

Outlook for FY26–27 corporate earnings

Quarterly Update

5 June 2026

For inquiries:
Market Strategy Research Dept
Equity Research Dept
Nomura Securities Co., Ltd.

Contents

Summary and major assumptions.....	3
Contributions to recurring profit growth by sector	5
Revisions to recurring profit estimates (versus 3 March)	7
Total dividends and share buybacks, percentage of companies raising, lowering, resuming, discontinuing, or making no change to dividends	9
Revision index for the Russell/Nomura Large Cap Index	10
Reference	
Russell/Nomura Large Cap Index: earnings indicators.....	11
Recurring profits by sector	13
Percentage change in quarterly sales and profits.....	14
Valuation indicators.....	15
What are the Russell/Nomura Japan Equity Indexes?.....	16

Summary and major assumptions

FY25 sales up 2.4%, recurring profits up 10.4%

We have aggregated FY25 results and FY26–27 earnings forecasts by Nomura analysts for constituents of the Russell/Nomura Large Cap Index (sales and operating profits exclude financials, same basis hereafter). We estimate FY25 sales growth of 2.4% y-y, operating profit growth of 0.2%, recurring profit growth of 10.4%, and after-tax profit growth of 7.8%. This represents outperformance of 0.7ppt for sales, underperformance of 1.5ppt for operating profits, outperformance of 4.8ppt for recurring profits, and outperformance of 4.0ppt for after-tax profits versus the forecasts from the previous such exercise conducted on 3 March. The differences between growth rates and performance for operating profits and recurring/after-tax profits relates to SoftBank Group, which does not feature in operating profit growth data because it does not disclose operating profits.

Our analysts had initially expected recurring profits at major companies to fall y-y in FY25 owing to the new cost factor of additional US tariffs. However, profits actually increased, as companies subsequently worked to pass tariff costs onto selling prices, and they also tapped strong demand related to semiconductors and AI. In the end, aggregate operating profits at major companies rose for a fifth straight year, and recurring and after-tax profits rose for a sixth straight year.

Our analysts forecast FY26 sales growth of 6.3% and another year of recurring profit growth of 4.2%

Our analysts forecast FY26 sales growth of 6.3% y-y, operating profit growth of 18.8%, recurring profit growth of 4.2%, and after-tax profit growth of 5.9%. Versus the previous such exercise, they have raised their sales growth forecast by 2.0ppt but lowered their operating profit growth forecast by 0.4ppt, cut their recurring profit growth forecast by 6.0ppt, and lowered their after-tax profit growth forecast by 6.6ppt. Crude oil prices have risen by more than previously expected in FY26 owing to the tensions in the Middle East. Our analysts also assume near-term supply constraints for crude oil-derived inputs and products. That said, demand related to semiconductors and AI has been as strong as or even stronger than in FY25, and we think the electrical machinery & precision equipment sector will continue to witness profit growth. We now include forecasts for FY27, and assume that international prices for crude oil and other commodities will settle down as the tensions in the Middle East ease. Under these assumptions, we expect sales and profits at major companies to remain on a growth trajectory in FY27.

Revision Index shows roughly equal mix between upward and downward revisions

The Revision Index (RI) for the Russell/Nomura Large Cap Index (which shows the difference between the percentage of companies subject to upward revisions and the percentage of companies subject to downward revisions), is 0.0% for June 2026 (recurring profit basis, 4 Mar–2 Jun 2026), indicating an equal mix between companies subject to upward and downward revisions. There have been a marked number of upward revisions in the electrical machinery & precision equipment and financials sectors, while downward revisions look to have reflected tensions in the Middle East and high oil prices to a considerable degree.

FY25 dividend payout ratio of 37.5%, 80.2% of companies raise/restore dividends

The dividend payout ratio came in at 37.5% for FY25, below our previous forecast of 39.7% as after-tax profits were much higher than we had estimated. Even so, it was up on the FY24 reading of 36.2%. Moreover, 80.2% of companies either increased or restored dividends, higher than our previous forecast of 75.1%. Our analysts expect the dividend payout ratio to rise to 39.3% in FY26.

Fig. 1: Overview of consolidated earnings forecasts for the Russell/Nomura Large Cap Index

		No. of cos	New					Old	
			FY23	FY24	FY25	FY26E	FY27E	FY25E	FY26E
Sales	Russell/Nomura Large Cap (ex financials)	215	3.9	4.3	2.4	6.3	3.3	1.7	4.3
	Manufacturing	121	6.9	4.0	2.1	6.5	3.0	0.8	4.7
	Basic materials	29	-2.7	1.2	-1.3	9.0	-1.8	-3.2	3.0
	Processing	64	10.6	4.2	2.8	5.7	4.6	1.7	5.3
	Nonmanufacturing (ex financials)	94	0.1	4.7	2.7	6.0	3.7	2.8	3.7
	Russell/Nomura Small Cap (ex financials)	939	4.0	5.4	4.3	7.0	3.5	3.6	5.2
Operating profits	Russell/Nomura Large Cap (ex financials)	215	13.1	3.9	0.2	18.8	14.8	1.7	19.2
	Manufacturing	121	7.6	3.9	-3.5	26.7	16.8	-0.2	24.1
	Basic materials	29	-18.9	4.8	0.1	26.1	6.8	-5.0	26.6
	Processing	64	22.0	2.0	-11.3	29.4	22.3	-6.0	27.5
	Nonmanufacturing (ex financials)	94	23.7	4.1	6.5	6.1	11.0	5.1	10.8
	Russell/Nomura Small Cap (ex financials)	939	17.1	16.1	10.1	11.2	8.6	8.4	11.6
Recurring profits	Russell/Nomura Large Cap	242	15.0	9.0	10.4	4.2	12.2	5.6	10.2
	Russell/Nomura Large Cap (ex financials)	215	10.9	4.3	6.6	4.8	13.4	3.9	9.6
	Manufacturing	121	12.3	0.1	-3.3	23.6	16.4	-1.3	23.0
	Basic materials	29	-14.6	-3.4	4.9	22.4	7.6	-0.5	24.4
	Processing	64	26.8	-0.7	-11.5	25.0	21.1	-8.1	25.4
	Nonmanufacturing	121	18.0	18.4	22.3	-9.5	8.1	11.7	0.0
	Nonmanufacturing (ex financials)	94	8.9	10.5	19.6	-15.9	8.6	10.8	-6.6
	Russell/Nomura Small Cap	1,022	18.5	11.6	14.5	8.9	9.0	9.9	11.0
Russell/Nomura Small Cap (ex financials)	939	18.4	11.4	12.8	7.9	8.3	8.4	10.7	
Net profits	Russell/Nomura Large Cap	242	14.8	7.5	7.8	5.9	12.3	3.8	12.5
	Russell/Nomura Large Cap (ex financials)	215	10.8	2.8	3.1	7.0	13.7	1.4	12.5
	Manufacturing	121	15.8	-4.6	-9.6	34.1	17.5	-2.3	27.2
	Basic materials	29	-17.7	-1.5	4.8	23.2	6.7	-5.0	30.8
	Processing	64	29.3	-5.9	-20.2	41.2	22.8	-8.3	29.9
	Nonmanufacturing	121	13.7	20.5	22.3	-12.1	7.3	8.9	1.1
	Nonmanufacturing (ex financials)	94	4.1	14.2	19.3	-20.1	7.4	6.1	-5.5
	Russell/Nomura Small Cap	1,022	23.7	16.9	13.6	12.9	6.0	10.2	12.0
Russell/Nomura Small Cap (ex financials)	939	25.5	17.7	11.2	12.7	4.9	8.3	12.1	

Note: Latest estimates as of 2 June 2026, previous estimates as of 3 March 2026.

Source: Nomura

Fig. 2: Key earnings estimate assumptions

	As of 16 Apr. 2026					As of 20 Jan. 2026				
	Industrial production 2020se year	Policy rate (FY-end)	WTI	Exchange rate (avg)		Industrial production 2020 base year	Policy rate (FY-end)	WTI	Exchange rate (avg)	
	%y-y	%	\$/bbl	USD/JPY	EUR/JPY	%y-y	%	\$/bbl	USD/JPY	EUR/JPY
FY25E	-0.1	0.75	64.9	150.74	174.81	0.8	0.75	62.0	150.28	173.92
FY26E	3.5	1.25	80.0	155.00	185.00	1.8	1.00	60.0	155.00	180.00
FY27E	1.6	1.50	70.0	155.00	185.00	-	-	-	-	-
FY25E H1	-0.5	0.50	64.3	146.00	168.16	0.7	0.50	64.3	146.00	168.16
FY25E H2	0.3	0.75	65.5	155.47	181.47	0.8	0.75	59.6	154.57	179.68
FY26E H1	3.8	1.00	85.0	155.00	185.00	1.7	0.75	60.0	155.00	180.00
FY26E H2	3.1	1.25	75.0	155.00	185.00	1.9	1.00	60.0	155.00	180.00
FY27E H1	1.7	1.50	70.0	155.00	185.00	-	-	-	-	-
FY27E H2	1.5	1.50	70.0	155.00	185.00	-	-	-	-	-

Note: WTI is the term-average WTI crude oil futures price. The above assumptions are not Nomura forecasts but the assumptions on which Nomura analysts base their earnings forecasts.

Source: Nomura

Contributions to recurring profit growth by sector

Overview of FY25 results

Aggregate recurring profits at major companies rose for a sixth straight year in FY25, despite US tariffs, owing in part to growth in the global economy and rising demand related to semiconductors and AI. Recurring profits rose in 15 of the 19 sectors and declined in four.

The biggest contributors to profit growth included telecommunications, financials, electrical machinery & precision equipment, food, and pharmaceuticals & healthcare. The contribution from telecommunications was due in large part to profits at investment fund operations at SoftBank Group. The financials sector saw earnings growth at banks, and major banks in particular, owing to the rise in interest rates in Japan. It also benefited from profit growth at non-life insurance companies on revisions to insurance premiums and fewer natural disasters in Japan and elsewhere. Profit growth at the electrical machinery & precision equipment segment was primarily due to ongoing solid demand for IT services and the disappearance of impairment losses and other one-time losses booked in FY24 at some companies. The food sector benefited from the dropout of one-time losses booked the previous year and gains on the sale of real estate. Profits rose at the pharmaceuticals & healthcare sector on increased sales of pharmaceuticals and medical devices and the disappearance of impairment losses booked in FY24.

The sectors that made the biggest negative contributions to profits included automobiles and transportation. The automobiles sector was hit by the booking of impairment losses related to EVs as well as additional US tariffs. The decline in profits in transportation was due in large part to shipping majors, which saw containership rates fall in FY25 after having risen in FY24. Seibu Holdings also saw a fallback from the sale of a major multipurpose building in FY24.

Overview of corporate earnings outlook for FY26–27

Our analysts assume that the impact of US tariffs will fade in FY26 owing to the changes in rates seen in FY25, but think crude oil prices will rise owing to the increase in tensions in the Middle East. They expect recurring profits to increase in 14 of the 19 sectors and fall in five.

The sectors they expect to make large contributions to profit growth include electrical machinery & precision equipment, chemicals, trading companies, and pharmaceuticals & healthcare. They expect recurring profits in the electrical machinery & precision equipment sector to rise by roughly ¥6trn owing to massive demand for NAND for AI server applications at semiconductor major Kioxia Holdings. In chemicals, our analysts expect costs to increase, having hiked their crude oil expectations, but think this will be outweighed by profit growth in the oil subsector. In the trading companies sector, our analysts expect rising commodity prices to contribute to profit growth. The pharmaceuticals & healthcare sector is likely to benefit from the disappearance of one-time losses booked in FY25.

Sectors expected to make major negative contributions to profits include telecommunications and automobiles. The telecommunications sector will likely see a fallback from investment fund profits booked in FY25 at SoftBank Group. Our analysts expect the automobile sector to be hit by rising raw material prices because of the situation in the Middle East and the booking of losses because of revisions to automobile electrification strategies.

Looking further ahead to FY27, our analysts assume that crude oil prices will fall as the tensions in the Middle East ease. They expect profits to rise in 18 out of the 19 sectors and decline in only one, supported by growth in the global economy. Sectors expected to make the biggest contributions to profit growth are automobiles, where our analysts expect profits to rise for the first time in three years as restructuring costs drop from the picture and input prices ease; electrical machinery & precision equipment, where semiconductor and AI-related demand is expected to remain buoyant; and financials, particularly banks, which should be able to garner adequate spreads even though the pace of interest rate rises is likely to slow. Our analysts forecast a decline in profits for the trading companies sector as they assume that crude oil prices will settle down, reversing the profit boost factor for FY26.

Fig. 3: Contributions to recurring profit growth by sector for the Russell/Nomura Large Cap Index

FY25				FY26E			
Increase in profits (%)				Increase in profits (%)			
	Growth	Contribution	Contribution (ex financials)		Growth	Contribution	Contribution (ex financials)
15 sectors			118.8	14 sectors			187.9
Telecommunications	96.3	62.0		Electrical machinery, precision equipment	55.9	168.4	
Financials	27.7	47.8	-	Chemicals	24.7	31.4	35.0
Electrical machinery, precision equipment	10.4	11.8	22.7	Trading companies	18.3	30.7	34.3
Food	50.7	9.3	17.8	Pharmaceuticals, healthcare	24.7	20.6	23.0
Pharmaceuticals, healthcare	23.3	7.5	14.3	Media	SP	15.0	16.7
Services	18.7	5.9	11.3	Machinery	10.7	11.0	12.2
Construction	46.6	3.4	6.5	Financials	2.1	10.4	-
Chemicals	6.0	3.4	6.5	Services	10.0	8.4	9.4
Machinery	7.4	3.1	6.0	Steel, nonferrous metals	16.4	8.4	9.4
Retailing	11.3	3.0	5.8	Retailing	9.8	6.6	7.3
Software	18.4	2.9	5.6	Food	10.2	6.0	6.7
Housing, real estate	6.8	2.5	4.7	Household goods	24.4	5.6	6.2
Utilities	7.8	2.0	3.8	Software	14.8	5.5	6.2
Household goods	7.6	0.7	1.4	Construction	3.8	1.0	1.1
Steel, nonferrous metals	1.8	0.4	0.7				
Decrease in profits (%)				Decrease in profits (%)			
4 sectors				5 sectors			
Media	LI	-1.9	-3.7	Transportation	-3.4	-2.9	-3.2
Trading companies	-4.1	-3.3	-6.3	Housing, real estate	-4.8	-4.3	-4.8
Transportation	-18.2	-9.6	-18.4	Utilities	-25.9	-15.7	-17.5
Automobiles	-32.5	-50.9	-97.4	Automobiles	-8.2	-19.4	-21.6
				Telecommunications	-66.9	-186.6	-208.2
FY27E							
Increase in profits (%)							
18 sectors							
Automobiles	40.7	29.4	33.5				
Electrical machinery, precision equipment	14.6	22.8	26.0				
Financials	7.3	12.3	-				
Utilities	32.0	4.8	5.4				
Telecommunications	15.2	4.7	5.3				
Steel, nonferrous metals	20.5	4.0	4.6				
Services	12.7	3.9	4.4				
Machinery	10.2	3.8	4.4				
Housing, real estate	11.5	3.2	3.7				
Transportation	10.1	2.7	3.1				
Pharmaceuticals, healthcare	6.5	2.2	2.6				
Retailing	9.0	2.2	2.5				
Food	8.0	1.7	2.0				
Chemicals	2.7	1.4	1.6				
Software	9.8	1.4	1.6				
Household goods	8.8	0.8	0.9				
Construction	7.1	0.6	0.7				
Media	2.8	0.1	0.1				
Decrease in profits (%)							
1 sector							
Trading companies	-3.3	-2.2	-2.5				

Note: SP = switch to profits; SL = switch to losses; LS = losses shrinking; LI = losses increasing.

Source: Nomura

Revisions to recurring profit forecasts (versus 3 March)

Overview of FY25 results

FY25 recurring profits exceeded our prior forecasts in 10 of the 19 sectors and undershot them in nine.

The biggest outperformance was in telecommunications, financials, and steel & nonferrous metals. The telecommunications sector benefited from some of the investment fund profits that we had thought SoftBank Group would book in FY26 actually arising in FY25. The financials sector was affected by strong core earnings at megabanks on growth in lending and improvements in spreads, and at non-life insurers, reflecting revisions to insurance premiums and fewer natural disasters. The steel & nonferrous metals sector benefited from rising prices for nonferrous metals.

The biggest underperformance in absolute terms was at the automobiles and pharmaceuticals & healthcare sectors. Automobiles were hit substantially by the booking of impairment losses related to changes in electrification strategies. The pharmaceuticals & healthcare sector was affected by the booking of one-time losses on the payment of compensation to contract manufacturing organizations (CMOs).

Overview of corporate earnings outlook for FY26

Our analysts have raised their FY26 recurring profit forecasts for 10 of 19 sectors and lowered them for nine.

The biggest upward revisions are for electrical machinery & precision equipment, trading companies, and chemicals. In electrical machinery & precision equipment, our analysts have raised their forecasts mainly for semiconductor-related companies in view of strong demand for generative AI applications. For trading companies they have factored in rising commodity prices. In chemicals, our analysts have raised their profit forecasts for oil refining, sales, and exploration & development businesses on upward revisions to crude oil price assumptions.

Conversely, our analysts have made substantial downward revisions for sectors including automobiles and telecommunications. Our analysts expect the automobile sector to be hit by rising raw material prices because of the situation in the Middle East and the booking of losses because of revisions to automobile electrification strategies. In telecommunications, they have adjusted their forecasts to account for the investment fund profits at SoftBank Group that were brought forward to FY25.

Fig. 4: Revisions to recurring profit estimates for the Russell/Nomura Large Cap Index

FY25					FY26E				
[Upward revisions]	10 sectors		(¥bn)	(%)	[Upward revisions]	10 sectors		(¥bn)	(%)
	Actual	Old E	Revision	Change		New	Old	Revision	Change
Telecommunications	9,017	7,265	1752.8	24.1	Electrical machinery, precision equipment	15,197	12,963	2233.8	17.2
Financials	15,711	13,972	1738.5	12.4	Trading companies	6,424	5,753	671.0	11.7
Steel, nonferrous metals	1,437	1,213	224.4	18.5	Chemicals	5,119	4,766	352.9	7.4
Utilities	1,959	1,798	161.0	9.0	Financials	16,316	16,019	297.1	1.9
Services	2,676	2,558	118.2	4.6	Pharmaceuticals, healthcare	3,367	3,219	147.8	4.6
Housing, real estate	2,763	2,659	103.4	3.9	Services	2,981	2,903	78.5	2.7
Transportation	3,079	2,980	98.2	3.3	Construction	890	862	28.0	3.3
Chemicals	4,317	4,246	70.8	1.7	Food	2,092	2,068	24.0	1.2
Construction	763	729	34.1	4.7	Media	406	385	21.5	5.6
Household goods	754	742	12.1	1.6	Retailing	2,377	2,357	20.2	0.9

FY25					FY26E				
[Downward revisions]	9 sectors		(¥bn)	(%)	[Downward revisions]	9 sectors		(¥bn)	(%)
	Actual	Old E	Revision	Change		New	Old	Revision	Change
Media	-160	-155	-5.6	3.6	Household goods	914	925	-11.0	-1.2
Retailing	2,120	2,127	-6.7	-0.3	Steel, nonferrous metals	1,921	1,937	-15.5	-0.8
Food	1,964	1,973	-9.7	-0.5	Software	1,386	1,405	-19.8	-1.4
Software	1,349	1,373	-24.6	-1.8	Transportation	2,659	2,859	-199.6	-7.0
Machinery	3,213	3,250	-37.1	-1.1	Housing, real estate	2,749	2,969	-220.7	-7.4
Electrical machinery, precision equipment	8,973	9,024	-50.8	-0.6	Machinery	3,669	3,941	-271.9	-6.9
Trading companies	5,478	5,604	-126.4	-2.3	Utilities	1,451	1,849	-398.0	-21.5
Pharmaceuticals, healthcare	2,823	3,035	-212.7	-7.0	Telecommunications	2,981	3,692	-711.1	-19.3
Automobiles	7,517	8,509	-991.9	-11.7	Automobiles	7,047	10,332	-3285.5	-31.8

Note: Latest estimates as of 2 June 2026, previous estimates as of 3 March 2026.

Source: Nomura

Fig. 5: Russell/Nomura Large Cap Index total dividends and share buybacks

	FY22	FY23	FY24	FY25	FY26E	FY27E
Net profits	39,661	46,358	50,358	52,363	56,457	63,478
Total dividends	14,420	15,769	18,225	19,614	22,302	24,158
Share buybacks	7,339	6,821	12,115	12,377		
Return to shareholders	21,759	22,590	30,340	31,990		
Retained earnings	17,902	23,768	20,018	20,373		
As % of net profits						
Total dividends	36.4	34.0	36.2	37.5	39.5	38.1
Share buybacks	18.5	14.7	24.1	23.6		
Shareholders' return ratio	54.9	48.7	60.2	61.1		
Retained earnings	45.1	51.3	39.8	38.9		

Note: (1) Retained earnings are after-tax profits minus total dividends and share buybacks. (2) Total dividend payments for FY25 and thereafter are Nomura forecasts if available and Toyo Keizai estimates otherwise. Includes listed consolidated subsidiaries. (3) Estimates as of 2 June 2026.

Source: Nomura, based on company data

Fig. 6: Percentage of Russell/Nomura Large Cap companies raising, lowering, resuming, discontinuing, or making no change to dividends

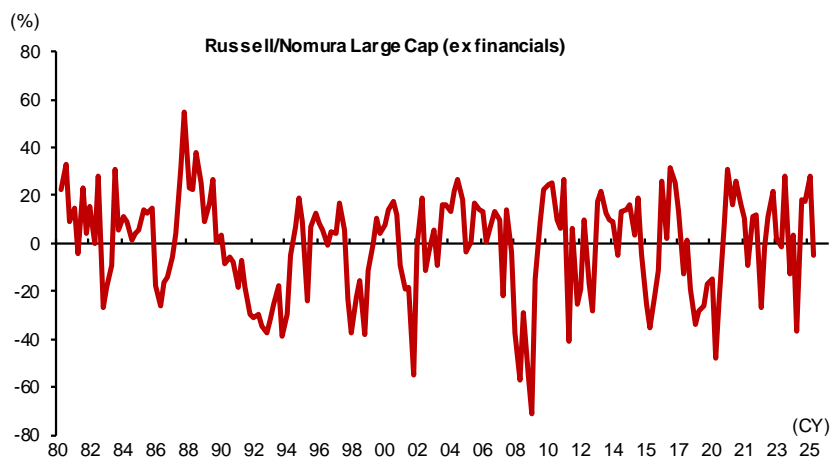
	FY21	FY22	FY23	FY24	FY25E		FY26E		FY27E
					Old	New	Old	New	
Dividend increase	73.4	68.2	71.7	81.5	74.7	79.8	75.1	73.0	73.0
Dividend resumption	2.0	0.3	1.7	0.0	0.4	0.4	0.0	0.0	0.4
No change	19.5	19.7	17.2	14.5	17.3	13.3	19.7	19.0	23.8
Dividend decrease	2.6	7.4	8.4	2.4	5.6	4.8	2.4	5.6	0.8
To no dividend	0.0	2.0	0.7	0.3	0.8	0.4	0.0	0.0	0.0
No dividend continued	2.6	2.3	0.3	1.3	1.2	1.2	2.8	2.4	2.0
Not comparable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note(1) Calculated on the basis of analysts' estimates of regular and special dividends combined. (2) Total dividend payments for FY25 and thereafter are Nomura forecasts if available and Toyo Keizai estimates otherwise. (3) Latest estimates as of 2 June 2026, previous estimates as of 3 March 2026.

Source: Nomura, based on Toyo Keizai data

Fig. 7: Revision index for the Russell/Nomura Large Cap Index

	(yy/m)	24/9	24/12	25/3	25/6	25/9	25/12	26/3	26/6
Russell/Nomura Large Cap		28.1	-10.8	7.0	-32.6	16.0	18.1	28.4	0.0
Russell/Nomura Large Cap (ex financials)		28.1	-12.9	3.2	-36.5	18.2	17.8	28.2	-5.1
Manufacturing		25.3	-34.2	-2.4	-51.2	9.7	13.0	39.3	-0.8
Basic materials		12.5	-37.5	-28.6	-35.7	0.0	13.8	27.6	-3.4
Processing		24.0	-44.0	7.9	-66.7	19.0	24.2	50.8	7.8
Nonmanufacturing (ex financials)		31.6	13.7	10.4	-17.7	29.2	24.0	13.8	-10.6



Note: Calculated by Nomura based on revisions to recurring profit forecasts. Excludes consolidated subsidiaries. Revision index = (number of upward revisions - number of downward revisions) ÷ number of constituent companies.

Source: Nomura

Russell/Nomura Large Cap Index: earnings indicators

Fig. 8: Percentage change in sales by sector (% y-y)

	No. of cos	(% y-y)							
		FY22	FY23	FY24	FY25E Old	FY25E New	FY26E Old	FY26E New	FY26E New
					E	E	E	E	E
Industrial groups									
Russell/Nomura Large Cap (ex financials)	215	17.2	3.9	4.3	1.7	2.4	4.3	6.3	3.3
Manufacturing	121	17.4	6.9	4.0	0.8	2.1	4.7	6.5	3.0
Basic materials	29	24.2	-2.7	1.2	-3.2	-1.3	3.0	9.0	-1.8
Processing	64	16.4	10.6	4.2	1.7	2.8	5.3	5.7	4.6
Nonmanufacturing (ex financials)	94	16.9	0.1	4.7	2.8	2.7	3.7	6.0	3.7
Broad sectors									
Materials	29	24.2	-2.7	1.2	-3.2	-1.3	3.0	9.0	-1.8
Machinery, autos	32	19.7	15.5	4.7	1.5	2.9	4.2	3.7	3.8
Electronics	32	11.4	1.7	3.3	2.0	2.7	7.5	9.7	5.9
Consumer, distribution	61	14.6	0.6	4.6	2.1	2.4	4.0	6.4	2.9
Information	19	7.2	3.6	3.4	8.7	9.4	5.3	4.9	5.6
Utilities, infrastructure	42	23.6	0.7	6.8	2.1	1.3	2.7	5.8	4.4
Sectors									
Chemicals	20	26.3	-5.5	1.1	-7.5	-5.4	1.5	10.6	-4.6
Steel, nonferrous metals	9	18.2	5.9	1.5	6.5	7.8	5.7	6.1	3.3
Machinery	18	18.0	7.4	6.7	1.2	3.0	7.4	7.9	5.7
Autos	14	20.2	18.0	4.1	1.6	2.9	3.3	2.7	3.4
Electrical machinery, precision equipment	32	11.4	1.7	3.3	2.0	2.7	7.5	9.7	5.9
Pharmaceuticals, healthcare	12	10.9	7.2	8.3	4.3	4.9	4.7	6.5	2.7
Food products	9	12.3	7.4	6.5	3.5	4.4	3.0	5.5	3.7
Household goods	7	10.2	2.2	7.7	3.4	4.0	6.1	7.3	4.8
Trading companies	7	19.4	-5.6	3.0	2.1	2.3	3.5	7.5	1.6
Retailing	12	15.0	3.3	6.6	-0.7	-0.8	4.5	6.3	3.9
Services	14	5.5	7.2	1.4	2.4	3.1	4.3	3.7	4.8
Software	9	3.3	9.0	-4.1	29.4	28.7	9.8	0.9	7.2
Media	4	12.2	3.1	10.7	6.3	6.3	3.3	6.3	2.9
Telecommunications	6	7.5	2.6	4.5	5.0	6.0	4.5	5.6	5.5
Construction, engineering	5	11.8	9.6	9.8	1.4	1.8	6.2	9.4	5.8
Housing, real estate	15	8.7	5.0	9.8	6.6	4.8	5.7	6.7	5.2
Transportation	15	25.5	5.0	8.0	2.4	3.0	1.0	1.7	3.7
Utilities	7	44.1	-9.9	1.1	-2.5	-4.5	-0.4	7.8	3.5

Note: (1) Figures exclude listed consolidated subsidiaries. (2) Latest estimates as of 2 June 2026; previous estimates as of 3 March 2026.

Source: Nomura

Fig. 9: Percentage change in recurring profits by sector (% y-y)

	No. of cos	FY22	FY23	FY24	FY25E					FY27E
					FY25E Old	FY25E New	FY26E Old	FY26E New	FY27E New	
Industrial groups										
Russell/Nomura Large Cap	242	4.2	15.0	9.0	5.6	10.4	10.2	4.2	12.2	
Russell/Nomura Large Cap (ex financials)	215	7.7	10.9	4.3	3.9	6.6	9.6	4.8	13.4	
Manufacturing	121	2.7	12.3	0.1	-1.3	-3.3	23.0	23.6	16.4	
Basic materials	29	-7.2	-14.6	-3.4	-0.5	4.9	24.4	22.4	7.6	
Processing	64	4.4	26.8	-0.7	-8.1	-11.5	25.4	25.0	21.1	
Nonmanufacturing	121	5.8	18.0	18.4	11.7	22.3	0.0	-9.5	8.1	
Nonmanufacturing (ex financials)	94	15.8	8.9	10.5	10.8	19.6	-6.6	-15.9	8.6	
Broad sectors										
Materials	29	-7.2	-14.6	-3.4	-0.5	4.9	24.4	22.4	7.6	
Machinery, autos	32	3.9	45.9	-6.5	-18.8	-24.1	18.7	-2.5	30.2	
Electronics	32	5.3	-0.8	12.0	11.0	10.4	33.7	55.9	14.6	
Consumer, distribution	61	11.5	-4.2	7.4	13.1	11.6	8.6	16.1	4.7	
Information	19	0.3	22.2	28.6	47.7	78.7	-35.0	-53.0	12.6	
Utilities, infrastructure	42	33.9	17.1	5.5	-6.0	-1.5	6.0	-8.4	14.3	
Financials	27	-18.3	49.9	38.2	13.6	27.7	12.6	2.1	7.3	
Sectors										
Chemicals	20	-5.2	-16.2	3.1	4.2	6.0	18.3	24.7	2.7	
Steel, nonferrous metals	9	-13.0	-9.6	-21.3	-14.1	1.8	42.6	16.4	20.5	
Machinery	18	6.6	3.8	15.3	-2.8	7.4	17.5	10.7	10.2	
Autos	14	2.9	61.2	-11.6	-23.6	-32.5	19.2	-8.2	40.7	
Electrical machinery, precision equipment	32	5.3	-0.8	12.0	11.0	10.4	33.7	55.9	14.6	
Pharmaceuticals, healthcare	12	18.2	-21.8	34.8	32.6	23.3	10.3	24.7	6.5	
Food products	9	17.7	11.0	-22.5	50.4	50.7	8.6	10.2	8.0	
Household goods	7	-14.6	-13.0	33.7	5.8	7.6	26.8	24.4	8.8	
Trading companies	7	18.6	-11.2	3.6	-1.9	-4.1	3.5	18.3	-3.3	
Retailing	12	20.5	12.2	3.7	11.6	11.3	8.7	9.8	9.0	
Services	14	-12.8	13.6	18.2	13.4	18.7	12.0	10.0	12.7	
Software	9	-5.8	12.9	-16.5	20.5	18.4	13.1	14.8	9.8	
Media	4	-36.1	-36.8	SL	LI	LI	SP	SP	2.8	
Telecommunications	6	9.9	32.6	55.4	57.0	96.3	-49.2	-66.9	15.2	
Construction, engineering	5	2.1	-26.2	88.3	40.1	46.6	4.9	3.8	7.1	
Housing, real estate	15	10.2	-4.5	12.3	2.8	6.8	7.1	-4.8	11.5	
Transportation	15	92.2	-28.1	25.5	-20.8	-18.2	7.4	-3.4	10.1	
Utilities	7	SL	1,868.3	-30.2	-1.1	7.8	2.9	-25.9	32.0	
Financials	27	-18.3	49.9	38.2	13.6	27.7	12.6	2.1	7.3	

Note: (1) SP = switch to profits, SL = switch to losses. LS = losses shrinking. LI = losses increasing. (2) Figures exclude listed consolidated subsidiaries. (3) Latest estimates as of 2 June 2026; previous estimates as of 3 March 2026.

Source: Nomura

Fig. 10: Recurring profits by sector (absolute amount, ¥1bn)

	No. of cos	FY21	FY22	FY23	FY24	FY25E	FY25E	FY26E	FY26E	FY27E
						Old	New	Old	New	New
						E	A	E	E	E
Industrial groups										
Russell/Nomura Large Cap	242	40,173	53,958	55,567	71,223	72,901	75,749	81,204	79,946	89,689
Russell/Nomura Large Cap (ex financials)	215	34,590	46,630	49,619	58,660	58,929	60,038	65,185	63,629	72,179
Manufacturing	121	18,613	29,038	29,102	33,488	31,991	30,996	40,151	39,326	45,783
Basic materials	29	2,721	7,020	6,195	5,570	5,459	5,754	6,703	7,040	7,573
Processing	64	12,114	17,723	18,300	23,368	20,782	19,702	27,236	25,913	31,371
Nonmanufacturing	121	21,560	24,920	26,464	37,735	40,910	44,753	41,052	40,620	43,906
Nonmanufacturing (ex financials)	94	15,977	17,592	20,516	25,172	26,938	29,042	25,033	24,303	26,396
Broad sectors										
Materials	29	2,721	7,020	6,195	5,570	5,459	5,754	6,703	7,040	7,573
Machinery, autos	32	6,492	10,244	10,594	15,017	11,759	10,730	14,273	10,716	13,953
Electronics	32	5,622	7,479	7,706	8,351	9,024	8,973	12,963	15,197	17,417
Consumer, distribution	61	8,260	13,236	14,424	14,822	16,039	15,814	17,225	18,155	19,002
Information	19	9,589	3,820	3,709	5,792	8,483	10,206	5,482	4,773	5,374
Utilities, infrastructure	42	1,906	4,831	6,990	9,108	8,166	8,563	8,539	7,748	8,858
Financials	27	5,583	7,328	5,948	12,564	13,972	15,711	16,019	16,316	17,511
Sectors										
Chemicals	20	2,425	5,218	4,715	4,343	4,246	4,317	4,766	5,119	5,260
Steel, nonferrous metals	9	296	1,802	1,480	1,227	1,213	1,437	1,937	1,921	2,314
Machinery	18	1,670	2,637	2,853	3,500	3,250	3,213	3,941	3,669	4,041
Autos	14	4,822	7,608	7,741	11,517	8,509	7,517	10,332	7,047	9,912
Electrical machinery, precision equipment	32	5,622	7,479	7,706	8,351	9,024	8,973	12,963	15,197	17,417
Pharmaceuticals, healthcare	12	1,810	1,983	2,253	2,330	3,035	2,823	3,219	3,367	3,586
Food products	9	1,373	1,533	1,660	1,438	1,973	1,964	2,068	2,092	2,259
Household goods	7	596	778	694	782	742	754	925	914	995
Trading companies	7	1,663	5,203	6,172	5,811	5,604	5,478	5,753	6,424	6,210
Retailing	12	1,310	1,651	1,824	2,121	2,127	2,120	2,357	2,377	2,592
Services	14	1,509	2,086	1,821	2,340	2,558	2,676	2,903	2,981	3,361
Software	9	1,172	1,381	1,214	1,150	1,373	1,349	1,405	1,386	1,522
Media	4	-2	327	209	-22	-155	-160	385	406	418
Telecommunications	6	8,419	2,112	2,286	4,663	7,265	9,017	3,692	2,981	3,435
Construction, engineering	5	636	501	408	567	729	763	862	890	953
Housing, real estate	15	1,878	2,509	2,706	3,022	2,659	2,763	2,969	2,749	3,064
Transportation	15	-1,573	1,446	4,011	3,561	2,980	3,079	2,859	2,659	2,926
Utilities	7	965	375	-135	1,957	1,798	1,959	1,849	1,451	1,916
Financials	27	5,583	7,328	5,948	12,564	13,972	15,711	16,019	16,316	17,511

Note: Figures exclude listed consolidated subsidiaries. Index composition for period through FY24 differs from index composition from FY25 onwards. Accordingly, prior-year comparison base for y-y changes has been altered, thereby resulting in different y-y figures than before. Latest estimates as of 2 June 2026, previous estimates as of 3 March 2026.

Source: Nomura

Fig. 11: Percentage change in quarterly sales and profits (FY25 Q1 to FY25 Q4)

	% y-y															
	Sales				Operating profits				Recurring profits				Net profits			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Industrial groups																
Russell/Nomura Large Cap	-	-	-	-	-	-	-	-	-10.4	27.6	4.8	29.8	-14.8	28.1	-7.3	40.4
Russell/Nomura Large Cap (ex financials)	-0.3	2.4	3.7	4.0	-7.7	3.0	8.7	0.9	-14.3	30.7	0.7	19.7	-21.5	30.4	-14.0	32.5
Manufacturing	-1.3	2.6	3.6	4.3	-13.5	-2.4	11.6	-3.5	-23.5	23.8	-4.0	4.6	-25.7	22.0	-28.8	19.0
Basic materials	-6.1	-1.4	1.3	1.2	-40.5	6.7	4.1	56.9	-42.3	29.3	0.4	68.3	-58.3	38.3	-4.7	89.1
Processing	0.0	3.7	3.9	4.3	-10.3	-4.7	-3.5	-22.3	-24.7	28.5	-18.4	-13.7	-26.6	26.7	-47.9	-0.2
Nonmanufacturing	-	-	-	-	-	-	-	-	1.9	30.1	13.3	54.6	-4.5	31.8	14.7	57.2
Nonmanufacturing (ex financials)	1.1	2.2	3.8	3.7	2.8	12.3	4.3	8.3	-1.1	38.0	7.6	39.2	-15.2	38.5	10.4	45.8
Broad sectors																
Basic materials	-6.1	-1.4	1.3	1.2	-40.5	6.7	4.1	56.9	-42.3	29.3	0.4	68.3	-58.3	38.3	-4.7	89.1
Machinery, autos	0.0	3.5	4.1	4.9	-23.1	-18.6	-10.8	-50.5	-33.9	21.3	-29.3	-32.5	-39.5	20.2	-32.2	-6.6
Electronics	0.1	4.2	3.5	3.1	16.9	16.0	7.3	12.1	-3.6	37.7	5.2	8.5	1.0	33.8	-83.4	4.3
Consumption, distribution	-0.8	1.7	3.7	5.7	6.6	2.5	53.7	25.4	-4.3	7.3	29.0	22.4	-1.0	7.2	23.8	23.0
Information	7.5	9.1	10.8	10.7	-6.6	15.6	-7.3	9.7	21.2	99.4	55.0	144.0	83.3	93.0	239.7	142.4
Utilities, infrastructure	1.9	1.1	2.2	-0.3	6.1	12.7	4.5	-4.5	-5.2	7.7	-4.1	-5.7	-55.7	4.1	-5.9	8.0
Financials	-	-	-	-	-	-	-	-	7.6	17.1	23.8	104.5	13.8	20.2	21.9	101.3
Sectors																
Chemicals	-7.0	-5.6	-2.5	-5.5	-25.7	6.7	1.7	28.8	-27.0	38.9	-1.8	38.8	-33.9	49.4	-12.7	42.7
Steel, nonferrous metals	-3.9	8.0	9.9	16.9	-82.7	6.7	9.5	188.1	-85.6	7.7	6.0	214.8	SL	18.0	14.0	293.8
Machinery	0.3	3.1	7.5	4.0	-4.5	4.2	8.3	17.6	-7.3	19.2	2.3	30.6	-7.9	12.3	1.9	26.2
Automobiles	-0.1	3.5	3.3	5.2	-28.4	-25.8	-16.5	-79.4	-39.9	22.1	-35.3	-59.1	-46.4	23.7	-38.2	-46.5
Electrical machinery, precision equipment	0.1	4.2	3.5	3.1	16.9	16.0	7.3	12.1	-3.6	37.7	5.2	8.5	1.0	33.8	-83.4	4.3
Pharmaceuticals, healthcare	-0.5	3.2	7.4	8.8	18.0	-10.3	99.4	-9.6	12.9	0.4	97.0	-2.1	20.2	-7.2	61.3	14.4
Food products	1.0	4.7	6.1	11.6	-3.5	14.6	SP	50.1	-5.8	17.7	SP	54.8	-3.2	14.3	SP	46.8
Household goods	0.8	5.6	3.9	9.6	4.6	-21.5	-6.5	64.1	-1.5	-8.6	-3.8	63.0	-0.2	-20.1	-0.7	67.6
Trading companies	-4.6	1.4	5.6	6.9	-4.7	1.2	2.3	19.1	-13.7	-1.1	-8.4	10.2	-8.5	4.5	-13.0	10.5
Retailing	4.3	-3.2	-3.2	0.5	6.5	8.7	13.1	15.4	-9.6	38.7	6.4	16.6	-2.4	74.2	28.1	33.9
Services	3.0	5.2	2.2	2.1	11.6	14.7	17.2	47.7	6.9	11.3	17.3	47.6	-2.0	6.5	3.2	25.8
Software	30.7	28.2	29.0	24.3	5.2	25.8	16.9	-13.3	-7.7	85.5	14.6	2.6	0.4	77.2	5.7	-27.3
Media	0.8	5.5	13.8	4.2	SL	116.0	LI	78.0	SL	157.0	LI	86.3	SL	214.2	LI	129.0
Telecommunications	3.6	5.9	6.8	8.6	-1.7	8.7	-2.0	13.4	37.6	100.0	83.8	183.3	187.3	93.2	481.8	181.2
Construction, engineering	0.6	-0.3	2.0	4.1	79.7	120.8	29.3	29.1	45.4	128.8	23.6	30.1	23.5	135.9	15.3	26.0
Housing, real estate	6.1	4.4	6.3	1.9	6.6	1.8	12.1	3.7	1.3	5.2	9.1	6.0	3.7	6.9	14.4	9.8
Transportation	2.9	2.8	5.2	1.0	3.5	1.6	2.4	-23.5	-13.8	-16.2	-18.6	-27.3	-15.8	-28.0	-24.7	-23.6
Utilities	-3.2	-3.2	-5.6	-5.9	0.4	23.7	-13.7	-8.1	-5.4	38.5	2.2	-11.7	SL	51.1	6.2	81.7
Financials	-	-	-	-	-	-	-	-	7.6	17.1	23.8	104.5	13.8	20.2	21.9	101.3

Note: (1) Q1 = Feb–Apr, Mar–May, or Apr–Jun; Q2 = May–Jul, Jun–Aug, or Jul–Sep; Q3 = Aug–Oct, Sep–Nov, or Oct–Dec; Q4 = Nov–Jan, Dec–Feb, or Jan–Mar. (2) Figures are for companies that had announced either full-year, Q1, Q2, or Q3 results by 2 June 2026. (3) Excludes listed consolidated subsidiaries. (4) SP = switch to profits; SL = losses shrinking; LI = losses increasing.

Source: Nomura

Fig. 12: Valuation indicators

	P/E (x)			P/CF (x)			P/B (x)		Dividend yield (%)			ROE (%)		
	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Russell/Nomura Large Cap	20.1	19.6	17.4	-	-	-	1.92	1.94	1.84	1.99	2.16	9.9	10.1	10.8
Russell/Nomura Large Cap (ex loss-making cos)	18.0	18.1	16.2	-	-	-	1.93	1.96	1.90	2.07	2.28	11.2	11.0	11.3
Russell/Nomura Large Cap (ex financials)	22.0	21.3	18.7	12.2	12.3	11.3	2.01	2.03	1.69	1.80	1.94	9.5	9.7	10.5
Manufacturing	27.9	21.7	18.5	14.1	13.0	11.7	2.11	2.18	1.68	1.73	1.87	7.9	10.3	11.4
Basic materials	25.4	20.7	19.4	11.5	10.4	9.7	1.76	1.78	1.68	1.69	1.77	7.1	8.8	8.9
Processing	30.3	22.7	18.5	15.0	14.1	12.2	2.20	2.30	1.43	1.53	1.68	7.5	10.4	12.0
Nonmanufacturing	15.3	17.5	16.3	-	-	-	1.73	1.72	2.02	2.31	2.50	11.9	9.9	10.3
Nonmanufacturing (ex financials)	16.4	20.6	19.2	10.0	11.2	10.7	1.87	1.81	1.71	1.93	2.07	11.9	8.9	9.2
Broad sectors														
Basic materials	25.4	20.7	19.4	11.5	10.4	9.7	1.76	1.78	1.68	1.69	1.77	7.1	8.8	8.9
Machinery, autos	19.4	19.3	14.3	9.1	10.0	8.4	1.31	1.28	2.28	2.65	2.78	7.0	6.7	8.7
Electronics	45.3	25.0	21.7	24.2	17.7	15.9	3.68	3.87	0.94	0.97	1.13	8.4	16.3	16.9
Consumption, distribution	22.1	19.3	18.6	14.0	12.5	12.2	2.24	2.17	1.96	2.12	2.24	10.5	11.5	11.3
Information	14.3	49.0	41.0	9.3	16.5	15.3	2.50	2.44	1.32	1.46	1.61	18.8	5.0	5.9
Utilities, infrastructure	12.4	11.8	10.6	6.5	6.5	6.0	1.05	1.02	2.62	2.91	3.13	8.8	8.8	9.4
Financials	13.3	13.1	12.2	-	-	-	1.49	1.55	2.73	3.14	3.45	11.7	11.6	12.2
Sectors														
Chemicals	23.6	18.3	18.1	10.9	9.3	9.0	1.70	1.63	1.70	1.83	1.91	7.3	9.1	8.8
Steel, nonferrous metals	29.5	25.6	21.6	12.7	12.5	11.1	1.88	2.07	1.65	1.49	1.58	6.6	8.3	9.3
Machinery	25.9	23.0	20.9	16.6	15.0	13.9	2.55	2.41	1.40	1.63	1.86	10.5	10.7	11.2
Automobiles	16.3	17.2	11.6	6.8	7.9	6.4	0.96	0.94	2.96	3.42	3.48	6.0	5.5	7.9
Electrical machinery, precision equipment	45.3	25.0	21.7	24.2	17.7	15.9	3.68	3.87	0.94	0.97	1.13	8.4	16.3	16.9
Pharmaceuticals, healthcare	22.2	18.5	17.3	13.2	11.8	11.4	2.04	2.09	2.88	2.55	2.69	9.7	11.3	11.7
Food products	21.6	18.8	17.6	13.8	12.6	11.9	2.16	2.12	2.66	3.19	3.50	10.3	11.4	11.8
Household goods	26.3	19.6	18.2	15.3	12.9	12.2	2.61	2.61	1.74	2.05	2.16	10.2	13.7	13.9
Trading companies	17.3	14.6	15.2	12.0	10.2	10.4	1.90	1.76	2.15	2.46	2.54	11.5	12.4	11.1
Retailing	32.9	31.5	29.5	17.8	17.2	16.3	3.94	3.59	1.07	1.34	1.43	12.3	11.8	11.9
Services	24.3	23.4	21.1	15.7	15.3	14.2	2.08	2.10	1.02	1.17	1.23	8.8	9.0	9.8
Software	27.5	23.6	21.5	22.7	20.0	18.4	3.83	3.65	2.06	2.28	2.52	14.4	15.9	16.3
Media	-13.6	13.5	13.3	-22.9	9.8	9.7	2.94	1.66	1.13	1.36	2.61	-19.3	13.0	12.0
Telecommunications	11.6	88.5	64.8	7.4	16.2	15.0	2.24	2.27	1.09	1.22	1.29	21.1	2.6	3.5
Construction	13.9	13.9	13.8	11.7	11.7	11.5	1.96	1.88	2.54	3.13	3.14	14.8	13.9	13.4
Housing, real estate	13.0	13.2	12.0	9.0	9.0	8.4	1.28	1.21	2.70	3.17	3.45	10.3	9.4	9.9
Transportation	10.8	11.4	10.2	5.4	5.6	5.3	0.93	0.90	2.66	2.72	3.06	9.0	8.0	8.6
Utilities	14.4	9.0	7.5	4.3	3.7	3.3	0.70	0.67	2.38	2.49	2.55	5.0	7.6	8.6
Financials	13.3	13.1	12.2	-	-	-	1.49	1.55	2.73	3.14	3.45	11.7	11.6	12.2
Russell/Nomura Small Cap	17.2	15.2	14.3	-	-	-	1.38	1.31	2.30	2.60	2.74	8.3	8.8	8.9
Russell/Nomura Small Cap (ex financials)	17.9	15.7	15.0	10.0	9.3	8.9	1.46	1.38	2.25	2.52	2.63	8.4	9.0	9.0

Note: As of 2 June 2026.

Source: Nomura

What are the Russell/Nomura Japan Equity Indexes?

The Russell/Nomura Japan Equity Indexes are Japanese equity indexes developed jointly by Nomura Fiduciary Research & Consulting Co., Ltd. and FTSE Russell.

Russell/Nomura Japan Equity Indexes should be useful in:

- Determining investment strategies (strategic asset allocation)
- Determining manager structures
- Devising asset management benchmarks
- Supporting portfolio management activities
- Evaluating the performance of various investment styles
- Managing risk

Russell/Nomura Japan Equity Indexes have the following characteristics:

- They are share price indexes that are weighted by free-float-adjusted market capitalization and cover the top 98% of all listed stocks in terms of float-adjusted market capitalization, thereby offering broad market coverage
- Stocks are chosen from the whole Japanese stock market
- Because the indexes take into consideration the stable shareholding ratio, they reflect the stocks that are actually available for investment
- There are style indexes for large and small companies and for value and growth stocks
- The Prime Index consists of the top 1,000 stocks in the Total Market Index by market cap excluding stable shareholdings
- Stocks are selected quantitatively based on clearly defined criteria
- The composition of each index is reviewed once a year

Complete details of rules for the Russell/Nomura Japan Equity Index can be found in the Russell/Nomura Japan Equity Index Rulebook.

Appendix A-1

This report has been produced by Nomura Securities Co., Ltd. (NSC), Japan.

See [Disclaimers](#) for Nomura Group entity details.

Analyst Certification

I, Japan Equity Research, hereby certify (1) that the views expressed in this Research report accurately reflect my personal views about any or all of the subject securities or issuers referred to in this Research report, (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this Research report and (3) no part of my compensation is tied to any specific investment banking transactions performed by Nomura Securities International, Inc., Nomura International plc or any other Nomura Group company.

Important Disclosures

Online availability of research and conflict-of-interest disclosures

Nomura Group research is available on www.nomuranow.com/research, Bloomberg, Capital IQ, Factset, LSEG.

Important disclosures may be read at <http://go.nomuranow.com/research/m/Disclosures> or requested from Nomura Securities International, Inc. If you have any difficulties with the website, please email grpsupport@nomura.com for help.

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 <https://www.nomuraholdings.com/report/>. Please contact the Research Production Operation Dept. of Nomura Securities Co., Ltd. for additional information.

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. Unless otherwise noted, the non-US analysts listed at the front of this report are not registered/qualified as research analysts under FINRA rules, may not be associated persons of NSI, and may not be subject to FINRA Rule 2241 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

Nomura Global Financial Products Inc. (NGFP) Nomura Derivative Products Inc. (NDP) and Nomura International plc. (Nlplc) are registered with the Commodities Futures Trading Commission and the National Futures Association (NFA) as swap dealers. NGFP, NDPI, and Nlplc are generally engaged in the trading of swaps and other derivative products, any of which may be the subject of this report.

Distribution of ratings (Nomura Group)

The distribution of all ratings published by Nomura Group Global Equity Research is as follows:

57% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; 34% 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.

41% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 57% 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

2% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 0% 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 March 2026.

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

*** As defined by the EU Market Abuse Regulation*

Definition of Nomura Group's equity research rating system and sectors

The rating system is a relative system, indicating expected performance against a specific benchmark identified for each individual stock, subject to limited management discretion. An analyst's target price is an assessment of the current intrinsic fair value of the stock based on an appropriate valuation methodology determined by the analyst. Valuation methodologies include, but are not limited to, discounted cash flow analysis, expected return on equity and multiple analysis. Analysts may also indicate expected absolute upside/downside relative to the stated target price, defined as (target price - current price)/current price.

STOCKS

A rating of **'Buy'**, indicates that the analyst expects the stock to outperform the Benchmark over the next 12 months. A rating of **'Neutral'**, indicates that the analyst expects the stock to perform in line with the Benchmark over the next 12 months. A rating of **'Reduce'**, indicates that the analyst expects the stock to underperform the Benchmark over the next 12 months. A rating of **'Suspended'**, indicates that the rating, target price and estimates have been suspended temporarily to comply with applicable regulations and/or firm policies. Securities and/or companies that are labelled as **'Not rated'** or shown as **'No rating'** are not in regular research coverage. Investors should not expect continuing or additional information from Nomura relating to such securities and/or companies. Benchmarks are as follows: **United States/Europe/Asia ex-Japan**: please see valuation methodologies for explanations of relevant benchmarks for stocks, which can be accessed at: <http://go.nomuranow.com/research/m/Disclosures>; **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia, unless otherwise stated in the valuation methodology; **Japan**: Russell/Nomura Large Cap.

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. Sectors that are labelled as **'Not rated'** or shown as **'N/A'** are not assigned ratings. Benchmarks are as follows: **United States**: S&P 500; **Europe**: Dow Jones STOXX 600; **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia. **Japan/Asia ex-Japan**: Sector ratings are not assigned.

Target Price

A Target Price, if discussed, indicates the analyst's forecast for the share price with a 12-month time horizon, reflecting in part the analyst's estimates for the company's earnings. The achievement of any target price may be impeded by general market and macroeconomic trends, and by other risks related to the company or the market, and may not occur if the company's earnings differ from estimates.

Disclaimers

This publication contains material that has been prepared by the Nomura Group entity identified on page 1 and, if applicable, with the contributions of one or more Nomura Group entities whose employees and their respective affiliations are specified on page 1 or identified elsewhere in this publication. The term "Nomura Group" used herein refers to Nomura Holdings, Inc. and its affiliates and subsidiaries including: (a) Nomura Securities Co., Ltd. ('NSC') Tokyo, Japan, (b) Nomura Financial Products Europe GmbH ('NFPE'), Germany, (c) Nomura International plc ('Nlplc'), UK, (d) Nomura Securities International, Inc. ('NSI'), New York, US, (e) Nomura International (Hong Kong) Ltd. ('NIHK'), Hong Kong, (f) Nomura Financial Investment (Korea) Co., Ltd. ('NFIK'), Korea (Information on Nomura analysts registered with the Korea Financial Investment Association ('KOFIA') can be found on the KOFIA Intranet at <http://dis.kofia.or.kr>), (g) Nomura Singapore Ltd. ('NSL'), Singapore (Registration number 197201440E, regulated by the Monetary Authority of Singapore) (h) Nomura Australia Ltd. ('NAL'), Australia (ABN 48 003 032 513), regulated by the Australian Securities and Investment Commission ('ASIC') and holder of an Australian financial services licence number 246412, (i) Nomura Securities Malaysia Sdn. Bhd. ('NSM'), Malaysia, (j) NIHK, Taipei Branch ('NITB'), Taiwan, (k) Nomura Financial Advisory and Securities (India) Private Limited ('NFASL'), Mumbai, India (Registered Address: Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400 018, India; Tel: 91 22 4037 4037, Fax: 91 22 4037 4111; CIN No: U74140MH2007PTC169116, SEBI Registration No. for Stock Broking activities : INZ000255633; SEBI Registration No. for Merchant Banking : INM000011419; SEBI Registration No. for Research: INH000001014 - Compliance Officer: Ms. Pratiksha Tondwalkar, 91 22 40374904, grievance email: investorgrievancesra@nomura.com Webpage: [LINK](#)

For reports with respect to Indian public companies or authored by India-based NFASL research analysts: (i) Investment in securities markets is subject to market risks. Read all the related documents carefully before investing. (ii) Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. (iii) NFASL terms and conditions for availing research services is disclosed on NFASL webpage.

(l) Nomura Fiduciary Research & Consulting Co., Ltd. ('NFRC') Tokyo, Japan. (m) Nomura Orient International Securities Co., Ltd ("NOI"), is a majority owned joint venture amongst Nomura Group, Orient International (Holding) Co., Ltd, and Shanghai Huangpu Investment Holding (Group) Co., Ltd. In accordance with the laws of the People's Republic of China ("PRC", excluding Hong Kong, Macau and Taiwan, for the purpose of this document), NOI is licensed in the PRC to provide securities research and investment recommendations and it operates independently from the other members of the Nomura Group; in particular, NOI's interests in PRC securities are not disclosed to, or aggregated with the holdings of, any other Nomura Group entities and the interests in PRC securities of other Nomura Group entities are not disclosed to, or aggregated with the holdings of, NOI. An individual name printed next to NOI on the front page of a research report indicates that individual is employed by NOI to provide research assistance to NIHK under a research partnership agreement. 'NSFSPL' next to an employee's name on the front page of a research report indicates that the individual is employed by Nomura Structured Finance Services Private Limited to provide assistance to certain Nomura entities under inter-company agreements. 'Verdhana' next to an individual's name on the front page of a research report indicates that the individual is employed by PT Verdhana Sekuritas Indonesia ('Verdhana') to provide research assistance to NIHK under a research partnership agreement and neither Verdhana nor such individual is licensed outside of Indonesia.

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 SECURITIES IN ANY JURISDICTION WHERE SUCH OFFER OR SOLICITATION WOULD BE ILLEGAL; AND (III) OTHER THAN DISCLOSURES RELATING TO THE NOMURA GROUP, BASED UPON INFORMATION FROM SOURCES THAT WE CONSIDER RELIABLE, BUT HAS NOT BEEN INDEPENDENTLY VERIFIED BY NOMURA GROUP.

Other than disclosures relating to the Nomura Group, the Nomura Group does not warrant, represent or undertake, express or implied, that the document is fair, accurate, complete, correct, reliable or fit for any particular purpose or merchantable, and to the maximum extent permissible by law and/or regulation, does not accept liability (in negligence or otherwise, and in whole or in part) for any act (or decision not to act) resulting from use of this document and related data. To the maximum extent permissible by law and/or regulation, all warranties and other assurances by the Nomura Group are hereby excluded and the Nomura Group shall have no liability (in negligence or otherwise, and in whole or in part) for any loss howsoever arising from the use, misuse, or distribution of this material or the information contained in this material or otherwise arising in connection therewith.

Opinions or estimates expressed are current opinions as of the original publication date appearing on this material and the information, including the opinions and estimates contained herein, are subject to change without notice. The Nomura Group, however, expressly disclaims any obligation, and therefore is under no duty, to update or revise this document. Any comments or statements made herein are those of the author(s) and may differ from views held by other parties within Nomura Group. Clients should consider whether any advice or recommendation in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The Nomura Group does not provide tax advice.

The Nomura Group, and/or its officers, directors, employees and affiliates, may, to the extent permitted by applicable law and/or regulation, deal as principal, agent, or otherwise, or have long or short positions in, or buy or sell, the securities, commodities or instruments, or options or other derivative instruments based thereon, of issuers or securities mentioned herein. The Nomura Group companies may also act as market maker or liquidity provider (within the meaning of applicable regulations in the UK) in the financial instruments of the issuer. Where the activity of market maker is carried out in accordance with the definition given to it by specific laws and regulations of the US or other jurisdictions, this will be separately disclosed within the specific issuer disclosures.

This document may contain information obtained from third parties, including, but not limited to, ratings from credit ratings agencies such as Standard & Poor's. The Nomura Group hereby expressly disclaims all representations, warranties or undertakings of originality, fairness, accuracy, completeness, correctness, merchantability or fitness for a particular purpose with respect to any of the information obtained from third parties contained in this material or otherwise arising in connection therewith, and shall not be liable (in negligence or otherwise, and in whole or in part) for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use or misuse of any of the information obtained from third parties contained in this material or otherwise arising in connection therewith. Reproduction and distribution of third-party content in any form is prohibited except with the prior written permission of the related third-party. Third-party content providers do not, express or implied, guarantee the fairness, accuracy, completeness, correctness, timeliness or availability of any information, including ratings, and are not in any way responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use or misuse of such content. Third-party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third-party content providers shall not be liable (in negligence or otherwise, and in whole or in part) for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use or misuse of their content, including ratings. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice.

Any MSCI sourced information in this document is the exclusive property of MSCI Inc. ('MSCI'). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be duplicated, reproduced, re-disseminated, redistributed or used, in whole or in part, for any purpose whatsoever, including creating any financial products and any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all representations, warranties or undertakings of originality, fairness, accuracy, completeness, correctness, merchantability or fitness for a particular purpose with respect to any of this material or the information contained in this material or otherwise arising in connection therewith. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability (in negligence or otherwise, and in whole or in part) for any damages of any kind. MSCI and the MSCI indexes are services marks of MSCI and its affiliates.

The intellectual property rights and any other rights, in Russell/Nomura Japan Equity Index belong to Nomura Fiduciary Research & Consulting Co., Ltd. ("NFRC") and FTSE Russell ("Russell"). NFRC and Russell do not guarantee fairness, accuracy, completeness, correctness, reliability, usefulness, marketability, merchantability or fitness of the Index, and do not account for business activities or services that any index user and/or its affiliates undertakes with the use of the Index.

Investors should consider this document 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. Nomura Group produces a number of different types of research product including, among others, fundamental analysis and quantitative analysis; recommendations contained in one type of research product may differ from recommendations contained in other types of research product, whether as a result of differing time horizons, methodologies or otherwise. The Nomura Group publishes research product in a number of different ways including the posting of product on the Nomura Group portals and/or distribution directly to clients. Different groups of clients may receive different products and services from the research department depending on their individual requirements.

Figures presented herein may refer to past performance or simulations based on past performance which are not reliable indicators of future or likely performance. Where the information contains an expectation, projection or indication of future performance and business prospects, such forecasts may not be a reliable indicator of future or likely performance. Moreover, simulations are based on models and simplifying assumptions which may oversimplify and not reflect the future distribution of returns. Any figure, strategy or index created and published for illustrative purposes within this document is not intended for "use" as a "benchmark" as defined by the European Benchmark Regulation.

Certain 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.

With respect to Fixed Income Research: Recommendations fall into two categories: tactical, which typically last up to three months; or strategic, which typically last from 6-12 months. However, trade recommendations may be reviewed at any time as circumstances change. 'Stop loss'

levels for trades are also provided; which, if hit, closes the trade recommendation automatically. Prices and yields shown in recommendations are taken at the time of submission for publication and are based on either indicative Bloomberg, LSEG or Nomura prices and yields at that time. The prices and yields shown are not necessarily those at which the trade recommendation can be implemented.

The securities described herein may not have been registered under the US Securities Act of 1933 (the '1933 Act'), and, in such case, may not be offered or sold in the US or to US persons unless they have been registered under the 1933 Act, or except in compliance with an exemption from the registration requirements of the 1933 Act. Unless governing law permits otherwise, any transaction should be executed via a Nomura entity in your home jurisdiction.

This document has been approved for distribution in the UK as investment research by Nlplc. Nlplc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Nlplc is a member of the London Stock Exchange. This document does not constitute a personal recommendation within the meaning of applicable regulations in the UK, or take into account the particular investment objectives, financial situations, or needs of individual investors. This document is intended only for investors who are 'eligible counterparties' or 'professional clients' for the purposes of applicable regulations in the UK, and may not, therefore, be redistributed to persons who are 'retail clients' for such purposes.

This document has been approved for distribution in the European Economic Area as investment research by Nomura Financial Products Europe GmbH ("NFPE"). NFPE is a company organized as a limited liability company under German law registered in the Commercial Register of the Court of Frankfurt/Main under HRB 110223. NFPE is authorized and regulated by the German Federal Financial Supervisory Authority (BaFin).

This document has been approved by NIHK, which is regulated by the Hong Kong Securities and Futures Commission, for distribution in Hong Kong by NIHK. This document is intended only for investors who are 'professional investors' for the purposes of applicable regulations in Hong Kong and may not, therefore, be redistributed to persons who are not 'professional investors' for such purposes.

This document has been approved for distribution in Australia by NAL, which is authorized and regulated in Australia by the ASIC.

This document has also been approved for distribution in Malaysia by NSM.

In Singapore, this document has been distributed by NSL, an exempt financial adviser as defined under the Financial Advisers Act (Chapter 110), among other things, and regulated by the Monetary Authority of Singapore. NSL may distribute this document produced by its foreign affiliates pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. This document is intended for accredited, expert or institutional investors as defined by the Securities and Futures Act (Chapter 289). Where the recipient of this document is not an accredited, expert or institutional investor, NSL accepts legal responsibility for the contents of this document in respect of such recipient only to the extent required by law. Recipients of this document in Singapore should contact NSL in respect of matters arising from, or in connection with, this document. THIS DOCUMENT IS INTENDED FOR GENERAL CIRCULATION. IT DOES NOT TAKE INTO ACCOUNT THE SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS OF ANY PARTICULAR PERSON. RECIPIENTS SHOULD TAKE INTO ACCOUNT THEIR SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS BEFORE MAKING A COMMITMENT TO PURCHASE ANY SECURITIES, INCLUDING SEEKING ADVICE FROM AN INDEPENDENT FINANCIAL ADVISER REGARDING THE SUITABILITY OF THE INVESTMENT, UNDER A SEPARATE ENGAGEMENT, AS THE RECIPIENT DEEMS FIT.

Unless prohibited by the provisions of Regulation S of the 1933 Act, this material is distributed in the US, by NSI, a US-registered broker-dealer, which accepts responsibility for its contents in accordance with the provisions of Rule 15a-6, under the US Securities Exchange Act of 1934. The entity that prepared this document permits its separately operated affiliates within the Nomura Group to make copies of such documents available to their clients.

This document has not been approved for distribution to persons other than 'Authorised Persons', 'Exempt Persons' or 'Institutions' (as defined by the Capital Markets Authority) in the Kingdom of Saudi Arabia ('Saudi Arabia') or a 'Market Counterparty' or a 'Professional Client' (as defined by the Dubai Financial Services Authority) in the United Arab Emirates ('UAE') or a 'Market Counterparty' or a 'Business Customer' (as defined by the Qatar Financial Centre Regulatory Authority) in the State of Qatar ('Qatar') by Nomura Saudi Arabia, Nlplc or any other member of the Nomura Group, as the case may be. Neither this document nor any copy thereof may be taken or transmitted or distributed, directly or indirectly, by any person other than those authorised to do so into Saudi Arabia or in the UAE or in Qatar or to any person other than 'Authorised Persons', 'Exempt Persons' or 'Institutions' located in Saudi Arabia or a 'Market Counterparty' or a 'Professional Client' in the UAE or a 'Market Counterparty' or a 'Business Customer' in Qatar. Any failure to comply with these restrictions may constitute a violation of the laws of the UAE or Saudi Arabia or Qatar.

For report with reference of TAIWAN public companies or authored by Taiwan based research analyst:

THIS DOCUMENT IS SOLELY FOR REFERENCE ONLY. You should independently evaluate the investment risks and are solely responsible for your investment decisions. NO PORTION OF THE REPORT MAY BE REPRODUCED OR QUOTED BY THE PRESS OR ANY OTHER PERSON WITHOUT WRITTEN AUTHORIZATION FROM NOMURA GROUP. Pursuant to Operational Regulations Governing Securities Firms Recommending Trades in Securities to Customers and/or other applicable laws or regulations in Taiwan, you are prohibited to provide the reports to others (including but not limited to related parties, affiliated companies and any other third parties) or engage in any activities in connection with the reports which may involve conflicts of interests. INFORMATION ON SECURITIES / INSTRUMENTS NOT EXECUTABLE BY NOMURA INTERNATIONAL (HONG KONG) LTD., TAIPEI BRANCH IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT BE CONSTRUED AS A RECOMMENDATION OR A SOLICITATION TO TRADE IN SUCH SECURITIES / INSTRUMENTS.

This material may not be distributed in Indonesia or passed on within the territory of the Republic of Indonesia or to persons who are Indonesian citizens (wherever they are domiciled or located) or entities of or residents in Indonesia in a manner which constitutes a public offering under the laws of the Republic of Indonesia. The securities mentioned in this document may not be offered or sold in Indonesia or to persons who are

citizens of Indonesia (wherever they are domiciled or located) or entities of or residents in Indonesia in a manner which constitutes a public offering under the laws of the Republic of Indonesia.

An individual name printed next to NOI on the front page of a research report indicates that this document is a translation of a research report issued by NOI in the PRC. In all other cases, this document is prepared by Nomura Group or its subsidiary or affiliate (collectively, "Offshore Issuers") that is not licensed in the PRC to provide securities research. This research report is not approved or intended to be circulated in the PRC. The A-share related analysis (if any) is not produced for any persons located or incorporated in the PRC. The recipients should not rely on any information contained in this research report in making investment decisions and Offshore Issuers take no responsibility in this regard.

NO PART OF THIS MATERIAL MAY BE (I) COPIED, PHOTOCOPIED, REPRODUCED OR DUPLICATED IN ANY FORM, BY ANY MEANS; OR (II) REDISSEMINATED, REPUBLISHED OR REDISTRIBUTED WITHOUT THE PRIOR WRITTEN CONSENT OF A MEMBER OF THE NOMURA GROUP. If this document 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 (in negligence or otherwise, and in whole or in part) for any errors or omissions in the contents of this document, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

Disclaimers required in Japan

Credit ratings in the text that are marked with an asterisk (*) are issued by a rating agency not registered under Japan's Financial Instruments and Exchange Act ("Unregistered Ratings"). For details on Unregistered Ratings, please contact the Research Production Operation Dept. of Nomura Securities Co., Ltd.

Investors in the financial products offered by Nomura Securities may incur fees and commissions specific to those products (for example, transactions involving Japanese equities are subject to a sales commission (all figures on a tax-inclusive basis) of up to 1.43% of the transaction amount or a commission of ¥2,860 for transactions of ¥200,000 or less, while transactions involving investment trusts are subject to various fees, such as commissions at the time of purchase and asset management fees, such as commissions at the time of purchase and asset management fees (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 (including Japanese REITs, Japanese ETFs, and Japanese ETNs, Japanese Infrastructure Funds) are subject to a sales commission of up to 1.43% (tax included) of the transaction amount (or a commission of ¥2,860 (tax included) for transactions of ¥200,000 or less). When Japanese equities are purchased via OTC transactions (including offerings), only the purchase price shall be paid, with no sales commission charged. However, Nomura Securities may charge a separate fee for OTC transactions, as agreed with the customer. Japanese equities carry the risk of losses owing to price fluctuations. Japanese REITs carry the risk of losses owing to fluctuations in price and/or earnings of underlying real estate. Japanese ETFs and ETNs carry the risk of losses owing to fluctuations in the underlying indexes or other benchmarks. Japanese Infrastructure Funds carry out the risk of losses owing to fluctuations in price and/or earnings of underlying infrastructures.

Transactions involving foreign equities are subject to a domestic sales commission of up to 1.045% (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) (for transaction amounts of ¥750,000 and below, maximum domestic sales commission is ¥7,810 (tax included)). Local fees and taxes in foreign financial instruments 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, Nomura Securities may charge a separate fee for OTC transactions, as agreed with the customer. Foreign equities carry the risk of losses owing to factors such as price fluctuations and foreign exchange rate fluctuations.

Margin transactions are subject to a sales commission of up to 1.43% (tax included) of the transaction amount (or a commission of ¥2,860 (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 (at least 33% for online transactions) and at least ¥300,000 is required. With margin transactions, an amount up to roughly 3.3x the margin (roughly 3x for online transactions) 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.

Transactions involving convertible bonds are subject to a sales commission of up to 1.10% (tax included) of the transaction amount (or a commission of ¥4,400 (tax included) if this would be less than ¥4,400). When convertible bonds are purchased via OTC transactions (including offerings), only the purchase price shall be paid, with no sales commission charged. However, Nomura Securities may charge a separate fee for OTC transactions, as agreed with the customer. Convertible bonds carry the risk of losses owing to factors such as interest rate fluctuations and price fluctuations in the underlying stock. In addition, convertible bonds denominated in foreign currencies also carry the risk of losses owing to factors such as foreign exchange rate fluctuations.

When bonds are purchased via public offerings, secondary 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. Bond prices may also fall below the invested principal as a result of such factors as changes in the management and financial circumstances of the issuer, or changes in third-party valuations of the bond in question. In addition, foreign currency-denominated bonds also carry the risk of losses owing to factors such as foreign exchange rate fluctuations.

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.

Purchases of investment trusts (and sales of some investment trusts) are subject to a purchase or sales fee of up to 5.5% (tax included) of the transaction amount. Also, a direct cost that may be incurred when selling investment trusts is a fee of up to 2.0% of the unit price at the time of redemption. Indirect costs that may be incurred during the course of holding investment trusts include, for domestic investment trusts, an asset management fee (trust fee) of up to 5.5% (tax included/annualized basis) of the net assets in trust, as well as fees based on investment performance. Other indirect costs may also be incurred. For foreign investment trusts, indirect fees may be incurred during the course of holding such as investment company compensation.

Investment trusts invest mainly in securities such as Japanese and foreign equities and bonds, whose prices fluctuate. Investment trust unit prices fluctuate owing to price fluctuations in the underlying assets and to foreign exchange rate fluctuations. As such, investment trusts carry the risk of losses. Fees and risks vary by investment trust. Maximum applicable fees are subject to change; please thoroughly read the written materials provided, such as prospectuses or documents delivered before making a contract.

In interest rate swap transactions and USD/JPY basis swap transactions (“interest rate swap transactions, etc.”), only the agreed transaction payments shall be made on the settlement dates. Some interest rate swap transactions, etc. may require pledging of margin collateral. In some of these cases, transaction payments may exceed the amount of collateral. There shall be no advance notification of required collateral value or collateral ratios as they vary depending on the transaction. Interest rate swap transactions, etc. carry the risk of losses owing to fluctuations in market prices in the interest rate, currency and other markets, as well as reference indices. Losses incurred as such may exceed the value of margin collateral, in which case margin calls may be triggered. In the event that both parties agree to enter a replacement (or termination) transaction, the interest rates received (paid) under the new arrangement may differ from those in the original arrangement, even if terms other than the interest rates are identical to those in the original transaction. Risks vary by transaction. Please thoroughly read the written materials provided, such as documents delivered before making a contract and disclosure statements.

In OTC transactions of credit default swaps (CDS), no sales commission will be charged. When entering into CDS transactions, the protection buyer will be required to pledge or entrust an agreed amount of margin collateral. In some of these cases, the transaction payments may exceed the amount of margin collateral. There shall be no advance notification of required collateral value or collateral ratios as they vary depending on the financial position of the protection buyer. CDS transactions carry the risk of losses owing to changes in the credit position of some or all of the referenced entities, and/or fluctuations of the interest rate market. The amount the protection buyer receives in the event that the CDS is triggered by a credit event may undercut the total amount of premiums that he/she has paid in the course of the transaction. Similarly, the amount the protection seller pays in the event of a credit event may exceed the total amount of premiums that he/she has received in the transaction. All other conditions being equal, the amount of premiums that the protection buyer pays and that received by the protection seller shall differ. In principle, CDS transactions will be limited to financial instruments business operators and qualified institutional investors.

Transfers of equities to another securities company via the Japan Securities Depository Center are subject to a transfer fee of up to ¥11,000 (tax included) per issue transferred depending on volume. No account fee will be charged for marketable securities or monies deposited.

Nomura Securities Co., Ltd.

Financial instruments firm registered with the Kanto Local Finance Bureau (registration No. 142)

Member associations: Japan Securities Dealers Association; Investment Management Association of Japan; The Financial Futures Association of Japan; Type II Financial Instruments Firms Association; and Japan Security Token Offering Association.

The Nomura Group manages conflicts with respect to the production of research through its compliance policies and procedures (including, but not limited to, Conflicts of Interest, Chinese Wall and Confidentiality policies) as well as through the maintenance of Chinese Walls and employee training.

Additional information regarding the methodologies or models used in the production of any investment recommendations contained within this document is available upon request by contacting the Research Analysts of Nomura listed on the front page. Disclosures information is available upon request and disclosure information is available at the Nomura Disclosure web page:

<http://go.nomuranow.com/research/m/Disclosures>

Copyright © 2026 Nomura Securities Co., Ltd. All rights reserved.