Nomura Individual Investor Survey

December 2013

December 12, 2013

Global Research Division
Nomura Securities Co., Ltd.

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

1. Survey overview

(1) Nomura I-View Index declines 4.4pt m-m, to 54.4

The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook for share prices and calculated by subtracting the percentage of responses for "fall" from that for "rise," was 54.4 for December, a decline of 4.4pt from 58.8 in November. Over half of respondents still expect share prices to rise, but we think there has been a slight increase in the percentage of investors that see share prices correcting, amid strong gains in the equity market since mid-November.

(2) Investor interest in forex trends rises m-m

Respondents were asked to select the factor most likely to impact the stock market in the next three months. International affairs was again the most-watched factor this month, but its response rate continued to decline, falling 2.9ppt m-m, marking the largest drop of any of the factors. Forex trends saw the largest rise in response rate among all the factors, with a 3.0ppt increase m-m. All other factors saw only small fluctuations m-m and there was no change in their ranking.

(3) Automobiles the most appealing sector

Respondents were asked to choose one sector as an "appealing" investment target and one as "unappealing" over a timeframe of about three months. We calculated a diffusion index (DI) for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing." Automobiles was the most appealing sector this month. The sector's DI rose 6.3pt m-m, the largest increase of all the sectors. The DI for capital goods/other, which was the most appealing sector for three consecutive months until last month, declined 5.7pt. The sector dropped into the second position in the rankings. The DI for consumer goods, which saw a large improvement in November, declined 7.0pt m-m, marking the largest drop among all the sectors.

(4) Lower proportion of investors expect yen to strengthen against dollar

On the outlook for USD/JPY over the next three months, the percentage of respondents expecting the yen to strengthen against the dollar was 43.4%, slipping 1.2ppt from the previous month's reading of 44.6%. The response rates for rises of “about ¥10 against the dollar” and “more than ¥10 against the dollar” both declined, while the response rate for “rise of about ¥5 against the dollar” increased, albeit by only 0.6pt m-m.

(5) US dollar more appealing for investors

Respondents were asked to choose one currency as an "appealing" investment target and one as "unappealing" over an approximately three-month timeframe. We calculated a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." The Japanese yen remained the most appealing currency this month, but its DI declined 2.1pt m-m. The DI for the US dollar rose 8.8pt m-m, the largest increase of all the currencies, lifting it into second position in the rankings. The Chinese yuan remained the least appealing currency and its DI saw the largest drop among all the currencies, falling 5.5ppt m-m.

(6) Japanese equities remain the most appealing financial instrument

To give an indication of plans for holding financial instruments, we calculate DIs for each financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holding from the percentage planning to hold the instrument for the first time or increase their holding. Japanese equities remained the most appealing financial instrument this month, but its DI declined 2.3pt m-m. The DI for foreign equities saw the largest increase of all the financial instruments, rising 1.0pt m-m. In contrast, the largest drop in DI was for cash & deposits, declining 5.2pt m-m to the lowest level recorded for this instrument.

(7) Price outlook

We asked investors about their outlook for prices of regularly purchased goods and services one year from now. A combined total of 63.9% of respondents said they expected prices to rise, a slight increase of 1.2ppt from last month. “Rise of less than 2%” remained the most common response, at 36.9%, with the response rate rising 2.0ppt m-m, marking the largest increase among all the responses. In contrast, the largest decline in response rate was for "fall of 2% up to 5%," which fell 1.4ppt m-m.

(8) Equity investment themes for 2014

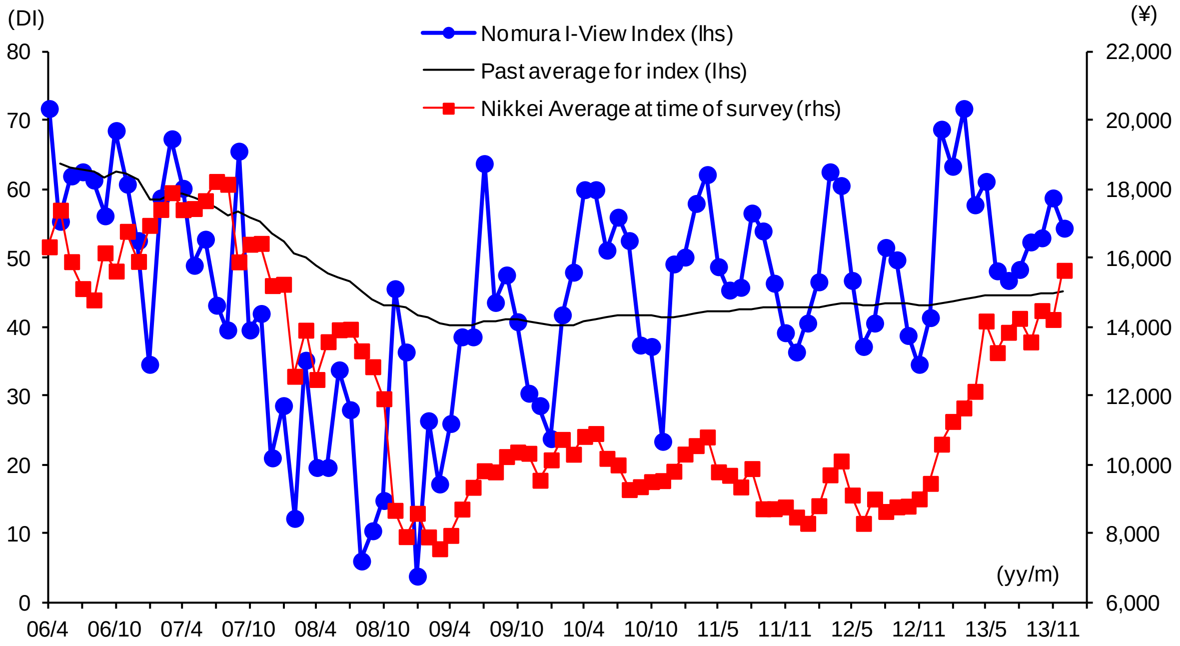
For this month’s spot question, we asked investors to select up to five Japanese equity market investment themes and market factors anticipated to have an impact in 2014 that they intend to focus on when making investment decisions. The response rate for forex trends was the highest among all the options, with 54.9%. This was followed by US monetary policy (51.5%), BOJ monetary policy (49.6%), and consumption tax hikes (45.1%).

2. Survey results

(1) Nomura I-View Index declines 4.4pt m-m, to 54.4

The Nomura I-View Index, based on respondents' three-month outlook for share prices and calculated by subtracting the percentage of responses for "fall" from that for "rise," was 54.4 for December, a decline of 4.4pt from 58.8 in November (Figure 1). Over half of respondents still expect share prices to rise, but we think there has been a slight increase in the percentage of investors that see share prices correcting, amid strong gains in the equity market since mid-November. The Nikkei Average reference level (2 December close) was 15,655.07, up 1,429.70pt from the previous survey (5 November close of 14,225.37).

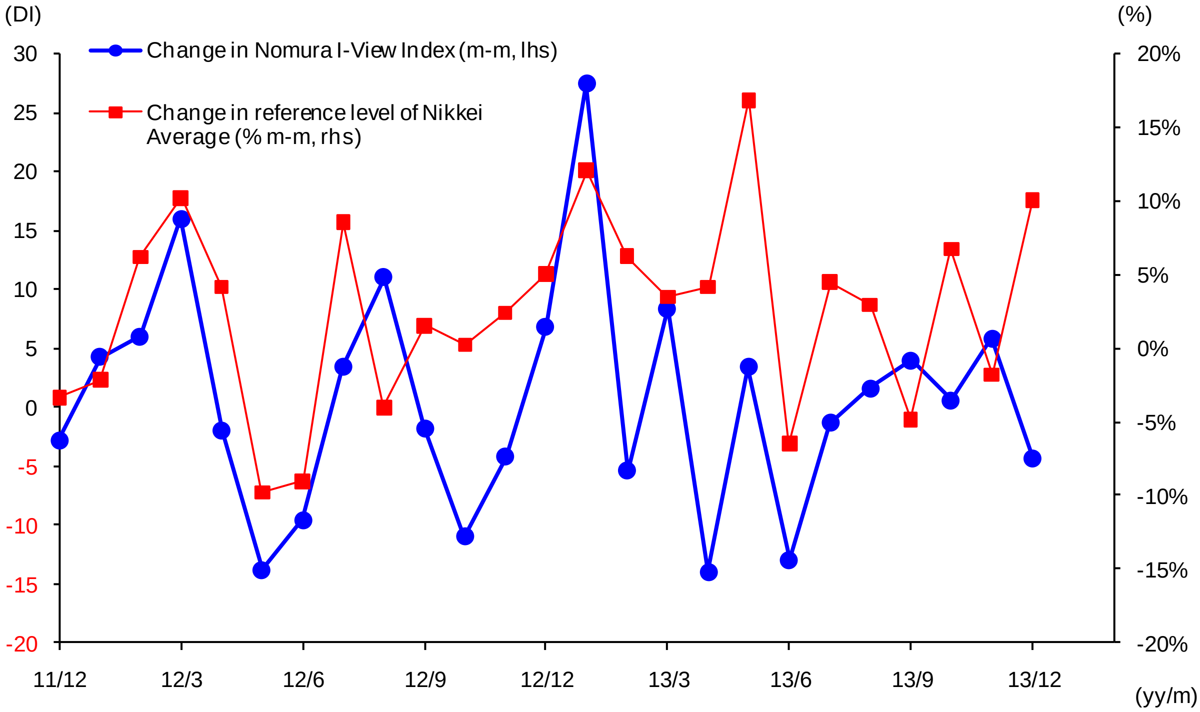
Fig. 1: The Nomura I-View Index and reference level of Nikkei Average at time of survey



Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a DI. 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 those respondents who projected the Nikkei Average would 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.

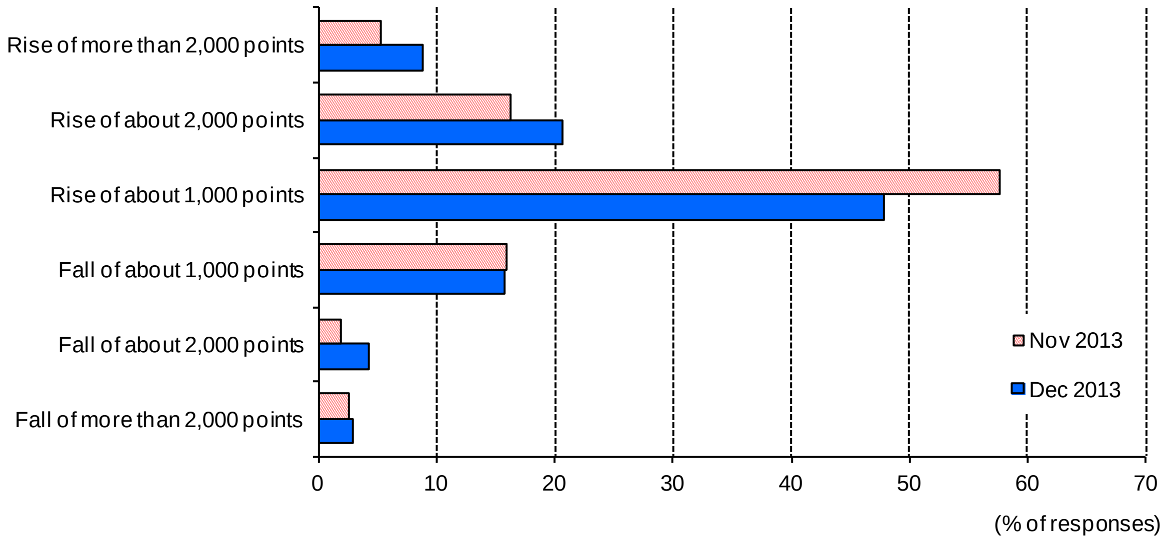
Looking at data for the two years from December 2011, we observe a loose positive correlation between the monthly change in the Nomura I-View Index and the reference level of the Nikkei Average at the time of survey versus its month-earlier level, suggesting that individual investors' share price outlook tends to be easily influenced by recent share price trends. This month, however, the Nomura I-View Index declined m-m, despite an increase in share prices, indicating that individual investors were less sensitive to share price trends (Figure 2).

Fig. 2: M-m change in Nomura I-View Index and m-m change in reference level of Nikkei Average at time of survey



The combined proportion of respondents expecting the Nikkei Average to rise over the next three months was 77.2%, down 2.2pt from 79.4% in the last survey. The proportion of respondents expecting a “rise of about 1,000 points” remained the largest, but there was a steep decline of 10.0pt m-m. However, there was an increase in investors that anticipate a substantial rise in share prices, with the proportions of respondents expecting either a “rise of about 2,000 points” or a “rise of more than 2,000 points” both increasing m-m. The proportion of investors expecting a “fall of about 1,000 points” declined 0.3pt m-m, but there were increases for a “fall of about 2,000 points” and a “fall of more than 2,000 points” (Figure 3).

Fig. 3: Outlook for Nikkei Average during the next three months

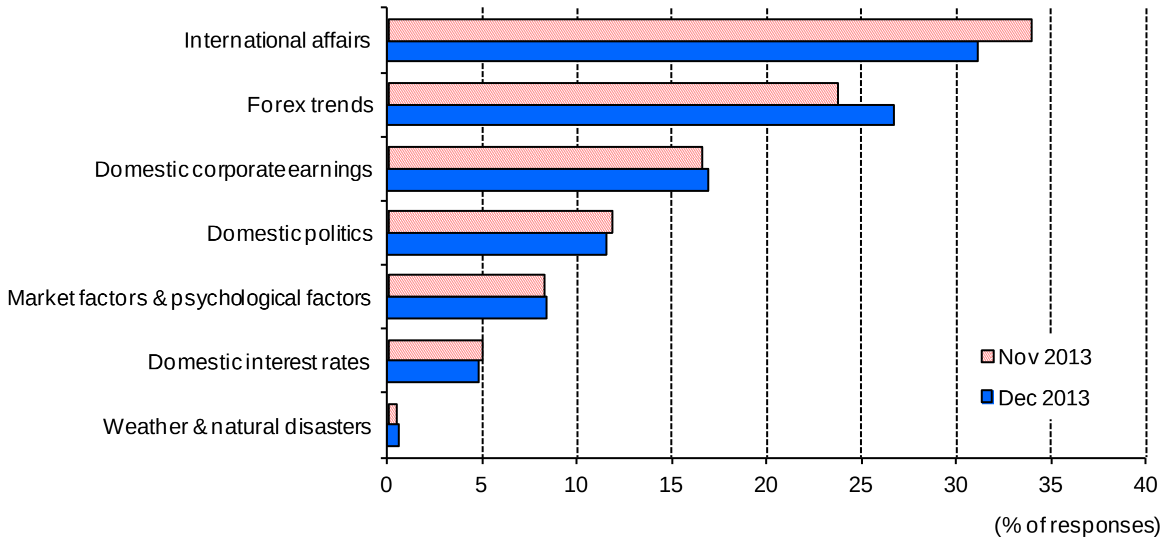


Note: Respondents were asked to share their outlook for the Nikkei Average during the next three months based on a 2 December closing figure of 15,655. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points with 1,000-point increments in between.

(2) Investor interest in forex trends rises m-m

Respondents were asked to select the factor most likely to impact the stock market in the next three months. International affairs was again the most-watched factor this month, but its response rate continued to decline, falling 2.9ppt m-m, marking the largest drop of any of the factors. Forex trends saw the largest rise in response rate among all the factors, with a 3.0ppt increase m-m. All other factors saw only small fluctuations m-m and there was no change in their ranking (Figure 4).

Fig. 4: Impact of factors on the stock market



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

(3) Automobiles the most appealing sector

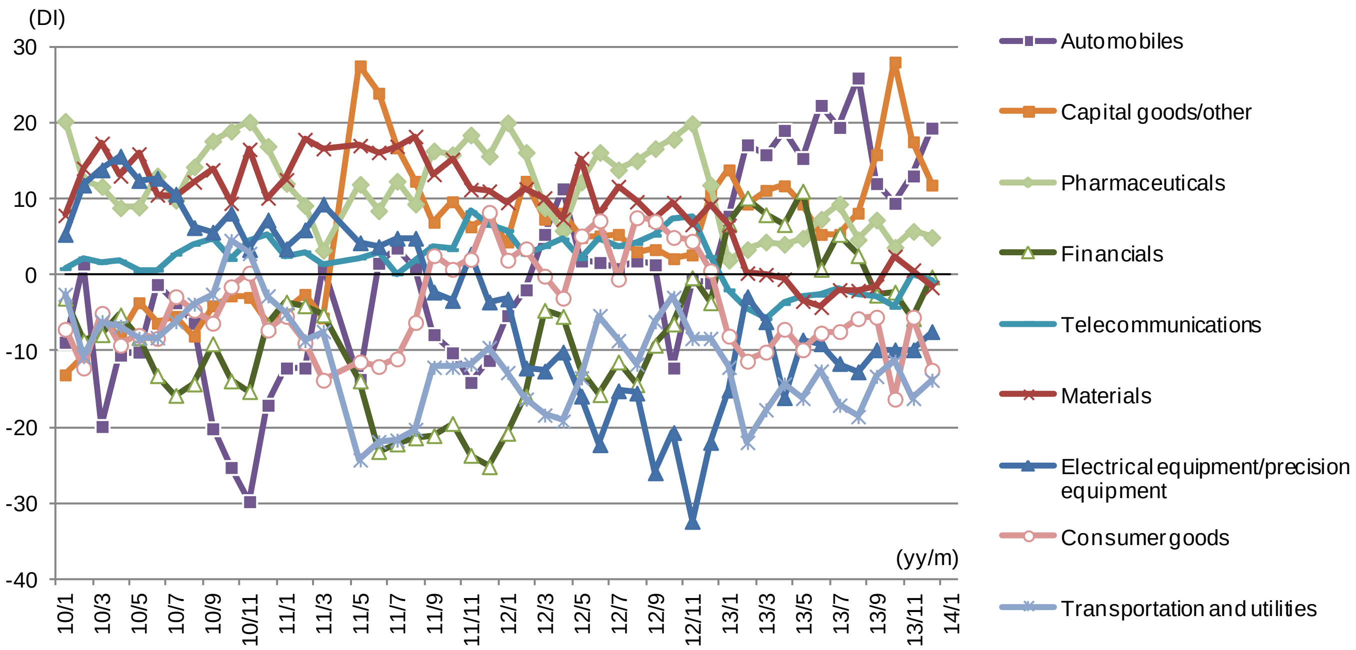
Respondents were asked to choose one sector as an "appealing" investment target and one as "unappealing" over a timeframe of about three months. We calculated a DI for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing." Automobiles was the most appealing sector this month. The sector's DI rose 6.3pt m-m, the largest increase of all the sectors, helping it move into the top position for the first time in four months. The financials sector saw the second largest increase, with its DI rising 5.5pt m-m. The DI for capital goods/other, which was the most appealing sector for three consecutive months until last month, declined 5.7pt. As a result, the sector dropped into second position in the rankings. The DI for consumer goods, which saw a large improvement in November, declined 7.0pt m-m, marking the largest drop among all the sectors (Figures 5, 6).

Fig. 5: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Automobiles	19.4	23.8	4.4	13.1
Capital goods/other	11.9	16.1	4.2	17.6
Pharmaceuticals	5.0	11.5	6.5	5.8
Financials	-0.2	11.2	11.4	-5.7
Telecommunications	-0.8	4.9	5.7	0.0
Materials	-1.6	10.5	12.1	0.7
Electrical equipment/precision equipment	-7.4	7.5	14.9	-9.8
Consumer goods	-12.5	9.8	22.3	-5.5
Transportation and utilities	-13.8	4.7	18.5	-16.2

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 DI by subtracting the percentage of responses for “unappealing” from that for “appealing.” The materials sector comprises mining, textiles, paper & pulp, chemicals, oil, ceramics, steel, nonferrous metals, and trading houses. The financials sector comprises banks, miscellaneous finance, securities, and insurance. The capital goods/other sector comprises construction, machinery, shipbuilding, transportation equipment, miscellaneous manufacturing, and real estate. The transportation and utilities sector comprises railroads & buses, trucking, shipping, airlines, warehousing, electric power, and gas. The consumer goods sector comprises marine products, food, retail, and services.

Fig. 6: Trend in DIs for selected sectors



(4) Most-watched stocks

Respondents were asked to name one stock that they would like to have in their portfolio, irrespective of short or long-term investment horizon (including stocks actually held) or that they find appealing. We show the most popular responses below (Figure 7).

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

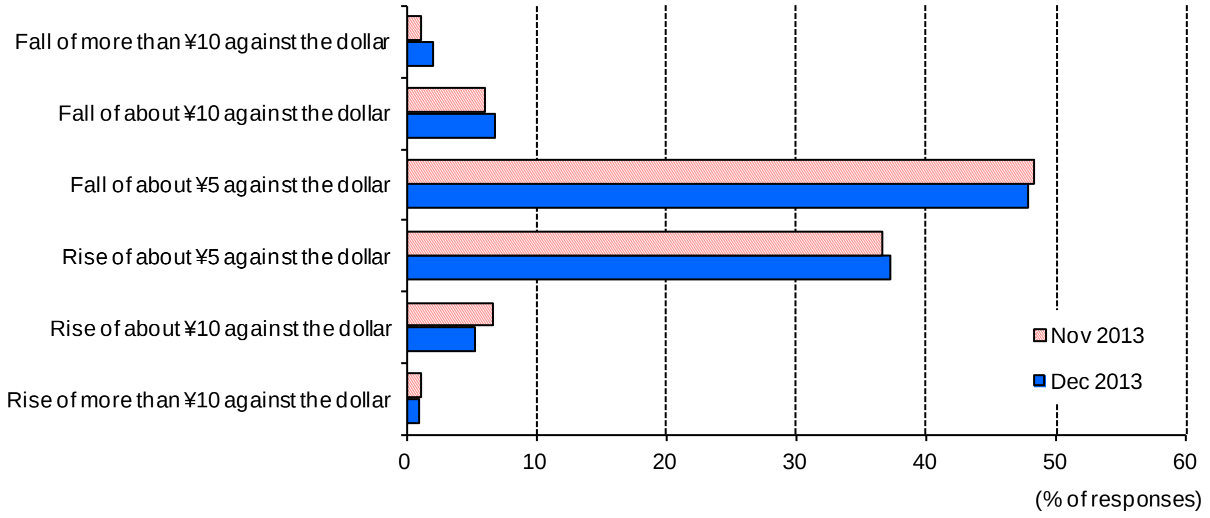
Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	135	9437	NTT Docomo	10
9984	Softbank	45	3402	Toray Industries	9
4502	Takeda Pharmaceutical	31	7011	Mitsubishi Heavy Industries	9
7267	Honda Motor	18	8473	SBI Holdings	9
4661	Oriental Land	17	2811	Kagome	8
6758	Sony	16	6502	Toshiba	8
8267	Aeon	16	2327	NS Solutions	7
8411	Mizuho Financial Group	15	3765	GungHo Online Entertainment	7
6752	Panasonic	14	4755	Rakuten	7
8058	Mitsubishi Corp	12	5401	Nippon Steel & Sumitomo Metal	7
2702	McDonald's Holdings (Japan)	11	8604	Nomura Holdings	7
6501	Hitachi	11	1801	Taisei	6
8306	Mitsubishi UFJ Financial Group	11	4503	Astellas Pharma	6
6301	Komatsu	10	7270	Fuji Heavy Industries	6
7261	Mazda Motor	10	9202	ANA Holdings	6

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

(5) Lower proportion of investors expect yen to strengthen against dollar

On the outlook for USD/JPY over the next three months, the percentage of respondents expecting the yen to strengthen against the dollar was 43.4%, slipping 1.2ppt from the previous month's reading of 44.6%. The response rates for rises of “about ¥10 against the dollar” and “more than ¥10 against the dollar” both declined, while the response rate for “rise of about ¥5 against the dollar” increased, albeit by only 0.6pt m-m. Responses this month indicate that investors are slightly less upbeat about prospects for strong gains for the yen against the dollar. Meanwhile, the response rates for falls of “about ¥10 against the dollar” and “more than ¥10 against the dollar” both rose m-m. The most common response remained "fall of about ¥5 against the dollar," but the percentage of respondents declined m-m (Figure 8).

Fig. 8: Respondents' three-month outlook for USD/JPY



Note: Respondents were asked to share their outlook for USD/JPY over the next three months, referencing a 2 December 2013 indicative USD/JPY of 102.36. They could choose one answer from a possible six responses ranging from a rise of more than ¥10 against the dollar to a fall of more than ¥10 against the dollar, with ¥5 increments in between.

(6) US dollar more appealing for investors

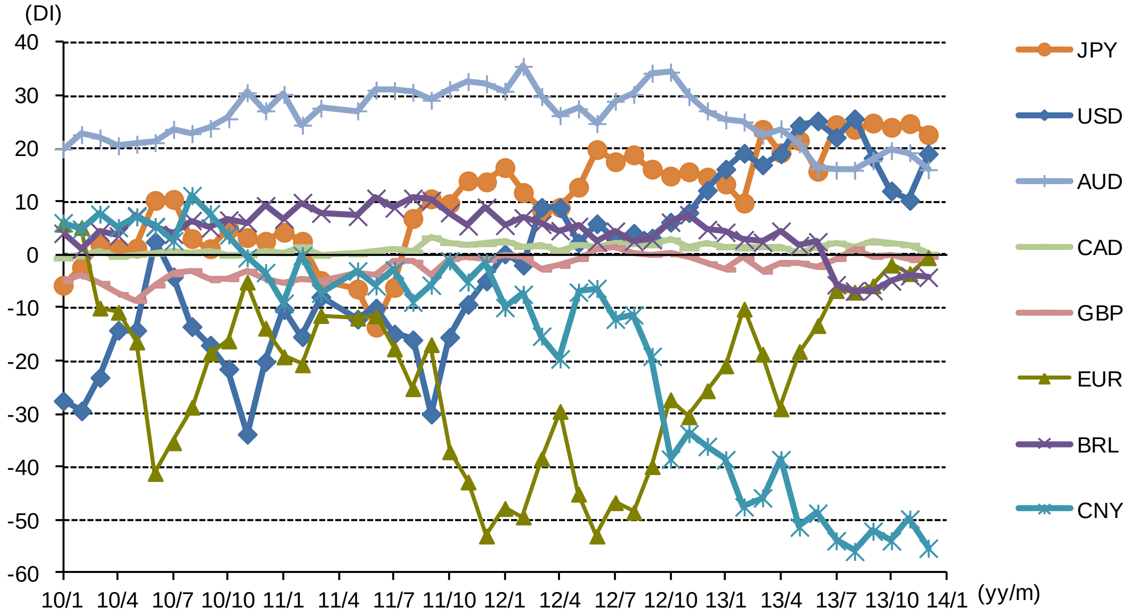
Respondents were asked to choose one currency as an "appealing" investment target and one as "unappealing" over an approximately three-month timeframe. We calculated a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." The Japanese yen remained the most appealing currency this month, but its DI declined 2.1pt m-m. The DI for the US dollar rose 8.8pt m-m, the largest increase of all the currencies, lifting it into second position in the rankings. Investors also see the euro as more appealing, with the currency's DI rising a strong 3.0pt m-m. The Chinese yuan remained the least appealing currency and its DI saw the largest drop among all the currencies, falling 5.5ppt m-m (Figures 9, 10).

Fig. 9: Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Japanese yen	22.7	31.7	9.0	24.8
US dollar	19.1	26.4	7.3	10.3
Australian dollar	16.1	20.6	4.5	19.3
Canadian dollar	0.2	1.3	1.1	1.9
Pound sterling	-0.3	2.0	2.3	-0.9
Euro	-0.5	7.7	8.2	-3.5
Brazilian real	-4.2	5.9	10.1	-3.9
Chinese yuan	-55.3	1.6	56.9	-49.8

Note: Respondents were given nine possible responses, consisting of the above eight currencies and "other," 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.

Fig. 10: Trend in DIs for investment appeal of selected currencies



(7) Japanese equities remain the most appealing financial instrument

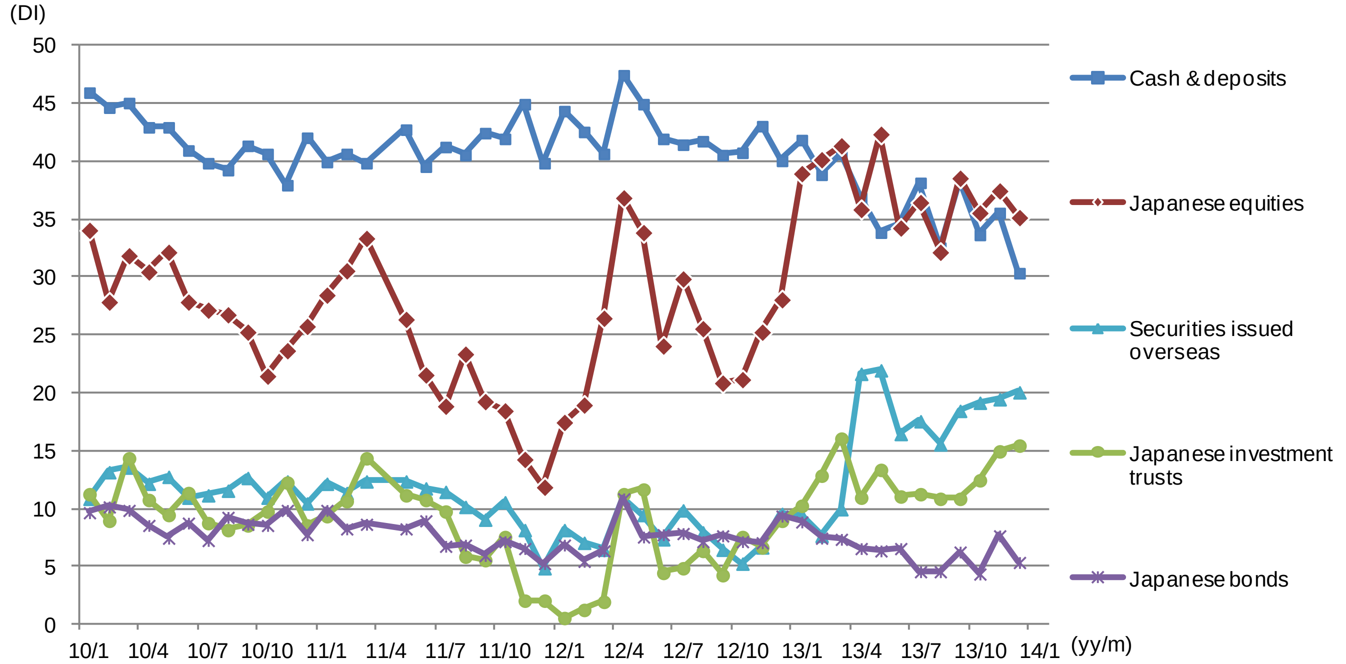
To give an indication of plans for holding financial instruments, we calculate DIs for each financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holding from the percentage planning to hold the instrument for the first time or increase their holding. Japanese equities remained the most appealing financial instrument this month, but its DI declined 2.3pt m-m. The DI for foreign equities saw the largest increase of all the financial instruments, rising 1.0pt m-m. In contrast, the largest drop in DI was for cash & deposits, declining 5.2pt m-m to the lowest level recorded for this instrument. However, our survey indicates that individual investors remain very positive overall (Figures 11, 12).

Fig. 11: 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
		Plan to increase	Plan to decrease	
Japanese equities	35.2	48.8	13.6	37.5
Cash & deposits	30.4	34.8	4.4	35.6
Japanese investment trusts	15.5	21.5	6.0	15.0
Foreign equities	9.5	10.6	1.1	8.5
Gold	8.9	9.2	0.3	9.3
Foreign investment trusts	6.8	8.2	1.4	7.4
Japanese bonds	5.4	7.6	2.2	7.7
Foreign bonds	3.8	4.7	0.9	3.6
Hybrid securities	2.4	2.7	0.3	2.2
Other	1.5	1.8	0.3	1.4
None	-48.4	27.7	76.1	-49.3

Note: Respondents were given a selection of nine 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. Hybrid securities and gold were added to the list of choices from the February 2012 survey. From the April 2013 survey, we have divided the former category of "Securities issued overseas" into foreign equities, foreign investment trusts, and foreign bonds.

Fig. 12: Trend in DIs for financial instruments in which investors are either seeking to increase or decrease their holdings



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

(8) Price outlook

We asked investors about their outlook for prices of regularly purchased goods and services one year from now. A combined total of 63.9% of respondents said they expected prices to rise (responses 5–7 in Figure 13), a slight increase of 1.2ppt from last month. “Rise of less than 2%” remained the most common response, at 36.9%, with the response rate rising 2.0ppt m-m, the largest increase among all the responses. In contrast, the largest decline in response rate was for "fall of 2% up to 5%," which fell 1.4ppt m-m (Figure 13).

Fig. 13: Outlook for prices one year out

	Choices	% of responses	(Ref) Previous % of responses
1	Fall of 5% or more	6.0	5.8
2	Fall of 2% up to 5%	5.5	6.9
3	Fall of less than 2%	4.6	4.3
4	No change (0%)	20.0	20.3
5	Rise of less than 2%	36.9	34.9
6	Rise of 2% up to 5%	22.5	23.2
7	Rise of 5% or more	4.5	4.6
	Total	100	100

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

(9) Equity investment themes for 2014

For this month's spot question we asked investors to select up to five Japanese equity market investment themes and market factors anticipated to have an impact in 2014 that they intend to focus on when making investment decisions. The response rate for forex trends was the highest among all the options, with 54.9%. This was followed by US monetary policy (51.5%), BOJ monetary policy (49.6%), and consumption tax hikes (45.1%) (Figure 14).

Fig. 14: Equity investment themes for 2014

		% of responses
1	BOJ monetary policy	49.6
2	US monetary policy	51.5
3	Forex trends	54.9
4	Corporation tax cuts	11.4
5	Recovery in corporate capital expenditure	19.8
6	Wage increases	18.1
7	End of deflation	14.3
8	Consumption tax hikes	45.1
9	Agricultural sector deregulation	7.6
10	Labor regulation reforms	4.2
11	Moves to promote female workforce participation	1.3
12	Creation of national strategic economic growth areas	2.8
13	Moves to promote wider use of foreign workers	1.0
14	Tourism business	4.7
15	Legalization of casinos	6.1
16	Health and medical market deregulation	5.0
17	Social infrastructure PPP and PFI projects	3.0
18	Reforms to public pension system	6.4
19	Increased momentum in financial and capital markets	6.9
20	Moves to strengthen corporate governance	0.6
21	Increase in M&A activity	2.2
22	Shareholder returns	10.4
23	New share price index focused on ROE	1.2
24	Renewable energy	6.8
25	New consumer electronics products such as 4K TVs	1.5
26	Other	1.9

Note: We asked investors to select up to five options from a list of Japanese equity market investment themes and market factors anticipated to have an impact in 2014 (Figure 14), which they intend to focus on when making investment decisions.

3. Nomura Individual Investor Survey

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

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

Survey target: Survey sent to 3,000 individual investors randomly selected from the approximately 24,000 with equity investment experience participating in Nomura Investor Relations' internet monitor questionnaire service.

Number of responses: 1,000 (survey closed when 1,000 responses received).

Survey period: Survey distributed on 2 December with deadline for responses on 3 December.

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

4. Nomura Individual Investor Survey (December 2013) respondents

Gender: Male (81.0%), female (19.0%)

Age: Under 30 (1.1%), 30–39 (11.1%), 40–49 (28.3%), 50–59 (29.3%), 60 and above (30.2%)

Occupation: Self-employed/fisheries, agriculture, forestry (8.2%), professional (physician/medical professional, lawyer, etc) (2.5%), company management/corporate officer (3.2%), company employee/public servant (50.6%), student (0.5%), full-time homemaker (8.2%), part-time worker/casual worker/job-hopper (7.1%), unemployed/pensioner (17.9%), other (1.8%)

Region: Kanto (47.6%), Kinki (19.7%), Tokai/Koshinetsu/Hokuriku (17.5%), Hokkaido/Tohoku (5.6%), Chugoku/Shikoku/Kyushu (9.6%)

Financial assets held: Less than ¥1,000,000 (4.7%), ¥1,000,000–¥2,999,999 (10.1%), ¥3,000,000–¥4,999,999 (13.0%), ¥5,000,000–¥9,999,999 (18.8%), ¥10,000,000–¥29,999,999 (30.6%), ¥30,000,000–¥49,999,999 (11.8%), ¥50,000,000 or more (11.0%)

Value of domestic stocks held: Less than ¥500,000 (11.6%), ¥500,000–¥999,999 (13.3%), ¥1,000,000–¥2,999,999 (24.7%), ¥3,000,000–¥4,999,999 (15.3%), ¥5,000,000–¥9,999,999 (15.3%), ¥10,000,000–¥29,999,999 (14.4%), ¥30,000,000 or more (5.4%)

Investment experience: Less than three years (4.7%), three years to less than five years (11.4%), five years to less than 10 years (28.0%), 10 years to less than 20 years (29.3%), 20 years or more (26.6%)

Investment plan for domestic stocks: Mainly for long-term holding (48.6%), pursuit of gains from short-term appreciation (13.0%), pursuit of dividends and shareholder perks (24.1%), no particular plan (14.3%)

Notice

The next Nomura Individual Investor Survey (January 2014) is scheduled for release on Thursday, 16 January 2014.

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

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Explanation of Nomura's equity research rating system in Europe, Middle East and Africa, US and Latin America, and Japan and Asia ex-Japan from 21 October 2013

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/globalresearchportal/pages/disclosures/disclosures.aspx; **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.

Explanation of Nomura's equity research rating system in Japan and Asia ex-Japan prior to 21 October 2013

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. Securities and/or companies that are labelled as **'Not rated'** or shown as **'No rating'** are not in regular research coverage of the Nomura entity identified in the top banner. Investors should not expect continuing or additional information from Nomura relating to such securities and/or companies.

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.

Target Price

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.

Disclaimers

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Transactions involving convertible bonds are subject to a sales commission of up to 1.05% (tax included) of the transaction amount (or a commission of ¥4,200 (tax included) if this would be less than ¥4,200). 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.

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