

# Russell/Nomura Japan Equity Indexes

## Performance summary—December 2010

NOMURA

Nomura Securities Co Ltd, Tokyo  
Quantitative Research Center

5 January 2011

Japanese full report:

4 Jan

Analysts

Akihiro Tokuno  
Yumiko Hirano  
Nana Komiyama

+81-3-3274-0924  
idx\_mgr@frc.nomura.co.jp  
Quantitative Research Center  
Nomura Securities, Tokyo

Please read the important disclosures and disclaimers on pp. 14-16. gl



### Russell/Nomura Japan Equity Indexes performance summary: total returns (including dividends, as of end-December 2010)

Index	No. of stocks	Weight (%)	Index value	Returns (%) *				
				1 month	3 months	6 months	12 months	YTD
Total Market	1,400	100.00	285.74	4.48	8.53	7.99	1.44	1.44
Value	1,081	51.32	642.93	4.97	9.13	7.22	2.27	2.27
Growth	589	48.68	113.73	3.96	7.91	8.67	0.62	0.62
Large	300	84.60	279.53	4.14	8.65	8.66	0.97	0.97
Large Value	190	40.50	620.71	4.43	9.21	7.92	1.56	1.56
Large Growth	199	44.10	119.91	3.87	8.16	9.25	0.47	0.47
Top	60	50.99	232.68	4.19	9.17	10.63	0.95	0.95
Top Value	38	23.92	563.33	4.25	9.44	9.33	-0.13	-0.13
Top Growth	45	27.08	105.76	4.13	8.94	11.68	1.85	1.85
Mid	240	33.61	374.68	4.07	7.92	6.00	0.98	0.98
Mid Value	152	16.58	649.62	4.71	8.92	6.10	3.90	3.90
Mid Growth	154	17.02	163.77	3.46	7.00	5.85	-1.52	-1.52
Mid-Small	1,340	49.01	359.68	4.78	7.90	5.43	1.93	1.93
Mid-Small Value	1,043	27.40	657.32	5.61	8.88	5.49	4.39	4.39
Mid-Small Growth	544	21.61	142.87	3.74	6.69	5.25	-0.83	-0.83
Small	1,100	15.40	323.19	6.36	7.50	3.66	4.16	4.16
Small Value	891	10.82	633.23	7.03	8.58	4.22	5.06	5.06
Small Growth	390	4.58	107.57	4.80	5.07	2.35	2.10	2.10
Small Core	350	10.09	106.30	5.90	7.23	3.56	3.78	3.78
Small Core Value	273	6.75	161.37	6.62	8.60	4.08	4.22	4.22
Small Core Growth	157	3.33	38.13	4.47	4.54	2.51	2.90	2.90
Micro	750	5.31	120.30	7.24	7.98	3.80	4.87	4.87
Micro Value	618	4.07	158.84	7.73	8.45	4.37	6.57	6.57
Micro Growth	233	1.25	45.97	5.67	6.48	2.03	0.21	0.21
Prime	1,000	98.14	804.41	4.43	8.57	8.13	1.37	1.37
Prime Value	748	49.88	1,060.88	4.90	9.18	7.36	2.13	2.13
Prime Growth	478	48.26	571.38	3.95	7.96	8.79	0.63	0.63

Note: \*Returns are not annualized.

Source: Nomura

## What are the Russell/Nomura Japan Equity Indexes?

The Russell/Nomura Japan Equity Indexes are Japanese equity indexes developed jointly by US-based Russell Investments and the Quantitative Research Center, Nomura Securities Co., Ltd.

Russell/Nomura Japan Equity Indexes have the following characteristics:

- They represent the entire Japanese equity market in that component stocks are selected from among all listed stocks.
- They reflect the stocks that are actually available for investment, as stable shareholdings are excluded from market capitalization figures.
- There are sub-indexes for different sizes of company based on market capitalization.
- There are sub-indexes for growth and value stocks. Subindexes for growth and value stocks are based on P/B ratios adjusted for unrealized gains/losses on marketable securities and unrecognized retirement benefit obligations.
- The Prime Index consists of the top 1,000 stocks in the Total Market Index by market cap excluding stable shareholdings.
- Clear definitions mean that there is no arbitrariness in stock-selection methods.
- The composition of each index is reviewed once a year.

### About Russell Investments

Founded in 1936, Russell Investments is a global financial services firm that serves institutional investors, financial advisers, and individuals in more than 40 countries. Over the course of its history, Russell's innovations have come to define many of the practices that are standard in the investment world today and have earned the company a reputation for excellence and leadership.

Through a unique combination of wide-ranging and interlinked businesses, Russell delivers financial products, services, and advice. Russell began its strategic pension fund consulting business in 1969 and today is utilized by many well-known worldwide institutions for investment advice. The firm has US\$140bn in assets under management (as of 30 June 2010) in its mutual funds, retirement products, and institutional funds, and is recognized for its depth of research and quality of manager selection. Russell offers a comprehensive range of implementation services that help institutional clients maximize their assets. The Russell Indexes calculate over 50,000 benchmarks daily covering 70 countries and more than 10,000 securities.

Russell is headquartered in Tacoma, Washington, USA, with offices in Amsterdam, Auckland, Chicago, Johannesburg, London, Melbourne, New York, Paris, San Francisco, Seoul, Singapore, Sydney, Tokyo, and Toronto. For more information about how Russell helps to improve financial security for people, visit <http://www.russell.com>.

Russell/Nomura Japan Equity Indexes are protected by certain intellectual property rights of Nomura Securities Co., Ltd. and Russell Investments. Nomura Securities Co., Ltd. and Russell Investments do not guarantee the accuracy, completeness, reliability, or usefulness thereof and do not account for business activities and services that any index user and its affiliates undertake with the use of the Indexes.

**1. Russell/Nomura Japan Equity Indexes performance summary: price returns (excluding dividends, as of end-December 2010)**

Index	No. of stocks	Weight (%)	Index value	Returns (%) *				
				1 month	3 months	6 months	12 months	YTD
Total Market	1,400	100.00	201.74	4.40	8.43	6.97	-0.49	-0.49
Value	1,081	51.32	437.52	4.93	9.09	6.13	0.16	0.16
Growth	589	48.68	83.31	3.84	7.75	7.72	-1.14	-1.14
Large	300	84.60	197.21	4.07	8.55	7.62	-0.95	-0.95
Large Value	190	40.50	422.77	4.41	9.19	6.79	-0.54	-0.54
Large Growth	199	44.10	87.46	3.75	7.99	8.29	-1.30	-1.30
Top	60	50.99	162.23	4.11	9.06	9.45	-1.17	-1.17
Top Value	38	23.92	382.64	4.22	9.43	8.08	-2.38	-2.38
Top Growth	45	27.08	75.36	4.01	8.76	10.56	-0.16	-0.16
Mid	240	33.61	267.80	4.00	7.83	5.16	-0.66	-0.66
Mid Value	152	16.58	444.67	4.68	8.88	5.14	2.00	2.00
Mid Growth	154	17.02	123.16	3.35	6.87	5.11	-2.95	-2.95
Mid-Small	1,340	49.01	255.97	4.70	7.80	4.58	0.19	0.19
Mid-Small Value	1,043	27.40	448.55	5.56	8.82	4.54	2.40	2.40
Mid-Small Growth	544	21.61	107.44	3.63	6.55	4.51	-2.31	-2.31
Small	1,100	15.40	227.26	6.26	7.37	2.77	2.17	2.17
Small Value	891	10.82	429.10	6.95	8.48	3.27	2.92	2.92
Small Growth	390	4.58	80.84	4.68	4.86	1.59	0.44	0.44
Small Core	350	10.09	91.91	5.81	7.10	2.67	1.82	1.82
Small Core Value	273	6.75	137.73	6.55	8.51	3.15	2.14	2.14
Small Core Growth	157	3.33	33.99	4.36	4.31	1.70	1.17	1.17
Micro	750	5.31	102.74	7.13	7.85	2.92	2.82	2.82
Micro Value	618	4.07	133.75	7.63	8.33	3.41	4.32	4.32
Micro Growth	233	1.25	41.11	5.56	6.31	1.38	-1.30	-1.30
Prime	1,000	98.14	680.22	4.36	8.47	7.11	-0.56	-0.56
Prime Value	748	49.88	882.03	4.87	9.15	6.27	0.02	0.02
Prime Growth	478	48.26	490.94	3.83	7.80	7.84	-1.13	-1.13

Note: \*Returns are not annualized.

Source: Nomura

## 2. Russell/Nomura Japan Equity Indexes performance summary: total returns (including dividends, as of end-December 2010)

Index	No. of stocks	Weight (%)	Index value	Returns (%) *				
				1 month	3 months	6 months	12 months	YTD
Total Market	1,400	100.00	285.74	4.48	8.53	7.99	1.44	1.44
Value	1,081	51.32	642.93	4.97	9.13	7.22	2.27	2.27
Growth	589	48.68	113.73	3.96	7.91	8.67	0.62	0.62
Large	300	84.60	279.53	4.14	8.65	8.66	0.97	0.97
Large Value	190	40.50	620.71	4.43	9.21	7.92	1.56	1.56
Large Growth	199	44.10	119.91	3.87	8.16	9.25	0.47	0.47
Top	60	50.99	232.68	4.19	9.17	10.63	0.95	0.95
Top Value	38	23.92	563.33	4.25	9.44	9.33	-0.13	-0.13
Top Growth	45	27.08	105.76	4.13	8.94	11.68	1.85	1.85
Mid	240	33.61	374.68	4.07	7.92	6.00	0.98	0.98
Mid Value	152	16.58	649.62	4.71	8.92	6.10	3.90	3.90
Mid Growth	154	17.02	163.77	3.46	7.00	5.85	-1.52	-1.52
Mid-Small	1,340	49.01	359.68	4.78	7.90	5.43	1.93	1.93
Mid-Small Value	1,043	27.40	657.32	5.61	8.88	5.49	4.39	4.39
Mid-Small Growth	544	21.61	142.87	3.74	6.69	5.25	-0.83	-0.83
Small	1,100	15.40	323.19	6.36	7.50	3.66	4.16	4.16
Small Value	891	10.82	633.23	7.03	8.58	4.22	5.06	5.06
Small Growth	390	4.58	107.57	4.80	5.07	2.35	2.10	2.10
Small Core	350	10.09	106.30	5.90	7.23	3.56	3.78	3.78
Small Core Value	273	6.75	161.37	6.62	8.60	4.08	4.22	4.22
Small Core Growth	157	3.33	38.13	4.47	4.54	2.51	2.90	2.90
Micro	750	5.31	120.30	7.24	7.98	3.80	4.87	4.87
Micro Value	618	4.07	158.84	7.73	8.45	4.37	6.57	6.57
Micro Growth	233	1.25	45.97	5.67	6.48	2.03	0.21	0.21
Prime	1,000	98.14	804.41	4.43	8.57	8.13	1.37	1.37
Prime Value	748	49.88	1,060.88	4.90	9.18	7.36	2.13	2.13
Prime Growth	478	48.26	571.38	3.95	7.96	8.79	0.63	0.63

Note: \*Returns are not annualized.

Source: Nomura

## 3. Russell/Nomura index data by industrial sector: number of stocks and weighting (as of end-December 2010)

	Index	Total Market		Value		Growth		Small		Prime	
		No. of stocks	Weight (%)	No. of stocks	Weight (%)	No. of stocks	Weight (%)	No. of stocks	Weight (%)	No. of stocks	Weight (%)
	Overall	1,400	100.00	1,081	100.00	589	100.00	1,100	100.00	1,000	100.00
1	Fishery, agriculture & forestry	5	0.09	3	0.06	4	0.12	5	0.57	5	0.09
2	Mining	6	0.37	6	0.71	1	0.01	5	0.47	4	0.37
3	Construction	62	1.89	57	2.74	10	0.99	54	4.78	44	1.84
4	Foods	62	2.89	55	2.61	29	3.18	51	5.06	44	2.86
5	Textiles & apparel	25	0.81	23	0.89	8	0.73	22	2.06	19	0.80
6	Pulp & paper	11	0.36	11	0.69	1	0.01	9	0.90	8	0.35
7	Chemicals	110	6.11	87	5.68	49	6.55	84	8.08	76	6.05
8	Pharmaceuticals	37	4.27	17	1.01	25	7.72	24	2.59	28	4.31
9	Oil & coal products	8	0.90	7	1.51	2	0.26	4	0.48	6	0.91
10	Rubber products	10	0.64	10	0.99	3	0.28	8	0.78	9	0.65
11	Glass & ceramics products	22	1.21	19	0.64	9	1.82	16	1.55	16	1.21
12	Iron & steel	29	2.12	27	2.44	9	1.79	25	3.22	21	2.13
13	Nonferrous metals	20	1.35	13	1.31	9	1.39	13	1.40	18	1.36
14	Metal products	22	0.67	20	0.94	5	0.38	18	1.39	17	0.66
15	Machinery	99	4.90	78	3.24	46	6.66	79	6.77	67	4.84
16	Electric appliances	139	16.01	93	9.06	76	23.33	99	8.76	103	16.12
17	Transportation equipment	64	9.31	52	9.02	33	9.63	47	4.65	47	9.40
18	Precision instruments	21	1.40	10	0.29	15	2.57	15	1.08	16	1.41
19	Other products	35	2.17	28	1.66	14	2.70	29	2.21	24	2.16
20	Electric power & gas	18	4.75	16	7.71	7	1.63	5	0.41	16	4.83
21	Land transportation	33	3.58	21	3.40	20	3.77	17	1.86	25	3.60
22	Marine transportation	7	0.55	6	1.03	2	0.04	4	0.22	6	0.55
23	Air transportation	2	0.30	0	0.00	2	0.62	1	0.07	2	0.31
24	Warehousing & harbor transportation services	13	0.23	13	0.43	3	0.01	11	0.64	7	0.20
25	Information & communication	79	5.86	53	5.93	45	5.78	65	5.58	54	5.86
26	Wholesale trade	101	5.19	94	4.62	20	5.79	91	6.40	54	5.06
27	Retail trade	127	3.67	78	4.32	70	2.98	113	8.43	83	3.54
28	Banks	89	9.12	88	17.58	3	0.20	68	9.05	80	9.25
29	Securities & commodity futures	18	1.53	16	2.88	5	0.11	15	1.60	14	1.54
30	Insurance	7	2.55	5	3.48	4	1.58	1	0.07	7	2.60
31	Other financing business	17	0.83	16	1.51	2	0.11	14	1.83	16	0.84
32	Real estate	38	2.32	25	0.70	18	4.02	32	2.55	24	2.29
33	Services	64	2.06	34	0.92	40	3.26	56	4.49	40	1.99

Source: Nomura

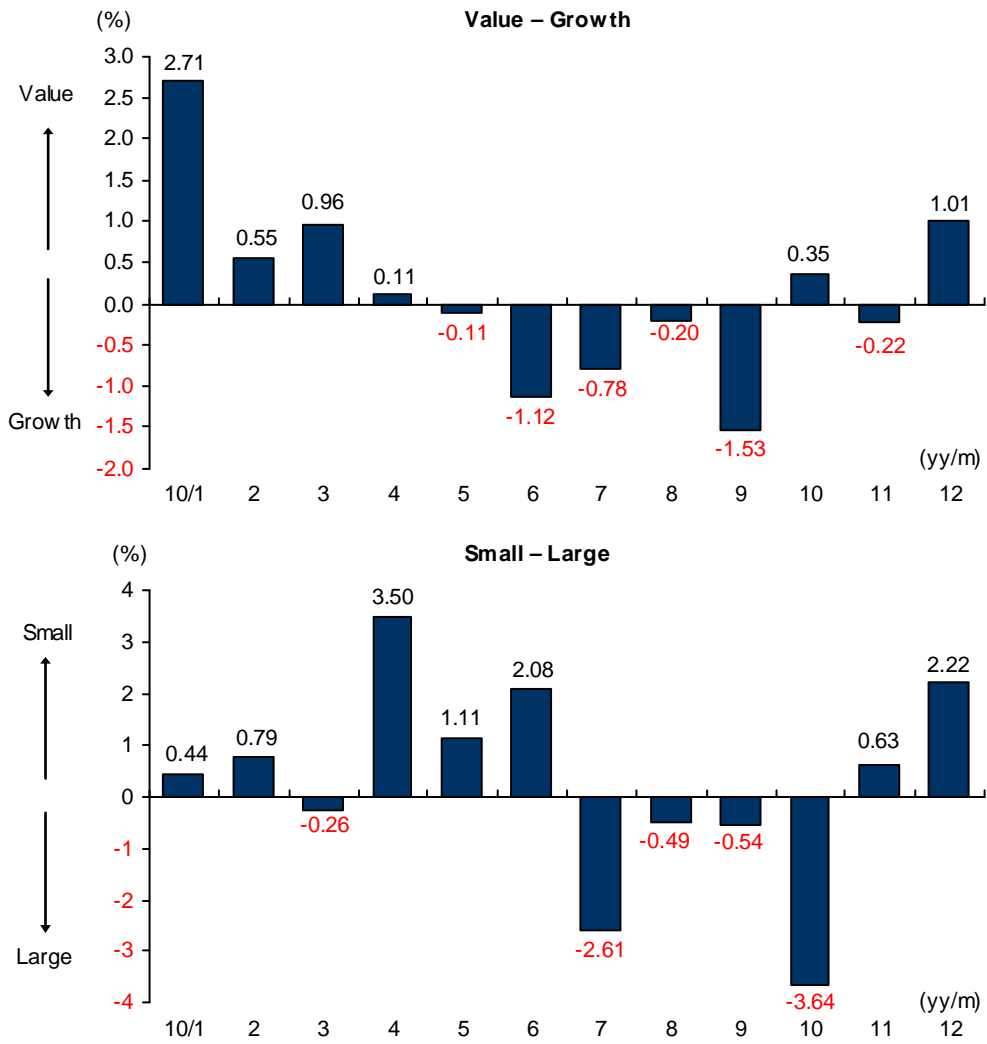
## 4. Russell/Nomura index performance by industrial sector: monthly returns\* (as of end-December 2010) (%)

	Index	Total Market		Value		Growth		Small		Prime	
		ex dividends	incl dividends	ex dividends	incl dividends	ex dividends	incl dividends	ex dividends	incl dividends	ex dividends	incl dividends
	Overall	4.40	4.48	4.93	4.97	3.84	3.96	6.26	6.36	4.36	4.43
1	Fishery, agriculture & forestry	2.51	2.51	2.78	2.78	2.38	2.38	2.51	2.51	2.51	2.51
2	Mining	10.49	10.51	10.47	10.49	12.65	12.65	10.65	10.74	10.56	10.56
3	Construction	5.45	5.46	4.64	4.64	7.92	7.93	5.57	5.60	5.53	5.53
4	Foods	1.73	2.05	1.91	2.29	1.58	1.83	2.95	3.31	1.73	2.04
5	Textiles & apparel	3.51	3.61	3.30	3.48	3.78	3.78	3.60	3.86	3.49	3.57
6	Pulp & paper	5.45	5.49	5.24	5.27	29.55	29.55	6.95	7.05	5.17	5.20
7	Chemicals	6.58	6.64	8.23	8.31	5.12	5.16	6.74	6.88	6.54	6.60
8	Pharmaceuticals	1.93	2.00	2.95	3.18	1.80	1.84	2.84	2.84	1.85	1.91
9	Oil & coal products	7.47	7.84	7.45	7.53	7.55	9.73	14.02	14.02	7.47	7.84
10	Rubber products	2.19	2.83	2.44	3.05	1.24	2.04	5.22	5.22	2.15	2.80
11	Glass & ceramics products	3.50	3.95	5.83	5.95	2.66	3.23	4.58	4.82	3.42	3.88
12	Iron & steel	5.40	5.42	6.31	6.31	4.13	4.17	7.75	7.82	5.39	5.40
13	Nonferrous metals	4.76	4.76	3.75	3.75	5.77	5.77	3.01	3.01	4.71	4.71
14	Metal products	5.89	5.95	9.55	9.64	-2.59	-2.59	6.38	6.57	5.82	5.88
15	Machinery	5.31	5.32	6.12	6.14	4.89	4.90	7.58	7.63	5.20	5.20
16	Electric appliances	3.59	3.79	1.81	1.83	4.33	4.61	8.12	8.24	3.51	3.72
17	Transportation equipment	2.69	2.70	1.44	1.44	3.96	3.98	5.36	5.36	2.64	2.65
18	Precision instruments	1.88	1.90	5.39	5.39	1.47	1.50	2.64	2.86	1.82	1.85
19	Other products	5.59	5.62	6.19	6.25	5.21	5.22	6.93	7.13	5.60	5.61
20	Electric power & gas	0.17	0.17	0.26	0.26	-0.28	-0.28	5.40	5.62	0.17	0.17
21	Land transportation	3.05	3.05	5.09	5.09	1.19	1.19	3.96	3.96	3.10	3.10
22	Marine transportation	-1.46	-1.46	-1.37	-1.37	-3.95	-3.95	-1.91	-1.91	-1.45	-1.45
23	Air transportation	3.01	3.01	-	-	3.01	3.01	-	-	3.01	3.01
24	Warehousing & harbor transportation services	4.29	4.29	4.17	4.17	8.20	8.20	4.66	4.66	4.20	4.20
25	Information & communication	1.24	1.34	0.66	0.66	1.88	2.08	6.47	6.62	1.13	1.22
26	Wholesale trade	4.61	4.62	5.39	5.42	3.97	3.97	6.67	6.73	4.53	4.54
27	Retail trade	3.08	3.13	3.63	3.65	2.26	2.35	4.71	4.78	3.03	3.07
28	Banks	10.26	10.26	10.23	10.23	12.33	12.33	6.44	6.44	10.30	10.30
29	Securities & commodity futures	8.26	8.26	8.10	8.10	12.87	12.87	11.12	11.12	8.27	8.27
30	Insurance	5.94	5.94	5.20	5.20	7.71	7.71	0.91	0.91	5.94	5.94
31	Other financing business	8.01	8.01	8.67	8.67	-0.47	-0.47	7.54	7.54	8.04	8.04
32	Real estate	8.77	8.81	12.68	12.95	8.07	8.07	11.00	11.06	8.65	8.69
33	Services	6.42	6.48	9.57	9.71	5.52	5.56	7.82	7.95	6.40	6.45

Note: \*Returns are not annualized.

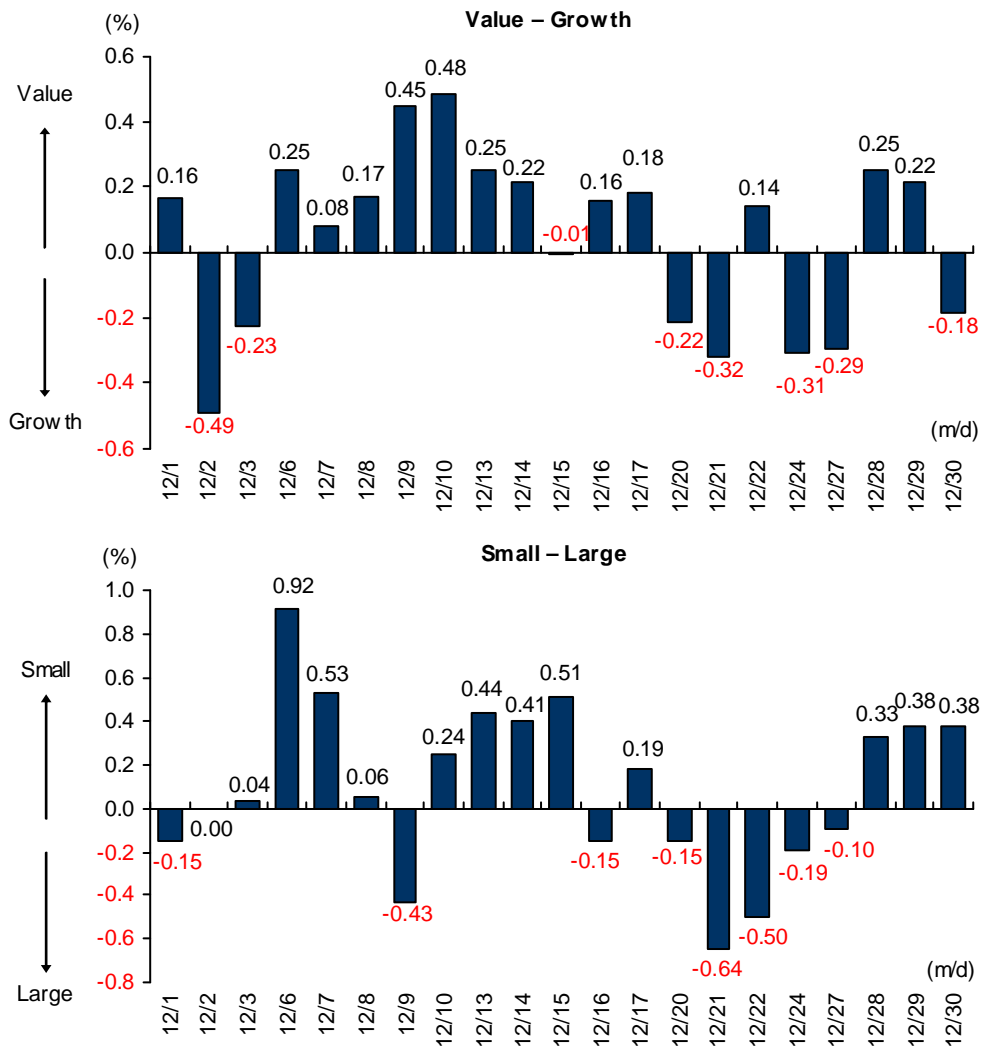
Source: Nomura

5. Monthly performance: style—total returns



Note: Value - Growth is the difference between Value and Growth returns. Small - Large is the difference between Small and Large returns. Returns are not annualized.  
 Source: Nomura

6. Daily performance: style—total returns



Note: Value - Growth is the difference between Value and Growth returns. Small - Large is the difference between Small and Large returns. Returns are not annualized.

Source: Nomura



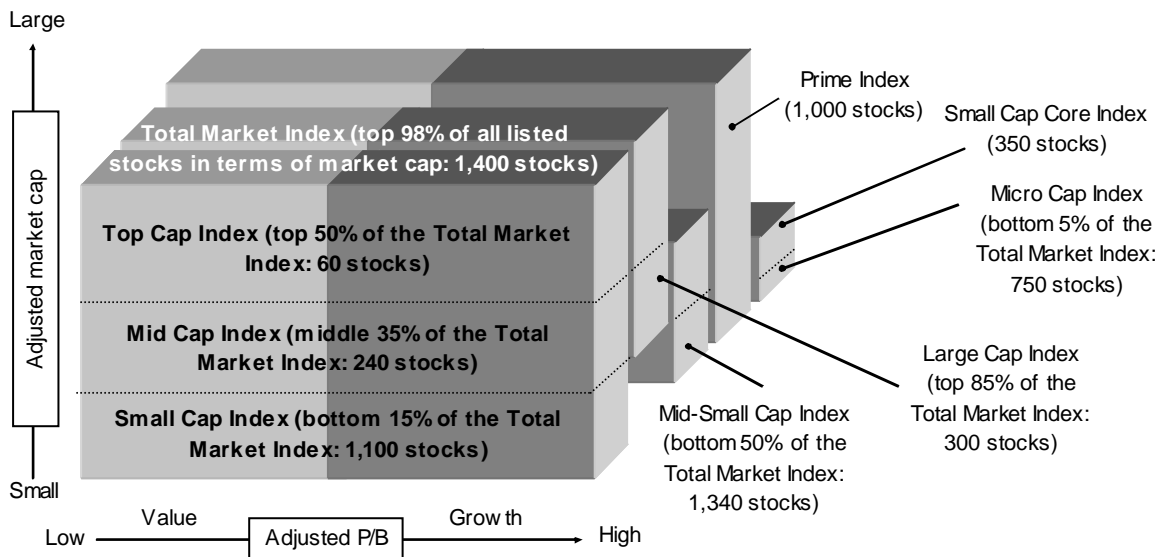
## 7. Russell/Nomura Japan Equity Indexes: key indicators (as of end-December 2010)

Index	P/E x	P/B x	Dividend yield %	ROE %	Rec profit growth %
Total Market	15.84	1.08	2.04	7.02	54.05
Value	15.40	0.84	2.15	5.59	53.57
Growth	16.32	1.55	1.92	9.85	54.65
Large	15.68	1.14	2.06	7.50	55.29
Large Value	15.01	0.89	2.19	6.07	55.14
Large Growth	16.35	1.55	1.94	9.81	55.46
Top	14.65	1.16	2.21	8.13	53.14
Top Value	14.19	0.92	2.28	6.65	51.46
Top Growth	15.08	1.49	2.15	10.28	54.87
Mid	17.55	1.13	1.83	6.57	58.74
Mid Value	16.38	0.85	2.05	5.30	60.62
Mid Growth	18.86	1.64	1.62	9.01	56.49
Mid-Small	17.30	1.02	1.85	6.02	55.02
Mid-Small Value	16.64	0.79	2.03	4.80	55.46
Mid-Small Growth	18.20	1.63	1.63	9.28	54.36
Small	16.77	0.84	1.90	5.12	47.76
Small Value	17.06	0.70	2.00	4.18	47.72
Small Growth	16.10	1.58	1.66	10.24	47.86
Small Core	18.12	0.89	1.87	5.02	37.34
Small Core Value	19.14	0.74	1.94	3.92	31.06
Small Core Growth	16.35	1.55	1.73	9.81	51.36
Micro	14.68	0.76	1.95	5.28	68.37
Micro Value	14.46	0.65	2.09	4.57	78.16
Micro Growth	15.48	1.70	1.48	11.51	39.41
Prime	15.89	1.10	2.03	7.07	52.71
Prime Value	15.49	0.85	2.14	5.62	50.80
Prime Growth	16.32	1.55	1.92	9.84	55.05

Note: All financial data are based on current-FY forecasts (with preference given to consolidated figures).

Source: Nomura

8. Russell/Nomura Japan Equity Indexes



Note: No. of stocks in each index is as of 30 December 2010.  
 Source: Nomura

All the indexes (Total Market, the capitalization indexes, Value, Growth, and Prime) also have indexes based on the 33 industrial sectors. Divisions based on market cap exclude the value of stable shareholdings. Value and Growth indexes are defined in terms of P/B ratios adjusted for unrealized gains/losses.

For composition rules and other information please refer to *Russell/Nomura Japan Equity Indexes*.

**9. Russell/Nomura Japan Equity Indexes performance summary: price returns (excluding dividends), US dollar basis (as of end-December 2010)**

Index	No. of stocks	Weight (%)	Index value	Returns (%) *				
				1 month	3 months	6 months	12 months	YTD
Total Market	1,400	100.00	593.75	7.63	10.83	16.36	12.47	12.47
Value	1,081	51.32	1,287.71	8.18	11.51	15.44	13.21	13.21
Growth	589	48.68	245.20	7.05	10.13	17.17	11.74	11.74
Large	300	84.60	580.42	7.28	10.95	17.07	11.95	11.95
Large Value	190	40.50	1,244.30	7.64	11.61	16.16	12.42	12.42
Large Growth	199	44.10	257.40	6.96	10.39	17.79	11.56	11.56
Top	60	50.99	477.49	7.33	11.48	19.05	11.71	11.71
Top Value	38	23.92	1,126.18	7.45	11.85	17.56	10.34	10.34
Top Growth	45	27.08	221.81	7.22	11.17	20.26	12.85	12.85
Mid	240	33.61	788.18	7.22	10.22	14.38	12.28	12.28
Mid Value	152	16.58	1,308.77	7.91	11.29	14.36	15.29	15.29
Mid Growth	154	17.02	362.48	6.55	9.23	14.33	9.69	9.69
Mid-Small	1,340	49.01	753.37	7.94	10.18	13.75	13.24	13.24
Mid-Small Value	1,043	27.40	1,320.17	8.83	11.23	13.70	15.74	15.74
Mid-Small Growth	544	21.61	316.21	6.83	8.91	13.67	10.42	10.42
Small	1,100	15.40	668.87	9.55	9.74	11.79	15.48	15.48
Small Value	891	10.82	1,262.94	10.26	10.88	12.33	16.33	16.33
Small Growth	390	4.58	237.93	7.92	7.18	10.50	13.53	13.53
Small Core	350	10.09	115.09	9.08	9.47	11.67	15.08	15.08
Small Core Value	273	6.75	172.48	9.84	10.92	12.20	15.44	15.44
Small Core Growth	157	3.33	42.57	7.58	6.62	10.62	14.35	14.35
Micro	750	5.31	128.67	10.45	10.24	11.95	16.22	16.22
Micro Value	618	4.07	167.50	10.95	10.73	12.48	17.91	17.91
Micro Growth	233	1.25	51.48	8.82	8.67	10.27	11.56	11.56
Prime	1,000	98.14	967.84	7.58	10.87	16.51	12.40	12.40
Prime Value	748	49.88	1,254.98	8.11	11.56	15.59	13.06	13.06
Prime Growth	478	48.26	698.53	7.04	10.18	17.30	11.75	11.75

Note: \*Returns are not annualized.

Source: Nomura

**10. Russell/Nomura Japan Equity Indexes performance summary: total returns (including dividends), US dollar basis (as of end-December 2010)**

Index	No. of stocks	Weight (%)	Index value	Returns (%) *				
				1 month	3 months	6 months	12 months	YTD
Total Market	1,400	100.00	840.99	7.71	10.93	17.46	14.65	14.65
Value	1,081	51.32	1,892.28	8.22	11.55	16.63	15.59	15.59
Growth	589	48.68	334.72	7.17	10.30	18.20	13.73	13.73
Large	300	84.60	822.70	7.36	11.06	18.19	14.12	14.12
Large Value	190	40.50	1,826.87	7.66	11.63	17.39	14.79	14.79
Large Growth	199	44.10	352.92	7.08	10.55	18.83	13.56	13.56
Top	60	50.99	684.84	7.41	11.58	20.33	14.10	14.10
Top Value	38	23.92	1,658.00	7.47	11.87	18.92	12.89	12.89
Top Growth	45	27.08	311.28	7.35	11.36	21.48	15.12	15.12
Mid	240	33.61	1,102.76	7.29	10.31	15.30	14.14	14.14
Mid Value	152	16.58	1,911.95	7.94	11.34	15.41	17.43	17.43
Mid Growth	154	17.02	481.99	6.66	9.37	15.13	11.32	11.32
Mid-Small	1,340	49.01	1,058.62	8.02	10.29	14.68	15.21	15.21
Mid-Small Value	1,043	27.40	1,934.61	8.88	11.29	14.75	17.99	17.99
Mid-Small Growth	544	21.61	420.49	6.95	9.06	14.48	12.09	12.09
Small	1,100	15.40	951.22	9.65	9.88	12.75	17.73	17.73
Small Value	891	10.82	1,863.73	10.34	10.98	13.36	18.75	18.75
Small Growth	390	4.58	316.59	8.04	7.40	11.33	15.41	15.41
Small Core	350	10.09	133.12	9.17	9.60	12.64	17.31	17.31
Small Core Value	273	6.75	202.08	9.92	11.00	13.21	17.80	17.80
Small Core Growth	157	3.33	47.76	7.70	6.86	11.50	16.31	16.31
Micro	750	5.31	150.65	10.55	10.37	12.91	18.53	18.53
Micro Value	618	4.07	198.92	11.06	10.85	13.53	20.45	20.45
Micro Growth	233	1.25	57.57	8.94	8.83	10.98	13.27	13.27
Prime	1,000	98.14	1,144.54	7.66	10.98	17.61	14.58	14.58
Prime Value	748	49.88	1,509.46	8.15	11.60	16.78	15.44	15.44
Prime Growth	478	48.26	812.98	7.16	10.35	18.33	13.74	13.74

Note: \*Returns are not annualized.

Source: Nomura

## Data publication services

Data for the Russell/Nomura Japan Equity Indexes can be obtained via the following channels.

**Index values are published in the following media:**

- Bloomberg (RNJI)
- Jiji (SQ21, SQ22, SQ23, SQ24)
- QUICK (NRU500–503, 510–517)
- Reuters (FRCNRI01, FRCNRI02, FRCNRI03, FRCNRI04)
- Our website (<http://qr.nomura.co.jp/jp/frcnri/index.html>)

**Daily index values for the Russell/Nomura Prime Index are published in the following media:**

- Bloomberg (RNPJ <INDEX>)
- Jiji (RT14 or RNPJ/2)
- QUICK (140)
- Reuters (.JRN)
- Our website (<http://qr.nomura.co.jp/jp/frcnri/index.html>)

**Daily index values for the Russell/Nomura Small Cap Core Index are published in the following media:**

- Bloomberg (RNSCC <INDEX>)
- Jiji (RT14 or RNSCC/NOMURA)
- QUICK (130)
- Reuters (.JRNSC)

### More detailed data

More detailed data on index values and individual stock information can be obtained through Nomura Research Institute services Aurora, e-Aurora, and IDS.

For information, contact:  
 Nomura Research Institute  
 Investment Information Systems Business Department  
 +81-3-5533-3870  
 e-mail: [ids-sales@nri.co.jp](mailto:ids-sales@nri.co.jp)

### Rule book:

Russell/Nomura Japan equity index rule book

While every effort is made to ensure that the information used in this report and all published information is based on reliable data, it should be noted that at times, data may have changed or been amended.

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

### Analyst Certification

Each research analyst identified herein certifies that all of the views expressed in this report by such analyst accurately reflect his or her personal views about the subject securities and issuers. In addition, each research analyst identified on the cover page hereof hereby certifies that no part of his or her compensation was, is, or will be, directly or indirectly related to the specific recommendations or views that he or she has expressed in this research report, nor is it tied to any specific investment banking transactions performed by Nomura Securities International, Inc., Nomura International plc or any other Nomura Group company.

### Important Disclosures

#### Online availability of research and additional conflict-of-interest disclosures

Nomura Japanese Equity Research is available electronically for clients in the US on NOMURA.COM, REUTERS, BLOOMBERG and THOMSON ONE ANALYTICS. For clients in Europe, Japan and elsewhere in Asia it is available on NOMURA.COM, REUTERS and BLOOMBERG. Important disclosures may be accessed through the left hand side of the Nomura Disclosure web page <http://www.nomura.com/research> or requested from Nomura Securities International, Inc., on 1-877-865-5752. If you have any difficulties with the website, please email [grpsupport-eu@nomura.com](mailto:grpsupport-eu@nomura.com) for technical assistance.

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.

Industry Specialists identified in some Nomura International plc research reports are employees within the Firm who are responsible for the sales and trading effort in the sector for which they have coverage. Industry Specialists do not contribute in any manner to the content of research reports in which their names appear.

#### Distribution of ratings (Global)

Nomura Global Equity Research has 1878 companies under coverage.

48% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; 41% of companies with this rating are investment banking clients of the Nomura Group\*.

37% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 54% of companies with this rating are investment banking clients of the Nomura Group\*.

13% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 16% of companies with this rating are investment banking clients of the Nomura Group\*.

As at 30 September 2010.

\*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 for ratings published from 27 October 2008

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 price target 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 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 company. Benchmarks are as follows: **United States/Europe**: Please see valuation methodologies for explanations of relevant benchmarks for stocks (accessible through the left hand side of the Nomura Disclosure web page: <http://www.nomura.com/research>); **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 for Asian companies under coverage ex Japan published from 30 October 2008 and in Japan from 6 January 2009

##### STOCKS

Stock recommendations are based on absolute valuation upside (downside), which is defined as (Price Target - Current Price) / Current Price, subject to limited management discretion. In most cases, the Price Target 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.

## Explanation of Nomura's equity research rating system in Japan published prior to 6 January 2009 (and ratings in Europe, Middle East and Africa, US and Latin America published prior to 27 October 2008)

### STOCKS

A rating of '1' or **'Strong buy'**, indicates that the analyst expects the stock to outperform the Benchmark by 15% or more over the next six months.

A rating of '2' or **'Buy'**, indicates that the analyst expects the stock to outperform the Benchmark by 5% or more but less than 15% over the next six months.

A rating of '3' or **'Neutral'**, indicates that the analyst expects the stock to either outperform or underperform the Benchmark by less than 5% over the next six months.

A rating of '4' or **'Reduce'**, indicates that the analyst expects the stock to underperform the Benchmark by 5% or more but less than 15% over the next six months.

A rating of '5' or **'Sell'**, indicates that the analyst expects the stock to underperform the Benchmark by 15% or more over the next six months.

Stocks labeled **'Not rated'** or shown as **'No rating'** are not in Nomura's regular research coverage. Nomura might not publish additional research reports concerning this company, and it undertakes no obligation to update the analysis, estimates, projections, conclusions or other information contained herein.

## SECTORS

A **'Bullish'** stance, indicates that the analyst expects the sector to outperform the Benchmark during the next six months.

A **'Neutral'** stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next six months.

A **'Bearish'** stance, indicates that the analyst expects the sector to underperform the Benchmark during the next six months.

Benchmarks are as follows: **Japan**: TOPIX; **United States**: S&P 500, MSCI World Technology Hardware & Equipment; **Europe**, by sector - *Hardware/Semiconductors*: FTSE W Europe IT Hardware; *Telecoms*: FTSE W Europe Business Services; *Business Services*: FTSE W Europe; *Auto & Components*: FTSE W Europe Auto & Parts; *Communications equipment*: FTSE W Europe IT Hardware; **Ecology Focus**: Bloomberg World Energy Alternate Sources; **Global Emerging Markets**: MSCI Emerging Markets ex-Asia.

## Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published prior to 30 October 2008

### STOCKS

Stock recommendations are based on absolute valuation upside (downside), which is 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. However, if the analyst doesn't think the market will revalue the stock over the specified time horizon due to a lack of events or catalysts, then the fair value may differ from the intrinsic fair value. In most cases, therefore, our recommendation is an assessment of the difference between current market price and our estimate of current intrinsic fair value. Recommendations are set with a 6-12 month horizon unless specified otherwise. Accordingly, within this horizon, price volatility may cause the actual upside or downside based on the prevailing market price to differ from the upside or downside implied by the recommendation.

A **'Strong buy'** recommendation indicates that upside is more than 20%.

A **'Buy'** recommendation indicates that upside is between 10% and 20%.

A **'Neutral'** recommendation indicates that upside or downside is less than 10%.

A **'Reduce'** recommendation indicates that downside is between 10% and 20%.

A **'Sell'** recommendation indicates that downside is more than 20%.

## 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.

## Price targets

Price targets, if discussed, reflect in part the analyst's estimates for the company's earnings. The achievement of any price target 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 publication contains material that has been prepared by the Nomura entity identified on the banner at the top or the bottom of page 1 herein and, if applicable, with the contributions of one or more Nomura entities whose employees and their respective affiliations are specified on page 1 herein or elsewhere identified in the publication. Affiliates and subsidiaries of Nomura Holdings, Inc. (collectively, the 'Nomura Group'), include: Nomura Securities Co., Ltd. ('NSC') Tokyo, Japan; Nomura International plc, United Kingdom; Nomura Securities International, Inc. ('NSI'), New York, NY; Nomura International (Hong Kong) Ltd., Hong Kong; Nomura Financial Investment (Korea) Co., Ltd., 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., Singapore (Registration number 197201440E, regulated by the Monetary Authority of Singapore); Nomura Securities Singapore Pte Ltd., Singapore (Registration number 198702521E, regulated by the Monetary Authority of Singapore); Capital Nomura Securities Public Company Limited; Nomura Australia Ltd., Australia (ABN 48 003 032 513), regulated by the Australian Securities and Investment Commission and holder of an Australian financial services licence number 246412; P.T. Nomura Indonesia, Indonesia; Nomura Securities Malaysia Sdn. Bhd., Malaysia; Nomura International (Hong Kong) Ltd., Taipei Branch, Taiwan; Nomura Financial Advisory and Securities (India) Private Limited, Mumbai, India (Registered Address: Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400 018, India; SEBI Registration No: BSE INB011299030, NSE INB231299034, INF231299034, INE 231299034).

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 THAT WE CONSIDER RELIABLE.

NOMURA GROUP DOES NOT WARRANT OR REPRESENT THAT THE PUBLICATION 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 PUBLICATION 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 expressed are current opinions as of the original publication date appearing on this material only and the information, including the opinions contained herein, are subject to change without notice. Nomura is under no duty to update this publication. If and as applicable, NSI's investment banking relationships, investment banking and non-investment banking compensation and securities ownership (identified in this report as 'Disclosures Required in the United States'), if any, are specified in disclaimers and related disclosures in this report. In addition, other members of the Nomura Group may from time to time perform investment banking or other services (including acting as advisor, manager or lender) for, or solicit investment banking or other business from, companies mentioned herein. Further, the Nomura Group, and/or its officers, directors and employees, including persons, without limitation, involved in the preparation or issuance of this material may, to the extent permitted by applicable law and/or regulation, have long or short positions in, and buy or sell, the securities (including ownership by NSI, referenced above), or derivatives (including options) thereof, of companies mentioned herein, or related securities or derivatives. In addition, the Nomura Group, excluding NSI, may act as a market maker and principal, willing to buy and sell certain of the securities of companies mentioned herein. Further, the Nomura Group may buy and sell certain of the securities of companies mentioned herein, as agent for its clients.

Investors should consider this report 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. Please see the further disclaimers in the disclosure information on companies covered by Nomura analysts available at [www.nomura.com/research](http://www.nomura.com/research) under the 'Disclosure' tab. 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; it is possible that individual employees of Nomura may have different perspectives to this publication.

NSC and other non-US members of the Nomura Group (i.e. excluding NSI), their officers, directors and employees may, to the extent it relates to non-US issuers and is permitted by applicable law, have acted upon or used this material prior to, or immediately following, its publication.

Foreign-currency-denominated 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. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk.

The securities described herein may not have been registered under the US Securities Act of 1933, and, in such case, may not be offered or sold in the United States or to US persons unless they have been registered under such Act, or except in compliance with an exemption from the registration requirements of such Act. Unless governing law permits otherwise, you must contact a Nomura entity in your home jurisdiction if you want to use our services in effecting a transaction in the securities mentioned in this material.

This publication has been approved for distribution in the United Kingdom and European Union as investment research by Nomura International plc ('NIPlc'), which is authorized and regulated by the UK Financial Services Authority ('FSA') and is a member of the London Stock Exchange. It does not constitute a personal recommendation, as defined by the FSA, or take into account the particular investment objectives, financial situations, or needs of individual investors. It is intended only for investors who are 'eligible counterparties' or 'professional clients' as defined by the FSA, and may not, therefore, be redistributed to retail clients as defined by the FSA. This publication may be distributed in Germany via Nomura Bank

(Deutschland) GmbH, which is authorized and regulated in Germany by the Federal Financial Supervisory Authority ('BaFin'). This publication has been approved by Nomura International (Hong Kong) Ltd. ('NIHK'), which is regulated by the Hong Kong Securities and Futures Commission, for distribution in Hong Kong by NIHK. This publication has been approved for distribution in Australia by Nomura Australia Ltd, which is authorized and regulated in Australia by the Australian Securities and Investment Commission ('ASIC'). This publication has also been approved for distribution in Malaysia by Nomura Securities Malaysia Sdn Bhd. In Singapore, this publication has been distributed by Nomura Singapore Limited ('NSL') and/or Nomura Securities Singapore Pte Ltd ('NSS'). NSL and NSS accepts legal responsibility for the content of this publication, 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 publication should contact NSL or NSS (as the case may be) in respect of matters arising from, or in connection with, this publication. Unless prohibited by the provisions of Regulation S of the U.S. Securities Act of 1933, this material is distributed in the United States, by Nomura Securities International, Inc., 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 publication has not been approved for distribution in the Kingdom of Saudi Arabia or to clients other than 'professional clients' in the United Arab Emirates by Nomura Saudi Arabia, Nomura International plc or any other member of the Nomura Group, as the case may be. Neither this publication 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 the Kingdom of Saudi Arabia or in the United Arab Emirates or to any person located in the Kingdom of Saudi Arabia or to clients other than 'professional clients' in the United Arab Emirates. By accepting to receive this publication, you represent that you are not located in the Kingdom of Saudi Arabia or that you are a 'professional client' in the United Arab Emirates and agree to comply with these restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the Kingdom of Saudi Arabia or the United Arab Emirates.

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 the Nomura Group member identified in the banner on page 1 of this report. Further information on any of the securities mentioned herein may be obtained upon request. If this publication 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 publication, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

#### **Additional information available upon request**

NIPlc and other Nomura Group entities manage conflicts identified through the following: their Chinese Wall, confidentiality and independence policies, maintenance of a Restricted List and a Watch List, personal account dealing rules, policies and procedures for managing conflicts of interest arising from the allocation and pricing of securities and impartial investment research and disclosure to clients via client documentation.

#### **Disclosure information is available at the Nomura Disclosure web page:**

<http://www.nomura.com/research/pages/disclosures/disclosures.asp>