

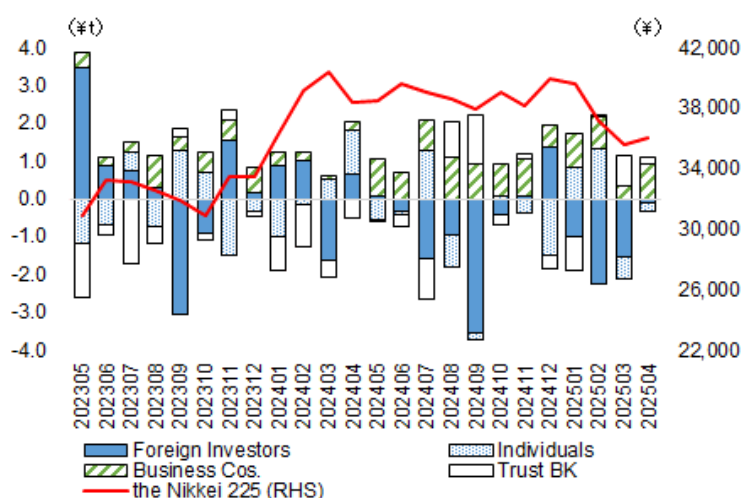
Researcher's Eyes

Investors Trading Trends in Japanese Stock Market: An Analysis for April 2025

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In April 2025, the Nikkei 225 plunged at the beginning of the month following the announcement of reciprocal tariffs by U.S. President Trump. On April 7, it dropped to 31,137, marking a decline of 2,644 yen, the third-largest single-day drop in history. However, the index rebounded sharply thereafter, buoyed by news of a 90-day postponement of the tariff implementation and easing tensions between the U.S. and China. In mid-April, concerns over semiconductor regulations weighed on the market, but strong earnings from TSMC provided support, and the Nikkei traded in the 33,000 to 34,000 range. Toward the end of the month, the rally in U.S. equities and a pause in yen appreciation helped lift the Nikkei for five consecutive trading days from April 23 to 30. On April 30, the index recovered to the 36,000 range, closing at 36,045, surpassing its level at the end of March. By investor type, business corporations and trust banks were net buyers, while individuals and foreign investors were net sellers (as shown in Figure 1).

Figure 1 Trading Trends by Major Types of Investors

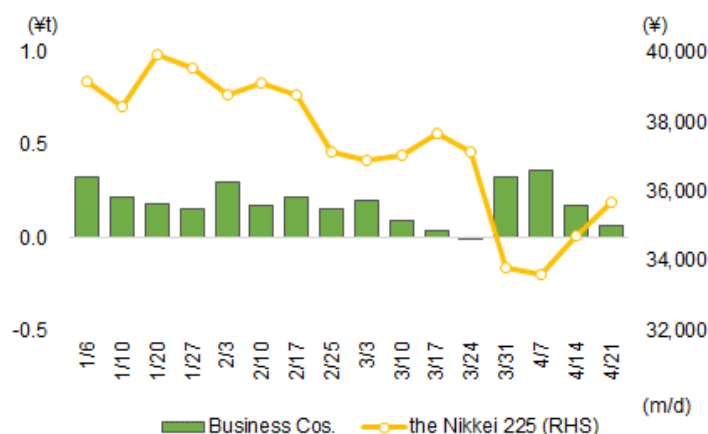


Note: Total of cash equities for two markets and futures including the total of Nikkei 225 futures, Nikkei 225 mini, TOPIX futures, mini TOPIX futures, and JPX Nikkei 400 futures.

Source: NLI Research Institute, based on TSE

The trading by type of investors in April 2025 (March 31 to April 25) shows that business corporations were the largest net buyers, with a total net purchase of 933.4 billion yen in cash equities and futures (as shown in Figure 2). On a weekly basis, they consistently recorded net buying across all weeks during the period.

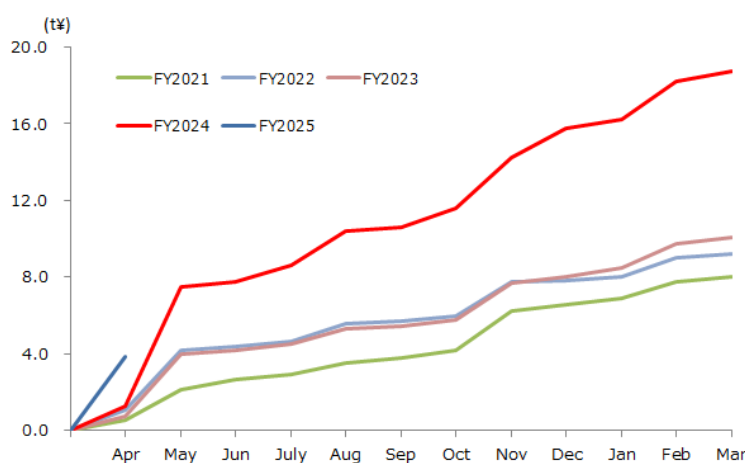
Figure 2 Business cos. as net buyers for 47 consecutive months



Note: Total of cash equities and futures for business corporations, weekly
Source: NLI Research Institute

In FY2024 (April 2024 to March 2025), the total amount of share buyback announced by TOPIX constituent companies reached a record high of 18.7 trillion yen. This trend has continued into FY2025, with buyback announcements totaling 3.8 trillion yen in April alone, approximately three times the amount recorded in the same month of the previous year. In addition to enhanced shareholder returns and efforts to reduce cross-shareholdings, the sharp stock market decline in April likely contributed to the surge in buybacks. This sustained share buyback activity by business corporations is expected to continue serving as a supporting factor for Japanese equities (as shown in Figure 3).

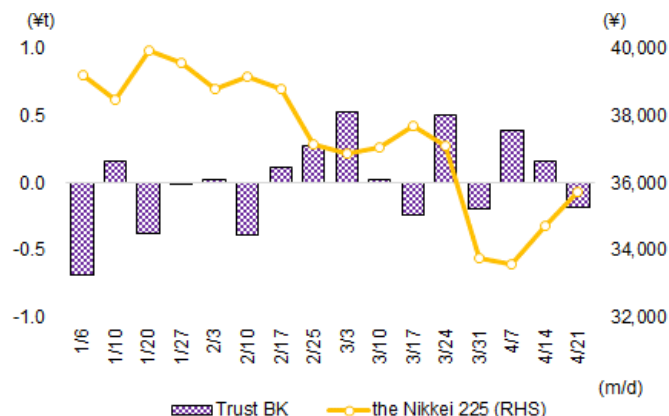
Figure 3 Buyback Announcements in April: 3x Year-on-Year



Source: QUICK

In April 2025, trust banks were also net buyers, with a total net purchase of 170.5 billion yen in cash equities and futures (as shown in Figure 4).

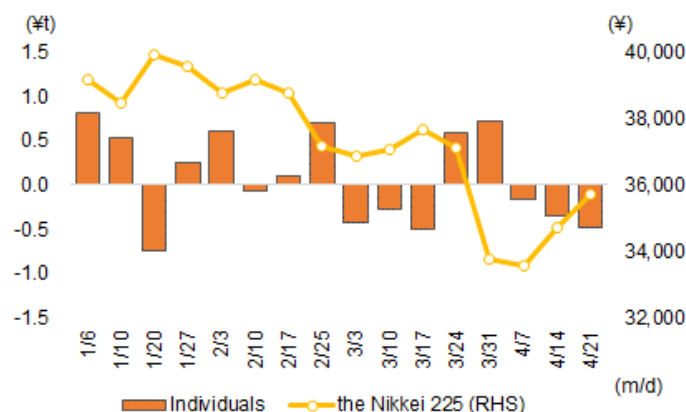
Figure 4 Trust banks were net buyers



Note: Total of cash equities and futures for trust banks, weekly
Source: NLI Research Institute

On the other hand, individuals were the largest net sellers in April 2025, with a total net sale of 244.7 billion yen in cash equities and futures (as shown in Figure 5). On a weekly basis, they recorded a net purchase of 727.8 billion yen in the first week (March 31 to April 4), but turned to net selling for three consecutive weeks from the second to the fourth week (April 7 to 25). In the first week, the announcement of reciprocal tariffs by the U.S. triggered stronger risk-off sentiment, causing the Nikkei to fall by around 3,300 yen over the week. As stock prices rebounded toward the end of the month, individuals showed a contrarian investment approach, buying during the decline and selling during the recovery.

Figure 5 Individuals follow a Contrarian Investment Approach

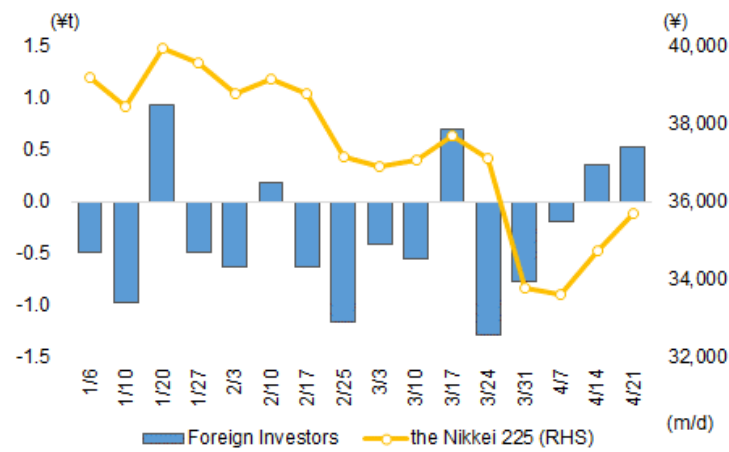


Note: Total of cash equities and futures for individuals, weekly
Source: NLI Research Institute

In April 2025, foreign investors were also modest net sellers, with a total net sale of 98.8 billion yen in cash equities and futures (as shown in Figure 6). On a weekly basis, they recorded net sales of 773.9 billion yen and 194.0 billion yen in the first and second weeks (March 31 to April 11).

However, as concerns over U.S.-China trade tensions began to ease, foreign investors turned to net buying in the third and fourth weeks (April 14 to 25), with net purchases of 345.1 billion yen and 524.2 billion yen, respectively.

Figure 6 Foreign investors were modest net sellers



Note: Total of cash equities and futures for foreign investors, weekly
Source: NLI Research Institute

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