

Nomura Individual Investor Survey

May 2009

7 May 2009

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

1. Survey overview

(1) Nomura I-View Index rises to 38.6, highest level since November 2008

The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook for share prices, was 38.6 for May, a rise of 12.6 points from April's reading of 26.0. The Nikkei Average reference level for this month's survey (21 April close) was 8,711, up 766 from the level last month, yet the number of individual investors expecting stock prices to rise significantly increased.

The proportion of survey respondents saying they expected a "rise of about 1,000 points" or a "rise of about 2,000 points" in the Nikkei Average during the next three months both increased for the second straight month. The proportion expecting a "fall of about 1,000 points" declined m-m for the second straight month, while there were also declines in the proportions expecting a "fall of about 2,000 points," a "fall of about 3,000 points," and a "fall of more than 3,000 points."

(2) Individual investors increasingly keen to invest, apparently poised to become more active in equity 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 rose m-m for all four categories, for the first time since December 2008. With respect to planned trading activity for the next three months, the proportion of "plan to increase" responses rose m-m for all four categories, while the proportion of "plan to decrease" responses declined for all categories. All of this suggests individual investors are very interested in investment and could become active in equity trading.

(3) Domestic political situation DI turns up to highest level since June 2007

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." The diffusion index, calculated as the proportion of "positive" and "somewhat positive" responses minus the proportion of "negative" and "somewhat negative" responses, improved m-m for all six categories for the second straight month. Notably, the domestic politics category DI turned up to its highest level since June 2007.

(4) Appeal of the autos & auto parts sector improves for the fourth straight month

Among sector DIs, which are calculated by subtracting the percentage of responses for unappealing from the percentage for appealing, the DI for the autos & auto parts sector improved m-m for the fourth straight month. Pharmaceuticals & healthcare was again the most appealing sector, though the sector DI declined for the third consecutive month. Construction & real estate was the least appealing sector for the second straight month.

(5) Intentions regarding exercising voting rights at general shareholders' meetings

For this month's spot question we asked individual investors about their views on exercising voting rights at upcoming general shareholders' meetings. A higher ratio said they planned to exercise voting rights than said they plan not to exercise voting rights, with a smaller proportion saying they intended to vote in favor of all resolutions than in a similar survey in May 2008. Of resolutions respondents said they might oppose, the highest response ratios were for decisions on "director compensation," "retirement bonuses for directors," and "dividends."

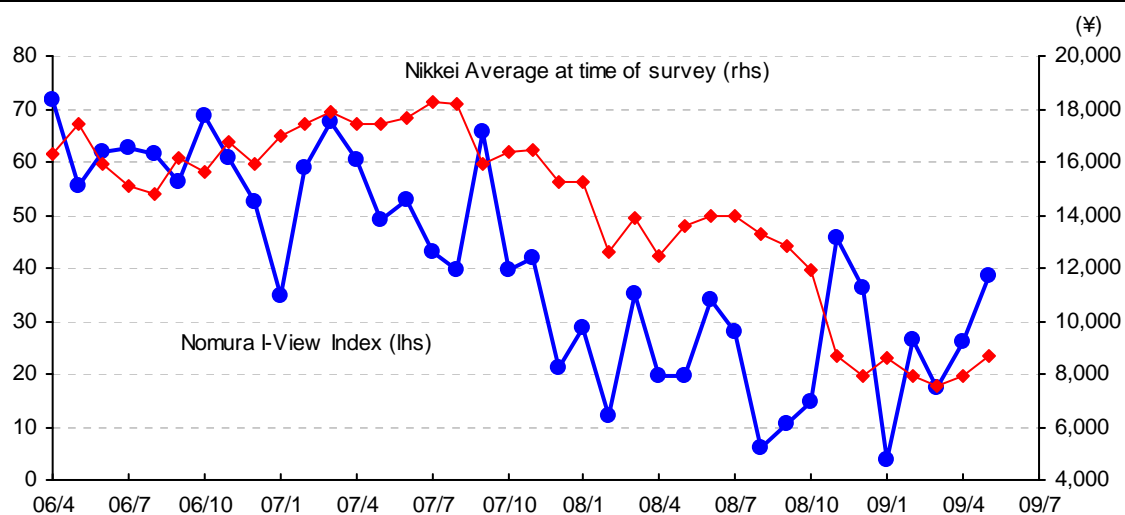
2. Survey results

(1) Nomura I-View Index rises to 38.6, highest level since November 2008

The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook for share prices, was 38.6 for May, a rise of 12.6 points from April's 26.0. That was the highest level since November 2008.

The Nikkei Average reference level for this month's survey (21 April close) was 8,711, up 766 from the level last month, yet the number of individual investors expecting stock prices to rise significantly has increased (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 expressed as a diffusion index. The calculation method is as follows:

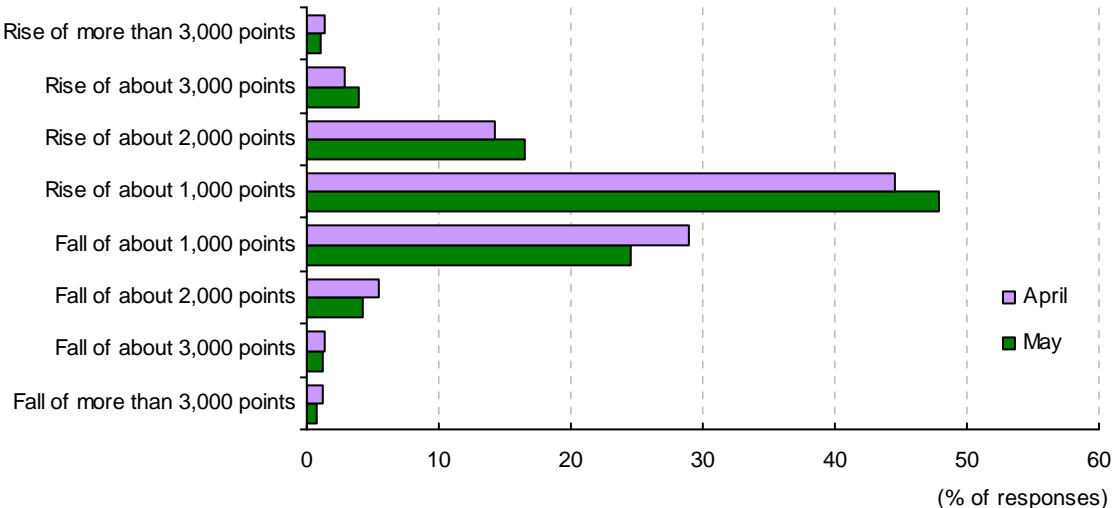
$$\left[\frac{\text{(Number of responses indicating expected rise in share prices in the next three months)} - \text{(number of responses indicating expected fall in share prices in the next three months)}}{\text{number of respondents}} \right] \times 100$$

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.

There was a m-m increase for the second straight month in the proportion of survey respondents who said with regard to the three-month outlook for the Nikkei Average perspective that they expected a “rise of about 1,000 points” and a “rise of about 2,000 points,” with the proportion expecting a “rise of about 1,000 points” increasing 3.4ppt m-m to 47.9% and the proportion expecting a “rise of about 2,000 points” increasing 2.2ppt to 16.5%. Meanwhile the proportion expecting a “rise of about 3,000 points” increased 1.0ppt m-m to 3.9%, the proportion expecting a “rise of more than 3,000 points” decreased 0.3ppt to 1.0%.

The proportions expecting a “fall of about 1,000” declined for the second straight month, by 4.4ppt to 24.5%. The proportion expecting a “fall of about 2,000 points,” a “fall of about 3,000 points,” and a “fall of more than 3,000 points” also all declined (Exhibit 2).

2. Outlook for Nikkei Average during the next three months



Note: Respondents were asked to share their outlook for the Nikkei Average during the next three months based on a 21 April closing figure of 8,711. 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.

(2) Individual investors increasingly interested in investing, poised to become more active in equity trading

Respondents were asked about trading activity, and, specifically, the number of different stocks traded, the investment amount, the frequency of trading activity, and the number of stocks held over the previous three months. This month, the proportion of “increased” responses rose m-m in all four categories for the first time since December 2008. Meanwhile the proportion of “decreased” responses fell for number of stocks traded, investment amount, and trading frequency.

With respect to planned trading activity for the next three months, the proportion of “plan to increase” responses rose m-m for all four categories, while the proportion of “plan to decrease” responses declined for all categories.

All of this suggests individual investors are very interested in investment and are poised to become more active in equity trading.

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	
	May	Apr	May	Apr	May	Apr
No. of different stocks traded	10.3	8.3	71.5	72.9	18.2	18.8
Investment amount	11.5	9.3	68.8	69.0	19.7	21.7
Frequency of trading activity	11.4	8.6	65.5	66.2	23.1	25.2
No. of stocks held	10.0	7.9	74.5	77.0	15.5	15.1
(2) Next three months	Plan to increase		No change		Plan to decrease	
	May	Apr	May	Apr	May	Apr
No. of different stocks traded	25.8	24.2	64.0	64.2	10.2	11.6
Investment amount	26.2	25.0	63.9	63.0	9.9	12.0
Frequency of trading activity	26.9	25.6	63.6	63.1	9.5	11.3
No. of stocks held	22.4	20.9	65.2	65.2	12.4	13.9

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 increased (plan to increase), no change, or decreased (plan to decrease).

(3) Domestic political situation DI turns up to highest level since June 2007

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.” Compared with the April survey, there was an increase in the proportion of “positive” and “somewhat positive” responses for all six categories: domestic economy & corporate earnings, market factors & psychological factors, domestic interest rates & forex trends, domestic politics, overseas securities markets, and overseas political & economic situation. The proportion of “negative” and “somewhat negative” responses declined for all six categories.

The diffusion index, calculated as the proportion of “positive” and “somewhat positive” responses minus the proportion of “negative” and “somewhat negative” responses, improved for all six categories for the second straight month. Notably, the domestic politics category DI, at -26.5, turned up to its highest level since June 2007 (Exhibit 4).

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

	DI		Positive		Somewhat positive		Neutral		Somewhat negative		Negative	
	May	Apr	May	Apr	May	Apr	May	Apr	May	Apr	May	Apr
Domestic economy & corporate earnings	-17.0	-41.3	2.4	2.3	23.1	13.9	32.0	26.3	32.5	35.6	10.0	21.9
Market factors & psychological factors	-9.3	-35.4	2.9	2.4	26.6	16.4	31.7	27.0	31.5	35.1	7.3	19.1
Domestic interest rates & forex trends	-11.7	-21.8	0.9	1.5	17.2	14.1	52.1	47.0	26.2	27.8	3.6	9.6
Domestic politics	-26.5	-45.2	0.9	1.0	14.2	10.0	43.3	32.8	33.2	36.8	8.4	19.4
Overseas securities markets	-11.0	-25.7	1.9	3.0	24.0	18.7	37.2	30.9	30.6	32.4	6.3	15.0
Overseas political & economic situation	-10.2	-20.1	1.5	1.7	21.2	20.0	44.4	36.5	27.9	29.7	5.0	12.1

Note: The DI is the proportion of “positive” and “somewhat positive” responses minus the proportion of “negative” and “somewhat negative” responses.

(4) Appeal of the autos & auto parts sector improves for the fourth straight month

Respondents were asked to choose one sector they consider 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 DI score for autos & auto parts improved m-m for the fourth straight month, to -7.3, an improvement over the four months of 38.5pt.

Pharmaceuticals & healthcare was the most appealing sector for the 11th consecutive month, though the sector's DI declined m-m for the third straight month, to 13.9. Construction & real estate was the least appealing sector for the second straight month, with the sector's DI deteriorating to -23.0, from -21.1 the previous month.

5. Investment appeal by sector (DI)

Sector	DI	Breakdown of DI (% of responses)		(Ref)
		Appealing	Unappealing	Previous month DI
Pharmaceuticals & healthcare	13.9	15.9	2.0	19.9
Consumer-related	9.4	14.8	5.4	5.0
Information & telecommunications	7.7	10.9	3.2	8.2
Materials	7.0	9.1	2.1	2.0
Electrical machinery & precision equipment	4.8	8.6	3.8	0.4
Electricity & gas	1.2	6.8	5.6	7.8
Resources	0.3	6.8	6.5	3.3
Transportation & warehousing	-0.9	2.4	3.3	0.1
Machinery, shipbuilding & heavy machinery	-3.5	2.2	5.7	-1.6
Autos & auto parts	-7.3	11.1	18.4	-20.7
Financials	-9.6	9.2	18.8	-3.3
Construction & real estate	-23.0	2.2	25.2	-21.1

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) 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	82	6674	GS Yuasa	11
6753	Sharp	24	7201	Nissan Motor	11
8058	Mitsubishi Corp	24	9984	Softbank	11
2702	McDonald's Holdings (Japan)	23	9983	Fast Retailing	10
4502	Takeda Pharmaceutical	22	8604	Nomura Holdings	9
7974	Nintendo	20	9202	All Nippon Airways	9
7267	Honda Motor	19	6301	Komatsu	8
8306	Mitsubishi UFJ Financial Group	19	8316	Sumitomo Mitsui Financial Group	8
9501	Tokyo Electric Power	19	9022	Central Japan Railway	8
8411	Mizuho Financial Group	18	6502	Toshiba	7
6758	Sony	17	7011	Mitsubishi Heavy Industries	7
4661	Oriental Land	16	8473	SBI Holdings	7
6752	Panasonic	15	9502	Chubu Electric Power	7
8267	Aeon	14	9503	Kansai Electric Power	7
2811	Kagome	12			
5401	Nippon Steel	12			

Note: Not included in valid responses were answers of "none" or clearly mistaken entries.

(6) Intentions regarding exercising voting rights at general shareholders' meetings

For this month's spot question we asked individual investors about their views on exercising voting rights at upcoming general shareholders' meetings. First, when we asked investors whether they intended to exercise their voting rights, 37.4% said they planned to (sum of responses 1 and 2 in Exhibit 7), while 31.5% said they planned not to. The proportion saying they planned to exercise rights was lower than in an identical survey we conducted in May 2008, when 38.9% said they planned to and 29.0% said they planned not to (Exhibit 7).

7. Intentions regarding exercising voting rights at general shareholders' meetings

	Choices	% of responses this survey	% of responses in May 2008 survey
1	I plan to exercise my voting rights for all the companies in which I hold shares	23.1	20.8
2	I plan to exercise my voting rights for only some of the companies in which I hold shares	14.3	18.1
3	I plan not to exercise my voting rights for any of the companies in which I hold shares	31.5	29.0
4	Undecided	31.1	32.1

Note: Respondents were asked to select one of the listed responses to the question of whether they intend to exercise their voting rights at upcoming general shareholders' meetings.

There were 374 respondents in the latest survey saying they planned to exercise their voting rights (those answering 1 or 2 in Exhibit 7), compared with 389 in last year's survey, with 22.2% of those saying they intended to vote in favor of all resolutions, below last year's 31.6%. Of resolutions respondents said they might oppose, the highest response ratios (multiple responses allowed) were for "director compensation," "retirement bonuses for directors," and "dividends (use of surplus funds)." The proportion of responses rose compared with last year for "director compensation" and "retirement bonuses for directors" but declined for "dividends (use of surplus funds)" (Exhibit 8).

8. Resolutions on which investors may exercise voting rights

(%, except where noted)

	Choices	% of responses this survey	% of responses in May 2008 survey
1	In favor of all resolutions	22.2	31.6
2	Director compensation	40.4	30.3
3	Retirement bonuses for directors	39.6	29.6
4	Dividends (use of surplus funds)	27.0	32.6
5	Introduction of stock options	18.7	14.7
6	Introduction of takeover defense measures	14.7	13.9
7	Selection of directors/auditors	13.6	14.1
8	Granting board of directors authority to decide distribution of retained earnings (allowing decisions on dividends etc. at board meetings)	13.6	13.9
9	Change in the number of directors (increase, reduction, establishment of upper limit, etc)	11.0	12.1
10	Change in the maximum number of issuable shares	11.0	11.1
11	Change in conditions for removing directors	5.3	6.2
12	Share buybacks	5.1	9.3
13	Other	3.2	4.4
	No. of responses	374	389

Note: Investors were asked to select which resolutions from among those given they may vote against (multiple responses allowed).

There were 315 respondents in the latest survey saying they did not plan to exercise their voting rights (those answering 3 in Exhibit 7), compared with 290 in last year's survey, with a striking number of respondents citing as reasons (multiple responses allowed) "the impact of my vote is small," "exercising voting rights is troublesome," and "I have no interest in exercising voting rights." Compared with last year's survey, the proportion of respondents saying "exercising voting rights is troublesome" declined while the proportions saying "the impact of my vote is small" and "I have no interest in exercising voting rights" rose (Exhibit 9).

9. Reasons for not exercising voting rights

(% , except where noted)

	Choices	% of responses this survey	% of responses in May 2008 survey
1	Because the impact of my vote is small	66.0	55.9
2	Because it is troublesome	40.0	41.7
3	I have no interest in exercising voting rights	24.8	16.9
4	None of the resolutions required me to express an opinion	16.2	15.9
5	I could not attend the general meeting or I have no time to complete the paperwork or internet forms	11.7	15.5
6	My investment style is mainly short term or seeking capital gains, so I do not view exercising my voting rights as important	10.8	10.7
7	I did not have the time to study the resolutions	7.3	9.0
8	I did not understand the resolutions well	7.0	9.0
9	Other	0.6	1.4
	No. of responses	315	290

Note: We asked respondents to select from the options given their reason for not exercising voting rights (multiple responses allowed).

3. Overview of Nomura Individual Investor Survey

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.

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 21 April with deadline for responses on 22 April

Survey content: Questions included in every survey plus spot 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.

4. Nomura Individual Investor Survey (May 2009) respondents

Gender: Male (72.6%), Female (27.4%)

Age: Under 30 (1.9%), 30–39 (21.7%), 40–49 (35.0%), 50–59 (22.2%), 60 and above (19.2%)

Financial assets held: Less than ¥2,000,000 (20.1%), ¥2,000,000–¥4,999,999 (20.3%), ¥5,000,000–¥9,999,999 (21.5%), ¥10,000,000–¥29,999,999 (23.0%), ¥30,000,000 or more (15.1%)

Number of different stocks held: One–two stocks (22.8%), Three–five stocks (34.7%), Six–10 stocks (23.1%), 11–20 stocks (11.6%), 21 or more stocks (7.8%), None (0.0%)

Average duration stocks are held: Less than one month (4.4%), One month to less than three months (5.2%), Three months to less than six months (7.1%), Six months to less than one year (12.3%), One year to less than two years (16.3%), Two years to less than five years (32.6%), Five years or more (22.1%)

Frequency of trading activity: Once or more per day (3.9%), Once or more per week (11.7%), About once a month (17.2%), About once every two to three months (17.4%), About once every six months (15.1%), About once a year (9.6%), Once every few years or so (9.6%), Not active at present (15.5%)

Investment experience: Less than one year (0.5%), One year to less than three years (5.6%), Three years to less than five years (23.4%), Five years to less than 10 years (28.5%), 10 years to less than 20 years (24.5%), 20 years or more (17.5%)

Area of investment focus: Stock price movements and technical factors (11.4%), Strong earnings growth (11.8%), Stable earnings growth (48.2%), Dividends and shareholder returns (28.6%)

Notice

The next Nomura Individual Investor Survey (June 2009) is scheduled for release on Tuesday, 2 June 2009.

Online availability of research and additional conflict-of-interest disclosures:

Nomura Japanese Equity Research is available electronically for clients in the US on NOMURA.COM, REUTERS, BLOOMBERG and THOMSON ONE ANALYTICS. For clients in Europe, Japan and elsewhere in Asia it is available on NOMURA.COM, REUTERS and BLOOMBERG.

Important disclosures may be accessed through the left hand side of the Nomura Disclosure web page <http://www.nomura.com/research> or requested from Nomura Securities International, Inc., on 1-877-865-5752. If you have any difficulties with the website, please email researchchannelsupport@nomura.co.uk for technical assistance.

The analysts responsible for preparing this report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by Investment Banking activities.

Distribution of Ratings:

Nomura Global Equity Research has 1537 companies under coverage.

33% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; 37% of companies with this rating are investment banking clients of the Nomura Group*.

45% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 56% of companies with this rating are investment banking clients of the Nomura Group*.

22% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 8% of companies with this rating are investment banking clients of the Nomura Group*.

As at 31 March 2009.

*The Nomura Group as defined in the Disclaimer section at the end of this report.

Explanation of Nomura's equity research rating system in Europe, Middle East and Africa, US and Latin America for ratings published from 27 October 2008:

The rating system is a relative system indicating expected performance against a specific benchmark identified for each individual stock. Analysts may also indicate absolute upside to price target defined as (fair value - current price)/current price, subject to limited management discretion. In most cases, the fair value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as discounted cash flow or multiple analysis, etc.

Stocks:

- A rating of "1", or "**Buy**", indicates that the analyst expects the stock to outperform the Benchmark over the next 12 months.
- A rating of "2", or "**Neutral**", indicates that the analyst expects the stock to perform in line with the Benchmark over the next 12 months.
- A rating of "3", or "**Reduce**", indicates that the analyst expects the stock to underperform the Benchmark over the next 12 months.
- A rating of "**RS-Rating Suspended**", " indicates that the rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the company.

Benchmarks are as follows: **United States:** S&P 500, MSCI World Technology Hardware & Equipment; **Europe:** Please see valuation methodologies for explanations of relevant benchmarks for stocks (accessible through the left hand side of the Nomura Disclosure web page: <http://www.nomura.com/research>); **Global Emerging Markets (ex-Asia):** MSCI Emerging Markets ex-Asia.

Sectors:

A "**Bullish**" stance, indicates that the analyst expects the sector to outperform the Benchmark during the next 12 months.

A "**Neutral**" stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next 12 months.

A "**Bearish**" stance, indicates that the analyst expects the sector to underperform the Benchmark during the next 12 months.

Benchmarks are as follows: **United States:** S&P 500; **Europe:** Dow Jones STOXX® 600; **Global Emerging Markets (ex-Asia):** MSCI Emerging Markets ex-Asia.

Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published from 30 October 2008 and in Japan from 6 January 2009:

Stocks:

Stock recommendations are based on absolute valuation upside (downside), which is defined as (Price Target – Current Price) / Current Price, subject to limited management discretion. In most cases, the Price Target will equal the analyst's 12-month intrinsic valuation of the stock, based on an appropriate valuation methodology such as discounted cash flow, multiple analysis, etc.

- A "**Buy**" recommendation indicates that potential upside is 15% or more.
- A "**Neutral**" recommendation indicates that potential upside is less than 15% or downside is less than 5%.
- A "**Reduce**" recommendation indicates that potential downside is 5% or more.
- A rating of "**RS**" or "**Rating Suspended**" indicates that the rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the subject company.
- Stocks labelled as "**Not rated**" or shown as "**No rating**" are not in Nomura's regular research coverage.

Sectors:

A "**Bullish**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a positive absolute recommendation.

A "**Neutral**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a neutral absolute recommendation.

A "**Bearish**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a negative absolute recommendation.

Explanation of Nomura's equity research rating system in Japan published prior to 6 January 2009 (and ratings in Europe, Middle East and Africa, US and Latin America published prior to 27 October 2008):

Stocks:

- A rating of "1", or "**Strong buy**", indicates that the analyst expects the stock to outperform the Benchmark by 15% or more over the next six months.

- A rating of "2", or "**Buy**", indicates that the analyst expects the stock to outperform the Benchmark by 5% or more but less than 15% over the next six months.
- A rating of "3", or "**Neutral**", indicates that the analyst expects the stock to either outperform or underperform the Benchmark by less than 5% over the next six months.
- A rating of "4", or "**Reduce**", indicates that the analyst expects the stock to underperform the Benchmark by 5% or more but less than 15% over the next six months.
- A rating of "5", or "**Sell**", indicates that the analyst expects the stock to underperform the Benchmark by 15% or more over the next six months.
- Stocks labeled "**Not rated**" or shown as "**No rating**" are not in Nomura's regular research coverage. Nomura might not publish additional research reports concerning this company, and it undertakes no obligation to update the analysis, estimates, projections, conclusions or other information contained herein.

Sectors:

A "**Bullish**" stance, indicates that the analyst expects the sector to outperform the Benchmark during the next six months.

A "**Neutral**" stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next six months.

A "**Bearish**" stance, indicates that the analyst expects the sector to underperform the Benchmark during the next six months.

Benchmarks are as follows: **Japan:** TOPIX; **United States:** S&P 500, MSCI World Technology Hardware & Equipment; **Europe**, by sector — *Hardware/Semiconductors:* FTSE W Europe IT Hardware; *Telecoms:* FTSE W Europe Business Services; *Business Services:* FTSE W Europe; *Auto & Components:* FTSE W Europe Auto & Parts; *Communications equipment:* FTSE W Europe IT Hardware; **Ecology Focus:** Bloomberg World Energy Alternate Sources; **Global Emerging Markets:** MSCI Emerging Markets ex-Asia.

Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published prior to 30 October 2008:

Stocks:

Stock recommendations are based on absolute valuation upside (downside), which is defined as (Fair Value - Current Price)/Current Price, subject to limited management discretion. In most cases, the Fair Value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as Discounted Cash Flow or Multiple analysis etc. However, if the analyst doesn't think the market will revalue the stock over the specified time horizon due to a lack of events or catalysts, then the fair value may differ from the intrinsic fair value. In most cases, therefore, our recommendation is an assessment of the difference between current market price and our estimate of current intrinsic fair value. Recommendations are set with a 6-12 month horizon unless specified otherwise. Accordingly, within this horizon, price volatility may cause the actual upside or downside based on the prevailing market price to differ from the upside or downside implied by the recommendation.

- A "**Strong buy**" recommendation indicates that upside is more than 20%.
- A "**Buy**" recommendation indicates that upside is between 10% and 20%.
- A "**Neutral**" recommendation indicates that upside or downside is less than 10%.
- A "**Reduce**" recommendation indicates that downside is between 10% and 20%.
- A "**Sell**" recommendation indicates that downside is more than 20%.

Sectors:

A "**Bullish**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a positive absolute recommendation.

A "**Neutral**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a neutral absolute recommendation.

A "**Bearish**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a negative absolute recommendation.

Price targets

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