News Release

NOMURA

Nomura Individual Investor Survey

March 2015

March 12, 2015

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 0.2pt m-m to 47.2

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 47.2, a decline of 0.2pt from 47.4 in February. The Nikkei Average reference level (2 March 2015 close) was 18,826.88, up 1,268.84 from the previous survey (2 February close of 17,558.04), and the number of survey respondents expecting share prices to rise was smaller.

(2) Rise in investor interest in domestic corporate earnings

Respondents were asked to select the factor most likely to impact the stock market in the next three months. The most-watched factor was again international affairs, but the response rate fell 2.8ppt m-m. We think this reflects the EU decision to extend financial support to Greece. The response rate for domestic corporate earnings saw the largest m-m increase for all the options, of 3.8ppt.

(3) Automobiles the most appealing sector, sharp rise in appeal of financials

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." The automobile sector was the most appealing again. We think investors were attracted to the automobiles sector by the depreciation of the yen versus the dollar and by robust US new car sales. Transportation and utilities slipped from sixth last month to eighth, registering the largest m-m decline of all the options, of 6.9pt. Financials saw the largest rise, of 9.7pt.

(4) Higher proportion of investors expect yen to appreciate against dollar

On the outlook for USD/JPY over the next three months, the combined percentage of respondents expecting the yen to appreciate against the US dollar was 54.8%, up 9.3ppt from the previous month's 45.5%. The response rate for "rise of about ¥5 against the dollar" marked the largest m-m rise, of 10.9ppt. The response rate for "rise of more than ¥10 against the dollar" was up 1.5ppt m-m. That for "rise of about ¥10 against the dollar" was down 3.1ppt m-m. The overall proportion of investors expecting the yen to appreciate versus the US dollar increased.

(5) US dollar remains most appealing currency, Australian dollar loses appeal

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 diffusion index for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing". The US dollar held the top spot with a DI of 39.2, up 1.3pt m-m. The Australian dollar fell a spot to third as its DI fell 4.6pt m-m. The DI for the euro rose 4.6pt, the most of any currency.

(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, and its DI rose 5.9pt m-m.

(7) Increase in number of investors expecting prices one year out to be higher

When asked for their outlook for prices of regularly purchased goods and services one year out, 62.3% of respondents said they expected prices to rise, up 1.7ppt from 60.6% the previous month. Meanwhile, the proportion of respondents expecting prices to fall fell 1.0ppt, from 13.7% last month to 12.7%. The response rate for no change fell 0.7ppt m-m.

(8) About US Federal Reserve monetary policy

Our first spot question this month concerned US Federal Reserve monetary policy. A little over a quarter of the respondents (27.6%) said they expect the Fed to raise interest rates in Jul-Sep 2015, while 17.7% said they see a rate hike in Oct-Dec 2015. The largest number of respondents (28.2%) answered “don’t know.” Some 12.8% of respondents said they do not expect any rate hikes in 2015 (Figure 13).

If the Fed starts to raise interest rates, 34.2% of respondents said it would be negative for Japanese stocks over the short term, but have little adverse effect over the long term, the most popular response.

(9) Required dividend yield for individual investors

Our second spot question was about required dividend yields for individual investors and the shareholder return policies they focused on most. The most popular response, at 33.7%, was in the "at least 2%, but less than 3%" category, followed by "at least 3%, but less than 4%" at 21.8% and "at least 1%, but less than 2%" at 19.7%.

Next, in response to our multiple-choice question about which shareholder returns individual investors focused on most, dividend increases or the resumption of dividends was the top response, at 65.1%, followed by shareholder perks at 48.6% and share buybacks at 22.3%."

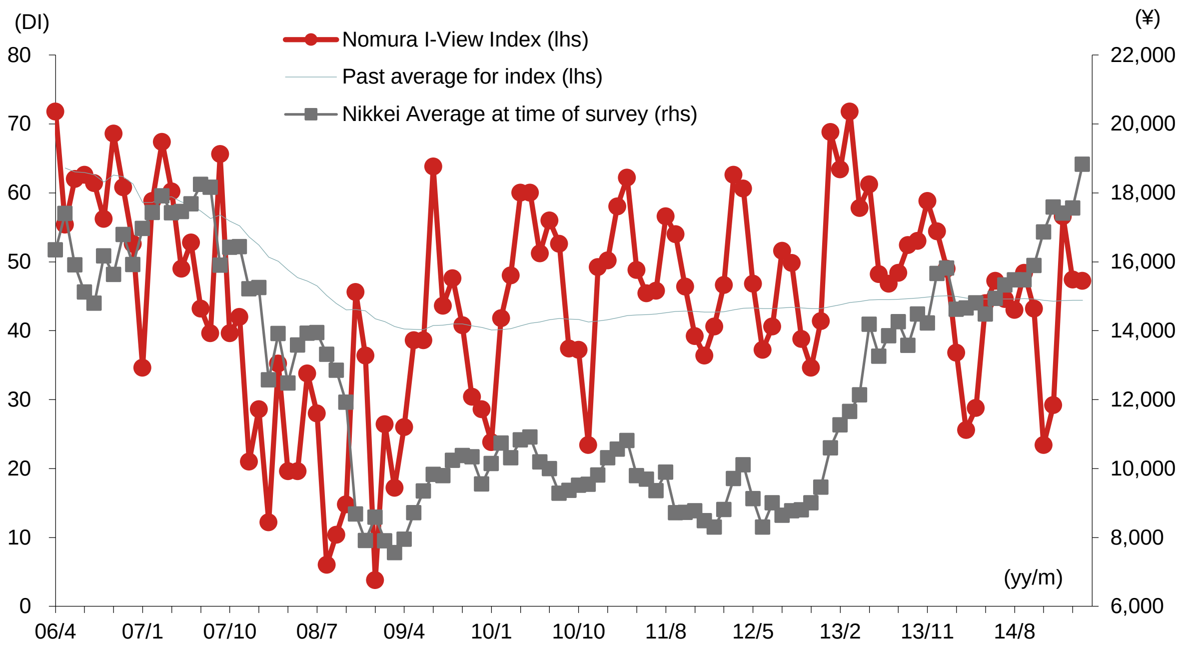
2. Survey results

(1) Nomura I-View Index declines 0.2pt m-m to 47.2

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 47.2, a decline of 0.2pt from 47.4 in February.

The Nikkei Average reference level (2 March 2015 close) was 18,826.88, up 1,268.84 from the previous survey (2 February close of 17,558.04), and the number of survey respondents expecting share prices to rise was smaller.

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 Jan 2010 used here excludes those respondents who projected that the Nikkei Average would be flat. (2) The Nomura I-View Index ranges from -100 to +100. The closer to +100, the more bullish the outlook held by individual investors. The closer to -100, the more bearish the outlook held by individual investors.

The combined proportion of respondents expecting the Nikkei Average to rise over the next three months was 73.6%, down 0.1ppt from 73.7% in the last survey. The proportion of respondents expecting a "rise of about 1,000 points" was down 9.3ppt m-m, the largest m-m decline among the range of responses. The largest m-m increase was 5.8ppt, to 22.8%, for the proportion of respondents expecting a rise of "about 2,000 points" (Figure 2).

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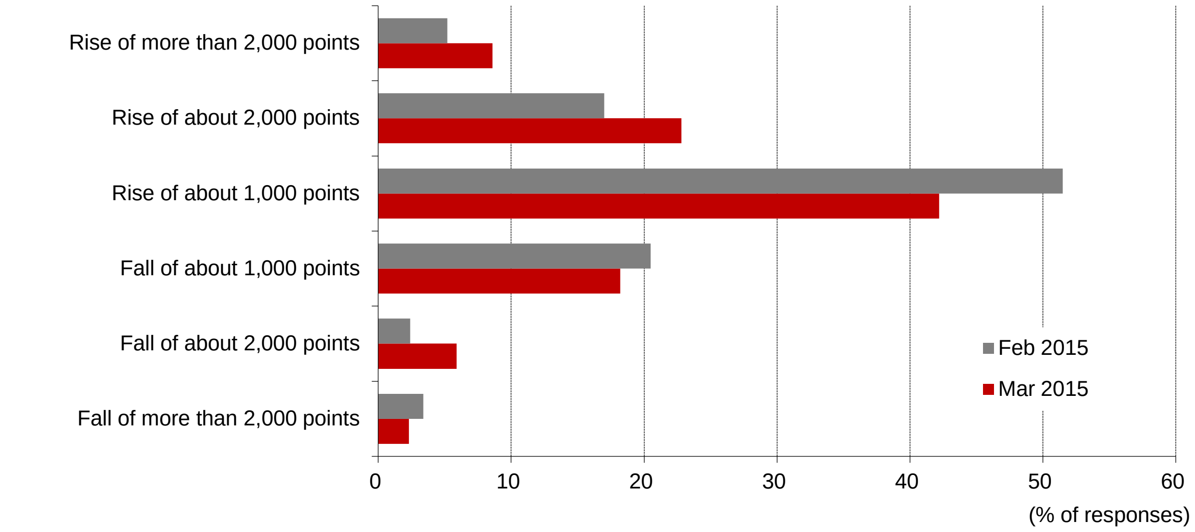
Fig. 2: Outlook for Nikkei Average during the next three months

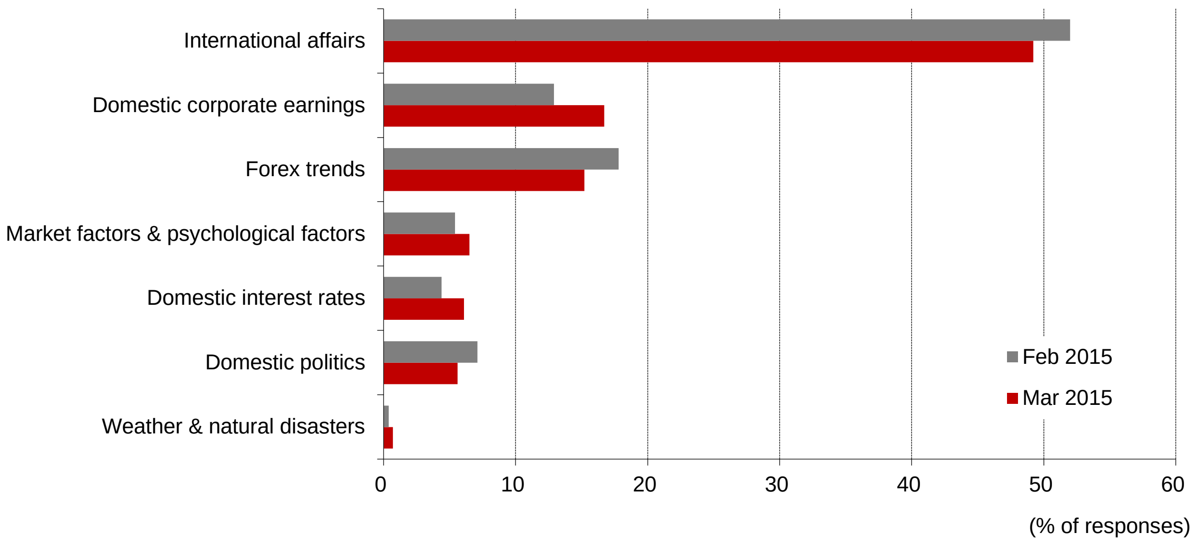


Note: Respondents were asked to share their outlook for the Nikkei Average during the next three months based on the 2 Mar close of 18,826. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points, with 1,000-point increments in between.

(2) Rise in investor interest in domestic corporate earnings

Respondents were asked to select the factor most likely to impact the stock market in the next three months. The most-watched factor was again international affairs, but the response rate fell 2.8ppt m-m. We think this reflects the EU decision to extend financial support to Greece. The response rate for domestic corporate earnings saw the largest m-m increase of all the options, of 3.8pt (Figure 3).

Fig. 3: Impact of factors on the stock market



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

(3) Automobiles the most appealing sector, sharp rise in appeal of financials

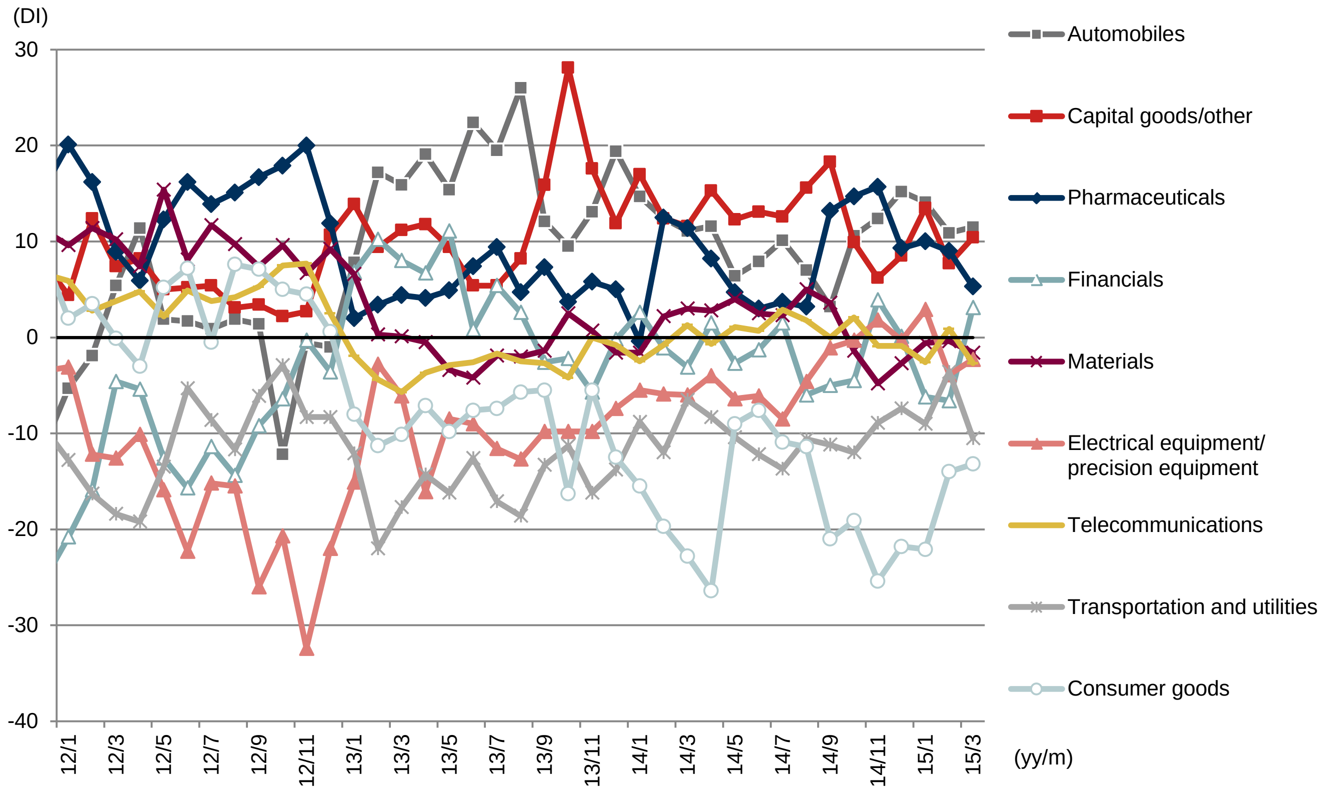
Respondents were asked to choose one sector as an "appealing" investment target and one as "unappealing" over a timeframe of about three months. We calculated a DI for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing." The automobile sector was the most appealing again. We think investors were attracted to the automobiles sector by the depreciation of the yen versus the dollar and by robust US new car sales. Transportation and utilities slipped from sixth last month to eighth, registering the largest m-m decline of all the options, of 6.9pt. Financials saw the largest rise, of 9.7pt (Figures 4 and 5).

Fig. 4: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Automobiles	11.5	17.5	6.0	10.9
Capital goods/other	10.4	14.7	4.3	7.7
Pharmaceuticals	5.3	11.3	6.0	9.0
Financials	3.1	13.5	10.4	-6.6
Materials	-1.6	12.0	13.6	-0.4
Electrical equipment/precision equipment	-2.3	8.2	10.5	-3.9
Telecommunications	-2.7	4.7	7.4	0.9
Transportation and utilities	-10.5	6.2	16.7	-3.6
Consumer goods	-13.2	11.9	25.1	-14.0

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 financial sector comprises banks, miscellaneous finance, securities, and insurance. The capital goods/other sector comprises construction, machinery, shipbuilding, transportation equipment, miscellaneous manufacturing, and real estate. The transportation and utilities sector comprises railroads & buses, trucking, shipping, airlines, warehousing, electric power, and gas. The consumer goods sector comprises marine products, food, retail, and services..

Fig. 5: 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 in Figure 6.

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

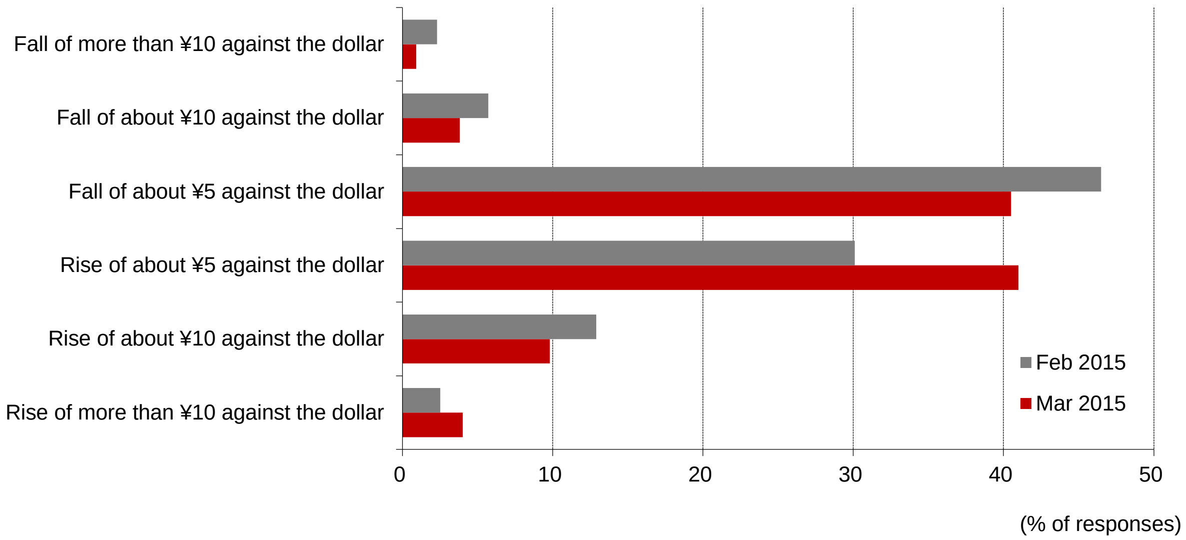
Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	126	2931	Euglena	10
8411	Mizuho Financial Group	28	7751	Canon	10
8306	Mitsubishi UFJ Financial Group	27	9432	Nippon Telegraph and Telephone	9
4661	Oriental Land	23	4901	Fujifilm Holdings	8
9984	Softbank	20	9437	NTT Docomo	8
4502	Takeda Pharmaceutical	20	8058	Mitsubishi Corp	8
9202	ANA Holdings	19	7270	Fuji Heavy Industries	8
8267	Aeon	15	3048	Bic Camera	8
6758	Sony	15	2327	NS Solutions	7
7261	Mazda Motor	14	2587	Suntory Beverage & Food	7
6501	Hitachi	14	6502	Toshiba	6
6752	Panasonic	12	8031	Mitsui & Co	6
3402	Toray Industries	12	9101	Nippon Yusen	6
9020	East Japan Railway	12	9501	Tokyo Electric Power	6
7011	Mitsubishi Heavy Industries	11	7267	Honda Motor	5

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

(5) Higher proportion of investors expect yen to appreciate against dollar

On the outlook for USD/JPY over the next three months, the combined percentage of respondents expecting the yen to appreciate against the US dollar was 54.8%, up 9.3ppt from the previous month's 45.5%. The response rate for "rise of about ¥5 against the dollar" marked the largest m-m rise, of 10.9ppt. The response rate for "rise of more than ¥10 against the dollar" was up 1.5ppt m-m. That for "rise of about ¥10 against the dollar" was down 3.1ppt m-m. Overall, the number of individual investors anticipating the yen to strengthen against the dollar rose (Figure 7).

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



Note: Respondents were asked to share their outlook for USD/JPY over the next three months, referencing a 2 Mar 2015 indicative rate of 119.85. 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 remains most appealing currency, Australian dollar loses appeal

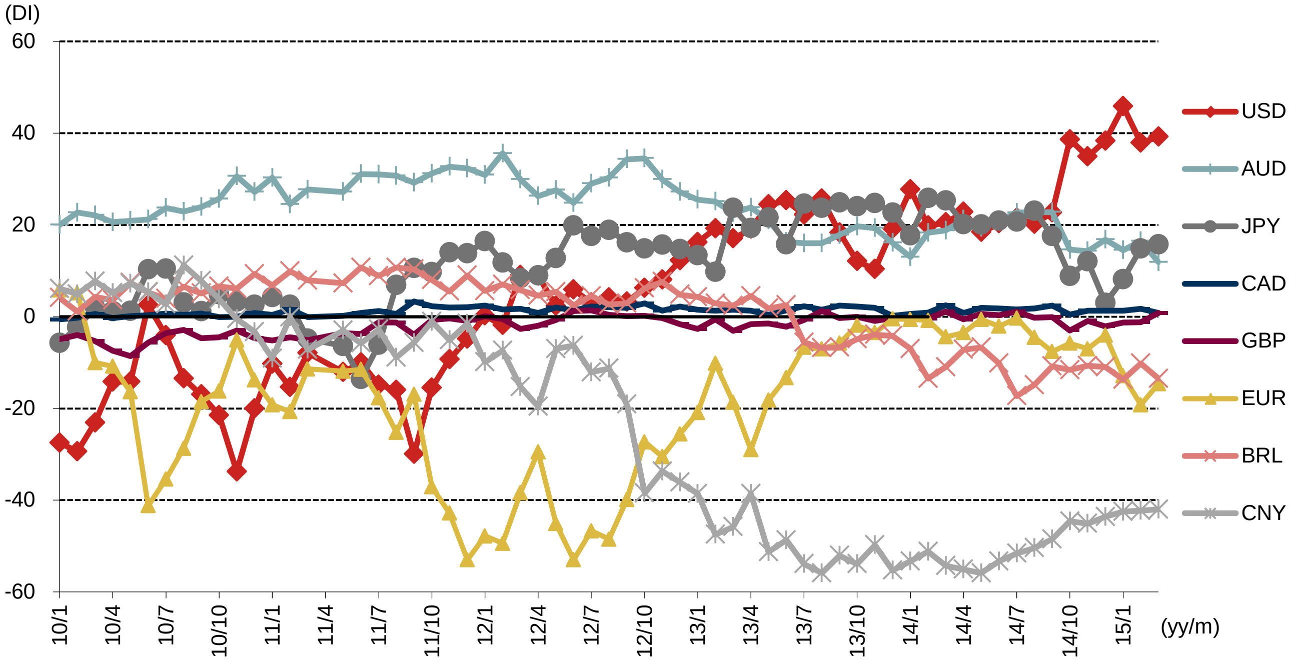
Respondents were asked to choose one currency as an "appealing" investment target and one as "unappealing" over an approximately three-month timeframe. We calculated a diffusion index for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing". The US dollar held the top spot with a DI of 39.2, up 1.3pt m-m. The Australian dollar fell a spot to third as its DI fell 4.6pt m-m. The DI for the euro rose 4.6pt, the largest rise for any currency (Figures 8 and 9).

Fig. 8: Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
US dollar	39.2	43.2	4.0	37.9
Japanese yen	15.8	27.0	11.2	14.9
Australian dollar	11.9	14.6	2.7	16.5
Pound sterling	0.8	3.1	2.3	-1.2
Canadian dollar	0.8	1.4	0.6	1.7
Brazilian real	-13.5	2.9	16.4	-10.2
Euro	-14.6	3.3	17.9	-19.2
Chinese yuan	-42.0	2.0	44.0	-42.3

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. 9: Trend in DIs for investment appeal of selected currencies



(7) Japanese equities remain the most appealing financial instrument

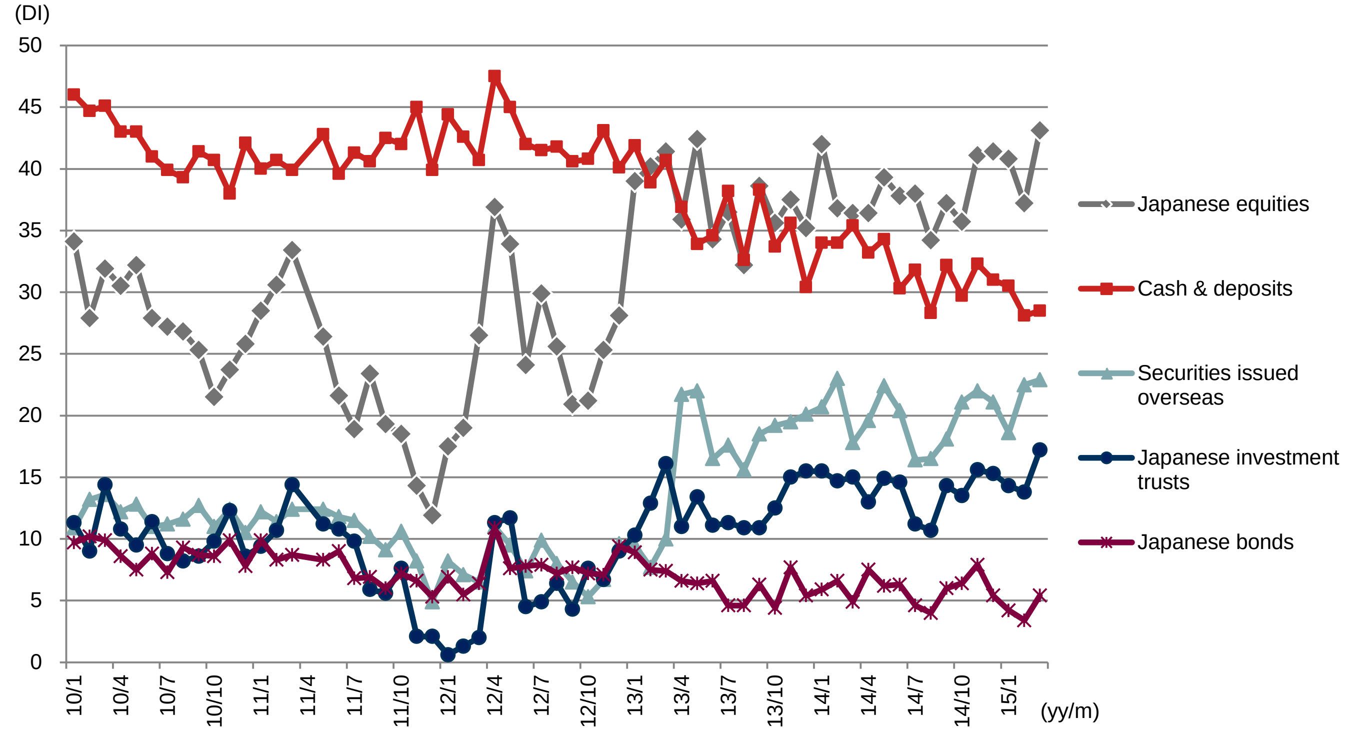
To give an indication of plans for holding financial instruments, we calculate DIs for each financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holding from the percentage planning to hold the instrument for the first time or increase their holding. Japanese equities remained the most appealing financial instrument this month, and its DI rose 5.9pt m-m (Figures 10 and 11).

Fig. 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
		Plan to increase	Plan to decrease	
Japanese equities	43.1	53.3	10.2	37.2
Cash & deposits	28.5	33.2	4.7	28.1
Japanese investment trusts	17.2	21.4	4.2	13.8
Foreign equities	9.7	10.8	1.1	9.3
Foreign investment trusts	7.6	9.3	1.7	7.9
Gold	7.6	8.0	0.4	7.5
Foreign bonds	5.6	6.6	1.0	5.3
Japanese bonds	5.4	8.0	2.6	3.4
Hybrid securities	2.5	2.6	0.1	2.3
Other	0.8	1.0	0.2	1.0
None	-52.1	26.8	78.9	-49.1

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). “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 Feb 2012 survey. From the Apr 2013 survey, we have divided the former category of “Securities issued overseas” into foreign equities, foreign investment trusts, and foreign bonds.

Fig. 11: 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) Increase in number of investors expecting prices one year out to be higher

When asked for their outlook for prices of regularly purchased goods and services one year out, 62.3% of respondents said they expected prices to rise, up 1.7ppt from 60.6% the previous month. Meanwhile, the proportion of respondents expecting prices to fall fell 1.0ppt, from 13.7% last month to 12.7%.The response rate for no change fell 0.7ppt m-m (Figure 12).

Fig. 12: Outlook for prices one year out

	Choices	% of responses	(Ref) Previous % of responses
1	Fall of 5% or more	2.8	2.7
2	Fall of 2% up to 5%	5.5	4.9
3	Fall of less than 2%	4.4	6.1
4	No change (0%)	25.0	25.7
5	Rise of less than 2%	39.2	37.8
6	Rise of 2% up to 5%	19.7	17.9
7	Rise of 5% or more	3.4	4.9
	Total	100	100

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

(9) About US Federal Reserve monetary policy

Our first spot question this month concerned US Federal Reserve monetary policy. A little over a quarter of the respondents (27.6%) said they expect the Fed to raise interest rates in Jul-Sep 2015, while 17.7% said they see a rate hike in Oct-Dec 2015. The largest number of respondents (28.2%) responded “don’t know.” Some 12.8% of respondents said they do not expect any rate hikes in 2015 (Figure 13).

Fig. 13: When will the US Federal Reserve start raising interest rates?

	Choices	No. of responses	%
1	During March 2015	9	0.9
2	Apr-Jun 2015	128	12.8
3	Jul-Sep 2015	276	27.6
4	Oct-Dec 2015	177	17.7
5	Do not expect any rate hikes in 2015	128	12.8
6	Don’t know	282	28.2
	Total	1,000	100.0

Note: Respondents were asked to select one response to the question: "When do you think the US Federal Reserve will start raising interest rates?"

If the Fed starts to raise interest rates, 34.2% of respondents said it would be negative for Japanese stocks over the short term, but have little adverse effect over the long term, the most popular response (Figure 14).

Fig. 14: How would Japanese equities be affected if the US Federal Reserve starts raising interest rates?

	Choices	No. of responses	%
1	Negative over the short term but little adverse effect over the longer term	342	34.2
2	Negative over the short term and adverse effect over the longer term	266	26.6
3	Almost no adverse effect	155	15.5
4	Other responses	20	2.0
4	Don't know	217	21.7
	Total	1,000	100.0

Note: Note: Respondents were asked to select one response to the question: "What do you think the effect on Japanese equities would be if the US Federal Reserve started raising interest rates?"

(10) Required dividend yield for individual investors

Our second spot question was about required dividend yields for individual investors and the shareholder return policies they focused on most. The most popular response, at 33.7%, was in the "at least 2%, but less than 3%" category, followed by "at least 3%, but less than 4%" at 21.8% and "at least 1%, but less than 2%" at 19.7% (Figure 15).

Fig. 15: Dividend yields considered attractive by individual investors

	Choices	% of responses	(Ref) Previous % of responses (as of Mar 2014)
1	0% (no dividend) acceptable	2.8	2.3
2	Less than 1% (excluding no dividend)	4.1	4.0
3	1% or more but less than 2%	19.7	17.0
4	2% or more but less than 3%	33.7	32.5
5	3% or more but less than 4%	21.8	25.6
6	4% or more but less than 5%	7.6	8.9
7	5% or more	10.3	9.7
	Total	100.0	100.0

Note: Respondents were asked to choose one of a possible seven answers to the following question: when investing in Japanese stocks, what level of dividend yield do you seek.

Next, in response to our multiple-choice question about which shareholder returns individual investors focused on most, dividend increases or the resumption of dividends was our top response, at 65.1%, followed by shareholder perks at 48.6% and share buybacks at 22.3% (Figure 16).

Fig. 16: Shareholder distribution policies on which individual investors focus

	Choices	% of responses	(Ref) Previous % of responses (as of Mar 2014)
1	Dividend increase/resumption	65.1	60.8
2	Shareholder perks	48.6	48.9
3	Share buybacks	22.3	15.9
4	None in particular	10.4	13.1

Note: We asked respondents to select one or more answers to the following question (multiple answers possible): which shareholder distribution policies (including shareholder perks) do you focus on.

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 March, with deadline for responses on 3 March.

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 (March 2015) respondents

Gender: Male (83.7%), Female (16.3%)

Age: Under 30 (0.8%), 30–39 (9.9%), 40–49 (26.7%), 50–59 (30.9%), 60 and above (31.7%)

Occupation: Self-employed/fisheries, agriculture, forestry (8.1%), professional (physician/medical professional, lawyer, etc) (2.7%), company management/corporate officer (4.8%), company employee/public servant (51.5%), student (0.2%), full-time homemaker (8.3%), part-time worker/casual worker/job-hopper (5.2%), unemployed/pensioner (17.2%), other (2.0%)

Region: Kanto (50.6%), Kinki (18.6%), Tokai/Koshinetsu/Hokuriku (15.7%), Hokkaido/Tohoku (5.4%), Chugoku/Shikoku/Kyushu (9.7%)

Financial assets held: Less than ¥1,000,000 (6.5%), ¥1,000,000–¥2,999,999 (7.7%), ¥3,000,000–¥4,999,999 (11.8%), ¥5,000,000–¥9,999,999 (16.3%), ¥10,000,000–¥29,999,999 (32.5%), ¥30,000,000–¥49,999,999 (13.0%), ¥50,000,000 or more (12.1%)

Value of domestic stocks held: Less than ¥500,000 (10.4%), ¥500,000–¥999,999 (12.5%), ¥1,000,000–¥2,999,999 (21.8%), ¥3,000,000–¥4,999,999 (15.1%), ¥5,000,000–¥9,999,999 (14.0%), ¥10,000,000–¥29,999,999 (19.0%), ¥30,000,000 or more (7.2%)

Investment experience: Less than three years (2.8%), three years to less than five years (9.5%), five years to less than 10 years (24.7%), 10 years to less than 20 years (34.4%), 20 years or more (28.6%)

Investment plan for domestic stocks: Mainly for long-term holding (51.3%), pursuit of gains from short-term appreciation (12.3%), pursuit of dividends and shareholder perks (24.0%), no particular plan (12.4%)

Notice

The next Nomura Individual Investor Survey (April 2015) is scheduled for release on Thursday, 16 April 2015.

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

Important Disclosures

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Online availability of research and conflict-of-interest disclosures

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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; 43% of companies with this rating are investment banking clients of the Nomura Group*.

43% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 54% of companies with this rating are investment banking clients of the Nomura Group*.

8% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 26% of companies with this rating are investment banking clients of the Nomura Group*.

As at 31 December 2014. **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, 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

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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.

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Transactions involving convertible bonds are subject to a sales commission of up to 1.08% of the transaction amount (or a commission of ¥4,320 if this would be less than ¥4,320). When convertible bonds are purchased via OTC transactions (including offerings), only the purchase price shall be paid, with no sales commission charged. However, Nomura Securities may charge a separate fee for OTC transactions, as agreed with the customer. Convertible bonds carry the risk of losses owing to factors such as interest rate fluctuations and price fluctuations in the underlying stock. In addition, convertible bonds denominated in foreign currencies also carry the risk of losses owing to factors such as foreign exchange rate fluctuations.

When bonds are purchased via public offerings, secondary distributions, or other OTC transactions with Nomura Securities, only the purchase price shall be paid, with no sales commission charged. Bonds carry the risk of losses, as prices fluctuate in line with changes in market interest rates. Bond prices may also fall below the invested principal as a result of such factors as changes in the management and financial circumstances of the issuer, or changes in third-party valuations of the bond in question. In addition, foreign currency-denominated bonds also carry the risk of losses owing to factors such as foreign exchange rate fluctuations.

When Japanese government bonds (JGBs) for individual investors are purchased via public offerings, only the purchase price shall be paid, with no sales commission charged. As a rule, JGBs for individual investors may not be sold in the first 12 months after issuance. When JGBs for individual investors are sold before maturity, an amount calculated via the following formula will be subtracted from the par value of the bond plus accrued interest: (1) for 10-year variable rate bonds, an amount equal to the two preceding coupon payments (before tax) x 0.79685 will be used, (2) for 5-year and 3-year fixed rate bonds, an amount equal to the two preceding coupon payments (before tax) x 0.79685 will be used.
When inflation-indexed JGBs are purchased via public offerings, secondary distributions (uridashi deals), or other OTC transactions with Nomura Securities, only the purchase price shall be paid, with no sales commission charged. Inflation-indexed JGBs carry the risk of losses, as prices fluctuate in line with changes in market interest rates and fluctuations in the nationwide consumer price index.The notional principal of inflation-indexed JGBs changes in line with the rate of change in nationwide CPI inflation from the time of its issuance. The amount of the coupon payment is calculated by multiplying the coupon rate by the notional principal at the time of payment. The maturity value is the amount of the notional principal when the issue becomes due. For JI17 and subsequent issues, the maturity value shall not undercut the face amount.
Purchases of investment trusts (and sales of some investment trusts) are subject to a purchase or sales fee of up to 5.4% of the transaction amount. Also, a direct cost that may be incurred when selling investment trusts is a fee of up to 2.0% of the unit price at the time of redemption. Indirect costs that may be incurred during the course of holding investment trusts include, for domestic investment trusts, an asset management fee (trust fee) of up to 5.4% (annualized basis) of the net assets in trust, as well as fees based on investment performance. Other indirect costs may also be incurred. For foreign investment trusts, indirect fees may be incurred during the course of holding such as investment company compensation.
Investment trusts invest mainly in securities such as Japanese and foreign equities and bonds, whose prices fluctuate. Investment trust unit prices fluctuate owing to price fluctuations in the underlying assets and to foreign exchange rate fluctuations. As such, investment trusts carry the risk of losses. Fees and risks vary by investment trust. Maximum applicable fees are subject to change; please thoroughly read the written materials provided, such as prospectuses or documents delivered before making a contract.
In interest rate swap transactions and USD/JPY basis swap transactions ("interest rate swap transactions, etc."), only the agreed transaction payments shall be made on the settlement dates. Some interest rate swap transactions, etc. may require pledging of margin collateral. In some of these cases, transaction payments may exceed the amount of collateral. There shall be no advance notification of required collateral value or collateral ratios as they vary depending on the transaction. Interest rate swap transactions, etc. carry the risk of losses owing to fluctuations in market prices in the interest rate, currency and other markets, as well as reference indices. Losses incurred as such may exceed the value of margin collateral, in which case margin calls may be triggered. In the event that both parties agree to enter a replacement (or termination) transaction, the interest rates received (paid) under the new arrangement may differ from those in the original arrangement, even if terms other than the interest rates are identical to those in the original transaction. Risks vary by transaction. Please thoroughly read the written materials provided, such as documents delivered before making a contract and disclosure statements.
In OTC transactions of credit default swaps (CDS), no sales commission will be charged. When entering into CDS transactions, the protection buyer will be required to pledge or entrust an agreed amount of margin collateral. In some of these cases, the transaction payments may exceed the amount of margin collateral. There shall be no advance notification of required collateral value or collateral ratios as they vary depending on the financial position of the protection buyer. CDS transactions carry the risk of losses owing to changes in the credit position of some or all of the referenced entities, and/or fluctuations of the interest rate market. The amount the protection buyer receives in the event that the CDS is triggered by a credit event may undercut the total amount of premiums that he/she has paid in the course of the transaction. Similarly, the amount the protection seller pays in the event of a credit event may exceed the total amount of premiums that he/she has received in the transaction. All other conditions being equal, the amount of premiums that the protection buyer pays and that received by the protection seller shall differ. In principle, CDS transactions will be limited to financial instruments business operators and qualified institutional investors.
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Disclosures as of 11-Mar-2015.