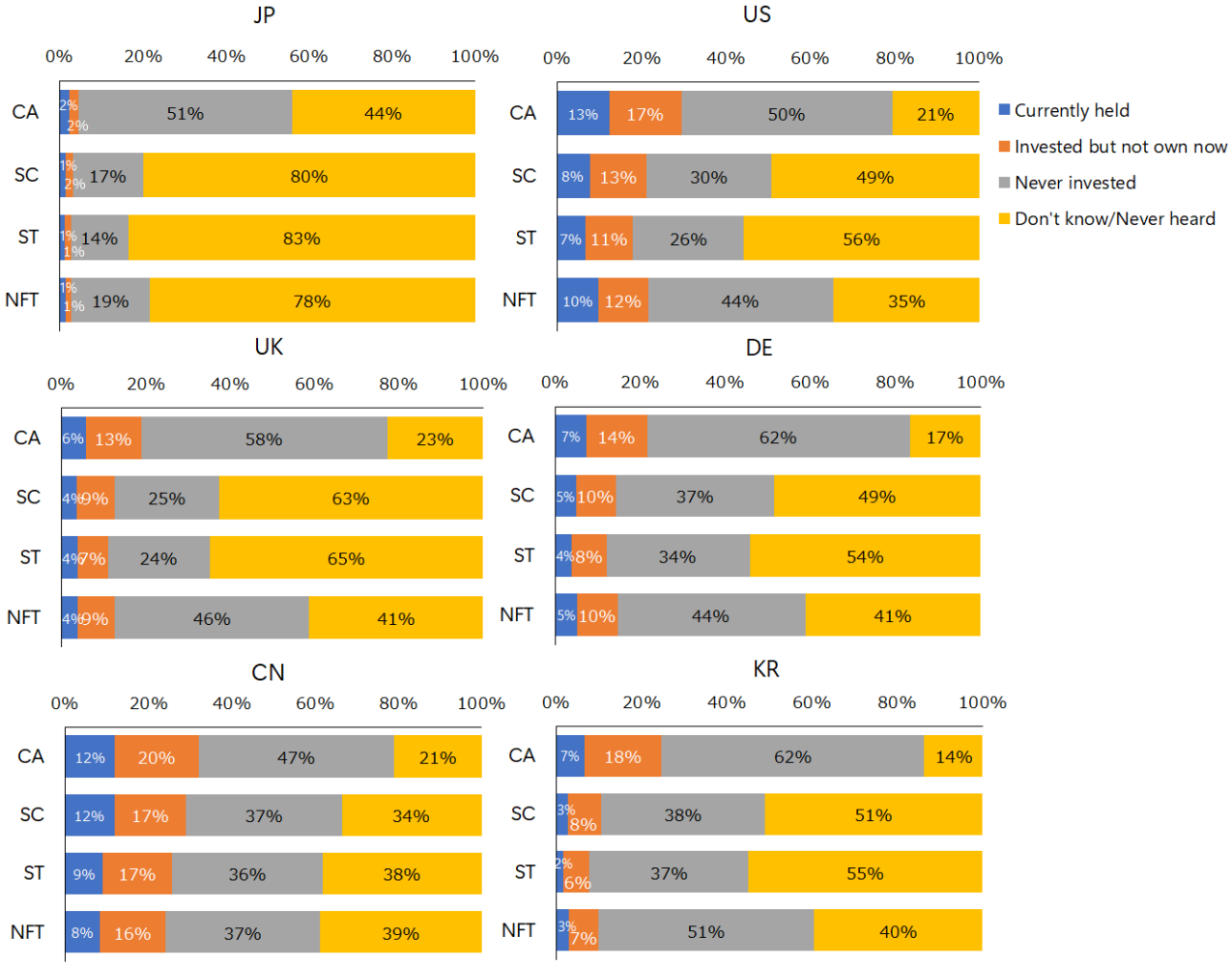
Q19-1. Experience in investing in digital financial products

[Question]

- For those who are familiar with digital financial products, please share your investment and usage experiences with these products.

→ When comparing the ratio of respondents who have invested in digital financial products compared to the total pool of respondents, Japan is significantly lower than other countries.

→ The investment experience of the U.S. and China is relatively high. As for crypto assets, Korea also stands out.



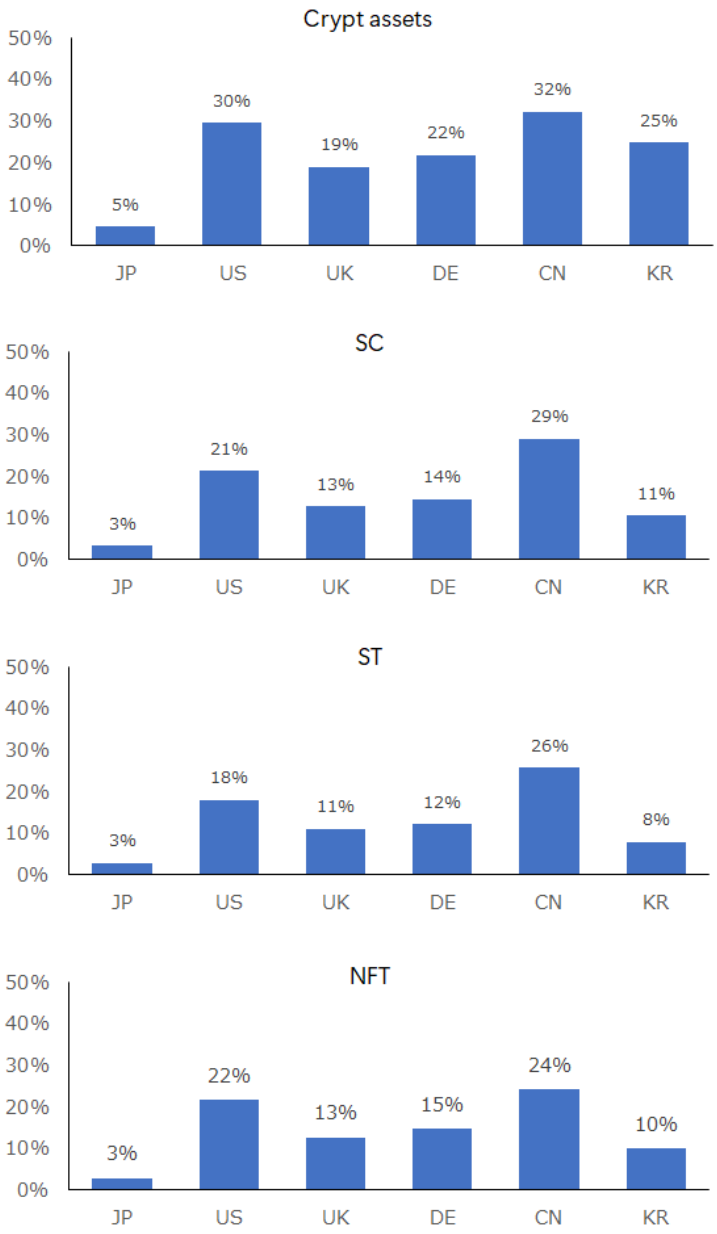
Note: Respondents who selected 'Don't know/Never heard' in Q18 were not asked the following question. However, in the figure, they are included in the composition ratio (yellow legend), and the composition ratio is calculated for all respondents. The awareness group, excluding these respondents, is surveyed in Q19-2.

(continued)

Sum of ‘currently owned’ and ‘invested but not currently owned’

→ Investment experience in crypto assets is around 20% to 30%, excluding Japan. Compared to the investment experience in risky financial products as seen in Q11, this is comparable to investment experience of foreign bonds.

→ Investment experience in SC, ST, and NFT is around 20% to 30% in China and 10% to 20% in countries other than Japan, indicating a certain level of widespread adoption.

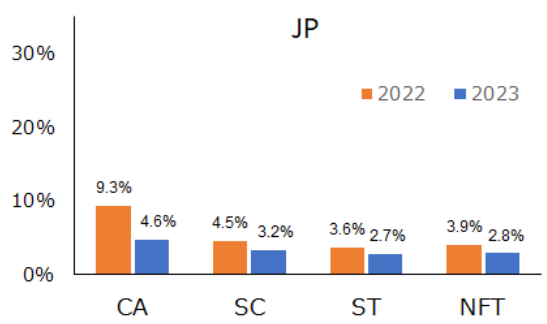


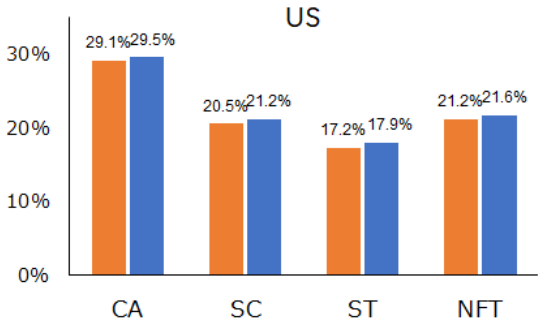
Q19-1. Experience in investing in digital financial products: compared to the previous survey in 2022

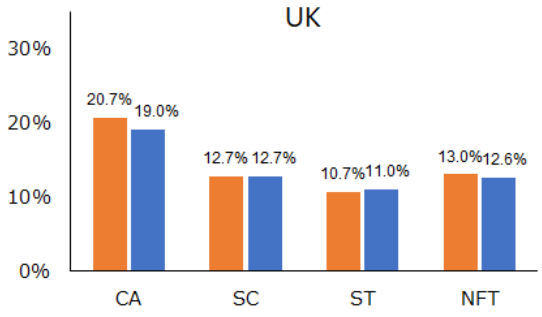
→ Japan's investment experience declines across both products.

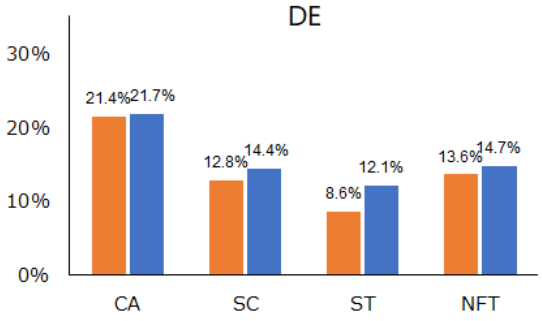
→ In China, there is a noticeable increase across all products.

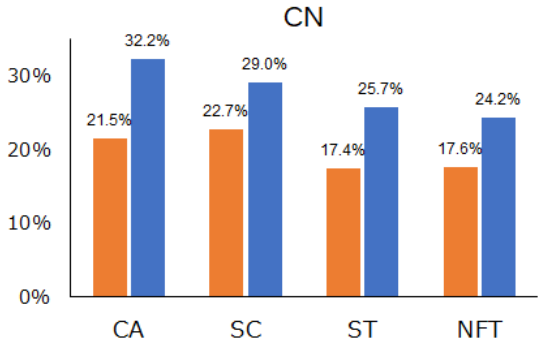
→ In the U.S., investment experience has increased slightly across all products. The U.K. remains broadly flat except for a decline in crypto assets. Germany is experiencing an increase in security tokens and stablecoins.

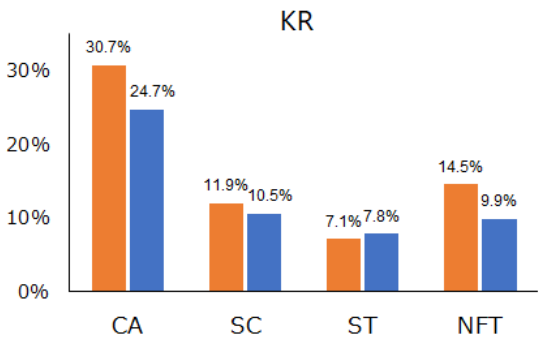












Q19-2. Experience in investing in digital financial products: within awareness group

→ The percentage of investment experience within the awareness group, excluding those who ‘Don't know/never heard,’ rises to around 40% in the U.S. and China, and also increases to within the 20%~30% range in the U.K. and Germany.

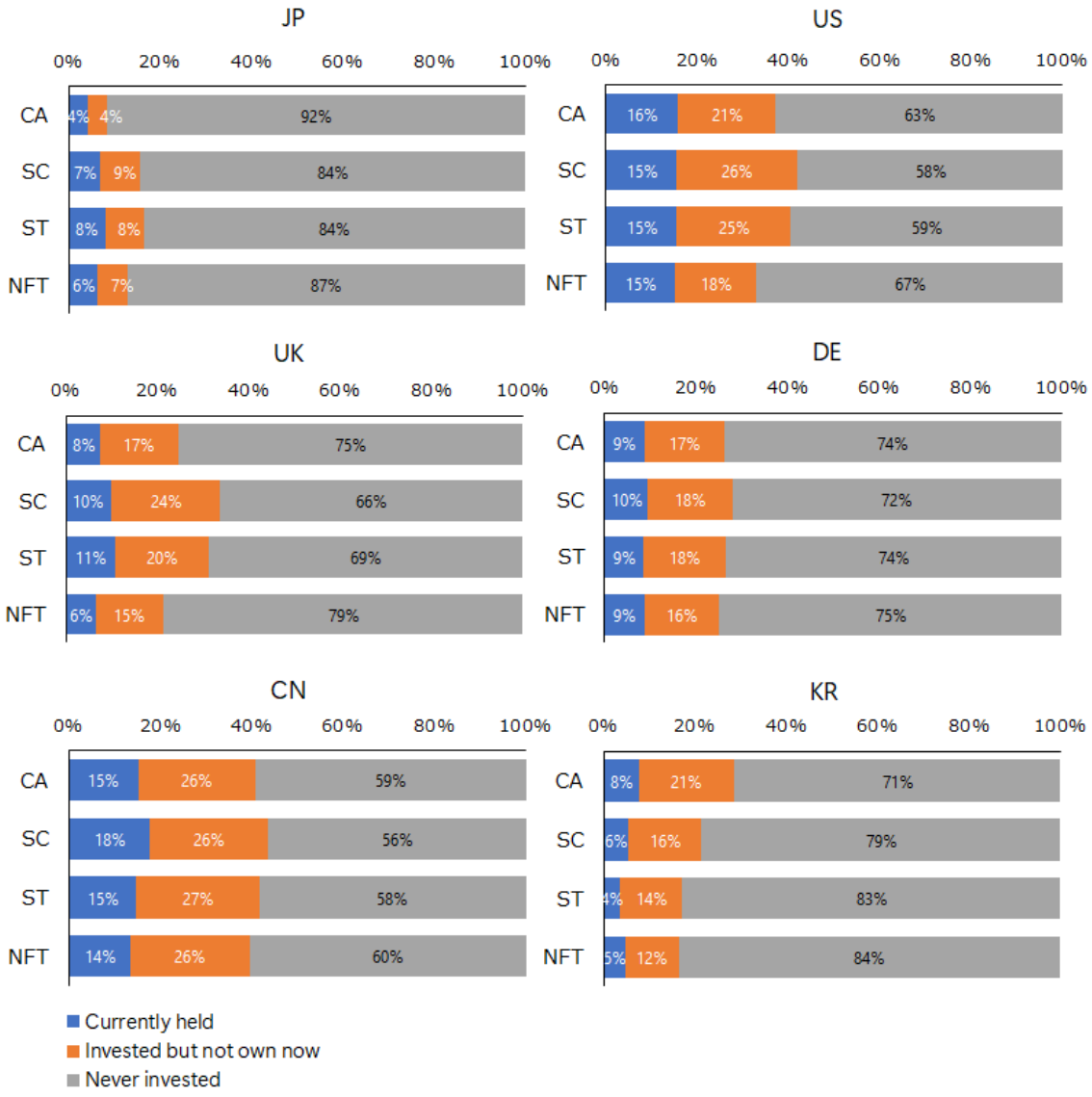
→ The percentage of investment experience in each product often varies depending on whether the population includes all respondents or is limited to the awareness group. For example, in Japan, crypto assets have the most overall investment experience, but SC and ST have higher experiences within the awareness group. In other words, it is thought that SC and ST are not widely owned because people are not familiar with these products (as indicated by the large number of respondents who ‘Don’t know/have never heard’ of SC, ST, and NFT in the figure at Q19-1).

→ However, even taking these effects into account, Japan’s investment experience ratio is much lower than that of other countries. This suggests that not only do they refrain from investing due to a lack of knowledge, but they also select not to invest even when they are aware of the products.

→ In the U.S., Germany, and China, the percentage of investment experience within the awareness group suggests that the disparity between products is narrowing.

→ The number of respondents who have invested but do not currently own is about twice as high as those who currently own in all countries except Japan. In Japan, the numbers are at the same level.

(continued)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US
UK
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CN
KR
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80%
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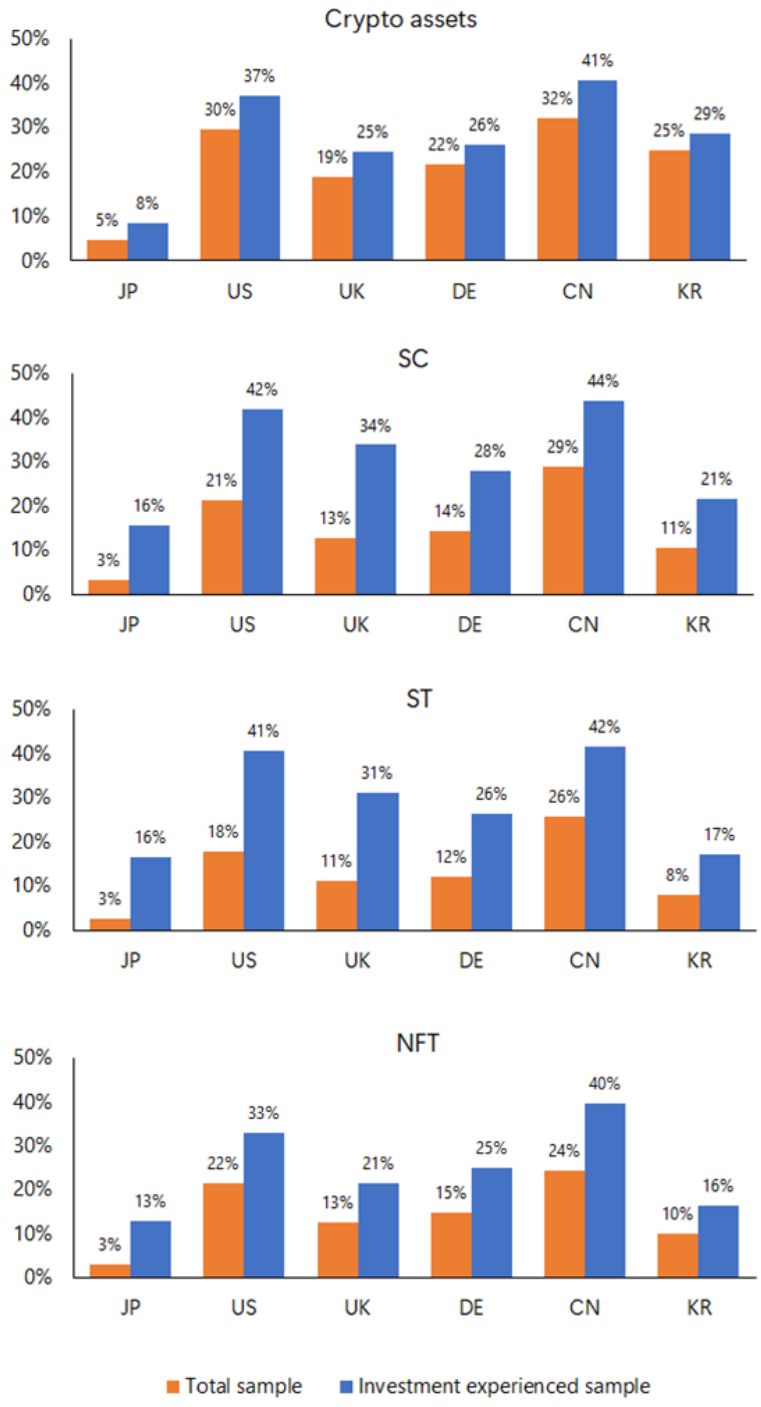
79%
15%
27%
58%
4%
14%
83%
14%
26%
60%
5%
12%
84%
Currently held
Invested but not own now
Never invested

(continued) Sum of ‘currently owned’ and ‘invested but not currently owned’

→ Naturally, the percentage of investment experience within the awareness group is higher than that of all respondents, but the percentages for SC and ST increase particularly significantly.

→ Within the awareness group, SC and ST tend to have a higher level of investment experience than crypto assets.



Q19-2. Experience in investing in digital financial products: within awareness group, compared to the previous survey in 2022

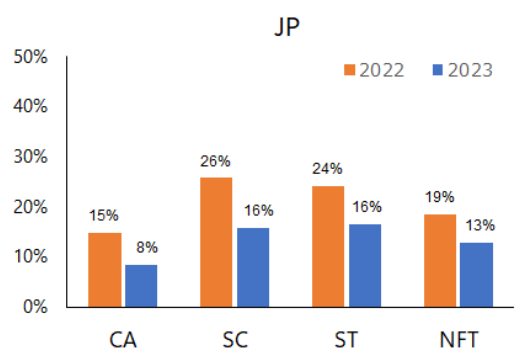
→ Investment experience in Japan has also decline across all four products compared to the previous survey. Moreover, the rate of decline increases.

→ In the U.S., all products saw a decline compared to the previous year, contrary to the overall trend observed among all respondents. This is thought to be due to (1) the increase in the size of the awareness group, and (2) the limited growth in investment experience despite the increase in the number of people in the awareness group.

→ A similar phenomenon is observed in both ST and NFT in the U.K.; the change from the previous survey is flat across all products, but it decreases within the awareness group. In Germany, SC increases for all respondents but decreases within the awareness group, while for ST, the increase for all respondents turns to level off within the awareness group.

→ All products in China exhibit remarkable growth for all respondents, while the increase is either slight or flat within the awareness group. This may suggest that the growth in the number of respondents aware of these products may result in a corresponding increase in the number of respondents with investment experience.

(continued)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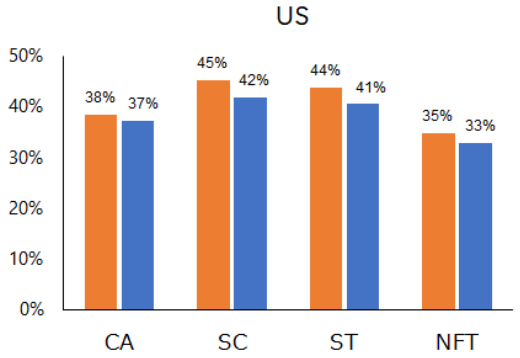
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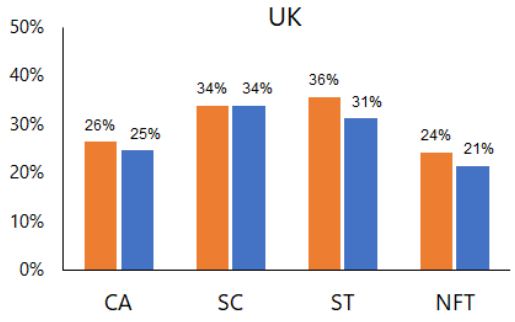
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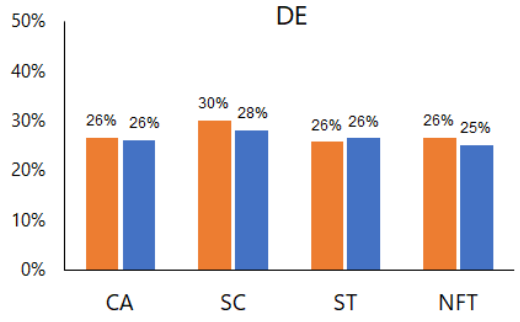
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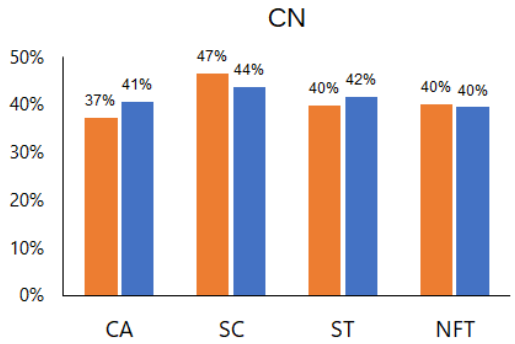
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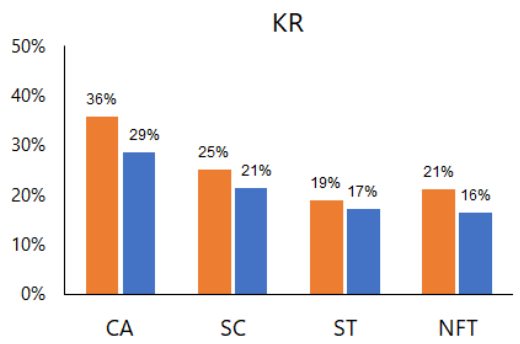
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CA
SC
ST
NFT

Q20: Future investment intentions in digital financial products

[Question]

- Are you planning to invest in any of the following digital financial products?

→ Japan's investment appetite is lower for all products compared to other countries.

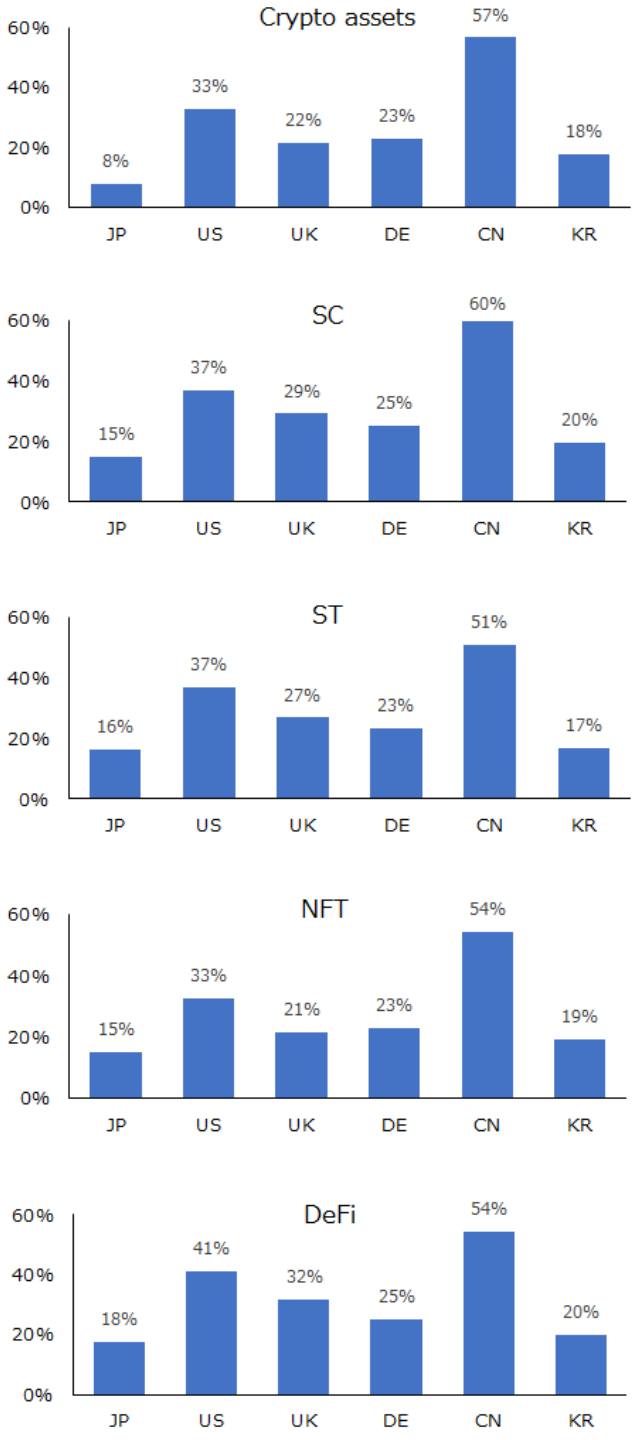
→ China's investment appetite is exceptionally high across all products, with the U.S. following closely behind.

Note: The figures represent the composition ratio of investment appetite among the awareness group who do not select 'Don't know/Never heard' in Q18. It is important to note that the awareness group includes those who have 'Heard but don't know in detail'. This subgroup is likely to have a relatively low investment appetite, which could influence the overall results given their number.

Q20. Future investment intentions in digital financial products: by product

Sum of ‘very willing to invest’ and ‘willing to invest’

→ There is a tendency for investment appetite to be similar across different products within the same country. It seems that the difference between countries tends to be larger than the difference in products.

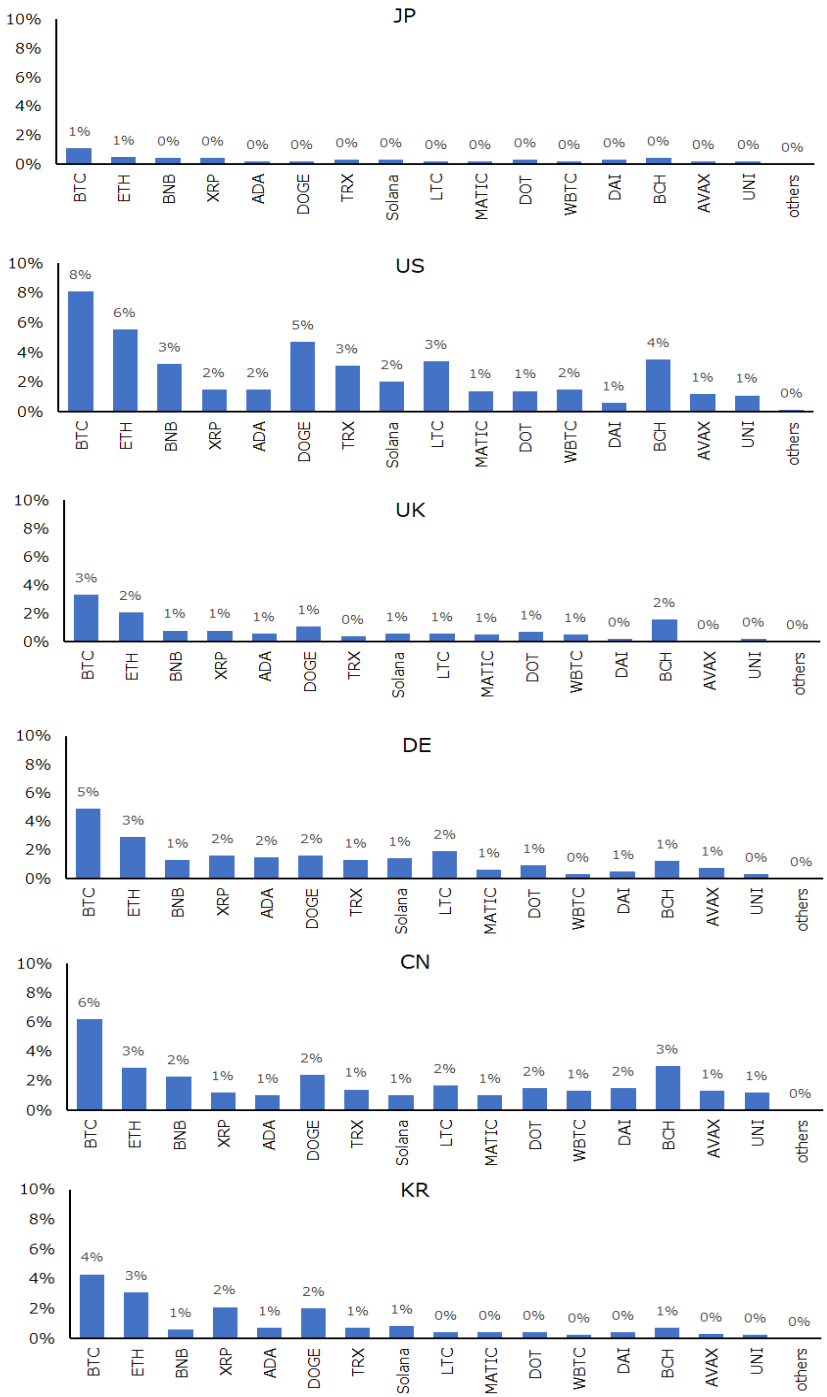


Q21. Types of crypto assets currently held (see the next page for abbreviations in the figure)

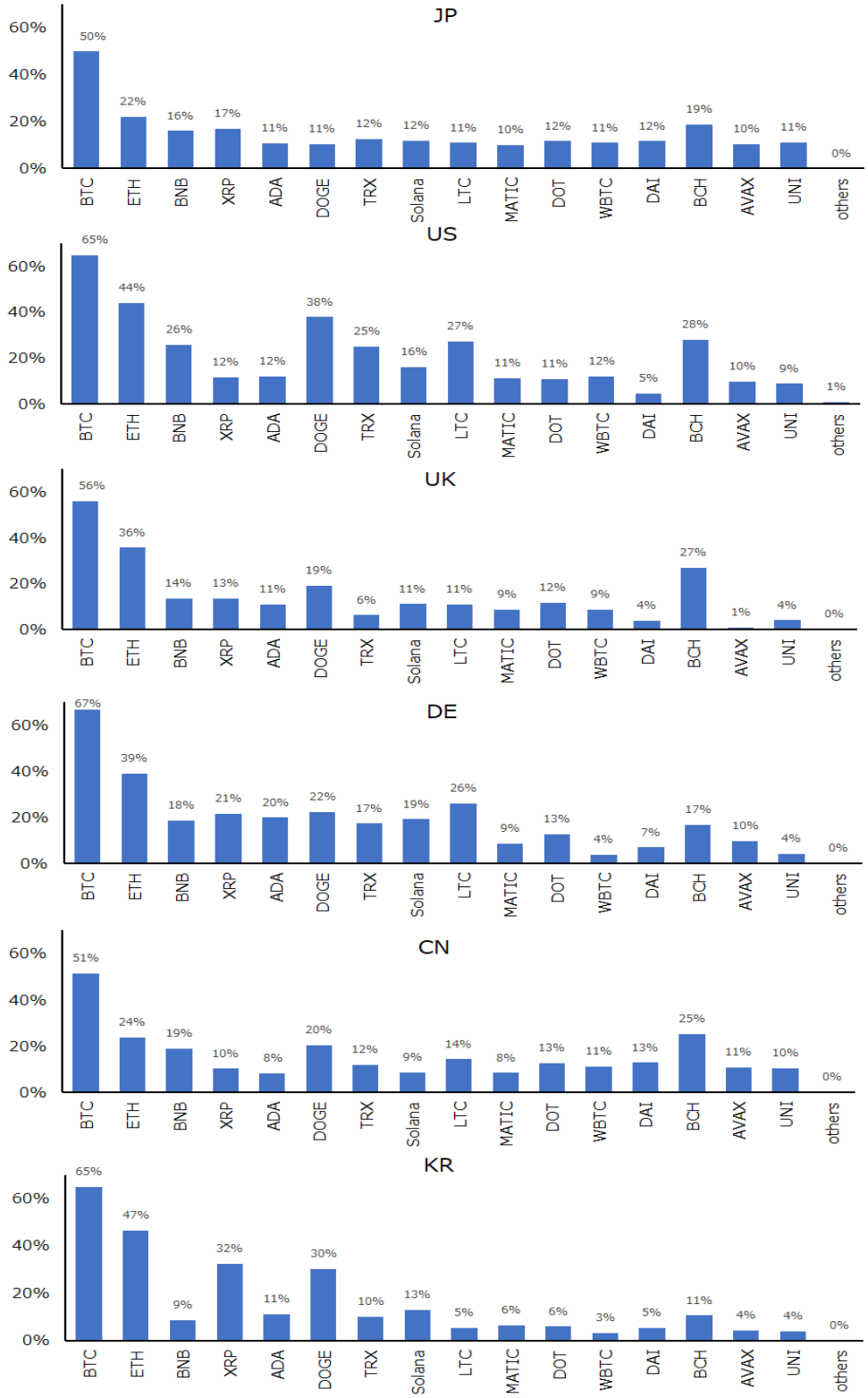
[Question]

- We will ask those who currently own digital financial products. What type of crypto assets do you hold? (Multiple answers allowed)

Percentage for all respondents



Percentage for current holders*



* The number of holders used as the denominator is applied uniformly across each type of crypto asset, based on the number of respondents who held at least one type of crypto assets.

(continued)

- → Japan's crypto asset holdings are notably higher for BTC, ETH, BNB, XRP, and BCH compared to other assets, which are more evenly distributed. (Refer to the table below for abbreviation details).
- → While these crypto assets are prominent in other countries, DOGE, LTC, ADA, and Solana also show high ownership levels. The preferred crypto assets vary significantly across countries.
- → BTC represents the largest holdings in each country, with 50%-67% of crypto asset holders owning BTC.

Reference: Major Crypto Assets Presented as Options

BTC (Bitcoin)	LTC (Litecoin)
ETH (Ethereum)	MATIC (polygon)
BNB (Binance Coin)	DOT (polka dot)
XRP	WBTC (Wrapped Bitcoin)
ADA (Cardano)	DAI
DOGE	BCH (Bitcoin Cash)
TRX	AVAX
Solana	UNI (Uniswap)

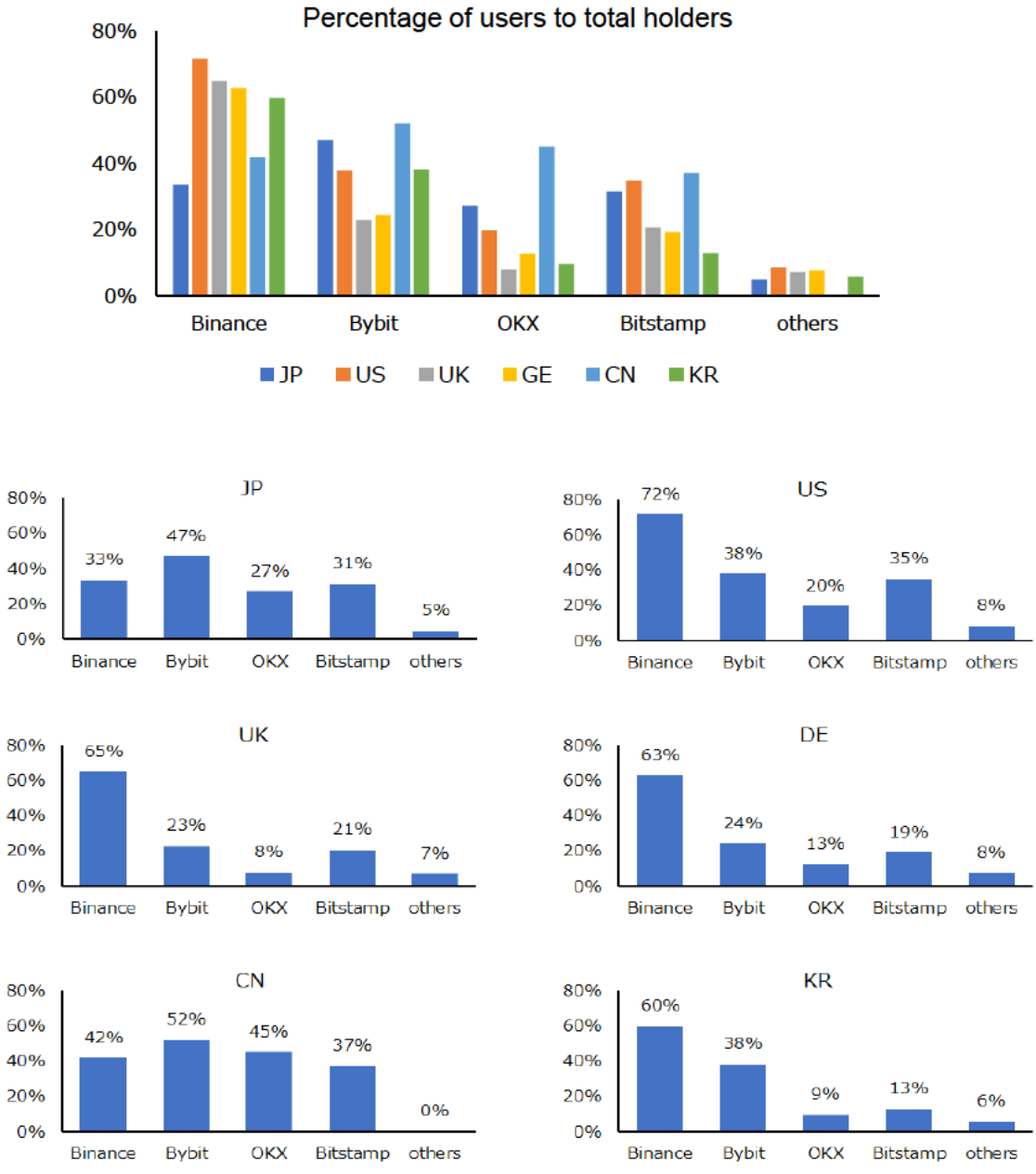
Q22. Crypto asset exchange currently in use

[Question]

- We will ask those who currently own digital financial products. Please tell us which crypto asset exchange you are using. (Multiple answers allowed)

→ Except for Japan and China, Binance stands out.

→ For Japan and China, there are more Bybits than Binance.



Note: For international comparison, only global exchanges are listed as options.

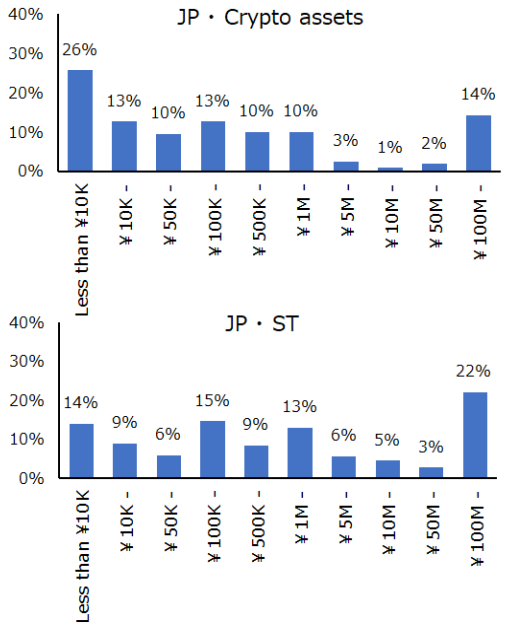
Q23. Amount of digital financial assets currently held

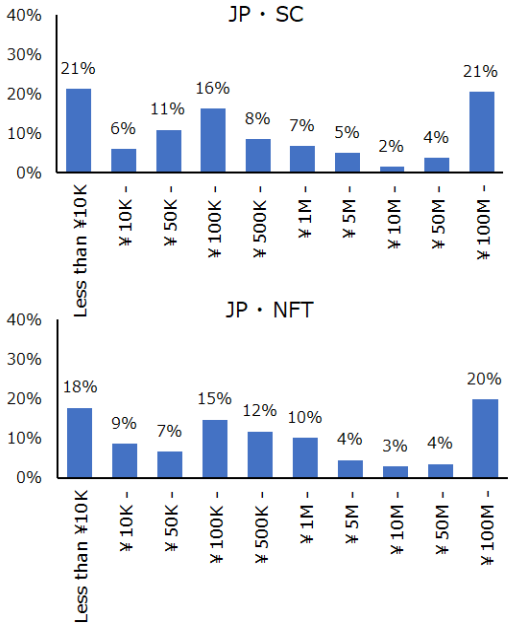
[Question]

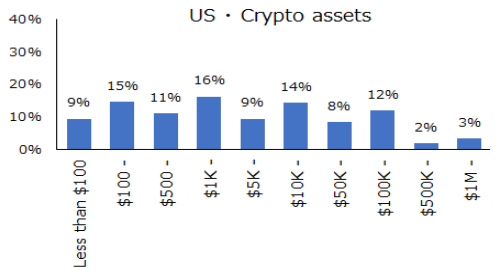
- We will ask those who currently own digital financial products. How much do you currently hold of each of the following digital financial products? Please answer based on the current valuation, not the purchase values.

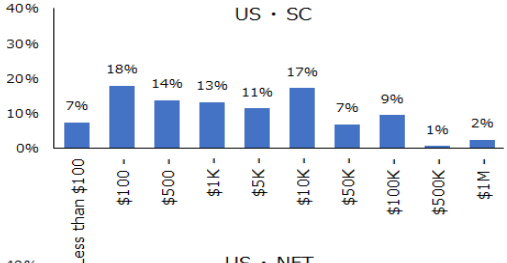
→ In Japan, there is a tendency toward polarization, with many small holders and large holders owing over 100 million yen across all products.

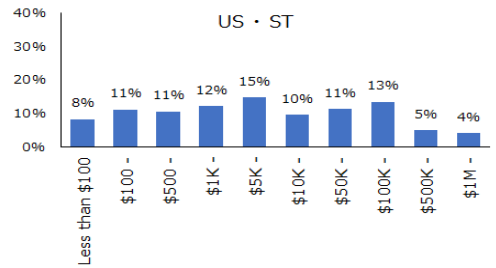
→ This trend is not observed outside of Japan.

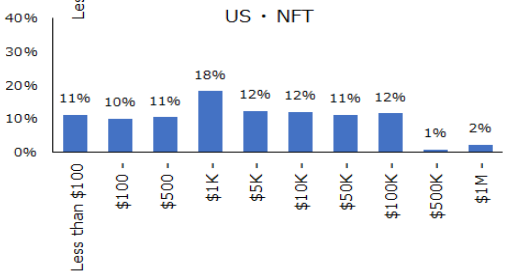












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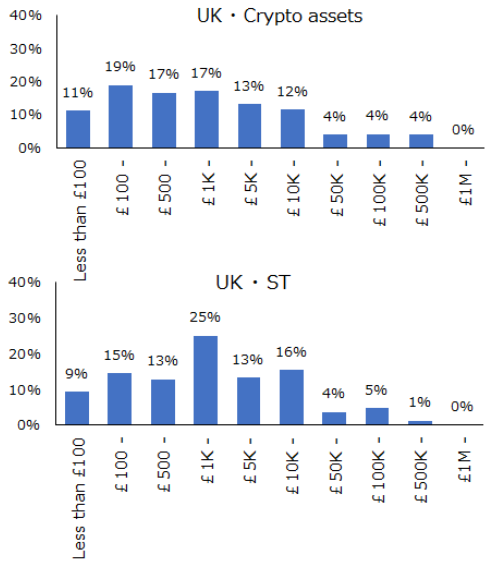
UK・Crypto assets
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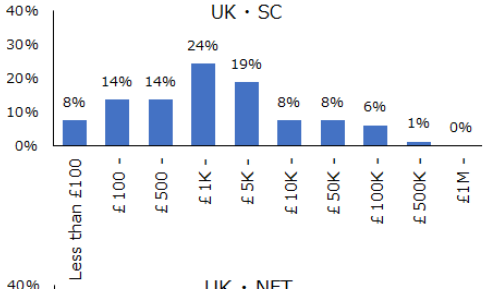
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UK・ST
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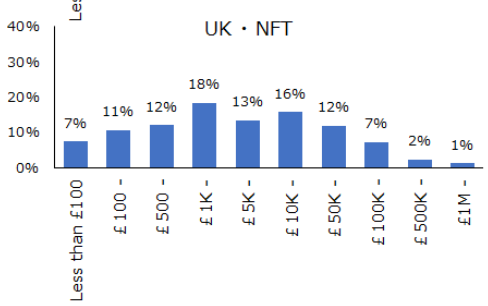
UK・NFT
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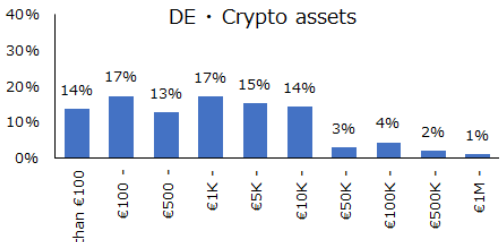
DE・Crypto assets
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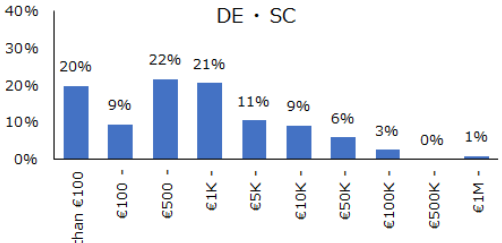
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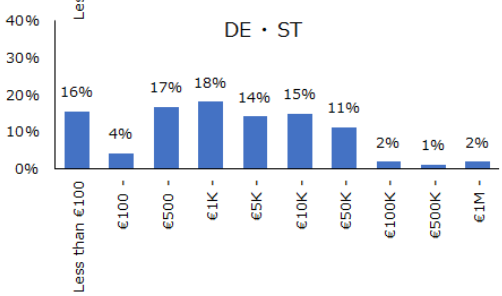
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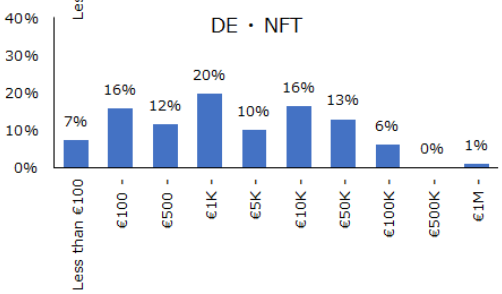
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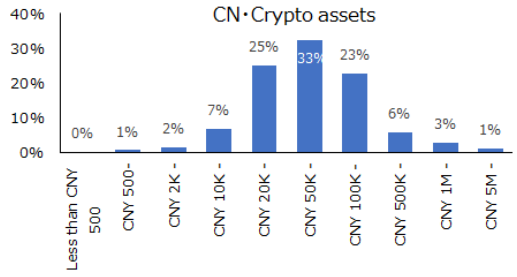
CN・Crypto assets
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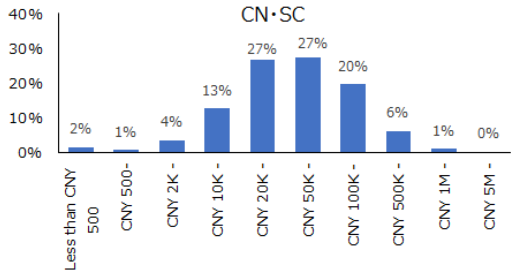
CN・SC
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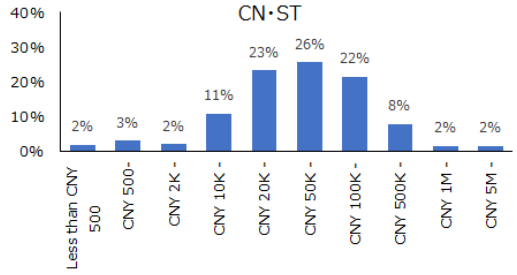
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CNY 10K -
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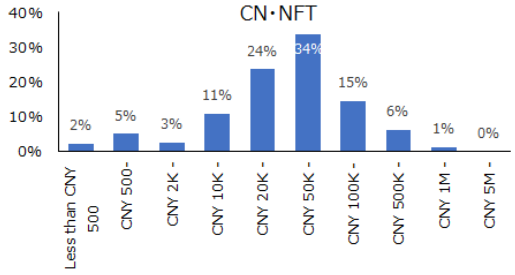
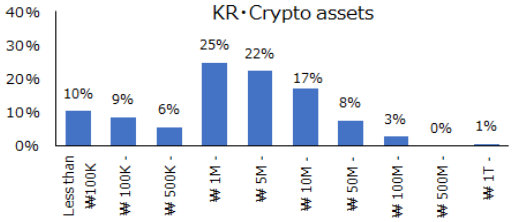
CNY 50K -
CNY 100K -
CNY 500K -
CNY 1M -
CNY 5M -


CN・NFT
40%
30%
20%
10%
0%
2%
5%
3%
11%
24%
34%
15%
6%
1%
0%
Less than CNY 500
CNY 500 -
CNY 2K -
CNY 10K -
CNY 20K -
CNY 50K -
CNY 100K -
CNY 500K -
CNY 1M -
CNY 5M -


KR・Crypto assets
40%
30%
20%
10%
0%
10%
9%
6%
25%
22%
17%
8%
3%
0%
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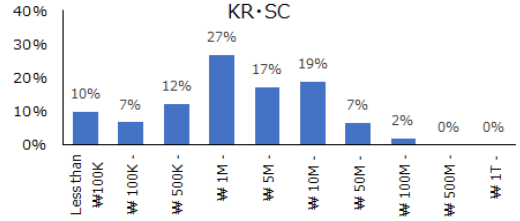
Less than ₩100K
₩ 100K -
₩ 500K -
₩ 1M -
₩ 5M -
₩ 10M -
₩ 50M -
₩ 100M -
₩ 500M -
₩ 1T -


KR・SC
40%
30%
20%
10%
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12%
27%
17%
19%
7%
2%
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0%
Less than ₩100K
₩ 100K -
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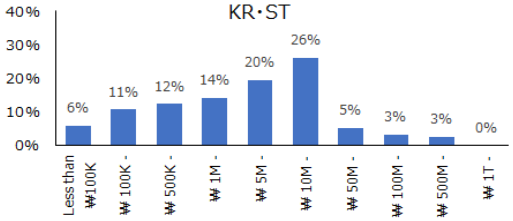
₩ 100M -
₩ 500M -
₩ 1T -


KR・ST
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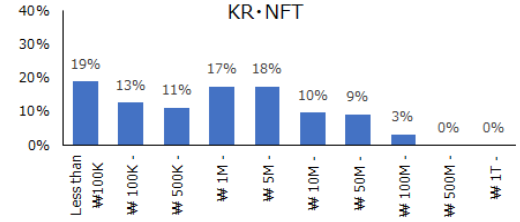
₩ 500M -
₩ 1T -


KR・NFT
40%
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10%
0%
19%
13%
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17%
18%
10%
9%
3%
0%
0%
Less than ₩100K
₩ 100K -
₩ 500K -
₩ 1M -
₩ 5M -
₩ 10M -
₩ 50M -
₩ 100M -
₩ 500M -
₩ 1T -

Q24. Ratio of digital financial assets to total financial assets

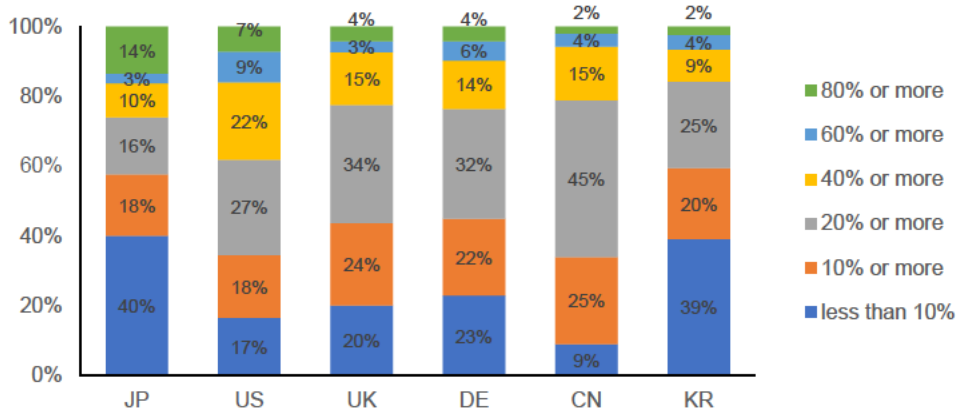
[Question]

- We will ask those who currently own digital financial products. What percentage of your total financial assets, including digital financial products, is made up of digital financial products?

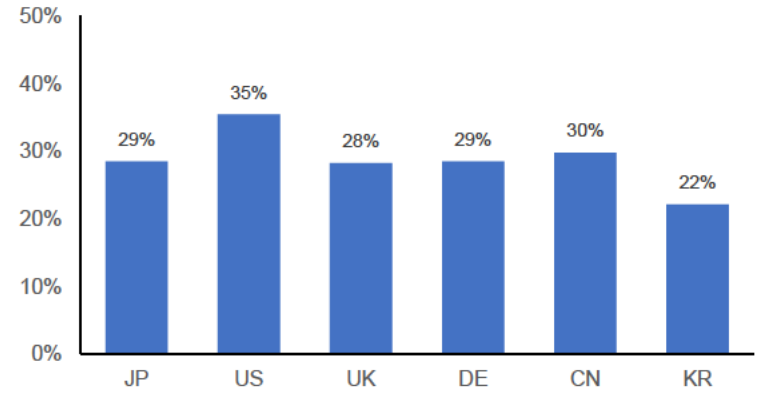
→ In Japan, 14% of the financial asset holders allocates more than 80% of their financial assets to digital financial products, which is a high level compared to other countries.

→ The next highest is 7% in the U.S. When considering a 40% threshold instead of an 80% threshold for investments in digital financial assets, the U.S. has the most people who are heavily invested in these assets.

→ While many holders in Japan are concentrating on digital financial products, many are keeping their allocation below 10%.



Average value calculated by the simple method



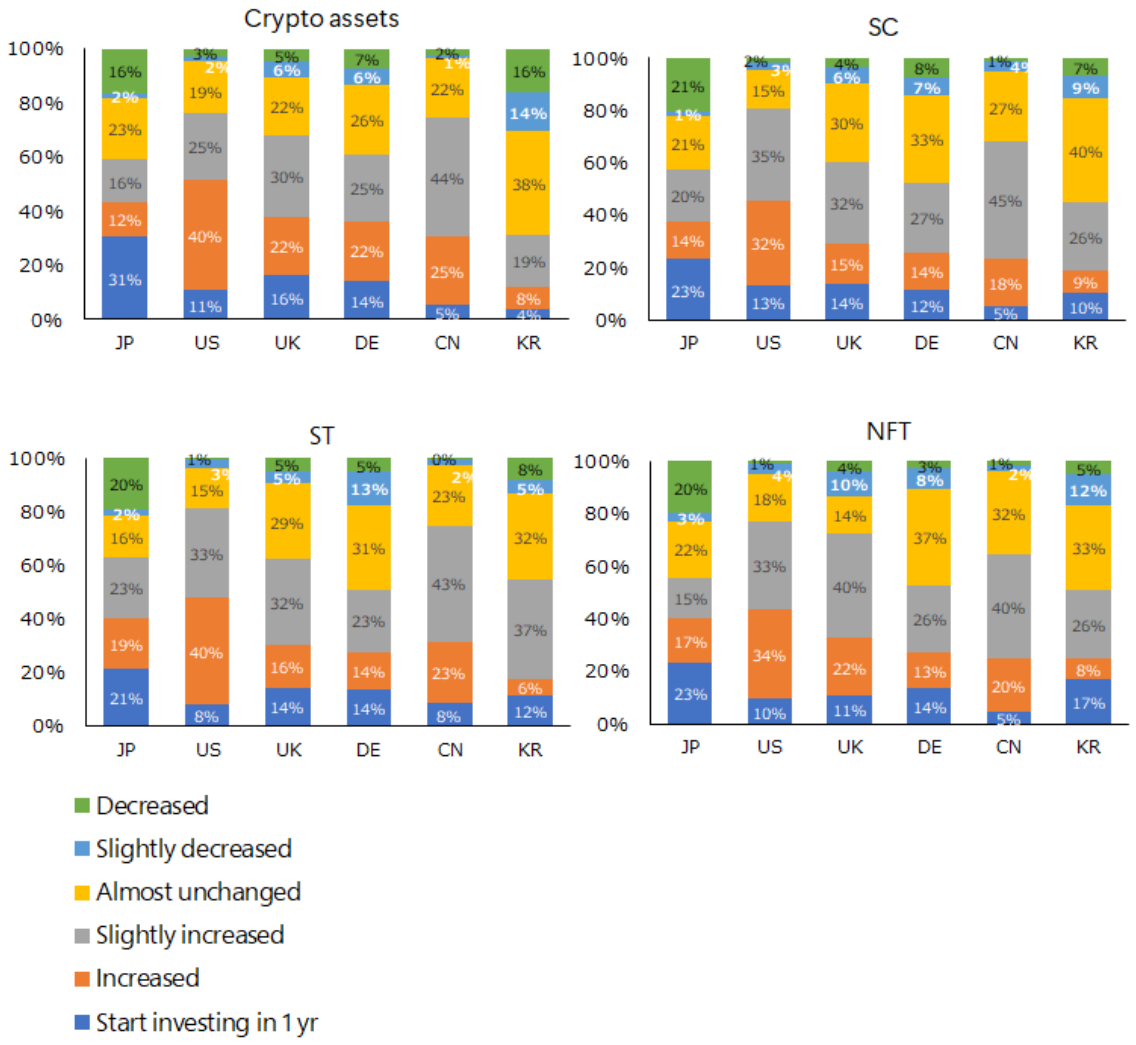
Note: The midpoint of each range is used to calculate the average.

Q25. Investment trends over the past year

[Question]

- We will ask those who currently own digital financial products. How has your investment amount in the following digital financial products changed over the past year? Please focus on changes in your investment, not fluctuation in market prices.

→ If respondents who chose 'started investing in the last year' are considered new entrants among holders at the time of the survey, Japan has more new entrants across all products than other countries. However, there is also a significant number of respondents who indicate they 'decrease' their investments in the past year.

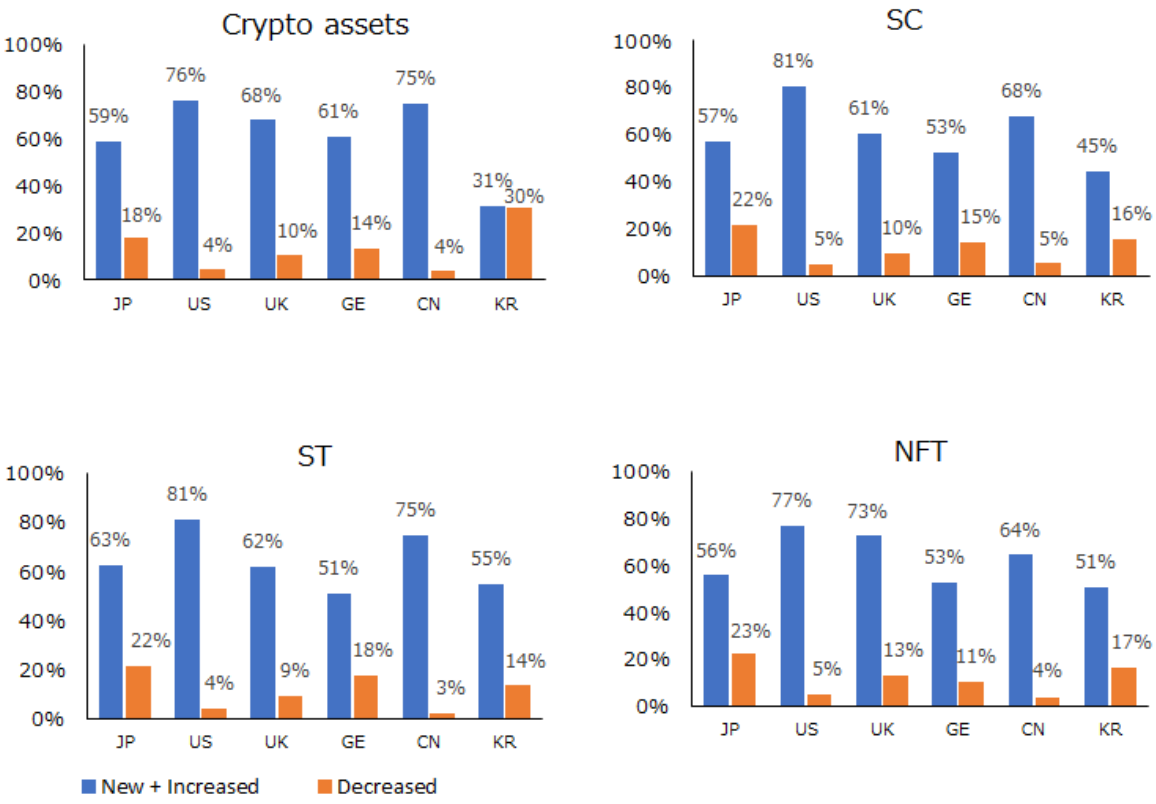


(continued)

Comparison of respondents who increased their investments, including new investments, versus those who decreased them.

→ In all countries and products, 50%-80% of respondents indicated they would increase their investments. Only Korean crypto assets show a balanced situation.

→ Among holders, Japan is also actively investing.



New + Increased = Started investing in the past year + Increased + Slightly increased

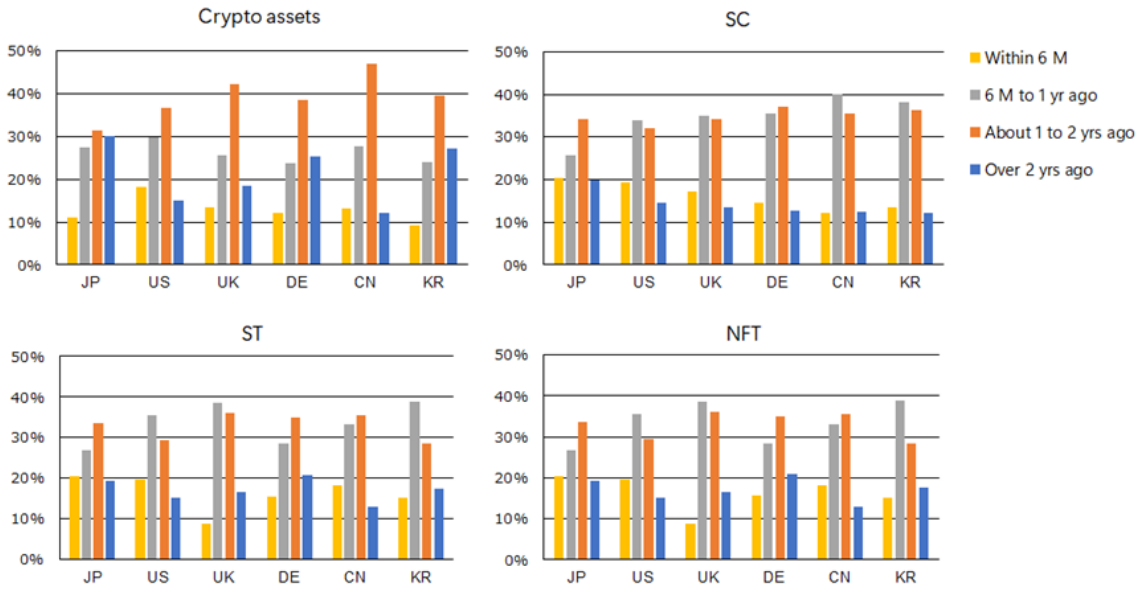
Decreased = Decreased + Somewhat decreased

Q26: Timing when you stopped investing in digital financial assets

[Question]

- We will ask those who have held them in the past. When did you stop investing in each digital financial product? (This question is for those who have previously held these products.)

→ Comparing the last six months of the survey with investment exits from about half a year to a year ago, there were more exits in all countries and products during the period from half a year to a year ago. The last six months followed the point when the crypto assets market bottomed out (see page10), while the period from half a year to a year ago corresponds to the market's bottoming phase.



Since the number of respondents who selected 'invested but do not currently own' in Q19 is relatively small, the actual figures are displayed in the table below. Although the overall number of respondents in Japan's survey is five times larger than in other countries, the number of investors in Japan is low, making the respondent count in the table comparable across all countries.

Crypto assets

	Over 2 yrs	1-2 yrs	6M-1 yr	Within 6M	Total
JP	72	76	66	26	240
US	51	125	102	62	340
UK	49	112	68	36	265
DE	73	111	69	35	288
CN	49	190	112	53	404
KR	98	143	87	34	362

SC

	Over 2 yrs	1-2 yrs	6M-1 yr	Within 6M	Total
JP	35	60	45	36	176
US	39	86	91	52	268
UK	24	61	63	31	179
DE	24	70	67	28	189
CN	43	122	137	42	344
KR	19	56	60	21	156

ST

	Over 2 yrs	1-2 yrs	6M-1 yr	Within 6M	Total
JP	27	47	38	29	141
US	34	66	79	44	223
UK	24	52	56	13	145
DE	34	58	47	26	165
CN	43	118	110	60	331
KR	22	35	48	19	124

NFT

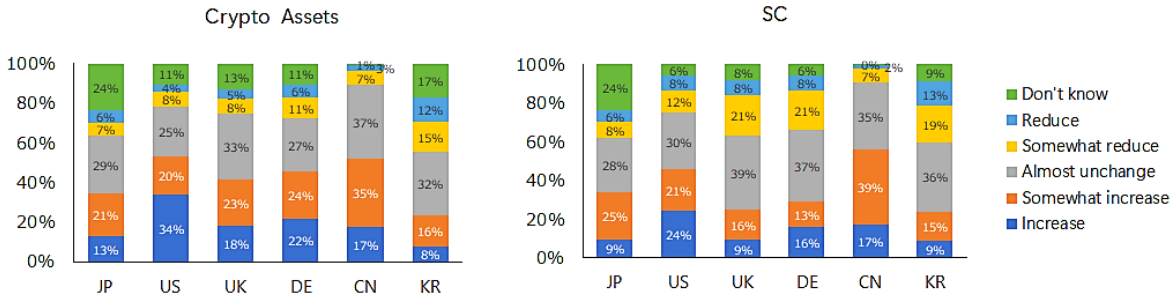
	Over 2 yrs	1-2 yrs	6M-1 yr	Within 6M	Total
JP	25	42	50	27	144
US	36	84	67	47	234
UK	21	58	66	29	174
DE	33	60	59	41	193
CN	35	106	128	49	318
KR	18	46	49	26	139

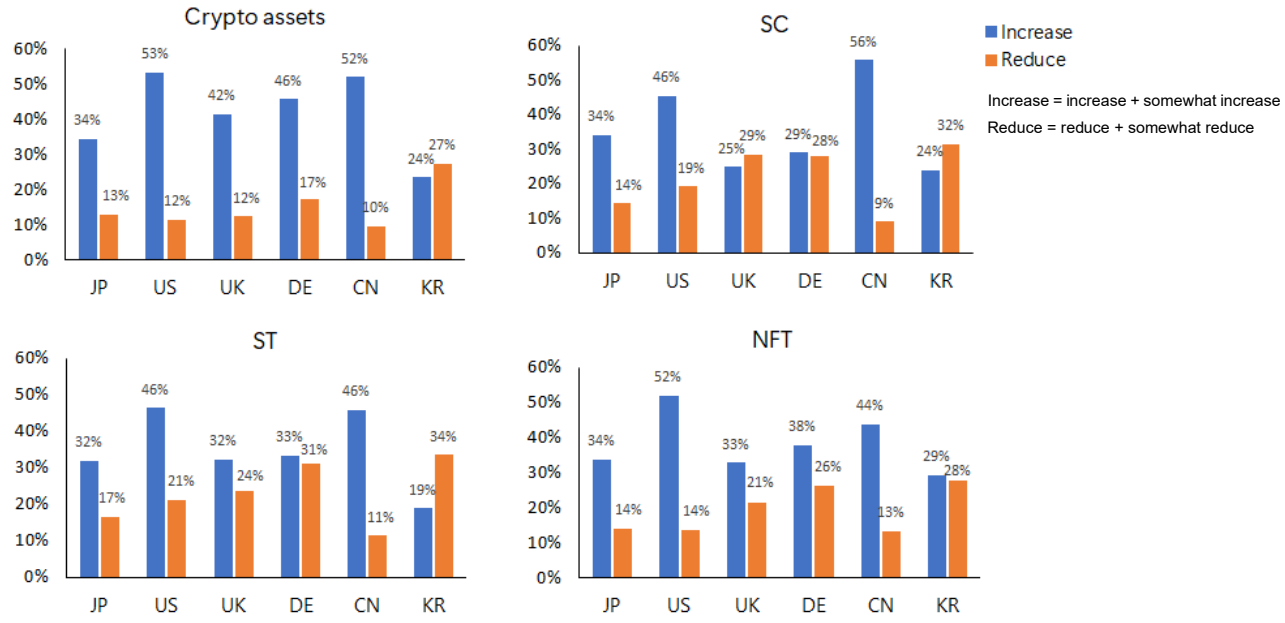
Q27. Future investment plans: For experienced investors only

[Question]

- We will ask those who currently own digital financial products and those who have held them in the past. Please select your investment plan for each digital financial product for the next year or so.

→ Those with experience in holding the products are also highly motivated to invest in the future. Except for Korea, all countries and products show 'significant increase.'



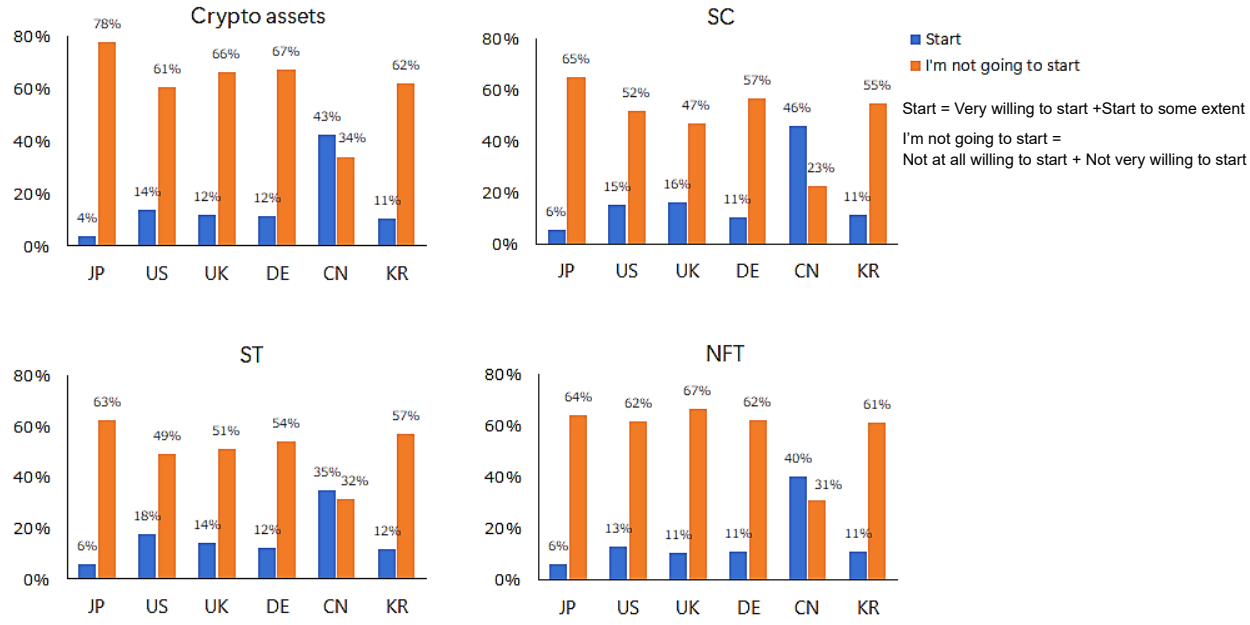


Q28. Future investment plans: For no investment experience only

[Question]

- I would like to ask those who have never owned digital financial products. Please select your investment plan for each digital financial product over the next year or so.

→ For those without the investment experience, the appetite for new investment is low across all products, except for China.



Q29. Purpose of acquiring and holding of crypto assets

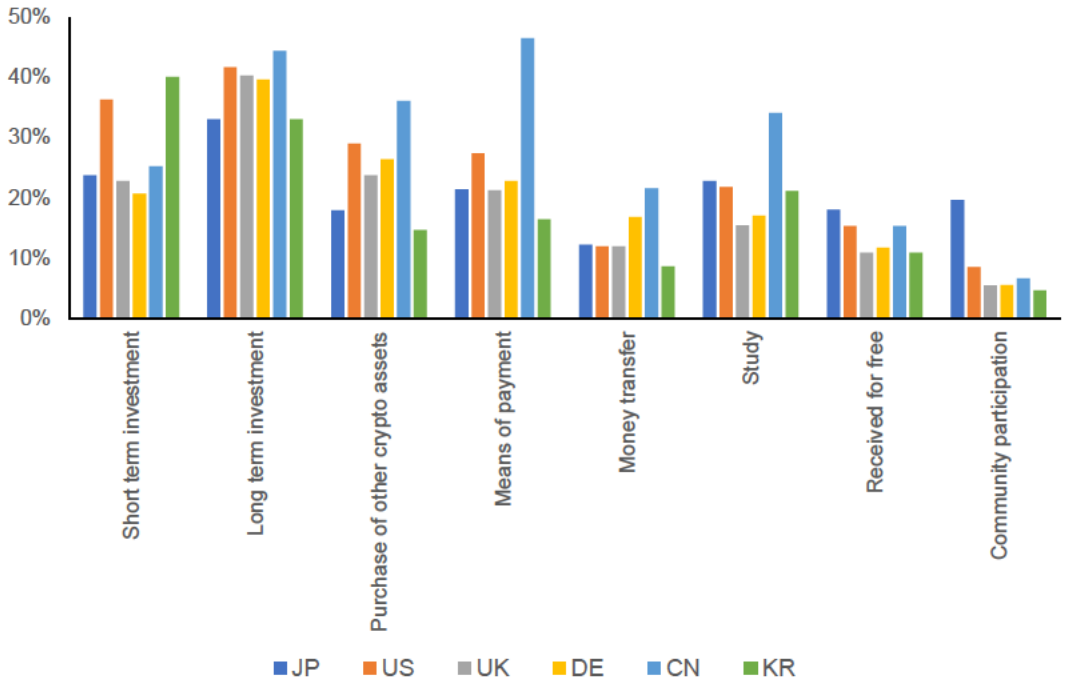
[Question]

- We would like to ask those who have held crypto assets. Please select the purpose of acquiring and holding crypto assets. (Multiple answers allowed)

→ In all countries, long-term investment objectives tend to be high, around 40%.

→ In Korea and the U.S., short-term investment objectives are also high, at just under 40%.

→ China has the highest usage of crypto assets as a payment method, significantly higher than in other countries. Additionally, the use of crypto assets for studying, purchasing other crypto assets, and remittances is also higher than in other countries.



Q30. Asset management methods

[Question]

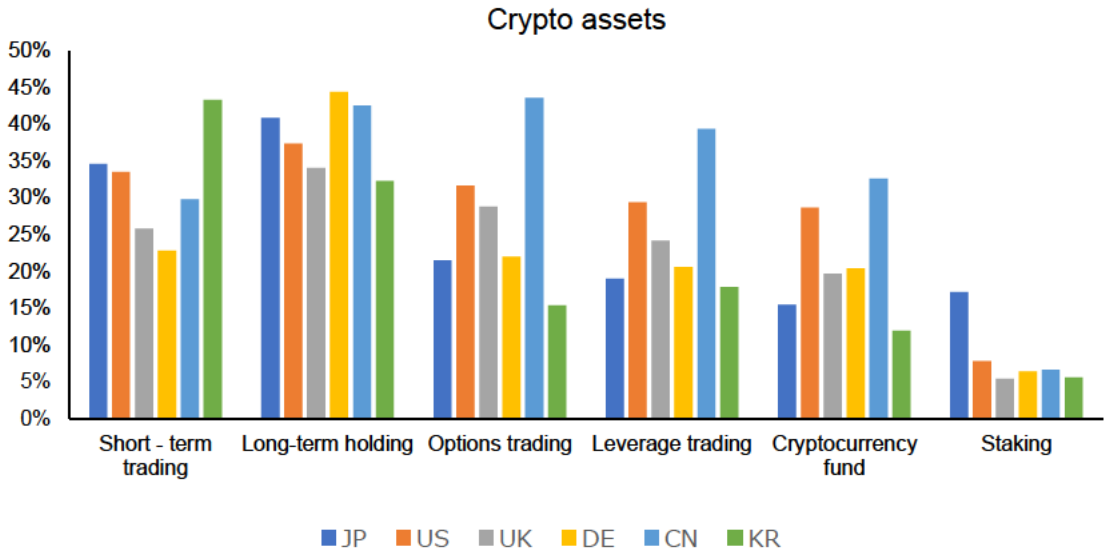
- We would like to ask those who have held digital financial products. Please select asset management methods that you have implemented. (Multiple answers allowed)

→ Crypto assets tend to be held and managed for a long time, with concentrations in the 30% to low 40% range. However, in Korea, short-term trading is in the low 40% range, which is higher than in other countries and surpasses the rate of long-term investment. Short-term trading in other countries range from just over 20% to 30%, which are lower than long-term holding. Options trading, leveraged trading, and fund management are common across all countries, while staking management is relatively rare.

→ SC is most commonly used in leveraged trading. Crypto asset fund management is also ranked high in many countries.

→ Even at ST, leveraged trading and crypto asset fund management are at the top of the list, with more responses than long-term holding and short-term trading. In addition, there are many responses about options trading, and this is also observed with NFT.

→ By country, Japan generally aligns with other countries, and when limited to holders, it follows similar global investment pattern. In China, leveraged trading and options trading for crypto assets are notable high, with option trading particularly prominent in SC, ST and NFT.



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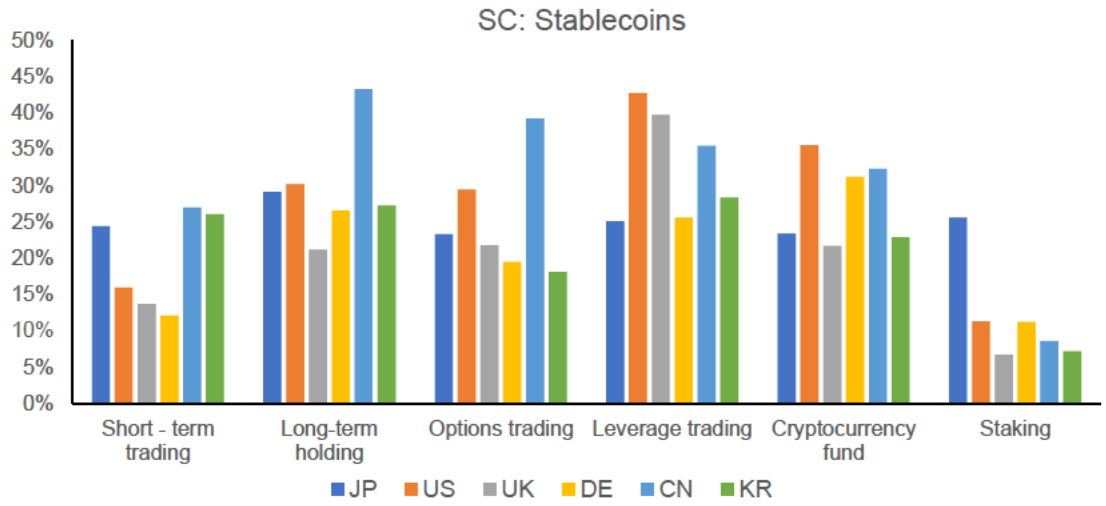
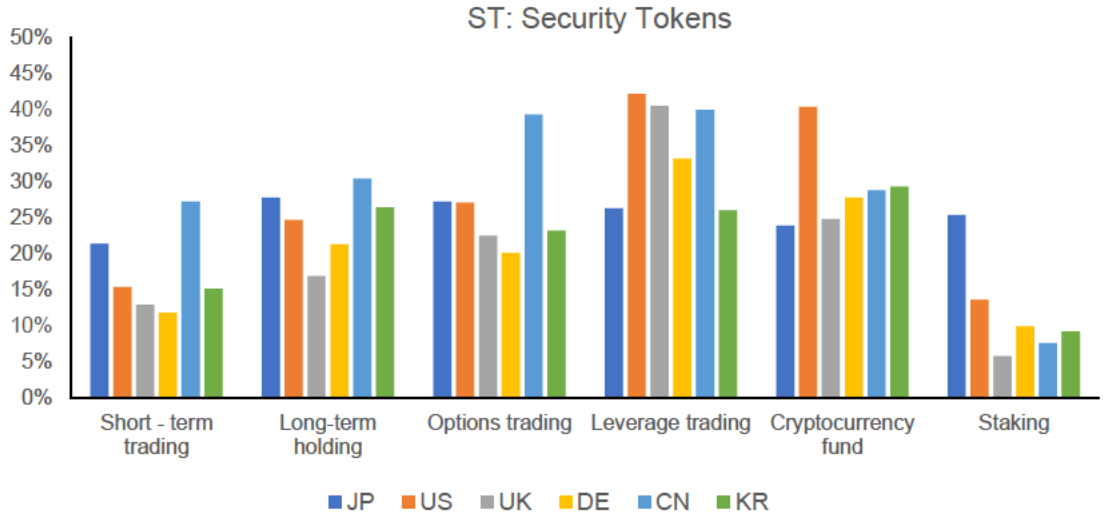
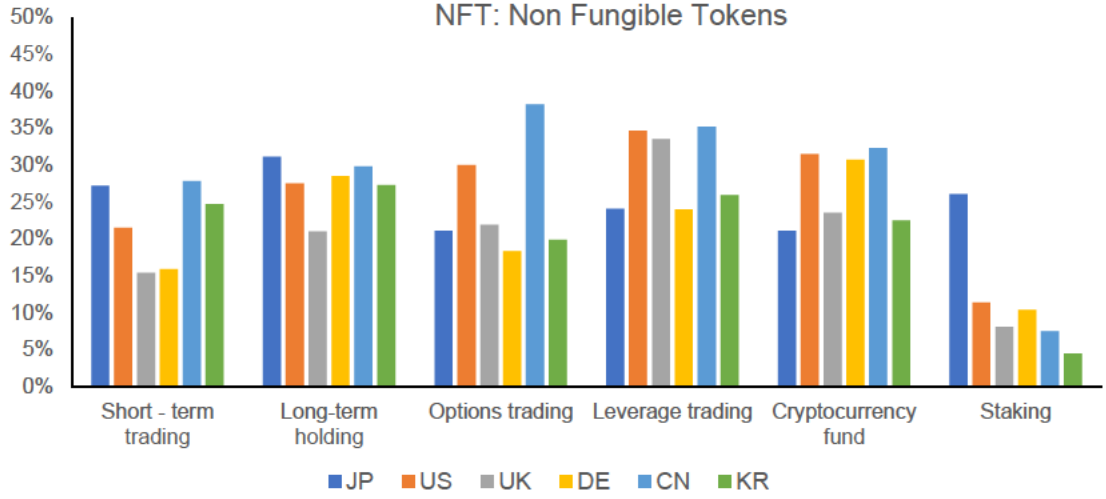

SC: Stablecoins
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
Short - term trading
Long-term holding
Options trading
Leverage trading
Cryptocurrency fund
Staking
JP
US
UK
DE
CN
KR


ST: Security Tokens
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
Short - term trading
Long-term holding
Options trading
Leverage trading
Cryptocurrency fund
Staking
JP
US
UK
DE
CN
KR


NFT: Non Fungible Tokens
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
Short - term trading
Long-term holding
Options trading
Leverage trading
Cryptocurrency fund
Staking
JP
US
UK
DE
CN
KR

Q31. Frequency of trading

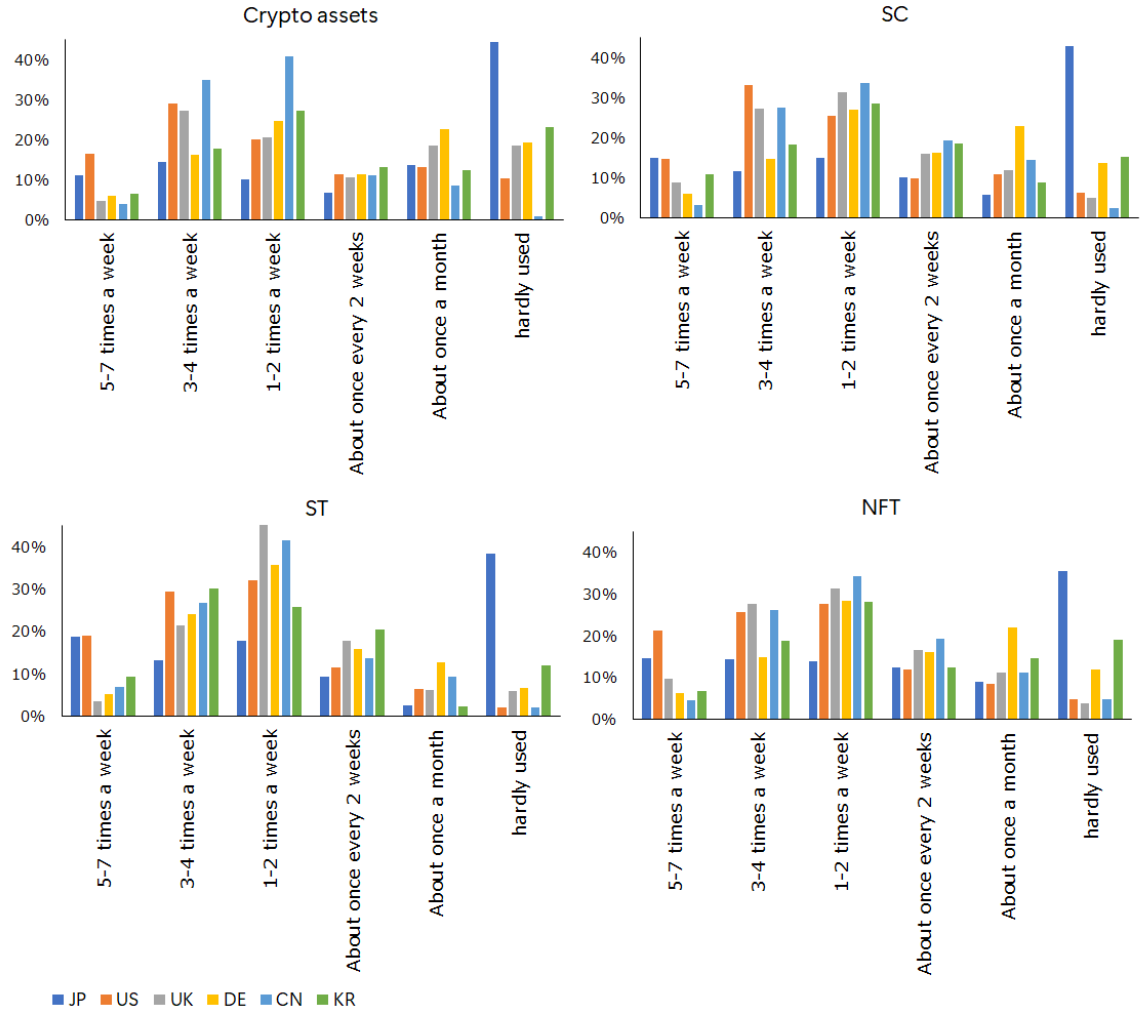
[Question]

- How often do you buy and sell digital financial products? Please select the option that best describes your situation.

→ The U.S. and Japan have the highest proportion of individuals trading 5-7 times per week. On the other hand, the number of people in Japan who rarely buy and sell is significantly higher than in other countries. This trend is consistent across all products.

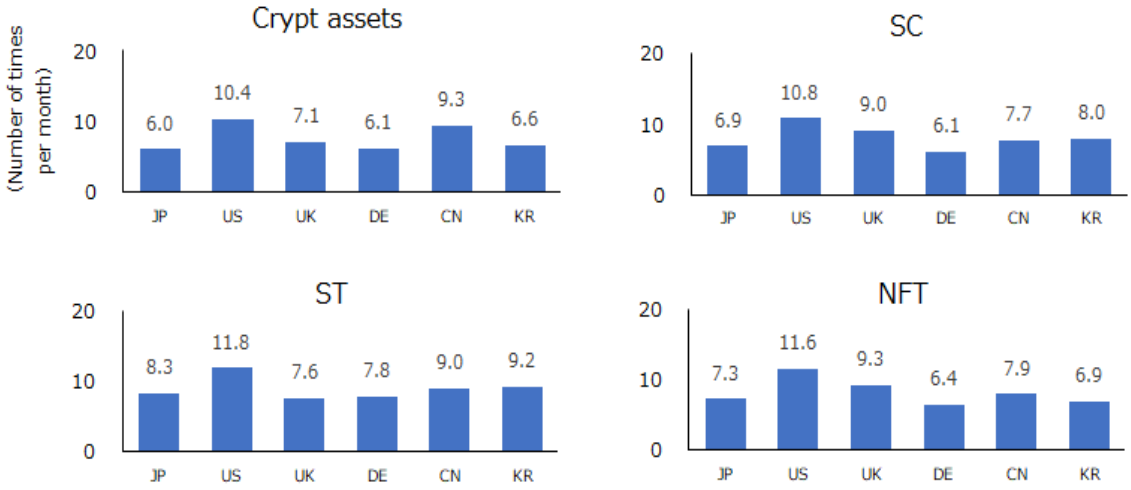
→ A simple average of the number of trades per month is calculated to be 10-12 times per month in the U.S. and 6-8 times per month in Germany, with Japan falling in the middle.

→ Across all products and countries, the most common trading frequency was 1-2 times per week, followed by 3-4 times per week.



Note: The survey is limited to respondents who select 'currently owned' in Q19.

Q31.Frequency of trading: average number of transactions per month



Note: The midpoint of each bin is used to calculate the average value. The responses indicating 'rarely used' are excluded from the calculation, which is intended for those who buy and sell more than once a month.

Q32. Important information for crypto asset investments

[Question]
- What information do you prioritize when considering investing in crypto assets? (Multiple answers allowed)

→ The most common answer in each country is ‘return over several months.’ Only in the U.S. is there emphasis on short-term returns, such as ‘returns within minutes and seconds.’ Outside of the U.S., the selection rate declines for shorter term returns.

→ Besides returns, analyst reports, crypto industry trends, and investor information are also emphasized. In Germany, China, and Korea, media information is particular prevalent.

→ In China and Korea, market liquidity, market capitalization, chart indicators, supply/demand trends and sentiment are also somewhat more emphasized than in other countries.

→ ‘Nothing in particular’ is the most common answer in countries other than China. Japan stands out, in particular, with a notable 65%.

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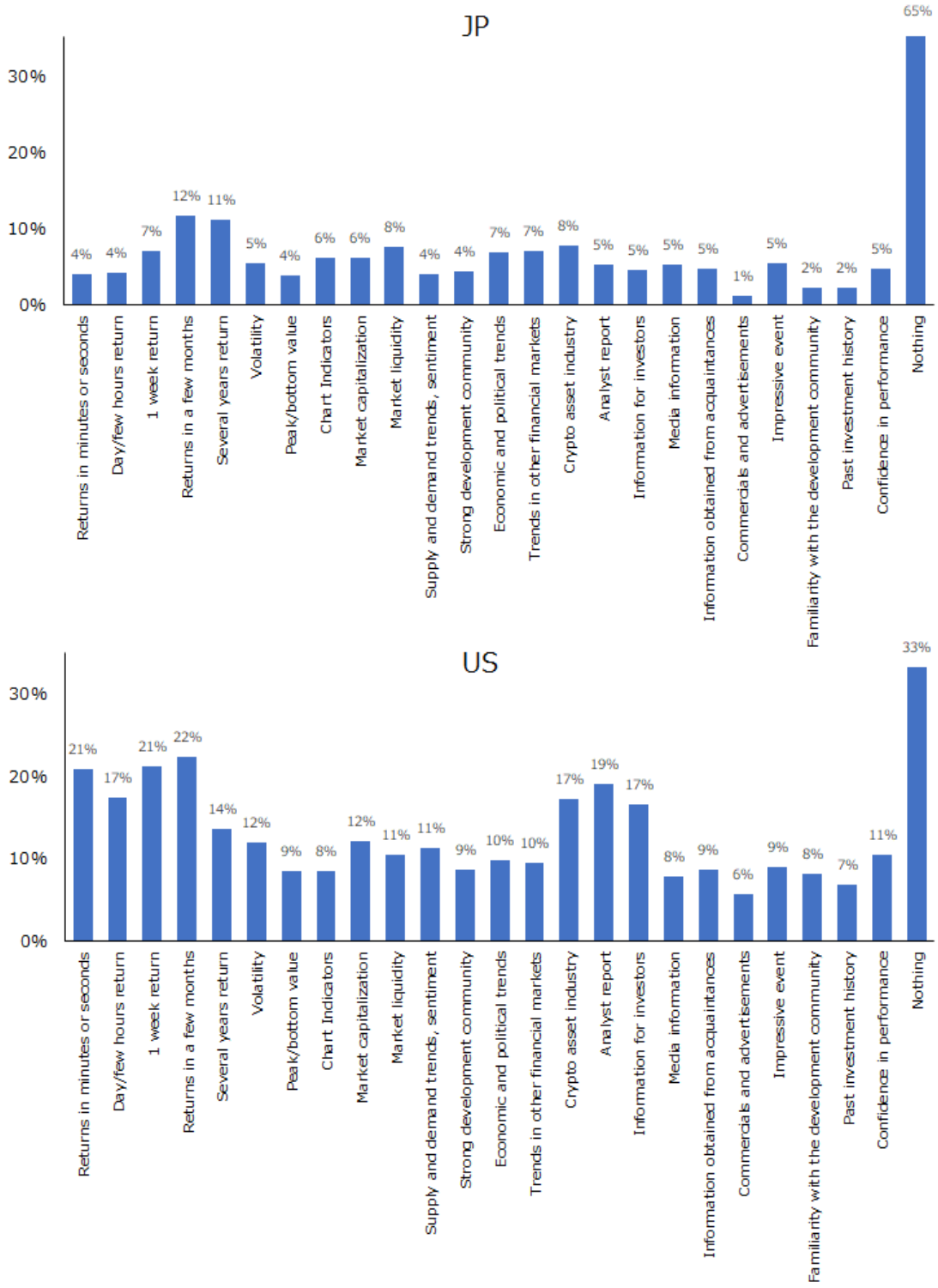

Note: Questions are directed to those who answered 'Don't know/Never heard' in Q18. In other words, we include respondents who select 'Have heard, but don't know in detail.'

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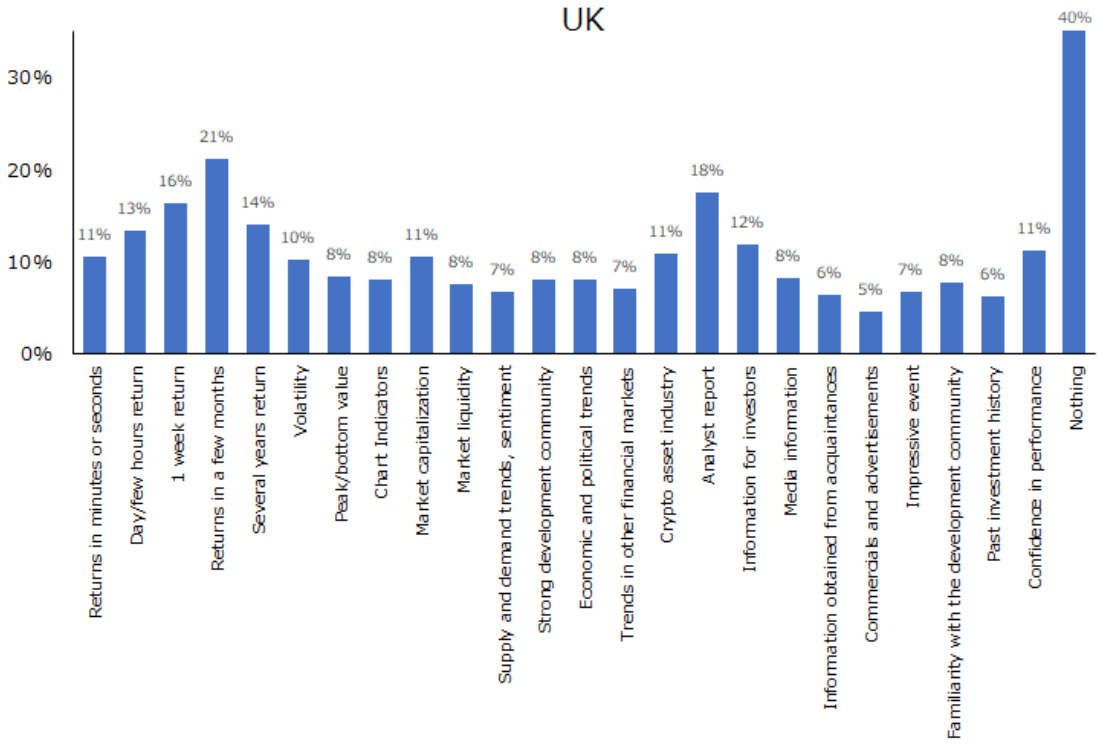
UK
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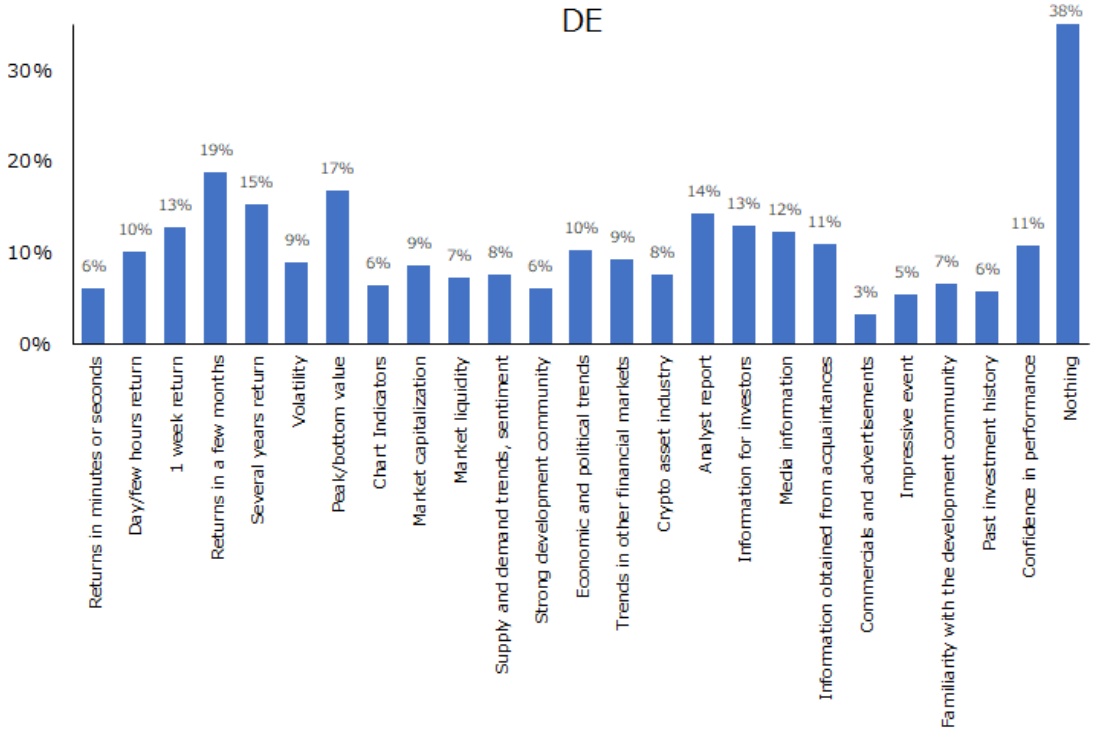
40%
Returns in minutes or seconds
Day/few hours return
1 week return
Returns in a few months
Several years return
Volatility
Peak/bottom value
Chart Indicators
Market capitalization
Market liquidity
Supply and demand trends, sentiment
Strong development community
Economic and political trends
Trends in other financial markets
Crypto asset industry
Analyst report
Information for investors
Media information
Information obtained from acquaintances
Commercials and advertisements
Impressive event
Familiarity with the development community
Past investment history
Confidence in performance
Nothing


DE
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38%
Returns in minutes or seconds
Day/few hours return
1 week return
Returns in a few months
Several years return
Volatility
Peak/bottom value
Chart Indicators
Market capitalization
Market liquidity
Supply and demand trends, sentiment
Strong development community
Economic and political trends
Trends in other financial markets
Crypto asset industry
Analyst report
Information for investors
Media information
Information obtained from acquaintances
Commercials and advertisements
Impressive event
Familiarity with the development community
Past investment history
Confidence in performance
Nothing

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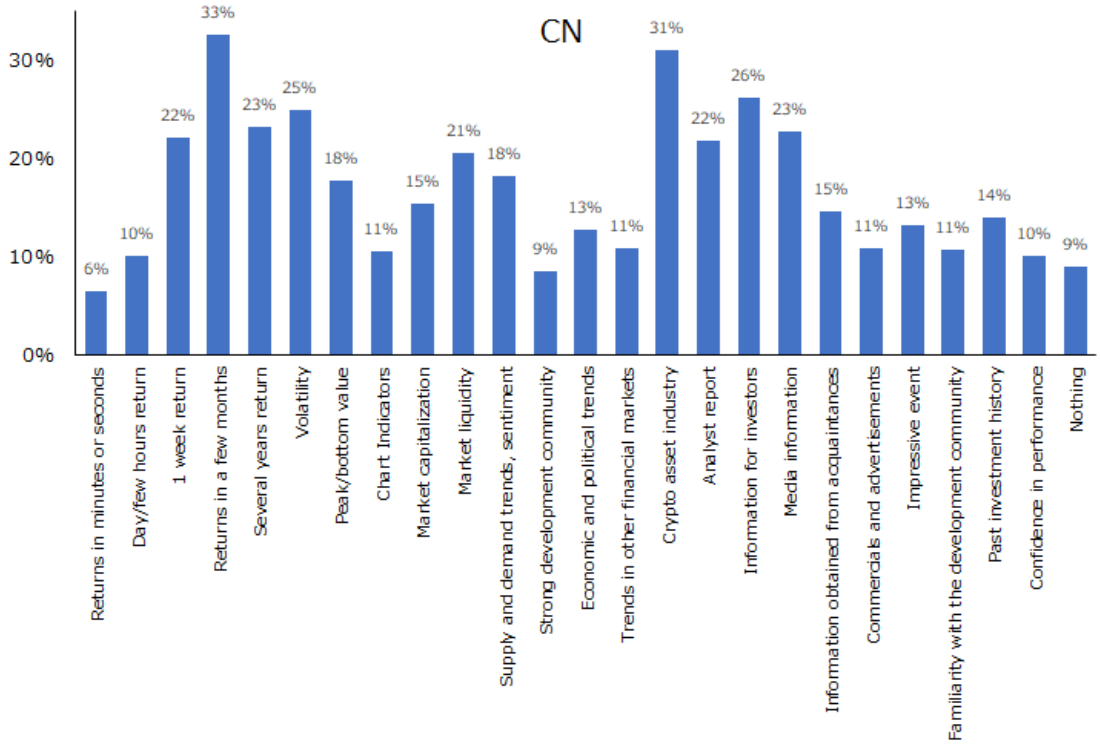
CN
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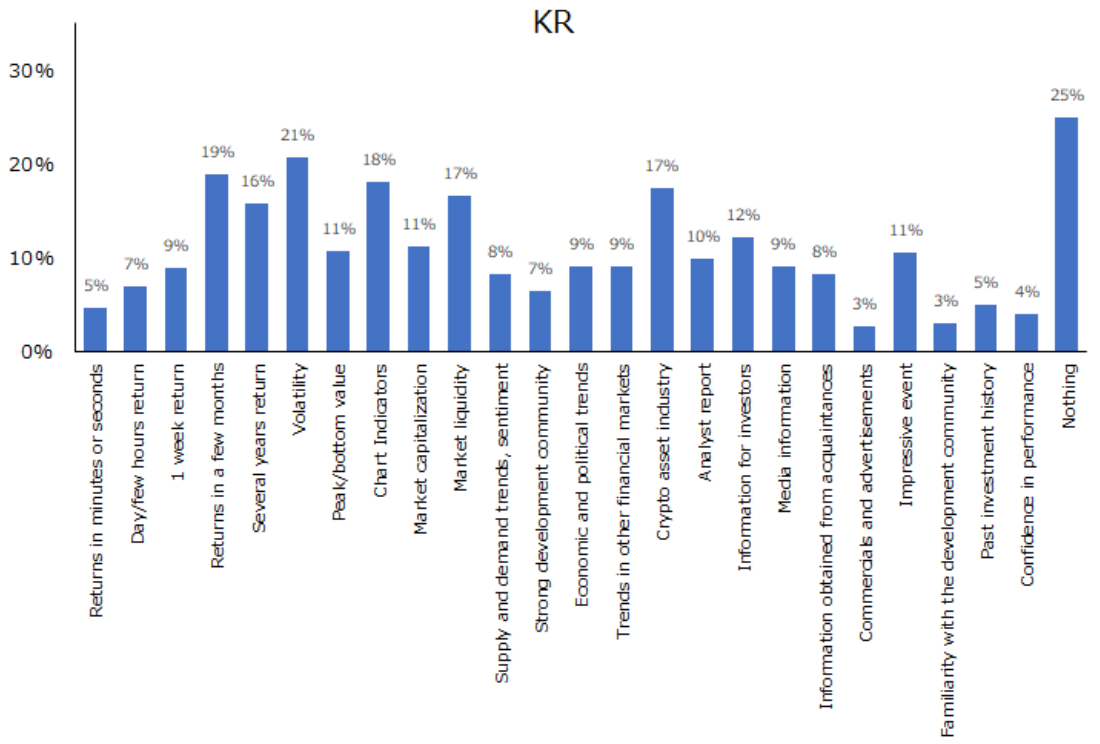
Returns in minutes or seconds
Day/few hours return
1 week return
Returns in a few months
Several years return
Volatility
Peak/bottom value
Chart Indicators
Market capitalization
Market liquidity
Supply and demand trends, sentiment
Strong development community
Economic and political trends
Trends in other financial markets
Crypto asset industry
Analyst report
Information for investors
Media information
Information obtained from acquaintances
Commercials and advertisements
Impressive event
Familiarity with the development community
Past investment history
Confidence in performance
Nothing


KR
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25%
Returns in minutes or seconds
Day/few hours return
1 week return
Returns in a few months
Several years return
Volatility
Peak/bottom value
Chart Indicators
Market capitalization
Market liquidity
Supply and demand trends, sentiment
Strong development community
Economic and political trends
Trends in other financial markets
Crypto asset industry
Analyst report
Information for investors
Media information
Information obtained from acquaintances
Commercials and advertisements
Impressive event
Familiarity with the development community
Past investment history
Confidence in performance
Nothing

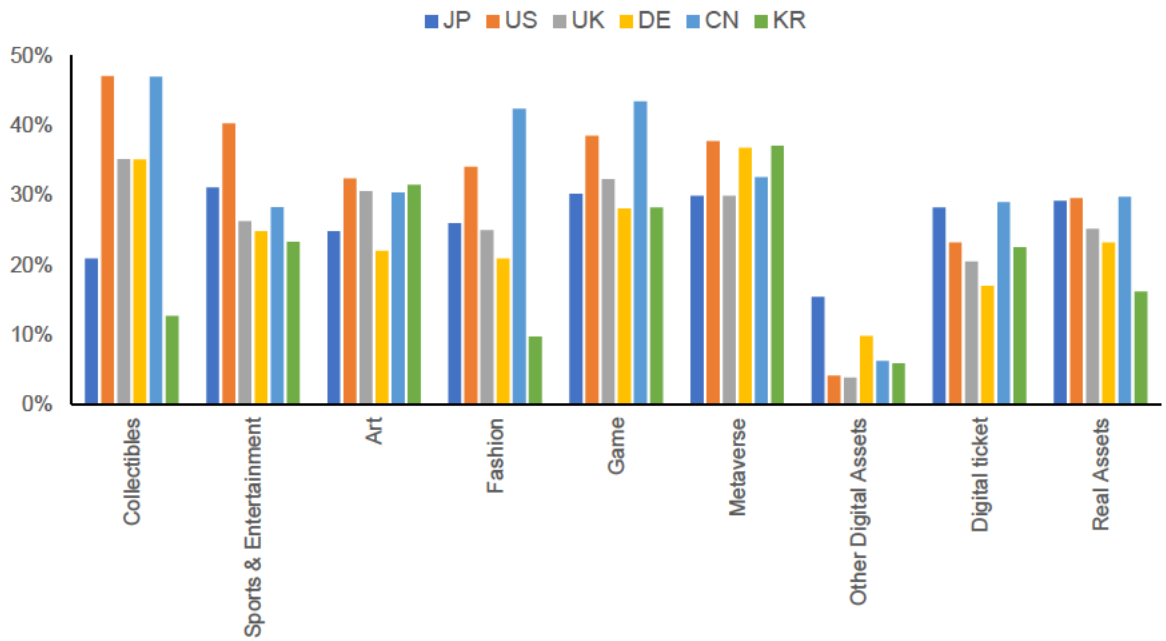
Q33. Types of NFTs you hold

[Question]

- We would like to ask those who are currently using and holding NFTs. Please select the types of NFTs you hold. (Multiple answers allowed)

→ No specific type of NFT dominates holdings; instead, multiple types of NFTs are held relatively evenly.

→ The U.S. and China have slightly higher ownership ratios, followed by Japan, the U.K., Germany, and Korea (see the cumulative chart below).



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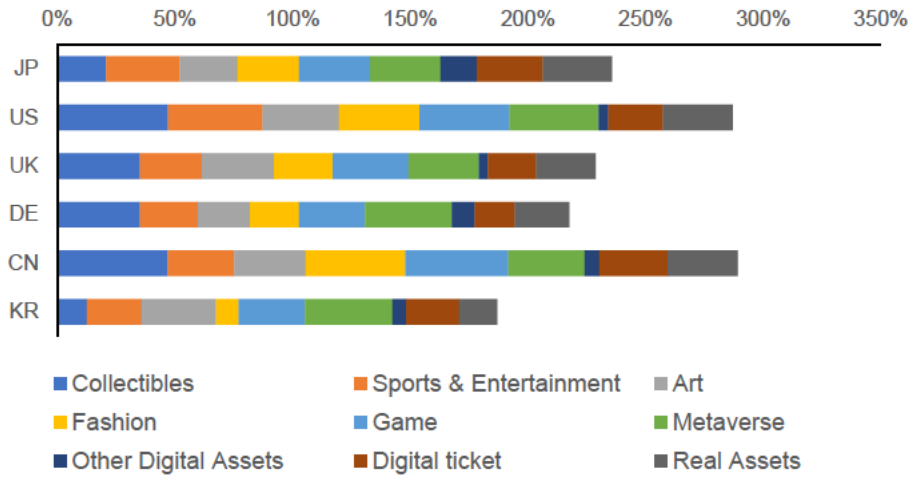
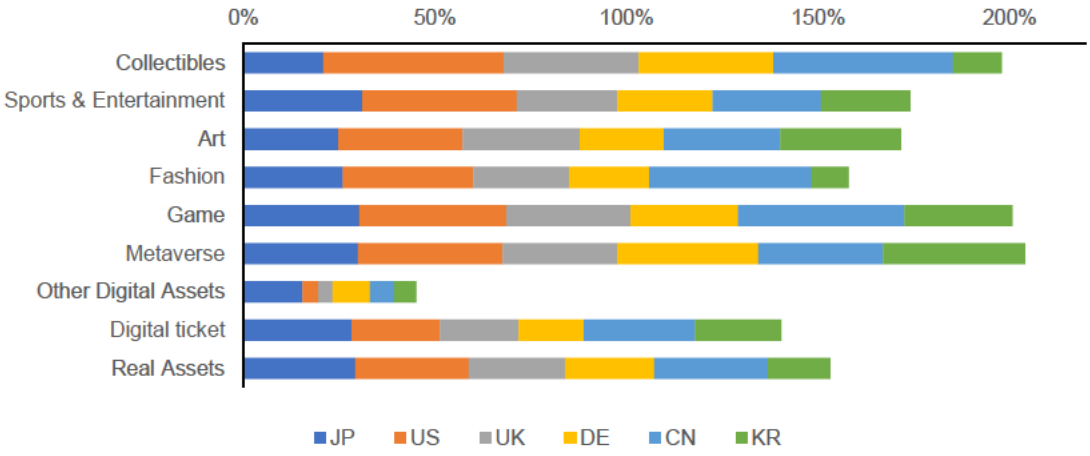
Cumulative display of ownership rate: by country and by NFT type





Q34. Perception of crypto assets

[Question]

- What are your thoughts on crypto assets? (Multiple answers allowed)

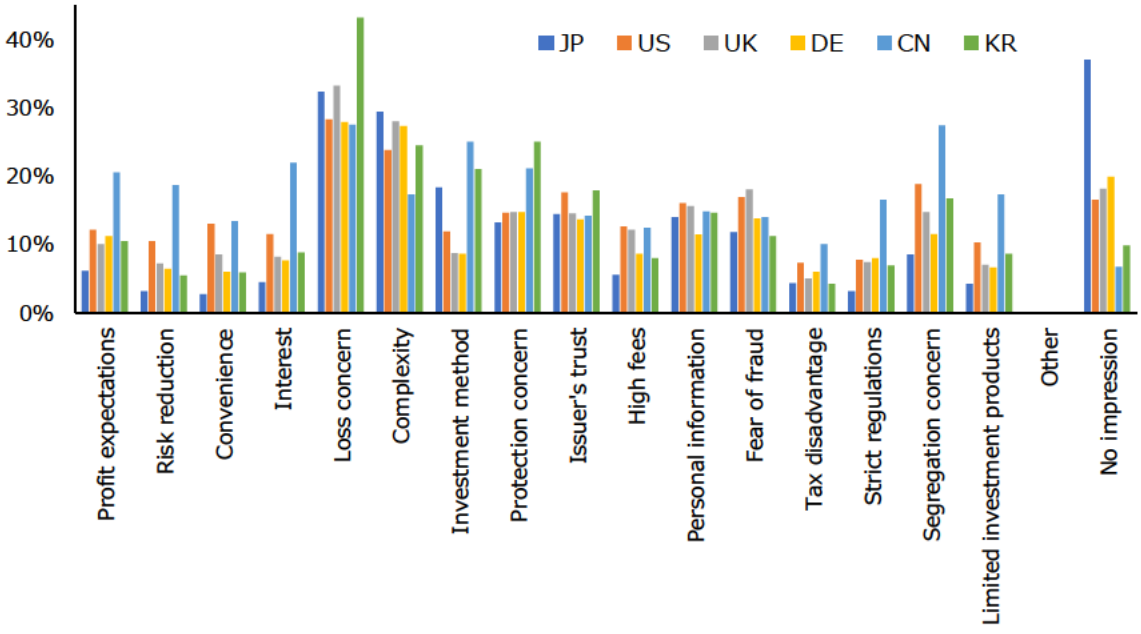
Answer options

Abbreviation names are used for items in the figure, and almost the same options are used for Q35-36.

1	Expected to be profitable
2	Diversifying investments across financial products with different price fluctuations reduces investment risk
3	Convenience of the product
4	Interest and expectation for the future of new technologies and the product
5	Concern about possible losses
6	Difficulty in understanding the structure and risks of the product
7	Difficulty in understanding the investment methods and the fear of not being able to utilize crypto assets efficently
8	Concern that investor and consumer protection is insufficient
9	Lack of trust in issuers or intermediaries
10	High fees
11	Concern about personal information leakage
12	Fear of misuse of identity authentication or identity theft fraud
13	Disadvantageous tax treatment
14	Difficult to use due to strict regulations
15	Concern about whether segregated management is being conducted by crypto asset exchanges
16	Inconvenient due to a lack of investment products such as mutual funds or ETFs that invest in crypto assets
17	Other
18	No particular impression

(continued)

- → In each country, 'loss concern' is the top priority. This is followed by the perception that the product is 'difficult to understand'.
- → Negative perceptions such as complexity of the product, lack of investor protection, concerns about personal information, security concerns, and issues on segregated management are more common than positive perceptions like profit expectations and diversification effects. However, strong investment appetite is observed in Q20, 25, and 27.
- → Tax disadvantages and the inconvenience due to strict regulations lead to relatively low selectivity rates.
- → In Japan, there are few positive perceptions (left four items in the figure).
- → China exhibits a high level of positivity compared to other countries, but it also faces significant negative perceptions, such as difficulty in understanding investment methods, lack of investor protection, and concern about segregated management.



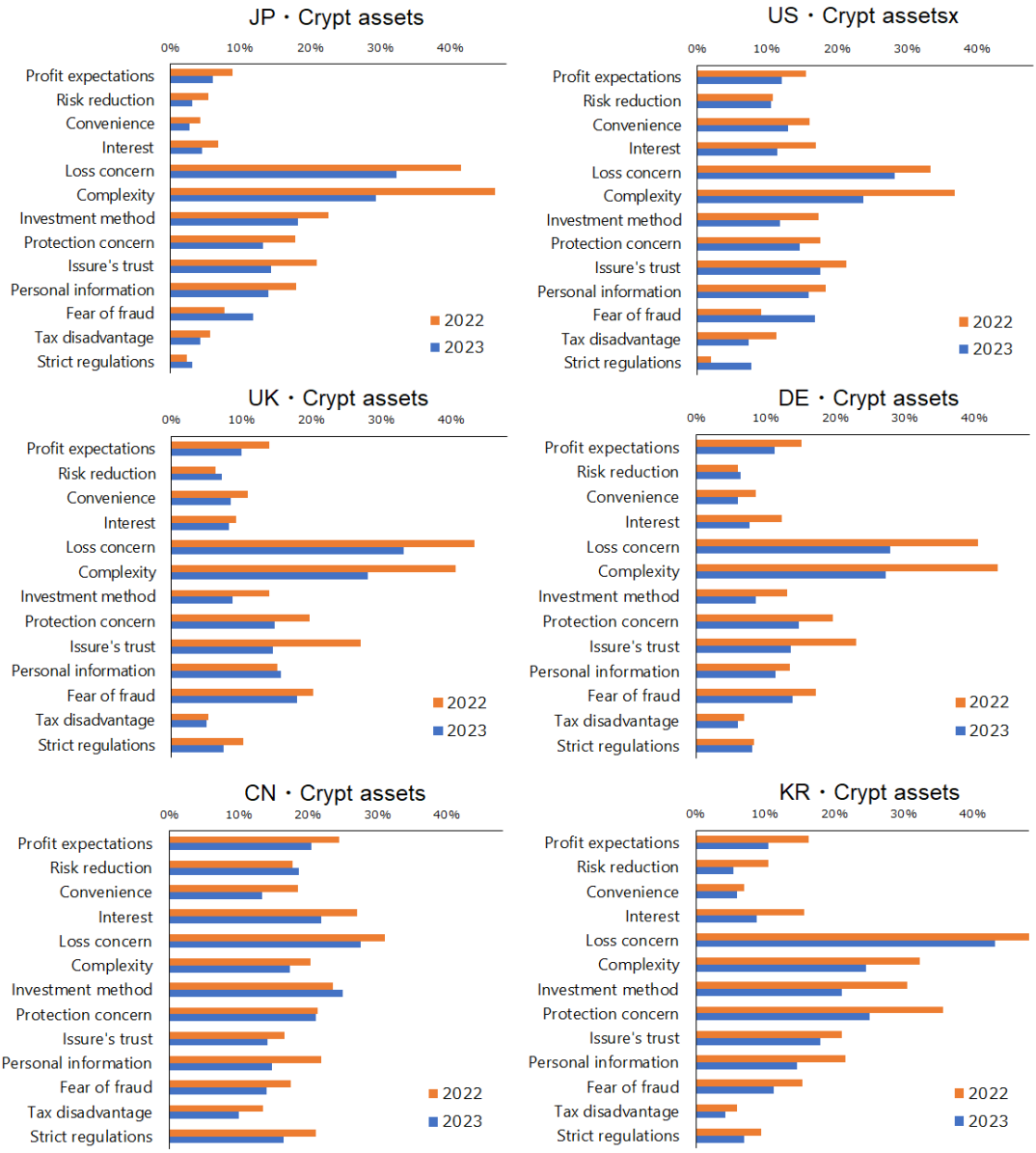
Note: Respondents other than those who select 'Don't know/Never heard' in Q18 are surveyed.

Q34. Perception of crypto assets: Awareness group, compared to the previous survey in 2022

→ Positive perceptions, such as profit expectations and interest in the product, have been declining in all countries since the previous survey.

→ On the other hand, negative perceptions, such as loss concern, product complexity, lack of investor protection, and a lack of trust in issuers and intermediaries, have also decreased.

→ In Japan and the U.S., security concerns are rising, while in other countries they remain flat or are declining. In the U.S., concerns about 'strict regulations' has increased, whereas in other countries, it has remained flat or declined.



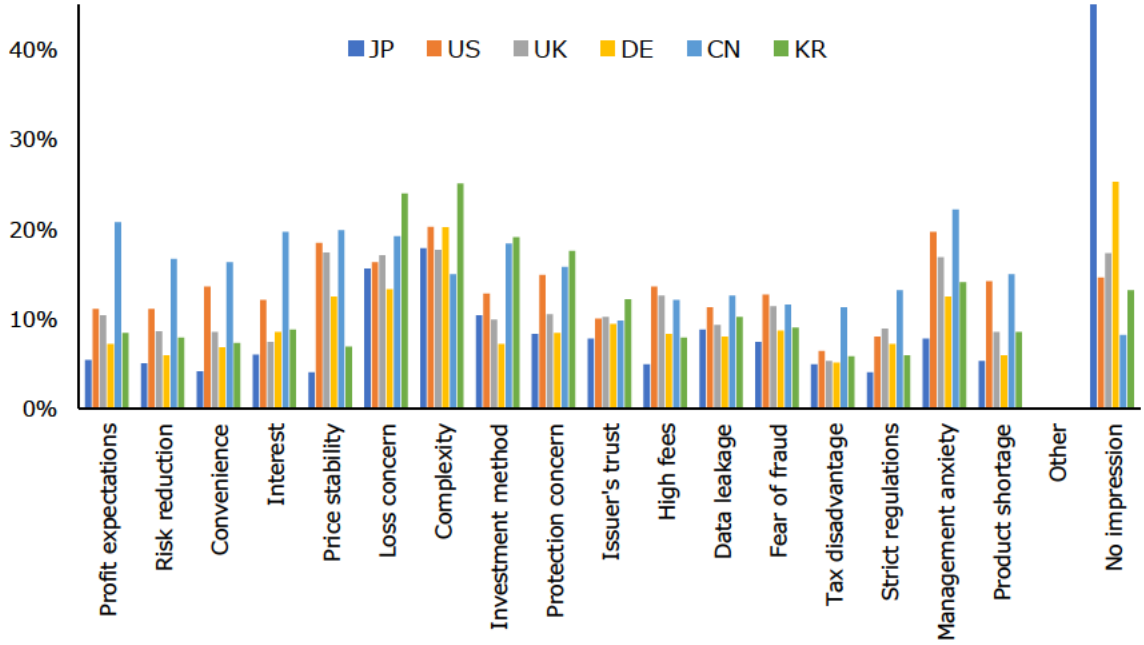
Q35. Perception of SC: Stablecoins

[Question]
- What are your thoughts on stablecoins? (Multiple answers allowed)

→ The most common concern is the complexity of understanding products, followed by loss concern, anxiety over segregated management, excluding 'no impression'. Price stability is also frequently cited, although it is a lower priority in Japan and Korea.

→ Positive options (left five options* in the figure) are more common in China, followed by the U.S., and less frequent in Japan.

* Adds 'price stability' into the options only for SC survey



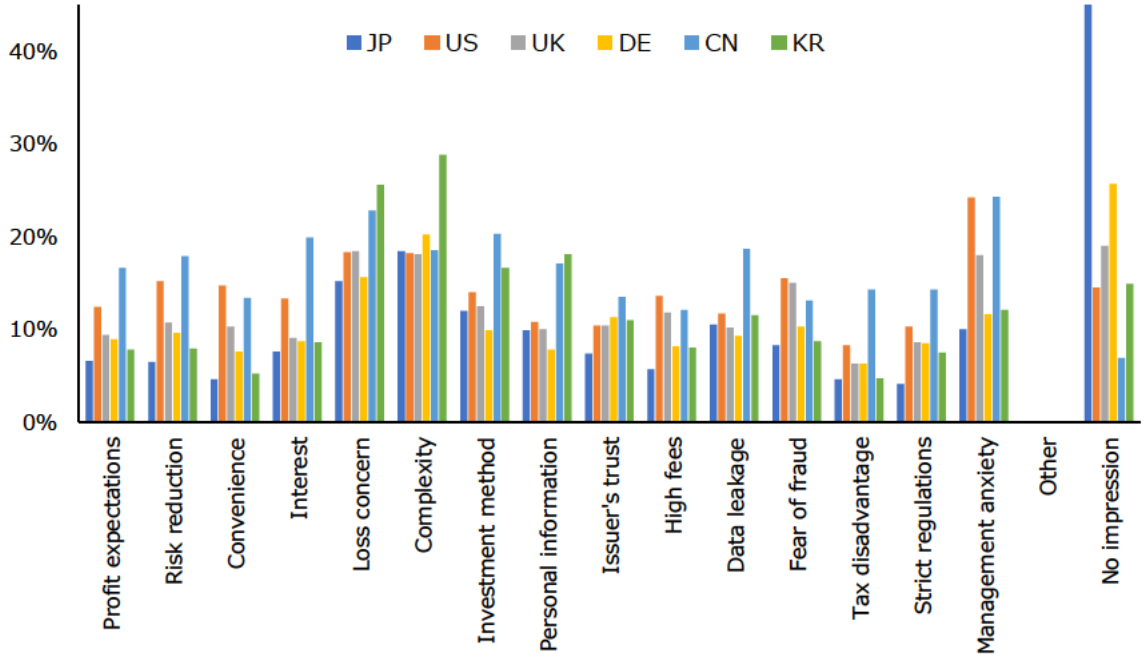
Q36. Perception of ST: Security Tokens

[Question]

- What are your thoughts on security tokens? (Multiple answers allowed)

→ In addition to the complexity of understanding the product, there are also many concerns about losses and asset segregation management, excluding 'no impression'.

→ The positive options (left four options) are more likely to be China and the U.S., and less in Japan.



Q37. Perception of NFT: Non-Fungible Tokens

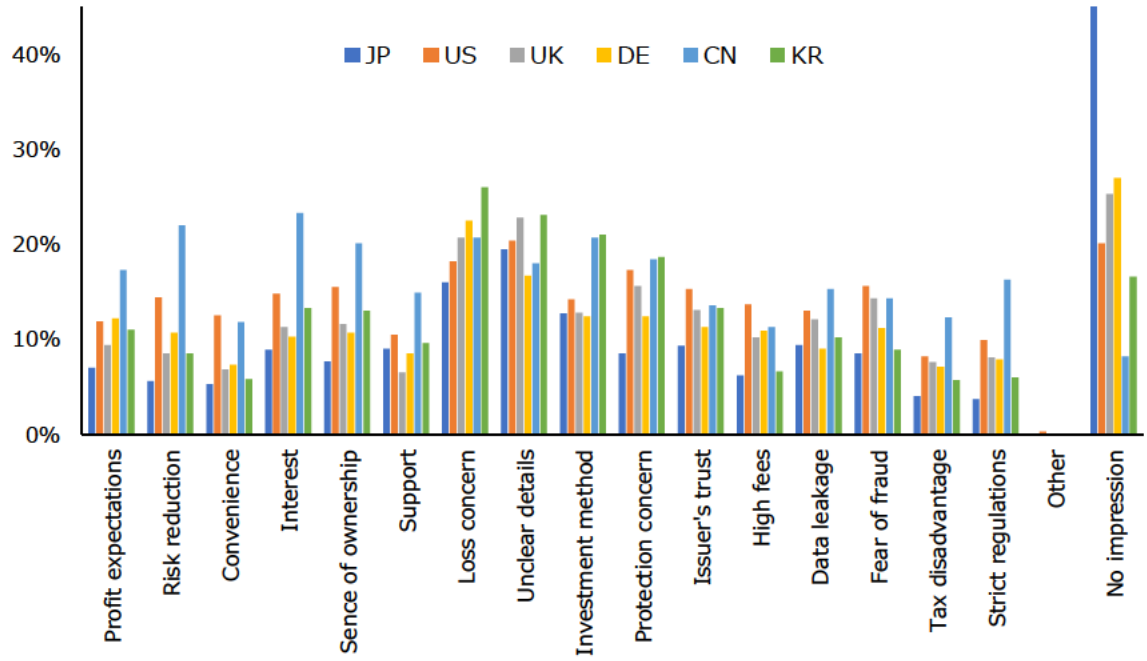
[Question]
- What are your thoughts on NFTs? (Multiple answers allowed)

→ Concerns about potential losses and product complexity are commonly observed across all countries, followed by issues related to the lack of investor protection.

→ The positive options (left six options*) are more prevalent in China and the U.S. but are scarce in Japan.

→ Among the positive options, self-ownership and interest are selected just as much, or slightly more often than profit expectations.

* Added 'a sense of self-ownership' and 'support to the product and its community' into the options only for NFT survey.



4. Financial literacy and risk preference

The fourth section of this survey extends the respondent attribute survey from the Section 1. This new survey aims to examine the relationship between financial literacy, risk aversion/appetite, and time preference in investment behavior, particularly concerning both traditional financial products like stocks and digital assets such as crypto assets. This report will focus exclusively on the aggregated results.

Q38.Financial literacy: simple interest

[Question]

- This question is not about finding a right or wrong answer, so please respond based on your own understanding.
  Suppose you deposited one million yen into a savings account with an annual interest rate of 2%. Assuming no other deposits or withdrawals are made, what do you think the account balance will be after one year? Please do not consider taxes on the interest. Select the option that best reflects your expectation.

→ The percentage of respondents who provided the correct answer was highest in Korea at 78%, followed by the U.K. at 74%. Japan had the lowest rate at 57%, followed by the U.S. at 59%. Respondents in Japan were also more likely than those in other countries to select 'Don't know.'

(%)

	1 million JPY	1.02 million JPY	1.2 million JPY	Don't know
JP	5	57	2	36
US	8	59	14	19
UK	5	74	9	12
DE	6	68	10	16
CN	-	-	-	-
KR	5	78	5	12

Note 1: In China, due to a translation error in question Q38, the question could not be evaluated.

Note 2: For questions outside of Japan, the amounts are adjusted to values close to one million yen, such as 10,000 dollars or an equivalent amount, to facilitate easy calculations. This applies to the following questions as well.

Q39.Financial literacy: compound interest

[Question]

- What do you think your account balance will be after five years? Please do not consider taxes on the interest.

→ The percentage of respondents who selected the correct answer, 'more than 1.1 million yen' is highest in Korea at 48% and lowest in Japan at 33%.

→ The correct answer rate for simple interest is between 5% and 8%, while the correct answer rate for compound interest is as low as 3% to 5%. The response of 1.1 million yen is the second most common answer after the correct answer. The ratio of 'Don't know' responses is slightly higher for the compound interest compared to the simple interest, and the ratio of incorrect answers is also higher for the compound interest.

(%)

	More than 1.1 million JPY	1.1 million JPY	Less than 1.1 million JPY	Don't know
JP	33	19	11	37
US	38	31	11	21
UK	40	34	11	15
DE	39	30	13	18
CN	35	28	25	13
KR	48	29	11	13

Q40.Financial literacy: real interest rate

[Question]

- Which of the following two do you think has the higher real yield?
  The interest rate on deposits is 2% and the future inflation rate is 0%.
  The interest rate on deposits is 5% and the future inflation rate is 4%.

→ The correct choice of 'nominal interest rate of 2% and inflation rate of 0%' is the highest in China at 50%, followed by Korea and Germany at 40%. In contrast, Japan, the U.S. and the U.K. have lower rates, ranging from 24% to 27%.

→ In Japan, the U.S., and the U.K., more respondents select 'Don't know' than the correct answer. In the U.S. and the U.K., the number of incorrect answers for higher nominal interest rates of 5% is nearly equal to the number of correct answers. The two countries show similar trends overall.

→ In Japan, the proportion of respondents selecting 'Don't know' is notably high, as seen with both the simple and compound interest questions.

(%)

	2% for deposit rate, 0% for inflation rate.	5% for deposit rate, 4% for inflation rate.	Equivalent	Don't know
JP	24	9	5	63
US	27	27	11	34
UK	27	27	10	36
DE	40	13	15	32
CN	50	21	16	13
KR	40	18	11	31

Q41.Financial literacy: portfolio diversification effect

[Question]

- Please share your thoughts on the following statement: 'Buying stocks of a single company is usually a safer investment than buying a stock mutual fund.'

→ The highest percentage of respondents who answered 'wrong' was 48% in Germany, followed by 39% in the U.S. and the U.K., and 36% in China and Korea. Japan has the lowest recognition of the benefit of portfolio diversification with only 30%.

→ In all countries, the number of incorrect answers exceeds the number of correct answer when 'Don't know' responses are included. In China, the response 'right' is more common than the correct answer.

(%)

	Right	Wrong	Don't know
JP	6	30	65
US	27	39	34
UK	19	39	42
DE	19	48	33
CN	48	36	17
KR	25	36	39

Q42.Risk preference: Type A question for Japan

[Question]

- Suppose there is an investment product that has a 50% chance of making a profit of 120,000 yen and a 50% chance of making a profit of 80,000 yen. How much would you be willing to pay for this investment product? Please indicate the maximum amount you are willing to pay. (See following table for options)

→ Despite the option to invest 80,000 yen (an amount that ensures no loss even if the investment performs poorly), 66% of respondents choose 'not to buy.' This indicates that many respondents do not attempt to take advantage of the 50% of chance to win 120,000 yen.

→ 10% of respondents demonstrate a risk appetite by choosing to exceed the expected value. In addition, 10% of respondents choose the expected value of 100,000 yen, indicating a risk-neutral preference.

→ 9% of respondents choose a minimum guarantee amount of 80,000 yen which ensures no loss. This indicates that when a guarantee of no loss is provided, there are as many people willing to seize the opportunity for a favorable outcome of 120,000 yen as there are those with a risk appetite or a risk-neutral preference.

→ However, only 0.3% of respondents choose 82,000 yen. When there is a 50% risk of loss, even if the amount of loss is small (2,000 yen compared to the guaranteed amount of 80,000 yen), people tend to avoid pursuing the potential for an upside return.

→ Only less than 6% of respondents choose between 80,000 yen and 100,000 yen*.

* Those choices are consistent with risk-averse preferences assumed by Economics in the expected utility hypothesis.

→ Many of the characteristics mentioned above are observed in other countries as well and not unique to Japan. For details, please refer to the comparison of countries on the following page.

(continued)

	(%)		
Buy even if it is more expensive than ¥100,000	9.8		
¥100,000 [Expected value]	10.1		
¥ 98,000	0.9		
¥ 96,000	0.6	2.1	
¥ 94,000	0.3		
¥ 92,000	0.3		
¥ 90,000	2.3		5.5
¥ 88,000	0.2		
¥ 86,000	0.4	1.1	
¥ 84,000	0.2		
¥ 82,000	0.3		
¥ 80,000 [Minimum Guaranteed]	8.8		
Not to buy	65.7		

Note: In the survey for other countries, the values are set at easy-to-understand amounts, such as $1,200 and $800, which are close to the equivalent amounts in JPY. The same applies to the next question. Concepts such as the expected value and the minimum guaranteed value are not indicated in the options, but are shown in the result table for clarity.

Q42. Risk preference: Type A question for country comparison

→ Choosing not to buy is quite common outside of Japan. The U.K., Germany, and the U.S. are around 40%, while in Korea, it is 26%, and China has the lowest rate at 11%.

→ The option to completely avoid loss (the option of 80,000 yen) is also selected by 7% to 17% of respondents, depending on the country.

→ Between 9% and 18% of respondents demonstrate a risk appetite, willing to buy even when the price exceeds the expected value, except in China, where the rate is significantly higher at 30%.

→ Between 10% and 20% of respondents choose the expected value.

→ Japan has the lowest percentage of people selecting the 80,000~100,000 yen range, 6% of respondents, while other countries fall within 17% to 34%. Examining the distribution, except for the relatively strong preference for 90,000 yen, there is a gradual downward trend as the price approaches 80,000 yen in most countries. However, China is an exception, showing a bell-shaped distribution with a peak at the 90,000 yen.

→ Risk preferences in the U.S., the U.K. and Germany are generally similar.

(%)

	Buy more than 100,000 JPY	100,000 JPY [Expected value]	Between 80,000 and 100,000 JPY	80,000 JPY [minimum guaranteed]	Not to buy
JP	10	10	6	9	66
US	11	14	20	14	42
UK	9	13	17	14	47
DE	14	13	19	11	44
CN	30	19	34	7	11
KR	18	20	20	17	26

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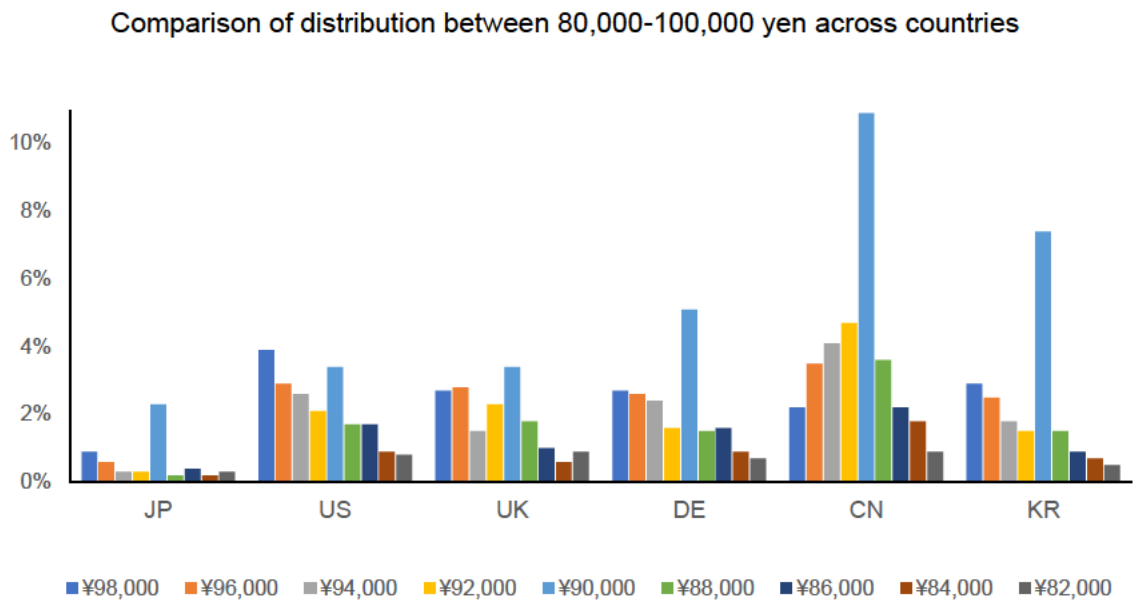

Comparison of distribution between 80,000-100,000 yen across countries
10%
8%
6%
4%
2%
0%
JP
US
UK
DE
CN
KR
¥98,000
¥96,000
¥94,000
¥92,000
¥90,000
¥88,000
¥86,000
¥84,000
¥82,000

Q43.Risk preference: Type B question for Japan

[Question]

- Suppose there is an investment product with a 10% chance of making a profit of one million yen and a 90% chance of making a profit of 100,000 yen. Please indicate the maximum amount you are willing to pay for this investment product. (See the following table for options.)

→ The previous question assumes two returns with equal probabilities and relatively close outcomes. This question, however, assumes two asymmetrical returns: one with low probability but high return, and another with high probability but low return.

→ Despite the different return characteristics from the previous question, the percentage of respondents choosing not to buy remains consistently high at 64%.

→ However, the choice to completely avoid loss by selecting 100,000 yen increases from 9% in the previous question (80,000 yen) to 15%. This suggests that the incentive to seize opportunities for high returns without risk has a somewhat stronger influence.

→ 15% of respondents demonstrate a risk appetite, willing to buy even when the price exceeds the expected value of 190,000 yen, up from 10% in the previous question. Moreover, the largest segment consists of those with a strong risk appetite, willing to purchase even when the price exceeds 250,000 yen. This indicates that some are prepared to purchase at even higher price levels.

→ Only 5% of respondents show a consistent preference in line with the expected utility hypothesis, choosing the prices in the range from 110,000 yen to 180,000 yen. This is nearly the same low level as in the previous question, where it is 5.5%.

→ Only 0.4% of respondents choose 110,000 yen. Even in cases where a very high return is possible despite the low probability, there is a strong tendency to avoid potential losses, similar to the previous question.

(continued)

	(%)	
Buy even if it is more expensive than ¥250,000	9.7	
¥250,000	2.0	15.1
¥200,000	3.4	
¥190,000 [Expected]	0.7	
¥180,000	0.7	
¥170,000	0.3	
¥160,000	0.4	
¥150,000	2.3	
¥140,000	0.2	5.1
¥130,000	0.3	
¥120,000	0.5	
¥110,000	0.4	
¥100,000 [Minimum guaranteed]	14.8	
Not to buy	64.2	

Q43.Risk preference: Type B question for county comparison

→ The level of respondents choosing not to buy is very similar to the previous question across all countries except Japan. Regardless of the nature of the return, it is possible that the same respondents consistently choose not to buy.

→ The choice to completely avoid loss (100,000 yen) increases somewhat in all countries compared to the previous question.

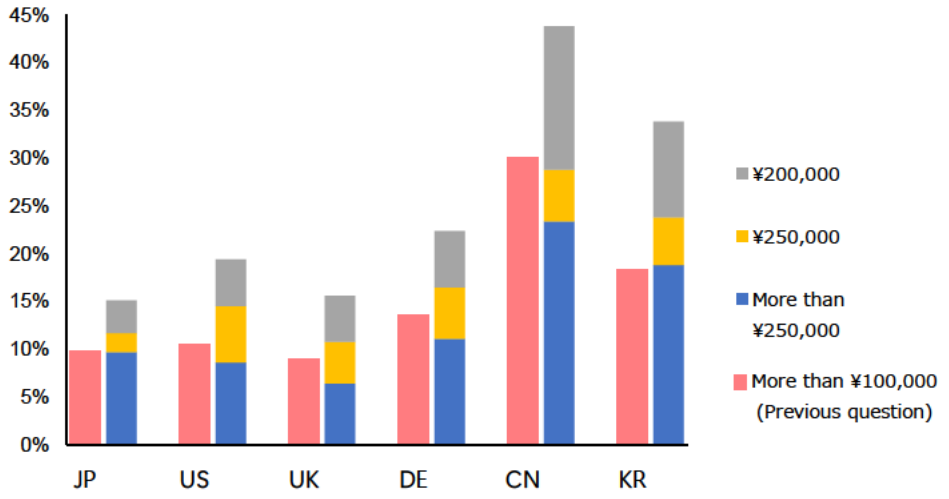
→ A tendency for increased risk appetite compared to the previous question is observed in each country.

→ Japan has a high percentage of respondents who are willing to buy even if the price exceeds 250,000 yen. When comparing the combined percentages of those choosing 200,000 yen, 250,000 yen and over 250,000 yen, Japan saw a doubling from 5% to 10%, while other countries generally remained at the same level.

(%)

	Buy more than 250,000 JPY	Between 200,000 and 250,000 JPY	Between 100,000 and 190,000 JPY	100,000 JPY [minimum guaranteed]	Not to buy
JP	10	5	6	15	64
US	9	11	20	18	42
UK	6	9	19	18	48
DE	11	11	20	13	45
CN	23	20	36	8	11
KR	19	15	22	22	23

Increase in risk appetite (compared to the previous question)



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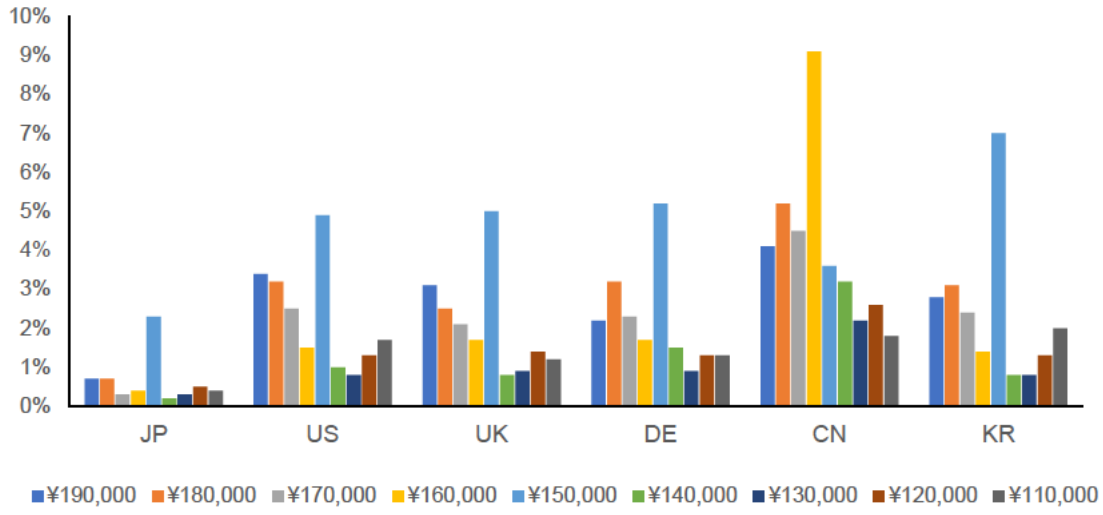
The distribution within the range suggested by the expected utility hypothesis

→ A spike at the favorable value of 150,000 yen is common across all countries, except for China.

→ Excluding this spike, the closer the price is to the expected value of 190,000 yen, the more likely it is to be selected, while lower amounts are less likely to be chosen. This pattern is consistent with the previous question. However, for prices below 150,000 yen, there is a tendency for selections to remain flat or slightly increase, which differs from the previous question.

Comparison of the distribution between 110,000 yen and190,000 yen



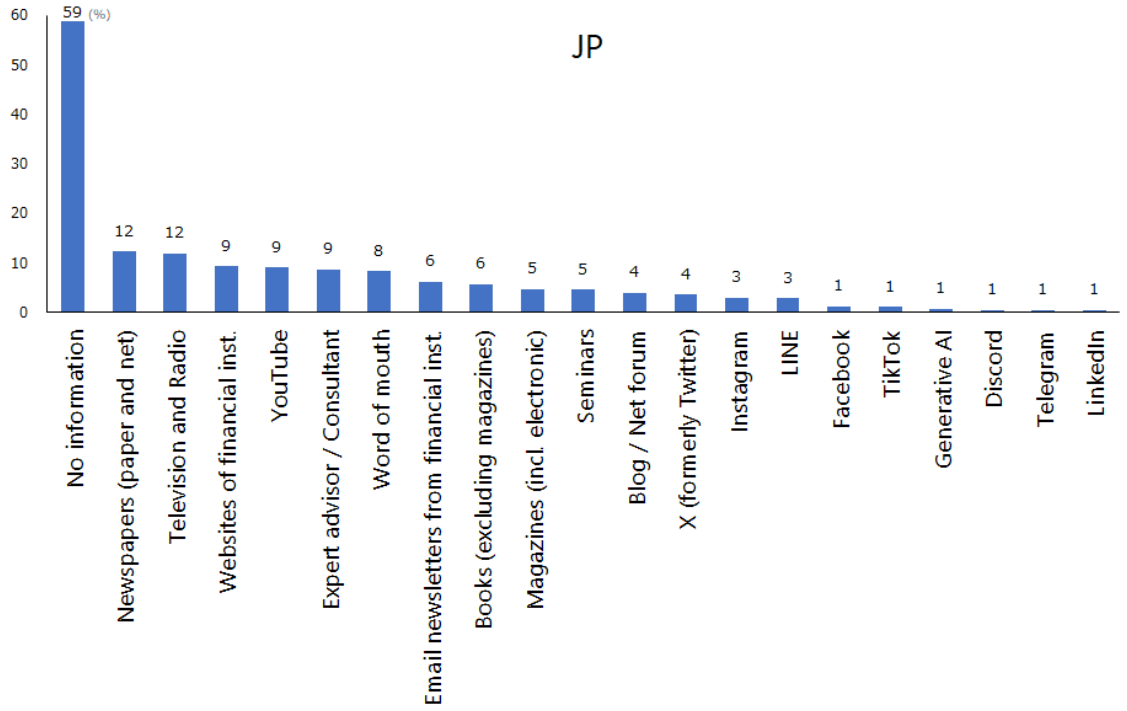
Q44. Sources of information on market economic trends in investment and asset management

[Question]

- Where do you obtain information about financial markets and economic trends that you use when considering investments and asset management? Please select your primary sources of information. Any of the options can be domestic or overseas. (Multiple answers allowed)

→ 'Do not get information from anywhere' is the most common response outside of China and Korea. Japan has an exceptionally high selection rate of 59%, while other options remain at low level.

→ Across all countries, in addition to expert information such as financial institution websites, general media like newspapers and TV, online platforms like YouTube, social media, blogs, and word of mouth from family and friends are widely referenced.



Note: All respondents are asked about their investment and asset management in general.

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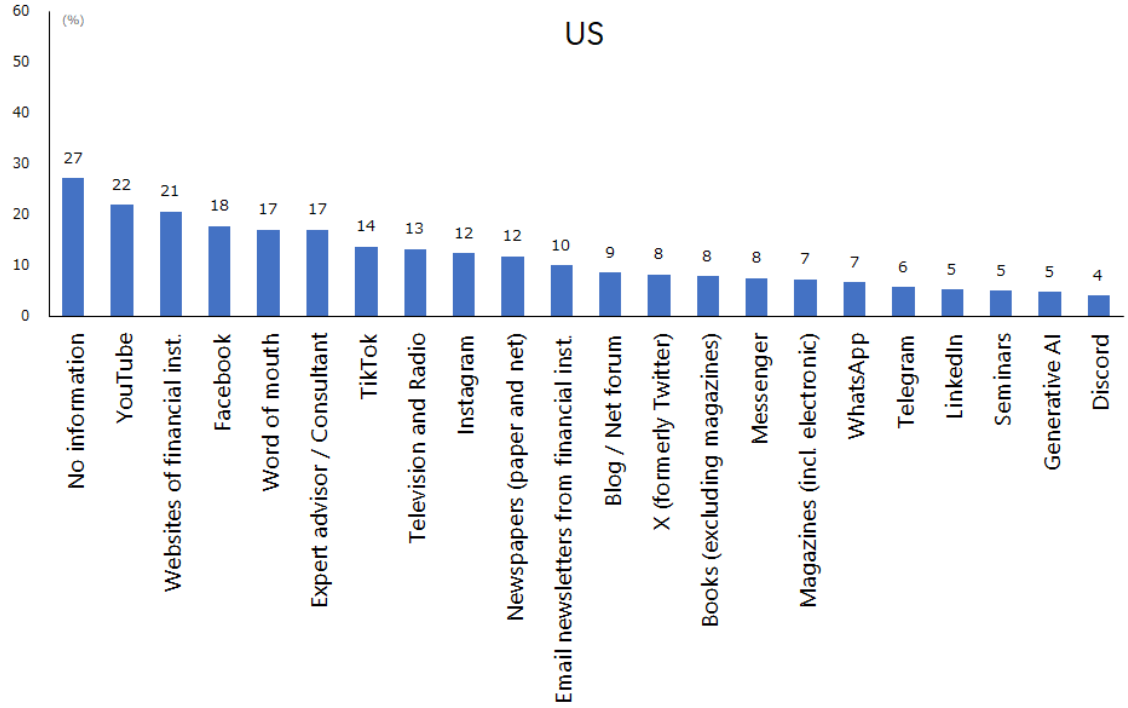
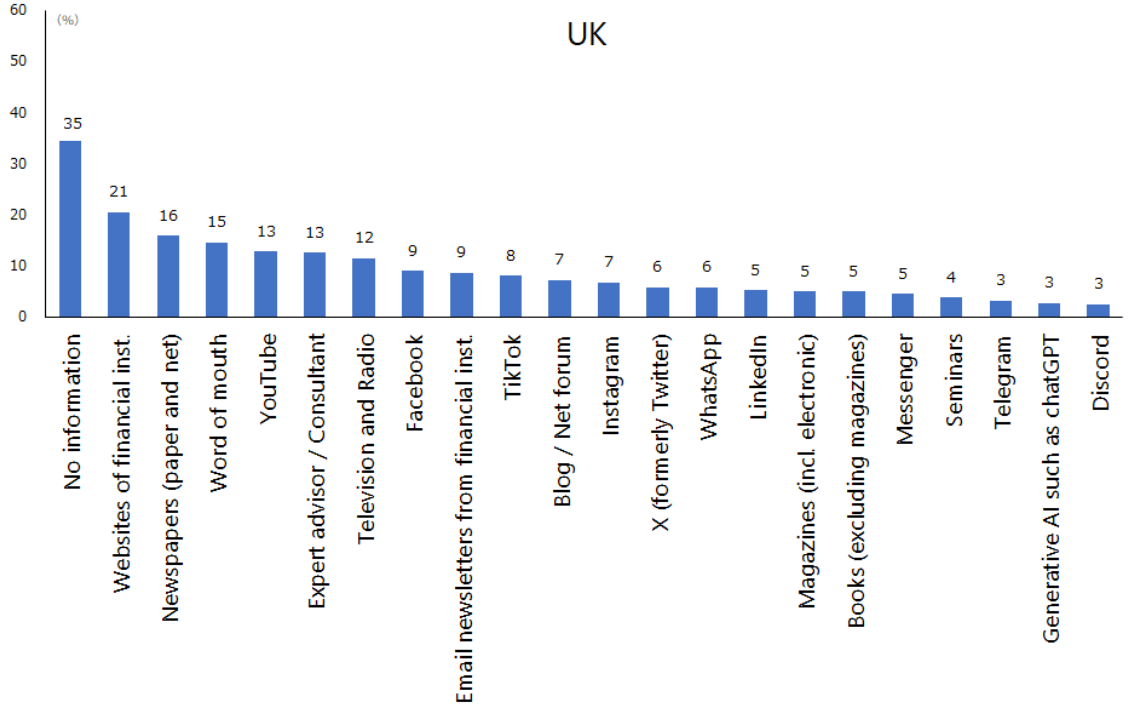

US
(%)
60
50
40
30
20
10
0
27
22
21
18
17
17
14
13
12
12
10
9
8
8
8
7
7
6
5
5
5
4
No information
YouTube
Websites of financial inst.
Facebook
Word of mouth
Expert advisor / Consultant
TikTok
Television and Radio
Instagram
Newspapers (paper and net)
Email newsletters from financial inst.
Blog / Net forum
X (formerly Twitter)
Books (excluding magazines)
Messenger
Magazines (incl. electronic)
WhatsApp
Telegram
LinkedIn
Seminars
Generative AI
Discord


UK
(%)
60
50
40
30
20
10
0
35
21
16
15
13
13
12
9
9
8
7
7
6
6
5
5
5
5
4
3
3
3
No information
Websites of financial inst.
Newspapers (paper and net)
Word of mouth
YouTube
Expert advisor / Consultant
Television and Radio
Facebook
Email newsletters from financial inst.
TikTok
Blog / Net forum
Instagram
X (formerly Twitter)
WhatsApp
LinkedIn
Magazines (incl. electronic)
Books (excluding magazines)
Messenger
Seminars
Telegram
Generative AI such as chatGPT
Discord

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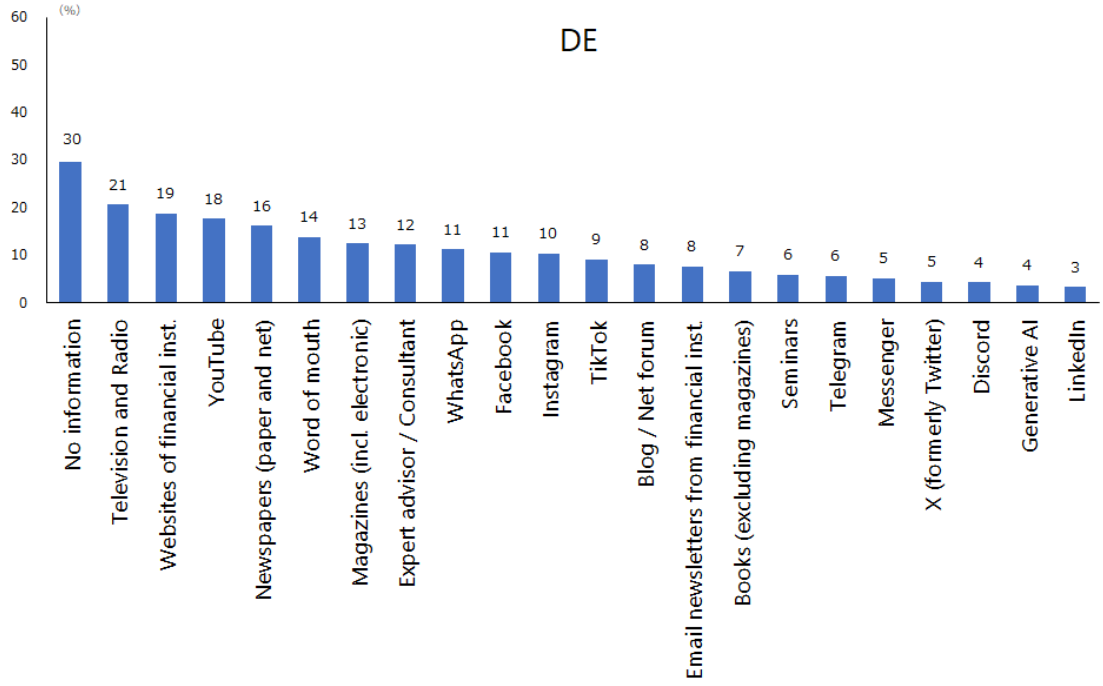

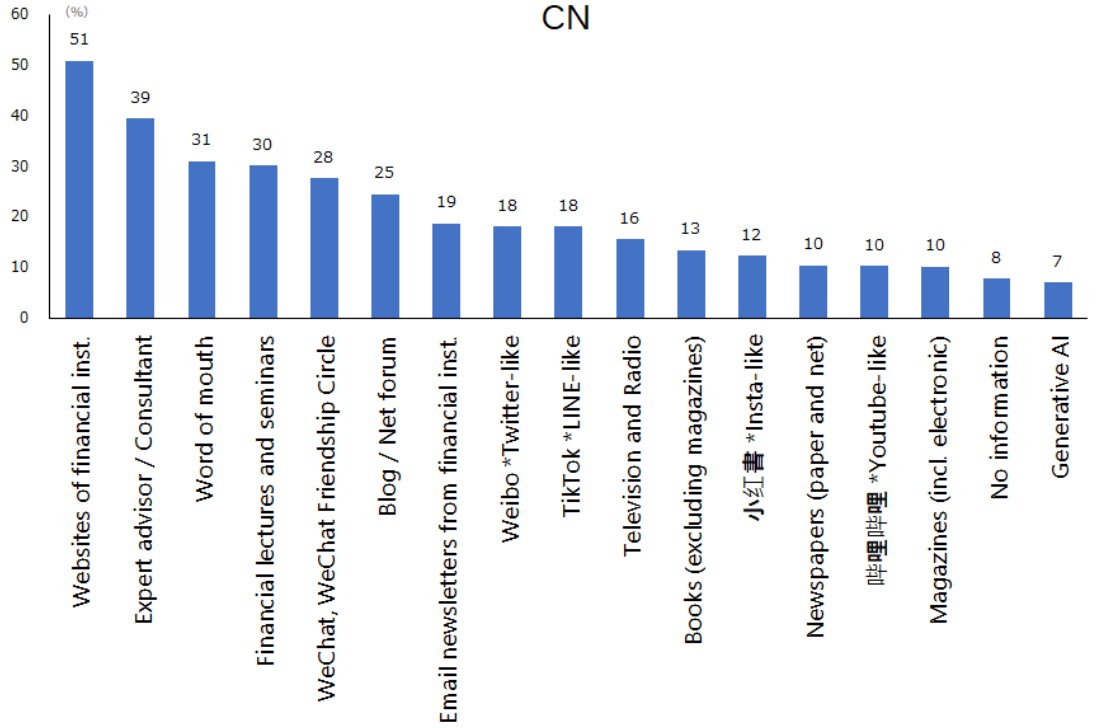

→ China tends to rank higher in the use of specialized information compared to other countries. However, word of mouth and certain social media platforms are also among the most popular. On the other hand, general media ranks at the bottom. The level of utilization across all options is generally higher in China than in other countries, indicating a high degree of information use.

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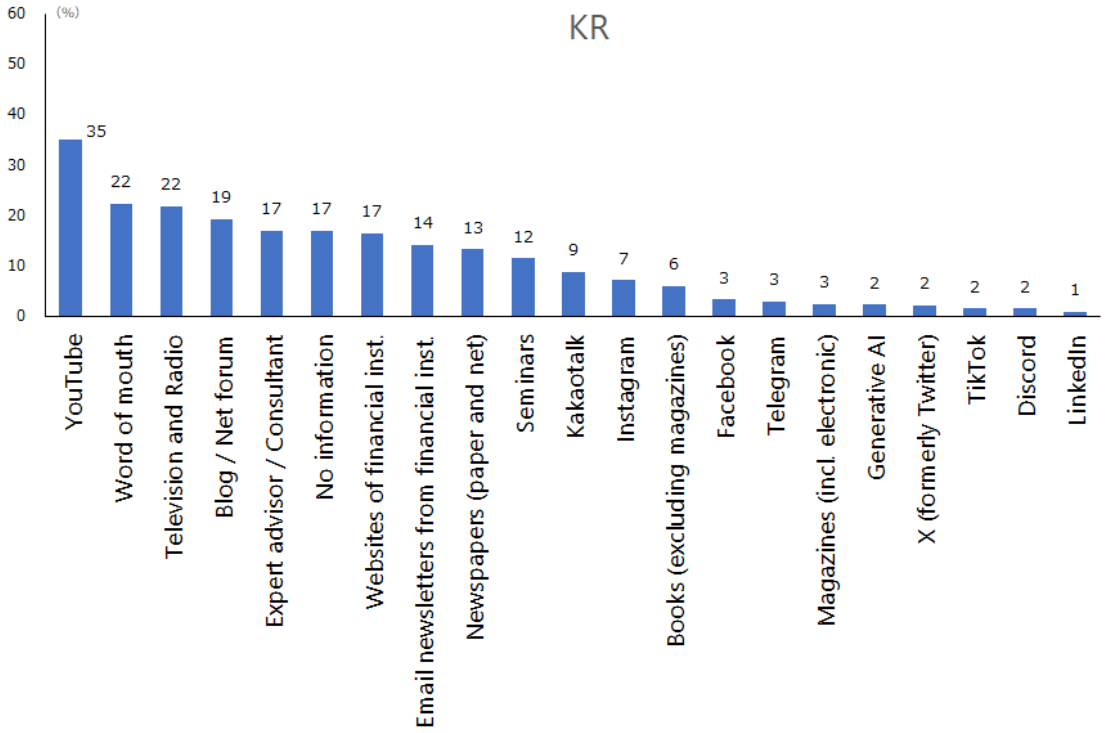
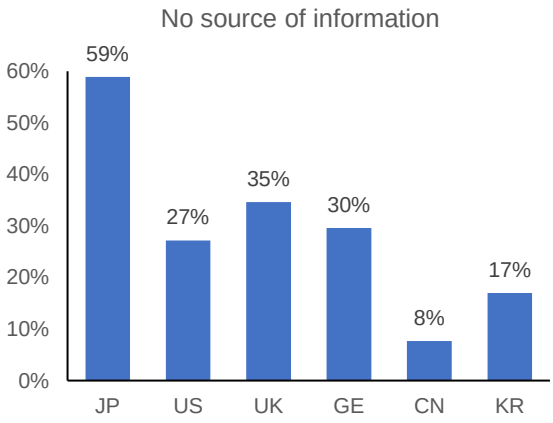
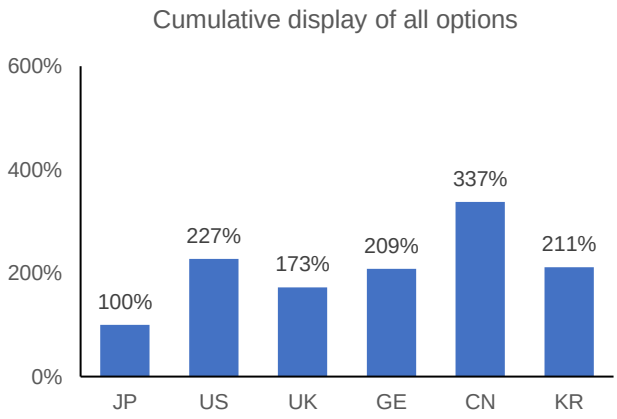


Top 5 choices

	1	2	3	4	5
JP	Newspaper	Television and Radio	Specialized website	YouTube	Expert advise
US	YouTube	Specialized website	Facebook	Reviews	Expert advise
UK	Specialized website	Newspaper	Reviews	YouTube	Expert advise
DE	Television and Radio	Specialized website	YouTube	Newspaper	Reviews
CN	Specialized website	Expert advise	Word of mouth	Seminar	Blog
KR	YouTube	Word of mouth	Television and Radio	Blog	Expert advise





Q45. Time preference rate

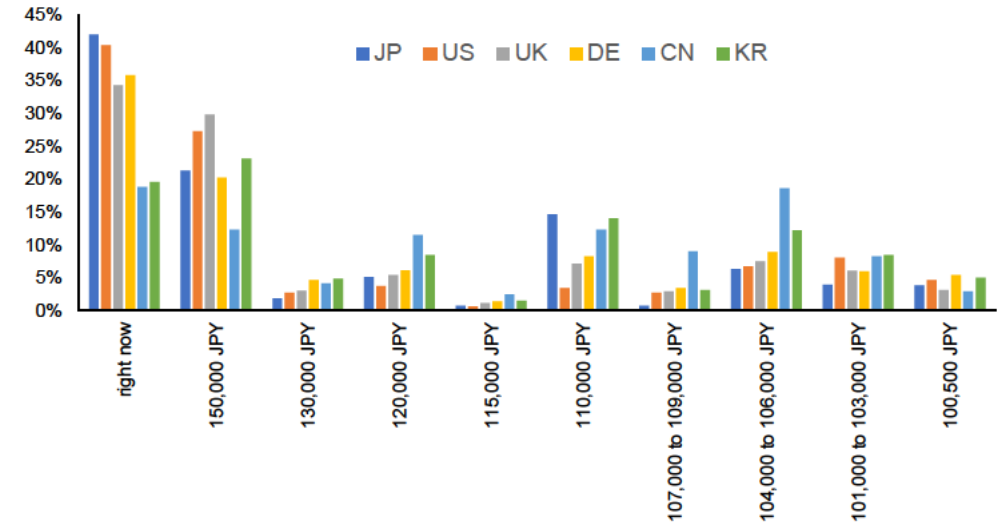
[Question]

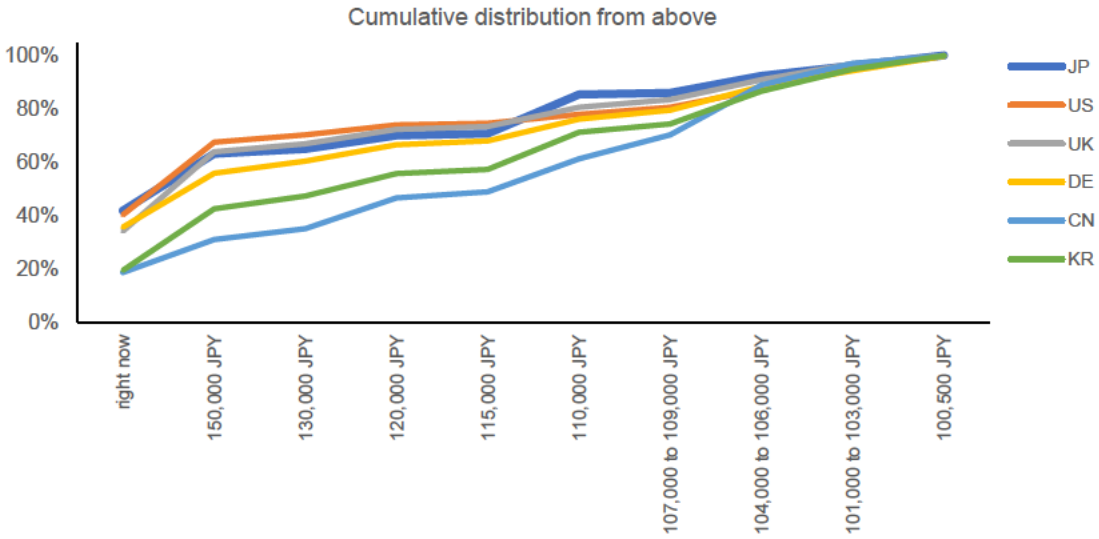
- Suppose you have the opportunity to receive 100,000 yen right now, or you can be certain of receiving more than 100,000 yen in one year later. If you were to choose 'receive it after one year,' how much more would you need to receive to make that choice?

→ In each country, 'right now' or '150,000 yen' is high, indicating a strong time preference.

→ China and Korea are clearly lower in this regard than other countries.

→ In addition to the favorable 110,000 yen, equivalent to a 10% annual discount rate, amounts between 101,000 yen and 106,000 yen, equivalent to a 1% - 6% annual discount rate, is also relatively frequently selected.





Q46. Preferences for enforcement involvement in stochastic events

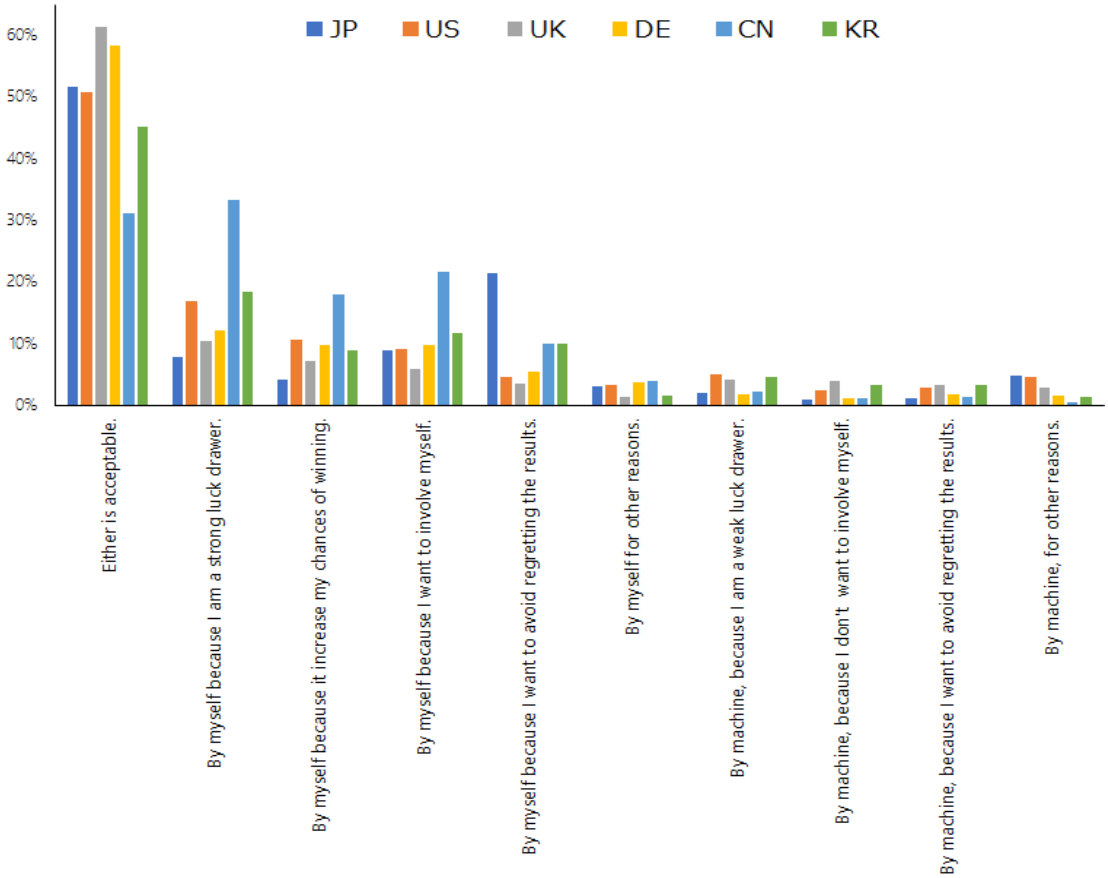
[Question]

- If you could select between ‘drawing a lot by yourself’ or ‘by a machine’, which do you think would be better? Please note that the chances of winning are the same for both. (Multiple answers allowed)

→ ‘Either is acceptable’ is chosen by 50% to 60% of respondents in Japan, the U.S., the U.K. and Germany. In China, there is a relatively higher preference for involvement in stochastic events, such as ‘drawing by yourself,’ and ‘either is acceptable’ is around 30%, which is lower than in other countries.

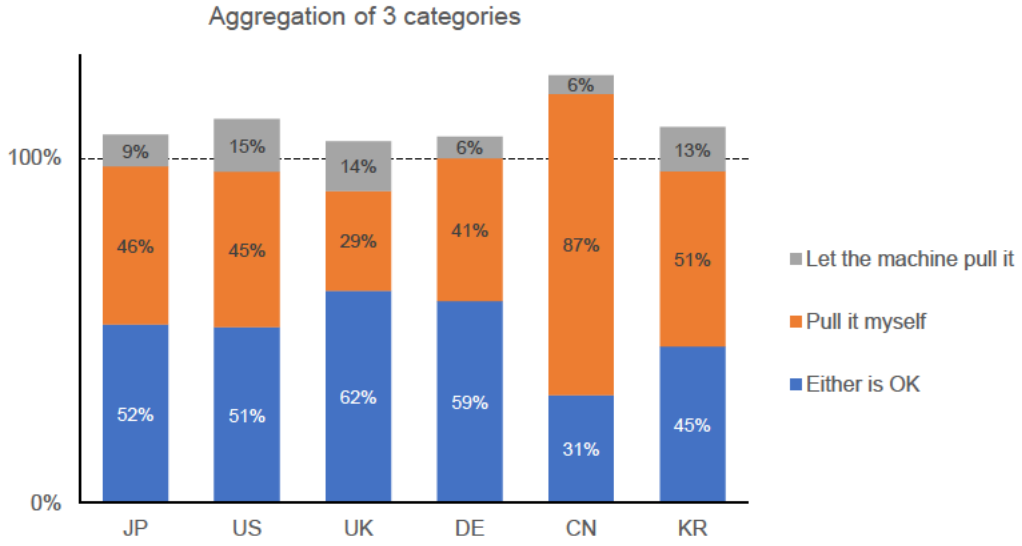
→ In all countries, there is a strong preference for drawing by oneself rather than by a machine.

→ When it comes to the reasons for preferring to draw on one’s own, Japan stands out with a significantly higher percentage of respondents choosing ‘prefer to avoid regretting the results’, compared to other countries and other options. Japan also shows a lower expectation of improving the results through involvement (second and third options from the left in the figure). In contrast, respondents in China more frequently select reasons that assume involvement would improve the outcome.



(continued)

→ The U.K. has a lower preference for drawing on one's own compared to other countries. In contrast, China shows a remarkably strong preference for personal involvement in such decisions.



Note: Since multiple selections are allowed, the total percentage for the options exceeds 100%. The highest total is 124% in China, while in other countries, it ranges from 105% to 110%.

(Survey closed)