News Release

# Nomura Individual Investor Survey

July 2011

4 July 2011

Equity Research Department
Nomura Securities Co., Ltd.

## 1. Survey overview

(1) Nomura I-View Index at 45.8, up 0.4pt 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 those for "fall," was 45.8, up 0.4pt from 45.4 as of the previous survey (31 May to 1 June). The Nikkei Average reference level (20 June close) was 9,354, down 339 from the time of the previous survey (31 May close of 9,693), but it appears that the number of individual investors expecting share prices to rebound has increased slightly. The proportion of respondents expecting a “rise of about 1,000 points” was 61.9%, making this the most popular response. The increase compared with the previous survey’s reading was greater for this response than for any other, while the greatest decline was seen in the percentage of respondents selecting "rise of about 2,000 points".

(2) Sharp rise in responses citing international affairs as the factor most likely to impact the stock market

Respondents were asked to select the factor most likely to impact the stock market in the next three months. Domestic politics continued to be the most common response, selected by 37.6% of survey respondents, but we note that the increase in the proportion choosing this answer was smaller this time, at 2.2ppt. The proportion selecting international affairs saw the largest increase of any factor, rising 7.6ppt from the previous survey’s reading, to 22.3%.

(3) Materials the most appealing sector

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.” Materials was the most appealing sector this time. The capital goods/other sector slipped to second place, with its DI falling 7.2pt—the largest decline of any sector.

(4) Rising expectations of yen weakness versus the 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 totaled 71.5%, up from 70.7% as of the previous survey. The proportion of respondents expecting a fall of about ¥5 against the dollar was 60.3%, making this the most popular response. The proportion selecting this response also saw the largest increase versus the previous survey. In contrast, the proportion expecting a rise of about ¥5 against the dollar fell by 1.2ppt—the largest decrease of any category.

(5) Australian dollar remains the 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 18th straight occasion since this survey question was introduced in January 2010 (no survey was conducted in April 2011).

(6) Fewer investors looking to increase holdings of marketable securities

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. DIs for marketable securities were generally down from their levels as of the previous survey.

(7) Impact of Great East Japan Earthquake on Japanese equities

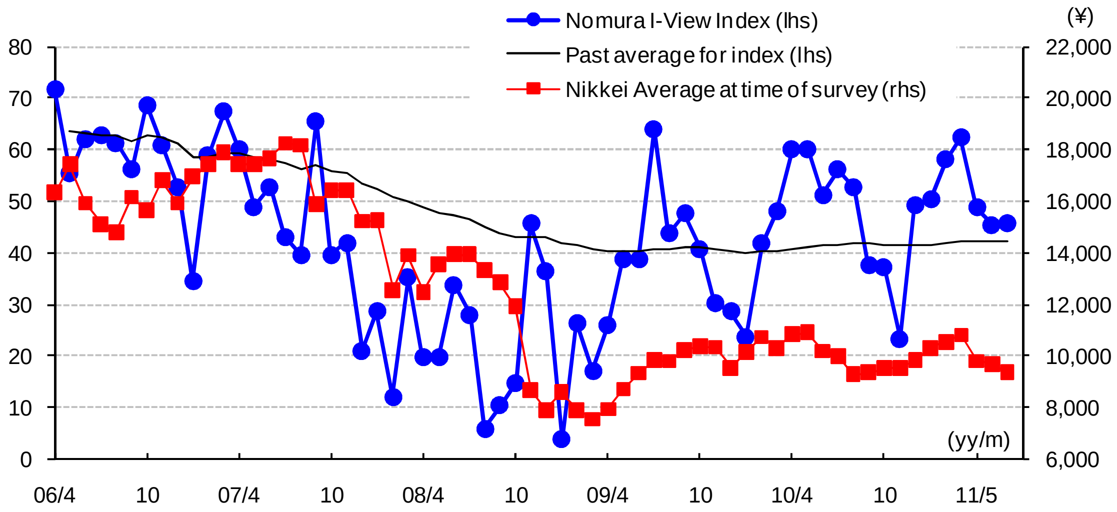
For this survey’s spot question, we asked individual investors for their opinions regarding the impact on the stock market of the Great East Japan Earthquake. When asked how long they thought the impact of the earthquake would continue, the most popular response was "one year or more", selected by 35.3% of respondents. Next, we asked which aspects of the disaster have had (or will have) the largest impact on equity markets. The most popular response, selected by 83.5% of respondents, was "nuclear power plant incident", followed by "stagnation in economic activity because of electric power shortages", selected by 60.6% of respondents. Finally, we asked investors what they thought were preconditions in relation to the earthquake for a major recovery in the equity markets. The most popular choice was “progress with resolving the nuclear plant situation”, selected by 73.5% of respondents. This was followed by "abatement of concerns about electric power shortages", chosen by 56.5%.

## 2. Survey results

(1) Nomura I-View Index at 45.8, up 0.4pt 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 those for "fall," was 45.8, up 0.4pt from 45.4 as of the previous survey (31 May to 1 June). The Nikkei Average reference level (20 June close) was 9,354, down roughly 339 from the time of the previous survey (31 May close of 9,693), but it appears that the number of individual investors expecting share prices to rebound has increased slightly (Figure 1).

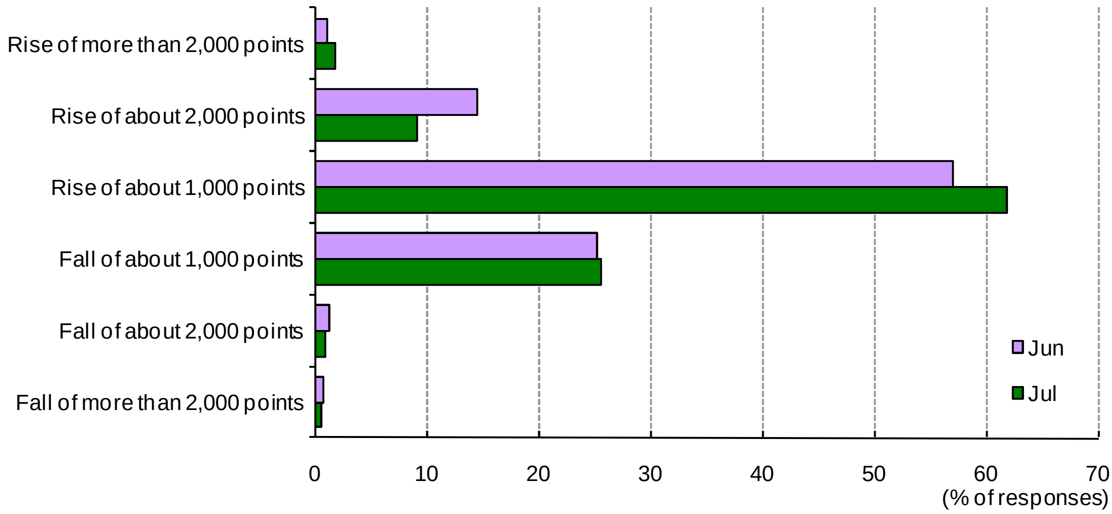
**1. The Nomura I-View Index and reference level of Nikkei Average at time of survey**




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 72.9%, up 0.2ppt from 72.7% as of the previous survey. The most popular response was a “rise of about 1,000 points”, selected by 61.9% of respondents. This response also saw the largest increase of any factor versus the previous survey reading, at 4.9ppt. The greatest decline was seen in the percentage of respondents selecting "rise of about 2,000 points", which fell 5.4ppt. It thus appears that the proportion of individual investors expecting a sharp rise in share prices has decreased. The combined proportion of responses of "fall of more than 2,000 points" and "fall of about 2,000 points" was down 0.5ppt from the previous survey, and there was an increase of 0.3ppt in the proportion of investors expecting "a fall of about 1,000 points" (Figure 2).

**2. Outlook for Nikkei Average during the next three months**

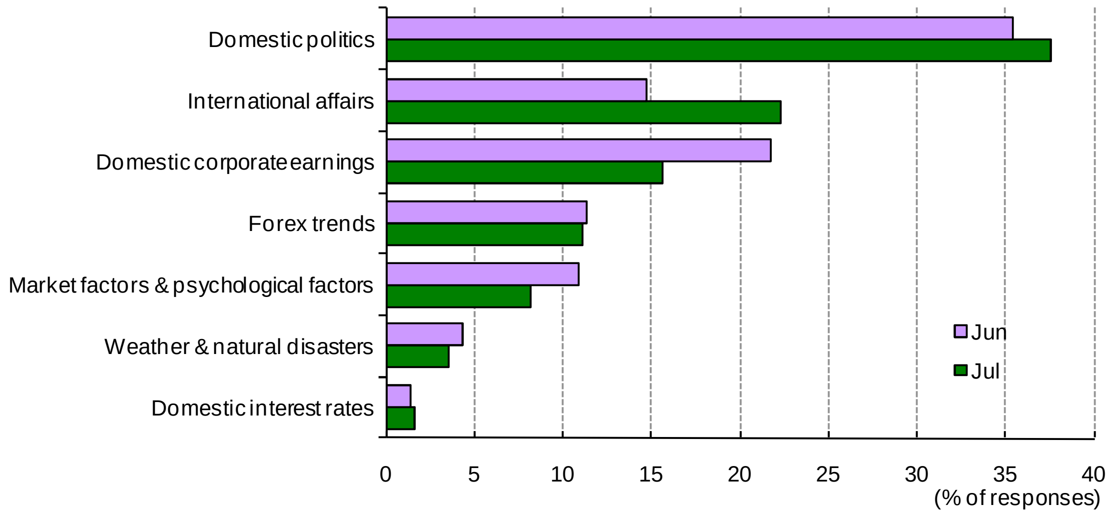



Note: Respondents were asked to share their outlook for the Nikkei Average during the next three months based on a 31 May closing figure of 9,693. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points with 1,000-point increments in between. June figures represent responses at the time of the previous survey.

(2) Sharp rise in responses citing international affairs as the factor most likely to impact the stock market

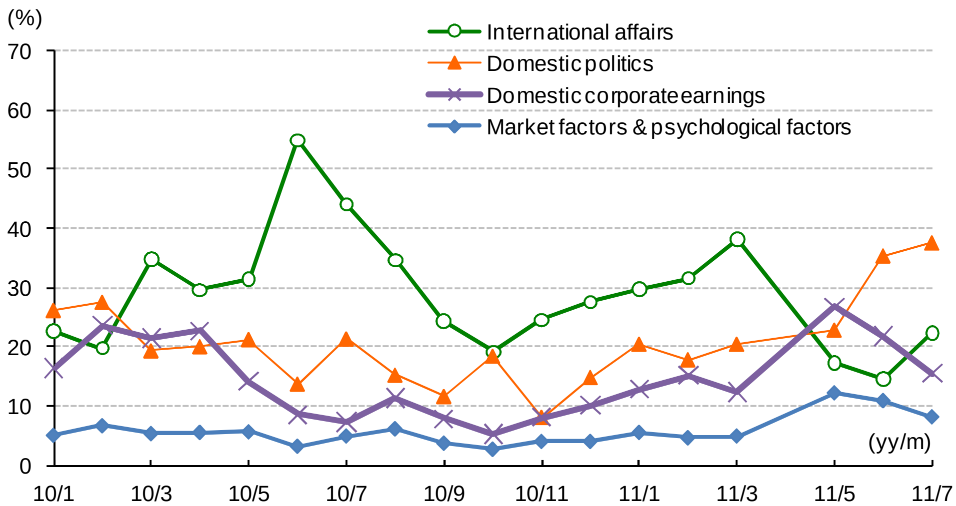
Respondents were asked to select the factor most likely to impact the stock market in the next three months. Domestic politics continued to be the most common response, accounting for 37.6% of responses, although we note that the rise in the proportion of respondents choosing this answer was much smaller than last time, at 2.2ppt. The second most popular response was international affairs, the percentage of responses for which rose 7.6ppt on the previous survey's reading—the largest gain of any factor—to 22.3%. The proportion of respondents choosing domestic corporate earnings saw the greatest decline, dropping 6.2ppt to 15.6%. There was a notable 2.7ppt decline this time in the proportion of investors selecting market factors & psychological factors (Figures 3, 4).

**3. Impact of factors on the stock market**




Note: Respondents were asked to choose one answer from a possible seven responses concerning factors likely to impact the stock market over the next three months or so. June figures represent responses at the time of the previous survey.

**4. Trends for select factors**



(3) Materials was the most appealing sector

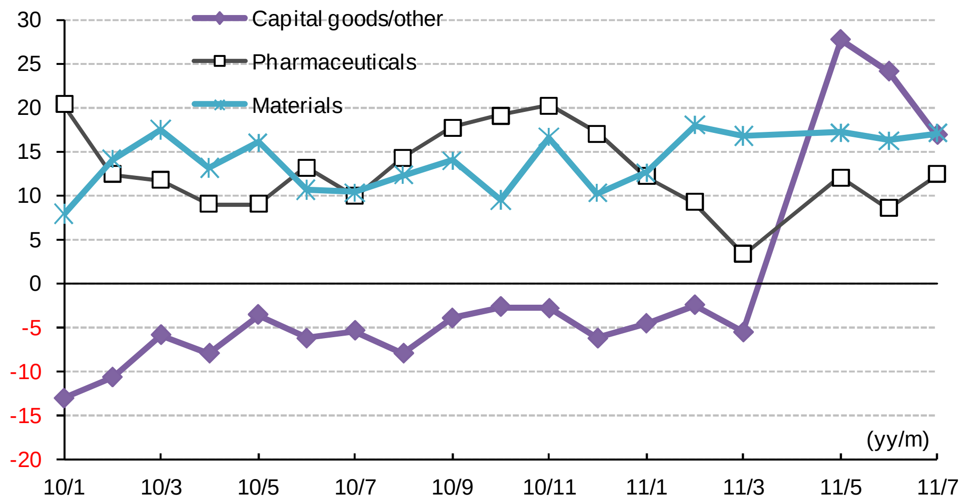
Respondents were asked to choose one sector as an “appealing” investment target and one as “unappealing.” We calculated a diffusion index for each sector by subtracting the percentage of responses for “unappealing” from that for “appealing.” Materials was the most appealing sector, with a DI of 17.0. The capital goods/other sector slipped to second place this time, with its DI falling 7.2pt—the largest decline of any sector. Pharmaceuticals saw the largest gain of any sector, with its DI rising 3.9pt (Figures 5, 6).

**5. Investment appeal by sector**

| Sector | DI | Breakdown of DI (% of responses) | | (Ref) Previous DI |
|---|---|---|---|---|
| | | Appealing | Unappealing | |
| Materials | 17.0 | 19.7 | 2.7 | 16.2 |
| Capital goods/other | 16.8 | 20.2 | 3.4 | 24.0 |
| Pharmaceuticals | 12.4 | 14.2 | 1.8 | 8.5 |
| Electrical equipment/precision equipment | 4.9 | 10.5 | 5.6 | 3.8 |
| Automobiles | 3.6 | 13.4 | 9.8 | 1.6 |
| Telecommunications | 0.2 | 4.0 | 3.8 | 3.0 |
| Consumer goods | -11.0 | 8.0 | 19.0 | -12.0 |
| Transportation and utilities | -21.7 | 5.5 | 27.2 | -21.9 |
| Financials | -22.2 | 4.5 | 26.7 | -23.2 |

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)**

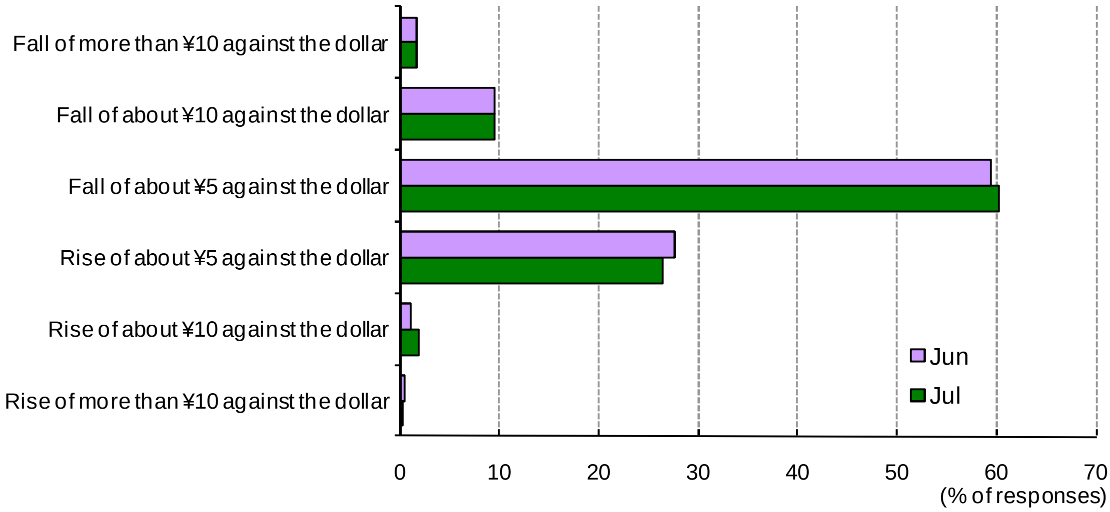
| Code | Company | No. of respondents | Code | Company | No. of respondents |
|---|---|---|---|---|---|
| 7203 | Toyota Motor | 71 | 8306 | Mitsubishi UFJ Financial Group | 13 |
| 4502 | Takeda Pharmaceutical | 35 | 9531 | Tokyo Gas | 13 |
| 9984 | Softbank | 28 | 2327 | NS Solutions | 12 |
| 9501 | Tokyo Electric Power | 26 | 6752 | Panasonic | 12 |
| 6301 | Komatsu | 22 | 8411 | Mizuho Financial Group | 11 |
| 7201 | Nissan Motor | 19 | 1812 | Kajima | 10 |
| 7267 | Honda Motor | 19 | 9202 | All Nippon Airways | 10 |
| 8058 | Mitsubishi Corp | 15 | 9437 | NTT Docomo | 9 |
| 4661 | Oriental Land | 14 | 5401 | Nippon Steel | 8 |
| 7011 | Mitsubishi Heavy Industries | 14 | 5713 | Sumitomo Metal Mining | 8 |
| 7974 | Nintendo | 14 | 6501 | Hitachi | 8 |
| 2702 | McDonald's Holdings (Japan) | 13 | 6753 | Sharp | 8 |
| 2811 | Kagome | 13 | 4755 | Rakuten | 7 |
| 6502 | Toshiba | 13 | 6971 | Kyocera | 7 |
| 6758 | Sony | 13 | 7751 | Canon | 7 |

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

(5) Rising expectations of yen weakness versus US dollar

On the outlook for the USD/JPY rate over the next three months, the combined proportion of respondents expecting the yen to weaken against the dollar was 71.5%, up from 70.7% last time. The proportion of respondents expecting a fall of about ¥5 against the dollar was 60.3%, making this the most popular response. The proportion selecting this response also saw the largest increase compared with the previous survey's reading, at 0.8ppt. In contrast, the proportion expecting a rise of about ¥5 against the dollar fell by 1.2ppt, marking the largest decrease of any category. Expectations that the yen will depreciate against the dollar appear to have become slightly more heightened (Figure 8). At the time of the latest survey (20 June), the noon indicative USD/JPY rate was 80.12, stronger for the yen than 81.17 at the time of the previous survey (31 May).

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




Note: Respondents were asked to share their outlook for the USD/JPY rate during the next three months, referencing a 31 May indicative rate of US$1=¥81.17. 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. June figures represent responses at the time of the previous survey.

(6) Australian dollar remains the 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 18th straight occasion since this survey question was introduced in January 2010 (no survey was conducted in April 2011). The DI for the yen was -6.1, an improvement of 7.5pt from the previous survey. This was the largest improvement of any currency and lifted the yen from its position last time at the bottom of the table. The euro saw the greatest deterioration among all the currencies, with a 6.2pt fall in its DI making it the least attractive currency (Figure 9).

**9. Investment appeal by currency**

| Currency | DI | Breakdown of DI (% of responses) | | (Ref) Previous DI |
|---|---|---|---|---|
| | | Appealing | Unappealing | |
| Australian dollar | 31.0 | 32.8 | 1.8 | 31.1 |
| Brazilian real | 8.9 | 12.8 | 3.9 | 10.7 |
| Canadian dollar | 1.2 | 2.0 | 0.8 | 0.8 |
| Pound sterling | -1.2 | 1.5 | 2.7 | -3.8 |
| Chinese renminbi | -2.8 | 13.4 | 16.2 | -5.8 |
| Japanese yen | -6.1 | 16.8 | 22.9 | -13.6 |
| US dollar | -14.9 | 10.9 | 25.8 | -10.0 |
| Euro | -17.7 | 8.0 | 25.7 | -11.5 |

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 holdings of marketable securities

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. DIs for marketable securities were generally down from their levels as of the previous survey. While the percentage of "plan to increase" responses outweighed the number of "plan to decrease" responses in all marketable securities categories, it appears that investors now have slightly less appetite for increasing holdings of marketable securities (Figure 10).

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

| Currency | DI | Breakdown of DI (% of responses) | | (Ref) Previous DI |
|---|---|---|---|---|
| | | Plan to increase | Plan to decrease | |
| Cash & deposits | 41.3 | 45.0 | 3.7 | 39.6 |
| Equities | 18.9 | 42.3 | 23.4 | 21.6 |
| Securities issued overseas | 11.5 | 14.3 | 2.8 | 11.8 |
| Investment trusts | 9.8 | 21.1 | 11.3 | 10.8 |
| Bonds | 6.8 | 9.9 | 3.1 | 9.0 |
| Other | 1.2 | 1.7 | 0.5 | 1.8 |
| None | -33.6 | 29.2 | 62.8 | -38.1 |

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) Impact of Great East Japan Earthquake on Japanese equities

For this survey's spot question, we asked individual investors for their opinions regarding the impact on the stock market of the Great East Japan Earthquake. When asked how long they thought the impact of the earthquake would likely continue, the most popular response was "one year or more", selected by 35.3% of respondents. This suggests to us that a large number of individual investors expect the impact on share prices to be protracted (Figure 11). Next, we asked what aspects of the disaster have had (or will have) the largest impact on the equity markets. The most popular response, selected by 83.5% of respondents, was "nuclear power plant incident", followed by "stagnation in economic activity owing to electric power shortages", selected by 60.6% of respondents. The percentages of individual investors selecting these two responses were considerably higher than for any other factors (Figure 12). Finally, we asked investors what they thought were preconditions in relation to the earthquake for a major recovery in the equity markets. The most popular choice was "progress with resolving the nuclear plant situation", selected by 73.5% of respondents. This was followed by "abatement of concerns about electric power shortages", chosen by 56.5% of respondents (Figure 13).

**11. Period that Great East Japan Earthquake is likely to affect equity markets**

| | Choices | % of responses |
|---|---|---|
| 1 | Already factored in | 18.2 |
| 2 | Up to one month | 2.0 |
| 3 | One to three months | 10.8 |
| 4 | Three to six months | 13.5 |
| 5 | Six months to one year | 20.2 |
| 6 | One year or more | 35.3 |
| | No. of responses | 1,000 |

Note: Respondents were asked, "How long do you think the earthquake will continue to affect the equity markets?" Question assumes time period starting from 20 June, when survey was conducted. Only one response permitted.

**12. Earthquake-related factors that are having an impact on the stock market**

| | Choices | % of responses |
|---|---|---|
| 1 | Nuclear power plant incident | 83.5 |
| 2 | Lower production capabilities because of damage to plants and staff being affected | 22.2 |
| 3 | Supply chain disruption owing to damage at parts manufacturers' facilities | 22.1 |
| 4 | Stagnation in economic activity owing to electric power shortages | 60.6 |
| 5 | Lower consumer spending because of psychological impact and self-restraint | 28.6 |
| 6 | Concerns about yen appreciation as Japanese investors repatriate funds invested overseas | 8.6 |
| 7 | Decline in external creditworthiness, including sovereign debt ratings | 19.3 |
| 8 | Other | 1.7 |
| | No. of responses | 1,000 |

Note: Respondents were asked, "What earthquake-related factors do you think are affecting (or will affect) the equity markets the most?" Up to three responses permitted.

**13. Developments in relation to the earthquake that will be necessary for a stock market recovery**

| | Choices | % of responses |
|---|---|---|
| 1 | Progress with resolving the nuclear plant situation | 73.5 |
| 2 | Finalization of a compensation framework for people affected by the nuclear plant incident | 15.0 |
| 3 | Abatement of concerns about electric power shortages | 56.5 |
| 4 | Start of full-scale recovery activities | 38.7 |
| 5 | Progress with formulating second supplementary budget and subsequent supplementary budgets for reconstruction | 18.3 |
| 6 | Progress with debate on funding reconstruction budgets | 13.9 |
| 7 | Confirmation of recovery in economic and production activity | 45.0 |
| 8 | Other | 2.7 |
| | No. of responses | 1,000 |

Note: Respondents were asked, "What do you think are preconditions in relation to the earthquake for a major recovery in the equity markets?" Multiple responses permitted.

**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 20 June with deadline for responses on 21 June

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 (July 2011) respondents**

Gender: Male (76.7%), Female (23.3%)

Age: Under 30 (0.9%), 30–39 (14.9%), 40–49 (29.5%), 50–59 (29.5%), 60 and above (25.2%)

Occupation: Self-employed/fisheries, agriculture, forestry (9.5%), Professional (physician/medical professional, lawyer, etc) (3.4%), Company management/corporate officer (5.8%), Company employee/public servant (47.9%), Housewife (11.5%), Part-time worker/casual worker/job-hopper (5.0%), Unemployed/pensioner (14.8%), Other (2.1%)

Region: Kanto (43.8%), Kinki (23.0%), Tokai/Koshinetsu/Hokuriku (15.1%), Hokkaido/Tohoku (5.7%), Chugoku/Shikoku/Kyushu (12.4%)

Financial assets held: Less than ¥1,000,000 (5.8%), ¥1,000,000–¥2,999,999 (11.4%), ¥3,000,000–¥4,999,999 (13.5%), ¥5,000,000–¥9,999,999 (18.3%), ¥10,000,000–¥29,999,999 (29.4%), ¥30,000,000–¥49,999,999 (11.0%), ¥50,000,000 or more (10.6%)

Value of domestic stocks held: Less than ¥500,000 (11.3%), ¥500,000–¥999,999 (12.9%), ¥1,000,000–¥2,999,999 (25.5%), ¥3,000,000–¥4,999,999 (16.5%), ¥5,000,000–¥9,999,999 (14.8%), ¥10,000,000–¥29,999,999 (14.6%), ¥30,000,000 or more (4.4%)

Investment experience: Less than three years (1.5%), Three years to less than five years (10.7%), Five years to less than 10 years (31.8%), 10 years to less than 20 years (29.1%), 20 years or more (26.9%)

Investment plan for domestic stocks: Mainly for long-term holding (46.8%), Pursuit of gains from short-term appreciation (11.9%), Pursuit of dividends and shareholder perks (26.3%), No particular plan (15.0%)

Notice

The next Nomura Individual Investor Survey (August 2011) is scheduled for release on Tuesday, 2 August 2011.

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

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#### Distribution of ratings (Global)

The distribution of all ratings published by Nomura Global Equity Research is as follows:
49% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; 37% of companies with this rating are investment banking clients of the Nomura Group*.
40% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 46% of companies with this rating are investment banking clients of the Nomura Group*.
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As at 31 March 2011.
**The Nomura Group as defined in the Disclaimer section at the end of this report.*

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

The rating system is a relative system indicating expected performance against a specific benchmark identified for each individual stock. Analysts may also indicate absolute upside to 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://go.nomuranow.com/research/globalresearchportal);**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.

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### 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

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**STOCKS**

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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.

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