

**J.D. Power Asia Pacific Reports:
Investor Adoption of Nippon Individual Savings Account (NISA) is Limited; Tablet Use Is Increasing
among Financial Institutions and Investors for Effective Communication**

Nomura Securities, SBI SECURITIES, Sumitomo Mitsui Banking Corporation,
SBI Sumishin Net Bank and Tokyo Star Bank Rank Highest in Their Respective Segments

TOKYO: 1 July 2014 — Investor adoption of the Nippon Individual Savings Account (NISA) remains small, with only 48 percent of current investors having opened an NISA account while tablet use is increasing among financial institutions and investors to communicate information about the NISA program or other investment products, according to the J.D. Power Asia Pacific 2014 Japan Investor Satisfaction StudySM released today.

The study, now in its third year, measures investor satisfaction with investment firms in six factors (listed in order of importance): account offerings (32%); account information (22%); trading charges and fees (20%); interaction (21%); The study categorizes financial institutions into five segments based on their sales business model: full-service securities; self-directed securities; full-service national bank; self-directed bank; and full-service regional bank. Data is also obtained on trust banks for reference purposes.

The study finds 93 percent of current investors are aware of NISA in 2014, compared with 63 percent in 2013. However, only 48 percent of investors have opened an NISA account. Investors 60-years and older have the highest rate of opening an NISA account (60%), while investors 49 and younger have the lowest rates (less than 40%).

The study also finds that nearly half (48%) of investors cite pamphlets and other paper-based materials as the most frequent source of sales support tools used by investment advisors. In comparison, the use of tablets as a sale tool has increased to 5 percent for the industry overall, with more than 10 percent usage at some securities companies and banks.

Investment advisors can provide more time to explain the investment environment and market conditions with investors, answer questions and provide consulting services in presentations in which tablets are used, compared with negotiations in which paper-based materials are used. Moreover, satisfaction is higher when tablets (612) are used than when other means of sales support tools are used such as PCs (586), paper-based material (569) and without any material (541). This finding indicates that using tablets not only for product explanations, but also for explaining and responding in real time to investor needs and questions about current market conditions, contributes to higher levels of satisfaction through the flexibility provided by tablets in offering effective and timely presentations.

“Account opening rates are particularly low among company employees and government workers, who are comparatively cautious investors with a strong tendency to avoid investment risks,” said Ryutaro Nakao, manager at J.D. Power Asia Pacific, Tokyo.

The study finds among investors who have not opened a NISA account, that they have not done so because they believe opening an account is bothersome and takes too much time. Many of the investors who have a NISA account express some frustrations with investing in NISA such as: the annual maximum investment

limit is low; there are few investment products; the tax-free period is short; and change financial institutions is slow.

KEY FINDINGS

- The study finds that 6 percent of investors are new, having begun investing during the previous 12 months, which is roughly the same level as in 2013. This indicates that the introduction of the NISA system in 2014 has not yet had a significant effect in increasing the number of investors.
- There are substantial differences among the financial institutions across the five segments in of the rate of new account openings, ranging from 30-70 percent. Account opening rates are higher among banks and securities that achieve high satisfaction scores.
- The contact channels used by investment firms are shifting, and the use of tablets is becoming an increasingly important differentiator among financial institutions in terms of investor satisfaction. Individual investors are increasingly using tablets for investment-related activities, with 13 percent of them using this device to access Web-based services of the financial institutions where they invest. In particular, many high-income male 59 years and younger use tablets to confirm market conditions; gather information on investment products; and trade.

Overall Satisfaction Rankings by Segment

Full-Service Securities Segment (Five Companies Ranked)

Nomura Securities ranks highest in investor satisfaction for a third consecutive year with a score of 546, performing particularly well in the interaction factor. Daiwa Securities ranks second with a score of 534 and SMBC Nikko Securities ranks third at 532.

Self-Directed Securities Segment (Six Companies Ranked)

SBI SECURITIES ranks highest in investor satisfaction for a third consecutive year with a score of 581. SBI SECURITIES performs particularly well in the account information factor. Matsui Securities ranks second (579) and GMO CLICK Securities ranks third (578).

Full-Service National Bank Segment (Five Banks Ranked)

Sumitomo Mitsui Banking Corporation ranks highest in investor satisfaction for a third consecutive year, with a score of 557, performing particularly well in the account offerings and account information factors.. Mizuho Bank ranks second (545) and Resona Bank is third (543).

Self-Directed Bank Segment (Eight Banks Ranked)

SBI Sumishin Net Bank ranks highest in satisfaction for a third consecutive year with a score of 603. SBI Sumishin Net Bank performs particularly well in trading charges and fees. Sony Bank ranks second with a score of 580, followed by Shinsei Bank at 574.

Full-Service Regional Bank Segment (Thirty Banks Ranked)

Tokyo Star Bank ranks highest in the segment for a second consecutive year, with a score of 571, performing particularly well in account offerings. Suruga Bank ranks second (558) and Aomori Bank is third (555).

The 2014 Japan Investor Satisfaction Study is based on responses from 18,448 individual investors in Japan who are at least 18 years old and who have used investment services—such as investment trusts, stocks, foreign currency deposits and foreign exchange—at private banks and securities companies in the past year. The study was fielded in May 2014.

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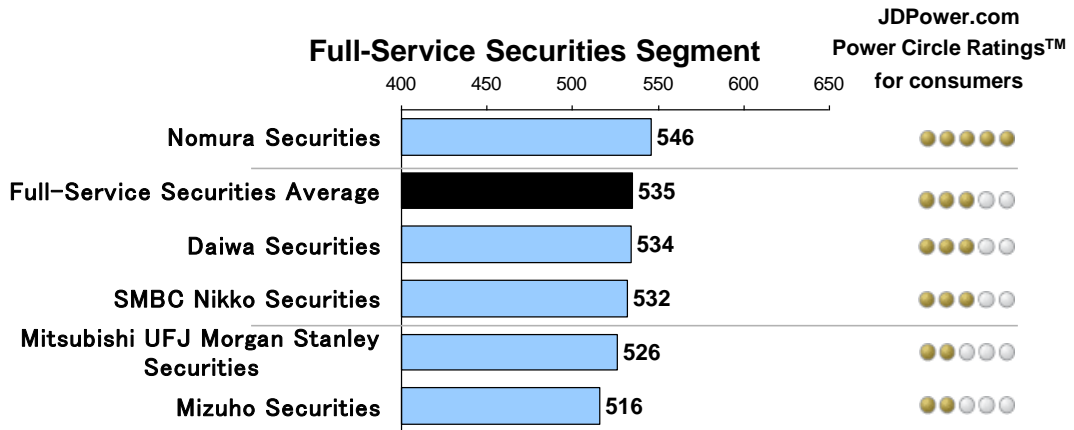
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Note: Six charts follow.

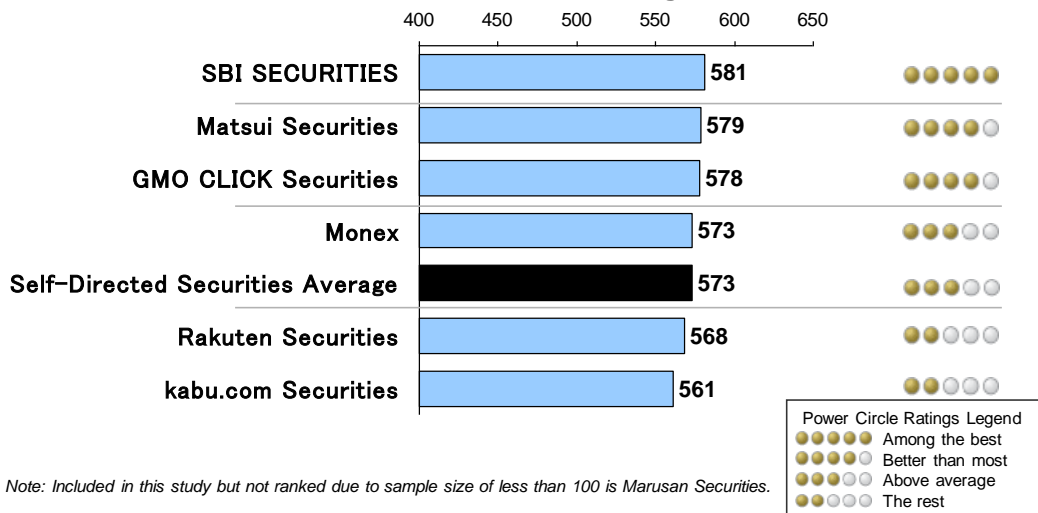
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Overall Satisfaction Rankings (Based on a 1,000-point scale)



Note: Included in this study but not ranked due to sample size of less than 100 are Ichiyoshi Securities, Iwai Cosmo Securities, Okasan Securities, SMBC Friend Securities and Tokai Tokyo Securities.

Self-Directed Securities Segment



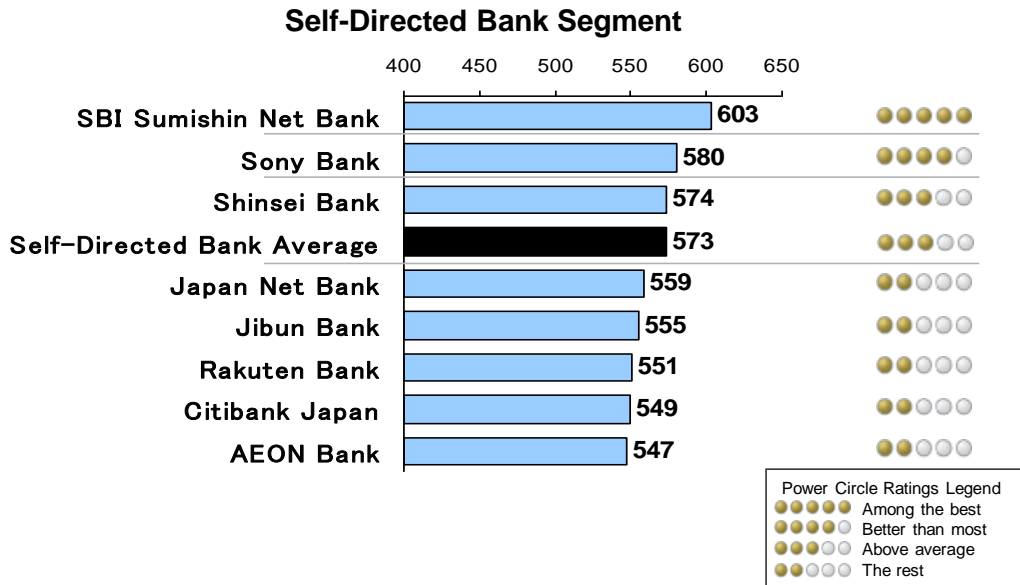
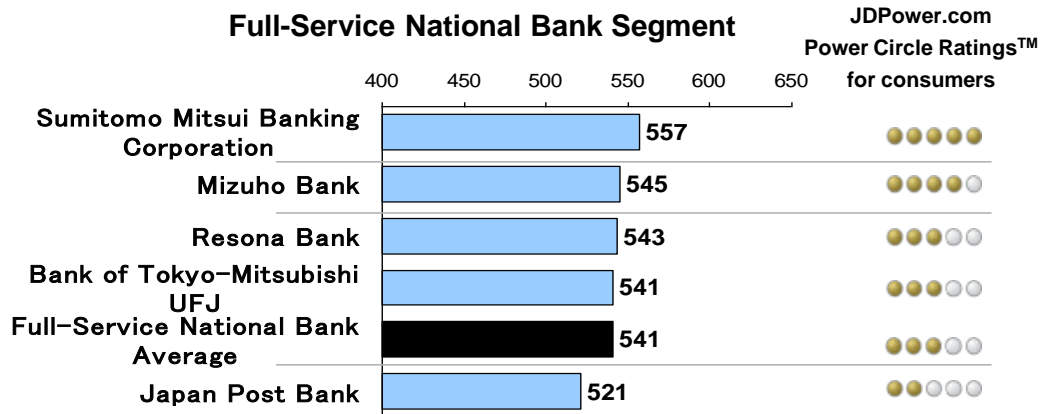
Note: Included in this study but not ranked due to sample size of less than 100 is Marusan Securities.

Source: J.D. Power Asia Pacific 2014 Japan Investor Satisfaction StudySM

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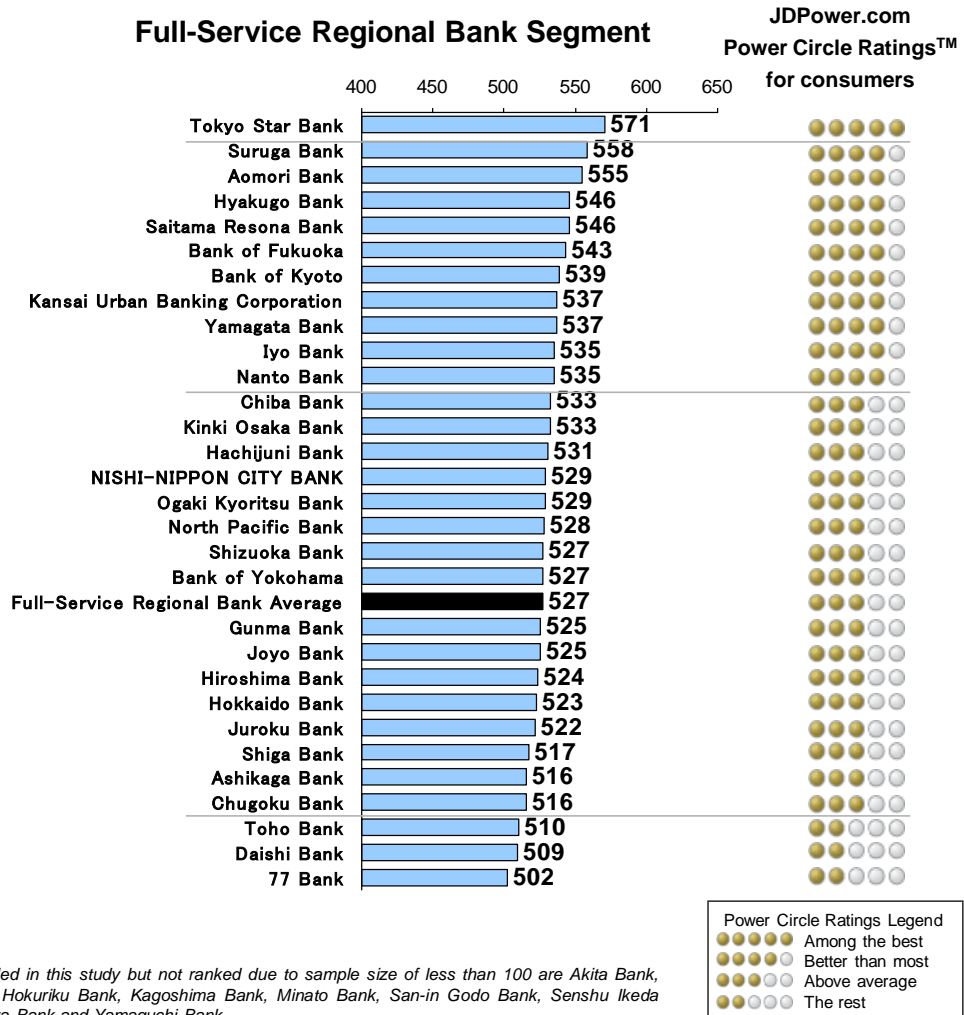


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