News Release

NOMURA

Nomura Individual Investor Survey

May 2017

25 May 2017

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 to 37.8 after falling previous month

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 37.8 in May 2017, rising m-m after having fallen the previous month. The Nikkei 225 reference level (15 May 2017 close) was 19,869.85, up 1,071.97 from the previous survey (10 April 2017 close of 18,797.88).

(2) Investor focus ranking of "forex trends" rises, that of "international affairs" falls

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 3.9ppt m-m to 21.7%. The response rate for "international affairs" fell 3.6ppt m-m to 61.7%.

(3) Appeal of electrical equipment/precision equipment sector rises, that of materials sector falls

On the outlook for sectors over the next three months or so, we calculate a diffusion index (DI) by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the electrical equipment/precision equipment sector rose 4.0pt m-m to -1.6, rising for the first time in five months, while the DI for the materials sector declined 3.7pt m-m to 1.6, falling for the first time in four months.

(4) Slight rise in number of investors expecting yen appreciation 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 62.0%, up 0.2ppt from the previous month. The response rate for "rise of about ¥5 against the dollar" fell 1.2ppt m-m to 43.5%. In contrast, the response rate for "rise of about ¥10 against the dollar" rose 0.7ppt m-m to 14.7%. The response rate for "rise of more than ¥10 against the dollar" rose 0.7ppt m-m to 3.8%.

The response rate for "fall of about ¥5 against the dollar" rose 0.3ppt m-m to 32.9%, while that for "fall of about ¥10 against the dollar" fell 0.9ppt to 3.8%. The response rate for "fall of more than ¥10 against the dollar" rose 0.4ppt m-m to 1.3%.

(5) Investment appeal DI of US dollar rises, that of yen 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 rose by 5.5pt m-m to 32.9. The DI for the yuan rose 4.8pt m-m to -40.2, narrowing its negative margin, while that for the yen fell 5.3pt m-m to 25.6.

(6) Among financial instruments, appeal of securities issued overseas 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 securities issued overseas (the total for foreign equities, foreign investment trusts, and foreign bonds) rose 3.8pt m-m to 18.9. The DI for cash & deposits fell 2.4pt m-m, to 28.8.

(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, the percentage of respondents selecting one of the "rise" responses decreased 0.5ppt to 39.5%, while the percentage selecting one of the "fall" responses rose 0.4ppt m-m to 15.1%. The proportion of respondents selecting the "no change" response rose 0.1ppt m-m to 45.4%.

(8) Intentions regarding exercising voting rights at general shareholders' meetings

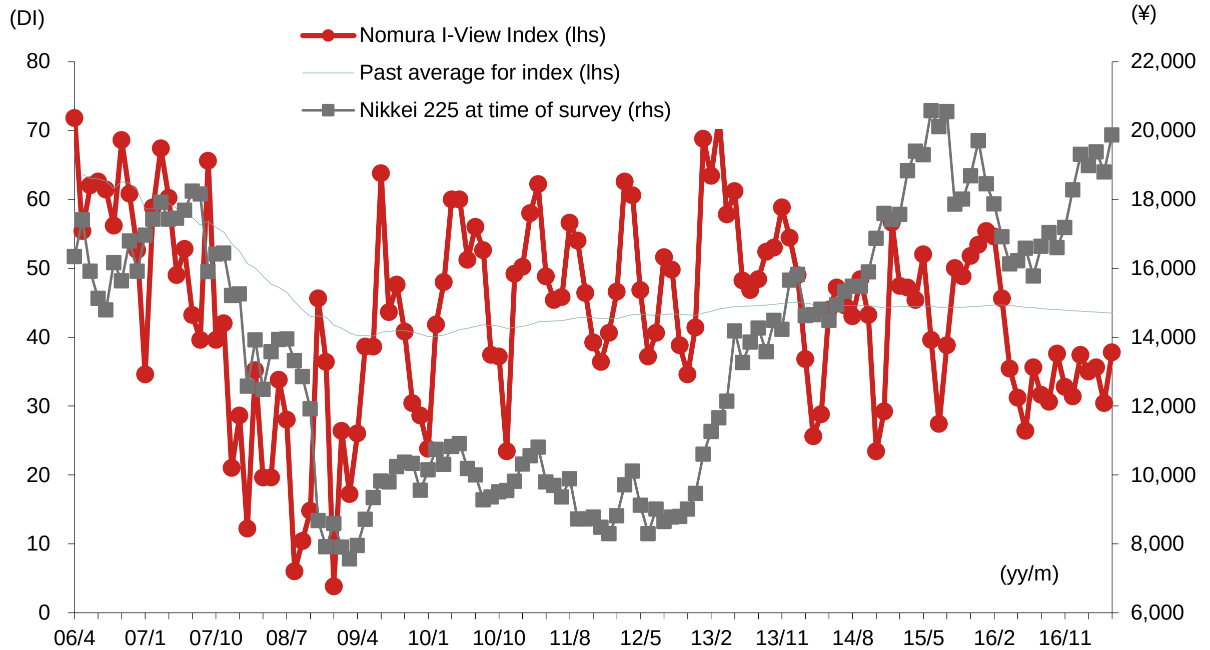
For this month's spot question, we asked investors about their views on exercising their voting rights at upcoming general shareholders' meetings. A slightly lower proportion of respondents selected "I plan to exercise my voting rights for all the companies in which I hold shares" (28.5%) than "I plan not to exercise my voting rights for any of the companies in which I hold shares" (29.3%). Of the respondents saying they planned to exercise their voting rights, 37.8% said they intended to vote in favor of all resolutions, up from 33.7% in the May 2016 survey. Of resolutions respondents said they might oppose (multiple responses allowed), response rates were highest for director compensation (29.3%), retirement bonuses for directors (27.3%), and dividends (use of surplus funds) (20.9%).

2. Survey results

(1) Nomura I-View Index rises to 37.8 after falling previous month

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 37.8 in May 2017, rising m-m after having fallen the previous month. The Nikkei 225 reference level (15 May 2017 close) was 19,869.85, up 1,071.97 from the previous survey (10 April 2017 close of 18,797.88) (Figure 1).

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

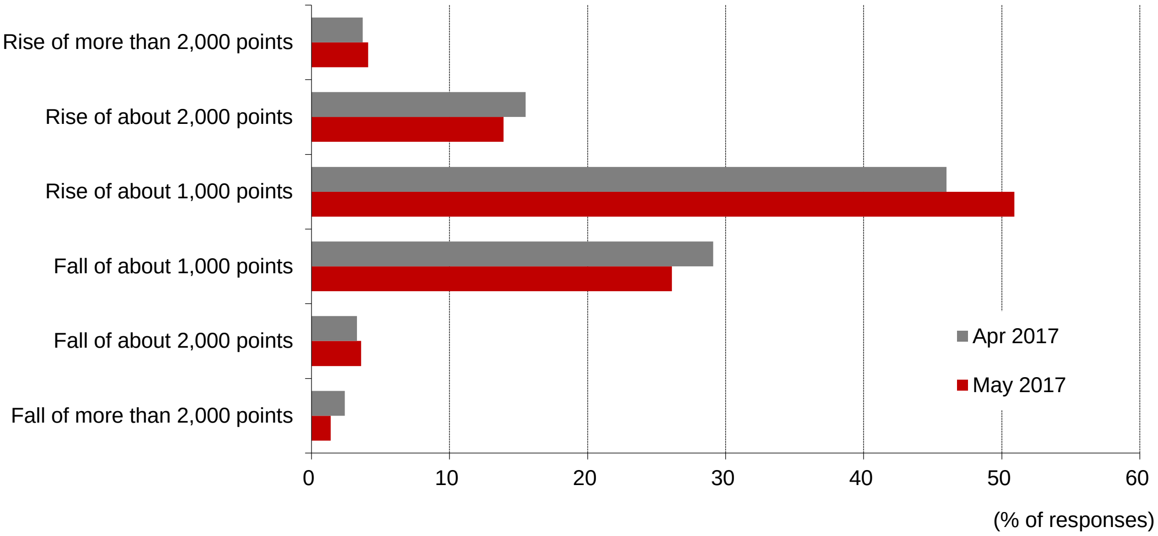


Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a diffusion index (DI). The calculation method is as follows: ([(number of responses indicating expected rise in share prices in the next three months) minus (number of responses indicating expected fall in share 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 proportion of respondents expecting the Nikkei 225 to rise over the next three months was 68.9%, up 3.7ppt from 65.2% the previous month. The proportion of respondents expecting a "rise of about 1,000 points" was up 4.9ppt m-m at 50.9%, while the proportion expecting a "rise of more than 2,000 points" was down 1.6ppt at 13.9%. The proportion responding "rise of more than 2,000 points" increased 0.4ppt to 4.1%.

The proportion selecting "fall of about 1,000 points" declined 3.0ppt to 26.1%. The proportion expecting a "fall of about 2,000 points" rose 0.3ppt to 3.6%, and the proportion expecting a "fall of more than 2,000 points" declined 1.0ppt to 1.4% (Figure 2).

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

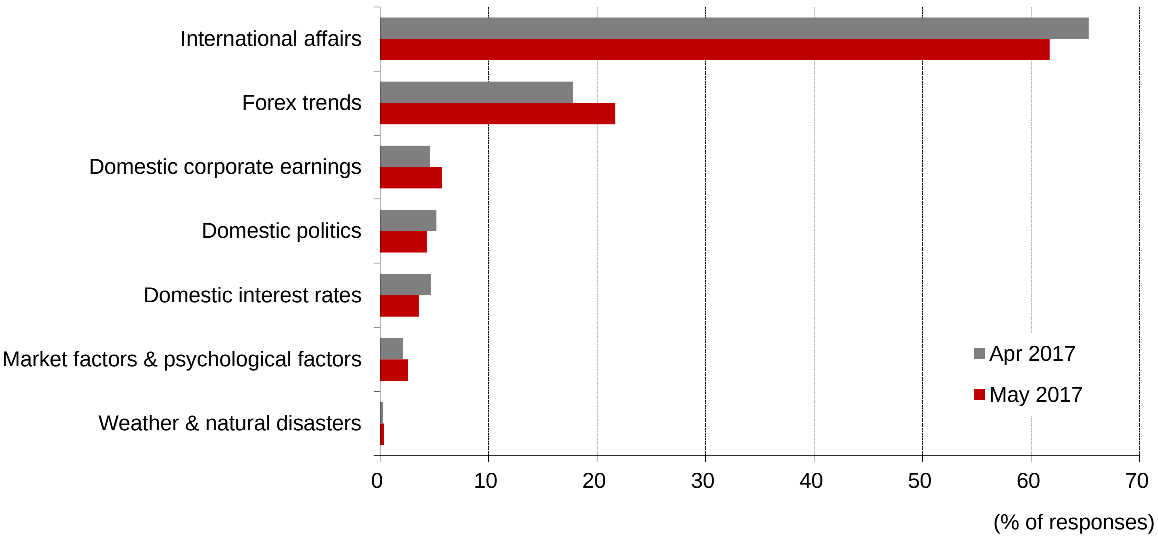


Note: Respondents were asked to share their outlook for the Nikkei 225 over the next three months based on the 10 April 2017 close of 18,797. Respondents could choose one answer from six possible responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points, with 1,000-point increments in between.

(2) Investor focus ranking of "forex trends" rises, that of "international affairs" falls

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 3.9ppt m-m to 21.7%.The response rate for "international affairs" fell 3.6ppt m-m to 61.7% (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 electrical equipment/precision equipment sector rises, that of materials sector falls

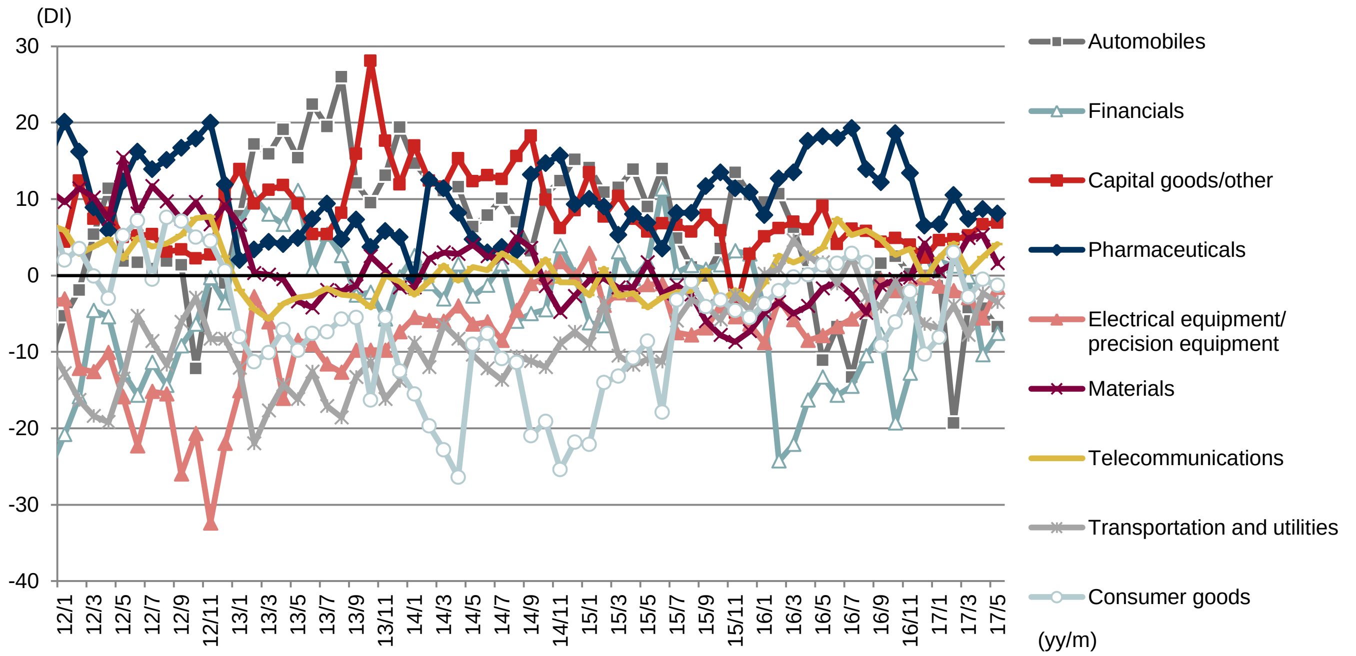
On the outlook for sectors over the next three months or so, we calculate a diffusion index (DI) by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the electrical equipment/precision equipment sector rose 4.0pt m-m to -1.6, rising for the first time in five months, while the DI for the materials sector declined 3.7pt m-m to 1.6, falling for the first time in four months. (Figures 4 and 5).

Fig. 4: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Pharmaceuticals	8.1	13.6	5.5	8.7
Capital goods/other	6.9	13.2	6.3	6.7
Telecommunications	4.1	8.9	4.8	2.4
Materials	1.6	12.9	11.3	5.3
Consumer goods	-1.3	14.1	15.4	-0.5
Electrical equipment/precision equipment	-1.6	10.1	11.7	-5.6
Transportation and utilities	-3.5	7.7	11.2	-2.3
Automobiles	-6.7	10.2	16.9	-4.3
Financials	-7.6	9.3	16.9	-10.4

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 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: DIs for investment appeal of 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 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	88	9432	Nippon Telegraph and Telephone	11
9984	Softbank Group	47	2811	Kagome	10
6758	Sony	20	2702	McDonald's Holdings (Japan)	9
4502	Takeda Pharmaceutical	19	4568	Daiichi Sankyo	9
8411	Mizuho Financial Group	18	6594	Nidec	9
8058	Mitsubishi Corp	17	9861	Yoshinoya Holdings	8
4661	Oriental Land	16	2914	Japan Tobacco	7
8267	Aeon	16	3402	Toray Industries	7
6752	Panasonic	15	4503	Astellas Pharma	7
9437	NTT Docomo	14	4901	Fujifilm Holdings	7
6502	Toshiba	13	7011	Mitsubishi Heavy Industries	7
9202	ANA Holdings	13	7201	Nissan Motor	7
6501	Hitachi	11	7974	Nintendo	7
7751	Canon	11	8604	Nomura Holdings	7
8306	Mitsubishi UFJ Financial Group	11			

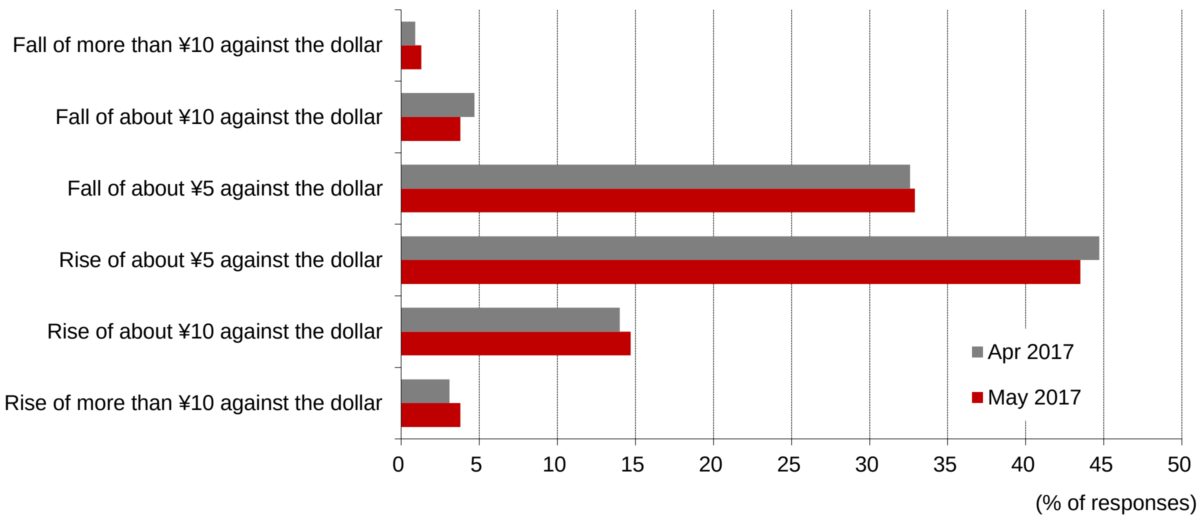
Note: Not included in valid responses were answers of “none” or clearly mistaken responses.

(5) Slight rise in number of investors expecting yen appreciation 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 62.0%, up 0.2ppt from the previous month. The response rate for "rise of about ¥5 against the dollar" fell 1.2ppt m-m to 43.5%. In contrast, the response rate for "rise of about ¥10 against the dollar" rose 0.7ppt m-m to 14.7%. The response rate for "rise of more than ¥10 against the dollar" rose 0.7ppt m-m to 3.8%.

The response rate for "fall of about ¥5 against the dollar" rose 0.3ppt m-m to 32.9%, while that for "fall of about ¥10 against the dollar" fell 0.9ppt to 3.8%. The response rate for "fall of more than ¥10 against the dollar" rose 0.4ppt m-m to 1.3% (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 10 May2017 indicative rate of 113.37. 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 DI of US dollar rises, that of yen falls

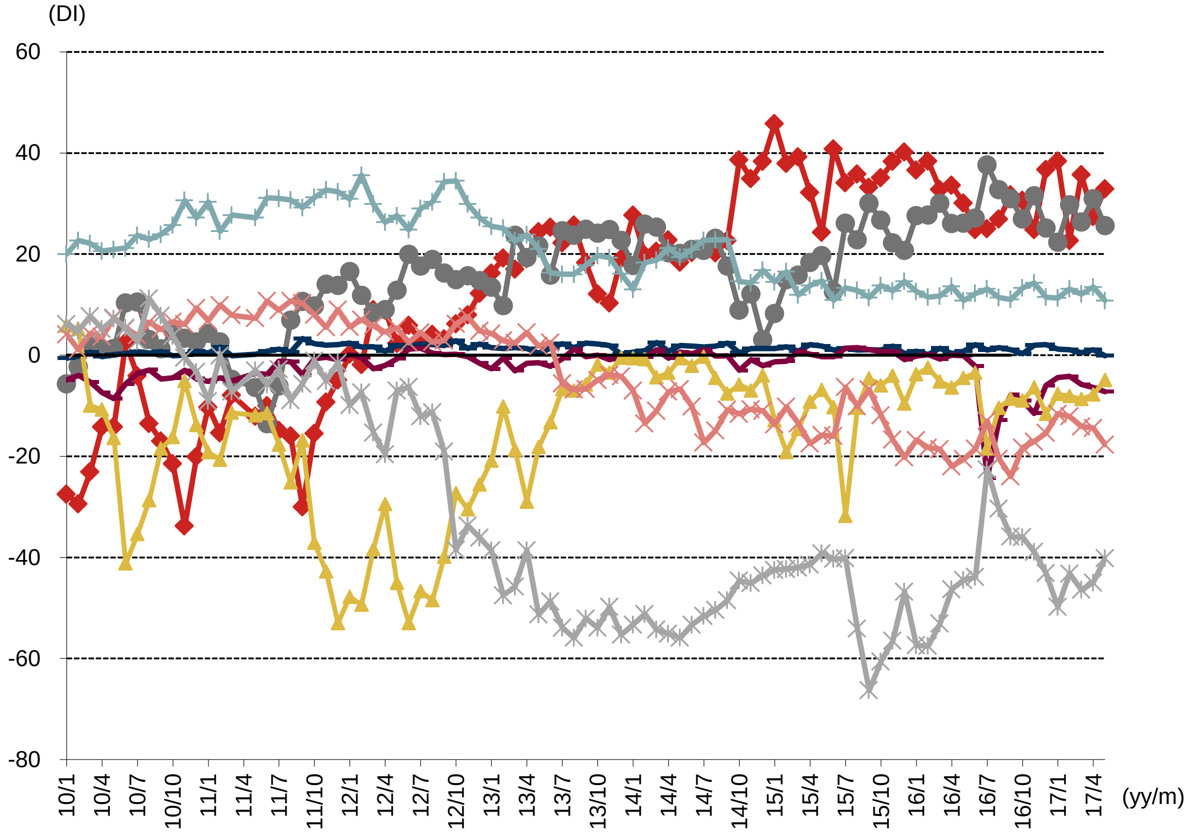
On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." This month, the DI for the US dollar rose by 5.5pt m-m to 32.9. The DI for the yuan rose 4.8pt m-m to -40.2, narrowing its negative margin, while that for the yen fell 5.3pt m-m to 25.6 (Figures 8 and 9).

Fig. 8: Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
US dollar	32.9	38.9	6.0	27.4
Japanese yen	25.6	34.0	8.4	30.9
Australian dollar	10.8	13.7	2.9	13.5
Canadian dollar	-0.1	1.6	1.7	1.1
Euro	-4.9	3.9	8.8	-7.8
Pound sterling	-7.2	2.7	9.9	-6.4
Brazilian real	-17.7	2.2	19.9	-14.4
Chinese yuan	-40.2	2.0	42.2	-45.0

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) Among financial instruments, appeal of securities issued overseas rises

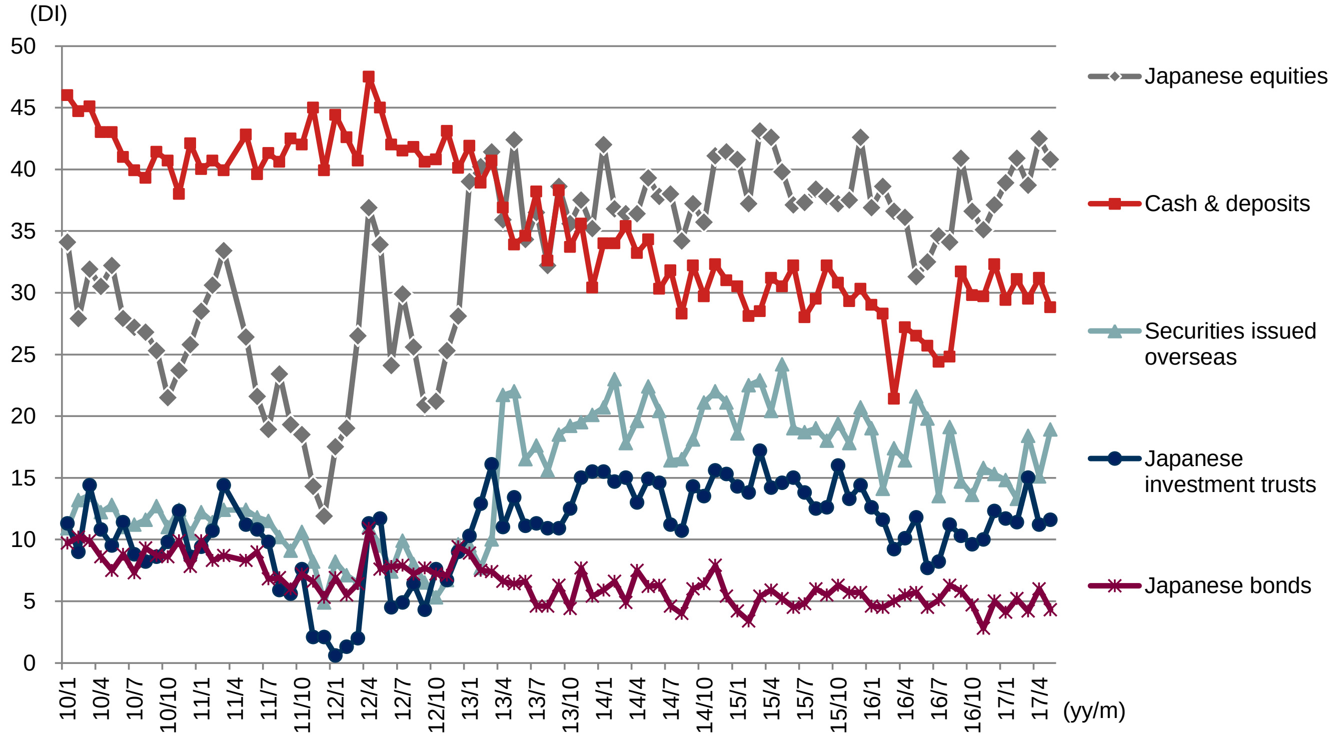
To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for securities issued overseas (the total for foreign equities, foreign investment trusts, and foreign bonds) rose 3.8pt m-m to 18.9. The DI for cash & deposits fell 2.4pt m-m to 28.8 (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	40.8	51.1	10.3	42.5
Cash & deposits	28.8	33.4	4.6	31.2
Japanese investment trusts	11.6	17.7	6.1	11.2
Foreign equities	9.2	10.3	1.1	8.8
Gold	9.0	9.4	0.4	7.1
Foreign investment trusts	5.8	7.1	1.3	4.3
Japanese bonds	4.3	5.9	1.6	6.0
Foreign bonds	3.9	5.0	1.1	2.0
Hybrid securities	1.6	2.0	0.4	1.4
Other	0.7	1.0	0.3	0.8
None	-45.9	31.9	77.8	-46.9

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, the percentage of respondents selecting one of the "rise" responses decreased 0.5ppt to 39.5%, while the percentage selecting one of the "fall" responses rose 0.4ppt m-m to 15.1%. The proportion of respondents selecting the "no change" response rose 0.1ppt m-m to 45.4% (Figure 12).

Fig. 12: Outlook for prices one year out

	Choices	% of responses	(Ref) Previous % of responses
1	Fall of 5% or more	1.3	2.5
2	Fall of 2% up to 5%	4.5	3.6
3	Fall of less than 2%	9.3	8.6
4	No change (0%)	45.4	45.3
5	Rise of less than 2%	30.7	29.4
6	Rise of 2% up to 5%	7.7	9.4
7	Rise of 5% or more	1.1	1.2
	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) Intentions regarding exercising voting rights at general shareholders' meetings

For this month's spot question, we asked investors about their views on exercising their voting rights at upcoming general shareholders' meetings. A total of 44.4% said they planned to exercise their voting rights (sum of responses 1 and 2 in Figure 13), more than the 29.3% who said they planned not to. The proportion saying they planned to exercise their voting rights (44.4%) was higher than the response rate of 42.1% for the same question in our May 2016 survey. The proportion saying they planned not to exercise their voting rights (29.3%) was up from 26.5% in the May 2016 survey. The proportion of "undecided" responses fell 5.1ppt (Figure 13).

Fig. 13: Intentions regarding exercising voting rights at general shareholders' meetings

	Choices	% of responses	(Ref) Prev (May 2016) % of responses
1	I plan to exercise my voting rights for all the companies in which I hold shares	28.5	26.0
2	I plan to exercise my voting rights for only some of the companies in which I hold shares	15.9	16.1
3	I plan not to exercise my voting rights for any of the companies in which I hold shares	29.3	26.5
4	Undecided	26.3	31.4
	Total	100.0	100.0

Note: Respondents were asked to select one of the four listed responses to the question of whether they intended to exercise their voting rights at upcoming general shareholders' meetings.

Of the respondents saying they planned to exercise their voting rights (those selecting response 1 or 2 in Figure 13; 444 this time, versus 421 in May 2016), 37.8% said they intended to vote in favor of all resolutions, up from last year's figure of 33.7%. Of resolutions respondents said they might oppose (multiple responses allowed), response rates were highest for director compensation (29.3%), retirement bonuses for directors (27.3%), and dividends (use of surplus funds) (20.9%). Compared with the May 2016 survey, the response rates for dividends (use of surplus funds) saw the largest decline, of 5.9ppt (Figure 14).

Fig. 14: Resolutions investors may vote against

	Choices	% of responses	(Ref) Prev (May 2016) % of responses
1	Plan to vote in favor of all resolutions (none opposed)	37.8	33.7
2	Dividends (use of surplus funds)	20.9	26.8
3	Director compensation	29.3	30.6
4	Retirement bonuses for directors	27.3	28.7
5	Stock options	11.7	13.1
6	Appointment of directors/auditors	13.1	10.0
7	Takeover defense measures	7.9	6.9
8	Change in the number of directors (increase, reduction, establishment of upper limit, etc)	8.8	8.6
9	Change in the maximum number of issuable shares	9.5	9.0
10	Share buybacks	4.5	3.6
11	Other	0.9	0.7

Note: Investors who chose response 1 or 2 to the question in Figure 13 (“I plan to exercise my voting rights for all the companies in which I hold shares” and “I plan to exercise my voting rights for only some of the companies in which I hold shares”) were asked to select all of the resolutions from among those given that they might vote against (multiple responses allowed).

Of respondents who said they did not plan to exercise their voting rights (those selecting response 3 in Figure 13; 293 this time, versus 265 in May 2016), the highest response rate for reasons they did not plan to do so (multiple responses allowed) was for "because the impact of my vote is small," at 57.7%. There were also high response rates for "because it is a hassle" (38.6%) and "I have no interest in exercising voting rights" (17.7%). The response rate for "I cannot attend the general meeting or I have no time to complete the paperwork or internet forms" saw the largest decline compared with the May 2016 survey (10.9%) of 3.1ppt. The response rate for "because it is a hassle" saw the largest rise of all the options, of 3.9ppt to 34.7% (Figure 15).

Fig. 15: Reasons for not planning to exercise voting rights

	Choices	% of responses	(Ref) Prev (May 2016) % of responses
1	Because the impact of my vote is small	57.7	54.0
2	Because it is a hassle	38.6	34.7
3	I have no interest in exercising voting rights	17.7	20.4
4	None of the resolutions requires me to express an opinion	11.9	12.8
5	I cannot attend the general meeting or I have no time to complete the paperwork or internet forms	7.8	10.9
6	My investment style is mainly short term or seeking capital gains, so I do not view exercising my voting rights as important	4.8	5.7
7	I have not have the time to study the resolutions	5.8	6.8
8	I do not understand the resolutions well	7.2	10.2
9	Other	0.3	0.0

Note: Investors who chose response 3 to the question in Figure 13 (“I plan not to exercise my voting rights for any of the companies in which I hold shares”) were asked to select all of the answers from among those given that described their reasons for not planning to exercise voting rights.

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 15 May, with deadline for responses on 16 May 2017.

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 (May 2017) respondents

Gender: Male (83.3%), female (16.7%)

Age: Under 30 (0.6%), 30–39 (8.3%), 40–49 (23.1%), 50–59 (27.8%), 60 and above (40.2%)

Occupation: Self-employed/fisheries, agriculture, forestry (6.1%), professional (physician/medical professional, lawyer, etc) (2.4%), company management/corporate officer (3.8%), company employee/public servant (46.6%), student (0.1%), full-time homemaker (8.5%), part-time worker/casual worker/job-hopper (6.5%), unemployed/pensioner (24.1%), other (1.9%)

Region: Kanto (49.7%), Kinki (19.6%), Tokai/Koshinetsu/Hokuriku (15.9%), Hokkaido/Tohoku (5.1%), Chugoku/Shikoku/Kyushu (9.7%)

Financial assets held: Less than ¥1,000,000 (5.4%), ¥1,000,000–¥2,999,999 (8.8%), ¥3,000,000–¥4,999,999 (10.4%), ¥5,000,000–¥9,999,999 (16.7%), ¥10,000,000–¥29,999,999 (31.6%), ¥30,000,000–¥49,999,999 (13.4%), ¥50,000,000 or more (13.7%)

Value of domestic stocks held: Less than ¥500,000 (9.6%), ¥500,000–¥999,999 (11.9%), ¥1,000,000–¥2,999,999 (22.2%), ¥3,000,000–¥4,999,999 (16.6%), ¥5,000,000–¥9,999,999 (16.6%), ¥10,000,000–¥29,999,999 (16.2%), ¥30,000,000 or more (6.9%)

Investment experience: Less than three years (2.9%), three years to less than five years (8.4%), five years to less than 10 years (22.7%), 10 years to less than 20 years (32.3%), 20 years or more (33.7%)

Investment plan for domestic stocks: Mainly for long-term holding (46.7%), pursuit of gains from short-term appreciation (12.0%), pursuit of dividends and shareholder perks (27.8%), no particular plan (13.5%)

Notice

The next Nomura Individual Investor Survey (June 2017) is scheduled for release on Thursday, 22 June 2017.

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

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As at 31 March 2017.
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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.

Target Price

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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.
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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.
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