News Release

NOMURA

Nomura Individual Investor Survey

May 2011

20 May 2011

Equity Research Department
Nomura Securities Co., Ltd.

1. Survey overview

(1) Nomura I-View Index at 48.8, down 13.4pt from previous survey

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 "rise" from that for "fall," was 48.8, down 13.4 point from 62.2 as of the previous survey (16 February 2011). The Nikkei Average reference level (9 May close) was 9,794, down 1,014 from the previous survey, as more individual investors appear to be expecting a decline in equity prices. Although the most popular response was for a "rise of about 1,000 points," the proportion of respondents choosing this fell by the largest amount, 6.0ppt, to 55.2%. The largest increase in the proportion of responses was for a "fall of about 1,000 points," which saw a 5.8ppt jump.

(2) Domestic corporate earnings seen as factor most likely to impact Japanese stock market

Respondents were asked to select the factor most likely to impact the stock market in the next three months. Domestic corporate earnings was the most common response, at 26.8%, and saw the largest increase from the previous survey, 14.4ppt. International affairs showed the largest decline, 20.9ppt.

(3) Capital goods/others sector attracting significantly more attention

Respondents were asked to choose one sector as an “appealing” investment target and one as “unappealing.” We calculated a diffusion index for each sector by subtracting the percentage of responses for “unappealing” from that for “appealing.” Capital goods/others moved into the top spot with a DI of 27.6, up 33.2pt from the previous survey, the largest advance. This marks the first positive reading for the sector since we began asking the question in its current form in January 2010 (no survey conducted in April 2011). In contrast, the transportation & utilities sector posted the lowest DI, at -24.3, its lowest reading with the question in its current form, and it also marked the largest decline in the current survey.

(4) Increased expectations of yen weakness versus US dollar

On the outlook for the USD/JPY rate over the next three months, the percentage of respondents expecting the yen to weaken against the dollar was 76.3%, up from 69.0% as of the previous survey. The proportion of respondents expecting falls of "about ¥5," "about ¥10," and "more than ¥10" all increased.

(5) Australian dollar remains most appealing currency

Respondents were asked to choose one currency as an "appealing" investment target and one as "unappealing." We calculated a diffusion index for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." The Australian dollar was the most appealing currency for the 16th straight time since this survey question was introduced in January 2010 (no survey conducted in April 2011). In contrast, the US dollar saw the biggest decline, 4.2pt, and moved into last place in terms of appeal.

(6) Fewer investors looking to increase equity holdings

Respondents were asked about their plans for holding financial instruments. We calculated DIs for each financial instrument by subtracting the percentage planning to cease holding the instrument or decrease their holding from the percentage of respondents planning to hold the instrument for the first time or increase their holding. The biggest DI decline versus the previous survey was for equities, down 7.0pt to 26.4. The proportion of respondents looking to increase equity holdings declined 6.4ppt.

(7) Intentions regarding exercising voting rights at general shareholders’ meetings

For this month's first spot question, we asked individual investors about their views on exercising voting rights at upcoming general shareholders meetings: 43.2% of respondents said they intended to exercise their rights, while 27.6% said they planned not to. Of the respondents saying they planned to exercise their voting rights, 28.0% said they intended to vote in favor of all resolutions, up from 25.5% that said so in our May 2010 survey. Of resolutions respondents said they might oppose, as in May 2010 the highest response ratios were for director compensation, retirement bonuses for directors, and dividends (use of surplus funds).

(8) Impact of the Great East Japan Earthquake on the stock market

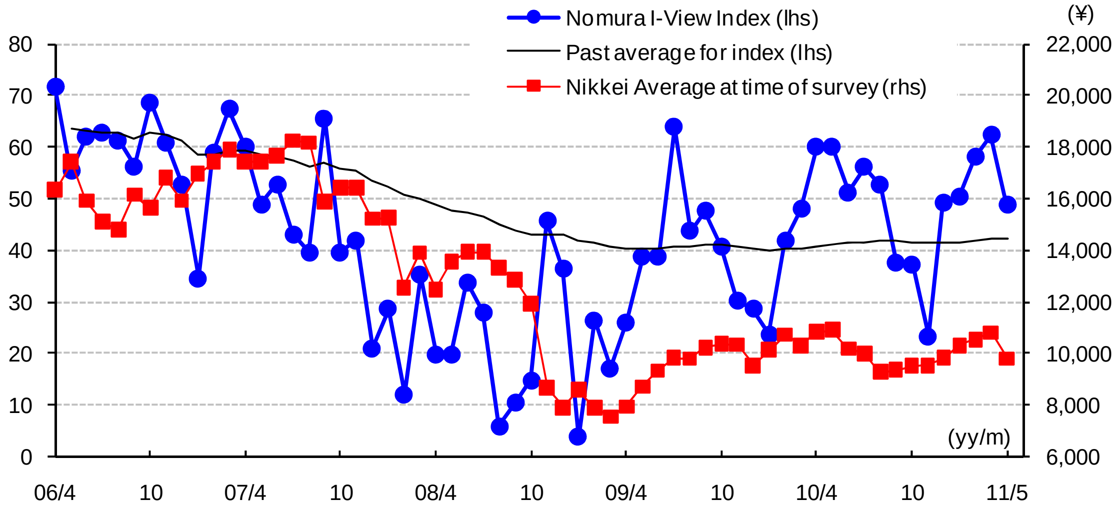
For our second spot question, we asked investors about the impact on the stock market of the 11 March Great East Japan Earthquake and necessary developments for a stock market recovery. When we asked which aspects of the earthquake have had the largest impact on the stock market, the most popular answer, at 63.5%, was "Nuclear power plant accident." This was followed by "Lower production capabilities because of damage to plants and staff being affected," "Stagnation in economic activity because of rolling blackouts in greater Tokyo," and "Supply chain disruption owing to damage at parts manufacturers' facilities." In response to our follow-up question on what developments would be necessary for a recovery in the stock market, the largest proportion of respondents, 77.9%, chose "A resolution to the nuclear power plant issue." High proportions of responses also went to "The start of full-fledged reconstruction activity," "Confirmation of recovery in economic and production activity," and "Reduction of summer power shortage risk".

2. Survey results

(1) Nomura I-View Index at 48.8, down 13.4pt from previous survey

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 "rise" from that for "fall" was 48.8, down 13.4 point from 62.2 as of the previous survey (16 February 2011). The Nikkei Average reference level (9 May close) was 9,794, down 1,014 from the previous survey, and more individual investors appear to be expecting a decline in equity prices (Figure 1).

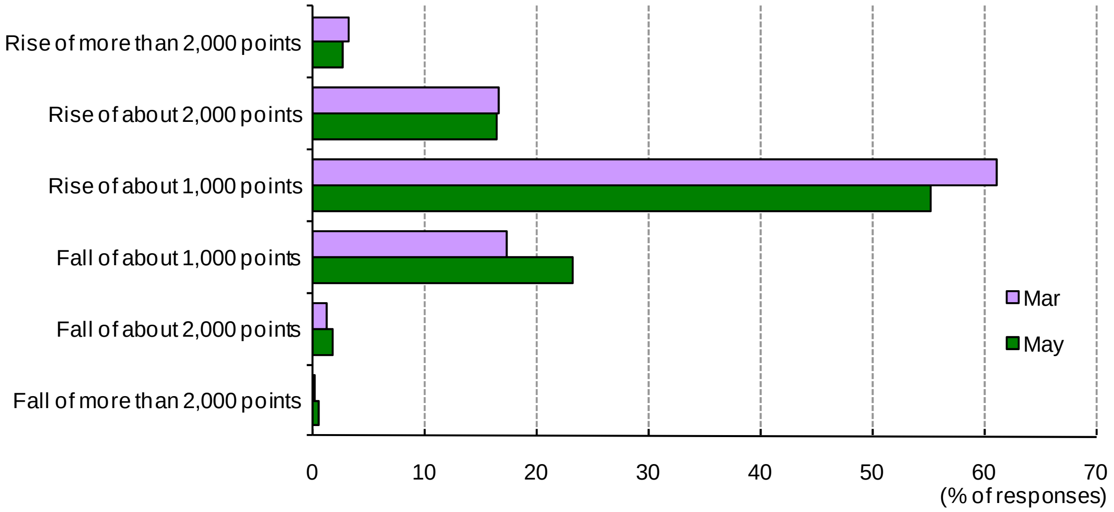
1. The Nomura I-View Index and reference level of Nikkei Average at time of survey



Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a diffusion index. The calculation method is as follows: [(Number of responses indicating expected rise in share prices in the next three months) minus (number of responses indicating expected fall in share prices in the next three months) divided by number of respondents] x 100. The figure for January 2010 used here excludes respondents who called for the Nikkei Average to be flat.
(2) The Nomura I-View Index ranges from -100 to +100. The closer to +100 the figure is, the more bullish the outlook held by individual investors. The closer to -100 the figure is, the more bearish the outlook held by individual investors.

The combined proportion of respondents expecting the Nikkei Average to rise over the next three months was 74.4%, down 6.7ppt from 81.1% as of the previous survey. Although the most popular response was for a "rise of about 1,000 points," the proportion of respondents choosing this fell by the largest amount, 6.0ppt, to 55.2%. All of the "rise" responses, including "rise of about 2,000 points" and "rise of more than 2,000 points," were down from the previous survey. The largest increase in the proportion of responses was for a "fall of about 1,000 points," which saw a 5.8ppt jump. The proportions also increased for the other two "fall" responses (Figure 2).

2. Outlook for Nikkei Average during the next three months

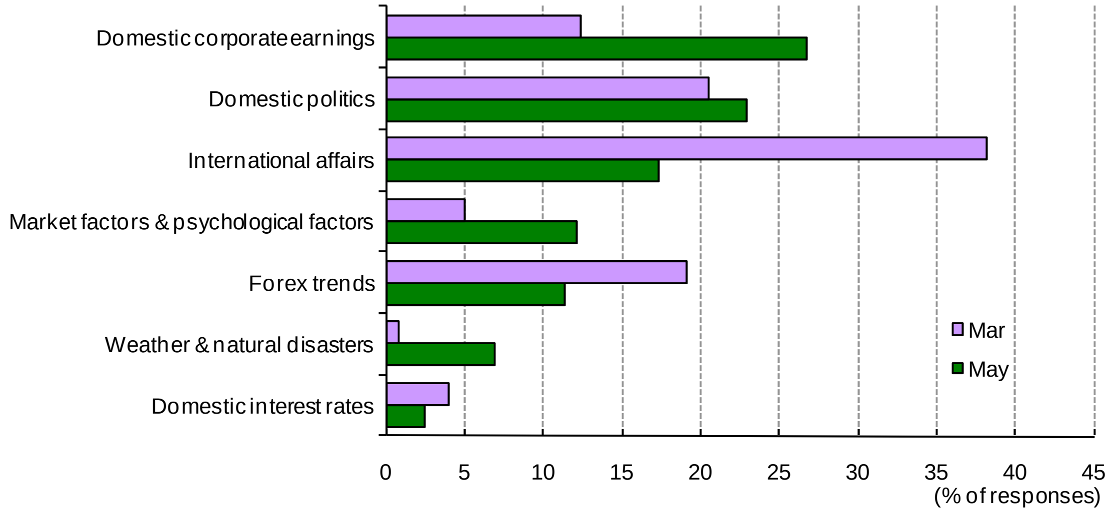


Note: Respondents were asked to share their outlook for the Nikkei Average during the next three months based on a 9 May closing figure of 9,794. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points with 1,000-point increments in between.

(2) Domestic corporate earnings seen as factor most likely to impact Japanese stock market

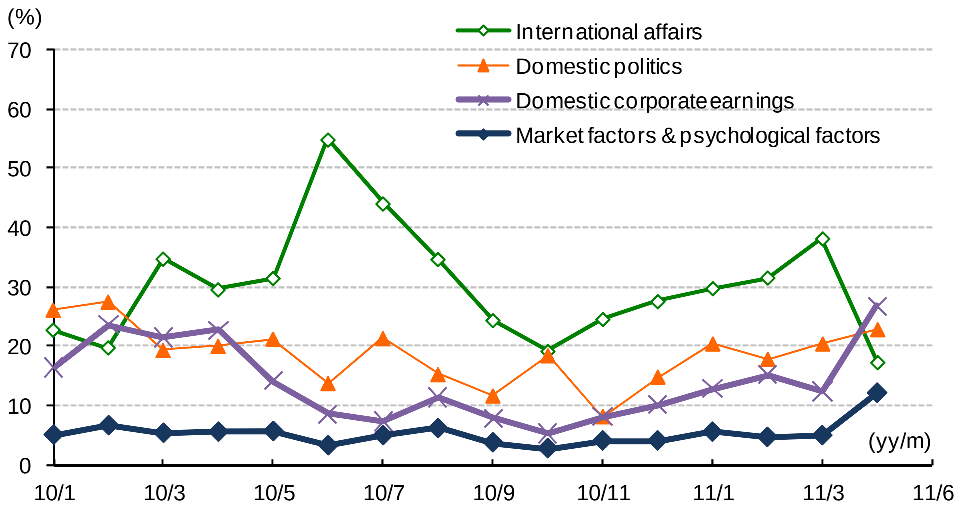
Respondents were asked to select the factor most likely to impact the stock market in the next three months. Domestic corporate earnings was the most common response, at 26.8%, and saw the largest increase from the previous survey, 14.4ppt. Domestic politics came in second, at 22.9%. Market factors & psychological factors and weather & natural disasters also showed strong increases from the previous survey. International affairs showed the largest decline, 20.9ppt, to 17.3% (Figures 3, 4).

3. Impact of factors on the stock market



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

4. Trends for select factors



(3) Capital goods/others sector attracting significantly more attention

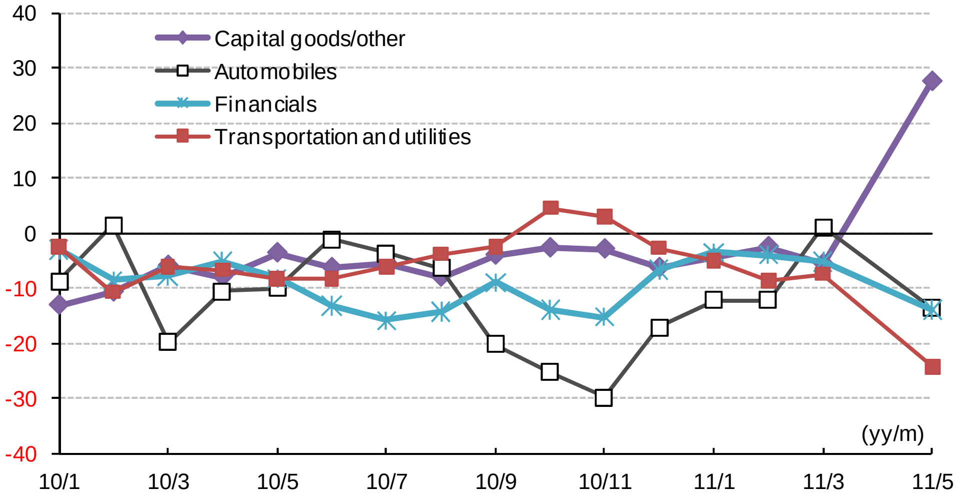
Respondents were asked to choose one sector as an “appealing” investment target and one as “unappealing.” We calculated a diffusion index for each sector by subtracting the percentage of responses for “unappealing” from that for “appealing.” Capital goods/others moved into the top spot with a DI of 27.6, up 33.2pt from the previous survey, the largest advance. This marks the first positive reading for the sector since we began asking the question in its current form in January 2010. In contrast, the transportation & utilities sector posted the lowest DI, at -24.3, its lowest reading with the question in its current form, and it also marked the largest decline this time, 16.9pt. Other large declines came from the financials and automobiles sectors (Figures 5, 6).

5. Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI (as of 16 Feb 2011)
		Appealing	Unappealing	
Capital goods/other	27.6	30.0	2.4	-5.6
Materials	17.1	21.7	4.6	16.7
Pharmaceuticals	12.0	13.3	1.3	3.3
Electrical equipment/precision equipment	4.3	8.3	4.0	9.4
Telecommunications	2.3	4.6	2.3	1.5
Consumer goods	-11.4	5.9	17.3	-13.8
Automobiles	-13.7	7.2	20.9	1.1
Financials	-13.9	4.4	18.3	-5.2
Transportation and utilities	-24.3	4.6	28.9	-7.4

Note: Respondents were given nine sectors and asked to choose one viewed as an appealing investment target and one viewed as unappealing. For each sector we calculated a diffusion index by subtracting the percentage of responses for unappealing from that for appealing. The materials sector comprises mining, textiles, paper & pulp, chemicals, oil, ceramics, steel, nonferrous metals, and trading houses. The financials sector comprises banks, miscellaneous finance, securities, and insurance. The capital goods/others 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.

6. Trend in DIs for select 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 find appealing. We show the most popular responses below (Figure 7).

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

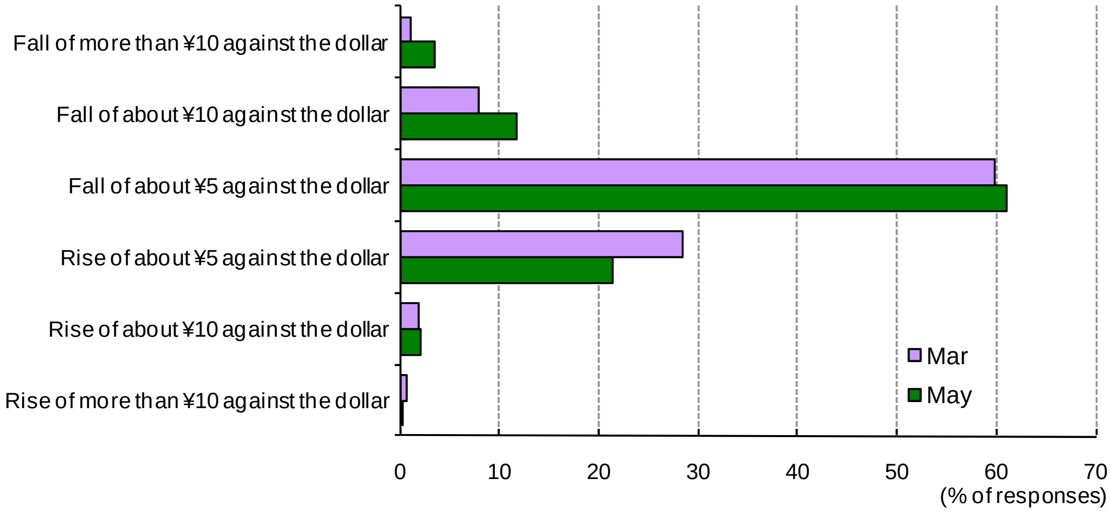
Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	52	6753	Sharp	11
4502	Takeda Pharmaceutical	34	7267	Honda Motor	11
6301	Komatsu	33	7974	Nintendo	11
9501	Tokyo Electric Power	31	9502	Chubu Electric Power	11
6752	Panasonic	25	1801	Taisei	10
9984	Softbank	22	2702	McDonald's Holdings (Japan)	10
1812	Kajima	19	6501	Hitachi	10
4661	Oriental Land	17	6502	Toshiba	9
5401	Nippon Steel	17	8306	Mitsubishi UFJ Financial Group	9
8058	Mitsubishi Corp	17	3402	Toray Industries	8
8411	Mizuho Financial Group	16	4503	Astellas Pharma	8
7201	Nissan Motor	15	4568	Daiichi Sankyo	8
6758	Sony	13	4755	Rakuten	8
2811	Kagome	12	7011	Mitsubishi Heavy Industries	8
8267	Aeon	12			
9202	All Nippon Airways	12			

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

(5) Increased expectations of yen weakness versus US dollar

On the outlook for the USD/JPY rate over the next three months, the percentage of respondents expecting the yen to weaken against the dollar was 76.3%, up from 69.0% as of the previous survey. The proportion of respondents expecting falls of "about ¥5," "about ¥10," and "more than ¥10" all increased, while "rise of about ¥5" posted the largest decline, 7.1ppt. Investors thus seem to be increasingly expecting the yen to weaken (Figure 8). At the time of the survey (9 May), the noon indicative USD/JPY rate was 80.59, ¥3.15 stronger for the yen than 83.74 at the time of the previous survey (16 February).

8. Respondents' three-month outlook for the US$/¥ rate



Note: Respondents were asked to share their outlook for the U$1/¥ rate during the next three months, referencing a 9 May indicative rate of US$1=¥80.59. Respondents could choose one answer from a possible six responses ranging from a rise of ¥10 or more against the dollar to a fall of ¥10 or more against the dollar, with ¥5 increments in between.

(6) Australian dollar remains most appealing currency

Respondents were asked to choose one currency as an "appealing" investment target and one as "unappealing." We calculated a diffusion index for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." The Australian dollar was the most appealing currency for the 16th straight time since this survey question was introduced in January 2010 (no survey conducted in April 2011). Although the DI for the Chinese renminbi remains negative, it improved by the largest margin, 4.2pt versus the previous survey. In contrast, the US dollar saw the biggest decline, 4.2pt, and moved into last place in terms of appeal (Figure 9).

9. Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI (as of 16 Feb 2011)
		Appealing	Unappealing	
Australian dollar	27.2	30.2	3.0	27.7
Brazilian real	7.3	12.4	5.1	7.9
Canadian dollar	0.2	1.7	1.5	-0.1
Chinese renminbi	-3.0	13.0	16.0	-7.2
Pound sterling	-3.6	1.1	4.7	-5.1
Japanese yen	-6.4	19.3	25.7	-4.8
Euro	-11.9	6.7	18.6	-11.4
US dollar	-12.1	12.9	25.0	-7.9

Note: Respondents were given nine currency options and asked to choose one viewed as an appealing investment target and one viewed as unappealing. Those selecting “other” were asked to specify a currency.

(7) Fewer investors looking to increase equity holdings

Respondents were asked about their plans for holding financial instruments. We calculated DIs for each financial instrument by subtracting the percentage planning to cease holding the instrument or decrease their holding from the percentage of respondents planning to hold the instrument for the first time or increase their holding. The biggest DI decline versus the previous survey was equities, down 7.0pt to 26.4 (Figure 10). The proportion of respondents looking to increase equity holdings was 52.2%, down 6.4ppt.

10. Financial instruments for which investors are either seeking to increase or decrease their holdings

Financial instrument	DI	Breakdown of DI (% of responses)		(Ref) Previous DI (as of 16 Feb 2011)
		Plan to increase	Plan to decrease	
Cash & deposits	42.8	46.8	4.0	39.9
Equities	26.4	45.8	19.4	33.4
Securities issued overseas	12.4	15.4	3.0	12.4
Investment trusts	11.2	21.9	10.7	14.4
Bonds	8.3	11.0	2.7	8.7
Other	1.0	1.5	0.5	1.6
None	-40.1	28.3	68.4	-44.4

Note: Respondents were given a selection of seven financial instruments and asked to choose those for which they planned to increase their holdings and those for which they planned to decrease their holdings (multiple responses were allowed). In the exhibit, "plan to increase” refers to financial instruments that investors plan to hold for the first time or for which they plan to increase their holding, while “plan to decrease” refers to instruments that investors plan to cease holding or for which they plan to decrease their holding.

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

For this month's first spot question, we asked individual investors about their views on exercising voting rights at upcoming general shareholders meetings. First, when we asked investors whether they intended to exercise their voting rights, 43.2% said they planned to (sum of responses 1 and 2 in Figure 11), while 27.6% said they planned not to. The proportion saying they planned to exercise their voting rights was 1.9ppt lower than in a similar survey we conducted in May 2010, when 45.1% said they planned to (Figure 11).

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

	Choices	No. of responses this survey	% of responses	
			This survey	May 2010 survey
1	I plan to exercise my voting rights for all the companies in which I hold shares	258	25.8	25.0
2	I plan to exercise my voting rights for only some of the companies in which I hold shares	174	17.4	20.1
3	I plan not to exercise my voting rights for any of the companies in which I hold shares	276	27.6	28.7
4	Undecided	292	29.2	26.2

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

Of the respondents saying they planned to exercise their voting rights (those selecting response 1 or 2 in Figure 11; 432 this time, versus 451 in May 2010), 28.0% said they intended to vote in favor of all resolutions, above last year's 25.5%. Of resolutions respondents said they might oppose, as in May 2010 the highest response ratios (multiple responses allowed) were for director compensation, retirement bonuses for directors, and dividends (use of surplus funds). Compared with the May 2010 survey, the response ratios were higher for director compensation (38.4%, versus 36.1%) and retirement bonuses for directors (38.2%, versus 35.7%), but lower for dividends (21.3%, versus 26.8%) (Figure 12).

Of respondents saying they did not plan to exercise their voting rights (those selecting response 3 in Figure 11; 276 this time, versus 287 in May 2010) notable numbers cited as reasons (multiple responses allowed) "Because the impact of my vote is small", "Because it is a hassle", and "I have no interest in exercising voting rights." The rise in the proportion of "hassle" responses in particular was marked, from 37.6% in May 2010 to 43.1% this time (Figure 13).

12. Resolutions on which investors may exercise voting rights

	Choices	No. of responses this survey	% of responses	
			This survey	May 2010 survey
1	Voted in favor of all resolutions	121	28.0	25.5
2	Dividends (use of surplus funds)	92	21.3	26.8
3	Director compensation	166	38.4	36.1
4	Retirement bonuses for directors	165	38.2	35.7
5	Stock options	68	15.7	16.0
6	Selection of directors/auditors	53	12.3	9.8
7	Granting board of directors authority to decide distribution of retained earnings (allowing decisions on dividends etc. at board meetings)	53	12.3	11.3
8	Takeover defense measures	48	11.1	13.3
9	Change in the number of directors (increase, reduction, establishment of upper limit, etc)	51	11.8	8.9
10	Change in the maximum number of issuable shares	37	8.6	6.4
11	Share buybacks	15	3.5	4.2
12	Change in conditions for removing directors	19	4.4	4.2
	No. of responses	432		

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

13. Reasons for not exercising voting rights

	Choices	No. of responses this survey	% of responses This survey	% of responses May 2010 survey
1	Because the impact of my vote is small	172	62.3	61.7
2	Because it is a hassle	119	43.1	37.6
3	I have no interest in exercising voting rights	47	17.0	19.9
4	None of the resolutions required me to express an opinion	36	13.0	12.9
5	I could not attend the general meeting or I have no time to complete the paperwork or internet forms	26	9.4	9.8
6	My investment style is mainly short term or seeking capital gains, so I do not view exercising my voting rights as important	19	6.9	6.3
7	I did not have the time to study the resolutions	8	2.9	6.3
8	I did not understand the resolutions well	10	3.6	5.6
	No. of responses	276		

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

(9) Impact of the Great East Japan Earthquake on the stock market

For our second spot question this time, we asked investors about the impact on the stock market of the Great East Japan Earthquake and necessary developments for a stock market recovery. When we asked which aspects of the disaster have had the largest impact on the stock market, the most popular answer, at 63.5%, was "Nuclear power plant accident." This was followed by "Lower production capabilities because of damage to plants and staff being affected," "Stagnation in economic activity because of rolling blackouts in greater Tokyo," and "Supply chain disruption owing to damage at parts manufacturers' facilities" (Figure 14).

In response to our follow-up question on what developments would be necessary for a recovery in the stock market, the largest proportion of respondents, 77.9%, chose "A resolution to the nuclear power plant issue." High proportions of responses also went to "The start of full-fledged reconstruction activity," "Confirmation of recovery in economic and production activity," and "Reduction of summer power shortage risk" (Figure 15).

14. Earthquake-related factors that have had an impact on the stock market

	Choices	% of responses
1	Lower production capabilities because of damage to plants and staff being affected	44.8
2	Stagnation in economic activity because of rolling blackouts in greater Tokyo	36.4
3	Decline in distribution capabilities	14.6
4	Supply chain disruption owing to damage at parts manufacturers' facilities	36.2
5	Lower consumer spending because of psychological impact and self-restraint	29.7
6	Nuclear power plant accident	63.5
7	Concerns about yen appreciation as Japanese investors withdraw overseas investments	3.8
8	Decline in external creditworthiness, including sovereign debt ratings	13.2
9	Other	1.0
	No. of responses	1,000

Note: We asked investors to choose up to three responses to the question "What earthquake-related factors do you think are affecting (or will affect) the equity markets the most?"

15. Necessary developments for a stock market recovery

	Choices	% of responses
1	Confirmation of the scale of human casualties/property damage	16.2
2	A resolution to the nuclear power plant issue	77.9
3	Reduction of summer power shortage risk	39.1
4	Ruling and opposition parties moving in step in regard to policy and budget	23.7
5	The start of full-fledged reconstruction activity	42.9
6	Confirmation of recovery in economic and production activity	42.0
7	Analysts issuing earnings forecasts for FY12 onward	2.5
8	Other	0.9
	No. of responses	1,000

Note: We asked investors to choose up to three responses to the question "What do you think are preconditions in relation to the earthquake for a major recovery in the equity markets?"

3. Nomura Individual Investor Survey

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

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

Survey target: Survey sent to 3,000 individual investors randomly selected from the approximately 11,800 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 May with deadline for responses on 10 May

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 rate outlook and attractive currencies, and (5) financial instruments for which investors plan to change their holdings. Respondents are also queried each month on their personal profiles.

4. Nomura Individual Investor Survey (May 2011) respondents

Gender: Male (73.9%), Female (26.1%)

Age: Under 30 (0.8%), 30–39 (17.5%), 40–49 (29.7%), 50–59 (27.9%), 60 and above (24.1%)

Occupation: Self-employed/fisheries, agriculture, forestry (10.7%), Professional (physician/medical professional, lawyer, etc) (2.9%), Company management/corporate officer (4.7%), Company employee/public servant (47.3%), Housewife (12.5%), Part-time worker/casual worker/job-hopper (6.3%), Unemployed/pensioner (13.7%), Other (1.9%)

Region: Kanto (44.8%), Kinki (21.6%), Tokai/Koshinetsu/Hokuriku (16.1%), Hokkaido/Tohoku (5.5%), Chugoku/Shikoku/Kyushu (12.0%)

Financial assets held: Less than ¥1,000,000 (6.3%), ¥1,000,000–¥2,999,999 (9.7%), ¥3,000,000–¥4,999,999 (14.4%), ¥5,000,000–¥9,999,999 (19.1%), ¥10,000,000–¥29,999,999 (29.9%), ¥30,000,000–¥49,999,999 (11.0%), ¥50,000,000 or more (9.6%)

Value of domestic stocks held: Less than ¥500,000 (11.3%), ¥500,000–¥999,999 (12.6%), ¥1,000,000–¥2,999,999 (24.9%), ¥3,000,000–¥4,999,999 (16.8%), ¥5,000,000–¥9,999,999 (16.3%), ¥10,000,000–¥29,999,999 (13.5%), ¥30,000,000 or more (4.6%)

Investment experience: Less than three years (1.7%), Three years to less than five years (12.1%), Five years to less than 10 years (31.4%), 10 years to less than 20 years (29.7%), 20 years or more (25.1%)

Investment plan for domestic stocks: Mainly for long-term holding (50.9%), Pursuit of gains from short-term appreciation (12.6%), Pursuit of dividends and shareholder perks (22.8%), No particular plan (13.7%)

Notice

The next Nomura Individual Investor Survey (June 2011) is scheduled for release in mid-June 2011.

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

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As at 31 March 2011.
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As at 31 March 2011.
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Explanation of Nomura's equity research rating system in Europe, Middle East and Africa, US and Latin America for ratings published from 27 October 2008

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

STOCKS

A rating of '**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 and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the company.
Benchmarks are as follows: **United States/Europe**: Please see valuation methodologies for explanations of relevant benchmarks for stocks (accessible through the left hand side of the Nomura Disclosure web page: http://www.nomura.com/research);**Global Emerging Markets (ex-Asia):** MSCI Emerging Markets ex-Asia, unless otherwise stated in the valuation methodology.

SECTORS

A '**Bullish'** stance, indicates that the analyst expects the sector to outperform the Benchmark during the next 12 months.
A '**Neutral'** stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next 12 months.
A '**Bearish'** stance, indicates that the analyst expects the sector to underperform the Benchmark during the next 12 months.
Benchmarks are as follows: **United States**: S&P 500; **Europe**: Dow Jones STOXX 600; **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia.

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

STOCKS

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

A '**Buy'** recommendation indicates that potential upside is 15% or more.

A '**Neutral'** recommendation indicates that potential upside is less than 15% or downside is less than 5%.

A '**Reduce'** recommendation indicates that potential downside is 5% or more.

A rating of '**Suspended'** indicates that the rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the subject company.

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SECTORS

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

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

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

STOCKS

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

A rating of '2' or '**Buy'**, indicates that the analyst expects the stock to outperform the Benchmark by 5% or more but less than 15% over the next six months.

A rating of '3' or '**Neutral'**, indicates that the analyst expects the stock to either outperform or underperform the Benchmark by less than 5% over the next six months.

A rating of '4' or '**Reduce'**, indicates that the analyst expects the stock to underperform the Benchmark by 5% or more but less than 15% over the next six months.

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SECTORS

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

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

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

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

STOCKS

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

A '**Strong buy'** recommendation indicates that upside is more than 20%.

A '**Buy'** recommendation indicates that upside is between 10% and 20%.

A '**Neutral'** recommendation indicates that upside or downside is less than 10%.

A '**Reduce'** recommendation indicates that downside is between 10% and 20%.

A '**Sell'** recommendation indicates that downside is more than 20%.

SECTORS

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

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

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

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A Target Price, if discussed, reflect 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.

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