

Performance summary February 2013

March 4, 2013



Fig. 1: Russell/Nomura Japan Equity Indexes performance summary

Total returns (including dividends, as of end-February 2013)

Index	No. of stocks	Weight (%)	Index value	Returns (%) *				
				1 month	3 months	6 months	12 months	YTD
Total Market	1,498	100.00	324.48	3.83	24.82	34.67	19.29	13.55
Value	1,159	49.94	718.93	3.75	28.37	40.60	17.43	13.93
Growth	710	50.06	131.17	3.91	21.48	29.31	20.98	13.16
Large	350	86.32	311.23	3.77	24.88	35.05	18.95	13.44
Large Value	218	40.19	672.55	3.60	28.91	42.04	17.13	13.92
Large Growth	239	46.13	136.77	3.92	21.56	29.52	20.50	13.02
Top	60	50.98	262.68	3.47	26.60	37.28	21.15	14.39
Top Value	34	22.59	630.00	2.97	32.07	45.13	20.74	16.24
Top Growth	45	28.39	120.71	3.87	22.56	31.40	22.23	12.95
Mid	290	35.34	410.14	4.20	22.47	31.95	15.93	12.09
Mid Value	184	17.59	673.76	4.41	25.07	38.39	12.60	11.07
Mid Growth	194	17.74	187.16	3.99	19.99	26.85	18.03	13.12
Mid-Small	1,438	49.02	410.79	4.20	23.03	32.06	17.43	12.68
Mid-Small Value	1,125	27.35	732.11	4.39	25.46	36.99	14.85	12.09
Mid-Small Growth	665	21.67	167.09	3.96	20.10	26.90	19.42	13.44
Small	1,148	13.68	406.17	4.21	24.49	32.36	21.45	14.23
Small Value	941	9.76	787.63	4.36	26.16	34.75	18.91	13.97
Small Growth	471	3.93	137.36	3.81	20.62	27.16	25.77	14.89
Small Core	349	8.50	131.89	4.37	23.98	31.87	20.98	13.87
Small Core Value	274	5.94	195.81	5.07	26.64	35.85	18.08	14.42
Small Core Growth	166	2.56	48.84	2.78	18.32	24.12	25.05	12.62
Micro	799	5.19	154.54	3.93	25.34	33.16	22.22	14.83
Micro Value	667	3.82	205.76	3.28	25.41	33.05	20.29	13.27
Micro Growth	305	1.37	57.52	5.80	25.17	33.39	26.80	19.42
Prime	999	97.68	910.23	3.81	24.77	34.66	19.19	13.48
Prime Value	746	48.29	1,180.10	3.78	28.50	40.91	17.40	13.97
Prime Growth	526	49.39	657.58	3.84	21.33	29.15	20.77	12.99

Note: * Returns are not annualized.

Source: Nomura

Research analysts

Japan index products

Akihiro Tokuno - NSC
idx_mgr@frc.nomura.co.jp
+81 3 6703 3986

Yumiko Hirano - NSC
idx_mgr@frc.nomura.co.jp
+81 3 6703 3986

Nana Komiyama - NSC
idx_mgr@frc.nomura.co.jp
+81 3 6703 3986

Japanese version published on
March 1, 2013

See Appendix A-1 for analyst certification, important disclosures and the status of non-US analysts.

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. Sub-indexes 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

Russell Investments is an independent, global financial services firm that provides strategic advice, investment solutions, implementation services, and global performance benchmarks that are customized to meet the unique needs of institutional investors, financial advisors, and individuals.

Russell has pioneered innovations that have come to define many practices that are standard in the investment world today, and has four decades of experience researching and selecting money managers globally.

Founded in 1936, Russell is headquartered in Seattle, Washington, USA and has offices in Amsterdam, Auckland, Chicago, London, Melbourne, Milan, 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 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.

Fig. 2: Russell/Nomura Japan Equity Indexes performance summary

Price returns (excluding dividends, as of end-February 2013)

Index	No. of stocks	Weight (%)	Index value	Returns (%) *				
				1 month	3 months	6 months	12 months	YTD
Total Market	1,498	100.00	218.36	3.77	24.63	33.12	16.47	13.48
Value	1159	49.94	465.34	3.70	28.25	38.89	14.53	13.88
Growth	710	50.06	91.78	3.85	21.22	27.89	18.25	13.09
Large	350	86.32	209.12	3.72	24.69	33.44	16.11	13.38
Large Value	218	40.19	435.18	3.56	28.82	40.25	14.18	13.88
Large Growth	239	46.13	95.21	3.86	21.30	28.06	17.74	12.95
Top	60	50.98	173.46	3.43	26.41	35.39	17.90	14.34
Top Value	34	22.59	404.34	2.94	32.02	43.03	17.41	16.21
Top Growth	45	28.39	81.64	3.82	22.26	29.67	19.06	12.89
Mid	290	35.34	281.37	4.15	22.29	30.74	13.61	12.03
Mid Value	184	17.59	441.57	4.38	24.93	37.05	10.17	11.02
Mid Growth	194	17.74	135.40	3.92	19.78	25.72	15.79	13.05
Mid-Small	1,438	49.02	280.39	4.14	22.83	30.84	15.02	12.61
Mid-Small Value	1,125	27.35	477.92	4.34	25.29	35.65	12.33	12.02
Mid-Small Growth	665	21.67	120.87	3.88	19.88	25.78	17.14	13.36
Small	1,148	13.68	273.39	4.12	24.26	31.09	18.83	14.13
Small Value	941	9.76	509.83	4.28	25.93	33.38	16.21	13.87
Small Growth	471	3.93	99.28	3.72	20.37	26.08	23.33	14.78
Small Core	349	8.50	109.24	4.29	23.76	30.61	18.41	13.77
Small Core Value	274	5.94	159.85	4.99	26.43	34.49	15.47	14.32
Small Core Growth	166	2.56	41.83	2.70	18.09	23.02	22.56	12.51
Micro	799	5.19	126.17	3.85	25.09	31.88	19.52	14.71
Micro Value	667	3.82	165.14	3.20	25.16	31.66	17.44	13.16
Micro Growth	305	1.37	49.58	5.69	24.89	32.36	24.49	19.29
Prime	999	97.68	733.62	3.76	24.58	33.10	16.37	13.41
Prime Value	746	48.29	933.21	3.74	28.39	39.19	14.50	13.92
Prime Growth	526	49.39	539.64	3.78	21.06	27.71	18.04	12.92

Note: * Returns are not annualized.

Source: Nomura

Fig. 3: Russell/Nomura Japan Equity Indexes performance summary

Total returns (including dividends, as of end-February 2013)

Index	No. of stocks	Weight (%)	Index value	Returns (%) *				
				1 month	3 months	6 months	12 months	YTD
Total Market	1,498	100.00	324.48	3.83	24.82	34.67	19.29	13.55
Value	1,159	49.94	718.93	3.75	28.37	40.60	17.43	13.93
Growth	710	50.06	131.17	3.91	21.48	29.31	20.98	13.16
Large	350	86.32	311.23	3.77	24.88	35.05	18.95	13.44
Large Value	218	40.19	672.55	3.60	28.91	42.04	17.13	13.92
Large Growth	239	46.13	136.77	3.92	21.56	29.52	20.50	13.02
Top	60	50.98	262.68	3.47	26.60	37.28	21.15	14.39
Top Value	34	22.59	630.00	2.97	32.07	45.13	20.74	16.24
Top Growth	45	28.39	120.71	3.87	22.56	31.40	22.23	12.95
Mid	290	35.34	410.14	4.20	22.47	31.95	15.93	12.09
Mid Value	184	17.59	673.76	4.41	25.07	38.39	12.60	11.07
Mid Growth	194	17.74	187.16	3.99	19.99	26.85	18.03	13.12
Mid-Small	1,438	49.02	410.79	4.20	23.03	32.06	17.43	12.68
Mid-Small Value	1,125	27.35	732.11	4.39	25.46	36.99	14.85	12.09
Mid-Small Growth	665	21.67	167.09	3.96	20.10	26.90	19.42	13.44
Small	1,148	13.68	406.17	4.21	24.49	32.36	21.45	14.23
Small Value	941	9.76	787.63	4.36	26.16	34.75	18.91	13.97
Small Growth	471	3.93	137.36	3.81	20.62	27.16	25.77	14.89
Small Core	349	8.50	131.89	4.37	23.98	31.87	20.98	13.87
Small Core Value	274	5.94	195.81	5.07	26.64	35.85	18.08	14.42
Small Core Growth	166	2.56	48.84	2.78	18.32	24.12	25.05	12.62
Micro	799	5.19	154.54	3.93	25.34	33.16	22.22	14.83
Micro Value	667	3.82	205.76	3.28	25.41	33.05	20.29	13.27
Micro Growth	305	1.37	57.52	5.80	25.17	33.39	26.80	19.42
Prime	999	97.68	910.23	3.81	24.77	34.66	19.19	13.48
Prime Value	746	48.29	1,180.10	3.78	28.50	40.91	17.40	13.97
Prime Growth	526	49.39	657.58	3.84	21.33	29.15	20.77	12.99

Note: * Returns are not annualized.

Source: Nomura

Fig. 4: Russell/Nomura index data by industrial sector

Number of stocks and weighting (as of end-February 2013)

	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	1,498	100.00	1,159	100.00	710	100.00	1148	100.00	999	100.00
1	Fishery, agriculture & forestry	6	0.08	5	0.07	4	0.09	6	0.60	5	0.08
2	Mining	6	0.55	6	1.09	1	0.00	4	0.22	4	0.55
3	Construction	74	2.34	65	2.75	27	1.93	63	5.29	47	2.26
4	Foods	70	3.74	54	1.48	41	6.00	52	3.85	47	3.74
5	Textiles & apparel	27	0.76	25	0.89	6	0.62	24	2.24	18	0.73
6	Pulp & paper	11	0.28	10	0.56	1	0.01	10	1.31	8	0.28
7	Chemicals	115	5.84	95	5.17	47	6.51	85	7.30	76	5.80
8	Pharmaceuticals	41	5.38	19	1.07	35	9.68	24	2.56	29	5.42
9	Oil & coal products	9	0.82	8	1.43	1	0.21	5	0.46	6	0.83
10	Rubber products	11	0.99	11	0.35	4	1.62	8	0.64	9	1.00
11	Glass & ceramics products	22	0.92	20	1.15	9	0.69	15	1.30	18	0.93
12	Iron & steel	24	1.53	24	2.96	3	0.09	19	2.11	18	1.53
13	Nonferrous metals	20	1.13	17	1.87	7	0.38	14	1.41	19	1.15
14	Metal products	30	0.67	28	0.91	9	0.43	26	1.78	16	0.63
15	Machinery	107	5.05	92	3.63	48	6.47	86	7.49	67	4.97
16	Electric appliances	133	12.19	104	8.02	65	16.35	96	8.05	91	12.28
17	Transportation equipment	60	10.88	53	11.13	28	10.63	42	4.52	47	11.07
18	Precision instruments	22	1.28	11	0.31	16	2.24	16	1.50	16	1.29
19	Other products	39	1.31	32	1.21	18	1.41	33	2.54	24	1.28
20	Electric power & gas	18	2.18	15	3.13	6	1.22	5	0.38	16	2.22
21	Land transportation	36	4.20	24	2.52	24	5.88	18	1.67	26	4.25
22	Marine transportation	5	0.34	5	0.67	1	0.00	3	0.66	4	0.34
23	Air transportation	3	0.58	2	0.48	2	0.67	1	0.04	3	0.59
24	Warehousing & harbor transportation services	14	0.26	14	0.48	3	0.04	12	0.80	7	0.23
25	Information & communications	90	6.38	53	4.92	64	7.83	71	6.12	54	6.34
26	Wholesale trade	112	5.04	100	8.21	35	1.88	98	6.32	58	4.92
27	Retail trade	137	4.18	76	3.10	96	5.26	116	8.88	89	4.05
28	Banks	89	10.58	88	20.90	2	0.28	62	7.80	77	10.77
29	Securities & commodity futures	15	1.54	13	2.96	3	0.12	12	1.90	11	1.54
30	Insurance	8	2.36	4	2.79	7	1.92	2	0.07	7	2.41
31	Other financing business	17	1.05	14	1.75	7	0.35	13	2.23	16	1.07
32	Real estate	39	3.12	28	0.95	22	5.28	30	2.42	22	3.10
33	Services	88	2.49	44	1.08	68	3.88	77	5.53	44	2.34

Source: Nomura

Fig. 5: Russell/Nomura index performance by industrial sector

Monthly returns (as of end-February 2013)

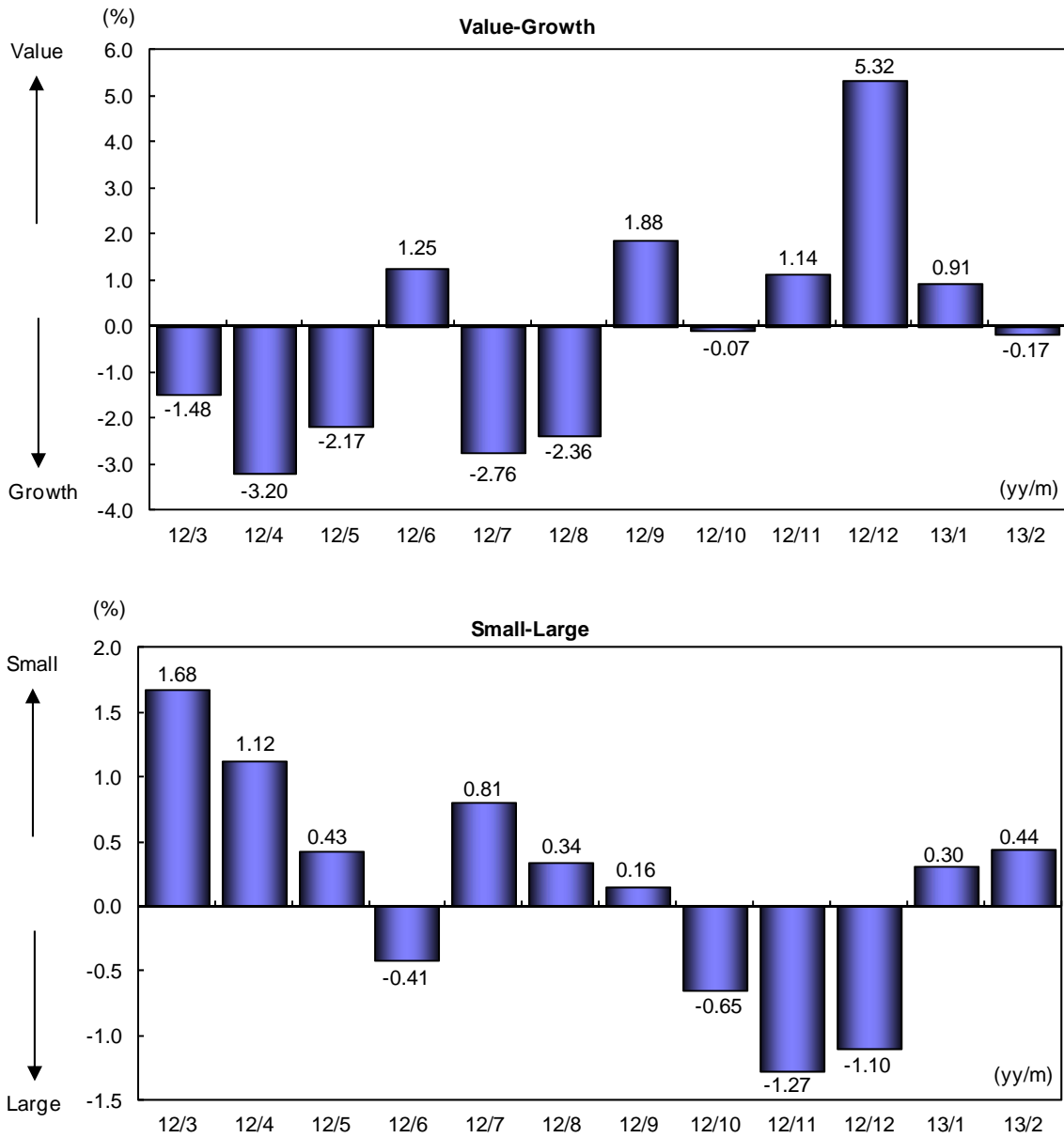
Index	Total Market		Value		Growth		Small		Prime	
	No. of stocks	Weight (%)	No. of stocks	Weight (%)	No. of stocks	Weight (%)	No. of stocks	Weight (%)	No. of stocks	Weight (%)
Overall	3.77	3.83	3.70	3.75	3.85	3.91	4.12	4.21	3.76	3.81
1 Fishery, agriculture & forestry	6.61	6.61	8.69	8.69	5.13	5.13	6.61	6.61	6.50	6.50
2 Mining	-6.00	-6.00	-6.10	-6.10	23.47	23.47	-3.93	-3.90	-6.33	-6.33
3 Construction	0.28	0.28	1.92	1.92	-1.97	-1.97	0.46	0.46	0.40	0.40
4 Foods	6.06	6.09	7.86	7.95	5.62	5.64	3.97	4.07	6.17	6.20
5 Textiles & apparel	5.15	5.41	3.75	4.18	7.24	7.24	3.23	3.84	5.23	5.49
6 Pulp & paper	12.26	12.28	12.20	12.22	16.88	16.88	8.55	8.59	12.83	12.85
7 Chemicals	4.50	4.50	3.54	3.54	5.27	5.27	5.07	5.08	4.58	4.58
8 Pharmaceuticals	5.14	5.17	5.10	5.10	5.15	5.17	8.26	8.26	4.94	4.97
9 Oil & coal products	7.19	7.19	6.07	6.07	15.43	15.43	3.21	3.21	7.25	7.25
10 Rubber products	18.37	18.45	15.50	15.58	19.01	19.09	10.86	10.86	18.40	18.48
11 Glass & ceramics products	1.90	1.88	3.76	3.73	-1.03	-1.03	-1.76	-1.84	1.96	1.94
12 Iron & steel	2.41	2.41	2.21	2.21	9.53	9.53	6.44	6.44	2.48	2.48
13 Nonferrous metals	2.37	2.37	2.60	2.60	1.26	1.26	-0.68	-0.68	2.42	2.42
14 Metal products	-1.50	-1.49	-0.45	-0.44	-3.62	-3.62	0.59	0.60	-1.21	-1.21
15 Machinery	1.99	1.99	4.61	4.62	0.58	0.58	4.33	4.34	1.92	1.92
16 Electric appliances	2.14	2.14	2.74	2.75	1.84	1.84	3.46	3.49	2.13	2.13
17 Transportation equipment	5.21	5.33	5.57	5.67	4.84	4.98	7.13	7.13	5.19	5.31
18 Precision instruments	-4.16	-4.16	1.71	1.71	-4.92	-4.92	6.20	6.19	-4.22	-4.22
19 Other products	4.79	4.80	5.45	5.45	4.24	4.24	2.56	2.58	4.95	4.95
20 Electric power & gas	0.70	0.70	-0.59	-0.59	4.14	4.14	-3.05	-3.05	0.69	0.69
21 Land transportation	7.84	7.84	9.75	9.75	7.04	7.04	8.19	8.19	7.85	7.85
22 Marine transportation	10.17	10.17	10.21	10.21	-4.55	-4.55	19.87	19.87	10.36	10.36
23 Air transportation	11.72	11.72	5.86	5.86	16.34	16.34	-5.22	-5.22	11.72	11.72
24 Warehousing & harbor transportation services	8.42	8.42	8.45	8.45	8.14	8.14	7.97	7.97	9.48	9.48
25 Information & communications	5.67	5.70	8.61	8.61	3.91	3.96	5.94	5.98	5.41	5.44
26 Wholesale trade	0.55	0.56	0.10	0.12	2.52	2.53	3.98	4.06	0.46	0.46
27 Retail trade	2.45	3.16	2.78	3.44	2.25	3.00	3.13	3.58	2.29	3.03
28 Banks	3.91	3.91	3.80	3.80	12.79	12.79	3.89	3.89	3.95	3.95
29 Securities & commodity futures	4.29	4.29	4.34	4.34	2.93	2.93	11.45	11.45	4.07	4.07
30 Insurance	-1.50	-1.50	-1.07	-1.07	-2.12	-2.12	-1.41	-1.41	-1.51	-1.51
31 Other financing business	4.06	4.06	3.09	3.09	9.11	9.11	0.76	0.76	4.01	4.01
32 Real estate	7.78	7.79	7.18	7.16	7.88	7.90	0.63	0.65	8.00	8.00
33 Services	4.03	4.11	5.83	6.11	3.54	3.57	3.15	3.42	3.80	3.87

Note: * Returns are not annualized.

Source: Nomura

Fig. 6: Monthly performance

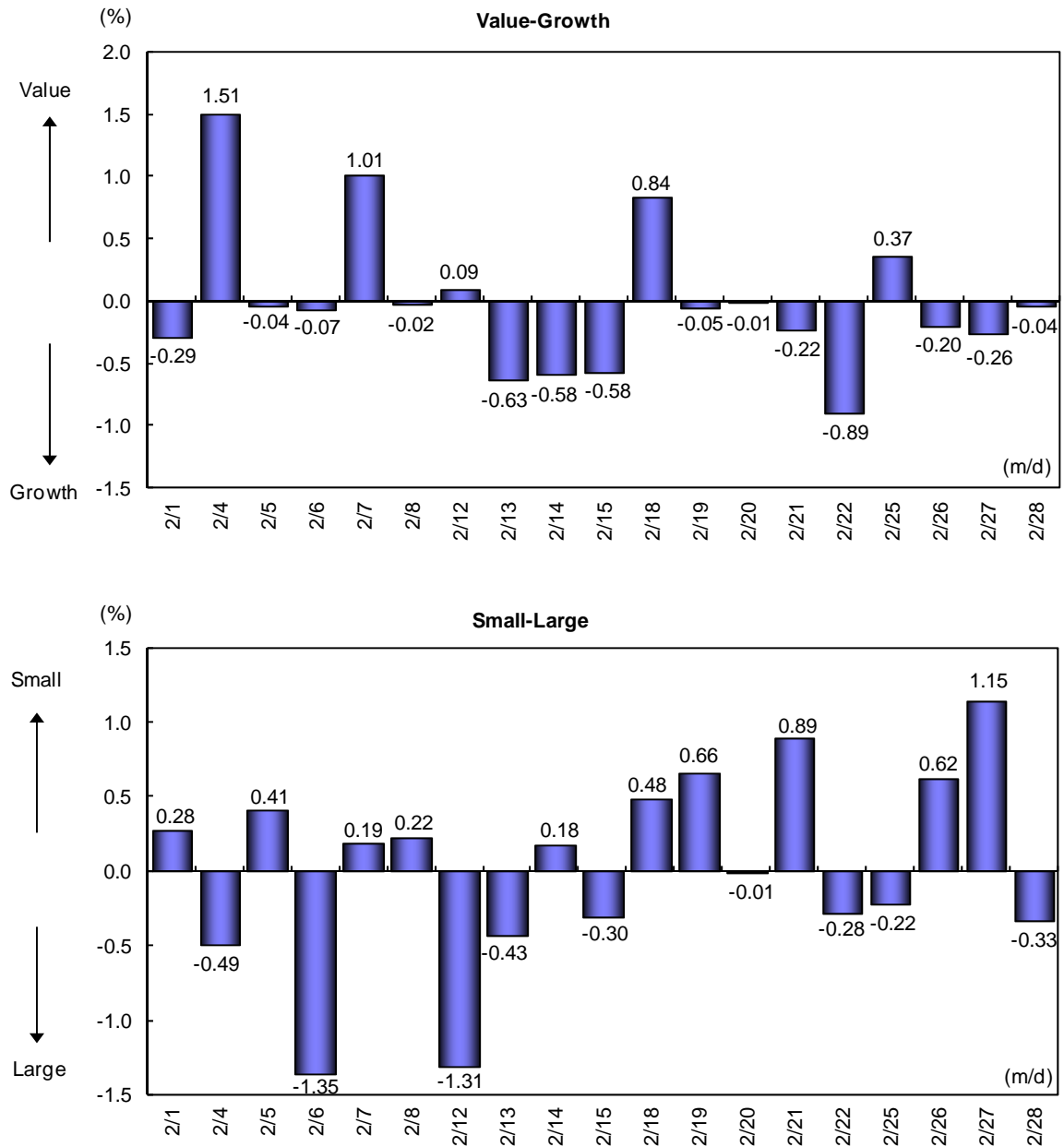
Style: total returns



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

Fig. 7: 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

Fig. 8: Russell/Nomura Japan Equity Indexes

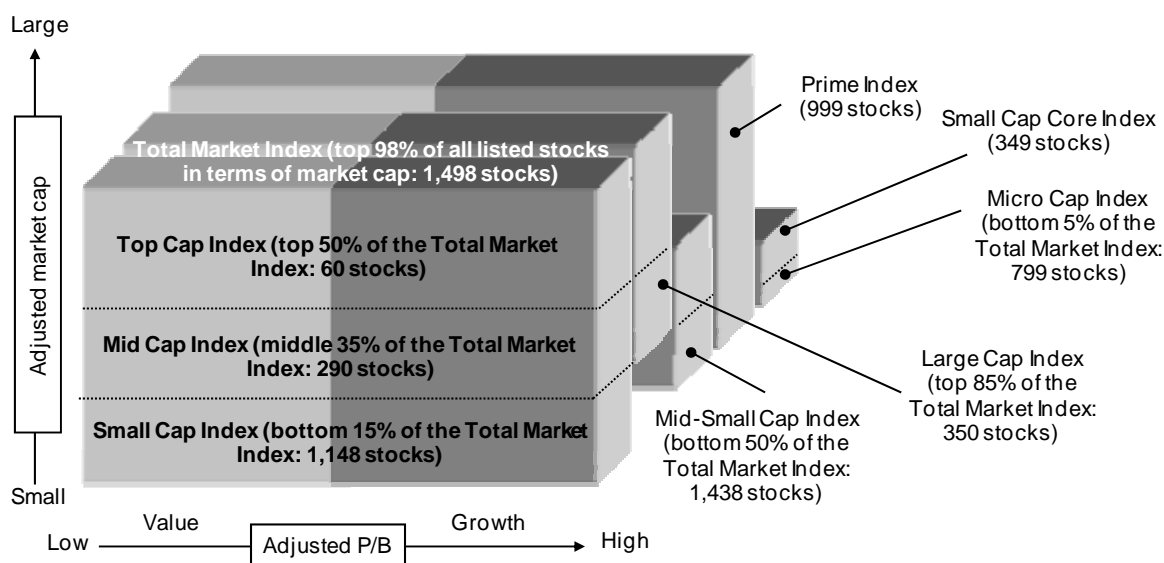
Key indicators (as of end-February 2013)

Index	P/E (x)	P/B (x)	Dividend yield (%)	ROE (%)	Rec profit growth (%)
Total Market	19.61	1.15	1.99	5.95	2.66
Value	20.92	0.86	2.11	4.15	0.44
Growth	18.46	1.72	1.88	9.61	5.20
Large	19.92	1.20	2.01	6.16	3.41
Large Value	21.68	0.90	2.15	4.18	1.81
Large Growth	18.60	1.72	1.90	9.53	4.95
Top	16.28	1.23	2.19	7.77	5.59
Top Value	14.86	0.93	2.34	6.39	6.49
Top Growth	17.62	1.67	2.08	9.78	4.65
Mid	29.41	1.16	1.75	3.99	-0.80
Mid Value	52.81	0.86	1.90	1.62	-8.41
Mid Growth	20.43	1.80	1.61	9.11	5.47
Mid-Small	24.92	1.07	1.78	4.33	-0.98
Mid-Small Value	31.53	0.81	1.91	2.57	-6.42
Mid-Small Growth	19.70	1.79	1.62	9.37	5.96
Small	17.87	0.88	1.85	5.00	-1.28
Small Value	18.26	0.73	1.93	4.07	-4.27
Small Growth	16.96	1.71	1.64	10.50	7.91
Small Core	18.12	0.90	1.85	5.08	-0.95
Small Core Value	18.92	0.76	1.89	4.06	-3.66
Small Core Growth	16.52	1.64	1.75	10.32	6.34
Micro	17.46	0.84	1.85	4.88	-1.82
Micro Value	17.33	0.70	2.00	4.10	-5.17
Micro Growth	17.84	1.86	1.42	10.86	11.24
Prime	19.67	1.16	2.00	5.98	2.88
Prime Value	21.09	0.87	2.11	4.15	0.87
Prime Growth	18.45	1.71	1.89	9.59	5.12

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

Source: Nomura

Fig. 9: Russell/Nomura Japan Equity Indexes



Note: No. of stocks in each index is as of 28 February 2013.

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 rulebook*.

Fig. 10: Russell/Nomura Japan Equity Indexes performance summary

Price returns (excluding dividends), US dollar basis (as of end-February 2013)

Index	No. of stocks	Weight (%)	Index value	Returns (%) *				
				1 month	3 months	6 months	12 months	YTD
Total Market	1,498	100.00	567.20	2.16	11.51	13.09	1.50	6.07
Value	1,159	49.94	1,208.76	2.09	14.74	18.00	-0.19	6.43
Growth	710	50.06	238.41	2.23	8.45	8.64	3.05	5.70
Large	350	86.32	543.21	2.10	11.56	13.37	1.18	5.97
Large Value	218	40.19	1,130.42	1.95	15.26	19.15	-0.49	6.44
Large Growth	239	46.13	247.32	2.24	8.52	8.79	2.61	5.57
Top	60	50.98	450.57	1.81	13.10	15.02	2.75	6.87
Top Value	34	22.59	1,050.30	1.34	18.12	21.51	2.32	8.61
Top Growth	45	28.39	212.07	2.20	9.39	10.16	3.76	5.51
Mid	290	35.34	730.88	2.52	9.42	11.07	-0.99	4.71
Mid Value	184	17.59	1,147.01	2.75	11.78	16.43	-3.99	3.77
Mid Growth	194	17.74	351.70	2.30	7.17	6.80	0.91	5.66
Mid-Small	1,438	49.02	728.33	2.52	9.90	11.15	0.24	5.25
Mid-Small Value	1,125	27.35	1,241.43	2.72	12.09	15.24	-2.11	4.70
Mid-Small Growth	665	21.67	313.96	2.26	7.26	6.85	2.09	5.95
Small	1,148	13.68	710.16	2.50	11.17	11.37	3.56	6.67
Small Value	941	9.76	1,324.32	2.66	12.67	13.31	1.27	6.43
Small Growth	471	3.93	257.88	2.10	7.69	7.11	7.48	7.28
Small Core	349	8.50	120.74	2.66	10.73	10.96	3.19	6.34
Small Core Value	274	5.94	176.68	3.35	13.11	14.26	0.63	6.85
Small Core Growth	166	2.56	46.23	1.10	5.65	4.51	6.81	5.16
Micro	799	5.19	139.44	2.23	11.92	12.04	4.16	7.22
Micro Value	667	3.82	182.52	1.59	11.98	11.85	2.35	5.77
Micro Growth	305	1.37	54.80	4.04	11.74	12.45	8.49	11.50
Prime	999	97.68	921.24	2.14	11.46	13.08	1.41	6.00
Prime Value	746	48.29	1,171.88	2.13	14.87	18.25	-0.22	6.48
Prime Growth	526	49.39	677.65	2.16	8.32	8.50	2.87	5.54

Source: Nomura

Fig. 11: Russell/Nomura Japan Equity Indexes performance summary

Total returns (including dividends), US dollar basis (as of end-February 2013)

Index	No. of stocks	Weight (%)	Index value	Returns (%) *				
				1 month	3 months	6 months	12 months	YTD
Total Market	1,498	100.00	842.87	2.21	11.68	14.41	3.96	6.13
Value	1,159	49.94	1,867.48	2.13	14.85	19.45	2.34	6.49
Growth	710	50.06	340.71	2.29	8.69	9.86	5.43	5.77
Large	350	86.32	808.45	2.15	11.73	14.73	3.67	6.02
Large Value	218	40.19	1,747.00	1.98	15.34	20.67	2.08	6.48
Large Growth	239	46.13	355.27	2.30	8.76	10.04	5.02	5.63
Top	60	50.98	682.33	1.86	13.27	16.63	5.58	6.91
Top Value	34	22.59	1,636.48	1.37	18.16	23.29	5.22	8.65
Top Growth	45	28.39	313.56	2.25	9.66	11.63	6.52	5.57
Mid	290	35.34	1,065.36	2.57	9.57	12.10	1.03	4.77
Mid Value	184	17.59	1,750.14	2.78	11.90	17.57	-1.87	3.81
Mid Growth	194	17.74	486.15	2.37	7.35	7.76	2.86	5.73
Mid-Small	1,438	49.02	1,067.07	2.57	10.07	12.19	2.33	5.32
Mid-Small Value	1,125	27.35	1,901.72	2.76	12.25	16.38	0.09	4.76
Mid-Small Growth	665	21.67	434.02	2.34	7.45	7.81	4.07	6.03
Small	1,148	13.68	1,055.06	2.58	11.39	12.45	5.84	6.77
Small Value	941	9.76	2,045.93	2.74	12.87	14.48	3.63	6.52
Small Growth	471	3.93	356.81	2.20	7.92	8.03	9.60	7.38
Small Core	349	8.50	145.77	2.74	10.93	12.03	5.43	6.43
Small Core Value	274	5.94	216.42	3.43	13.31	15.41	2.90	6.95
Small Core Growth	166	2.56	53.98	1.18	5.87	5.45	8.98	5.26
Micro	799	5.19	170.80	2.31	12.15	13.13	6.51	7.32
Micro Value	667	3.82	227.41	1.67	12.21	13.03	4.83	5.87
Micro Growth	305	1.37	63.58	4.15	11.99	13.32	10.51	11.61
Prime	999	97.68	1,143.02	2.19	11.63	14.40	3.87	6.06
Prime Value	746	48.29	1,481.91	2.16	14.97	19.71	2.32	6.53
Prime Growth	526	49.39	825.75	2.22	8.55	9.72	5.25	5.61

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 (NRIJ500–503, 510–517)
- Reuters (FRCNRI01, FRCNRI02, FRCNRI03, FRCNRI04)
- Our website (<http://qr.nomura.co.jp/en/frcnri/index.html>)

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

- Bloomberg (RNPJ <INDEX>)
- Jiji (RT14 or RNPF/2)
- QUICK (140)
- Reuters (.JRN)
- Our website (<http://qr.nomura.co.jp/en/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
+81-45-277-9260
e-mail: ids-sales@nri.co.jp

Rule book:

Russell/Nomura Japan Equity Indexes rulebook

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.

Appendix A-1

Analyst Certification

We, Akihiro Tokuno, Yumiko Hirano and Nana Komiyama, hereby certify (1) that the views expressed in this Research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this Research report, (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this Research report and (3) no part of our compensation is tied to any specific investment banking transactions performed by Nomura Securities International, Inc., Nomura International plc or any other Nomura Group company.

Important Disclosures

The information of the issuers of which Nomura Securities Co., Ltd. has lead managed a public offering of equity or equity linked securities in the past 12 months and the information of Japanese issuers of which Nomura Group holds 1% or more of any class of common equity securities are available at <http://www.nomuraholdings.com/jp/report/>. Please contact Research Product Management Dept. of Nomura Securities Co., Ltd. for additional information.

Any officer of Nomura Securities Co., Ltd. holds an officer position of the following issuers. : Kameda Seika Co., Ltd. (2220) , Seven & I Holdings Co., Ltd. (3382) , Seiren Co., Ltd. (3569) , Takeda Pharmaceutical Co., Ltd. (4502), Kobayashi Pharmaceutical Co., Ltd. (4967), Asahi Glass Co., Ltd. (5201), Nippon Steel & Sumitomo Metal Corporation (5401), Komatsu Ltd. (6301), Tokyo Electron Limited (8035), Sumitomo Corporation (8053).

The following issuers are the affiliates or the subsidiaries of Nomura Holdings Inc. which is the parent company of Nomura Securities Co., Ltd. : Megalos Co., Ltd. (2165), Nomura Real Estate Holdings, Inc. (3231), Sugimura Warehouse Co., Ltd. (9307), Nomura Research Institute, Ltd. (4307), JAFCO Co., Ltd. (8595), Takagi Securities Co., Ltd. (8625), Daiko Clearing Services Corporation (8692).

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. ("Nlplc") are registered with the Commodities Futures Trading Commission and the National Futures Association (NFA) as swap dealers. NGFP, NDPI, and Nlplc 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; 41% 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; 46% 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; 26% of companies with this rating are investment banking clients of the Nomura Group*.

As at 31 December 2012. *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 $(\text{Target Price} - \text{Current Price}) / \text{Current Price}$, 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); Nlplc, Madrid Branch ('Nlplc, Madrid') and Nlplc, Italian Branch ('Nlplc, Italy'). '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 (as defined within Financial Services Authority ('FSA') rules 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, which is authorized and regulated by the 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 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 in the Kingdom of Saudi Arabia ('Saudi Arabia') or to clients other than 'professional clients' 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 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 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.

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.