News Release

Nomura Individual Investor Survey

June 2020

18 June 2020

Global Research Division

Nomura Securities Co., Ltd.

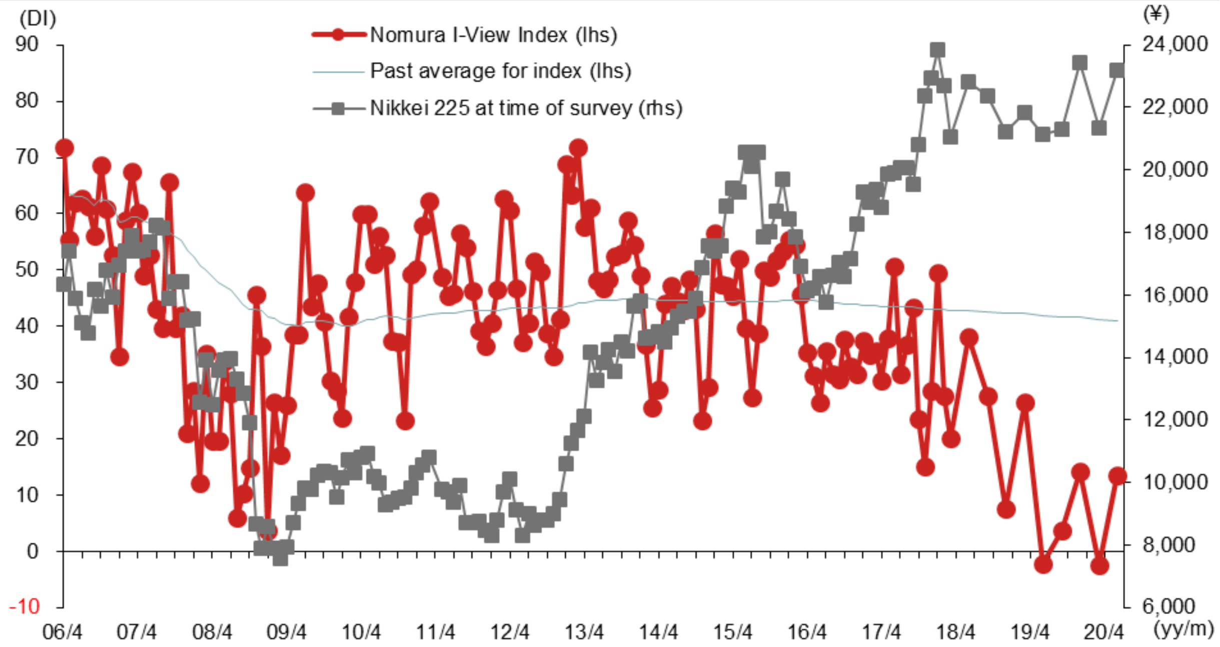
The Nomura Individual Investor Survey is a periodic survey conducted with the aim of better understanding investing activity by individuals and providing information on related trends.

1. Survey results

(1) Nomura I-View Index up from previous survey, to 13.4

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 13.4 in June 2020, up 15.8pt versus the previous survey in March 2020. The Nikkei 225 reference level (8 June 2020 close) was 23,178.10, up 1,834.02 versus the previous survey (2 March 2020 close of 21,344.08).

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

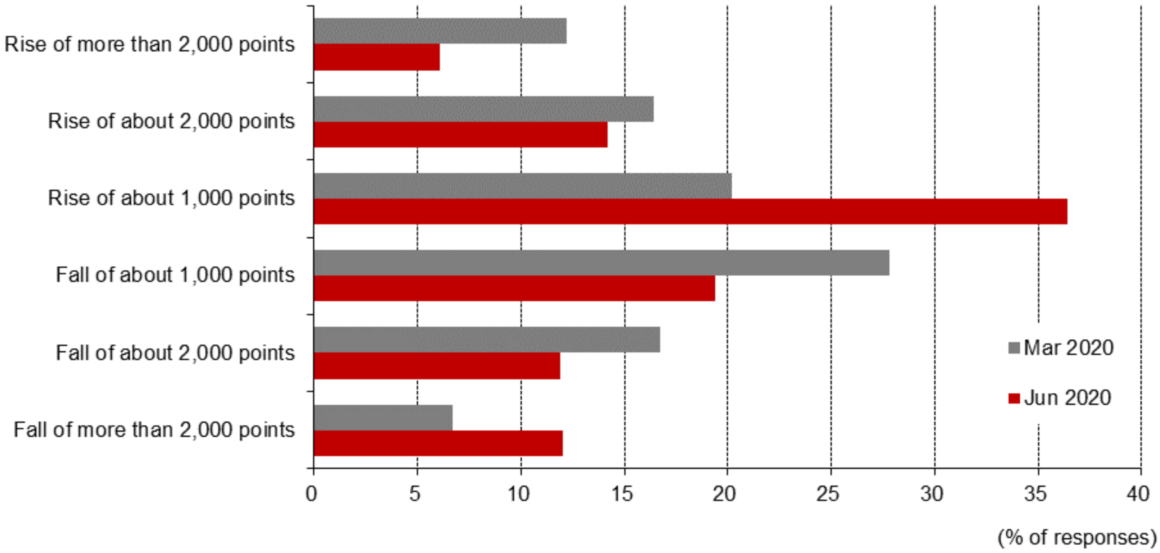


Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a diffusion index (DI). The calculation method is as follows: ([(number of responses indicating expected rise in share prices in the next three months) minus (number of responses indicating expected fall in share prices in the next three months)] divided by [number of respondents]) x 100. The figure for Jan 2010 used here excludes those respondents who projected that the Nikkei Average would be flat. (2) The Nomura I-View Index ranges from -100 to +100. The closer to +100, the more bullish the outlook held by individual investors. The closer to -100, the more bearish the outlook held by individual investors.

The combined percentage of respondents expecting the Nikkei 225 to rise over the next three months was 56.7%, up 7.9ppt from 48.8% in the previous survey. The percentage of respondents expecting a "rise of about 1,000 points" was up 16.2ppt versus the previous survey at 36.4%. The percentage of respondents expecting a "rise of about 2,000 points" was down 2.2ppt at 14.2%, while the percentage expecting a "rise of more than 2,000 points" fell 6.1ppt to 6.1%.

The proportion expecting a "fall of about 1,000 points" declined 8.4ppt to 19.4%. The proportion expecting a "fall of about 2,000 points" was down 4.8ppt at 11.9%, while the proportion expecting a "fall of more than 2,000 points" was down 5.3ppt at 12.0% (Figure 2).

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

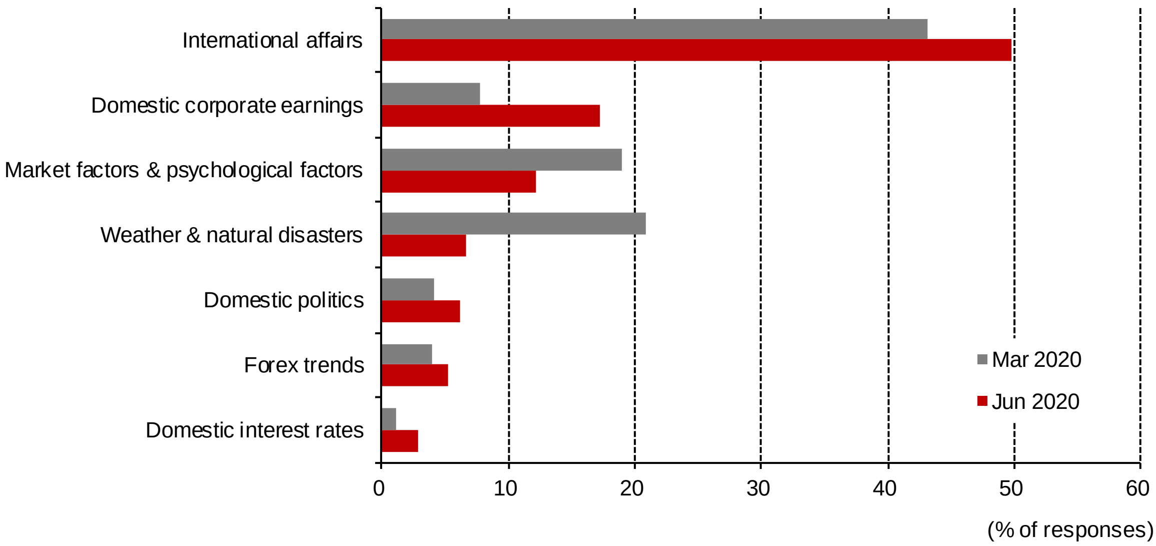


Note: Respondents were asked to share their outlook for the Nikkei 225 during the next three months based on the 8 June 2020 close of 23,178. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points, with 1,000-point increments in between.

(2) Stronger focus on domestic corporate earnings and international affairs

Respondents were asked to select the factor they thought most likely to affect the stock market over the next three months. The response rate for "domestic corporate earnings" rose 9.5ppt versus the previous survey to 17.2%, and the response rate for "international affairs" rose 6.6ppt to 49.8%. Meanwhile, the response rate for "weather & natural disasters" fell 14.3ppt to 6.6%.

Fig. 3: Impact of factors on the stock market



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

(3) Appeal of consumer goods sector increases, appeal of pharmaceuticals sector declines

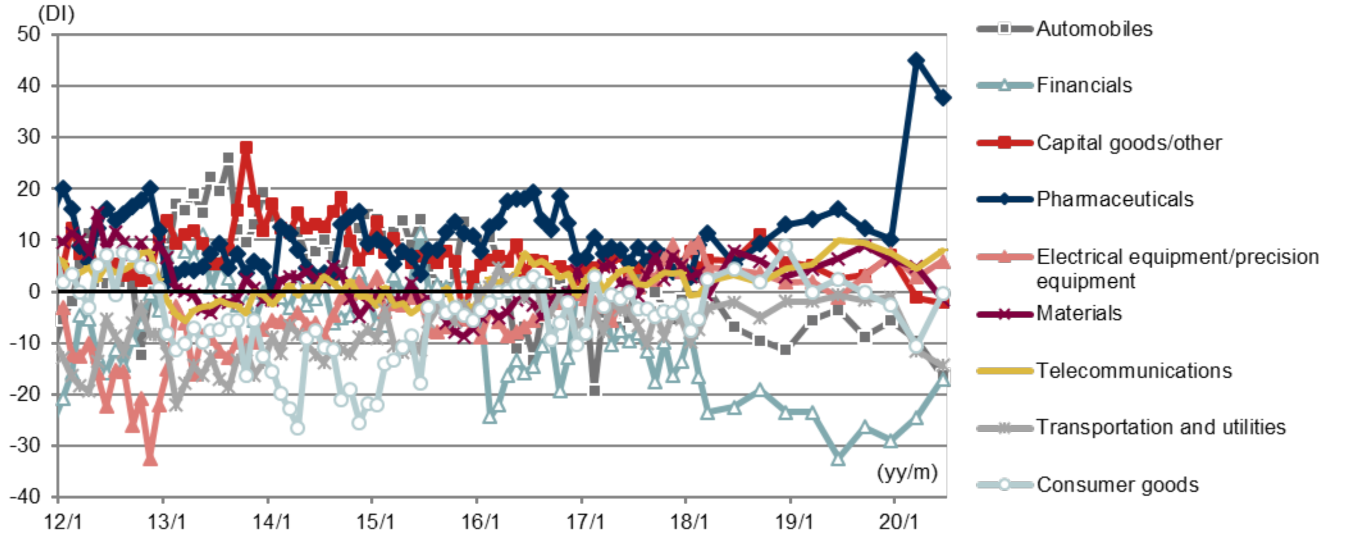
On the outlook for sectors over the next three months or so, we calculate a diffusion index (DI) for each sector by subtracting the percentage of respondents viewing it as "unappealing" from the percentage of respondents viewing it as "appealing." The DI for the consumer goods sector increased 10.1pt versus the previous survey to -0.4. By contrast, the DI for the pharmaceuticals sector declined 7.4pt to 37.7 (Figures 4 and 5).

Fig. 4: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Pharmaceuticals	37.7	40.0	2.3	45.1
Telecommunications	8.1	10.8	2.7	4.4
Electrical equipment/precision equipment	5.9	8.5	2.6	2.8
Consumer goods	-0.4	12.0	12.4	-10.5
Materials	-1.5	8.4	9.9	4.8
Capital goods/other	-2.2	4.1	6.3	-1.2
Transportation and utilities	-14.3	6.8	21.1	-11.5
Automobiles	-16.3	5.1	21.4	-9.5
Financials	-17.0	4.3	21.3	-24.4

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 selected sectors



(4) Most-watched stocks

Respondents were asked to name one stock that they would like to have in their portfolio, or that they find appealing, regardless of whether their investment horizon is the short term or long term (including stocks actually held). 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	72	7751	Canon	8
4901	Fujifilm Holdings	45	8058	Mitsubishi Corp	8
4502	Takeda Pharmaceutical	43	8306	Mitsubishi UFJ Financial Group	8
8267	Aeon	28	2702	MCDONALD'S HOLDINGS COMPANY(JAPAN)	7
2897	Nissin Foods Holdings	25	2914	Japan Tobacco	7
6758	Sony	21	4563	AnGes	7
9202	ANA Holdings	17	4661	Oriental Land	7
4507	Shionogi	15	7267	Honda Motor	7
7974	Nintendo	13	8031	Mitsui & Co	7
9437	NTT Docomo	13	8316	Sumitomo Mitsui Financial Group	7
9984	SoftBank Group	12	8591	Orix	7
4503	Astellas Pharma	11	9433	KDDI	7
9432	Nippon Telegraph and Telephone	11	9434	SoftBank Corp	7
2811	Kagome	10	4528	Ono Pharmaceutical	6
4452	Kao	9	6594	Nidec	6
4568	Daiichi Sankyo	9	6861	Keyence	6
6752	Panasonic	9	8035	Tokyo Electron	6
6501	Hitachi	8	8113	Unicharm	6
6701	NEC	8	9201	Japan Airlines	6

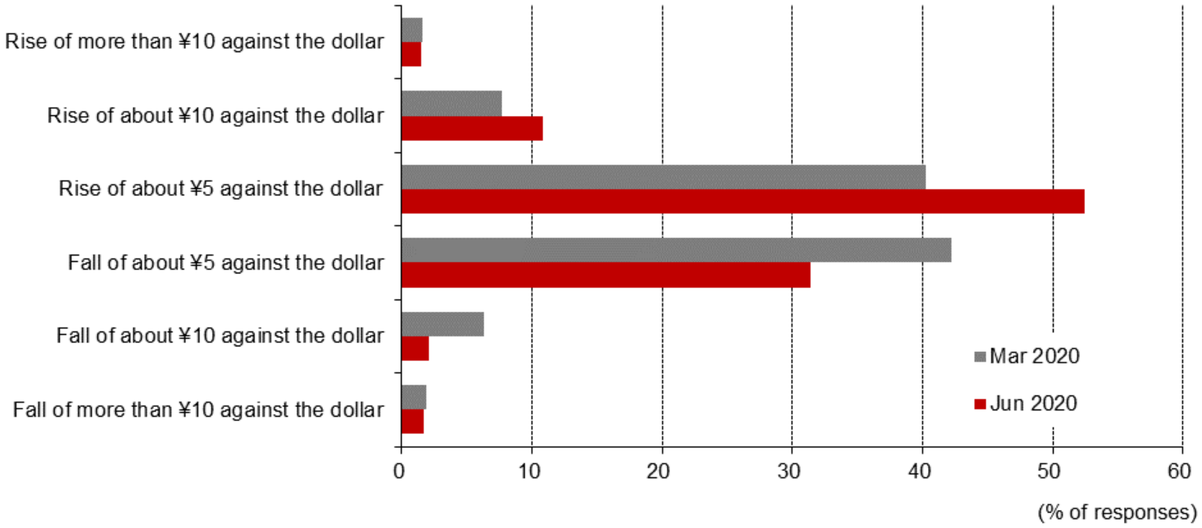
Note: Not included in valid responses were answers of "none" or clearly mistaken responses.

(5) Rise in proportion 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 64.8%, up 15.2ppt from the previous survey. The response rate for "rise of about ¥5 against the dollar" rose 12.2ppt to 52.5%. The response rate for "rise of about ¥10 against the dollar" rose 3.1ppt to 10.8% and the response rate for "rise of more than ¥10 against the dollar" fell 0.1ppt to 1.5%.

The response rate for "fall of about ¥5 against the dollar" declined 10.8ppt to 31.4%. The response rate for "fall of about ¥10 against the dollar" fell 4.2ppt to 2.1% and the response rate for "fall of more than ¥10 against the dollar" fell 0.2ppt to 1.7% (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 an 8 June 2020 indicative rate of ¥109.53. 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 Brazilian real and US dollar falls

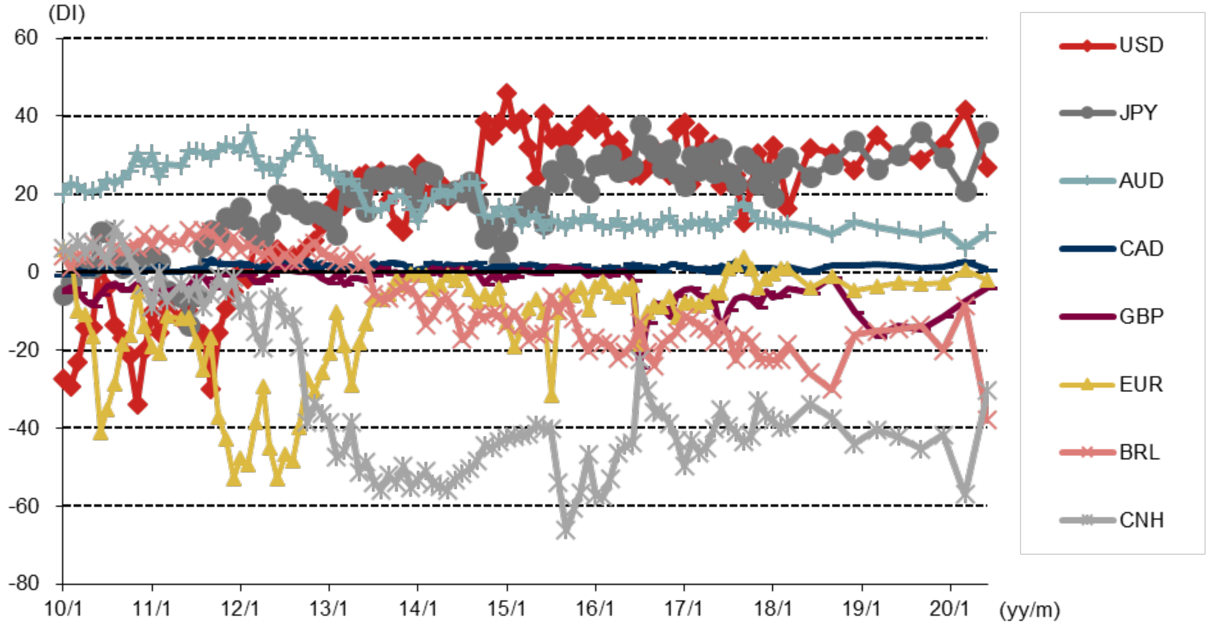
On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of respondents viewing the currency as "unappealing" from the percentage viewing it as "appealing." The DI for the Chinese yuan rose 26.7pt from the previous survey to -30.3, and the DI for the Japanese yen rose 15.2pt to 36.1. Meanwhile, the DI for the Brazilian real fell 29.3pt to -37.9, and that for the US dollar fell 14.8pt to 26.8 (Figures 8 and 9).

Fig. 8: Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Japanese yen	36.1	41.7	5.6	20.9
US dollar	26.8	35.9	9.1	41.6
Australian dollar	10.1	11.6	1.5	6.3
Canadian dollar	0.6	1.0	0.4	2.8
Euro	-2.0	3.7	5.7	0.5
Pound sterling	-4.0	1.4	5.4	-7.5
Chinese yuan	-30.3	2.6	32.9	-57.0
Brazilian real	-37.9	0.9	38.8	-8.6

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 Japanese bonds attract further interest

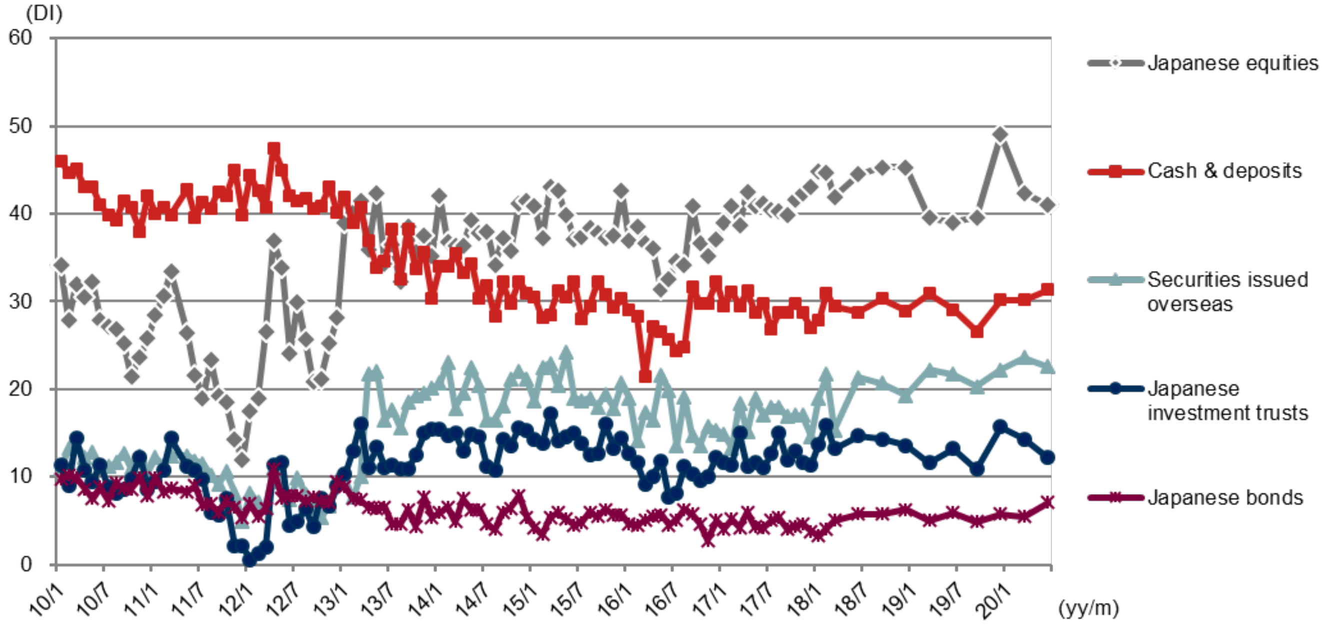
To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for "Japanese bonds" rose 1.6pt versus the previous survey to 7.1. Meanwhile, the DI for “Japanese investment trusts” fell 2.1pt to 12.2 and the DI for foreign investment trusts also fell 2.1pt to 5.4 (Figure 10).

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	41.0	51.4	10.4	42.4
Cash & deposits	31.3	35.0	3.7	30.2
Foreign equities	13.3	13.7	0.4	13.1
Japanese investment trusts	12.2	19.1	6.9	14.3
Gold	8.4	8.7	0.3	9.0
Japanese bonds	7.1	8.9	1.8	5.5
Foreign investment trusts	5.4	7.0	1.6	7.5
Foreign bonds	3.9	4.9	1.0	3.0
Hybrid securities	1.4	2.0	0.6	2.3
Other	0.1	0.3	0.2	0.8
None	-50.0	28.3	78.3	-51.0

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, 36.5% of respondents selected a "rise" response, down 0.7ppt from last time. The percentage of respondents selecting a "no change" response was down 2.6ppt at 37.2%. The percentage of respondents selecting a "fall" response rose 3.3ppt to 26.3% (Figure 12).

Fig. 12: Outlook for prices one year out

	Choices	% of responses	(Ref) Previous % of responses
1	Fall of 5% or more	3.8	4.1
2	Fall of 2% up to 5%	9.0	6.5
3	Fall of less than 2%	13.5	12.4
4	No change (0%)	37.2	39.8
5	Rise of less than 2%	22.6	25.4
6	Rise of 2% up to 5%	11.2	9.1
7	Rise of 5% or more	2.7	2.7
	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) Exercising of voting rights, COVID-19, stakeholder capitalism

This survey included spot questions on the exercise of voting rights, COVID-19, and stakeholder capitalism.

A total of 57.6% said they planned to exercise their voting rights (sum of responses 1 and 2 in Figure 13), exceeding the 25.0% who said they planned not to. The percentage saying they planned to exercise their voting rights (57.6%) was higher than the response rate of 54.5% for the same question in our June 2019 survey. The percentage saying they planned not to exercise their voting rights was, at 25.0%, down slightly from 27.0% in the June 2019 survey. The percentage of "undecided" responses fell 1.1ppt (Figure 13).

Fig. 13: Intentions regarding the exercise of voting rights at general shareholders' meetings

Choices	No. of respondents	% of responses
1. I plan to exercise my voting rights for all the companies in which I hold shares	427	42.7
2. I plan to exercise my voting rights for only some of the companies in which I hold shares	149	14.9
3. I plan not to exercise my voting rights for any of the companies in which I hold shares	250	25.0
4. Undecided	174	17.4
Total	1,000	100.0

Note: Respondents were asked to select one of the four responses listed above 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 (ie, those selecting response 1 or 2 in Figure 13; 576 this time, versus 545 in June 2019), 43.1% said they intended to vote in favor of all resolutions, up from last year's figure of 41.7%. Of the resolutions respondents said they might oppose (multiple responses allowed), response rates were highest for retirement bonuses for board members (26.2%), board member compensation (23.6%), and dividends (use of surplus funds) (19.4%) (Figure 14).

Fig. 14: Resolutions investors may vote against

Choices	No. of respondents	% of responses
1. I plan to vote in favor of all resolutions (and oppose none)	248	43.1
2. Dividends (use of surplus funds)	112	19.4
3. Director compensation	136	23.6
4. Retirement bonuses for directors	151	26.2
5. Stock options	60	10.4
6. Appointment of directors/auditors (including auditors at companies with supervisory committee)	76	13.2
7. Takeover defense measures	34	5.9
8. Change in the number of directors (increase, decrease, setting of upper limit, etc)	60	10.4
9. Change in the maximum number of issuable shares	39	6.8
10. Share buybacks	20	3.5
11. Other	5	0.9
No. of respondents	576	100.0

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; 250 this time), the highest response rate for reasons why they did not plan to do so (multiple responses allowed) was for "Because my vote would have little impact, or would be meaningless" at 66.8%. There were also high response rates for "Because it is a hassle" (34.0%) and "Because I have no interest in exercising my voting rights" (14.4%) (Figure 15).

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

Choices	No. of respondents	% of responses
1. Because my vote would have little impact, or would be meaningless	167	66.8
2. Because it is a hassle	85	34.0
3. Because I have no interest in exercising my voting rights	36	14.4
4. Because none of the resolutions requires me to express an opinion	25	10.0
5. Because I cannot attend the general meeting or I have no time to complete the paperwork or internet forms	11	4.4
6. Because my investment style is mainly short term or aimed at capital gains, so I do not view exercising my voting rights as important	20	8.0
7. Because I do not have the time to study the resolutions	10	4.0
8. Because I do not understand the resolutions well	8	3.2
9. Other	0	0.0
No. of respondents	250	100.0

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 above that described their reasons for not planning to exercise their voting rights.

Next we asked investors about the impact of COVID-19 on the markets, as we did in the March 2020 survey. The most popular response, at 35.7%, was "I see investment opportunities in some sectors (selectively bullish)," followed by "I see substantial risk in some sectors (selectively bearish)" at 23.3%. The percentage of respondents selecting "I see investment opportunities in some sectors (selectively bullish)" rose from 30.8% in the March 2020 survey, to 35.7%. Meanwhile the percentage of respondents selecting the reply "the markets are generally over-pessimistic (overall bullish) was down from 20.3% to 8.0% (Figure 16).

Fig. 16: Respondents' views on impact of COVID-19 on markets

Choices	No. of respondents	% of responses
1. The markets are generally over-pessimistic (overall bullish)	80	8.0
2. I see investment opportunities in some sectors (selectively bullish)	357	35.7
3. The markets are generally over-optimistic (overall bearish)	213	21.3
4. I see substantial risk in some sectors (selectively bearish)	233	23.3
5. No particular view	117	11.7
Total	1,000	100.0

Note: Respondents were asked to select one response to the question: "How do you view the rising number of COVID-19 cases in China and elsewhere?"

Finally we asked investors their views on stakeholder capitalism. We asked them to say whether they were in favor of the recent focus on stakeholder capitalism, which attaches importance not only to shareholders but to various stakeholders, such as employees and local communities. Of total respondents 52.0% replied that they were neither for nor against, followed by 28.3% who said they were slightly in favor (Figure 17).

Fig. 17: Investors' views on stakeholder capitalism

Choices	No. of respondents	% of responses
1. I am in favor	116	11.6
2. I am slightly in favor	283	28.3
3. I am neither for nor against	520	52.0
4. I am slightly against	55	5.5
5. I am against	26	2.6
Total	1,000	100.0

Note: Investors were asked to select one response to the following question: "In August 2019 the Business Roundtable, an association of chief executive officers of major US companies, issued a statement that indicated a move away from shareholder primacy. The World Economic Forum in January 2020 similarly adopted as its theme Stakeholders for a Cohesive and Sustainable World. What is your view of this recent focus on "stakeholder capitalism," where companies attach importance not just to shareholders, but to all kinds of shareholders, including employees and local communities?"

We then asked investors what would be an acceptable outcome of this new focus on stakeholder capitalism. The most popular response, at 29.1%, was "smaller shareholder returns, particularly dividends," followed by "I think there will be no major changes as Japanese companies have adopted stakeholder capitalism already" (Figure 18).

Fig. 18: Investors' views on acceptable outcomes of the shift to stakeholder capitalism

Choices	No. of respondents	% of responses
1. I think there will be no major changes as Japanese companies have adopted stakeholder capitalism already	212	21.2
2. Smaller shareholder returns, particularly dividends	291	29.1
3. Smaller shareholder returns, particularly share buybacks	164	16.4
4. Slower near-term profit growth as companies improve employee benefits	197	19.7
5. Slower near-term profit growth owing to sharp rise in spending on ESG and other measures	172	17.2
6. Other	11	1.1
7. No outcome is acceptable	183	18.3
Total	1,000	100.0

Note: Investors were asked to select one response to the following question: "The shift to stakeholder capitalism may result in management shifting its focus from shareholders to stakeholders. What would you find acceptable as an outcome of that process?"

2. Nomura Individual Investor Survey

With the aim of better understanding investing activity by individuals and providing information on those trends, Nomura Securities periodically conducts a survey—the Nomura Individual Investor Survey. The results of the survey have been published 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 8 June 2020, with deadline for responses on 9 June 2020

Survey content: Questions included each time 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 time and queried about their personal profiles.

3. Nomura Individual Investor Survey (June 2020) respondents

Gender: Male (85.6%), female (14.4%)

Age: Under 30 (0.2%), 30–39 (3.8%), 40–49 (15.5%), 50–59 (30.0%), 60 and above (50.5%)

Occupation: Self-employed/fisheries, agriculture, forestry (6.4%), professional (physician/medical professional, lawyer, etc) (1.7%), company management/board member (5.2%), company employee/public servant (45.4%), student (0.0%), full-time homemaker (5.8%), part-time worker/casual worker/job-hopper (5.2%), unemployed/pensioner (28.9%), other (1.4%)

Region: Kanto (48.6%), Kinki (20.2%), Tokai/Koshinetsu/Hokuriku (17.4%), Hokkaido/Tohoku (4.3%), Chugoku/Shikoku/Kyushu (9.5%)

Financial assets held: Less than ¥1,000,000 (4.3%), ¥1,000,000–¥2,999,999 (6.5%), ¥3,000,000–¥4,999,999 (9.5%), ¥5,000,000–¥9,999,999 (15.0%), ¥10,000,000–¥29,999,999 (31.6%), ¥30,000,000–¥49,999,999 (15.9%), ¥50,000,000 or more (17.2%)

Value of Japanese stocks held: Less than ¥500,000 (7.5%), ¥500,000–¥999,999 (10.3%), ¥1,000,000–¥2,999,999 (20.7%), ¥3,000,000–¥4,999,999 (14.5%), ¥5,000,000–¥9,999,999 (19.3%), ¥10,000,000–¥29,999,999 (19.9%), ¥30,000,000 or more (7.8%)

Investment experience: Less than three years (1.0%), three years to less than five years (3.7%), five years to less than 10 years (14.2%), 10 years to less than 20 years (36.1%), 20 years or more (45.0%)

Investment plan for Japanese stocks: Mainly for long-term holding (48.8%), pursuit of gains from short-term appreciation (9.7%), pursuit of dividends and shareholder perks (31.5%), no particular plan (10.0%)

Notice

The next Nomura Individual Investor Survey (September 2020) is scheduled for release on Friday, 18 September 2020.

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 https://www.nomuraholdings.com/report/. Please contact the Research Production Operation Dept. of Nomura Securities Co., Ltd. for additional information.

Online availability of research and conflict-of-interest disclosures

Nomura Group research is available on www.nomuranow.com/research, Bloomberg, Capital IQ, Factset, 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., or Instinet, LLC 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 or ILLC, 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.

Distribution of ratings (Nomura Group)

The distribution of all ratings published by Nomura Group Global Equity Research is as follows:
53% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; 43% of companies with this rating are investment banking clients of the Nomura Group*. 0% of companies (which are admitted to trading on a regulated market in the EEA) with this rating were supplied material services** by the Nomura Group.
43% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 57% of companies with this rating are investment banking clients of the Nomura Group*. 0% of companies (which are admitted to trading on a regulated market in the EEA) with this rating were supplied material services by the Nomura Group
4% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 15% of companies with this rating are investment banking clients of the Nomura Group*. 0% of companies (which are admitted to trading on a regulated market in the EEA) with this rating were supplied material services by the Nomura Group.
As at 31 March 2020.
**The Nomura Group as defined in the Disclaimer section at the end of this report.*
** As defined by the EU Market Abuse Regulation

Distribution of ratings (Instinet, LLC)

The distribution of all ratings published by Instinet, LLC Equity Research is as follows:
62% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; Instinet LLC has provided investment banking services to 0% of companies with this rating within the previous 12 months.
35% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; Instinet LLC has provided investment banking services to 0% of companies with this rating within the previous 12 months.
3% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; Instinet LLC has provided investment banking services to 0% of companies with this rating within the previous 12 months.

Definition of Nomura Group's equity research rating system and sectors

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.

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

otherwise arising in connection therewith. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability (in negligence or otherwise, and in whole or in part) for any damages of any kind. MSCI and the MSCI indexes are services marks of MSCI and its affiliates.
The intellectual property rights and any other rights, in Russell/Nomura Japan Equity Index belong to Nomura Securities Co., Ltd. ("Nomura") and Frank Russell Company ("Russell"). Nomura and Russell do not guarantee fairness, accuracy, completeness, correctness, reliability, usefulness, marketability, merchantability or fitness of the Index, and do not account for business activities or services that any index user and/or its affiliates undertakes with the use of the Index.
Investors should consider this document as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. Nomura Group produces a number of different types of research product including, among others, fundamental analysis and quantitative analysis; recommendations 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. The Nomura Group publishes research product in a number of different ways including the posting of product on the 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 or likely performance. Where the information contains an expectation, projection or indication of future performance and business prospects, such forecasts may not be a reliable indicator of future or likely performance. Moreover, simulations are based on models and simplifying assumptions which may oversimplify and not reflect the future distribution of returns. Any figure, strategy or index created and published for illustrative purposes within this document is not intended for “use” as a “benchmark” as defined by the European Benchmark Regulation.
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 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 for distribution in the European Economic Area as investment research by Nomura Financial Products Europe GmbH (“NFPE”). NFPE is a company organized as a limited liability company under German law registered in the Commercial Register of the Court of Frankfurt/Main under HRB 110223. NFPE is authorized and regulated by the German Federal Financial Supervisory Authority (BaFin).
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 is intended only for investors who are 'professional investors' for the purposes of applicable regulations in Hong Kong and may not, therefore, be redistributed to persons who are not 'professional investors' for such purposes.
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, an exempt financial adviser as defined under the Financial Advisers Act (Chapter 110), among other things, and regulated by the Monetary Authority of Singapore. NSL may distribute this document produced by its foreign affiliates pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the recipient of this document is not an accredited, expert or institutional investor as defined by the Securities and Futures Act (Chapter 289), NSL accepts legal responsibility for the contents of this document in respect of such recipient only to the extent required by law. Recipients of this document in Singapore should contact NSL in respect of matters arising from, or in connection with, this document. THIS DOCUMENT IS INTENDED FOR GENERAL CIRCULATION. IT DOES NOT TAKE INTO ACCOUNT THE SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS OF ANY PARTICULAR PERSON. RECIPIENTS SHOULD TAKE INTO ACCOUNT THEIR SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS BEFORE MAKING A COMMITMENT TO PURCHASE ANY SECURITIES, INCLUDING SEEKING ADVICE FROM AN INDEPENDENT FINANCIAL ADVISER REGARDING THE SUITABILITY OF THE INVESTMENT, UNDER A SEPARATE ENGAGEMENT, AS THE RECIPIENT DEEMS FIT.

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 a ’Market Counterparty’ or a 'Professional Client' (as defined by the Dubai Financial Services Authority) in the United Arab Emirates (‘UAE’) or a ‘Market Counterparty’ or a ‘Business Customer’ (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 the 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 a ’Market Counterparty’ or a 'Professional Client' in the UAE or a ‘Market Counterparty’ or a ‘Business Customer’ in Qatar. Any failure to comply with these restrictions may constitute a violation of the laws of the UAE or Saudi Arabia or Qatar.
For Canadian Investors: This research report was approved for distribution to Canadian investors by Instinet Canada Limited ("ICL"), member of the Investment Industry Regulatory Organization of Canada ("IIROC") and member of the Canadian Investor Protection Fund. An affiliate of ICL prepared the research report (an "Affiliate Research Report") in accordance with the regulatory requirements applicable to research in the affiliate's local jurisdiction, which include conflict of interest disclosure. ICL reviewed this Affiliate Research Report for the purpose of ensuring Canadian disclosures required by IIROC are included. ICL does not receive compensation in respect of the distribution of Affiliate Research Reports. Pursuant to ICL's policies and procedures regarding the dissemination of research, ICL makes available Affiliate Research Reports to ICL clients and

prospective clients only, in electronic and/or in printed form. ICL endeavours to make available and/or distribute Affiliate Research Reports to all intended recipients at the same time. This Affiliate Research Report is not a recommendation and does not take into account the investment objectives, financial situation or particular needs of any particular account.
For report with reference of TAIWAN public companies or authored by Taiwan based research analyst:
THIS DOCUMENT IS SOLELY FOR REFERENCE ONLY. You should independently evaluate the investment risks and are solely responsible for your investment decisions. NO PORTION OF THE REPORT MAY BE REPRODUCED OR QUOTED BY THE PRESS OR ANY OTHER PERSON WITHOUT WRITTEN AUTHORIZATION FROM NOMURA GROUP. Pursuant to Operational Regulations Governing Securities Firms Recommending Trades in Securities to Customers and/or other applicable laws or regulations in Taiwan, you are prohibited to provide the reports to others (including but not limited to related parties, affiliated companies and any other third parties) or engage in any activities in connection with the reports which may involve conflicts of interests. INFORMATION ON SECURITIES / INSTRUMENTS NOT EXECUTABLE BY NOMURA INTERNATIONAL (HONG KONG) LTD., TAIPEI BRANCH IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT BE CONSTRUED AS A RECOMMENDATION OR A SOLICITATION TO TRADE IN SUCH SECURITIES / INSTRUMENTS.
This material may not be distributed in Indonesia or passed on within the territory of the Republic of Indonesia or to persons who are Indonesian citizens (wherever they are domiciled or located) or entities of or residents in Indonesia in a manner which constitutes a public offering under the laws of the Republic of Indonesia. The securities mentioned in this document may not be offered or sold in Indonesia or to persons who are citizens of Indonesia (wherever they are domiciled or located) or entities of or residents in Indonesia in a manner which constitutes a public offering under the laws of the Republic of Indonesia.
This document is prepared by Nomura group or its subsidiary or affiliate (collectively, “Offshore Issuers”) incorporated outside the People’s Republic of China (“PRC”, excluding Hong Kong, Macau and Taiwan, for the purpose of this document) and it is not approved or intended to be circulated in the PRC. The Offshore Issuers are not licensed, supervised or regulated in the PRC to carry out financial services including securities investment consultancy services. The recipient should not use this document or otherwise rely on any of the information contained in this report in making investment decisions and Offshore Issuers take no responsibility in this regard.

 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 (in negligence or otherwise, and in whole or in part) 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.

The 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 of Nomura 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

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 Production Operation 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 (all figures on a tax-inclusive basis) of up to 1.43% of the transaction amount or a commission of ¥2,860 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, 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, Japanese Infrastructure Funds) are subject to a sales commission of up to 1.43% (tax included) of the transaction amount (or a commission of ¥2,860 (tax included) 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 and ETNs carry the risk of losses owing to fluctuations in the underlying indexes or other benchmarks. Japanese Infrastructure Funds carry out the risk of losses owing to fluctuations in price and/or earnings of underlying infrastructures.
Transactions involving foreign equities are subject to a domestic sales commission of up to 1.045% (tax included) 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 ¥7,810 (tax included)). 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 1.43% (tax included) of the transaction amount (or a commission of ¥2,860 (tax included) 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 (at least 33% for online transactions) and at least ¥300,000 is required. With margin transactions, an amount up to roughly 3.3x the margin (roughly 3x for online transactions) 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 1.10% (tax included) of the transaction amount (or a commission of ¥4,400 (tax included) if this would be less than ¥4,400). 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 5.5% (tax included) 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 5.5% (tax included/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.
Transfers of equities to another securities company via the Japan Securities Depository Center are subject to a transfer fee of up to ¥11,000 (tax included) per issue transferred depending on volume. No account fee will be charged for marketable securities or monies deposited.

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.

The 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 of Nomura 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