

Nomura Individual Investor Survey

September 2007

5 September 2007

Investment Strategy Department
Financial & Economic Research Center
Nomura Securities Co., Ltd.

1. Introduction

With the aim of better understanding investing activity by individuals and providing information on those trends, the Financial & Economic Research Center of Nomura Securities conducts a monthly survey—the Nomura Individual Investor Survey. The results of the survey have been published monthly since April 2006.

2. Overview of Nomura Individual Investor Survey

Survey method: Questionnaire conducted electronically using the internet monitor questionnaire service administered by Nomura Investor Relations Co., Ltd.

Survey target: Survey sent to e-mail addresses of record for the approximately 11,800 individual investors participating in Nomura Investor Relations' internet monitor questionnaire service.

Number of responses: 1,000 (survey closed when 1,000 responses received)

Survey period: Survey distributed on 22 August with deadline for responses on 23 August

Survey content: Questions included in every survey plus feature questions focusing on various topics that change from month to month. Questions included each month are (1) share price outlook (Nikkei Average), (2) stock trading activity (present and future), (3) factors expected to impact the stock market (domestic economy, corporate earnings, foreign political and economic trends, etc), (4) attractive sectors, and (5) attractive stocks.

3. Nomura Individual Investor Survey (September 2007) respondents

Gender: Male (67.7%), Female (32.3%)

Age: Less than 30 (5.0%), 30–39 (27.9%), 40–49 (33.6%), 50–59 (20.9%), 60 and above (12.6%)

Financial assets held: Less than ¥2,000,000 (20.2%), ¥2,000,000–¥4,999,999 (18.2%), ¥5,000,000–¥9,999,999 (21.5%), ¥10,000,000–¥29,999,999 (23.9%), ¥30,000,000 or more (16.2%)

Number of different stocks held: One–two stocks (23.3%), Three–five stocks (37.6%), Six–10 stocks (21.8%), 11–20 stocks (9.3%), 21 or more stocks (5.9%), None (2.1%)

Average duration stocks are held: Less than one month (6.8%), One month to less than three months (6.8%), Three months to less than six months (12.7%), Six months to less than one year (19.5%), One year to less than two years (17.3%), Two years to less than five years (21.7%), Five years or more (15.2%)

Frequency of trading activity: Once or more per day (6.2%), Once or more per week (19.0%), About once a month (19.5%), About once every two to three months (20.0%), About once every six months (11.4%), About once a year (7.8%), Once every few years or so (6.9%), Not active at present (9.2%)

Investment experience: Less than one year (2.9%), One year to less than three years (21.1%), Three years to less than five years (18.7%), Five years to less than 10 years (24.5%), 10 years to less than 20 years (18.6%), 20 years or more (14.2%)

Area of investment focus: Stock price movements and technical factors (13.0%), Strong earnings growth (14.9%), Stable earnings growth (48.9%), Dividends and shareholder returns (23.2%)

4. Survey overview

(1) The Nomura I-View Index up for first time in three months

The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook on share prices, was 65.6 for September, rising for the first time in three months. We think the upturn in the index reflects the views of a large number of respondents who think the recent share price declines will be a temporary phenomenon and that share prices will recover close to the level seen prior to the recent declines.

(2) More investors adopting a wait-and-see stance

Respondents were asked about the number of different stocks traded, the investment amount, the frequency of trading activity, and the number of stocks held over the past three months. The proportion of "increased" responses fell in all categories this month. At the same time, the proportion of "decreased" responses rose in the number of stocks traded and investment amount categories, and the proportion of "no change" responses rose in all categories except investment amount. We think the responses suggest that rather than scaling back trading activity in response to the recent stock market declines, individual investors have been increasingly adopting a wait-and-see stance. In our view, the responses regarding planned trading activity over the coming three months suggest that moves among individual investors to reduce equity investment are not likely to spread, although we think the wait-and-see stance could continue.

(3) Increasing concerns about market & psychological factors and overseas factors

Respondents were asked to rate the impact of a set of factors on the stock market in the next three months as positive, negative or neutral. This month there was an increase in negative responses regarding market factors & psychological factors, overseas securities markets, and overseas political & economic situation, reflecting the overseas origin of the recent market turmoil and sharp declines in share prices.

(4) Materials the most appealing sector for seventh straight month

The sectors with the most appeal were materials, pharmaceuticals & healthcare, and machinery, shipbuilding & heavy machinery, while the bottom three were financials, construction & real estate, and autos & auto parts. Materials thus topped the list for a seventh straight month.

(5) Financial products attracting the most interest

For this month's spot question, we asked investors which financial products they were interested in, and why. The most common response was domestic stocks, and the most common reason given was that the product was familiar. We think this shows that domestic stocks have become more familiar to individual investors with experience in trading equities. Forex margin trading moved up the ranking, and it appears that investors looking for high returns increasingly tend to look to foreign financial products, such as foreign currency deposits, foreign stocks, and foreign bonds, rather than domestic products.

(6) Nomura I-NIC Index down to -25.0

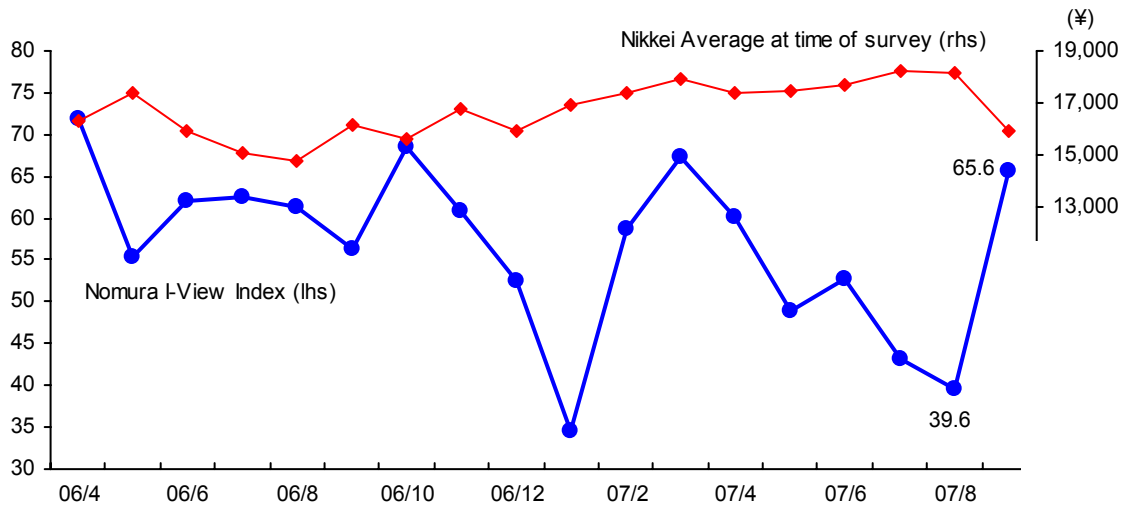
The Nomura Individual Investor Investment Climate Index (Nomura I-NIC Index), which factors in statistics directly and indirectly related to the investment environment for individual investors and indicators that individual investors are thought to follow, was -25.0 (August preliminary data), down from the final July figure of -10.4.

5. Survey results

(1) The Nomura I-View Index up for first time in three months, to 65.6

The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook on share prices (see section (2) below), was 65.6 for September, up by 26pt from 39.6 in August. This is the first time in three months the index has risen (Exhibit 1).

1. The Nomura I-View Index and reference level of Nikkei Average at time of survey



Note: The Nomura I-View Index is based on data collected by this survey and calculated using a diffusion index. The calculation method is as follows:

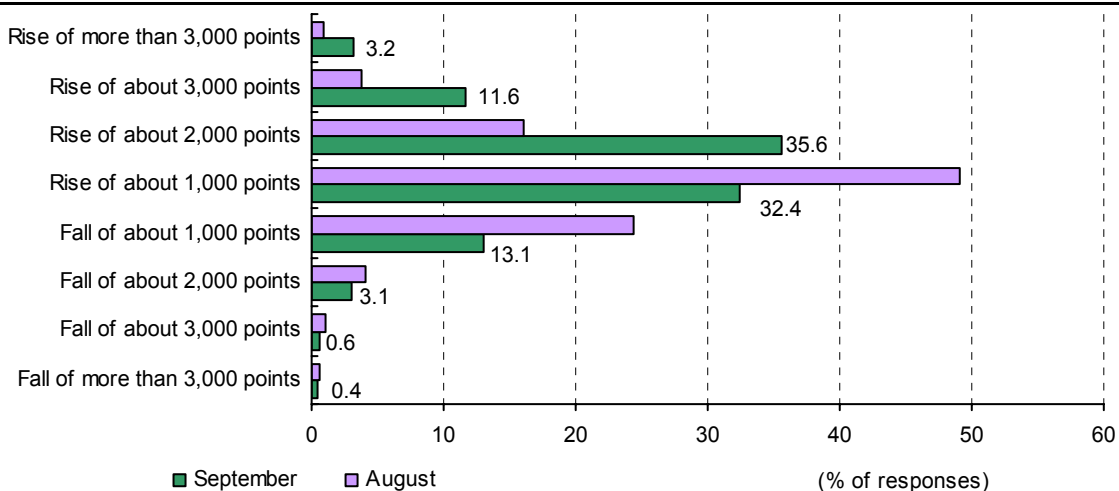
$$\left[\frac{\text{Number of responses indicating expected rise in share prices in the next three months} - \text{Number of responses indicating expected fall in share prices in the next three months}}{\text{Number of respondents}} \right] \times 100$$

The Nomura I-View Index ranges from -100 to +100. The closer to +100 the figure is, the more bullish the outlook held by individual investors. The closer to -100 the figure is, the more bearish the outlook held by individual investors.

(2) Large number of respondents expect share prices to recover close to the level seen prior to the recent sharp declines. When asked about the outlook for the Nikkei Average during the next three months, the most popular response was “rise of about 2,000 points”, selected by 35.6% of respondents. This is the first time since April 2006 that “rise of about 2,000 points” was the most popular response. The reference level for the Nikkei Average of 15,901 (21 August close) was 2,256 points lower than the month-earlier level, which suggests that a large number of investors expect share prices to recover close to the level prior to the recent sharp decline. Popular reasons given for responses included the view that fundamentals such as the domestic economy and corporate earnings remain solid, and that the turmoil on the money and capital markets that resulted in global share price declines and exchange rate fluctuations is likely to be a temporary phenomenon. Many investors said they expect Japanese share prices to rise reflecting sound fundamentals once the upheaval passes.

Note: Respondents were asked to share their outlook for the Nikkei Average during the next three months based on a 21 August closing figure of 15,901. Respondents could choose one answer from a possible eight responses ranging from a rise of more than 3,000 points to a fall of more than 3,000 points with 1,000-point increments in between. For example, one possible response was the range of 15,901 to 16,900 (a rise of about 1,000 points).

2. Outlook for Nikkei Average during the next three months



(3) More investors adopting a wait-and-see stance on share trading

Respondents were asked about the number of different stocks traded, the investment amount, the frequency of trading activity, and the number of stocks held over the past three months. The proportion of “increased” responses fell in all categories this month. At the same time, the proportion of “decreased” responses rose in the number of stocks traded and investment amount categories, and the proportion of “no change” responses rose in all categories except investment amount. We think the responses suggest that rather than scaling back trading activity during the period of recent stock market declines, individual investors have been increasingly adopting a wait-and-see stance.

When asked about plans for the same categories over the coming three months, the proportion of “plan to increase” responses fell in all categories, while the proportion of “no change” responses rose. The proportion of “plan to decrease” responses rose in the number of stocks traded and investment amount categories, but fell in the trading frequency and number of stocks held categories. While we think moves among individual investors to reduce equity investment are not likely to spread, we think the responses show that the wait-and-see stance is likely to continue (Exhibit 3).

Note: Respondents were asked about the number of different stocks traded, the investment amount, the frequency of trading activity, and the number of stocks held for the past three months and desired levels in these categories for three months hence. The possible responses were increase (plan to increase), no change, or decrease (plan to decrease).

3. Number of different stocks traded, investment amount, frequency of trading activity, and number of stocks held (%)

(1) Past three months

	Increased		No change		Decreased	
	Sep	Aug	Sep	Aug	Sep	Aug
Number of different stocks traded	16.3	18.3	63.4	61.7	20.3	20.0
Investment amount	16.4	16.5	62.3	63.4	21.3	20.1
Frequency of trading activity	12.9	16.1	61.1	57.5	26.0	26.4
Number of stocks held	14.9	15.8	65.7	63.0	19.4	21.2

(2) Next three months

	Plan to increase		No change		Plan to decrease	
	Sep	Aug	Sep	Aug	Sep	Aug
Number of different stocks traded	28.2	32.6	58.6	54.0	13.2	13.4
Investment amount	25.5	30.5	60.4	57.1	14.1	12.4
Frequency of trading activity	27.7	34.3	59.9	54.9	12.4	10.8
Number of stocks held	23.6	28.6	58.9	53.0	17.5	18.4

(4) Increasing concerns about market & psychological factors and overseas factors

Respondents were asked to rate the impact of a set of factors on the stock market in the next three months as positive, negative or neutral. With regard to the expected impact of market factors & psychological factors, the most common responses shifted to “somewhat negative” followed by “neutral”, from “neutral” followed by “somewhat positive” last month, reflecting the impact of recent share price declines. Also, reflecting the fact that the turbulence on the money and capital markets started overseas, the most common responses in the overseas securities markets category changed to “somewhat negative” followed by “neutral”, from “neutral” followed by “somewhat positive” last month, while the most common responses in the overseas political & economic situation category shifted to “neutral” followed by “somewhat negative”, from “neutral” followed by “somewhat positive”. Elsewhere, there was an increase in “negative” and “somewhat negative” responses in the domestic interest rates & forex trends category, suggesting that concerns have increased about the sharp strengthening of the yen that accompanied the drop in share prices.

Regarding domestic economy & corporate earnings, the most popular response was “somewhat positive”, although the percentage of such responses decreased, indicating that many individual investors think the market upheaval will not affect domestic fundamentals, and that the domestic economy and corporate earnings should remain solid (Exhibit 4).

4. Impact of factors on the stock market (%)

	Positive		Somewhat positive		Neutral		Somewhat negative		Negative	
	Sep	Aug	Sep	Aug	Sep	Aug	Sep	Aug	Sep	Aug
Domestic economy & corporate earnings	7.5	9.6	46.9	50.4	27.9	26.9	16.2	12.4	1.5	0.7
Market factors & psychological factors	3.5	4.7	19.3	32.9	30.3	36.5	39.5	23.1	7.4	2.8
Domestic interest rates & forex trends	2.7	2.7	18.2	25.8	40.8	38.5	32.8	30.5	5.5	2.5
Domestic politics	1.3	2.7	8.6	10.6	37.6	33.1	43.4	44.5	9.1	9.1
Overseas securities markets	4.0	6.9	16.7	40.0	27.8	35.0	38.6	15.8	12.9	2.3
Overseas political & economic situation	2.3	4.0	13.4	26.5	45.6	50.7	31.4	17.2	7.3	1.6

(5) Materials the most appealing sector for seventh straight month

Respondents were asked to choose one sector most appealing and one sector least appealing as an investment target during the next three months. For each sector we calculated a diffusion index by subtracting the percentage of responses for unappealing from that for appealing. The top three DI scores were for materials, pharmaceuticals & healthcare, and machinery, shipbuilding & heavy machinery. The materials sector thus topped the list for the seventh straight month, and the pharmaceuticals & healthcare sector replaced resources in the top three. We think the increased focus on the pharmaceuticals & healthcare sector, which is characterized by stable earnings, reflects the deterioration in the market environment. The bottom three sectors were financials, construction & real estate, and autos & auto parts. The autos & auto parts sector entered the bottom three this month, replacing electricity & gas. In our view, the change likely reflects the difference in the sensitivity of earnings to forex fluctuations (Exhibit 5).

Note: Respondents were given 12 sectors and asked to choose one viewed as an appealing investment target and one viewed as unappealing. For each sector we calculated a diffusion index by subtracting the percentage of responses for unappealing from that for appealing.

The resources sector comprises oil, coal, and mining products. The materials sector comprises textiles, paper & pulp, chemicals, steel, nonferrous metals, metal products, glass, and rubber. The consumer-related sector comprises trading companies, retail, consumer products, food, agriculture & forestry, and marine products. Information & telecommunications comprises software, media, games, and entertainment. Transportation & warehousing comprises railways, land transport, marine transport, air transport, and warehousing.

5. Investment appeal by sector (DI)

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous month DI
		Appealing	Unappealing	
Materials	9.8	13.1	3.3	11.2
Pharmaceuticals & healthcare	9.3	11.2	1.9	6.5
Machinery, shipbuilding & heavy machinery	4.6	7.4	2.8	8.5
Information & telecommunications	3.5	12.1	8.6	0.4
Electrical machinery & precision equipment	3.4	5.8	2.4	3.6
Consumer-related	1.9	9.9	8.0	-0.3
Resources	1.0	13.1	12.1	8.1
Transportation & warehousing	-0.3	4.7	5.0	-2.0
Electricity & gas	-4.0	6.5	10.5	-14.4
Autos & auto parts	-4.8	5.7	10.5	-0.4
Construction & real estate	-9.8	3.7	13.5	-12.7
Financials	-14.6	6.8	21.4	-8.5

(6) Most-watched stocks

Respondents were asked to name one stock that they would like to have in their portfolio, irrespective of short or long-term investment horizon (including stocks actually held) or that they find appealing. We show the most popular responses below (Exhibit 6).

6. Name a stock with appeal (1,000 valid responses)

Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	64	4661	Oriental Land	10
7974	Nintendo	30	4689	Yahoo Japan	10
5401	Nippon Steel	25	7011	Mitsubishi Heavy Industries	10
9501	Tokyo Electric Power	24	8306	Mitsubishi UFJ Financial Group	10
9984	Softbank	23	9502	Chubu Electric Power	10
6758	Sony	21	2811	Kagome	9
6301	Komatsu	17	5711	Mitsubishi Materials	9
8058	Mitsubishi Corp	13	4755	Rakuten	8
6502	Toshiba	12	5405	Sumitomo Metal Industries	8
8411	Mizuho Financial Group	12	8604	Nomura Holdings	8
2327	NS Solutions	11	7751	Canon	7
3402	Toray Industries	11	9503	Kansai Electric Power	7
4502	Takeda Pharmaceutical	11	2702	McDonald's Holdings (Japan)	6
6753	Sharp	11	2712	Starbucks Coffee Japan	6
7267	Honda Motor	11	5406	Kobe Steel	6
9202	All Nippon Airways	11	7211	Mitsubishi Motors	6
9205	Japan Airlines	11			

Note: Subtracted from valid responses were answers of "none" or clearly mistaken responses.

(7) Financial products attracting the most interest

For this month's spot question, we asked investors which financial products they were interested in, and why. Exhibit 7 shows the ranking and the percentage of total respondents that selected each category, as well as the results of the previous survey on this topic, which was published in the January 2007 Nomura Individual Investor Survey.

As was the case last time, the most common response was domestic stocks. We think the main reason for this was that our survey targets investors who have experience investing in equities. In our previous survey, the most common reason given for interest in domestic stocks was the high returns expected, but this time investors said it was because the product was familiar. This suggests to us that domestic stocks have become more familiar to individual investors with experience in trading equities. The second most common response was investment trusts (Japanese equities), up from third place last year. We note that the most popular reason for interest in this product changed from high expected returns last time to stable expected returns in the latest survey.

Forex margin trading moved up from eighth place to fifth place, indicating that this product has become more widely used by individual investors. High expected returns was the most popular reason cited for interest in foreign currency deposits, foreign stocks (including investment trusts), and foreign bonds (including bond investment trusts, MMFs), and we think this shows an increasing tendency for investors to look to foreign financial products rather than domestic ones when seeking high returns.

By contrast, products that guarantee the principal but offer relatively low returns slipped down the ranking this time, with CDs dropping from second place last time to third this time, and ordinary deposit accounts down from fifth to eighth position.

7. Financial products currently of interest and the reasons why (total number of responses: 2,385)

Rank	Financial product	Responses	% of total respondents	Most common reason	Reference: rank as of Jan 07	Reference: % of total respondents as of Jan 07
1	Domestic stocks	769	32.2	Is familiar	1	34.4
2	Investment trusts (Japanese equities)	204	8.6	Stable expected returns	3	7.6
3	CDs	201	8.4	Guaranteed principal	2	11.4
4	Foreign currency deposits	168	7.0	High expected returns	4	6.5
5	Forex margin trading	166	7.0	High expected returns	8	4.1
6	Investment trusts (monthly investment plan with quarterly dividends)	145	6.1	Stable expected returns	6	5.6
7	Foreign stocks (including investment trusts)	126	5.3	High expected returns	7	5.4
8	Ordinary deposit account	108	4.5	Guaranteed principal	5	5.8
9	Foreign bonds (including bond investment trusts, MMFs)	102	4.3	High expected returns	10	4.0
10	Precious metals	88	3.7	Stable expected returns	11	3.4
11	Domestic bonds	83	3.5	Stable expected returns	12	2.8
12	Government and corporate bond investment trusts (including MMFs, MRFs)	68	2.9	Stable expected returns	13	2.7
13	REITs	67	2.8	Stable expected returns	9	4.0
14	Resources	36	1.5	High expected returns	14	1.4
15	Hedge funds	19	0.8	High expected returns	-	-
16	Grain	14	0.6	High expected returns	15	0.4
17	SMA (separately managed accounts)	9	0.4	Stable expected returns	-	-
	Other	12	0.5		-	0.6

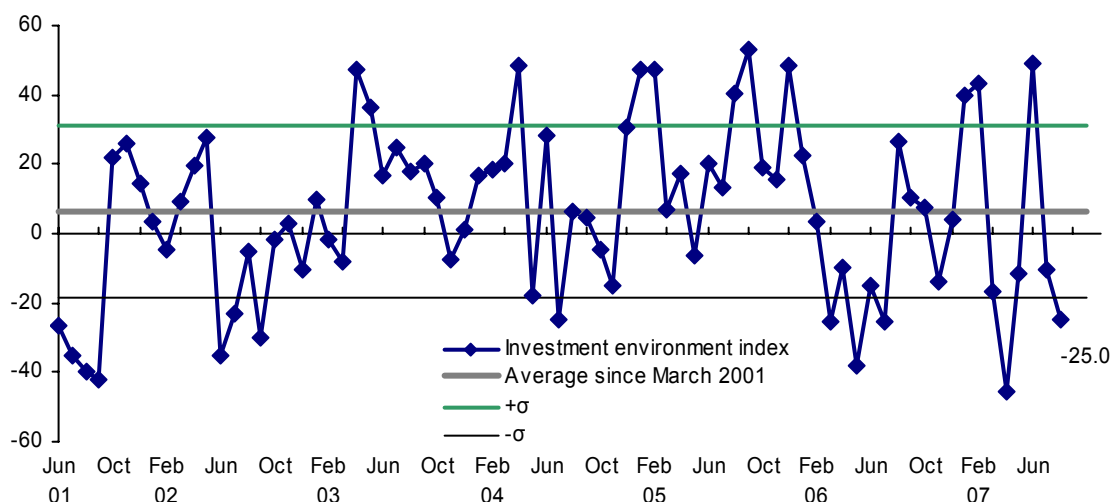
Note: We asked individual investors to select up to three financial products from the list shown in Exhibit 7 in which they are interested (in the case of "other", investors were asked to give a specific name for the product). We also asked investors to choose up to three reasons why they became interested in the product from a list of 11 options, as follows: (1) high expected returns; (2) stable expected returns; (3) guaranteed principal; (4) can be converted into cash easily; (5) is currently attracting attention; (6) is familiar; (7) acquaintances or relatives are using it; (8) frequently advertised on TV, in newspapers, in stores or in street ads; (9) recommended by financial institution branch staff or sales personnel; (10) other; (11) no particular reason.

SMA and hedge funds were included for the first time in this survey.

6. Nomura I-NIC Index down to -25.0

The Nomura Individual Investor Investment Climate Index (Nomura I-NIC Index), which factors in statistics directly and indirectly related to the investment environment for individual investors and indicators that individual investors are thought to follow, was -25.0 (August preliminary data), down from the final July figure of -10.4 (July preliminary figure: -7.0) (Exhibit 10).

8. Nomura I-NIC Index



Note: The Nomura I-NIC Index is intended as an objective measure of the investment environment for individual investors based on external data. The index factors in statistics directly and indirectly related to the investment environment for individual investors and indicators that individual investors are thought to follow. Indicators and statistical data used in the index are as follows.

I. Micro and semimacro indicators

1. Number of hits in newspaper articles (Nikkei Telecom: number of occurrences of the phrase “individual investor” in newspapers during the past month and m-m change),
2. Bestselling business books (Nippon Shuppan Hanbai Inc: number of books on stocks that make the top ten bestseller list and m-m change),
3. Consumer Confidence Index (Hakuhodo Institute of Life and Living),
4. The economic forecast (household trends) section of the Economy Watchers Survey (Cabinet Office),
5. Ordinary household asset growth expectation section of the Monthly Consumer Confidence Survey covering all of Japan, Summary (Cabinet Office)

II. Macro indicators

1. US\$/¥ rate,
2. Long-term interest rate (10-year JGB latest issue),
3. Banknotes in circulation (Bank of Japan)

III. Stock market indicators

1. Share of trading activity by individual investors (TSE1, TSE2, OSE1, OSE2, NSE1, NSE2),
2. Net selling and net buying by individuals (TSE1, TSE2, OSE1, OSE2, NSE1, NSE2),
3. Ratio of unrealized gains/losses on margin positions to total margin positions (Nomura, from TSE data),
4. Margin trading long / short ratio (Nomura, from TSE data),
5. IPO Index (QUICK),
6. Net asset holdings by investment trusts (QUICK)

IV. Technical stock indicators

1. Nikkei Average five-day moving average and 25-day moving average,
2. Volume ratio, relative strength indicator (14 days),
3. Bollinger band (25 days),
4. Advance/decline ratio (25 days)

The Nomura I-NIC Index is calculated by (1) figuring the scores for each indicator to be reflected in the index, (2) dividing each score from the series selected for each of categories I to IV, (3) taking a weighted average using the weightings assigned to categories I to IV, and (4) multiplying by 100. See the sample calculation below. Nomura I-NIC Index ranges

from -100 to +100. The closer to +100 the figure is, the more favorable the investment environment for individual investors. The closer to -100 the figure is, the less favorable. When the monthly data for a given indicator is not made public by the time the survey is announced, we incorporate the latest data available. For data announced on a monthly basis (eg, the two indicators from the Cabinet Office and BOJ data on banknotes in circulation), we set the indicator value to zero when the latest data is not available and announce preliminary data for the index. We announce the final data together with the following month's preliminary data.

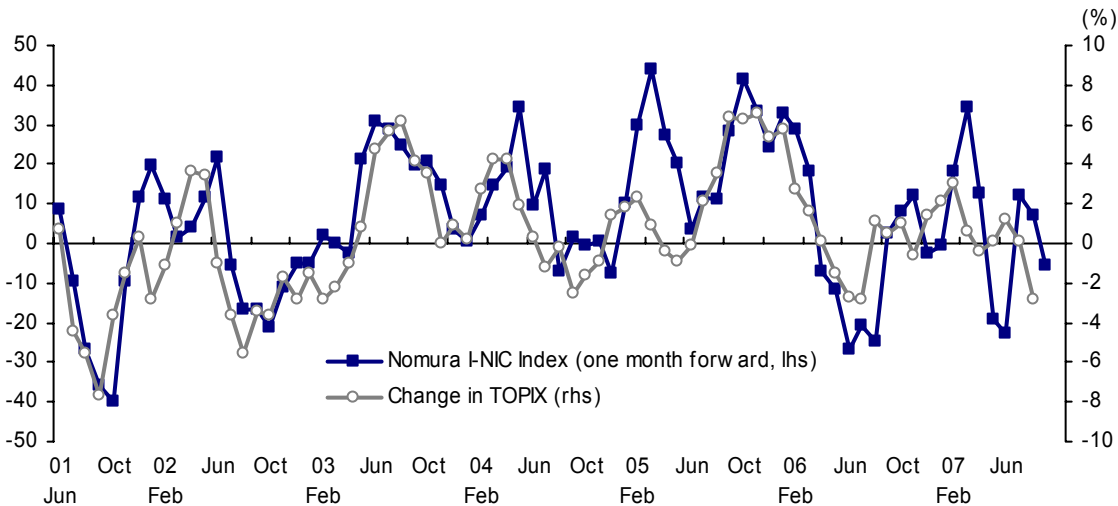
Reference: Sample of how an indicator is factored into the Nomura I-NIC Index

For share of trading activity by individual investors (TSE1, TSE2, OSE1, OSE2, NSE1, NSE2)

1. When data for the month in question is higher than the three-month moving average through the prior month and equal to or higher than the prior month's figure: +1
2. When data for the month in question is higher than the three-month moving average through the prior month but lower than the prior month's figure: +0.5
3. When data for the month in question is equal to the three-month moving average through the prior month: 0
4. When data for the month in question is lower than the three-month moving average through the prior month but equal to or higher than the prior month's figure: -0.5
5. When data for the month in question is lower than the three-month moving average through the prior month and lower than the prior month's figure: -1

We also provide a graph below to show the relationship between a three-month weighted average for the Nomura I-NIC Index (one month forward) and the TOPIX three-month moving average (weighted 50% for most recent month, 30% for prior month, and 20% for two months prior). The correlation between the Nomura I-NIC Index and share price trends is relatively high.

9. The Nomura I-NIC Index (one month forward) and change in TOPIX (both use three-month moving averages)



Note: Correlation coefficient is 0.647 (June 2001 through August 2007).

Notice

The next Nomura Individual Investor Survey (October 2007) is scheduled for release on Friday, 5 October.

DISCLAIMERS

This publication contains material that has been prepared by Nomura Securities Co., Ltd. and, if applicable, with the contributions of one or more Nomura entities whose employees and their respective affiliations are specified on page 1 herein or elsewhere identified in the publication. Affiliates and subsidiaries of Nomura Holdings, Inc. (collectively, the "Nomura Group"), include: Nomura Securities Co., Ltd. ("NSC") and Nomura Research Institute, Ltd., Tokyo, Japan; Nomura International plc and Nomura Research Institute Europe, Limited, United Kingdom; Nomura Securities International, Inc. ("NSI") and Nomura Research Institute America, Inc., New York, NY; Nomura International (Hong Kong) Ltd., Hong Kong; Nomura Singapore Ltd., Singapore; Nomura Australia Ltd., Australia; P.T. Nomura Indonesia, Indonesia; Nomura Malaysia Sdn. Bhd., Malaysia; Nomura International (Hong Kong) Ltd., Taipei Branch, Taiwan; or Nomura International (Hong Kong) Ltd., Seoul Branch, Korea.

This material is: (i) for your private information, and we are not soliciting any action based upon it; (ii) not to be construed as an offer to sell or a solicitation of an offer to buy any security in any jurisdiction where such offer or solicitation would be illegal; and (iii) based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such.

Opinions expressed are current opinions as of the original publication date appearing on this material only and the information, including the opinions contained herein, are subject to change without notice. If and as applicable, NSI's investment banking relationships, investment banking and non-investment banking compensation and securities ownership (identified in this report as "Disclosures Required in the United States"), if any, are specified in disclaimers and related disclosures in this report. In addition, other members of the Nomura Group may from time to time perform investment banking or other services (including acting as advisor, manager or lender) for, or solicit investment banking or other business from, companies mentioned herein. Further, the Nomura Group, and/or its officers, directors and employees, including persons, without limitation, involved in the preparation or issuance of this material may, from time to time, have long or short positions in, and buy or sell, the securities (including ownership by NSI, referenced above), or derivatives (including options) thereof, of companies mentioned herein, or related securities or derivatives. In addition, the Nomura Group, excluding NSI, may act as a market maker and principal, willing to buy and sell certain of the securities of companies mentioned herein. Further, the Nomura Group may buy and sell certain of the securities of companies mentioned herein, as agent for its clients.

Investors should consider this report as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision.

NSC and other non-US members of the Nomura Group (i.e., excluding NSI), their officers, directors and employees may, to the extent it relates to non-US issuers and is permitted by applicable law, have acted upon or used this material prior to, or immediately following, its publication.

Foreign currency-denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk.

The securities described herein may not have been registered under the U.S. Securities Act of 1933, and, in such case, may not be offered or sold in the United States or to U.S. persons unless they have been registered under such Act, or except in compliance with an exemption from the registration requirements of such Act. Unless governing law permits otherwise, you must contact a Nomura entity in your home jurisdiction if you want to use our services in effecting a transaction in the securities mentioned in this material.

This publication has been approved for distribution in the United Kingdom and European Union by Nomura International plc ("NIPic"), which is authorised and regulated by the U.K. Financial Services Authority ("FSA") and is a member of the London Stock Exchange. It is intended only for investors who are "market counterparties" or "intermediate customers" as defined by FSA, and may not, therefore, be redistributed to other classes of investors. This publication may be distributed in Germany via Nomura Bank (Deutschland) GmbH, which is authorised and regulated in Germany by the Federal Financial Supervisory Authority ("BaFin"). This publication has been approved by Nomura International (Hong Kong) Ltd. ("NIHK"), which is regulated by the Hong Kong Securities and Futures Commission, for distribution in Hong Kong by NIHK. Neither NIPic nor NIHK hold an Australian financial services license as both are exempt from the requirement to hold this license in respect of the financial services either provides. This publication has also been approved for distribution in Singapore by Nomura Singapore Limited. NSI accepts responsibility for the contents of this material when distributed in the United States.

No part of this material may be (i) copied, photocopied, or duplicated in any form, by any means, or (ii) redistributed without the prior written consent of the Nomura Group member identified in the banner on page 1 of this report. Further information on any of the securities mentioned herein may be obtained upon request. If this publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this publication, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

Additional information available upon request.

NIPic and other Nomura Group entities manage conflicts identified through the following: their Chinese Wall, confidentiality and independence policies, maintenance of a Stop List and a Watch List, personal account dealing rules, policies and procedures for managing conflicts of interest arising from the allocation and pricing of securities and impartial investment research and disclosure to clients via client documentation.

Disclosure information is available at <http://www.nomura.com/research>.

The information contained in this e-mail is confidential and intended for the named recipient(s) only. If you are not an intended recipient of this e-mail please notify the sender immediately and delete your copy from your system. Our company accepts no liability for any damage sustained as a result of viruses in this e-mail or any attachment(s) to it. This e-mail is intended for informational purposes only and is not a solicitation or offer to buy or sell securities or related financial instruments.

Investors in the financial products listed below may incur fees and commissions specific to those products (for example, transactions involving Japanese equities are subject to a sales commission of up to 1.365% (tax included) of the transaction amount or a commission of ¥2,730 (tax included) for transactions of ¥200,000 or less, while transactions involving investment trusts are subject to various fees, such as sales commissions and trust fees, specific to each investment trust). In addition, all products carry the risk of losses owing to price fluctuations or other factors. Fees and risks vary by product. Please thoroughly read the written materials provided, such as documents delivered before making a contract, listed securities documents, or prospectuses.

Transactions involving Japanese equities are subject to a sales commission of up to 1.365% (tax included) of the transaction amount (or a commission of ¥2,730 (tax included) for transactions of ¥200,000 or less). When Japanese equities are purchased via subscriptions or other offerings, only the purchase price shall be paid, with no sales commission charged. Japanese equities carry the risk of losses owing to price fluctuations.

Transactions involving foreign equities are subject to a domestic sales commission of up to 10.5% (tax included) of the transaction amount (which equals the local transaction amount plus local fees and taxes in the case of a purchase or the local transaction amount minus local fees and taxes in the case of a sale). Local fees and taxes in foreign financial markets vary by country/territory. When foreign equities are purchased via OTC transactions (including offerings), only the purchase price shall be paid, with no sales commission charged. However, in the case of offerings, other fees may be charged. Foreign equities carry the risk of losses owing to factors such as price fluctuations and foreign exchange rate fluctuations.

When bonds are purchased via offerings, distributions, or other OTC transactions with Nomura Securities, only the purchase price shall be paid, with no sales commission charged. Bonds carry the risk of losses, as prices fluctuate in line with changes in market interest rates. In addition, foreign currency-denominated bonds also carry the risk of losses owing to factors such as foreign exchange rate fluctuations.

Margin transactions are subject to a sales commission of up to 1.365% (tax included) of the transaction amount (or a commission of ¥2,730 (tax included) for transactions of ¥200,000 or less), as well as management fees and rights handling fees. In addition, long margin transactions are subject to interest on the purchase amount, while short margin transactions are subject to fees for the lending of the shares borrowed. A margin equal to at least 30% of the transaction amount and at least ¥300,000 is required. With margin transactions, an amount up to roughly 3.3x the margin may be traded. Margin transactions therefore carry the risk of losses in excess of the margin owing to share price fluctuations. For details, please thoroughly read the written materials provided, such as listed securities documents or documents delivered before making a contract.

Nomura Securities Co., Ltd.

Financial instruments firm registered with the Kanto Local Finance Bureau (registration No. 142) Member associations: Japan Securities Dealers Association; The Investment Trusts Association, Japan; Japan Securities Investment Advisers Association (member No. 011-02134); and The Financial Futures Association of Japan.