

# **Nomura Individual Investor Survey**

June 2016

16 June 2016

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 falls for fifth consecutive month, to 26.4

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 26.4 in June 2016, falling m-m for the fifth consecutive month. The Nikkei Average reference level (6 June 2016 close) was 16,580.03, up 364.00 from the previous survey (9 May 2016 close of 16,216.03).

### (2) Investor focus ranking of "domestic politics" rises, that of "forex trends" falls

Respondents were asked to select the factor most likely to affect the stock market over the next three months. The response rate for "domestic politics" rose 5.9ppt m-m to 16.8%. "Forex trends" remained the most-watched factor, but its response rate fell 3.6ppt to 34.8%.

### (3) Interest in automobiles and telecommunications rises, interest in capital goods/other falls

Respondents were asked to choose one sector as an "appealing" investment target and one as "unappealing" over a timeframe of about three months. We then calculated a diffusion index (DI) for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the automobile sector rose 4.4pt m-m to -6.7 while the DI for the telecommunications sector increased for the third straight month, by 3.8pt m-m to 7.4. In contrast, the DI for the capital goods/other sector fell 5.0pt m-m.

### (4) Higher proportion of investors expect yen to appreciate against US 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 57.8%, up 0.6ppt from the previous month. The response rate for "rise of about ¥5 against the dollar" rose 2.7ppt m-m to 46.2%, while that for "rise of about ¥10 against the dollar" declined 2.7ppt m-m. The response rate for "rise of more than ¥10 against the dollar" increased 0.6ppt m-m. The percentage of respondents expecting the yen to weaken against the dollar, for all ranges of change, was 42.2%, down 0.6ppt from 42.8% in May. The response rate for "fall of about ¥5 against the dollar" declined 0.2ppt to 33.3%, while the response rate for "fall of about ¥10 against the dollar" dropped 1.5ppt.

### (5) Investment appeal of US dollar falls

On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." This month the DI for the US dollar fell 5.3pt m-m to 24.8, marking the largest decline. The DI for the pound sterling dropped 2.1pt m-m. The DI for the Brazilian real rose 2.1pt m-m.

### (6) Appeal of Japanese investment trusts among financial instruments declines

To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for Japanese investment trusts declined 4.1pt m-m to 7.7. The DI for gold fell 2.8pt m-m.

### (7) Higher percentage of respondents expect prices to be unchanged one year out

When asked for their outlook for prices of regularly purchased goods and services one year out, 45.9% of respondents selected the response "no change," up 1.9ppt from the previous month. The response rate for the "rise" options declined 0.4ppt m-m to 22.9% and that for the "fall" options also fell, by 1.5ppt to 31.2%.

### (8) Awareness of capital efficiency at Japanese companies

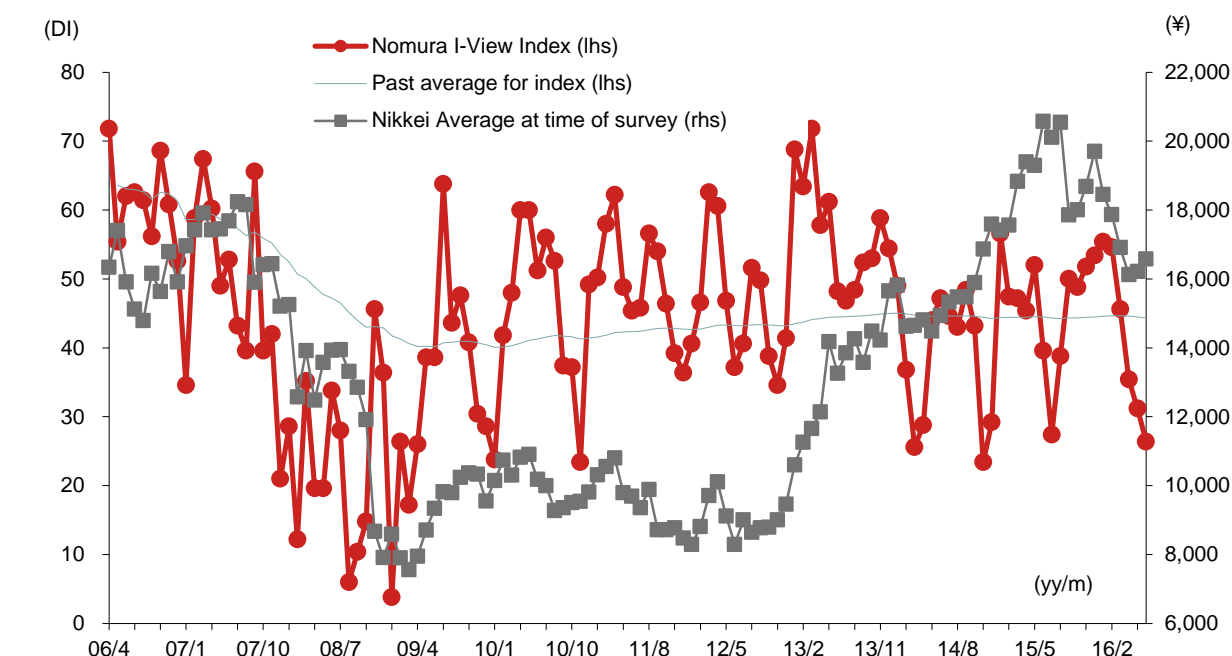
For this month's spot question, we asked investors about their stance on capital efficiency at Japanese companies and what impact this might have on their investment approach. In response to our question, "do you think that Japanese companies have become more aware of capital efficiency considering the recent increase in the value of authorized share buyback programs in Japan?," the highest response rate, of 26.3%, was for the option "awareness has grown, but will not last long." In a similar survey in June 2015, the highest response rate was for "awareness has not grown, but will do so in the future" with 27.2%. Although individual investors consider that Japanese companies have become more aware of capital efficiency since last year, they also do not appear to expect this trend to continue. In response to our second question, "if more Japanese companies adopt a stronger focus on capital efficiency, including dividend hikes and investment in new businesses as well as share buybacks, what impact will this have on your investment approach?," the highest response rate was for "no change in investment approach (no impact)," at 41.7%, but that was down 1.5ppt from the June 2015 survey. "More active approach to equity investment" saw the sharpest drop in response rate for all the options, of 9.0ppt to 26.6%.

## 2. Survey results

### (1) Nomura I-View Index falls for fifth consecutive month, to 26.4

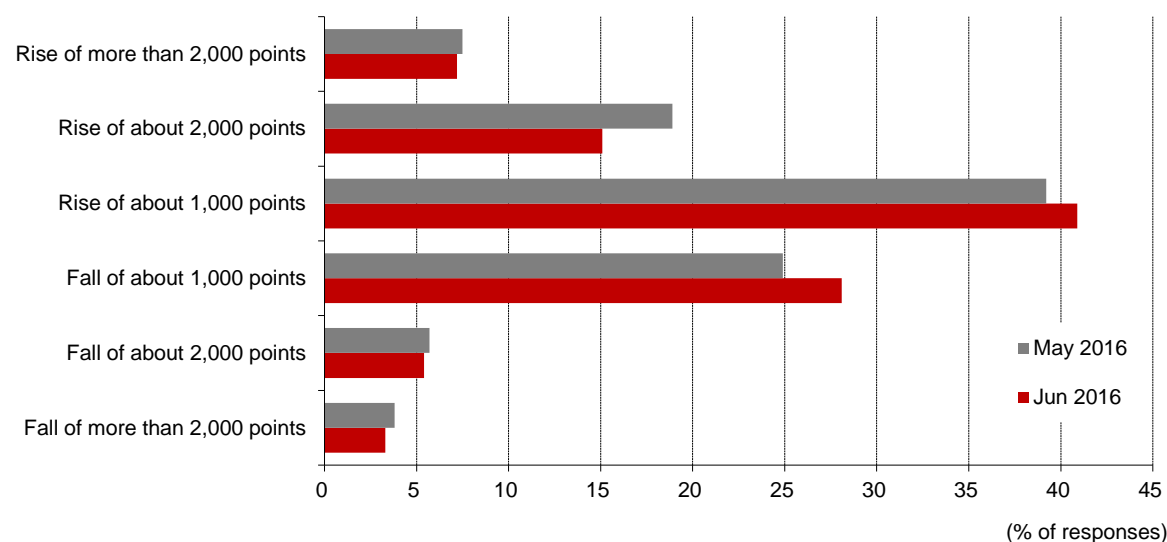
The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook for share prices and calculated by subtracting the percentage of responses for "fall" from that for "rise," was 26.4 in June 2016, falling m-m for the fifth consecutive month. The Nikkei Average reference level (6 June 2016 close) was 16,580.03, up 364.00 from the previous survey (9 May 2016 close of 16,216.03) (Figure 1).

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 diffusion index (DI). The calculation method is as follows:  $\left( \frac{\text{number of responses indicating expected rise in share prices in the next three months} - \text{number of responses indicating expected fall in share prices in the next three months}}{\text{number of respondents}} \right) \times 100$ . The figure for January 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.

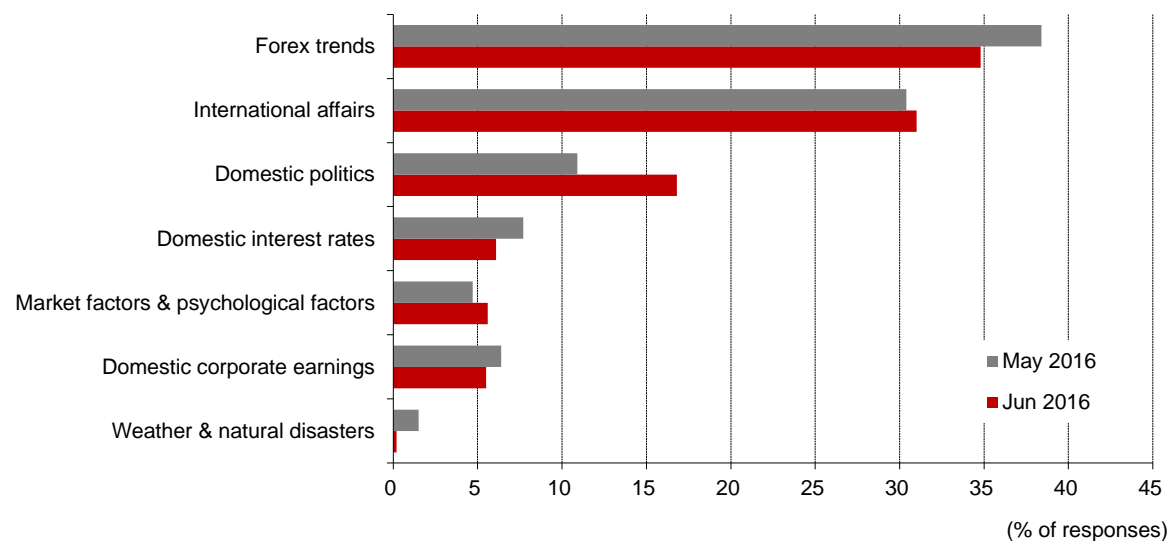
The combined proportion of respondents expecting the Nikkei Average to rise over the next three months was 63.2%, down 2.4ppt from 65.6% the previous month. The proportion of respondents expecting a "rise of more than 2,000 points" was down 0.3ppt m-m at 7.2%, while the proportion responding "rise of about 2,000 points" fell 3.8ppt m-m to 15.1%. In contrast, the proportion selecting "rise of about 1,000 points" increased 1.7ppt to 40.9% (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 over the next three months based on the 6 June 2016 close of 16,580. Respondents could choose one answer from six possible 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 focus ranking of "domestic politics" rises, that of "forex trends" falls

Respondents were asked to select the factor most likely to affect the stock market over the next three months. The response rate for "domestic politics" rose 5.9ppt m-m to 16.8%. "Forex trends" remained the most-watched factor, but its response rate fell 3.6ppt to 34.8% (Figure 3).

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

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

### (3) Interest in automobiles and telecommunications rises, interest in capital goods/other falls

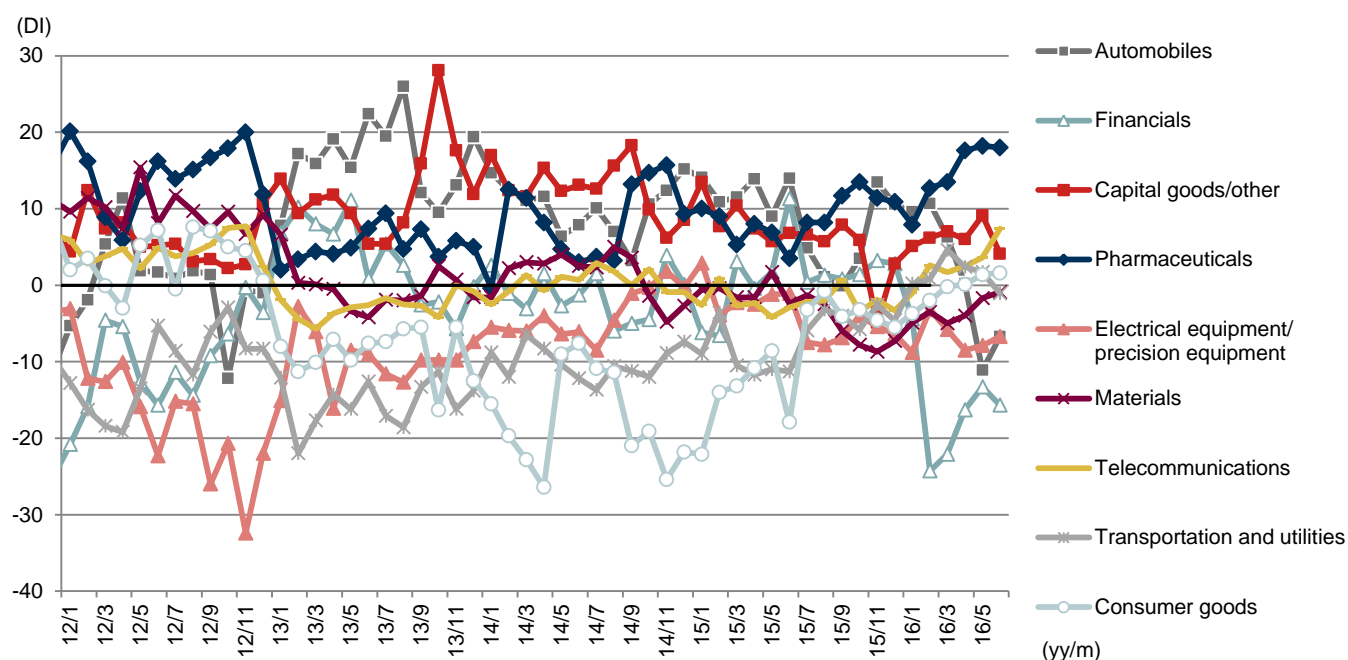
Respondents were asked to choose one sector as an "appealing" investment target and one as "unappealing" over a timeframe of about three months. We then calculated a diffusion index (DI) for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the automobile sector rose 4.4pt m-m to -6.7 while the DI for the telecommunications sector increased for the third straight month, by 3.8pt m-m to 7.4. In contrast, the DI for the capital goods/other sector fell 5.0pt 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	18.0	19.6	1.6	18.2
Telecommunications	7.4	9.8	2.4	3.6
Capital goods/other	4.1	10.7	6.6	9.1
Consumer goods	1.6	16.8	15.2	1.4
Materials	-0.9	11.7	12.6	-1.7
Transportation and utilities	-1.1	6.9	8.0	1.7
Automobiles	-6.7	10.5	17.2	-11.1
Electrical equipment/precision equipment	-6.7	7.3	14.0	-7.9
Financials	-15.7	6.7	22.4	-13.3

Note: Respondents were given nine sectors and asked to choose one they viewed as an appealing investment target and one they 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 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 they would like to have in their portfolio, irrespective of short- or long-term investment horizon (including stocks actually held), or that they found appealing. We show the most popular responses in Figure 6.

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

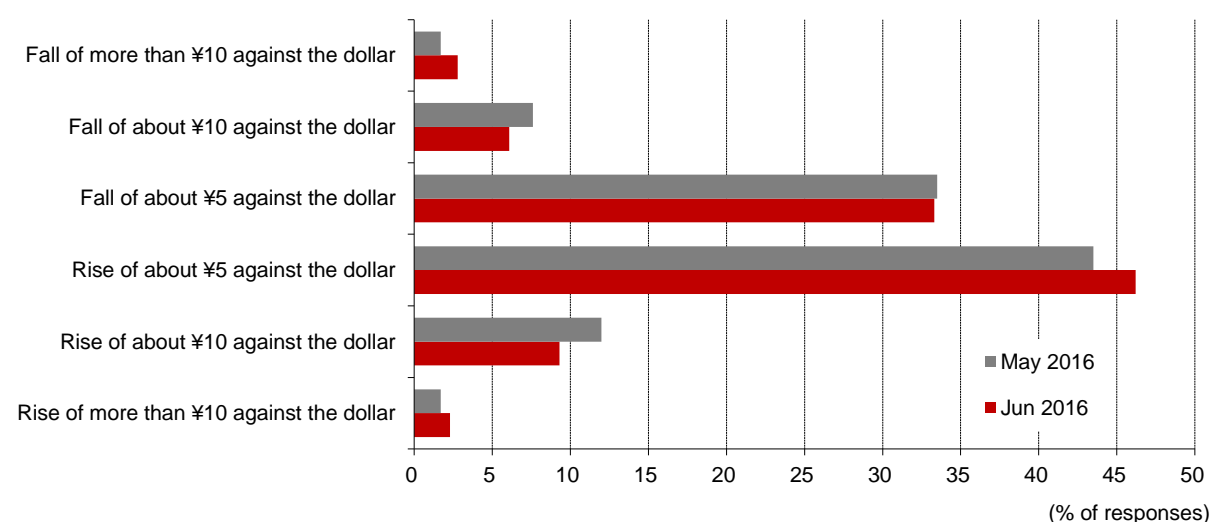
Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	95	2327	NS Solutions	9
9984	Softbank Group	29	4503	Astellas Pharma	9
8267	Aeon	23	7779	Cyberdyne	9
4502	Takeda Pharmaceutical	22	5401	Nippon Steel & Sumitomo Metal	8
6758	Sony	14	4528	Ono Pharmaceutical	7
4661	Oriental Land	13	6752	Panasonic	7
8306	Mitsubishi UFJ Financial Group	12	7211	Mitsubishi Motors	7
8411	Mizuho Financial Group	12	7261	Mazda Motor	7
7201	Nissan Motor	12	7751	Canon	7
2811	Kagome	11	8001	Itochu	7
9202	ANA Holdings	11	8031	Mitsui & Co	7
4901	Fujifilm Holdings	10	8604	Nomura Holdings	7
6501	Hitachi	10	9437	NTT Docomo	7

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

#### (5) Higher proportion of investors expect yen to appreciate against US 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 57.8%, up 0.6ppt from the previous month. The response rate for "rise of about ¥5 against the dollar" rose 2.7ppt m-m to 46.2%, while that for "rise of about ¥10 against the dollar" declined 2.7ppt m-m. The response rate for "rise of more than ¥10 against the dollar" increased 0.6ppt m-m. The percentage of respondents expecting the yen to weaken against the dollar, for all ranges of change, was 42.2%, down 0.6ppt from 42.8% in May. The response rate for "fall of about ¥5 against the dollar" declined 0.2ppt to 33.3%, while the response rate for "fall of about ¥10 against the dollar" fell 1.5ppt (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 6 June 2016 indicative rate of 107.03. They could choose one answer from six possible 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) Investment appeal of US dollar falls

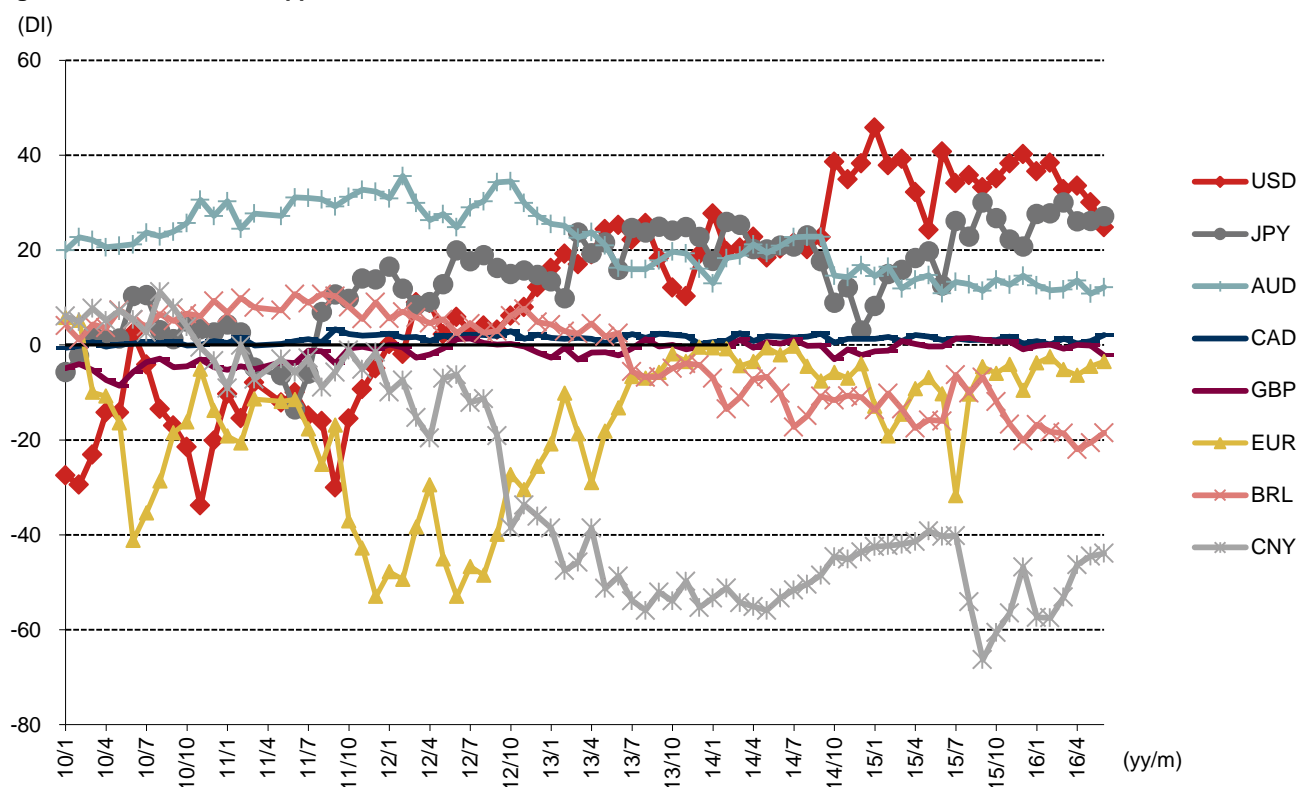
On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." This month the DI for the US dollar fell 5.3pt m-m to 24.8, marking the largest decline. The DI for the pound sterling dropped 2.1pt m-m. The DI for the Brazilian real rose 2.1pt m-m (Figures 8 and 9).

Fig. 8: Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Japanese yen	27.1	36.8	9.7	26.1
US dollar	24.8	32.9	8.1	30.1
Australian dollar	12.2	15.0	2.8	10.8
Canadian dollar	2.1	2.7	0.6	0.8
Pound sterling	-2.2	2.3	4.5	-0.1
Euro	-3.5	4.6	8.1	-4.5
Brazilian real	-18.5	2.3	20.8	-20.6
Chinese yuan	-43.9	1.1	45.0	-44.5

Note: Respondents were given nine possible responses, consisting of the above eight currencies and "other," and asked to choose one they viewed as an appealing investment target and one they viewed as unappealing. Those selecting "other" were asked to specify a currency.

Fig. 9: DIs for investment appeal of selected currencies



### (7) Appeal of Japanese investment trusts among financial instruments declines

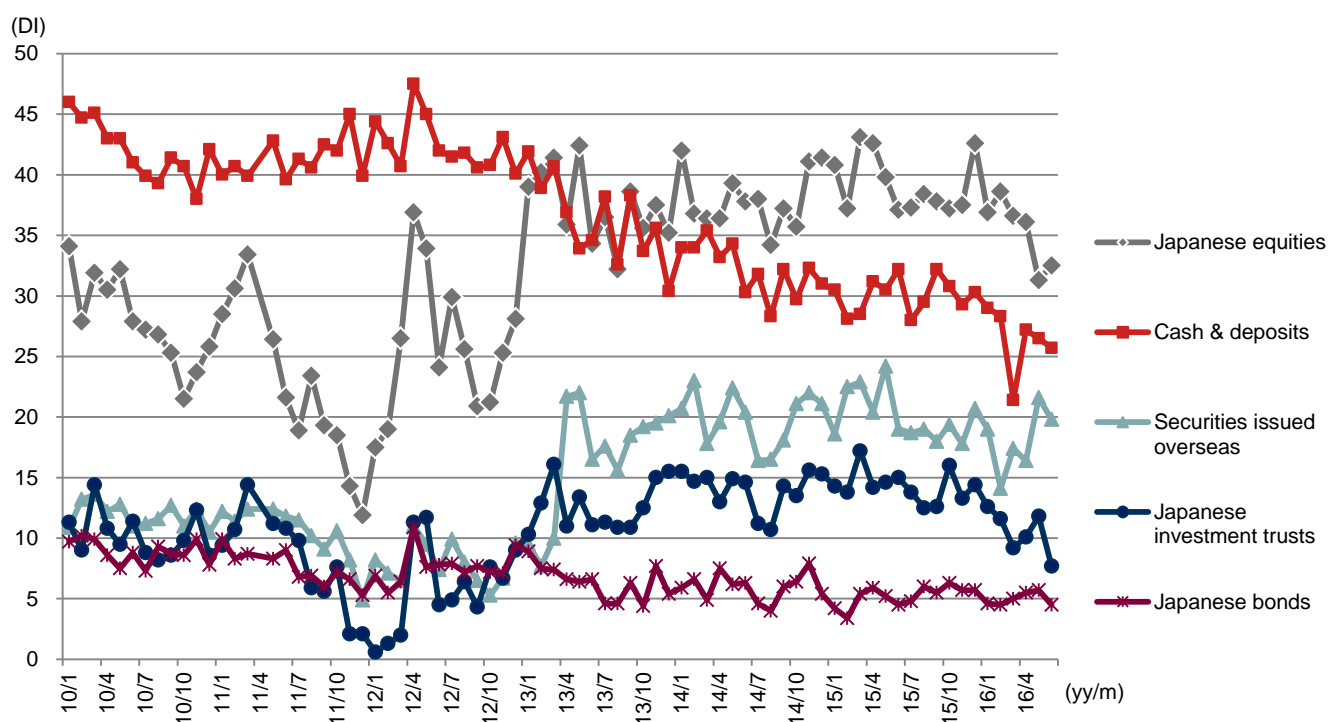
To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for Japanese investment trusts declined 4.1pt m-m to 7.7. The DI for gold fell 2.8pt 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	32.5	45.3	12.8	31.3
Cash & deposits	25.7	30.5	4.8	26.5
Foreign equities	9.8	11.1	1.3	8.6
Gold	8.8	9.2	0.4	11.6
Japanese investment trusts	7.7	16.9	9.2	11.8
Foreign investment trusts	6.9	8.5	1.6	5.9
Japanese bonds	4.5	6.7	2.2	5.7
Foreign bonds	3.1	4.0	0.9	3.2
Hybrid securities	1.8	2.0	0.2	2.1
Other	0.3	0.4	0.1	0.5
None	-41.0	33.5	74.5	-43.0

Note: Respondents were given a list of 11 responses and asked to choose those financial instruments 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 February 2012 survey. Since the April 2013 survey, we have divided the former category of "Securities issued overseas" into foreign equities, foreign investment trusts, and foreign bonds.

**Fig. 11: DIs for financial instruments in which investors are planning either to increase or decrease their holdings**



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



**(8) Higher percentage of respondents expect prices to be unchanged one year out**

When asked for their outlook for prices of regularly purchased goods and services one year out, 31.2% of respondents selected the response "rise," down 1.5ppt on the previous month, while 22.9% of respondents selected the response "fall," also down m-m, by 0.4ppt. The proportion selecting the response "no change" rose 1.9ppt to 45.9% (Figure 12).

**Fig. 12: Outlook for prices one year out**

	Choices	% of responses	(Ref) Previous % of responses
1	Fall of 5% or more	3.0	3.8
2	Fall of 2% up to 5%	7.0	5.4
3	Fall of less than 2%	12.9	14.1
4	No change (0%)	45.9	44.0
5	Rise of less than 2%	21.7	22.5
6	Rise of 2% up to 5%	7.8	8.4
7	Rise of 5% or more	1.7	1.8
	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, ignoring the impact of any consumption tax hike?"

**(9) Awareness of capital efficiency at Japanese companies**

For this month's spot question, we asked investors about their stance on capital efficiency at Japanese companies and what impact this might have on their investment approach. In response to our question, "do you think that Japanese companies have become more aware of capital efficiency considering the recent increase in the value of authorized share buyback programs in Japan?", the highest response rate, of 26.3%, was for the option "awareness has grown, but will not last long." In a similar survey in June 2015, the highest response rate was for "awareness has not grown, but will do so in the future," at 27.2%. Although individual investors consider that Japanese companies have become more aware of capital efficiency since last year, they also do not appear to expect this trend to continue (Figure 13).

**Fig. 13: Awareness of capital efficiency at Japanese companies**

	Choices	% of responses	(Ref): % of responses in previous survey (Jun 2015)
1	Awareness has grown and will do so more in the future	18.2	19.7
2	Awareness has grown, but will not last long	26.3	18.8
3	Awareness has not grown, but will do so in the future	22.4	27.2
4	Awareness has not grown and will not do so in the future	10.6	9.8
5	Don't know	22.5	24.5
	Total	100	100

Note: Respondents were asked to select one of the above five responses to the question: "Do you think that Japanese companies have become more aware of capital efficiency considering that the Corporate Governance Code for listed companies came into effect on 1 June?"

In response to our second question, "if more Japanese companies adopt a stronger focus on capital efficiency, including dividend hikes and investment in new businesses as well as share buybacks, what impact will this have on your investment approach?", the highest response rate was for "no change in investment approach (no impact)," at 41.7%, but that was down 1.5ppt from the June 2015 survey. "More active approach to equity investment" saw the sharpest drop in response rate for all the options, of 9.0ppt to 26.6% (Figure 14).

**Fig. 14: Impact on investment approach if Japanese companies adopt stronger focus on capital efficiency**

	Choices	% of responses	(Ref): % of responses in previous survey (Jun 2015)
1	More active approach to equity investment	26.6	35.6
2	More passive approach to equity investment	15.2	7.2
3	No change in investment approach (no impact)	41.7	43.2
4	Don't know	16.5	14.0
	Total	100	100

Note: Respondents were asked to select one of the above four responses to the question: "If more Japanese companies adopt a stronger focus on capital efficiency, including dividend hikes and investment in new businesses as well as share buybacks, what impact will this have on your investment approach? Please select the option that best describes the impact on your investment approach."

### 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 6 June, with deadline for responses on 7 June.

Survey content: Questions included each month are (1) share price outlook, (2) factors expected to impact the stock market, (3) attractive sectors and stocks, (4) USD/JPY 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 queried about their personal profiles.

### 4. Nomura Individual Investor Survey (June 2016) respondents

Gender: Male (82.5%), female (17.5%)

Age: Under 30 (1.1%), 30–39 (8.4%), 40–49 (25.3%), 50–59 (30.2%), 60 and above (35.0%)

Occupation: Self-employed/fisheries, agriculture, forestry (7.6%), professional (physician/medical professional, lawyer, etc) (2.7%), company management/corporate officer (5.3%), company employee/public servant (45.8%), student (0.4%), full-time homemaker (8.3%), part-time worker/casual worker/job-hopper (5.0%), unemployed/pensioner (22.9%), other (2.0%)

Region: Kanto (48.0%), Kinki (18.5%), Tokai/Koshinetsu/Hokuriku (17.5%), Hokkaido/Tohoku (5.5%), Chugoku/Shikoku/Kyushu (10.5%)

Financial assets held: Less than ¥1,000,000 (7.0%), ¥1,000,000–¥2,999,999 (8.8%), ¥3,000,000–¥4,999,999 (10.8%), ¥5,000,000–¥9,999,999 (16.8%), ¥10,000,000–¥29,999,999 (29.5%), ¥30,000,000–¥49,999,999 (12.6%), ¥50,000,000 or more (14.5%)

Value of domestic stocks held: Less than ¥500,000 (11.8%), ¥500,000–¥999,999 (11.4%), ¥1,000,000–¥2,999,999 (23.3%), ¥3,000,000–¥4,999,999 (15.0%), ¥5,000,000–¥9,999,999 (14.7%), ¥10,000,000–¥29,999,999 (17.2%), ¥30,000,000 or more (6.6%)

Investment experience: Less than three years (7.1%), three years to less than five years (9.8%), five years to less than 10 years (22.5%), 10 years to less than 20 years (30.6%), 20 years or more (30.0%)

Investment plan for domestic stocks: Mainly for long-term holding (45.7%), pursuit of gains from short-term appreciation (12.1%), pursuit of dividends and shareholder perks (27.7%), no particular plan (14.5%)

#### Notice

The next Nomura Individual Investor Survey (July 2016) is scheduled for release on Thursday, 14 July 2016.

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

### Important Disclosures

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49% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; 38% 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; 53% of companies with this rating are investment banking clients of the Nomura Group\*.

9% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 17% of companies with this rating are investment banking clients of the Nomura Group\*.

As at 31 March 2016. \*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

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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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