

Nomura Japan Equity High Dividend 70, Total Div Weighted

EQUITY QUANTITATIVE RESEARCH (INDEX)

Index rulebook

Another high-dividend strategy index

The Nomura Japan Equity High Dividend 70, Total Dividend Weighted Index ("the index" hereafter) is an index designed to enable investors to realize a high dividend strategy through passive investment, as with the Nomura Japan Equity High Dividend 70. It has been designed so that the concept for the Nomura Japan Equity High Dividend 70 can easily be achieved when managing assets on a larger scale.

Weights of constituent stocks determined using total dividends

The weights of constituent stocks in the index are based on a weighted-average methodology using total dividends (average total dividend of a component stock as a percentage of the total), and it is not a market cap-based index. The index is thus designed so that the trading impact at the time of index reconfigurations is smaller than with the Nomura Japan Equity High Dividend 70, which is an equally weighted index. At the same time, the weight of a constituent stock can be no greater than 5%, thus avoiding a rise in the turnover ratio on the date of the periodic reconfiguration that arises when there is excessive exposure to certain stocks. Rebalancing at different times than the Nomura Japan Equity High Dividend 70 also avoids periodic reconfiguration trading being concentrated at one time.

DOE screening used

The quality and stability of dividends is taken into account by screening for dividend on equity (DOE; total dividends divided by shareholders' equity). An increase in total dividends or a decline in shareholders' equity resulting from share buybacks both raise DOE, and it is possible to evaluate shareholder returns from the standpoint of both dividend policy and share buybacks. We use the average of the current-FY forecast and the most recent actual figure as the dividend-related indicator, and think this will curb abrupt index reconfigurations and reduce the turnover ratio.

Fig. 1: Comparison of Nomura Japan Equity High Dividend 70 and Nomura Japan Equity High Dividend 70, Total Dividend Weighted indices

	Nomura Japan Equity High Dividend 70	Nomura Japan Equity High Dividend 70, Total Dividend Weighted
No of stocks	70	70
Weighting method	Equally weighted	Total dividend average (5% limit)
DOE screening	None	Top two-thirds in average DOE
Periodic reconfiguration	Every December	Every February
Rebalancing band	Yes	Yes
Deletion for skipping dividend	Yes	No

Source: Nomura

Global Markets Research

19 March 2019

Research analysts

Japan index products

Index Operations Dept. - NSC

idx_mgr@jp.nomura.com
+81 3 6703 3986

Japanese version published on
March 19, 2019

Production Complete: 2019-03-19 08:02 UTC

Contents

1. Overview of index	3
2. Stock selection	4
2.1 Stock selection universe	4
2.2 Stock selection method.....	5
3. Periodic reconfigurations of index	7
3.1 Periodic reconfiguration date	7
3.2 Periodic reconfiguration base date	7
3.3 Number of shares included in index for each component stock.....	7
3.4 Announcement of periodic reconfigurations	7
4. Unscheduled reconfigurations of index	8
4.1 Response to stock swaps, stock transfers, etc.....	8
4.2 Removal of stocks	8
4.3 Method of announcing unscheduled reconfiguration.....	8
5. Index calculation.....	9
5.1 Calculation of index values.....	9
5.2 Adjustment of base market cap	9
5.3 Index maintenance	11
6. Data publication services.....	12
Policies with regard to NSC's indices	13
Appendix A-1	14

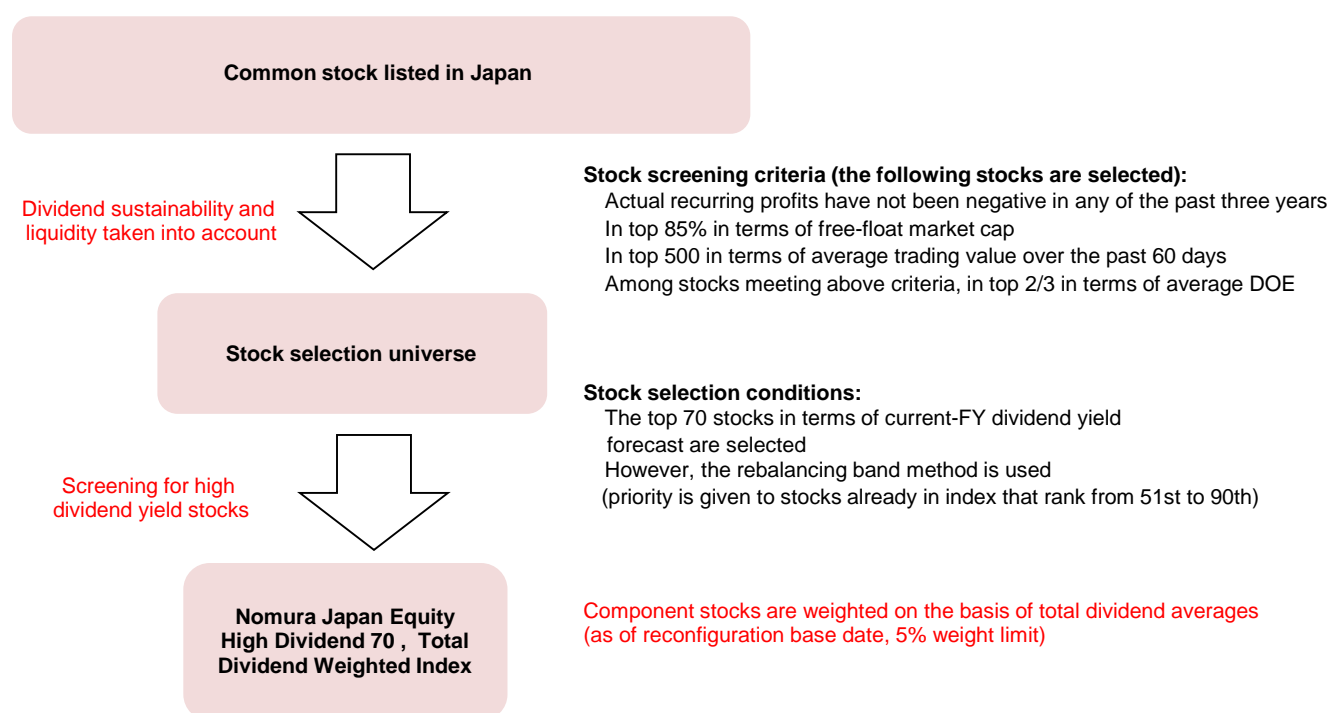
1. Overview of index

The Nomura Japan Equity High Dividend 70, Total Dividend Weighted Index ("the index" hereafter) is an index designed to enable investors to realize a high dividend strategy through passive investment, as with the Nomura Japan Equity High Dividend 70. It has been designed so that the weighting concept can easily be achieved when managing assets on a larger scale.

Characteristics of index

- Enables investors to realize a high dividend strategy through passive investment, as with the Nomura Japan Equity High Dividend 70
- Index design considers stronger focus on investability, giving consideration to managing assets on a larger scale
- Focuses on total returns for long-term investors

Fig. 2: Composition of Nomura Japan Equity High Dividend 70, Total Dividend Weighted Index



Source: Nomura

2. Stock selection

2.1 Stock selection universe

The universe of stocks eligible for inclusion in the index is all listed stocks¹ as of 15 October (or the business day before this if 15 October is a non-business day; this is called the stock selection universe fixing date) in the year before the periodic reconfiguration date discussed later (see 3.1). However, the following stocks are excluded.

Equities other than common stock

As a general rule, only common stock is included in the stock selection universe. However, exceptions to this rule will be made if necessary.

Stocks assigned for delisting

Stocks designated as securities to be delisted are not included in the stock selection universe.

Stocks under supervision

Stocks designated as securities under supervision are not included in the stock selection universe.

TOB target companies

Stocks that are the targets of tender offers (TOB) may be excluded from the universe of stock selection if and only if all of the following requirements are met:

- the offer close date falls between the stock selection universe fixing date and the periodic reconfiguration date;
- the company conducting the tender offer plans to acquire all the outstanding shares in the target company; and
- the company conducting the tender offer is planning to acquire all of the stock of the target company in exchange either for money or its own stock and the target company agrees to the offer.

Listed investment trusts/REITs

Foreign stocks

Stocks listed on foreign sections of Japanese exchanges or stocks regarded as overseas companies are excluded, even if these stocks are traded in the Japanese market.

Other exceptions

Latent stocks, warrants, and rights on them are excluded. The Bank of Japan is also excluded.

¹ Tokyo Stock Exchange (1st Section, 2nd Section, Mothers, JASDAQ, TOKYO PRO Market), Nagoya Stock Exchange, Sapporo Securities Exchange, and Fukuoka Stock Exchange.

2.2 Stock selection method²

Stocks are selected for the index as defined in Section 2.1 above. A total of 70 stocks with a high current-FY dividend yield³ are selected after taking into account the stock screening criteria and rebalancing band, as set out below⁴.

Stock screening criteria

These are rules aimed at limiting inclusion in the index of stocks for which there are doubts about dividend sustainability and low-liquidity stocks such as those with a low free float-adjusted market cap. Stocks that meet all of the following criteria on the periodic reconfiguration base date (see Section 3.2 below) are eligible for inclusion in the index.

- Actual recurring profits have not been negative in any of the past three years⁵.
- In the top 85% in terms of free float-adjusted market capitalization⁶.
- In the top 500 in terms of average trading value over the past 60 days
- Stocks are chosen from those that meet the above three criteria and that also rank in the top two-thirds in terms of average DOE⁷.

Rebalancing band

This rule is aimed at limiting frequent stock replacements caused by very small differences in current-FY dividend yield forecasts. Stocks that meet the stock screening criteria are selected for the index using the procedure set out below.

² The stock selection criteria may be revised at Nomura's discretion in response to changes in the economic situation, for example. In such a case, however, a revised rulebook would be published at least two weeks before the periodic reconfiguration date.

³ The current-FY dividend yield forecast for each stock is calculated by dividing the expected dividend per share (or the lowest expected dividend per share if a forecast range is given) for the accounting period that is furthest away within 12 months after the month following the periodic reconfiguration base date by the closing value of its Nomura composite share price on the reconfiguration base date. A stock's Nomura composite share price is its price on its primary exchange (the exchange that is judged to have the most accurate price for the stock, based on the percentage of days traded and trading volume over the previous 60 business days; as a general rule the primary exchange is selected on a daily basis). The share price is selected according to the following order of precedence.

Contract price on selected exchange (see note) > standard price on selected exchange > Nomura composite share price on previous business day.

Note: Priority is given to the special quotation price or continuous confirmed quotation price on the selected exchange if these are available.

⁴ When the forecast dividend for the current fiscal year is confirmed as zero for a stock the business day before the periodic reconfiguration announcement date but after the reconfiguration base date, the stock is not included in the index and a replacement stock is used.

⁵ Actual recurring profits over the previous three years are calculated from full-year financial data up to the end of the month that is four months before the periodic reconfiguration base date. In terms of the financial data used, priority is given to the latest IFRS accounts, followed in order by the latest Japanese GAAP consolidated accounts, the latest US GAAP accounts, and the latest Japanese GAAP parent accounts. Net profits before tax are used for recurring profits in the case of accounts based on IFRS and net profits before adjustment for taxes, etc are used for recurring profits in the case of accounts based on US GAAP.

⁶ In order to reflect the number of shares that investors can actually invest in, we calculate the free float-adjusted market capitalization as follows: Nomura composite share price × (shares outstanding for index calculation purposes - stable shareholding). We estimate the stable shareholding as the number of shares considered to be held on a stable basis, based on major shareholder data, declarations of marketable securities holdings included in securities reports, and data published by stock exchanges and companies (such as stock exchange releases and company prospectuses). Changes in the number of shares are reflected in shares outstanding for index calculation purposes according to the timing of changes in the capital structure of a component stock, shown in Figure 3.

⁷ DOE (dividend on equity) is total dividends divided by shareholders' equity and, together with dividend payout ratio, is one yardstick used to assess shareholder returns. The average DOE used here is calculated as follows: (forecast total dividends for current fiscal year ÷ actual shareholders' equity for previous fiscal year + actual total dividends for previous fiscal year ÷ actual shareholders' equity for previous fiscal year + actual total dividends for two fiscal years ago ÷ actual shareholders' equity for two fiscal years ago) ÷ 3. Share buybacks, one way to boost shareholder returns, can be used to raise average DOE by lowering shareholders' equity. In terms of the financial data used, priority is given to the latest IFRS accounts, followed in order by the latest Japanese GAAP consolidated accounts, the latest US GAAP accounts, and the latest Japanese GAAP parent accounts. Where no data is available, we use a value of zero. Where shareholders' equity is zero, we treat that fiscal year as having no data available.

- (1) The top 50 stocks in terms of current-FY dividend yield forecast on the reconfiguration base date are selected unconditionally.
- (2) Stocks that rank from 51st to 90th in terms of current-FY dividend yield forecast (the rebalancing band) and are already included in the index are then selected until a total of 70 stocks has been selected.
- (3) If the total number of stocks selected in (1) and (2) above is less than 70, the shortfall is made up by selecting stocks ranked from 51st onward in terms of the current-FY dividend yield forecast that are not currently included in the index, in order of ranking⁸.

⁸ When two or more stocks have the same current-FY dividend yield forecast, priority is given to the stock with the larger free float-adjusted market cap.

3. Periodic reconfigurations of index

3.1 Periodic reconfiguration date

Periodic reconfigurations take place once a year, on 10 February (ie, after the close of trading on the previous business day). When 10 February falls on a holiday, the periodic reconfiguration takes place on the next business day.

3.2 Periodic reconfiguration base date

The periodic reconfiguration base date is 15 January of each year. Component stocks and the number of shares in each component stock to be included in the index following the periodic reconfiguration are determined on the basis of calculations using data as of the periodic reconfiguration base date. When 15 January falls on a holiday, the periodic reconfiguration base date shall be the previous business day.

3.3 Number of shares included in index for each component stock

A component stock is defined as one of the 70 stocks selected in accordance with Section 2.2 as of the periodic reconfiguration base date defined in Section 3.2.

3.3.1 Total dividend weight

Total dividend weight is defined as average total dividend of a component stock as a percentage of the total. Average total dividend is calculated as follows:

Average total dividend = (this year's forecast total dividend + last year's total dividend + year before last's total dividend) / 3

In the absence of dividend data, we assume that the dividend is zero.

3.3.2 Component stock weight and weight limits

The weight of a component stock can be no greater than 5%. Component stock weight is determined by allocating the difference between 1 and the total of total dividend weights of stocks with weights greater than 5% to other stocks in proportion to total dividend weight.

3.3.3 Number of shares included in the index

The number of shares included in the index for each component stock is calculated so that the weight of each of the 70 stocks selected as component stocks in 2.2 as of the periodic reconfiguration base date stipulated in 3.2 is equal to the component stock weight calculated in 3.3.2. That is, the number of shares included in the index for each component stock as of the periodic reconfiguration base date is calculated by dividing the product of the component stock weight and a constant value⁹ by the Nomura composite share price at the close of trading on the periodic reconfiguration base date. See 5.3 for details about adjustments to the number of shares included in the index for component stocks.

3.4 Announcement of periodic reconfigurations

As a general rule, the announcement of a periodic reconfiguration will appear on our website around 16:00 (JST) 10 business days before the periodic reconfiguration date, except in the event of unforeseen circumstances or when information cannot be confirmed.

⁹ The constant value in the case of this index is ¥1trn.

4. Unscheduled reconfigurations of index

4.1 Response to stock swaps, stock transfers, etc

Reconfigurations will be carried out to reflect actual conditions in view of the diversification of forms of corporate realignment. A response will be taken after considering the situation after realignment for each event as it happens. The aim is to avoid temporary exclusions from the index and maintain the consistency of index constituents.

- Stock swaps and mergers

When a stock is delisted because it is about to become a wholly owned subsidiary or be merged into another company, it will continue to be included in the index after its delisting but removed from the index on the merger date. Following its delisting, the valuation is based on the market value of the company that will become the parent company or the surviving company multiplied by the exchange or merger ratio. Also, the number of shares of the parent company or surviving company included in the index is changed taking into account the exchange or merger ratio, so that it becomes "the number of shares in the merged company included in the index multiplied by the merger ratio".

- Stock transfers

When an unlisted parent company assumes the operations of another company and becomes listed after a short period of time, the wholly owned subsidiary is removed from the index on the parent company's new listing date. The price used for the delisted wholly owned subsidiary is the price on the day before its delisting. The price used for the parent company is the price on its new listing date. The number of shares included for newly listed stocks is "number of shares included for constituent stock prior to share transfer x exchange ratio".

4.2 Removal of stocks

- Designation as securities to be delisted

Stocks designated as securities to be delisted are removed from the index four business days later (or on the following business day if this is a non-business day). However, stocks that are listed on more than one market and have not been designated for delisting on one or more of the markets will not be removed.

- Delisting

Stocks delisted for reasons other than those noted in Section 4.1 above will be removed from the index on the delisting date.

- Marked loss of eligibility for inclusion in stock selection universe

In the case of an event that is considered to damage seriously a component stock's eligibility for inclusion in the stock selection universe, the stock may be removed from the index following an official announcement by the company in question, the stock exchange, or a government/regulatory agency.

4.3 Method of announcing unscheduled reconfiguration

As a general rule, an announcement of an unscheduled reconfiguration will appear on our website at least five business days prior to it taking place, except in the case of unforeseen circumstances or when information cannot be confirmed.

5. Index calculation

5.1 Calculation of index values

To prevent the index from being affected by changes in market capitalization or share prices that are not related to market fluctuations, index values are calculated based on base market capitalization that has been adjusted as set out below ¹⁰.

5.1.1 Index base date, base value, announcement date

The base date for the index is 29 December 2000 (= 10,000 (base value)).

The index announcement date was 30 October 2014.

Index values prior to the index announcement date are calculated for reference purposes using the rules at the time.

5.1.2 Calculation of index value excluding dividends

Base market cap(t) = market cap ($t - 1$) + adjusted market cap (t)

$$\text{Return (t)} = \frac{\text{market cap (t)}}{\text{base market cap (t)}} - 1$$

$$\text{Index value (t)} = \text{Index value (t - 1)} \times (1 + \text{return(t)})$$

5.1.3 Calculation of values for market-neutral index including dividends

Base market cap(t) = market cap ($t - 1$) + adjusted market cap (t) – adjusted total dividends (t)

$$\text{Return (t)} = \frac{\text{market cap(t)} + \text{total dividends (t)}}{\text{base market cap (t)}} - 1$$

$$\text{Index value (t)} = \text{Index value (t - 1)} \times (1 + \text{return(t)})$$

Method for reflecting dividends

For the index value including dividends, dividend data are reflected on the ex-dividend date. However, as the value of the dividend has not yet been determined on the ex-dividend date, the dividend is reflected in the index according to the following procedures.

First, the forecast dividend on the ex-dividend date is used ¹¹. In the event of a difference between the dividend forecast and the actual dividend, the base market cap is readjusted on the last business day of the month of the earnings announcement, except that announcements made on the last day of the month are reflected at the end of the following month.

5.2 Adjustment of base market cap

The base market capitalization is adjusted in cases as indicated below (Figure 3).

- When a change in capital structure at index constituents results in a change in market cap not related to market fluctuations
- When market cap changes because of a change in index constituent stocks

¹⁰ In 5.1.2 and 5.1.3, adjusted market capitalization is calculated as the change in market capitalization resulting from a change in capital structure at an index constituent or a change in market capitalization resulting from a change in index constituent stocks. Adjusted total dividends are calculated as the difference between forecast dividends and actual dividends if there is a difference between these two values.

¹¹ These rules are in effect from the period ending end-December 2011 onward. For periods before this, we used actual dividends as of ex-rights day.

However, base market capitalization is not adjusted to reflect changes in capital structure that do not involve payment, such as stock splits and reverse stock splits, as these do not affect market capitalization.

Fig. 3: Timing of adjustments resulting from changes in capital structure

	Type of change in capital structure	Adjustment date	Share price used
Stock replacement	Stock transfer, stock swap, merger	Date of listing change	Previous day's price
	Corporate divestiture (company/division spinoff)	Ex-rights date	(Not used) ¹²
	Stock replacement	Replacement date	Previous day's price
Capital increase	Rights offering	Ex-rights date	Issue price
	Gratis allocation of stock acquisition rights	Ex-rights date	Exercise price
	Gratis allocation of treasury stock	Ex-rights date	Previous day's price
	Public offering	Business day following payment date (listing date of new shares when settlement is on issuance date)	Previous day's price
	Capital increase via third-party placement	Five business days after date of listing change	Previous day's price
	Conversion of preferred stock into common stock	Last business day of month in which number of converted shares becomes known	Previous day's price
	Conversion of CBs	Last business day of month in which number of new shares for which rights were exercised becomes known	Previous day's price
	Corporate divestiture (new shares in continuing company)	Date of listing change	Previous day's price
Capital decrease	Retirement of treasury stock	Last business day of month following month in which shares are retired	Previous day's price
	Rights offering refusal	Last business day of month in which rights offering refusal is announced (or last business day of following month if announcement is within five business days of month-end)	Previous day's price
	Capital reduction with compensation	Effective date	Previous day's price
Other	Other adjustments	Other adjustments to the base market capitalization, if required, are made on the last business day of the month of the announcement of the relevant report (or the last business day of the following month if the announcement is within five business days of month-end)	Previous day's price

Source: Nomura

¹² In the case of a corporate divestiture (company/division spinoff), the base market capitalization is adjusted for the reduction in capital. Definitions of reductions in capital are as follows:

(1) when the company does not announce the value of the divested division or of the shares of the divested company:

capital reduction = amount by which shareholders' equity is expected to be reduced; and

(2) when the company does announce the value of the divested division or of the shares of the divested company:

capital reduction = value of divested division or value of divested company's shares × total number of shares

5.3 Index maintenance

We change constituent stocks and the number of shares in stocks that are included in the index based on the methodology noted in this rulebook. Constituent stocks are replaced in periodic and unscheduled reconstitutions and also when necessary for other reasons.

In addition, when the following changes in capital structure result in a change in the number of shares outstanding for index calculation purposes, the number of shares in the stock that are included in the index does not change..

- Capital increase via third-party placement
- Retirement of treasury stock
- Exercise of CBs with stock acquisition rights, CBs, conversion of preferred stock into common stock, exercise of stock acquisition rights
- Stock transfer, stock swap, merger ¹³
- Rights offering, public offering, rights offering refusal
- Rights issue
- Corporate divestiture (new shares in continuing company)
- Other adjustments
- Meanwhile, in the case of stock splits and reverse stock splits, number of shares of stock included in index is changed so that number of shares is the number of shares prior to change in capital structure multiplied by the split ratio or reverse split ratio.

¹³ If a wholly owned subsidiary (merged company) is an index constituent, the number of shares of the parent company (surviving company in a merger) included in the index changes based on the exchange or merger ratio.

6. Data publication services

Nomura Japan Equity High Dividend 70, Total Dividend Weighted Index access points¹⁴

Information on the Nomura Japan Equity High Dividend 70, Total Dividend Weighted Index is available on the following media:

Nomura website: <http://qr.nomuraholdings.com/en/nhdivd/index.html>

*Data on constituent stocks of the index are provided for a fee to subscribers of index data services..

¹⁴ Published data are all for reference only.

Policies with regard to NSC's indices

The below index-related policies are published on our website.

See the following link for details:

<http://qr.nomura.co.jp/en/guides/index.html>

- Index Calculation Policy
- Complaints Handling Policy
- Glossary (Equity)
- Index Governance Framework
- Conflicts of Interest Policy

Appendix A-1

Analyst Certification

I, Index Operations Dept., hereby certify (1) that the views expressed in this Research report accurately reflect my personal views about any or all of the subject securities or issuers referred to in this Research report, (2) no part of my 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 my 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 lists of issuers that are affiliates or subsidiaries of Nomura Holdings Inc., the parent company of Nomura Securities Co., Ltd., issuers that have officers who concurrently serve as officers of Nomura Securities Co., Ltd., issuers in which the Nomura Group holds 1% or more of any class of common equity securities and issuers for which Nomura Securities Co., Ltd. has lead managed a public offering of equity or equity linked securities in the past 12 months are available at <https://www.nomuraholdings.com/report/>. Please contact the Research Production Operation Dept. of Nomura Securities Co., Ltd. for additional information.

Online availability of research and conflict-of-interest disclosures

Nomura Group research is available on www.nomuranow.com/research, Bloomberg, Capital IQ, Factset, Reuters and ThomsonOne. Important disclosures may be read at <http://go.nomuranow.com/research/globalresearchportal/pages/disclosures/disclosures.aspx> or requested from Nomura Securities International, Inc., or Instinet, LLC on 1-877-865-5752. If you have any difficulties with the website, please email grpsupport@nomura.com for help.

The analysts responsible for preparing this report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by Investment Banking activities. Unless otherwise noted, the non-US analysts listed at the front of this report are not registered/qualified as research analysts under FINRA rules, may not be associated persons of NSI or ILLC, and may not be subject to FINRA Rule 2241 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

Nomura Global Financial Products Inc. ("NGFP") Nomura Derivative Products Inc. ("NDPI") and Nomura International plc. ("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.

Distribution of ratings (Nomura Group)

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

51% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; 43% of companies with this rating are investment banking clients of the Nomura Group*. 0% of companies (which are admitted to trading on a regulated market in the EEA) with this rating were supplied material services** by the Nomura Group.

43% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 54% of companies with this rating are investment banking clients of the Nomura Group*. 0% of companies (which are admitted to trading on a regulated market in the EEA) with this rating were supplied material services by the Nomura Group

6% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 15% of companies with this rating are investment banking clients of the Nomura Group*. 0% of companies (which are admitted to trading on a regulated market in the EEA) with this rating were supplied material services by the Nomura Group.

As at 31 December 2018.

*The Nomura Group as defined in the Disclaimer section at the end of this report.

** As defined by the EU Market Abuse Regulation

Distribution of ratings (Instinet, LLC)

The distribution of all ratings published by Instinet, LLC Equity Research is as follows:

55% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; Instinet LLC has provided investment banking services to 0% of companies with this rating within the previous 12 months.

41% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; Instinet LLC has provided investment banking services to 0% of companies with this rating within the previous 12 months.

4% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; Instinet LLC has provided investment banking services to 0% of companies with this rating within the previous 12 months.

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

The rating system is a relative system, indicating expected performance against a specific benchmark identified for each individual stock, subject to limited management discretion. An analyst's target price is an assessment of the current intrinsic fair value of the stock based on an appropriate valuation methodology determined by the analyst. Valuation methodologies include, but are not limited to, discounted cash flow analysis, expected return on equity and multiple analysis. Analysts may also indicate expected absolute upside/downside relative to the stated target price, defined as (target price - current price)/current price.

STOCKS

A rating of '**Buy**', indicates that the analyst expects the stock to outperform the Benchmark over the next 12 months. A rating of '**Neutral**', indicates that the analyst expects the stock to perform in line with the Benchmark over the next 12 months. A rating of '**Reduce**', indicates that the analyst expects the stock to underperform the Benchmark over the next 12 months. A rating of '**Suspended**', indicates that the rating, target price and estimates have been suspended temporarily to comply with applicable regulations and/or firm policies. Securities and/or companies that are labelled as '**Not rated**' or shown as '**No rating**' are not in regular research coverage. Investors should not expect continuing or

additional information from Nomura relating to such securities and/or companies. Benchmarks are as follows: **United States/Europe/Asia ex-Japan**: please see valuation methodologies for explanations of relevant benchmarks for stocks, which can be accessed at: <http://go.nomuranow.com/research/globalresearchportal/pages/disclosures/disclosures.aspx>; **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia, unless otherwise stated in the valuation methodology; **Japan**: Russell/Nomura Large Cap.

SECTORS

A **'Bullish'** stance, indicates that the analyst expects the sector to outperform the Benchmark during the next 12 months. A **'Neutral'** stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next 12 months. A **'Bearish'** stance, indicates that the analyst expects the sector to underperform the Benchmark during the next 12 months. Sectors that are labelled as **'Not rated'** or shown as **'N/A'** are not assigned ratings. Benchmarks are as follows: **United States**: S&P 500; **Europe**: Dow Jones STOXX 600; **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia. **Japan/Asia ex-Japan**: Sector ratings are not assigned.

Target Price

A Target Price, if discussed, indicates the analyst's forecast for the share price with a 12-month time horizon, reflecting in part the analyst's estimates for the company's earnings. The achievement of any target price may be impeded by general market and macroeconomic trends, and by other risks related to the company or the market, and may not occur if the company's earnings differ from estimates.

Disclaimers

This publication contains material that has been prepared by the Nomura Group entity identified on page 1 and, if applicable, with the contributions of one or more Nomura Group entities whose employees and their respective affiliations are specified on page 1 or identified elsewhere in the publication. The term "Nomura Group" used herein refers to Nomura Holdings, Inc. and its affiliates and subsidiaries including: Nomura Securities Co., Ltd. ('NSC') Tokyo, Japan; Nomura International plc ('Nlplc'), UK; Nomura Securities International, Inc. ('NSI'), New York, US; Instinet, LLC ('ILLC'); 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; PT Nomura Sekuritas Indonesia ('PTNSI'); 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; CIN No: U74140MH2007PTC169116, SEBI Registration No. for Stock Broking activities : BSE INB011299030, NSE INB231299034, INF231299034, INE 231299034, MCX: INE261299034; SEBI Registration No. for Merchant Banking : INM000011419; SEBI Registration No. for Research: INH000001014 and Nlplc, Madrid Branch ('Nlplc, Madrid'). 'CNS Thailand' next to an analyst's name on the front page of a research report indicates that the analyst is employed by Capital Nomura Securities Public Company Limited ('CNS') to provide research assistance services to NSL under an agreement between CNS and NSL. 'NSFSPL' next to an employee's name on the front page of a research report indicates that the individual is employed by Nomura Structured Finance Services Private Limited to provide assistance to certain Nomura entities under inter-company agreements. The "BDO-NS" (which stands for "BDO Nomura Securities, Inc.") placed next to an analyst's name on the front page of a research report indicates that the analyst is employed by BDO Unibank Inc. ("BDO Unibank") who has been seconded to BDO-NS, to provide research assistance services to NSL under an agreement between BDO Unibank, NSL and BDO-NS. BDO-NS is a Philippines securities dealer, which is a joint venture between BDO Unibank and the Nomura Group.

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) OTHER THAN DISCLOSURES RELATING TO THE NOMURA GROUP, BASED UPON INFORMATION FROM SOURCES THAT WE CONSIDER RELIABLE, BUT HAS NOT BEEN INDEPENDENTLY VERIFIED BY NOMURA GROUP.

Other than disclosures relating to the Nomura Group, the 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 the Nomura Group are hereby excluded and the 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. The 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. The Nomura Group does not provide tax advice.

The 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. The Nomura Group companies may also act as market maker or liquidity provider (within the meaning of applicable regulations in the UK) in the financial instruments of the issuer. Where the activity of market maker is carried out in accordance with the definition given to it by specific laws and regulations of the US or other jurisdictions, this will be separately disclosed within the specific issuer disclosures.

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

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

originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI and the MSCI indexes are services marks of MSCI and its affiliates.

The intellectual property rights and any other rights, in Russell/Nomura Japan Equity Index belong to Nomura Securities Co., Ltd. ("Nomura") and Frank Russell Company ("Russell"). Nomura and Russell do not guarantee accuracy, completeness, reliability, usefulness, marketability, merchantability or fitness of the Index, and do not account for business activities or services that any index user and/or its affiliates undertakes with the use of the Index.

Investors should consider this document as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. Nomura Group produces a number of different types of research product including, among others, fundamental analysis and quantitative analysis; recommendations contained in one type of research product may differ from recommendations contained in other types of research product, whether as a result of differing time horizons, methodologies or otherwise. The Nomura Group publishes research product in a number of different ways including the posting of product on the Nomura Group portals and/or distribution directly to clients. Different groups of clients may receive different products and services from the research department depending on their individual requirements.

Figures presented herein may refer to past performance or simulations based on past performance which are not reliable indicators of future 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. Any figure, strategy or index created and published for illustrative purposes within this document is not intended for "use" as a "benchmark" as defined by the European Benchmark Regulation.

Certain securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment.

With respect to Fixed Income Research: Recommendations fall into two categories: tactical, which typically last up to three months; or strategic, which typically last from 6-12 months. However, trade recommendations may be reviewed at any time as circumstances change. 'Stop loss' levels for trades are also provided; which, if hit, closes the trade recommendation automatically. Prices and yields shown in recommendations are taken at the time of submission for publication and are based on either indicative Bloomberg, Reuters or Nomura prices and yields at that time. The prices and yields shown are not necessarily those at which the trade recommendation can be implemented.

The securities described herein may not have been registered under the US Securities Act of 1933 (the '1933 Act'), and, in such case, may not be offered or sold in the US or to US persons unless they have been registered under the 1933 Act, or except in compliance with an exemption from the registration requirements of the 1933 Act. Unless governing law permits otherwise, any transaction should be executed via a Nomura entity in your home jurisdiction.

This document has been approved for distribution in the UK and European Economic Area as investment research by Nlplc. Nlplc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Nlplc is a member of the London Stock Exchange. This document does not constitute a personal recommendation within the meaning of applicable regulations in the UK, or take into account the particular investment objectives, financial situations, or needs of individual investors. This document is intended only for investors who are 'eligible counterparties' or 'professional clients' for the purposes of applicable regulations in the UK, and may not, therefore, be redistributed to persons who are 'retail clients' for such purposes. This document has been approved by NIHK, which is regulated by the Hong Kong Securities and Futures Commission, for distribution in Hong Kong by NIHK. This document has been approved for distribution in Australia by NAL, which is authorized and regulated in Australia by the ASIC. This document has also been approved for distribution in Malaysia by NSM. In Singapore, this document has been distributed by NSL. NSL accepts legal responsibility for the content of this document, where it concerns securities, futures and foreign exchange, issued by their foreign affiliates in respect of recipients who are not accredited, expert or institutional investors as defined by the Securities and Futures Act (Chapter 289). Recipients of this document in Singapore should contact NSL in respect of matters arising from, or in connection with, this document. Unless prohibited by the provisions of Regulation S of the 1933 Act, this material is distributed in the US, by NSI, a US-registered broker-dealer, which accepts responsibility for its contents in accordance with the provisions of Rule 15a-6, under the US Securities Exchange Act of 1934. The entity that prepared this document permits its separately operated affiliates within the Nomura Group to make copies of such documents available to their clients.

This document has not been approved for distribution to persons other than 'Authorised Persons', 'Exempt Persons' or 'Institutions' (as defined by the Capital Markets Authority) in the Kingdom of Saudi Arabia ('Saudi Arabia') or 'professional clients' (as defined by the Dubai Financial Services Authority) in the United Arab Emirates ('UAE') or a 'Market Counterparty' or 'Business Customers' (as defined by the Qatar Financial Centre Regulatory Authority) in the State of Qatar ('Qatar') by Nomura Saudi Arabia, Nlplc or any other member of the Nomura Group, as the case may be. Neither this document nor any copy thereof may be taken or transmitted or distributed, directly or indirectly, by any person other than those authorised to do so into Saudi Arabia or in the UAE or in Qatar or to any person other than 'Authorised Persons', 'Exempt Persons' or 'Institutions' located in Saudi Arabia or 'professional clients' in the UAE or a 'Market Counterparty' or 'Business Customers' in Qatar. By accepting to receive this document, you represent that you are not located in Saudi Arabia or that you are an 'Authorised Person', an 'Exempt Person' or an 'Institution' in Saudi Arabia or that you are a 'professional client' in the UAE or a 'Market Counterparty' or 'Business Customers' in Qatar 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 or Qatar.

For Canadian Investors: This research report was approved for distribution to Canadian investors by Instinet Canada Limited ("ICL"), member of the Investment Industry Regulatory Organization of Canada ("IIROC") and member of the Canadian Investor Protection Fund. An affiliate of ICL prepared the research report (an "Affiliate Research Report") in accordance with the regulatory requirements applicable to research in the affiliate's local jurisdiction, which include conflict of interest disclosure. ICL reviewed this Affiliate Research Report for the purpose of ensuring Canadian disclosures required by IIROC are included. ICL does not receive compensation in respect of the distribution of Affiliate Research Reports. Pursuant to ICL's policies and procedures regarding the dissemination of research, ICL makes available Affiliate Research Reports to ICL clients and prospective clients only, in electronic and/or in printed form. ICL endeavours to make available and/or distribute Affiliate Research Reports to all intended recipients at the same time. This Affiliate Research Report is not a recommendation and does not take into account the investment objectives, financial situation or particular needs of any particular account.

For report with reference of TAIWAN public companies or authored by Taiwan based research analyst:

THIS DOCUMENT IS SOLELY FOR REFERENCE ONLY. You should independently evaluate the investment risks and are solely responsible for your investment decisions. NO PORTION OF THE REPORT MAY BE REPRODUCED OR QUOTED BY THE PRESS OR ANY OTHER PERSON WITHOUT WRITTEN AUTHORIZATION FROM NOMURA GROUP. Pursuant to Operational Regulations Governing Securities Firms Recommending Trades in Securities to Customers and/or other applicable laws or regulations in Taiwan, you are prohibited to provide the reports to others (including but not limited to related parties, affiliated companies and any other third parties) or engage in any activities in connection with the reports which may involve conflicts of interests. **INFORMATION ON SECURITIES / INSTRUMENTS NOT EXECUTABLE BY NOMURA INTERNATIONAL (HONG KONG) LTD., TAIPEI BRANCH IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT BE CONSTRUED AS A RECOMMENDATION OR A SOLICITATION TO TRADE IN SUCH SECURITIES / INSTRUMENTS.**

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 THE 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

Credit ratings in the text that are marked with an asterisk (*) are issued by a rating agency not registered under Japan's Financial Instruments and Exchange Act ("Unregistered Ratings"). For details on Unregistered Ratings, please contact the Research Product Management Dept. of Nomura Securities Co., Ltd.

Investors in the financial products offered by Nomura Securities may incur fees and commissions specific to those products (for example, transactions involving Japanese equities are subject to a sales commission (all figures on a tax-inclusive basis) of up to 1.404% of the transaction amount or a commission of ¥2,808 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 1.404% of the transaction amount (or a commission of ¥2,808 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 1.026% 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 ¥7,668). 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 1.404% of the transaction amount (or a commission of ¥2,808 for transactions of ¥200,000 or less), as well as management fees and rights handling fees. In addition, long margin transactions are subject to interest on the purchase amount, while short margin transactions are subject to fees for the lending of the shares borrowed. A margin equal to at least 30% of the transaction amount (at least 33% for online transactions) and at least ¥300,000 is required. With margin transactions, an amount up to roughly 3.3x the margin (roughly 3x for online transactions) may be traded. Margin transactions therefore carry the risk of losses in excess of the margin owing to share price fluctuations. For details, please thoroughly read the written materials provided, such as listed securities documents or documents delivered before making a contract.

Transactions involving convertible bonds are subject to a sales commission of up to 1.08% of the transaction amount (or a commission of ¥4,320 if this would be less than ¥4,320). When convertible bonds are purchased via OTC transactions (including offerings), only the purchase price shall be paid, with no sales commission charged. However, Nomura Securities may charge a separate fee for OTC transactions, as agreed with the customer. Convertible bonds carry the risk of losses owing to factors such as interest rate fluctuations and price fluctuations in the underlying stock. In addition, convertible bonds denominated in foreign currencies also carry the risk of losses owing to factors such as foreign exchange rate fluctuations.

When bonds are purchased via public offerings, secondary distributions, or other OTC transactions with Nomura Securities, only the purchase price shall be paid, with no sales commission charged. Bonds carry the risk of losses, as prices fluctuate in line with changes in market interest rates. Bond prices may also fall below the invested principal as a result of such factors as changes in the management and financial circumstances of the issuer, or changes in third-party valuations of the bond in question. In addition, foreign currency-denominated bonds also carry the risk of losses owing to factors such as foreign exchange rate fluctuations.

When Japanese government bonds (JGBs) for individual investors are purchased via public offerings, only the purchase price shall be paid, with no sales commission charged. As a rule, JGBs for individual investors may not be sold in the first 12 months after issuance. When JGBs for individual investors are sold before maturity, an amount calculated via the following formula will be subtracted from the par value of the bond plus accrued interest: (1) for 10-year variable rate bonds, an amount equal to the two preceding coupon payments (before tax) x 0.79685 will be used, (2) for 5-year and 3-year fixed rate bonds, an amount equal to the two preceding coupon payments (before tax) x 0.79685 will be used. When inflation-indexed JGBs are purchased via public offerings, secondary distributions (uridashi deals), or other OTC transactions with Nomura Securities, only the purchase price shall be paid, with no sales commission charged. Inflation-indexed JGBs carry the risk of losses, as prices fluctuate in line with changes in market interest rates and fluctuations in the nationwide consumer price index. The notional principal of inflation-indexed JGBs changes in line with the rate of change in nationwide CPI inflation from the time of its issuance. The amount of the coupon payment is calculated by multiplying the coupon rate by the notional principal at the time of payment. The maturity value is the amount of the notional principal when the issue becomes due. For J117 and subsequent issues, the maturity value shall not undercut the face amount. Purchases of investment trusts (and sales of some investment trusts) are subject to a purchase or sales fee of up to 5.4% 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 5.4% (annualized basis) of the net assets in trust, as well as fees based on investment performance. Other indirect costs may also be incurred. For foreign investment trusts, indirect fees may be incurred during the course of holding such as investment company compensation.

Investment trusts invest mainly in securities such as Japanese and foreign equities and bonds, whose prices fluctuate. Investment trust unit prices fluctuate owing to price fluctuations in the underlying assets and to foreign exchange rate fluctuations. As such, investment trusts carry the risk of losses. Fees and risks vary by investment trust. Maximum applicable fees are subject to change; please thoroughly read the written materials provided, such as prospectuses or documents delivered before making a contract.

In interest rate swap transactions and USD/JPY basis swap transactions ("interest rate swap transactions, etc."), only the agreed transaction payments shall be made on the settlement dates. Some interest rate swap transactions, etc. may require pledging of margin collateral. In some of these cases, transaction payments may exceed the amount of collateral. There shall be no advance notification of required collateral value or collateral ratios as they vary depending on the transaction. Interest rate swap transactions, etc. carry the risk of losses owing to fluctuations in market prices in the interest rate, currency and other markets, as well as reference indices. Losses incurred as such may exceed the value of margin collateral, in which case margin calls may be triggered. In the event that both parties agree to enter a replacement (or termination) transaction, the interest rates received (paid) under the new arrangement may differ from those in the original arrangement, even if terms other than the interest rates are identical to those in the original transaction. Risks vary by transaction. Please thoroughly read the written materials provided, such as documents delivered before making a contract and disclosure statements.

In OTC transactions of credit default swaps (CDS), no sales commission will be charged. When entering into CDS transactions, the protection buyer will be required to pledge or entrust an agreed amount of margin collateral. In some of these cases, the transaction payments may exceed the amount of margin collateral. There shall be no advance notification of required collateral value or collateral ratios as they vary depending on the financial position of the protection buyer. CDS transactions carry the risk of losses owing to changes in the credit position of some or all of the referenced entities, and/or fluctuations of the interest rate market. The amount the protection buyer receives in the event that the CDS is triggered by a credit event may undercut the total amount of premiums that he/she has paid in the course of the transaction. Similarly, the amount the protection seller pays in the event of a credit event may exceed the total amount of premiums that he/she has received in the transaction. All other conditions being equal, the amount of premiums that the protection buyer pays and that received by the protection seller shall differ. In principle, CDS transactions will be limited to financial instruments business operators and qualified institutional investors. 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 ¥10,800 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.

The Nomura Group manages conflicts with respect to the production of research through its compliance policies and procedures (including, but not limited to, Conflicts of Interest, Chinese Wall and Confidentiality policies) as well as through the maintenance of Chinese Walls and employee training.

Additional information regarding the methodologies or models used in the production of any investment recommendations contained within this document is available upon request by contacting the Research Analysts listed on the front page. Disclosures information is available upon request and disclosure information is available at the Nomura Disclosure web

page: <http://go.nomuranow.com/research/globalresearchportal/pages/disclosures/disclosures.aspx>

Copyright © 2019 Nomura Securities Co., Ltd. All rights reserved.