News Release

NOMURA

Nomura Individual Investor Survey

September 2016

15 September 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 second consecutive month, to 30.6

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 30.6 in September 2016, down for the second consecutive month. The Nikkei 225 reference level (5 September 2016 close) was 17,037.63, up 401.86 from the previous survey (1 August 2016 close of 16,635.77).

(2) Greater investor interest in forex, reduced focus on domestic politics

Respondents were asked to select the factor most likely to affect the stock market over the next three months. The response rate for "forex trends" rose 1.0ppt m-m to 37.7% and that for "domestic corporate earnings" increased 1.1ppt m-m. The response rate for "domestic politics" declined 3.0ppt m-m to 6.5%.

(3) Appeal of automobiles rises sharply, of consumer goods falls sharply

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 automobiles sector rose 6.3pt m-m to 1.6, taking it into positive territory for the first time in five months. The DI for Electrical equipment/precision equipment also rose 3.8pt to -0.6. However, the DI for consumer goods fell 10.9pt to -9.2, taking it into negative territory for the first time in six months.

(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 47.5%, up 4.4ppt from the previous month. The response rate for “rise of about ¥5 against the dollar" rose 2.0ppt to 38.5%, the response rate for "rise of about ¥10 against the dollar" rose 1.7ppt, and the response rate for "rise of more than ¥10 against the dollar" rose 0.7ppt. The percentage of respondents expecting the yen to weaken against the dollar, for all ranges of change, was 52.5%, down 4.4ppt from 56.9% in August. The response rate for "fall of about ¥5 against the dollar" dropped 1.4ppt to 42.6%, while the response rate for "fall of about ¥10 against the dollar" fell 1.8ppt and that for "fall of more than ¥10 against the dollar" declined 1.2ppt.

(5) Investment appeal of pound sterling continues to improve

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 pound sterling rose 5.0pt to -7.8 and that for the euro improved 1.8pt to -8.6, with both currencies registering a second consecutive month of improvement. In contrast, the DI for the Chinese yuan fell 5.5pt m-m and for the Brazilian real fell 3.5pt.

(6) Appeal of Japanese equities and cash & deposits among financial instruments rises

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 equities rose 6.8pt m-m to 40.9, while that for cash & deposits increased 6.9pt to 31.7.

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

When asked for their outlook for prices of regularly purchased goods and services one year out, 24.4% of respondents selected one of the "fall" responses, up 2.3ppt from the previous month. The percentage of those selecting "no change" fell 2.1ppt to 45.5%, while the figure for those selecting one of the "rise" responses fell 0.2ppt m-m to 30.1%.

(8) Awareness of new Japanese equity indices and impact on investment

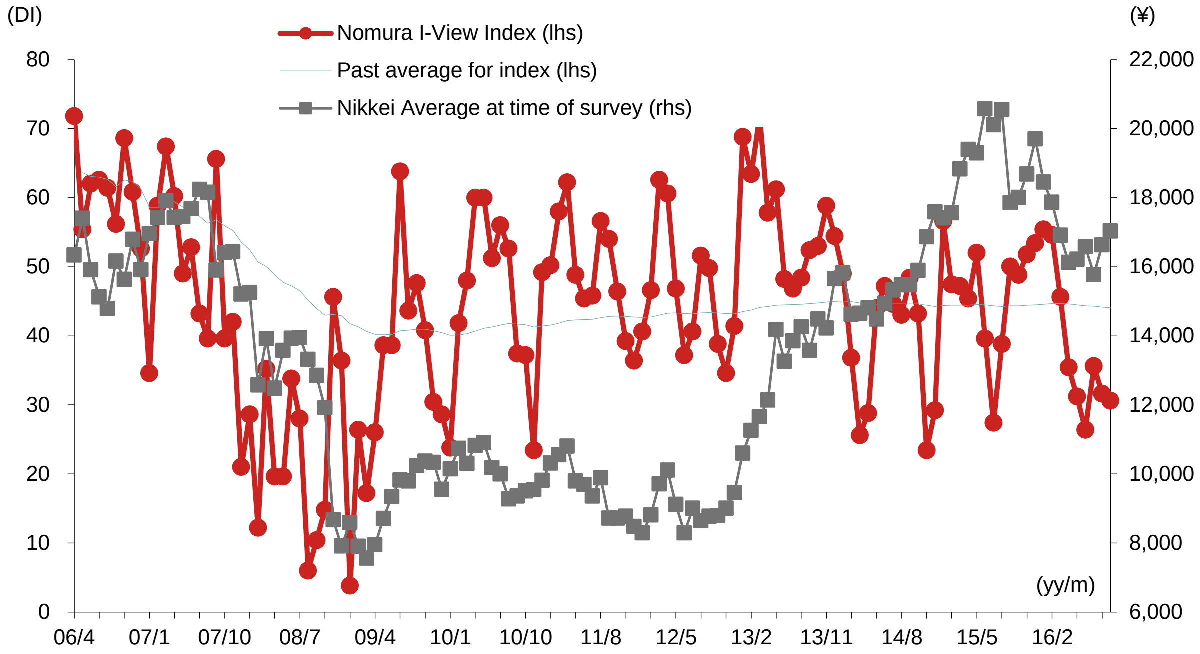
For this month's spot question, we asked investors about awareness of new Japanese equity indices and the impact on investment. More than three quarters of respondents (765 out of 1,000) said that they had not heard of any of the five new Japanese equity indices created over the past year. When asked whether they were using any of the new Japanese equity indices for reference purposes in investment decisions, or intended to do so in the future, 96 respondents named the Japan High Dividend Index, 81, the Japan Minimum Volatility Index, 47 the Capex & Human Capital Index/Japan Human & Physical Investment Index/Enterprise Value Allocation Index/Japan Proactive Leaders 200 Index, 42 the Japan Quality 150 Index, and 41 the Japan IMI Custom High Liquidity, High Yield, Low Volatility Index. 292 respondents said that they did not intend to use any of them, and 478 respondents said that they did not know.

2. Survey results

(1) Nomura I-View Index falls for second consecutive month, to 30.6

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 30.6 in September 2016, down for the second consecutive month. The Nikkei 225 reference level (5 September 2016 close) was 17,037.63, up 401.86 from the previous survey (1 August 2016 close of 16,635.77) (Figure 1).

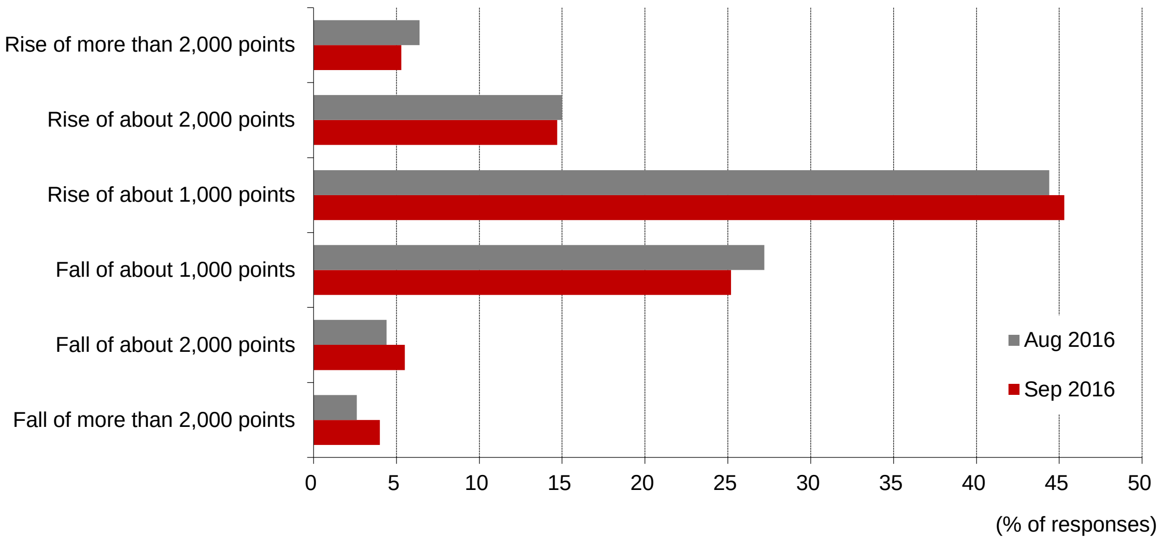
Fig. 1: The Nomura I-View Index and reference level of Nikkei 225 at time of survey



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: ([(number of responses indicating expected rise in share prices in the next three months) minus (number of responses indicating expected fall in share prices in the next three months)] divided by number of respondents) x 100. The figure for January 2010 used here excludes those respondents who projected that the Nikkei 225 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 percentage of respondents expecting the Nikkei 225 to rise over the next three months was 65.3%, down 0.5ppt from the last survey (65.8%). The percentage of respondents expecting a "rise of at least 2,000 points" fell 1.1ppt m-m to 5.3%, while the percentage of those expecting a "rise of about 2,000 points" dropped 0.3ppt m-m to 14.7%. In contrast, the percentage of respondents expecting a "rise of about 1,000 points" increased 0.9ppt m-m, to 45.3% (Figure 2).

Fig. 2: Outlook for Nikkei 225 during the next three months

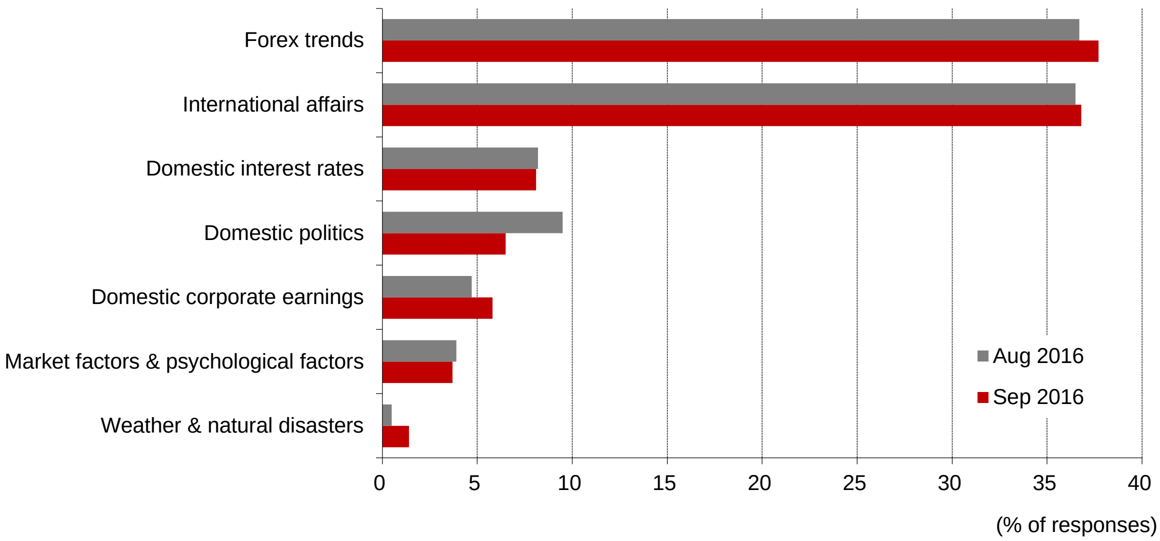


Note: Respondents were asked to share their outlook for the Nikkei 225 over the next three months based on the 5 September 2016 close of 17,037. Respondents could choose one answer from six possible responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points, with 1,000-point increments in between.

(2) Greater investor interest in forex, reduced focus on domestic politics

The response rate for "forex trends" rose 1.0ppt m-m to 37.7% and that for "domestic corporate earnings" increased 1.1ppt m-m. The response rate for "domestic politics" declined 3.0ppt m-m to 6.5% (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) Appeal of automobiles rises sharply, of consumer goods falls sharply

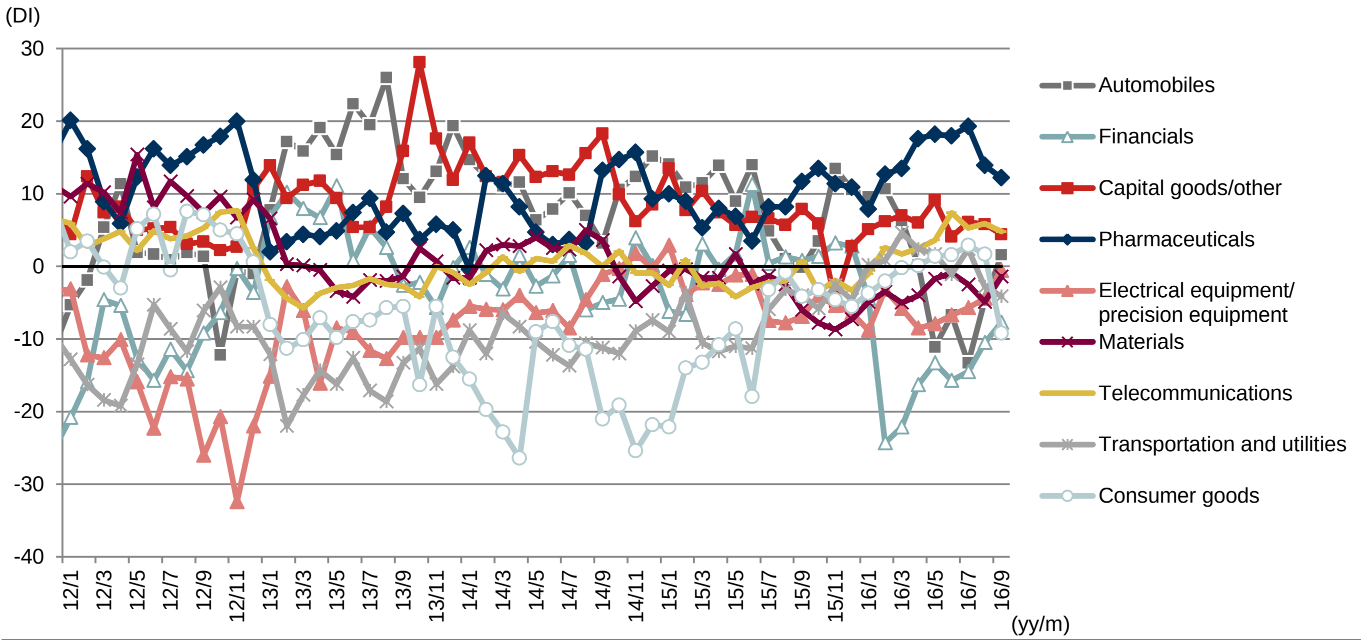
We then calculated a diffusion index (DI) for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the automobiles sector rose 6.3pt m-m to 1.6, taking it into positive territory for the first time in five months. The DI for Electrical equipment/precision equipment also rose 3.8pt to -0.6. However, the DI for consumer goods fell 10.9pt to -9.2, taking it into negative territory for the first time in six months (Figures 4 & 5).

Fig. 4: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Pharmaceuticals	12.2	17.0	4.8	13.9
Telecommunications	4.8	8.6	3.8	5.9
Capital goods/other	4.4	9.9	5.5	5.8
Automobiles	1.6	12.6	11.0	-4.7
Electrical equipment/precision equipment	-0.6	9.8	10.4	-4.4
Materials	-1.4	12.4	13.8	-4.9
Transportation and utilities	-4.1	6.7	10.8	-2.8
Financials	-7.7	11.7	19.4	-10.5
Consumer goods	-9.2	11.3	20.5	1.7

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 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)

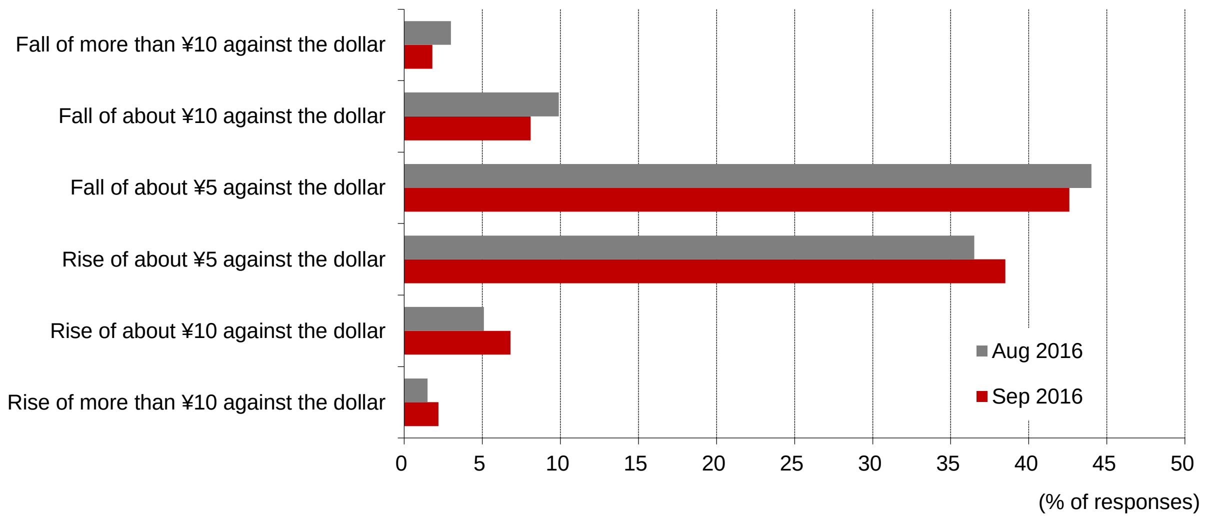
Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	102	9437	NTT Docomo	10
9984	Softbank Group	26	5401	Nippon Steel & Sumitomo Metal	9
4502	Takeda Pharmaceutical	24	7751	Canon	9
8411	Mizuho Financial Group	20	8058	Mitsubishi Corp	9
8267	Aeon	18	6981	Murata Manufacturing	8
7201	Nissan Motor	16	2327	NS Solutions	7
6758	Sony	15	4661	Oriental Land	7
6752	Panasonic	13	6501	Hitachi	7
2811	Kagome	12	6701	NEC	7
8306	Mitsubishi UFJ Financial Group	12	9861	Yoshinoya Holdings	7
9202	ANA Holdings	12	4901	Fujifilm Holdings	6
2702	McDonald's Holdings (Japan)	11	6594	Nidec	6
4503	Astellas Pharma	11	7974	Nintendo	6
3402	Toray Industries	10	9020	East Japan Railway	6
3938	LINE	10	9432	Nippon Telegraph and Telephone	6
6502	Toshiba	10			

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 47.5%, up 4.4ppt from the previous month. The response rate for "rise of about ¥5 against the dollar" rose 2.0ppt to 38.5%, the response rate for "rise of about ¥10 against the dollar" rose 1.7ppt, and the response rate for "rise of more than ¥10 against the dollar" rose 0.7ppt. The percentage of respondents expecting the yen to weaken against the dollar, for all ranges of change, was 52.5%, down 4.4ppt from 56.9% in August. The response rate for "fall of about ¥5 against the dollar" dropped 1.4ppt to 42.6%, while the response rate for "fall of about ¥10 against the dollar" fell 1.8ppt and that for "fall of more than ¥10 against the dollar" declined 1.2ppt (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 5 September 2016 indicative rate of 103.71. 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 pound sterling continues to improve

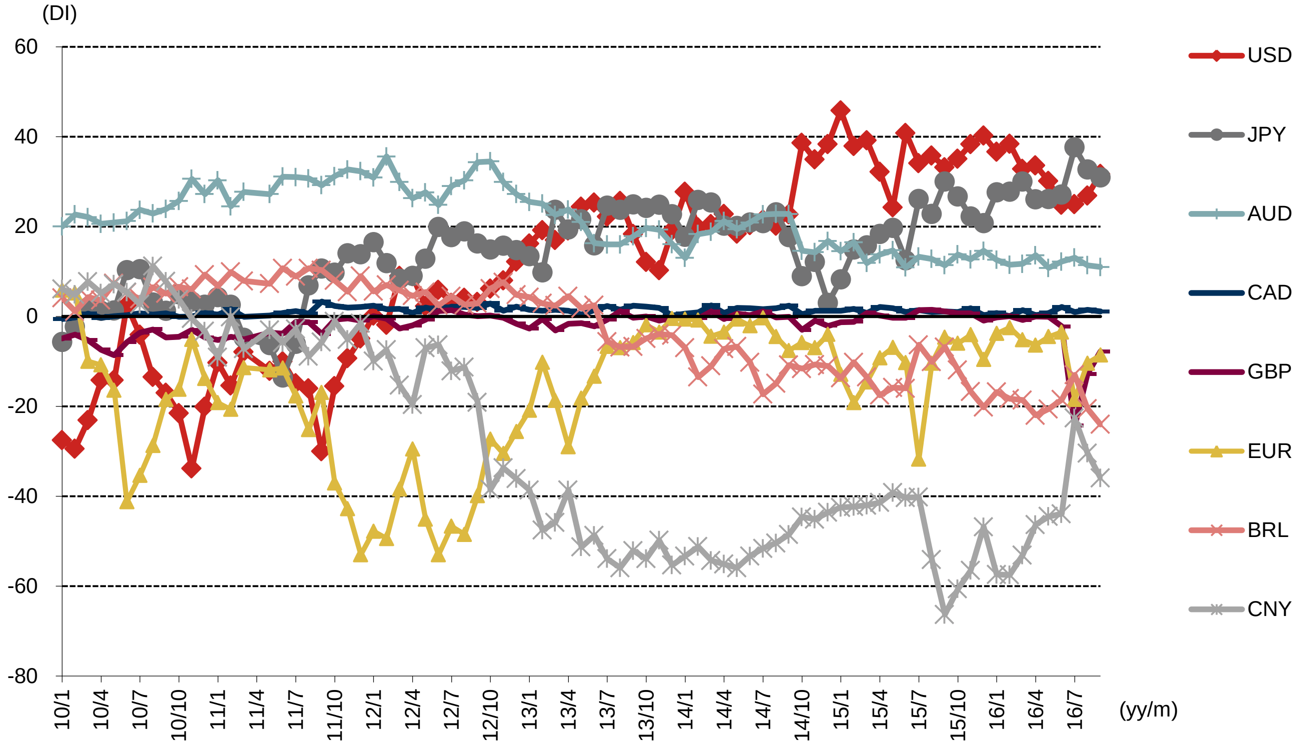
On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." This month the DI for the pound sterling rose 5.0pt to -7.8 and that for the euro improved 1.8pt to -8.6, with both currencies registering a second consecutive month of improvement. In contrast, the DI for the Chinese yuan fell 5.5pt m-m and for the Brazilian real fell 3.5pt (Figures 8 & 9).

Fig. 8: Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
US dollar	31.7	38.4	6.7	26.9
Japanese yen	30.9	37.5	6.6	32.7
Australian dollar	11.0	12.7	1.7	11.4
Canadian dollar	1.1	1.9	0.8	1.5
Pound sterling	-7.8	2.4	10.2	-12.8
Euro	-8.6	2.8	11.4	-10.4
Brazilian real	-24.0	1.5	25.5	-20.5
Chinese yuan	-35.9	1.1	37.0	-30.4

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 equities and cash & deposits among financial instruments rises

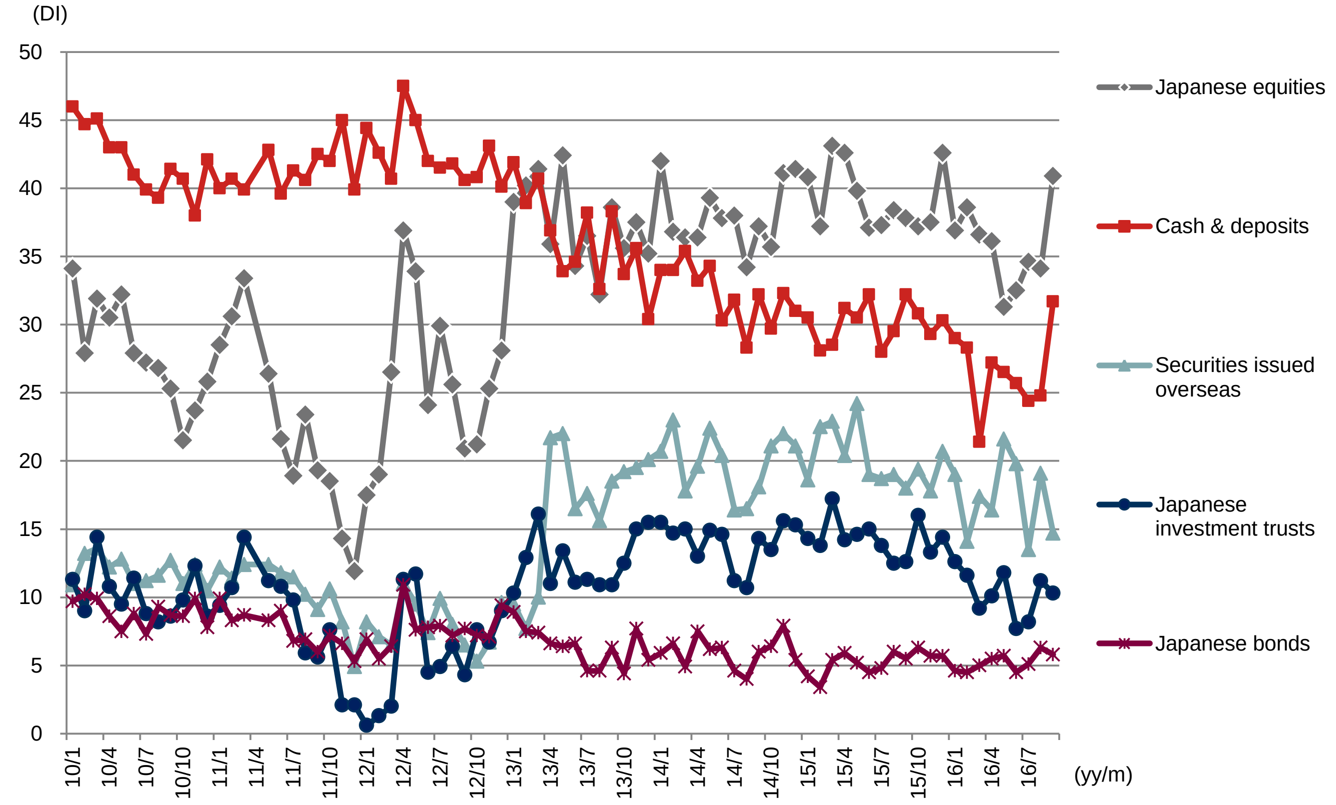
To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for Japanese equities rose 6.8pt m-m to 40.9, while that for cash & deposits increased 6.9pt to 31.7 (Figures 10 & 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	40.9	52.0	11.1	34.1
Cash & deposits	31.7	37.2	5.5	24.8
Japanese investment trusts	10.3	17.0	6.7	11.2
Gold	9.9	10.1	0.2	9.0
Foreign equities	8.3	9.7	1.4	11.0
Japanese bonds	5.8	7.1	1.3	6.3
Foreign investment trusts	4.0	5.9	1.9	4.9
Foreign bonds	2.4	4.2	1.8	3.2
Hybrid securities	2.0	2.1	0.1	2.2
Other	0.5	0.7	0.2	0.4
None	-47.5	28.9	76.4	-41.0

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 to 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 lower one year out

When asked for their outlook for prices of regularly purchased goods and services one year out, 24.4% of respondents selected one of the "fall" responses, up 2.3ppt from the previous month. The percentage of those selecting "no change" fell 2.1ppt to 45.5%, while the figure for those selecting one of the "rise" responses fell 0.2ppt m-m to 30.1% (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	3.2
2	Fall of 2% up to 5%	6.0	5.6
3	Fall of less than 2%	15.2	13.3
4	No change (0%)	45.5	47.6
5	Rise of less than 2%	22.3	23.5
6	Rise of 2% up to 5%	6.4	6.1
7	Rise of 5% or more	1.4	0.7
	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) Awareness of new Japanese equity indices and impact on investment

For this month's spot question, we asked investors about awareness of new Japanese equity indices and the impact on investment. More than three quarters of respondents (765 out of 1,000) said that they had not heard of any of the five new Japanese equity indices created over the past year. When asked whether they were using any of the new Japanese equity indices for reference purposes in investment decisions, or intended to do so in the future, 96 respondents named the Japan High Dividend Index, 81, the Japan Minimum Volatility Index, 47 the Capex & Human Capital Index/Japan Human & Physical Investment Index/Enterprise Value Allocation Index/Japan Proactive Leaders 200 Index, 42 the Japan Quality 150 Index, and 41 the Japan IMI Custom High Liquidity, High Yield, Low Volatility Index. 292 respondents said that they did not intend to use any of them, and 478 respondents said that they did not know (Figure 13).

Fig. 13: Awareness of new Japanese equity indices (1,000 respondents)

	Choices	No. of respondents
1	Japan Minimum Volatility Index	108
2	Japan High Dividend Index	113
3	Japan IMI Custom High Liquidity, High Yield, Low Volatility Index	34
4	Japan Quality 150 Index	45
5	Capex & Human Capital Index/Japan Human & Physical Investment Index/Enterprise Value Allocation Index/Japan Proactive Leaders 200 Index	45
6	Not heard of any	765
	Total no of responses	1,110

Note: The question was as follows: several Japanese equity ETFs based on new equity indices have been launched over the past year. Which of them have you heard of? (multiple choice)

Fig. 14: Impact of new equity indices on investment decisions (1,000 respondents)

	Choices	No. of respondents
1	Japan Minimum Volatility Index	81
2	Japan High Dividend Index	96
3	Japan IMI Custom High Liquidity, High Yield, Low Volatility Index	41
4	Japan Quality 150 Index	42
5	Capex & Human Capital Index/Japan Human & Physical Investment Index/Enterprise Value Allocation Index/Japan Proactive Leaders 200 Index	47
6	Do not intend to use any	292
7	Do not know	478
	Total no of responses	1,077

Note: The question was as follows: which of the new Japanese equity indices are you either using now for reference purposes in investment decisions, or intend to do so in future? (multiple choice)

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 5 September, with deadline for responses on 6 September.

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 (September 2016) respondents

Gender: Male (83.9%), female (16.1%)

Age: Under 30 (1.0%), 30–39 (10.8%), 40–49 (28.0%), 50–59 (28.9%), 60 and above (31.3%)

Occupation: Self-employed/fisheries, agriculture, forestry (6.8%), professional (physician/medical professional, lawyer, etc) (3.0%), company management/corporate officer (3.4%), company employee/public servant (50.2%), student (0.0%), full-time homemaker (7.1%), part-time worker/casual worker/job-hopper (5.8%), unemployed/pensioner (21.0%), other (2.7%)

Region: Kanto (47.3%), Kinki (20.2%), Tokai/Koshinetsu/Hokuriku (15.8%), Hokkaido/Tohoku (5.0%), Chugoku/Shikoku/Kyushu 11.7%)

Financial assets held: Less than ¥1,000,000 (6.1%), ¥1,000,000–¥2,999,999 (10.9%), ¥3,000,000–¥4,999,999 (10.9%), ¥5,000,000–¥9,999,999 (18.7%), ¥10,000,000–¥29,999,999 (27.5%), ¥30,000,000–¥49,999,999 (13.2%), ¥50,000,000 or more (12.7%)

Value of domestic stocks held: Less than ¥500,000 (12.3%), ¥500,000–¥999,999 (13.4%), ¥1,000,000–¥2,999,999 (23.8%), ¥3,000,000–¥4,999,999 (13.2%), ¥5,000,000–¥9,999,999 (17.0%), ¥10,000,000–¥29,999,999 (14.9%), ¥30,000,000 or more (5.4%)

Investment experience: Less than three years (7.1%), three years to less than five years (9.6%), five years to less than 10 years (22.6%), 10 years to less than 20 years (32.4%), 20 years or more (28.3%)

Investment plan for domestic stocks: Mainly for long-term holding (45.7%), pursuit of gains from short-term appreciation (12.3%), pursuit of dividends and shareholder perks (26.7%), no particular plan (15.3%)

Notice

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

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

Important Disclosures

The lists of issuers that are affiliates or subsidiaries of Nomura Holdings Inc., the parent company of Nomura Securities Co., Ltd., issuers that have officers who concurrently serve as officers of Nomura Securities Co., Ltd., issuers in which the Nomura Group holds 1% or more of any class of common equity securities and issuers for which Nomura Securities Co., Ltd. has lead managed a public offering of equity or equity linked securities in the past 12 months are available at http://www.nomuraholdings.com/report/. Please contact the Research Product Management Dept. of Nomura Securities Co., Ltd. for additional information.

Online availability of research and conflict-of-interest disclosures

Nomura research is available on www.nomuranow.com/research, Bloomberg, Capital IQ, Factset, MarkitHub, Reuters and ThomsonOne. Important disclosures may be read at http://go.nomuranow.com/research/globalresearchportal/pages/disclosures/disclosures.aspx or requested from Nomura Securities International, Inc., on 1-877-865-5752. If you have any difficulties with the website, please email grpsupport@nomura.com for help.

The analysts responsible for preparing this report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by Investment Banking activities. Unless otherwise noted, the non-US analysts listed at the front of this report are not registered/qualified as research analysts under FINRA rules, may not be associated persons of NSI, and may not be subject to FINRA Rule 2241 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

Nomura Global Financial Products Inc. ("NGFP") Nomura Derivative Products Inc. ("NDPI") and Nomura International plc. ("NIplc") are registered with the Commodities Futures Trading Commission and the National Futures Association (NFA) as swap dealers. NGFP, NDPI, and NIplc are generally engaged in the trading of swaps and other derivative products, any of which may be the subject of this report.

Any authors named in this report are research analysts unless otherwise indicated. *Industry Specialists* identified in some Nomura International plc research reports are employees within the Firm who are responsible for the sales and trading effort in the sector for which they have coverage. Industry Specialists do not contribute in any manner to the content of research reports in which their names appear.

Distribution of ratings (Global)

The distribution of all ratings published by Nomura Global Equity Research is as follows:
51% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; 37% of companies with this rating are investment banking clients of the Nomura Group*.
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*.
6% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 10% of companies with this rating are investment banking clients of the Nomura Group*.
As at 30 June 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 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, indicates the analyst's forecast for the share price with a 12-month time horizon, reflecting in part the analyst's estimates for the company's earnings. The achievement of any target price may be impeded by general market and macroeconomic trends, and by other risks related to the company or the market, and may not occur if the company's earnings differ from estimates.

Disclaimers

contained in one type of research product may differ from recommendations contained in other types of research product, whether as a result of differing time horizons, methodologies or otherwise. Nomura Group publishes research product in a number of different ways including the posting of product on Nomura Group portals and/or distribution directly to clients. Different groups of clients may receive different products and services from the research department depending on their individual requirements.
Figures presented herein may refer to past performance or simulations based on past performance which are not reliable indicators of future performance. Where the information contains an indication of future performance, such forecasts may not be a reliable indicator of future performance. Moreover, simulations are based on models and simplifying assumptions which may oversimplify and not reflect the future distribution of returns.
Certain securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment.
With respect to Fixed Income Research: Recommendations fall into two categories: tactical, which typically last up to three months; or strategic, which typically last from 6-12 months. However, trade recommendations may be reviewed at any time as circumstances change. 'Stop loss' levels for trades are also provided; which, if hit, closes the trade recommendation automatically. Prices and yields shown in recommendations are taken at the time of submission for publication and are based on either indicative Bloomberg, Reuters or Nomura prices and yields at that time. The prices and yields shown are not necessarily those at which the trade recommendation can be implemented.
The securities described herein may not have been registered under the US Securities Act of 1933 (the '1933 Act'), and, in such case, may not be offered or sold in the US or to US persons unless they have been registered under the 1933 Act, or except in compliance with an exemption from the registration requirements of the 1933 Act. Unless governing law permits otherwise, any transaction should be executed via a Nomura entity in your home jurisdiction.
This document has been approved for distribution in the UK and European Economic Area as investment research by NIplc. NIplc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. NIplc is a member of the London Stock Exchange. This document does not constitute a personal recommendation within the meaning of applicable regulations in the UK, or take into account the particular investment objectives, financial situations, or needs of individual investors. This document is intended only for investors who are 'eligible counterparties' or 'professional clients' for the purposes of applicable regulations in the UK, and may not, therefore, be redistributed to persons who are 'retail clients' for such purposes. This document has been approved by NIHK, which is regulated by the Hong Kong Securities and Futures Commission, for distribution in Hong Kong by NIHK. This document has been approved for distribution in Australia by NAL, which is authorized and regulated in Australia by the ASIC. This document has also been approved for distribution in Malaysia by NSM. In Singapore, this document has been distributed by NSL. NSL accepts legal responsibility for the content of this document, where it concerns securities, futures and foreign exchange, issued by their foreign affiliates in respect of recipients who are not accredited, expert or institutional investors as defined by the Securities and Futures Act (Chapter 289). Recipients of this document in Singapore should contact NSL in respect of matters arising from, or in connection with, this document. Unless prohibited by the provisions of Regulation S of the 1933 Act, this material is distributed in the US, by NSI, a US-registered broker-dealer, which accepts responsibility for its contents in accordance with the provisions of Rule 15a-6, under the US Securities Exchange Act of 1934. The entity that prepared this document permits its separately operated affiliates within the Nomura Group to make copies of such documents available to their clients.
This document has not been approved for distribution to persons other than 'Authorised Persons', 'Exempt Persons' or 'Institutions' (as defined by the Capital Markets Authority) in the Kingdom of Saudi Arabia ('Saudi Arabia') or 'professional clients' (as defined by the Dubai Financial Services Authority) in the United Arab Emirates ('UAE') or a 'Market Counterparty' or 'Business Customers' (as defined by the Qatar Financial Centre Regulatory Authority) in the State of Qatar ('Qatar') by Nomura Saudi Arabia, NIplc or any other member of Nomura Group, as the case may be. Neither this document nor any copy thereof may be taken or transmitted or distributed, directly or indirectly, by any person other than those authorised to do so into Saudi Arabia or in the UAE or in Qatar or to any person other than 'Authorised Persons', 'Exempt Persons' or 'Institutions' located in Saudi Arabia or 'professional clients' in the UAE or a 'Market Counterparty' or 'Business Customers' in Qatar . By accepting to receive this document, you represent that you are not located in Saudi Arabia or that you are an 'Authorised Person', an 'Exempt Person' or an 'Institution' in Saudi Arabia or that you are a 'professional client' in the UAE or a 'Market Counterparty' or 'Business Customers' in Qatar and agree to comply with these restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the UAE or Saudi Arabia or Qatar.
NO PART OF THIS MATERIAL MAY BE (I) COPIED, PHOTOCOPIED, OR DUPLICATED IN ANY FORM, BY ANY MEANS; OR (II) REDISTRIBUTED WITHOUT THE PRIOR WRITTEN CONSENT OF A MEMBER OF NOMURA GROUP. If this document has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this document, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

Disclaimers required in Japan

Credit ratings in the text that are marked with an asterisk (*) are issued by a rating agency not registered under Japan's Financial Instruments and Exchange Act ("Unregistered Ratings"). For details on Unregistered Ratings, please contact the Research Product Management Dept. of Nomura Securities Co., Ltd.
Investors in the financial products offered by Nomura Securities may incur fees and commissions specific to those products (for example, transactions involving Japanese equities are subject to a sales commission of up to 1.404% on a tax-inclusive basis of the transaction amount or a commission of ¥2,808 for transactions of ¥200,000 or less, while transactions involving investment trusts are subject to various fees, such as commissions at the time of purchase and asset management fees (trust fees), specific to each investment trust). In addition, all products carry the risk of losses owing to price fluctuations or other factors. Fees and risks vary by product. Please thoroughly read the written materials provided, such as documents delivered before making a contract, listed securities documents, or prospectuses.

Transactions involving Japanese equities (including Japanese REITs, Japanese ETFs, and Japanese ETNs) are subject to a sales commission of up to 1.404% of the transaction amount (or a commission of ¥2,808 for transactions of ¥200,000 or less). When Japanese equities 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. Japanese equities carry the risk of losses owing to price fluctuations. Japanese REITs carry the risk of losses owing to fluctuations in price and/or earnings of underlying real estate. Japanese ETFs carry the risk of losses owing to fluctuations in the underlying indexes or other benchmarks.
Transactions involving foreign equities are subject to a domestic sales commission of up to 1.026% of the transaction amount (which equals the local transaction amount plus local fees and taxes in the case of a purchase or the local transaction amount minus local fees and taxes in the case of a sale) (for transaction amounts of ¥750,000 and below, maximum domestic sales commission is ¥7,668). Local fees and taxes in foreign financial instruments markets vary by country/territory. When foreign equities 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. Foreign equities carry the risk of losses owing to factors such as price fluctuations and foreign exchange rate fluctuations.

Margin transactions are subject to a sales commission of up to 1.404% of the transaction amount (or a commission of ¥2,808 for transactions of ¥200,000 or less), as well as management fees and rights handling fees. In addition, long margin transactions are subject to interest on the purchase amount, while short margin transactions are subject to fees for the lending of the shares borrowed. A margin equal to at least 30% of the transaction amount and at least ¥300,000 is required. With margin transactions, an amount up to roughly 3.3x the margin may be traded. Margin transactions therefore carry the risk of losses in excess of the margin owing to share price fluctuations. For details, please thoroughly read the written materials provided, such as listed securities documents or documents delivered before making a contract.
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.
No account fee will be charged for marketable securities or monies deposited. Transfers of equities to another securities company via the Japan Securities Depository Center are subject to a transfer fee of up to ¥10,800 per issue transferred depending on volume.

Nomura Securities Co., Ltd.

Financial instruments firm registered with the Kanto Local Finance Bureau (registration No. 142)
Member associations: Japan Securities Dealers Association; Japan Investment Advisers Association; The Financial Futures Association of Japan; and Type II Financial Instruments Firms Association.
Nomura Group manages conflicts with respect to the production of research through its compliance policies and procedures (including, but not limited to, Conflicts of Interest, Chinese Wall and Confidentiality policies) as well as through the maintenance of Chinese walls and employee training.
Additional information regarding the methodologies or models used in the production of any investment recommendations contained within this document is available upon request by contacting the Research Analysts listed on the front page. Disclosures information is available upon request and disclosure information is available at the Nomura Disclosure web page:
http://go.nomuranow.com/research/globalresearchportal/pages/disclosures/disclosures.aspx