News Release

NOMURA

Nomura Individual Investor Survey

August 2015

13 August 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 rises 11.4pt m-m to 38.8

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 38.8 in August, a rise of 11.4pt from July (27.4). The Nikkei Average reference level (3 August 2015 close) was 20,548.11, up 435.99 from the previous survey (6 July close of 20,112.12). There was a slight increase in the number of survey respondents expecting share prices to rise.

(2) Increased investor focus on domestic politics and 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 its response rate fell 19.5ppt m-m, to 55.3%. Meanwhile, the response rates for domestic politics and domestic corporate earnings both increased 5.6ppt m-m.

(3) Pharmaceuticals the most appealing sector, decline in appeal of automobiles

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 pharmaceuticals sector was the most appealing sector this month, as in July. Transportation & utilities saw the largest upward revision to its DI, of 2.7pt m-m, while the electrical equipment/precision equipment DI was again the lowest at -7.8, as in July, and the automobiles DI saw the largest decline, of 3.8pt m-m.

(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 62.0%, up 6.6ppt from the previous month (55.4%). The response rate for "rise of about ¥5 against the dollar" marked the largest m-m rise, of 6.8ppt. The response rate for "rise of about ¥10 against the dollar" also increased, by 2.8ppt m-m. Meanwhile, the response rate for “fall of about ¥5 against the dollar" dropped 5.0ppt m-m.

(5) US dollar remains most appealing currency, appeal of Chinese yuan declined sharply

We calculated a diffusion index for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing". The US dollar remained the most appealing, with a DI of 35.8, a rise of 1.7pts m-m. The DI for the Chinese yuan, however, dropped a sharp 13.9pt m-m, the largest decline for any currency. We think concerns over the outlook for the Chinese economy likely weighed on respondents’ views on the Chinese currency. Conversely, the DI for the euro rose 21.4pt m-m, 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 also rose 1.1pt m-m.

(7) Rise in proportion of respondents expecting prices to remain unchanged

When asked for their outlook for prices of regularly purchased goods and services one year out, 29.5% of respondents said they expected prices to remain unchanged ("no change"), up 5.3ppt from the previous month. The response rate for a rise in prices was down 4.4ppt m-m, and that for a decline in prices was down 0.9ppt m-m. The largest decline was for "rise of 2% up to 5%," which fell 4.2ppt m-m.

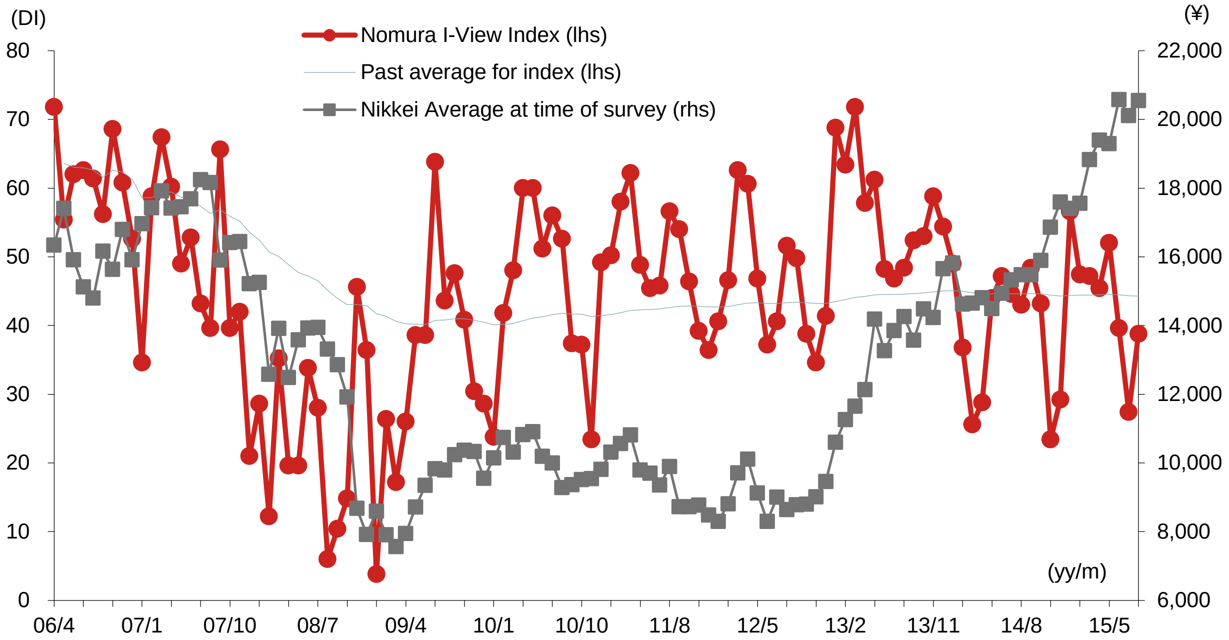
2. Survey results

(1) Nomura I-View Index rises 11.4pt m-m to 38.8

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 38.8 in August, a rise of 11.4pt from July (27.4) (Figure 1).

The Nikkei Average reference level (3 August 2015 close) was 20,548.11, up 435.99 from the previous survey (6 July close of 20,112.12). There was a slight increase in the number of survey respondents expecting share prices to rise.

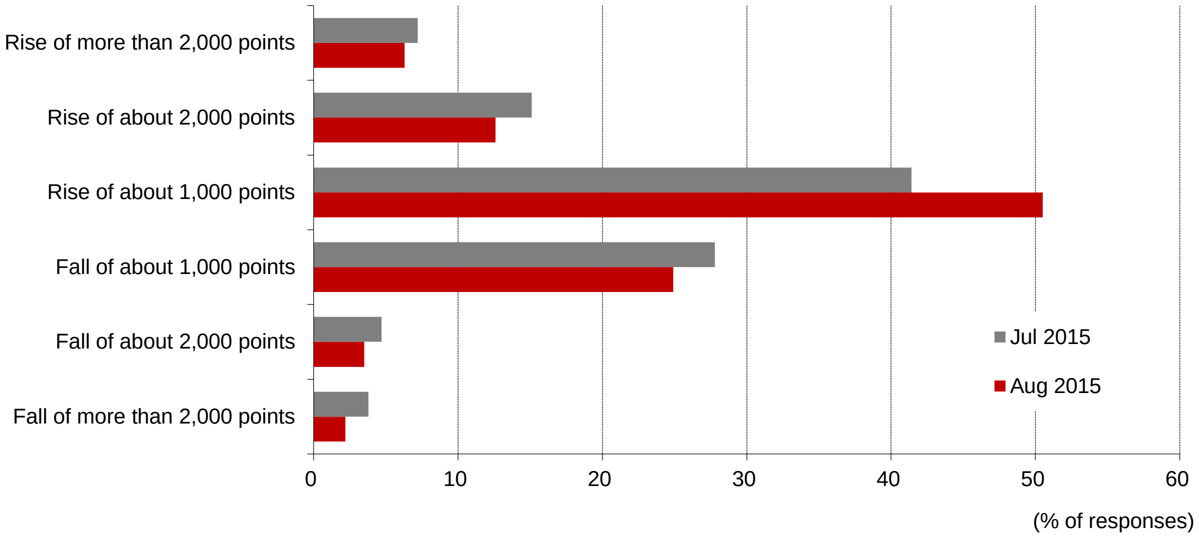
Fig. 1: The Nomura I-View Index and reference level of Nikkei Average at time of survey



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 69.4%, up 5.7ppt from the last survey (63.7%). The proportion of respondents saying they expected a rise of "about 1,000 points" was 50.5%, up 9.1ppt m-m. Response rates fell for all other options. The proportion of respondents expecting a "fall of about 1,000 points" declined 2.9ppt, and that for respondents expecting a "rise of about 2,000 points" fell 2.5ppt (Figure 2).

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

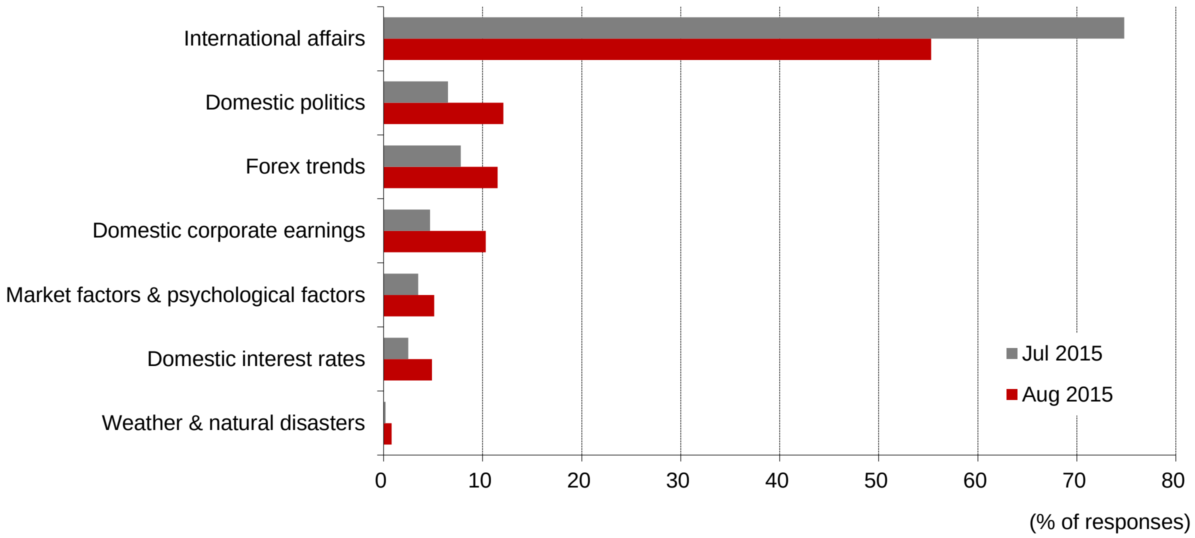


Note: Respondents were asked to share their outlook for the Nikkei Average during the next three months based on the 3 August close of 20,548. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points, with 1,000-point increments in between.

(2) Increased investor focus on domestic politics and 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 its response rate fell 19.5ppt m-m, to 55.3%. Meanwhile, the response rates for domestic politics and domestic corporate earnings both increased 5.6ppt m-m (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) Pharmaceuticals the most appealing sector, decline in appeal of automobiles

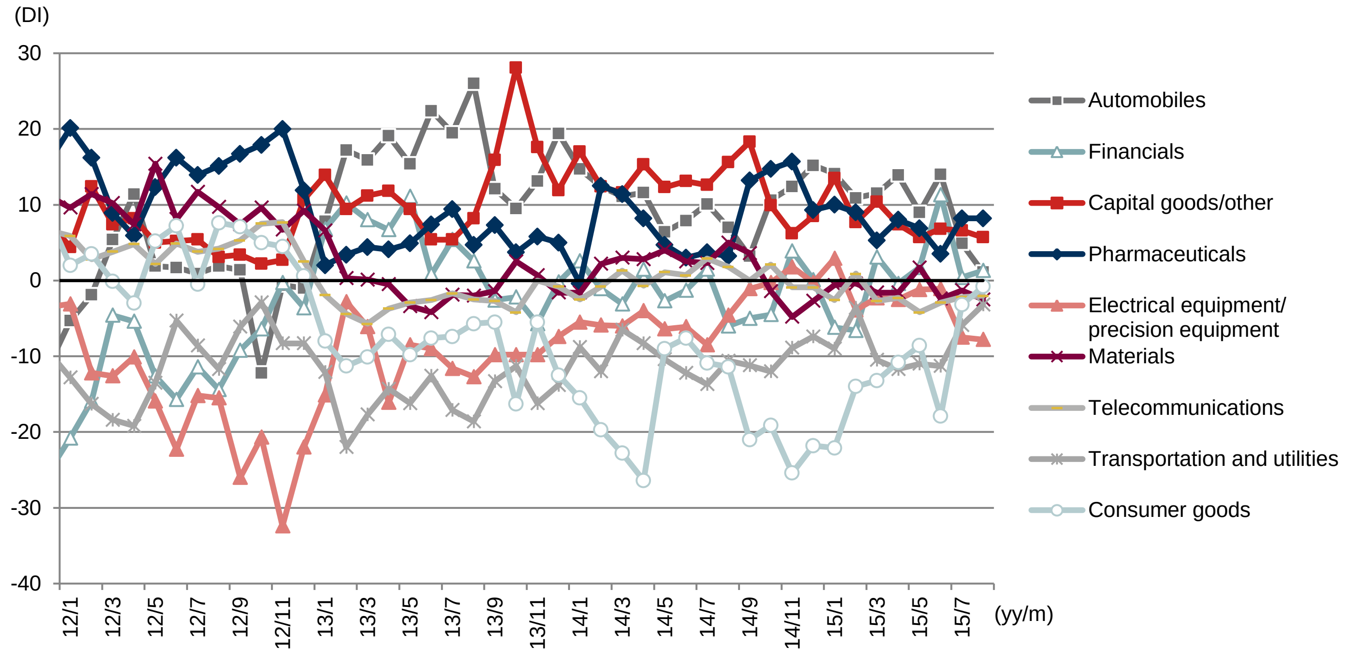
Respondents were asked to choose one sector as an "appealing" investment target and one as "unappealing" over a timeframe of about three months. We calculated a DI for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing". The pharmaceuticals sector was the most appealing sector this month, as in July. Transportation & utilities saw the largest m-m upward revision to its DI, of 2.7pt, while the electrical equipment/precision equipment DI was again the lowest at -7.8, as in July, and the automobiles DI saw the largest decline, of 3.8pt m-m (Figures 4 and 5).

Fig. 4: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Pharmaceuticals	8.2	15.1	6.9	8.2
Capital goods/other	5.7	12.2	6.5	6.6
Financials	1.3	11.5	10.2	0.4
Automobiles	1.1	10.5	9.4	4.9
Consumer goods	-0.8	15.1	15.9	-3.2
Telecommunications	-2.0	5.4	7.4	-2.2
Materials	-2.5	13.5	16.0	-1.3
Transportation and utilities	-3.2	8.0	11.2	-5.9
Electrical equipment/precision equipment	-7.8	8.7	16.5	-7.5

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. 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)

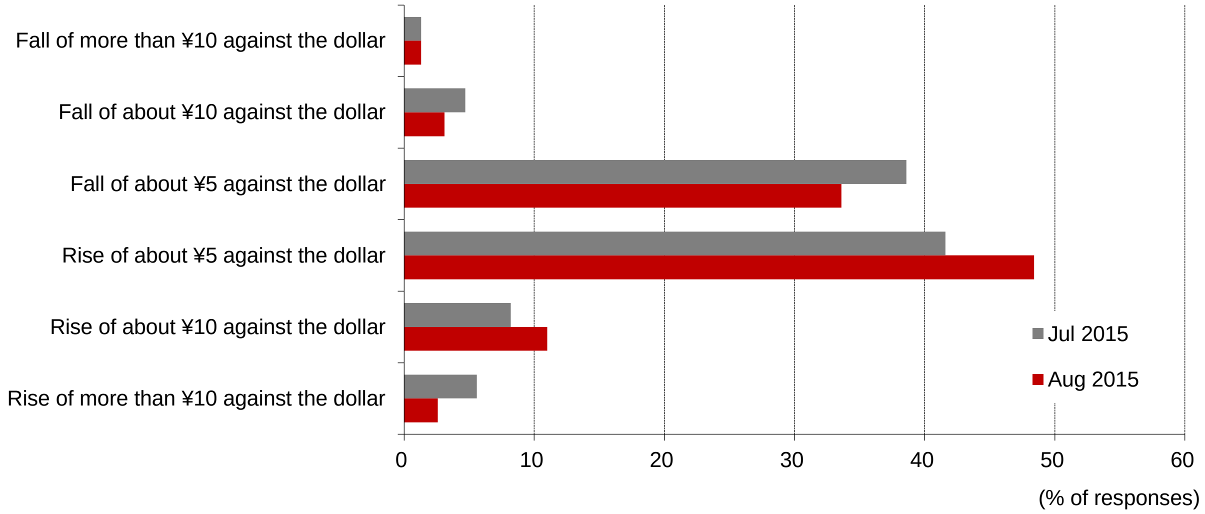
Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	91	6501	Hitachi	10
8267	Aeon	23	6954	Fanuc	10
9984	Softbank Group	23	9022	Central Japan Railway	9
8411	Mizuho Financial Group	20	2811	Kagome	8
9437	NTT Docomo	19	5401	Nippon Steel & Sumitomo Metal	8
6502	Toshiba	15	6752	Panasonic	8
8306	Mitsubishi UFJ Financial Group	14	7261	Mazda Motor	8
4661	Oriental Land	13	9020	East Japan Railway	8
9501	Tokyo Electric Power	13	4503	Astellas Pharma	7
4502	Takeda Pharmaceutical	12	7267	Honda Motor	7
6758	Sony	12	8001	Itochu	7
7751	Canon	12	8031	Mitsui & Co	7
9202	ANA Holdings	12	8750	Dai-Ichi Life Insurance	7
1801	Taisei	11	9101	Nippon Yusen	7
3402	Toray Industries	11			

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 62.0%, up 6.6ppt from the previous month (55.4%). The response rate for "rise of about ¥5 against the dollar" marked the largest m-m rise, of 6.8ppt. The response rate for "rise of about ¥10 against the dollar" also increased, by 2.8ppt m-m. Meanwhile, the response rate for “fall of about ¥5 against the dollar" dropped 5.0ppt m-m (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 3 August 2015 indicative rate of 124.02. 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, appeal of Chinese yuan declined sharply

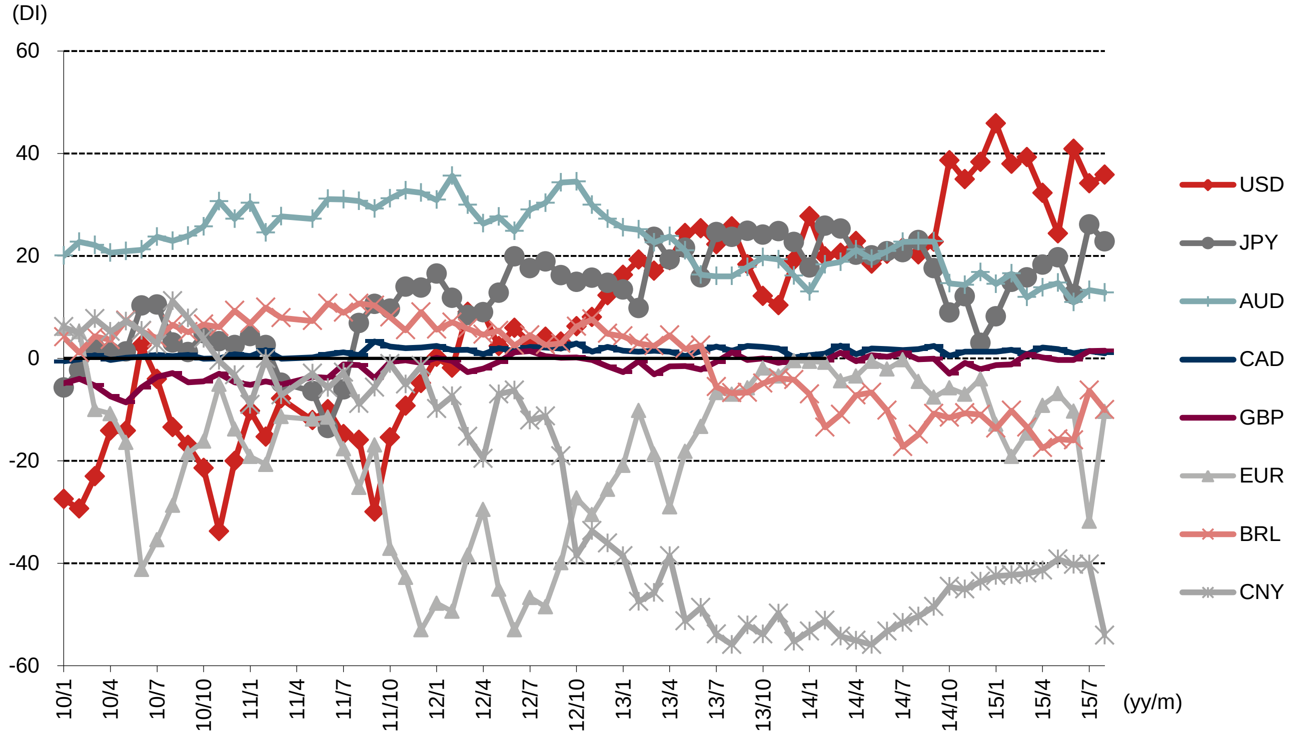
We calculated a diffusion index for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing". The US dollar remained the most appealing, with a DI of 35.8, a rise of 1.7pts m-m. The DI for the Chinese yuan, however, dropped a sharp 13.9pt m-m, the largest decline for any currency. We think concerns over the outlook for the Chinese economy likely weighed on respondents' views on the Chinese currency. The DI for the euro, meanwhile, dropped a sharp 21.4pt m-m, the largest decline 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	35.8	40.2	4.4	34.1
Japanese yen	22.8	29.7	6.9	26.1
Australian dollar	12.8	16.3	3.5	13.3
Pound sterling	1.5	2.5	1.0	1.4
Canadian dollar	1.0	1.8	0.8	1.4
Brazilian real	-10.1	3.6	13.7	-6.3
Euro	-10.4	3.9	14.3	-31.8
Chinese yuan	-54.1	1.3	55.4	-40.2

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

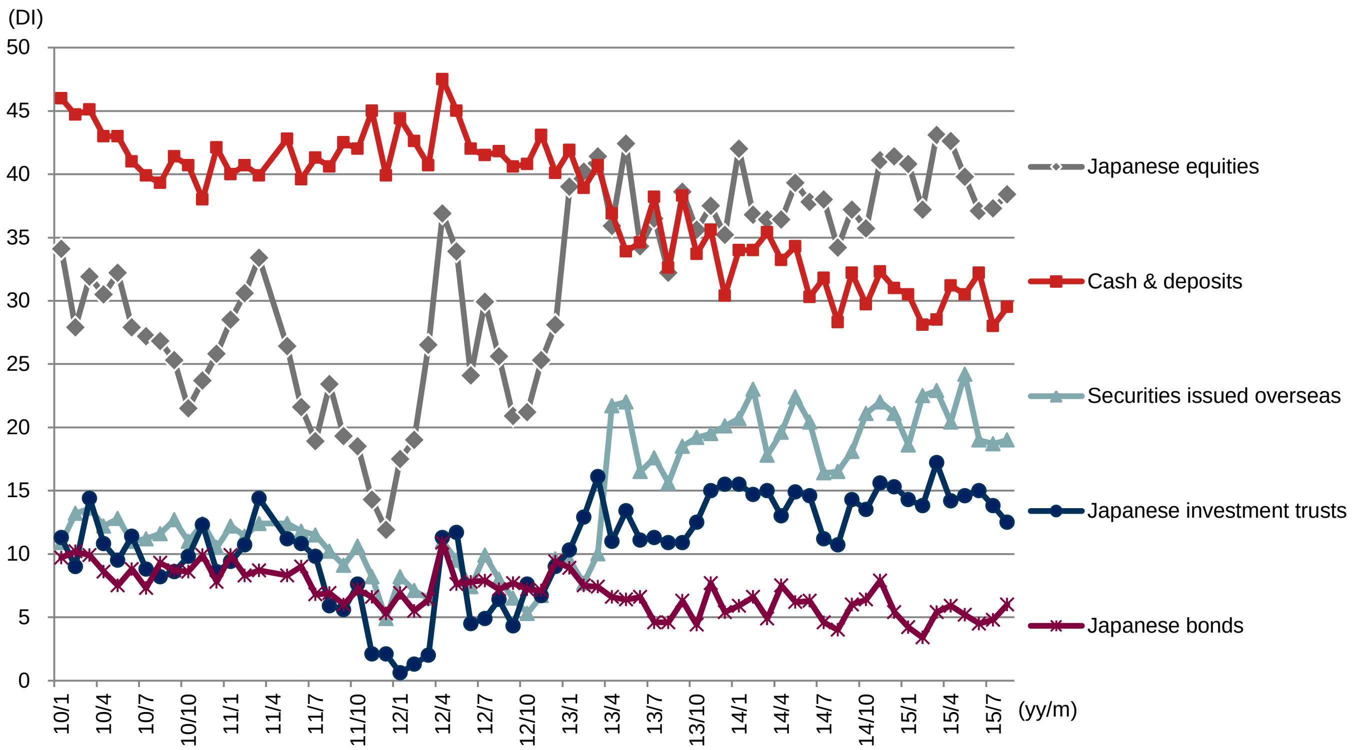
To give an indication of plans for holding financial instruments, we calculate DIs for each financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holding from the percentage planning to hold the instrument for the first time or increase their holding. Japanese equities remained the most appealing financial instrument this month, and its DI also rose 1.1pt m-m (Figures 10 and 11).

Fig. 10: Financial instruments for which investors are planning either to increase or to decrease their holdings

Financial instrument	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Plan to increase	Plan to decrease	
Japanese equities	38.4	50.5	12.1	37.3
Cash & deposits	29.5	34.2	4.7	28.0
Japanese investment trusts	12.5	17.4	4.9	13.8
Foreign equities	9.1	11.0	1.9	8.4
Gold	8.2	8.8	0.6	8.1
Foreign investment trusts	6.0	7.1	1.1	4.8
Japanese bonds	5.6	7.4	1.8	6.8
Foreign bonds	4.3	5.3	1.0	3.5
Hybrid securities	1.7	1.8	0.1	2.5
Other	0.5	0.9	0.4	0.6
None	-49.3	27.7	77.0	-46.4

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 holdings, while “plan to decrease” refers to instruments that investors plan to cease holding or for which they plan to decrease their holdings. 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 planning either to increase or to decrease their holdings



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

(8) Rise in proportion of respondents expecting prices to remain unchanged

When asked for their outlook for prices of regularly purchased goods and services one year out, 29.5% of respondents said they expected prices to remain unchanged ("no change"), up 5.3ppt from the previous month. The response rate for a rise in prices was down 4.4ppt m-m, and that for a decline in prices was down 0.9ppt m-m. The largest decline was for "rise of 2% up to 5%," which fell 4.2ppt 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	3.2	4.3
2	Fall of 2% up to 5%	5.1	6.1
3	Fall of less than 2%	6.0	4.8
4	No change (0%)	29.5	24.2
5	Rise of less than 2%	37.8	38.0
6	Rise of 2% up to 5%	15.1	19.3
7	Rise of 5% or more	3.3	3.3
	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?"

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 3 August, with deadline for responses on 4 August.

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 (August 2015) respondents

Gender: Male (83.8%), female (16.2%)

Age: Under 30 (0.6%), 30–39 (7.2%), 40–49 (24.9%), 50–59 (31.5%), 60 and above (35.8%)

Occupation: Self-employed/fisheries, agriculture, forestry (8.5%), professional (physician/medical professional, lawyer, etc) (2.3%), company management/corporate officer (4.2%), company employee/public servant (47.9%), student (0.1%), full-time homemaker (8.9%), part-time worker/casual worker/job-hopper (4.6%), unemployed/pensioner (21.5%), other (2.0%)

Region: Kanto (45.6%), Kinki (20.5%), Tokai/Koshinetsu/Hokuriku (17.5%), Hokkaido/Tohoku (5.2%), Chugoku/Shikoku/Kyushu (11.2%)

Financial assets held: Less than ¥1,000,000 (6.1%), ¥1,000,000–¥2,999,999 (6.6%), ¥3,000,000–¥4,999,999 (11.2%), ¥5,000,000–¥9,999,999 (16.4%), ¥10,000,000–¥29,999,999 (34.6%), ¥30,000,000–¥49,999,999 (11.8%), ¥50,000,000 or more (13.3%)

Value of domestic stocks held: Less than ¥500,000 (10.3%), ¥500,000–¥999,999 (10.9%), ¥1,000,000–¥2,999,999 (20.8%), ¥3,000,000–¥4,999,999 (15.6%), ¥5,000,000–¥9,999,999 (17.3%), ¥10,000,000–¥29,999,999 (18.6%), ¥30,000,000 or more (6.5%)

Investment experience: Less than three years (2.0%), three years to less than five years (6.1%), five years to less than 10 years (25.6%), 10 years to less than 20 years (34.2%), 20 years or more (32.1%)

Investment plan for domestic stocks: Mainly for long-term holding (45.5%), pursuit of gains from short-term appreciation (16.0%), pursuit of dividends and shareholder perks (24.8%), no particular plan (13.7%)

Notice

The next Nomura Individual Investor Survey (September 2015) is scheduled for release on Thursday, 17 September 2015.

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

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47% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; 42% of companies with this rating are investment banking clients of the Nomura Group*.
42% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 55% of companies with this rating are investment banking clients of the Nomura Group*.
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As at 30 June 2015. **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

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.

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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.
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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.
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