

Nomura Individual Investor Survey

September 2013

September 12, 2013

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 up 4.0pt m-m, to 52.4

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 52.4 for September, up 4.0pt m-m from 48.4 in August. The proportion of respondents expecting a rise of "more than 2,000 points" increased by 2.5ppt m-m and the proportion expecting a rise of "about 2,000 points" increased by 1.9ppt, while the proportion expecting a rise of "about 1,000 points" declined by 2.4ppt. It appears that an increasing number of individual investors are now expecting substantial increases in share prices.

(2) Attention shifts sharply toward international affairs

Respondents were asked to select the factor most likely to impact the stock market in the next three months. International affairs became the most-watched factor this month on the back of a 12.8ppt m-m increase in its response rate. We think the sharp rise in its response rate reflects growing tensions over Syria. The response rate for forex trends, which was last month's most-watched factor, fell by 11.5ppt m-m—the largest decline among all factors.

(3) Capital goods/other becomes most attractive sector

Respondents were asked to choose one sector as an "appealing" investment target and one as "unappealing" over a timeframe of about three months. We calculated a diffusion index for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing." Capital goods/other became the most appealing sector this month, with its DI rising 7.7pt, the largest increase of any sector. Having previously held the top spot for seven straight months, the automobiles sector slid to second place this month, with its DI recording the largest fall of any sector, of 13.9pt.

(4) More respondents expecting yen to strengthen against dollar

On the outlook for the USD/JPY rate over the next three months, the percentage of respondents expecting the yen to strengthen against the dollar was 58.1%, up 14.2ppt from the previous month's reading of 43.9%. This is the first time since November 2012 that the percentage of respondents expecting the yen to strengthen against the dollar has exceeded the 50% mark. There was a 13.8ppt m-m rise to 45.1% in the percentage of respondents expecting a rise of "about ¥5 against the dollar". Meanwhile, the proportion of respondents forecasting a fall of "about ¥5 against the dollar" fell sharply, by 11.0ppt.

(5) Yen becomes most appealing currency

Respondents were asked to choose one currency as an "appealing" investment target and one as "unappealing" over an approximately three-month timeframe. We calculated a diffusion index for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." This month the yen became the most appealing currency. At the other end of the spectrum, the Chinese yuan was the least appealing currency for the 12th straight month, although its DI showed the greatest improvement among all currencies, rising by 3.8pt m-m. The US dollar fell back to second place this month, with its DI falling 7.4pt—the largest decline among all the currencies.

(6) Japanese equities seen as the most appealing financial instrument

To give an indication of plans for holding financial instruments, we calculate DIs for each financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holding from the percentage planning to hold the instrument for the first time or increase their holding. The DI for Japanese equities climbed 6.4pt m-m, the biggest rise of any category, making it the most appealing financial instrument this month. DIs increased m-m for all financial instruments except Japanese investment trusts (flat m-m) and foreign investment trusts (-0.7pt).

(7) Price outlook

Asked for their outlook for prices of regularly purchased goods and services one year out, 64.7% of respondents said they expected prices to rise, an increase of 2.3ppt from last month. "Rise of less than 2%" again had the highest response rate, at 37.3%, and it also had the largest increase among the possible responses, rising 4.4ppt m-m.

(8) Views on the new stock price index

For this month's spot question, we asked individual investors about the new stock price index for which the outline was recently announced. According to the index's developers, the new index "focuses on the importance of management conducted with an awareness of capital efficiency, profitability, and investor viewpoints. Its most unique attribute is the selection of constituents based on corporate performance indicators, such as ROE." When we asked individual investors their views on using these criteria to formulate a share price index, 48.9% said they thought it was a good idea or probably a good idea, while more than 30% of respondents said they were unsure. When asked how the new index will likely be regarded by investors in relation to the TOPIX and the Nikkei Average, the most common response was "I don't know", at 39.4%, followed by "I think the new index will come to be used in conjunction with the TOPIX and the Nikkei Average", at 35.8%. Our impression is that awareness of the new index was not yet widespread among individual investors.

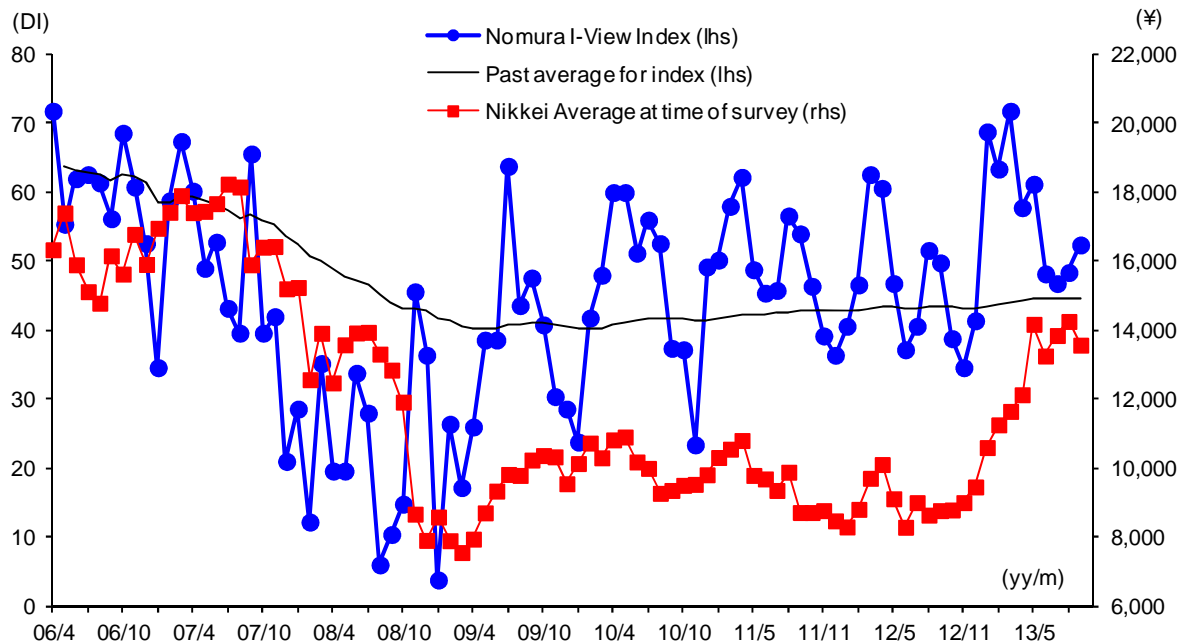
2. Survey results

(1) Nomura I-View Index up 4.0pt m-m, to 52.4

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 52.4 for September, up 4.0pt m-m from 48.4 in August (Figure 1).

The Nikkei Average reference level (2 September close) was 13,572.92, down by 685.12pt from the previous survey (5 August close of 14,258.04).

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



Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a diffusion index. 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 respondents who projected the Nikkei Average would be flat. (2) The Nomura I-View Index ranges from -100 to +100. The closer to +100 the figure is, the more bullish the outlook held by individual investors. The closer to -100 the figure is, the more bearish the outlook held by individual investors.

Looking at data for the two years from September 2011, we can observe a loose positive correlation between the monthly change in the Nomura I-View Index and the reference level of the Nikkei Average at the time of survey versus its month-earlier level (Figure 2). It appears to us that individual investors' share price outlook tends to be easily influenced by recent share price trends. This month, however, the Nomura I-view Index rose m-m despite there having been a fall in share prices.

In this month's survey, our question on plans for holding financial instruments revealed a sharp rise in the DI for Japanese equities, which became the most appealing financial instrument (see section (7)). If we look at data for the Nomura I-View Index and the DI for Japanese equities since January 2010, a correlation between the two can be observed during much of this period (Figure 3), suggesting that increasing appetite for investment in individual stocks is reflected in rises in the Nomura I-View Index.

Fig. 2: M-m change in Nomura I-View Index and m-m change in reference level of Nikkei Average at time of survey

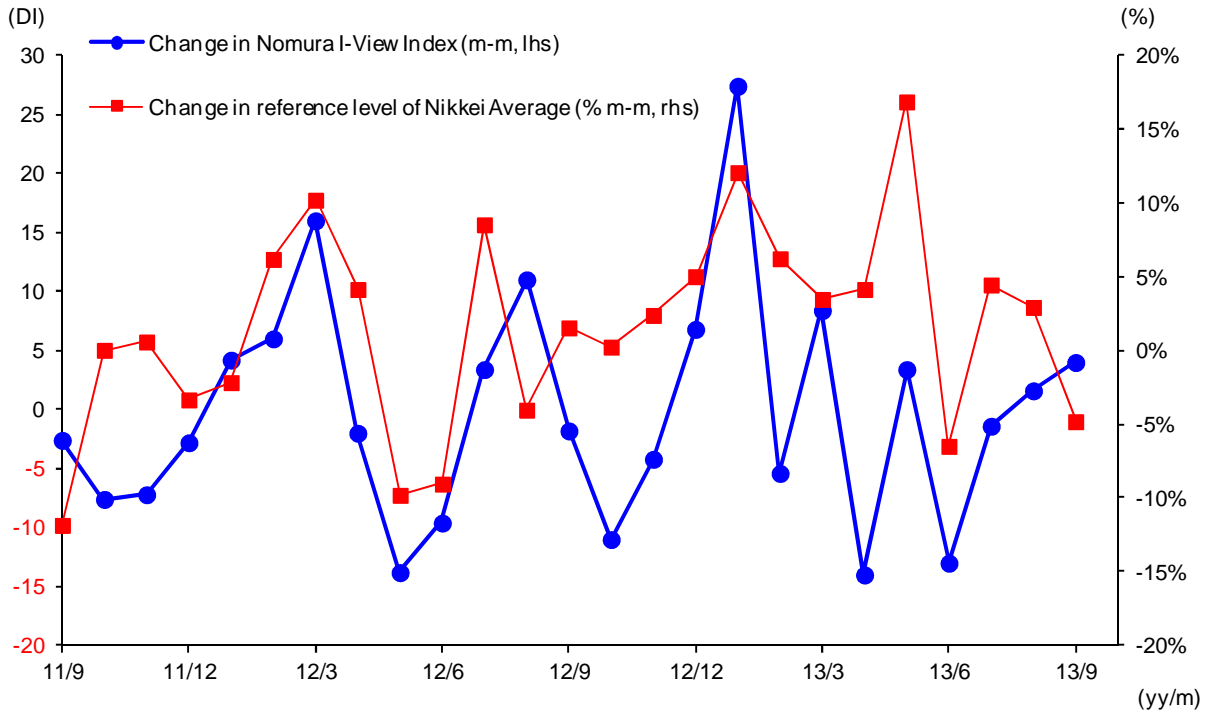
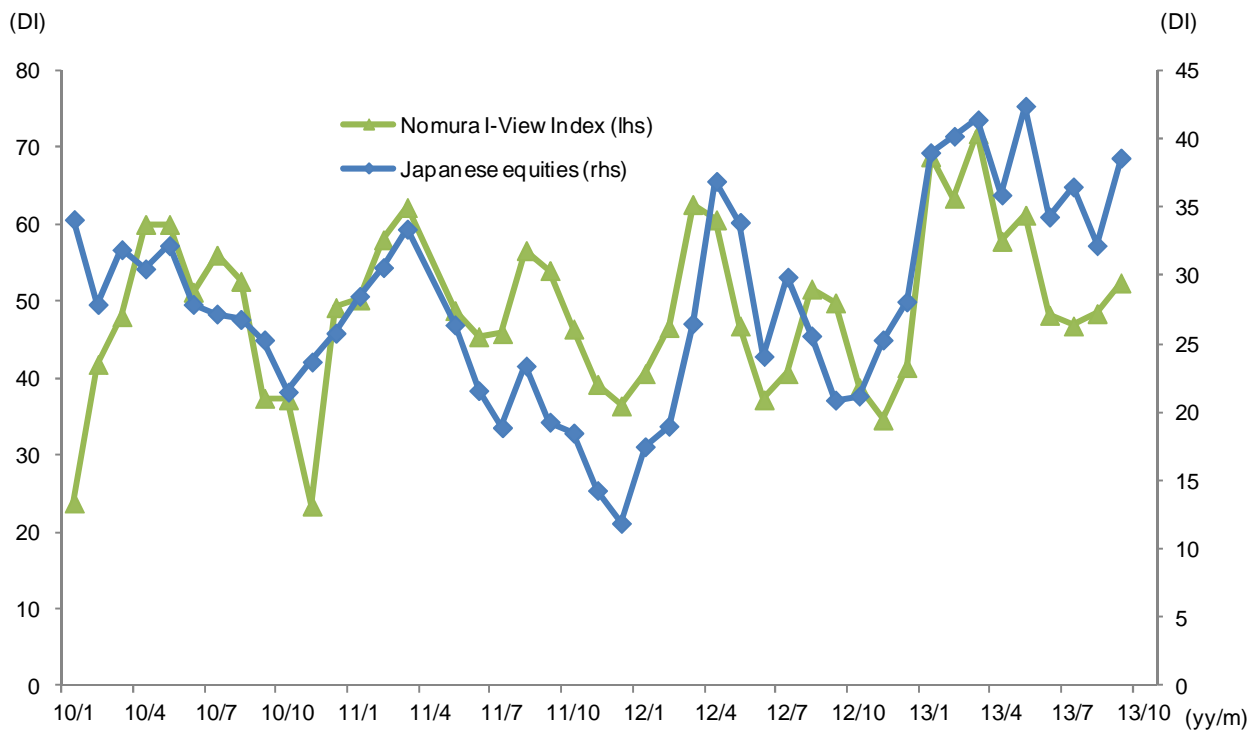


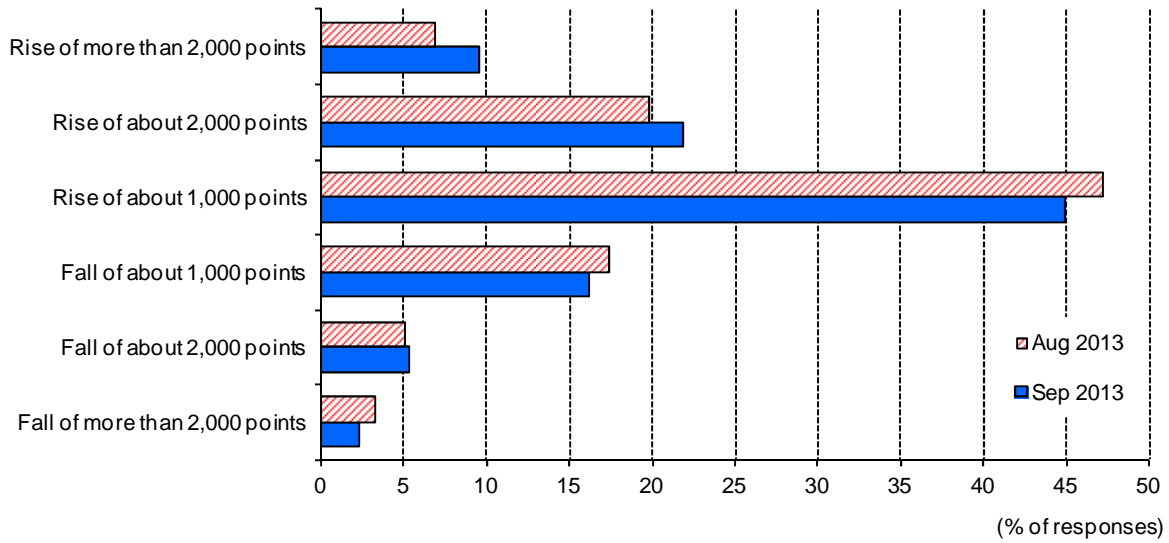
Fig. 3: Nomura I-View Index and DI for Japanese equities



The combined proportion of respondents expecting the Nikkei Average to rise over the next three months was 76.2%, up 2.0ppt from 74.2% in the last survey. The proportion of respondents expecting a rise of "more than 2,000 points" increased by 2.5ppt m-m and the proportion expecting a rise of "about 2,000 points" increased by 1.9ppt, while the proportion expecting a rise of "about

1,000 points" declined by 2.4ppt. The Nikkei Average rebounded and continued to make gains during the survey period (2-3 September), but it appears that an increasing number of individual investors are expecting further considerable rises in share prices (Figure 4).

Fig. 4: Outlook for Nikkei Average during the next three months

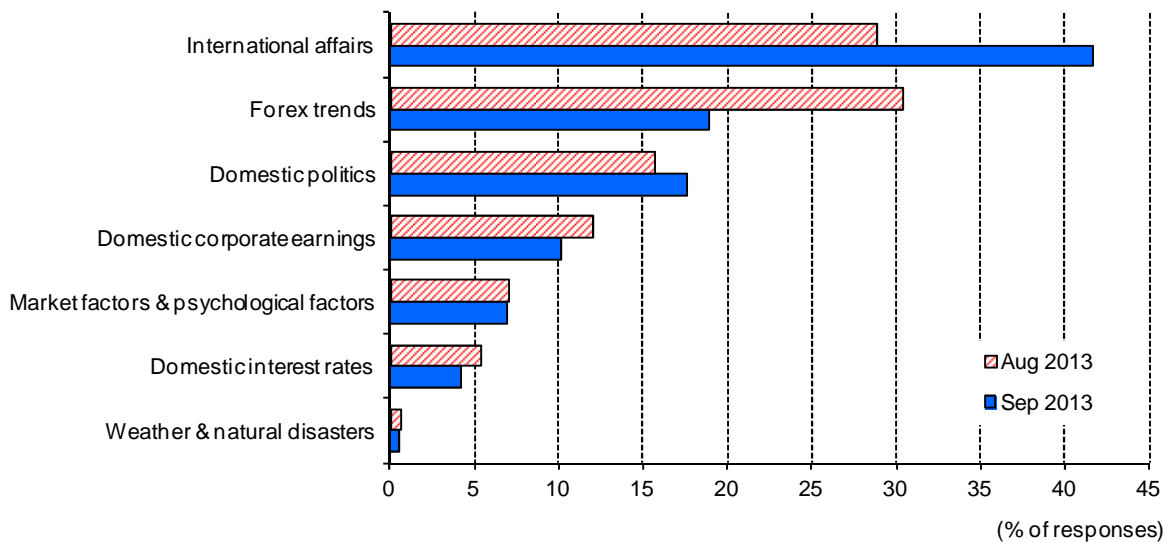


Note: Respondents were asked to share their outlook for the Nikkei Average during the next three months based on a 2 September closing figure of 13,572. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points with 1,000-point increments in between.

(2) Attention shifts sharply toward international affairs

Respondents were asked to select the factor most likely to impact the stock market in the next three months. International affairs became the most-watched factor this month on the back of a 12.8ppt m-m increase in its response rate. We think the sharp rise in its response rate reflects growing tensions over Syria. The response rate for forex trends, which was last month's most-watched factor, fell by 11.5ppt m-m—the largest decline among all factors (Figure 5).

Fig. 5: 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) Capital goods/other becomes most attractive sector

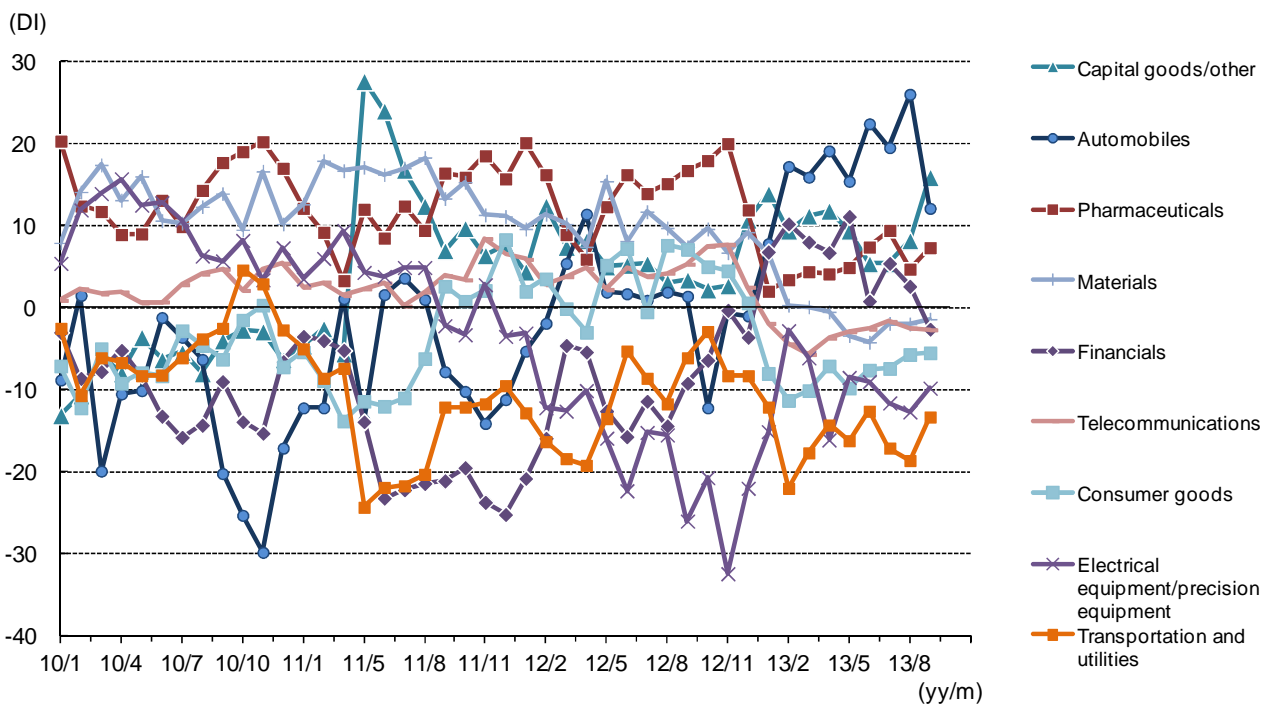
Respondents were asked to choose one sector as an "appealing" investment target and one as "unappealing" over a timeframe of about three months. We calculated a diffusion index for each sector by subtracting the percentage of responses for "unappealing" from that for "appealing." Capital goods/other became the most appealing sector this month, with its DI rising 7.7pt m-m, the largest increase of any sector. Although transportation and utilities remained the least appealing sector for the fifth straight month, its DI increased by 5.3pt m-m, the second largest increase after that for capital goods/other. Having previously held the top spot for seven straight months, the automobiles sector slid to second place this month, with its DI falling by 13.9pt—the largest fall of any sector. The DI for financials turned negative this month owing to a 5.2pt deterioration (Figures 6, 7).

Fig. 6: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Capital goods/other	15.9	19.7	3.8	8.2
Automobiles	12.1	17.6	5.5	26.0
Pharmaceuticals	7.3	12.4	5.1	4.7
Materials	-1.4	12.5	13.9	-2.0
Financials	-2.6	9.4	12.0	2.6
Telecommunications	-2.7	3.8	6.5	-2.5
Consumer goods	-5.5	12.0	17.5	-5.7
Electrical equipment/precision equipment	-9.8	7.1	16.9	-12.7
Transportation and utilities	-13.3	5.5	18.8	-18.6

Note: Respondents were given nine sectors and asked to choose one viewed as an appealing investment target and one viewed as unappealing. For each sector we calculated a diffusion index by subtracting the percentage of responses for unappealing from that for appealing. The materials sector comprises mining, textiles, paper & pulp, chemicals, oil, ceramics, steel, nonferrous metals, and trading houses. The financials sector comprises banks, miscellaneous finance, securities, and insurance. The capital goods/other sector comprises construction, machinery, shipbuilding, transportation equipment, miscellaneous manufacturing, and real estate. The transportation and utilities sector comprises railroads & buses, trucking, shipping, airlines, warehousing, electric power, and gas. The consumer goods sector comprises marine products, food, retail, and services.

Fig. 7: 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 below (Figure 8).

Fig. 8: Name a stock with appeal (1,000 valid responses)

Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	137	8306	Mitsubishi UFJ Financial Group	11
9984	Softbank	42	7751	Canon	10
4661	Oriental Land	24	6752	Panasonic	9
4502	Takeda Pharmaceutical	18	8604	Nomura Holdings	9
8058	Mitsubishi Corp	17	9437	NTT Docomo	9
8267	Aeon	17	8031	Mitsui & Co	8
9202	All Nippon Airways	17	1801	Taisei	7
7267	Honda Motor	15	6502	Toshiba	7
2811	Kagome	14	7011	Mitsubishi Heavy Industries	7
2702	McDonald's Holdings (Japan)	13	8750	Dai-ichi Life Insurance	7
6758	Sony	13	1803	Shimizu	6
8411	Mizuho Financial Group	13	2327	NS Solutions	6
9501	Tokyo Electric Power	13	9064	Yamato Holdings	6

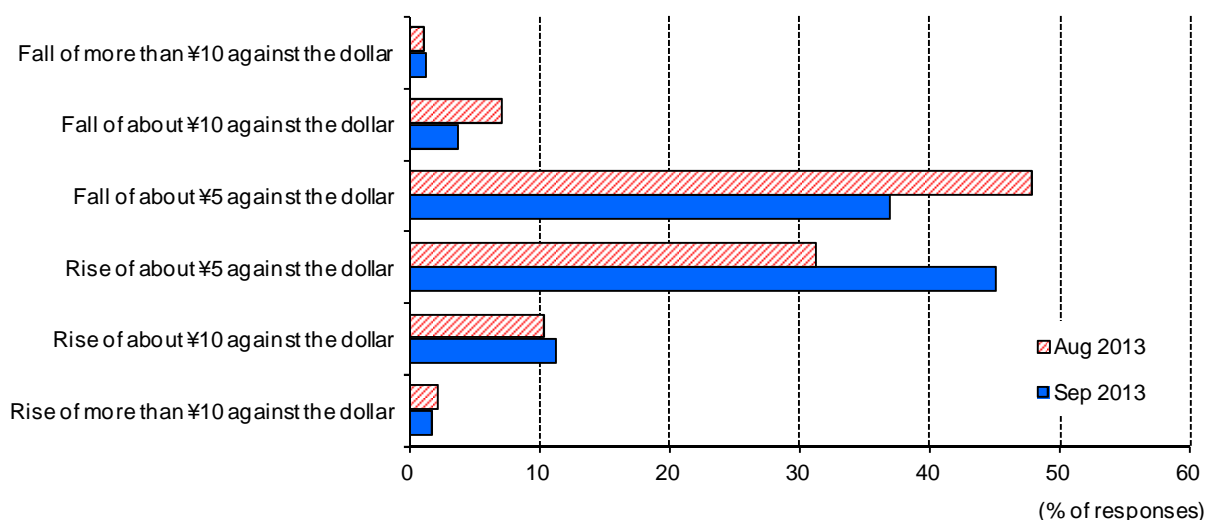
Note: Not included in valid responses were answers of "none" or clearly mistaken responses.

(5) More respondents expecting yen to strengthen against dollar

On the outlook for the USD/JPY rate over the next three months, the percentage of respondents expecting the yen to strengthen against the dollar was 58.1%, up 14.2ppt from the previous month's reading of 43.9%. This marks the first time since November 2012 that the percentage of respondents expecting the yen to strengthen against the dollar has exceeded the 50% mark. The yen weakened against the US dollar during the survey period (2-3 September), but the majority of individual investors now expect the yen to strengthen against the dollar. The percentage of respondents expecting a rise of "about ¥5 against the dollar" was 45.1%, an increase of 13.8ppt m-m. Conversely, there was a sharp decline, of 11.0ppt, in the proportion of respondents expecting a fall of "about ¥5 against the dollar" (Figure 9).

At the time of the latest survey (2 September), the noon indicative USD/JPY rate was 98.53, indicating a slightly stronger yen than at the time of the previous survey (98.79) as of 5 August.

Fig. 9: Respondents' three-month outlook for the USD/JPY rate



Note: Respondents were asked to share their outlook for the USD/JPY rate over the next three months, referencing a 2 September 2013 indicative rate of US\$1=¥98.53. They could choose one answer from a possible six responses ranging from a rise of more than ¥10 against the dollar to a fall of more than ¥10 against the dollar, with ¥5 increments in between.

(6) Yen becomes most appealing currency

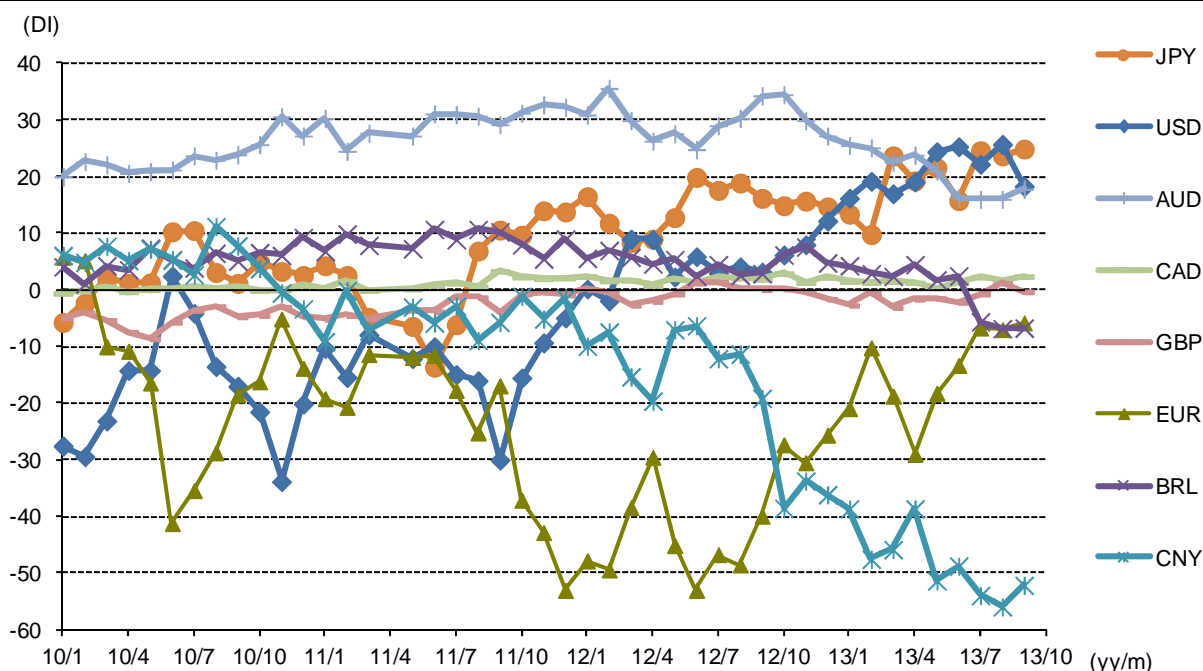
Respondents were asked to choose one currency as an "appealing" investment target and one as "unappealing" over an approximately three-month timeframe. We calculated a diffusion index for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." This month the yen became the most appealing currency. Elsewhere, the Chinese yuan was the least appealing currency for the 12th straight month, although its DI showed the greatest improvement among all currencies, rising by 3.8ppt m-m. The US dollar fell back to second place this month, with its DI falling 7.4pt—the largest decline among all the currencies (Figures 10, 11).

Fig. 10: Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Japanese yen	24.9	32.8	7.9	23.7
US dollar	18.3	26.9	8.6	25.7
Australian dollar	17.8	20.6	2.8	16.0
Canadian dollar	2.4	2.9	0.5	1.5
Pound sterling	-0.3	1.7	2.0	1.2
Euro	-5.8	6.3	12.1	-7.0
Brazilian real	-6.7	5.0	11.7	-6.8
Chinese yuan	-52.1	1.4	53.5	-55.9

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

Fig. 11: Trend in DIs for investment appeal of selected currencies



(7) Japanese equities seen as the most appealing financial instrument

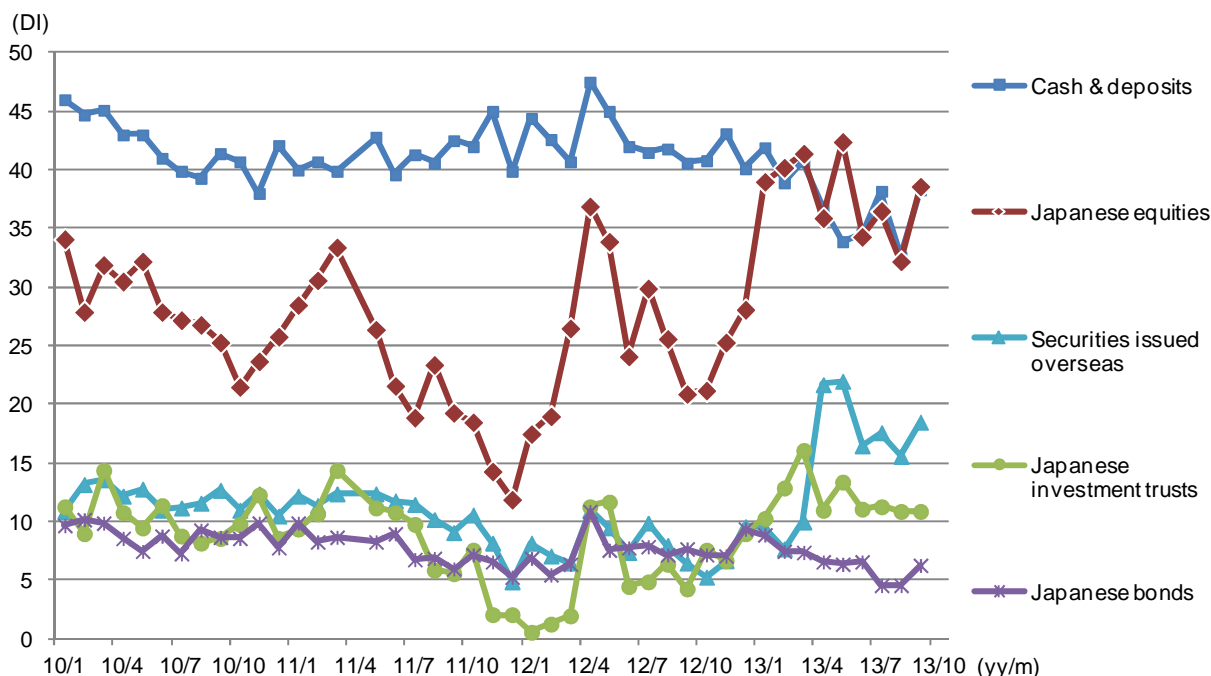
To give an indication of plans for holding financial instruments, we calculate DIs for each financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holding from the percentage planning to hold the instrument for the first time or increase their holding. The DI for Japanese equities climbed 6.4pt m-m, the biggest rise of any category, making it the most appealing financial instrument this month. DIs increased m-m for all financial instruments except Japanese investment trusts (flat m-m) and foreign investment trusts (-0.7pt) (Figures 12, 13).

Fig. 12: Financial instruments for which investors are either seeking to increase or decrease their holdings

Financial instrument	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Plan to increase	Plan to decrease	
Japanese equities	38.6	51.8	13.2	32.2
Cash & deposits	38.3	41.7	3.4	32.6
Gold	12.4	12.7	0.3	9.3
Japanese investment trusts	10.9	17.9	7.0	10.9
Foreign equities	8.6	9.7	1.1	6.8
Japanese bonds	6.3	8.5	2.2	4.6
Foreign bonds	5.0	6.3	1.3	3.2
Foreign investment trusts	4.9	7.4	2.5	5.6
Hybrid securities	2.6	2.9	0.3	1.8
Other	1.5	1.6	0.1	0.6
None	-49.6	25.6	75.2	-43.0

Note: Respondents were given a selection of nine financial instruments and asked to choose those for which they planned to increase their holdings and those for which they planned to decrease their holdings (multiple responses were allowed). In the exhibit, "plan to increase" refers to financial instruments that investors plan to hold for the first time or for which they plan to increase their holding, while "plan to decrease" refers to instruments that investors plan to cease holding or for which they plan to decrease their holding. Hybrid securities and gold were added to the list of choices from the February 2012 survey. From the April 2013 survey, we have divided the former category of "Securities issued overseas" into foreign equities, foreign investment trusts and foreign bonds

Fig. 13: Trend in DIs for financial instruments in which investors are either seeking to increase or decrease their holdings



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

(8) Price outlook

Asked for their outlook for prices of regularly purchased goods and services one year out, 64.7% of respondents said they expected prices to rise (responses 5-7 in Figure 14), an increase of 2.3ppt from last month. "Rise of less than 2%" again had the highest response rate, at 37.3%, and it also had the largest increase among the possible responses, at 4.4ppt m-m (Figure 14).

Fig. 14: Outlook for prices one year out

	Choices	% of responses	(Ref) Previous % of responses
1	Fall of 5% or more	4.9	5.2
2	Fall of 2% up to 5%	5.3	5.9
3	Fall of less than 2%	4.5	3.3
4	No change (0%)	20.6	23.2
5	Rise of less than 2%	37.3	32.9
6	Rise of 2% up to 5%	22.5	23.5
7	Rise of 5% or more	4.9	6.0
	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) Views on the new stock price index

For this month's spot question, we asked individual investors about the new stock price index for which the outline was recently announced. According to the index's developers, the new index "focuses on the importance of management conducted with an awareness of capital efficiency, profitability, and investor viewpoints. Its most unique attribute is the selection of constituents based on corporate performance indicators, such as ROE." When we asked individual investors their views on using these criteria to formulate a share price index, 48.9% said they thought it was a good idea or probably a good idea, while more than 30% of respondents said they were unsure (Figure 15). When asked how they thought the new index would be regarded by investors in relation to the TOPIX and the Nikkei Average, the most common response was "I don't know", at 39.4%, followed by "I think the new index will come to be used in conjunction with the TOPIX and the Nikkei Average", at 35.8% (Figure 16). Our impression is that awareness of the new index was not yet widespread among individual investors.

Fig. 15: Views on the new stock price index

	Choices	% of responses
1	Good idea	8.2
2	Probably a good idea	40.7
3	Probably not a good idea	14.5
4	Not a good idea	3.4
5	Unsure	33.2
	Total	100

Note: We asked individual investors the following question: "On 30 July, the Japan Exchange Group, the Tokyo Stock Exchange, and Nikkei announced the outline of a new stock price index that they have developed together. According to the index's developers, the new index 'focuses on the importance of management conducted with an awareness of capital efficiency, profitability, and investor viewpoints. Its most unique attribute is the selection of constituents based on corporate performance indicators, such as ROE.' From the five options shown above, choose the response that best matches your views on using these criteria to formulate a stock price index."

Fig. 16: How do you think the new index will be viewed in relation to the TOPIX and the Nikkei Average?

	Choices	% of responses
1	It will likely replace the TOPIX and the Nikkei Average as the representative index of the Japanese stock market	10.1
2	It will likely be used in conjunction with the TOPIX and Nikkei Average	35.8
3	The TOPIX and the Nikkei Average will likely remain the representative indices of the Japanese stock market, and the new index is unlikely to be used much	14.7
4	Don't know	39.4
	Total	100

Note: From the four possible responses above, we asked individual investors to choose the one that best matched their view on how the new index, which will comprise stocks selected on the basis of the criteria mentioned in the previous question, is likely to be regarded by investors in relation to the TOPIX, which comprises all TSE-1 stocks, and the Nikkei Average, which comprises 225 stocks based on market liquidity.

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 2 September with deadline for responses on 3 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 rate outlook and attractive currencies, and (5) financial instruments for which investors plan to change their holdings. Respondents are also queried each month on their personal profiles.

4. Nomura Individual Investor Survey (September 2013) respondents

Gender: Male (78.2%), Female (21.8%)

Age: Under 30 (1.7%), 30–39 (13.3%), 40–49 (28.2%), 50–59 (26.6%), 60 and above (30.2%)

Occupation: Self-employed/fisheries, agriculture, forestry (8.6%), Professional (physician/medical professional, lawyer, etc) (3.1%), Company management/corporate officer (4.4%), Company employee/public servant (48.8%), Student (0.0%), Full-time homemaker (10.6%), Part-time worker/casual worker/job-hopper (5.6%), Unemployed/pensioner (17.4%), Other (1.5%)

Region: Kanto (49.2%), Kinki (17.9%), Tokai/Koshinetsu/Hokuriku (17.7%), Hokkaido/Tohoku (5.7%), Chugoku/Shikoku/Kyushu (9.5%)

Financial assets held: Less than ¥1,000,000 (6.9%), ¥1,000,000–¥2,999,999 (10.1%), ¥3,000,000–¥4,999,999 (14.4%), ¥5,000,000–¥9,999,999 (20.3%), ¥10,000,000–¥29,999,999 (28.6%), ¥30,000,000–¥49,999,999 (12.5%), ¥50,000,000 or more (7.2%)

Value of domestic stocks held: Less than ¥500,000 (14.9%), ¥500,000–¥999,999 (14.1%), ¥1,000,000–¥2,999,999 (25.5%), ¥3,000,000–¥4,999,999 (14.5%), ¥5,000,000–¥9,999,999 (14.9%), ¥10,000,000–¥29,999,999 (12.9%), ¥30,000,000 or more (3.2%)

Investment experience: Less than three years (5.2%), Three years to less than five years (10.1%), Five years to less than 10 years (28.3%), 10 years to less than 20 years (29.9%), 20 years or more (26.5%)

Investment plan for domestic stocks: Mainly for long-term holding (45.0%), Pursuit of gains from short-term appreciation (11.8%), Pursuit of dividends and shareholder perks (26.9%), No particular plan (16.3%)

Notice

The next Nomura Individual Investor Survey (October 2013) is scheduled for release on Thursday, 10 October 2013.

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/jp/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/NYSE rules, may not be associated persons of NSI, and may not be subject to FINRA Rule 2711 and NYSE Rule 472 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. *Marketing Analysts* identified in some Nomura research reports are research analysts employed by Nomura International plc who are primarily responsible for marketing Nomura's Equity Research product in the sector for which they have coverage. *Marketing Analysts* may also contribute to research reports in which their names appear and publish research on their sector.

Distribution of ratings (Global)

The distribution of all ratings published by Nomura Global Equity Research is as follows:

43% 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*.

45% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 49% of companies with this rating are investment banking clients of the Nomura Group*.

12% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 18% of companies with this rating are investment banking clients of the Nomura Group*.

As at 30 June 2013. *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

The rating system is a relative system indicating expected performance against a specific benchmark identified for each individual stock. Analysts may also indicate absolute upside to target price defined as (fair value - current price)/current price, subject to limited management discretion. In most cases, the fair value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as discounted cash flow or multiple analysis, etc.

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 in certain circumstances including, but not limited to, when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the company. Benchmarks are as follows: **United States/Europe**: 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.

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. Benchmarks are as follows: **United States**: S&P 500; **Europe**: Dow Jones STOXX 600; **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia.

Explanation of Nomura's equity research rating system in Japan and Asia ex-Japan

STOCKS

Stock recommendations are based on absolute valuation upside (downside), which is defined as (Target Price - Current Price) / Current Price, subject to limited management discretion. In most cases, the Target Price will equal the analyst's 12-month intrinsic valuation of the stock, based on

an appropriate valuation methodology such as discounted cash flow, multiple analysis, etc. A **'Buy'** recommendation indicates that potential upside is 15% or more. A **'Neutral'** recommendation indicates that potential upside is less than 15% or downside is less than 5%. A **'Reduce'** recommendation indicates that potential downside is 5% or more. A rating of **'Suspended'** indicates that the rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the subject company. Securities and/or companies that are labelled as **'Not rated'** or shown as **'No rating'** are not in regular research coverage of the Nomura entity identified in the top banner. Investors should not expect continuing or additional information from Nomura relating to such securities and/or companies.

SECTORS

A **'Bullish'** rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a positive absolute recommendation. A **'Neutral'** rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a neutral absolute recommendation. A **'Bearish'** rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a negative absolute recommendation.

Target Price

A Target Price, if discussed, reflect in part the analyst's estimates for the company's earnings. The achievement of any target price may be impeded by general market and macroeconomic trends, and by other risks related to the company or the market, and may not occur if the company's earnings differ from estimates.

Disclaimers

This document contains material that has been prepared by the Nomura entity identified at the top or bottom of page 1 herein, if any, and/or, with the sole or joint contributions of one or more Nomura entities whose employees and their respective affiliations are specified on page 1 herein or identified elsewhere in the document. The term "Nomura Group" used herein refers to Nomura Holdings, Inc. or any of its affiliates or subsidiaries and may refer to one or more Nomura Group companies including: Nomura Securities Co., Ltd. ('NSC') Tokyo, Japan; Nomura International plc ('Nlplc'), UK; Nomura Securities International, Inc. ('NSI'), New York, US; Nomura International (Hong Kong) Ltd. ('NIHK'), Hong Kong; Nomura Financial Investment (Korea) Co., Ltd. ('NFIK'), Korea (Information on Nomura analysts registered with the Korea Financial Investment Association ('KOFIA') can be found on the KOFIA Intranet at <http://dis.kofia.or.kr>); Nomura Singapore Ltd. ('NSL'), Singapore (Registration number 197201440E, regulated by the Monetary Authority of Singapore); Nomura Australia Ltd. ('NAL'), Australia (ABN 48 003 032 513), regulated by the Australian Securities and Investment Commission ('ASIC') and holder of an Australian financial services licence number 246412; P.T. Nomura Indonesia ('PTNI'), Indonesia; Nomura Securities Malaysia Sdn. Bhd. ('NSM'), Malaysia; NIHK, Taipei Branch ('NITB'), Taiwan; Nomura Financial Advisory and Securities (India) Private Limited ('NFASL'), Mumbai, India (Registered Address: Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400 018, India; Tel: +91 22 4037 4037, Fax: +91 22 4037 4111; SEBI Registration No: BSE INB011299030, NSE INB231299034, INF231299034, INE 231299034, MCX: INE261299034) and Nlplc, Madrid Branch ('Nlplc, Madrid'). 'CNS Thailand' next to an analyst's name on the front page of a research report indicates that the analyst is employed by Capital Nomura Securities Public Company Limited ('CNS') to provide research assistance services to NSL under a Research Assistance Agreement. CNS is not a Nomura entity.

THIS MATERIAL IS: (I) FOR YOUR PRIVATE INFORMATION, AND WE ARE NOT SOLICITING ANY ACTION BASED UPON IT; (II) NOT TO BE CONSTRUED AS AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY IN ANY JURISDICTION WHERE SUCH OFFER OR SOLICITATION WOULD BE ILLEGAL; AND (III) BASED UPON INFORMATION FROM SOURCES THAT WE CONSIDER RELIABLE, BUT HAS NOT BEEN INDEPENDENTLY VERIFIED BY NOMURA GROUP.

Nomura Group does not warrant or represent that the document is accurate, complete, reliable, fit for any particular purpose or merchantable and does not accept liability for any act (or decision not to act) resulting from use of this document and related data. To the maximum extent permissible all warranties and other assurances by Nomura group are hereby excluded and Nomura Group shall have no liability for the use, misuse, or distribution of this information.

Opinions or estimates expressed are current opinions as of the original publication date appearing on this material and the information, including the opinions and estimates contained herein, are subject to change without notice. Nomura Group is under no duty to update this document. Any comments or statements made herein are those of the author(s) and may differ from views held by other parties within Nomura Group. Clients should consider whether any advice or recommendation in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. Nomura Group does not provide tax advice.

Nomura Group, and/or its officers, directors and employees, may, to the extent permitted by applicable law and/or regulation, deal as principal, agent, or otherwise, or have long or short positions in, or buy or sell, the securities, commodities or instruments, or options or other derivative instruments based thereon, of issuers or securities mentioned herein. Nomura Group companies may also act as market maker or liquidity provider (within the meaning of applicable regulations in the UK) in the financial instruments of the issuer. Where the activity of market maker is carried out in accordance with the definition given to it by specific laws and regulations of the US or other jurisdictions, this will be separately disclosed within the specific issuer disclosures.

This document may contain information obtained from third parties, including ratings from credit ratings agencies such as Standard & Poor's. Reproduction and distribution of third party content in any form is prohibited except with the prior written permission of the related third party. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content, including ratings. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice.

Any MSCI sourced information in this document is the exclusive property of MSCI Inc. ('MSCI'). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, re-disseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. 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 for any damages of any kind. MSCI and the MSCI indexes are services marks of MSCI and its affiliates.

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, quantitative analysis and short term trading ideas; 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. 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. Clients outside of the US may access the Nomura Research Trading Ideas platform (Retina) at <http://go.nomuranow.com/equities/tradingideas/retina/>

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.

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 Nlplc. Nlplc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Nlplc 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.

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 to clients other than 'professional clients' (as defined by the Dubai Financial Services Authority) in the United Arab Emirates ('UAE') by Nomura Saudi Arabia, Nlplc 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 to any person other than 'Authorised Persons', 'Exempt Persons' or 'Institutions' located in Saudi Arabia or to clients other than 'professional clients' in the UAE. 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 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.

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

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 1.365% (tax included) of the transaction amount or a commission of ¥2,730 (tax included) 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 1.365% (tax included) of the transaction amount (or a commission of ¥2,730 (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 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 0.9975% (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 ¥7,455 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 1.365% (tax included) of the transaction amount (or a commission of ¥2,730 (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 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 1.05% (tax included) of the transaction amount (or a commission of ¥4,200 (tax included) if this would be less than ¥4,200). 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.

Purchases of investment trusts (and sales of some investment trusts) are subject to a purchase or sales fee of up to 5.25% (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 5.25% (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.

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 ¥10,500 (tax included) 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 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>

Copyright © 2013 Nomura Securities Co., Ltd.. All rights reserved.