

Nomura Individual Investor Survey

January 2018

19 January 2018

Global Research Division
Nomura Securities Co., Ltd.

The Nomura Individual Investor Survey is a monthly survey conducted with the aim of better understanding investing activity by individuals and providing information on related trends.

1. Survey overview

(1) Nomura I-View Index climbs to 49.6, the highest reading since June 2017

The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook for share prices and calculated by subtracting the percentage of responses for "fall" from that for "rise," was 49.6 in January 2018, up 21.0pt m-m. This was the highest reading for the index since June 2017. The Nikkei 225 reference level (9 January 2018 close) was 23,849.99, up 911.26 from the previous survey (11 December 2017 close of 22,938.73).

(2) Increased investor interest in domestic corporate earnings

Respondents were asked to select the factor most likely to affect the stock market over the next three months. The response rate for "domestic corporate earnings" rose 2.2ppt m-m to 10.1%, while the response rate for "market factors & psychological factors" rose 1.7ppt to 4.2%. Meanwhile, the response rate for "international affairs" fell by 1.8ppt to 63.9%, and that for "forex trends" fell 1.2ppt to 11.4%.

(3) Appeal of financials, automobiles, and electrical equipment/precision equipment sectors rises

On the outlook for sectors over the next three months or so, we calculate a diffusion index (DI) by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the financials sector rose 5.8pt m-m to -7.8, that for the automobiles sector rose by 4.8pt to 3.1, and that for the electrical equipment/precision equipment sector rose by 4.7pt to 8.7. In contrast, the DI for the consumer goods sector fell by 5.0pt to -7.5, marking the lowest reading for the sector since January 2017.

(4) Rise in proportion of investors expecting yen depreciation against US dollar

On the outlook for USD/JPY over the next three months, the combined percentage of respondents expecting the yen to appreciate against the US dollar was 47.6%, down 14.9ppt from the previous month. The response rate for "rise of about ¥5 against the dollar" fell 11.8ppt m-m to 34.9% and the response rate for "rise of about ¥10 against the dollar" fell 1.2ppt to 10.6%. The response rate for "rise of more than ¥10 against the dollar" fell 1.9ppt to 2.1%.

The response rate for "fall of about ¥5 against the dollar" rose 12.9ppt m-m to 45.4%, while the response rate for "fall of about ¥10 against the dollar" rose 2.4ppt to 5.8%. The response rate for "fall of more than ¥10 against the dollar" fell 0.4ppt to 1.2%.

(5) Investment appeal of US dollar rises

On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." This month, the DI for the US dollar rose by 7.3pt m-m to 32.3. Meanwhile, the DI for the Japanese yen fell 6.3pt to 19.3, which is the lowest reading for the DI since June 2015.

(6) Equities and investment trusts attract further interest

To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for Japanese equities rose 1.7pt m-m to 44.8, up for a fourth consecutive month to mark the highest reading for the DI since this survey series was launched in January 2010. The DI for foreign equities rose 3.0pt to 11.1. Meanwhile, the DI for Japanese investment trusts rose 2.3pt to 13.7 and the DI for foreign investment trusts rose 1.2pt to 5.3.

(7) Higher percentage of respondents expect prices to be higher one year out

When asked for their outlook for prices of regularly purchased goods and services one year out, 48.4% of respondents selected a "rise" response, up 3.1ppt from the previous month. The proportion of respondents selecting the "no change" response fell 1.0ppt to 41.1%. The proportion of respondents selecting a "fall" response fell 2.1ppt m-m to 10.5%.

(8) About installment-type NISAs

For our spot question this month, we asked investors about Nippon Individual Savings Accounts (NISAs). On the position regarding the opening of regular NISAs, 61.5% of respondents said they had already opened an account. The total proportion of respondents choosing "I have already opened an installment-type NISA", "I have applied to open an installment-type NISA", or "I plan to apply to open an installment-type NISA" came to 5.3%.

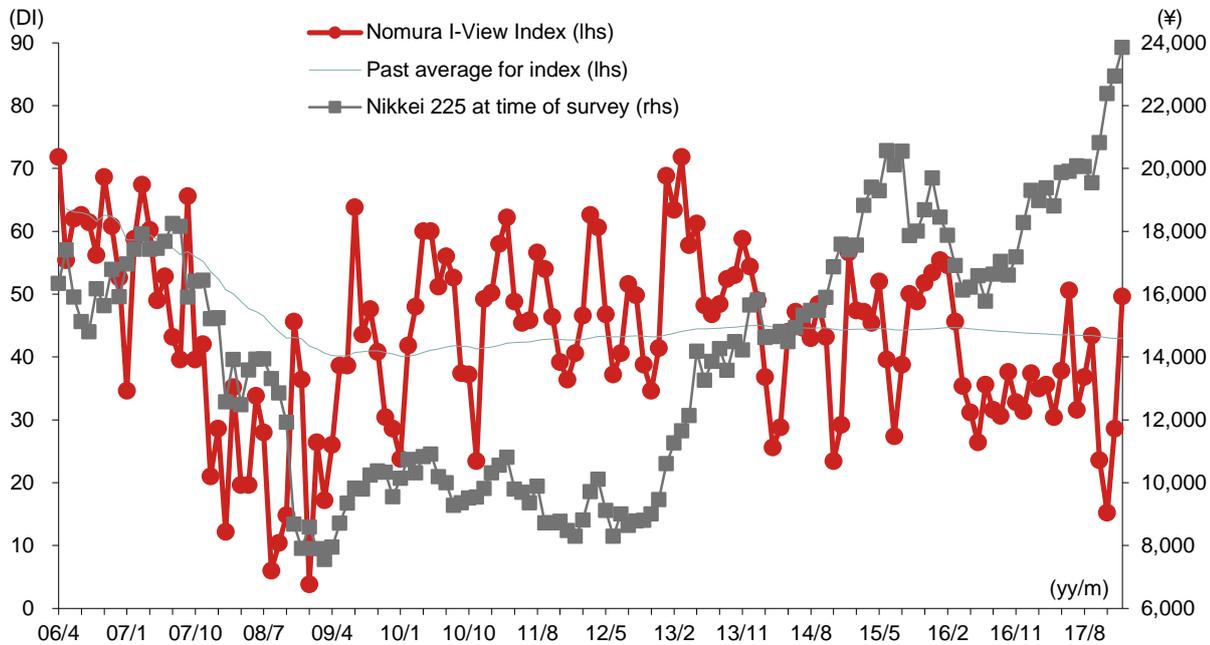
We then asked all who replied either "I have already opened an installment-type NISA", "I have applied to open an installment-type NISA", or "I plan to apply to open an installment-type NISA" to let us know how much they intended to invest in their installment-type NISAs in the current year (through the end of December 2018) and from where they intended to draw the funds to put in their installment-type NISAs. For the amount of planned investment, the most frequent response, at 24.5% of the total, was "¥300,000 to <¥400,000". A plurality of respondents (39.6%) indicated that they intend to fund their installment-type NISA investments with cash & deposits. Behind that were investors intending to fund their installment-type NISA investments with funds drawn from equities (28.3%), investment trusts (26.4%), and salaries & bonuses (22.6%).

2. Survey results

(1) Nomura I-View Index climbs to 49.6, the highest reading since June 2017

The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook for share prices and calculated by subtracting the percentage of responses for "fall" from that for "rise," was 49.6 in January 2018, up 21.0pt m-m. This was the highest reading for the index since June 2017. The Nikkei 225 reference level (9 January 2018 close) was 23,849.99, up 911.26 from the previous survey (11 December 2017 close of 22,938.73). (Figure 1)

Fig. 1: The Nomura I-View Index and reference level of Nikkei 225 at time of survey

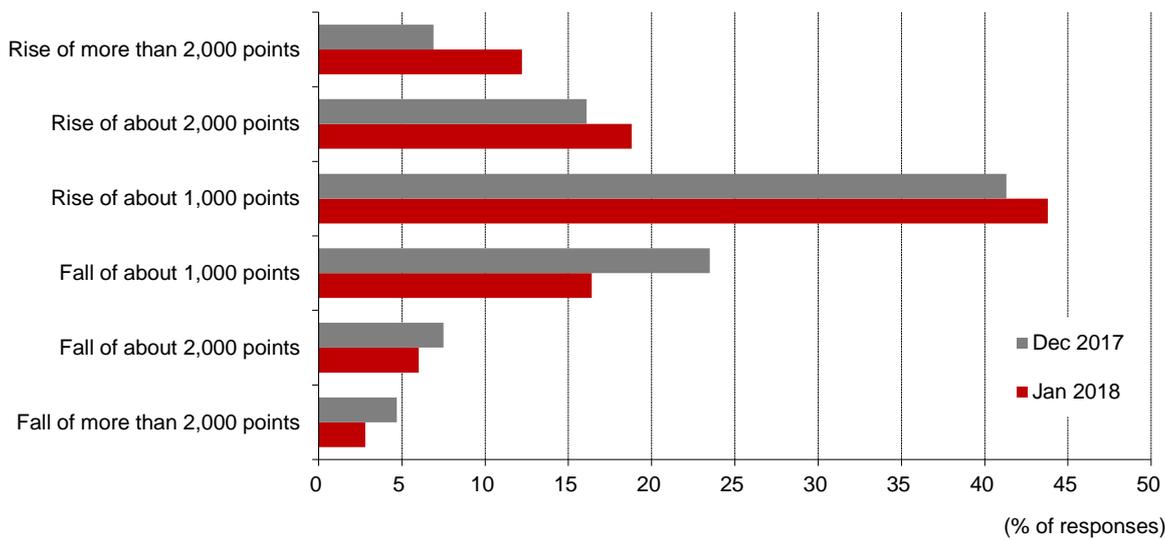


Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a diffusion index (DI). The calculation method is as follows: $\frac{((\text{number of responses indicating expected rise in share prices in the next three months}) - (\text{number of responses indicating expected fall in share prices in the next three months}))}{\text{divided by number of respondents}} \times 100$. The figure for January 2010 used here excludes those respondents who projected that the Nikkei 225 would be flat. (2) The Nomura I-View Index ranges from -100 to +100. The closer to +100, the more bullish the outlook held by individual investors. The closer to -100, the more bearish the outlook held by individual investors.

The combined proportion of respondents expecting the Nikkei 225 to rise over the next three months was 74.8%, up 10.5ppt from 64.3% the previous month. The proportion of respondents expecting a "rise of about 1,000 points" was up 2.5ppt m-m at 43.8%, while the proportion expecting a "rise of around 2,000 points" was up 2.7ppt at 18.8%. Meanwhile, the proportion responding "rise of more than 2,000 points" rose 5.3ppt, to 12.2%.

The proportion expecting a "fall of about 1,000 points" declined 7.1ppt m-m to 16.4%. The proportion expecting a "fall of about 2,000 points" was down 1.5ppt at 6.0%, while the proportion expecting a "fall of more than 2,000 points" was down 1.9ppt at 2.8%. (Figure 2)

Fig. 2: Outlook for Nikkei 225 during the next three months

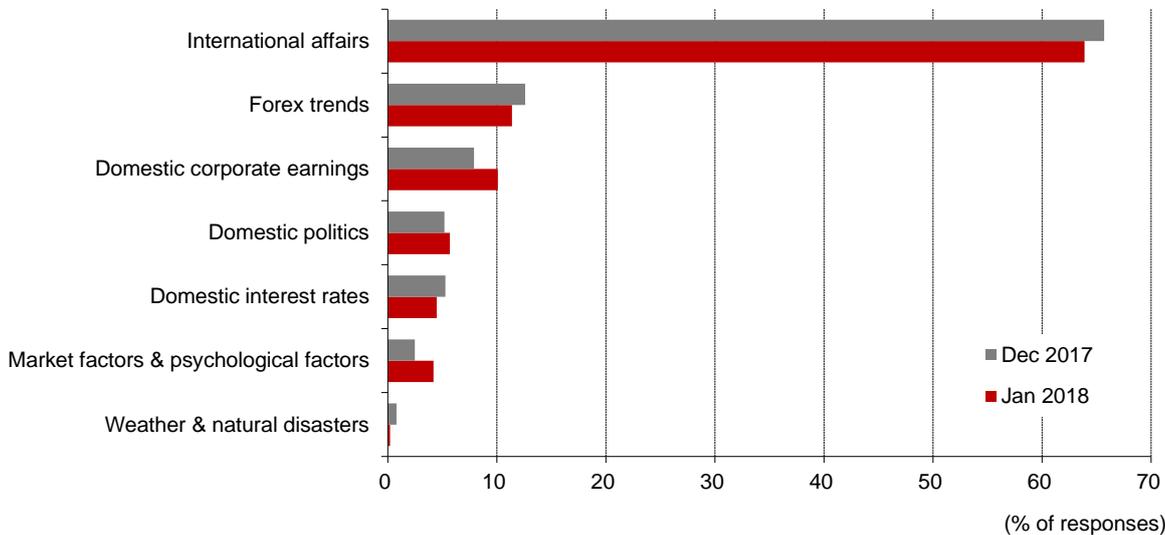


Note: Respondents were asked to share their outlook for the Nikkei 225 during the next three months based on the 9 January 2018 close of 23,849. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points, with 1,000-point increments in between.

(2) Increased investor interest in domestic corporate earnings

Respondents were asked to select the factor most likely to affect the stock market over the next three months. The response rate for "domestic corporate earnings" rose 2.2ppt m-m to 10.1%, while the response rate for "market factors & psychological factors" rose 1.7ppt to 4.2%. Meanwhile, the response rate for "international affairs" fell by 1.8ppt to 63.9%, and that for "forex trends" fell 1.2ppt to 11.4%. (Figure 3)

Fig. 3: Impact of factors on the stock market



Note: Respondents were asked to choose one answer from a possible seven responses concerning factors likely to impact the stock market over the next three months or so.

(3) Appeal of financials, automobiles, and electrical equipment/precision equipment sectors rises

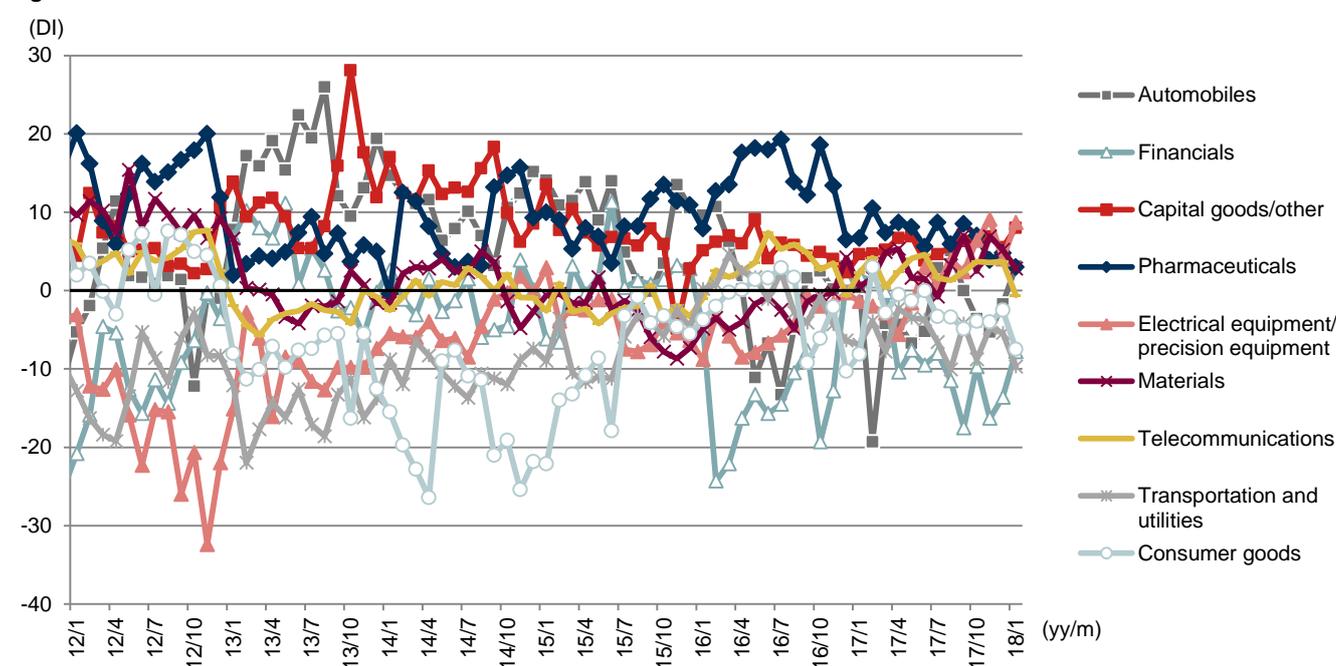
On the outlook for sectors over the next three months or so, we calculate a diffusion index (DI) by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the financials sector rose 5.8pt m-m to -7.8, that for the automobiles sector rose by 4.8pt to 3.1, and that for the electrical equipment/precision equipment sector rose by 4.7pt to 8.7. In contrast, the DI for the consumer goods sector fell by 5.0pt to -7.5, marking the lowest reading for the sector since January 2017. (Figures 4 and 5)

Fig. 4: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Electrical equipment/precision equipment	8.7	15.3	6.6	4.0
Capital goods/other	8.0	12.2	4.2	5.5
Automobiles	3.1	12.6	9.5	-1.7
Pharmaceuticals	3.0	9.5	6.5	4.8
Materials	2.8	13.4	10.6	5.2
Telecommunications	-0.6	6.8	7.4	3.7
Consumer goods	-7.5	12.0	19.5	-2.5
Financials	-7.8	12.9	20.7	-13.6
Transportation and utilities	-9.7	5.3	15.0	-5.4

Note: Respondents were given nine sectors and asked to choose one they viewed as an appealing investment target and one they viewed as unappealing. For each sector, we calculated a DI by subtracting the percentage of responses for "unappealing" from that for "appealing." The materials sector comprises mining, textiles, paper & pulp, chemicals, oil, ceramics, steel, nonferrous metals, and trading houses. The financial sector comprises banks, miscellaneous finance, securities, and insurance. The capital goods/other sector comprises construction, machinery, shipbuilding, transportation equipment, miscellaneous manufacturing, and real estate. The transportation and utilities sector comprises railroads & buses, trucking, shipping, airlines, warehousing, electric power, and gas. The consumer goods sector comprises marine products, food, retail, and services.

Fig. 5: Trends in DIs for selected sectors



(4) 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 found appealing. We show the most popular responses in Figure 6.

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

Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	90	6594	Nidec	11
9984	Softbank Group	27	9432	Nippon Telegraph and Telephone	11
6752	Panasonic	20	8058	Mitsubishi Corp	10
8306	Mitsubishi UFJ Financial Group	19	4661	Oriental Land	10
8411	Mizuho Financial Group	19	6301	Komatsu	10
4502	Takeda Pharmaceutical	18	2811	Kagome	9
6758	Sony	18	6502	Toshiba	9
7751	Canon	17	4503	Astellas Pharma	9
7974	Nintendo	16	2327	NS Solutions	8
9202	ANA Holdings	15	3402	Toray Industries	8
7201	Nissan Motor	14	8031	Mitsui & Co	7
8267	Aeon	14	6902	Denso	7
6501	Hitachi	12	2897	Nissin Foods Holdings	7
5401	Nippon Steel & Sumitomo Metal	11	9437	NTT Docomo	7
4755	Rakuten	11			

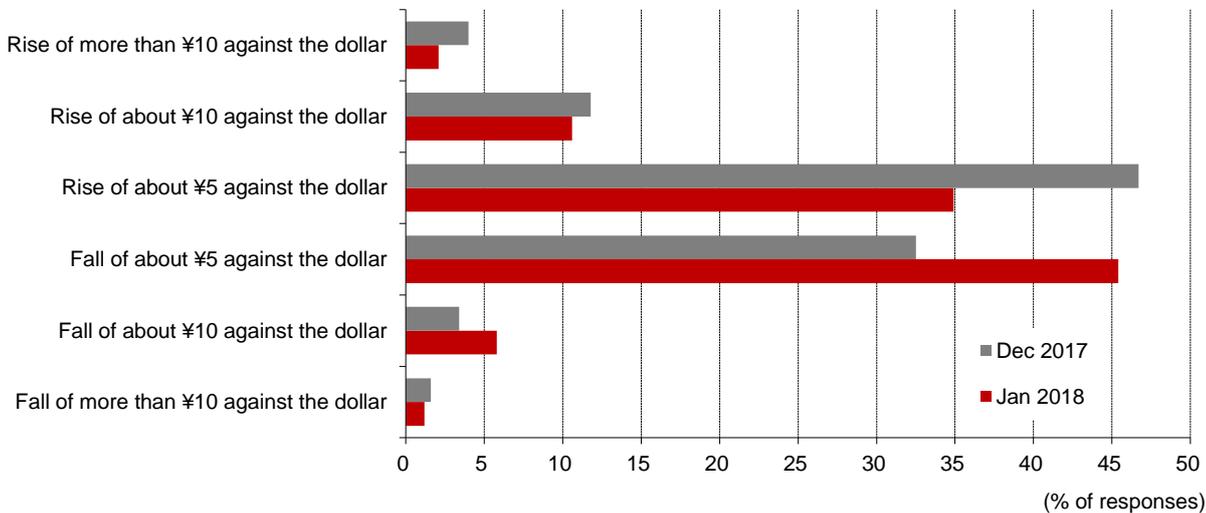
Note: Not included in valid responses were answers of "none" or clearly mistaken responses.

(5) Rise in proportion of investors expecting yen depreciation against US dollar

On the outlook for USD/JPY over the next three months, the combined percentage of respondents expecting the yen to appreciate against the US dollar was 47.6%, down 14.9ppt from the previous month. The response rate for "rise of about ¥5 against the dollar" fell 11.8ppt m-m to 34.9% and the response rate for "rise of about ¥10 against the dollar" fell 1.2ppt to 10.6%. The response rate for "rise of more than ¥10 against the dollar" fell 1.9ppt to 2.1%.

The response rate for "fall of about ¥5 against the dollar" rose 12.9ppt m-m to 45.4%, while the response rate for "fall of about ¥10 against the dollar" rose 2.4ppt to 5.8%. The response rate for "fall of more than ¥10 against the dollar" fell 0.4ppt to 1.2%. (Figure 7)

Fig. 7: Respondents' three-month outlook for USD/JPY



Note: Respondents were asked to share their outlook for USD/JPY over the next three months, referencing a 9 January 2018 indicative rate of 112.55. They could choose one answer from six possible responses ranging from a rise of more than ¥10 against the dollar to a fall of more than ¥10 against the dollar, with ¥5 increments in between.

(6) Investment appeal of US dollar rises

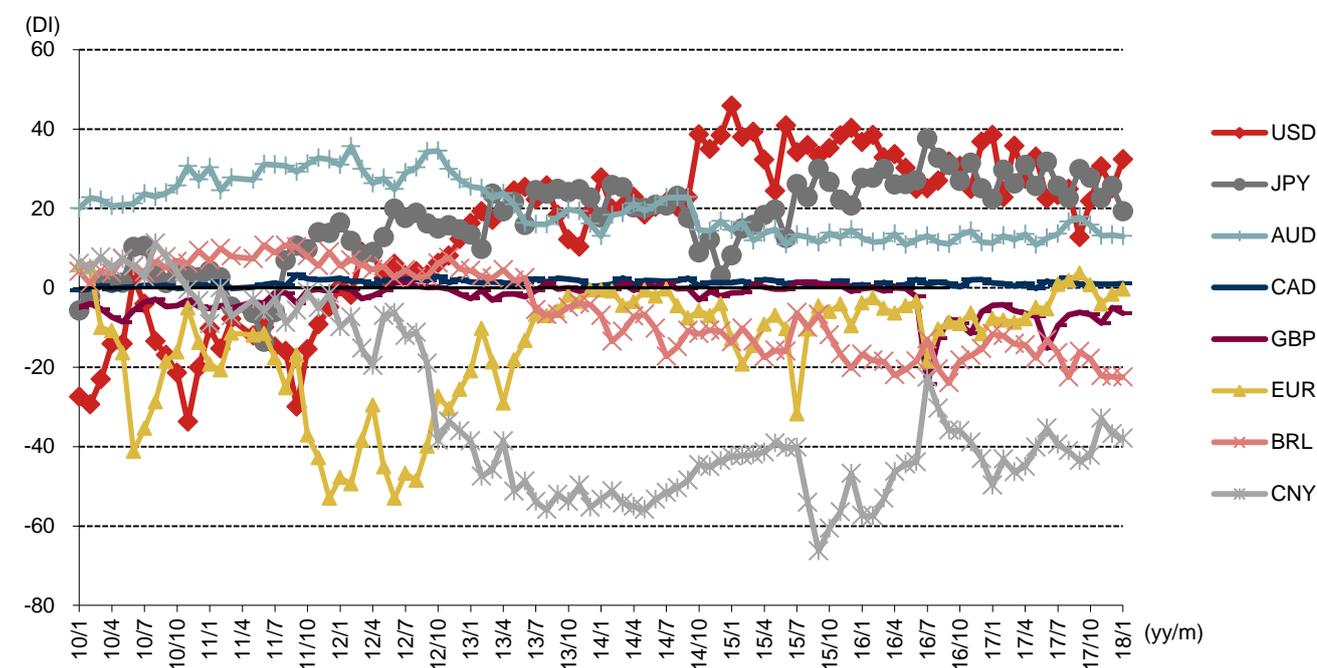
On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." This month, the DI for the US dollar rose by 7.3pt m-m to 32.3. Meanwhile, the DI for the Japanese yen fell 6.3pt to 19.3, which is the lowest reading for the DI since June 2015. (Figures 8 and 9)

Fig. 8: Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
US dollar	32.3	38.2	5.9	25.0
Japanese yen	19.3	29.4	10.1	25.6
Australian dollar	13.0	15.4	2.4	13.3
Canadian dollar	1.1	2.2	1.1	0.9
Euro	-0.3	6.3	6.6	-1.6
Pound sterling	-6.4	2.0	8.4	-5.0
Brazilian real	-22.5	1.7	24.2	-22.4
Chinese yuan	-38.0	3.1	41.1	-36.8

Note: Respondents were given nine possible responses, consisting of the above eight currencies and "other," and asked to choose one they viewed as an appealing investment target and one they viewed as unappealing. Those selecting "other" were asked to specify a currency.

Fig. 9: DIs for investment appeal of selected currencies



(7) Equities and investment trusts attract further interest

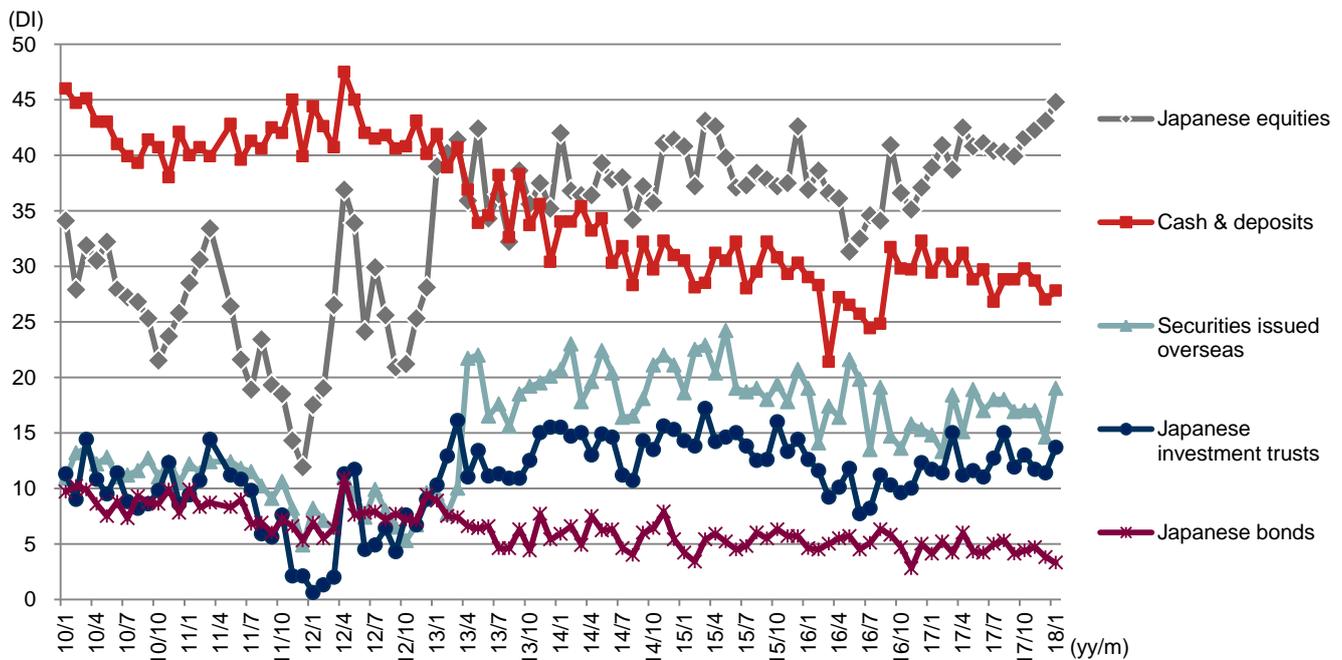
To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for Japanese equities rose 1.7pt m-m to 44.8, up for a fourth consecutive month to mark the highest reading for the DI since this survey series was launched in January 2010. The DI for foreign equities rose 3.0pt to 11.1. Meanwhile, the DI for Japanese investment trusts rose 2.3pt to 13.7 and the DI for foreign investment trusts rose 1.2pt to 5.3. (Figures 10 and 11)

Fig. 10: Financial instruments for which investors are planning either to increase or to decrease their holdings

Financial instrument	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Plan to increase	Plan to decrease	
Japanese equities	44.8	54.2	9.4	43.1
Cash & deposits	27.8	33.2	5.4	27.0
Japanese investment trusts	13.7	20.3	6.6	11.4
Foreign equities	11.1	12.1	1.0	8.1
Gold	7.2	7.9	0.7	6.3
Foreign investment trusts	5.3	6.7	1.4	4.1
Japanese bonds	3.3	5.7	2.4	3.8
Foreign bonds	2.6	4.1	1.5	2.4
Hybrid securities	2.3	2.6	0.3	1.8
Other	1.1	1.4	0.3	0.4
None	-49.9	28.4	78.3	-47.4

Note: Respondents were given a list of 11 responses and asked to choose those financial instruments for which they planned to increase their holdings and those for which they planned to decrease their holdings (multiple responses were allowed). "Plan to increase" refers to financial instruments that investors plan to hold for the first time or for which they plan to increase their holdings, while "plan to decrease" refers to instruments that investors plan to cease holding or for which they plan to decrease their holdings. Hybrid securities and gold were added to the list of choices from the February 2012 survey. Since the April 2013 survey, we have divided the former category of "Securities issued overseas" into foreign equities, foreign investment trusts, and foreign bonds.

Fig. 11: DIs for financial instruments in which investors are planning either to increase or to decrease their holdings



Note: "Securities issued overseas" is the total for foreign equities, foreign investment trusts, and foreign bonds.

(8) Higher percentage of respondents expect prices to be higher one year out

When asked for their outlook for prices of regularly purchased goods and services one year out, 48.4% of respondents selected a "rise" response, up 3.1ppt from the previous month. The proportion of respondents selecting the "no change" response fell 1.0ppt to 41.1%. The proportion of respondents selecting a "fall" response fell 2.1ppt m-m to 10.5%. (Figure 12)

Fig. 12: Outlook for prices one year out

	Choices	% of responses	(Ref) Previous % of responses
1	Fall of 5% or more	1.8	1.7
2	Fall of 2% up to 5%	3.8	3.8
3	Fall of less than 2%	4.9	7.1
4	No change (0%)	41.1	42.1
5	Rise of less than 2%	37.1	34.3
6	Rise of 2% up to 5%	9.8	8.6
7	Rise of 5% or more	1.5	2.4
	Total	100	100

Note: Respondents were asked to select one response to the question: "How do you expect prices of regularly purchased goods and services to differ from current levels one year out?"

(9) About installment-type NISAs

For our spot question this month, we asked investors about Nippon Individual Savings Accounts (NISAs). On the position regarding the opening of regular NISAs, 61.5% of respondents said they had already opened an account. The total proportion of respondents choosing "I have already opened an installment-type NISA", "I have applied to open an installment-type NISA", or "I plan to apply to open an installment-type NISA" came to 5.3%. (Figure 13)

Fig. 13: Have you opened a NISA or an installment-type NISA?

	Choices	No. of respondents	% of responses
1	I have already opened a NISA	615	61.5
2	I have already opened an installment-type NISA	21	2.1
3	I have applied to open a NISA	5	0.5
4	I have applied to open an installment-type NISA (including rollovers from regular NISAs)	4	0.4
5	I plan to apply to open a NISA	53	5.3
6	I plan to apply to open an installment-type NISA	28	2.8
7	I have no plans to open either a NISA or an installment-type NISA	274	27.4
	Total	1,000	100.0

Note: Respondents were asked to select one response to the question: "The installment-type NISA program launched in January 2018. Please tell us whether you have opened either a NISA or an installment-type NISA".

We then asked all who replied either "I have already opened an installment-type NISA", "I have applied to open an installment-type NISA", or "I plan to apply to open an installment-type NISA" to let us know how much they intended to invest in their installment-type NISAs in the current year (through the end of December 2018) and from where they intended to draw the funds to put in their installment-type NISAs. For the amount of planned investment, the most frequent response, at 24.5% of the total, was "¥300,000 to <¥400,000". A plurality of respondents (39.6%) indicated that they intend to fund their installment-type NISA investments with cash & deposits. Behind that were investors intending to fund their installment-type NISA investments with funds drawn from equities (28.3%), investment trusts (26.4%), and salaries & bonuses (22.6%). (Figures 14 and 15)

Fig. 14: How much do you intend to invest in your installment-type NISA this year?

	Choices	No. of respondents	% of responses
1	¥0 to <¥100,000	12	22.6
2	¥100,000 to <¥200,000	10	18.9
3	¥200,000 to <¥300,000	6	11.3
4	¥300,000 to <¥400,000	13	24.5
5	Not sure	12	22.6
	Total	53	100.0

Note: Respondents were asked to select one response to the question: "How much do you intend to invest in your installment-type NISA in the current year (through the end of December 2018)?".

Fig. 15: From where to you plan to draw the funds that you invest in your installment-type NISA this year?

	Choices	No. of respondents	% of responses
1	Cash & deposits	21	39.6
2	Investment trusts	14	26.4
3	Equities	15	28.3
4	Salaries & bonuses	12	22.6
5	Pension fund	4	7.5
6	Other	1	1.9
7	Undecided	2	3.8
	Total	53	100.0

Note: Respondents were asked to select as many responses as were applicable to the question: "From which sources do you intend to draw most of the funds that you invest in your installment-type NISA in the current year (through the end of December 2018)?".

3. Nomura Individual Investor Survey

With the aim of better understanding investing activity by individuals and providing information on those trends, 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 3,000 individual investors randomly selected from the approximately 24,000 with equity investment experience 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 9 January, with deadline for responses on 10 January 2018.

Survey content: Questions included each month are (1) share price outlook, (2) factors expected to impact the stock market, (3) attractive sectors and stocks, (4) USD/JPY outlook and attractive currencies, (5) financial instruments for which investors plan to change their holdings, and (6) inflation outlook (since July 2013). Respondents are also asked spot questions each month and queried about their personal profiles.

4. Nomura Individual Investor Survey (January 2018) respondents

Gender: Male (84.5%), female (15.5%)

Age: Under 30 (0.7%), 30–39 (7.1%), 40–49 (18.0%), 50–59 (28.1%), 60 and above (46.1%)

Occupation: Self-employed/fisheries, agriculture, forestry (8.5%), professional (physician/medical professional, lawyer, etc) (3.1%), company management/corporate officer (4.9%), company employee/public servant (42.3%), student (0.1%), full-time homemaker (7.4%), part-time worker/casual worker/job-hopper (6.7%), unemployed/pensioner (25.7%), other (1.3%)

Region: Kanto (49.1%), Kinki (19.1%), Tokai/Koshinetsu/Hokuriku (15.6%), Hokkaido/Tohoku (4.9%), Chugoku/Shikoku/Kyushu (11.3%)

Financial assets held: Less than ¥1,000,000 (5.7%), ¥1,000,000–¥2,999,999 (7.6%), ¥3,000,000–¥4,999,999 (10.3%), ¥5,000,000–¥9,999,999 (16.3%), ¥10,000,000–¥29,999,999 (30.2%), ¥30,000,000–¥49,999,999 (14.4%), ¥50,000,000 or more (15.5%)

Value of domestic stocks held: Less than ¥500,000 (9.1%), ¥500,000–¥999,999 (10.4%), ¥1,000,000–¥2,999,999 (20.0%), ¥3,000,000–¥4,999,999 (18.3%), ¥5,000,000–¥9,999,999 (17.1%), ¥10,000,000–¥29,999,999 (17.6%), ¥30,000,000 or more (7.5%)

Investment experience: Less than three years (1.3%), three years to less than five years (7.8%), five years to less than 10 years (21.2%), 10 years to less than 20 years (31.1%), 20 years or more (38.6%)

Investment plan for domestic stocks: Mainly for long-term holding (46.4%), pursuit of gains from short-term appreciation (11.9%), pursuit of dividends and shareholder perks (27.1%), no particular plan (14.6%)

Notice

The next Nomura Individual Investor Survey (February 2018) is scheduled for release on Friday, 16 February 2018.

Any Authors named on this report are Research Analysts unless otherwise indicated

Important Disclosures

The lists of issuers that are affiliates or subsidiaries of Nomura Holdings Inc., the parent company of Nomura Securities Co., Ltd., issuers that have officers who concurrently serve as officers of Nomura Securities Co., Ltd., issuers in which the Nomura Group holds 1% or more of any class of common equity securities and issuers for which Nomura Securities Co., Ltd. has lead managed a public offering of equity or equity linked securities in the past 12 months are available at <http://www.nomuraholdings.com/report/>. Please contact the Research Product Management Dept. of Nomura Securities Co., Ltd. for additional information.

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43% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 51% of companies with this rating are investment banking clients of the Nomura Group*. 0% of companies (which are admitted to trading on a regulated market in the EEA) with this rating were supplied material services by the Nomura Group

7% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 7% of companies with this rating are investment banking clients of the Nomura Group*. 0% of companies (which are admitted to trading on a regulated market in the EEA) with this rating were supplied material services by the Nomura Group.

As at 31 December 2017.

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

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STOCKS

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When Japanese government bonds (JGBs) for individual investors are purchased via public offerings, only the purchase price shall be paid, with no sales commission charged. As a rule, JGBs for individual investors may not be sold in the first 12 months after issuance. When JGBs for individual investors are sold before maturity, an amount calculated via the following formula will be subtracted from the par value of the bond plus accrued interest: (1) for 10-year variable rate bonds, an amount equal to the two preceding coupon payments (before tax) x 0.79685 will be used, (2) for 5-year and 3-year fixed rate bonds, an amount equal to the two preceding coupon payments (before tax) x 0.79685 will be used.

When inflation-indexed JGBs are purchased via public offerings, secondary distributions (uridashi deals), or other OTC transactions with Nomura Securities, only the purchase price shall be paid, with no sales commission charged. Inflation-indexed JGBs carry the risk of losses, as prices fluctuate in line with changes in market interest rates and fluctuations in the nationwide consumer price index. The notional principal of inflation-indexed JGBs changes in line with the rate of change in nationwide CPI inflation from the time of its issuance. The amount of the coupon payment is calculated by multiplying the coupon rate by the notional principal at the time of payment. The maturity value is the amount of the notional principal when the issue becomes due. For J117 and subsequent issues, the maturity value shall not undercut the face amount.

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