

Market Review for May 2023

2nd June 2023

MONTHLY REVIEW

The Japanese stock market reached a 33 year high in May, with the TOPIX index up 3.6% and the Nikkei 225 up 7.0%. The market reacted favourably towards the middle of the month as overseas investors bought up Japanese equities, driven by expectations of a rise in wages and a recovery in domestic demand and corporate earnings. Rising inflation in the US also provided a tailwind for export-oriented stocks due to the depreciation of the yen. Meanwhile the market softened towards the month-end as April industrial production fell short of the market consensus.

TABLE 1. MARKET PERFORMANCE

2023	As of the end of May 2023	May-23	Year to Date
TOPIX	2,130.63	3.56%	12.63%
Nikkei 225	30,887.88	7.04%	18.37%
USD/JPY*	139.34	136.30 (Apr-23)	131.12

*Bloomberg's preferred default source of generic FX data

FIGURE 1. TOPIX and USD/JPY

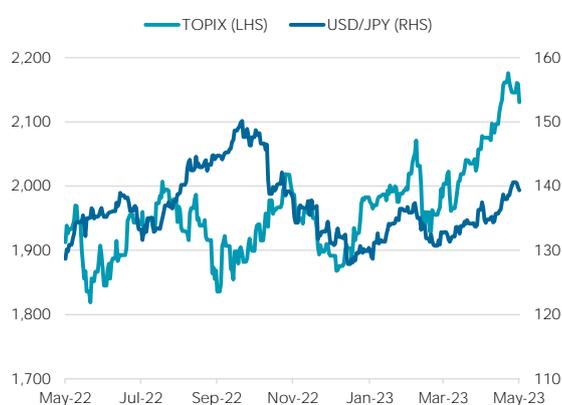


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE (as of the end of May 2023, local currency)

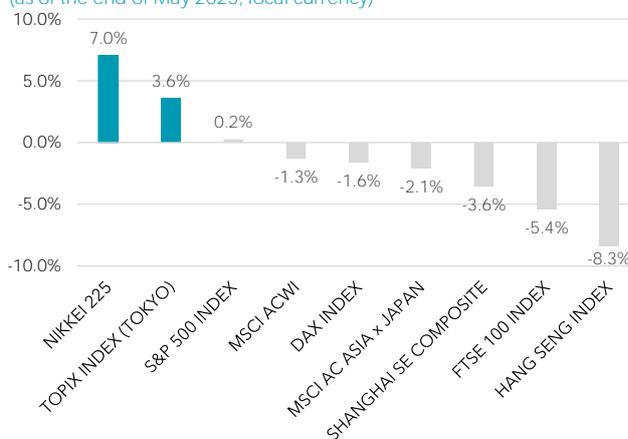


TABLE 2. TOP 5 PERFORMING SECTORS

Sectors	Return
Electric Appliance	9.37%
Precision Instruments	9.15%
Insurance	7.58%
Machinery	5.56%
Electric Power & Gas	5.38%

TABLE 3. BOTTOM 5 PERFORMING SECTORS

Sectors	Return
Marine Transportation	-6.68%
Nonferrous Metals	-5.55%
Textiles & Apparels	-5.24%
Oil & Coal Products	-4.90%
Glass & Ceramics Products	-1.42%

TABLE 4. TOP 5 PERFORMING STOCKS*

Name	Ticker	Return
ADVANTEST	6857 JT Equity	69.92%
SOCIONEXT	6526 JT Equity	48.85%
IBIDEN	4062 JT Equity	43.23%
SCREEN HOLDINGS	7735 JT Equity	32.64%
DISCO	6146 JT Equity	32.06%

TABLE 5. BOTTOM 5 PERFORMING STOCKS*

Name	Ticker	Return
SHARP	6753 JT Equity	-17.18%
LIXIL	5938 JT Equity	-15.57%
SUMITOMO METAL MINING	5713 JT Equity	-15.55%
RAKUTEN GROUP	4755 JT Equity	-14.67%
NIPPON PAINT HOLDINGS	4612 JT Equity	-12.43%

*Stocks with a market cap of over JPY 500 billion

Note. Figures on this sheet are from SuMi TRUST, Bloomberg, NEEDS, MSCI and Nomura (as of May 2023)

FIGURE 3. VALUE-GROWTH SPREAD



Note: The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means value dominant)

FIGURE 4. LARGE-SMALL CAP SPREAD



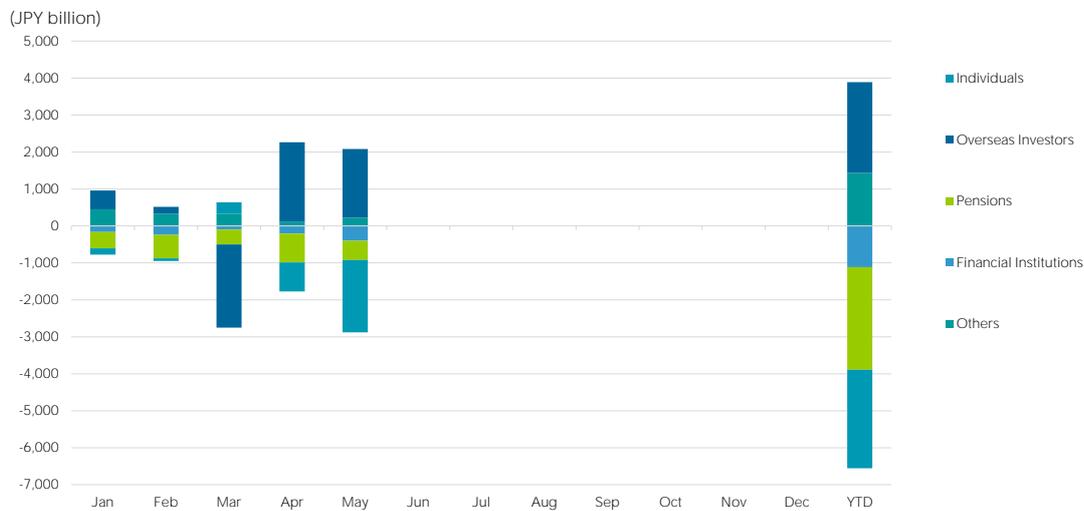
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

FIGURE 5. MSCI JAPAN FACTOR INDEXES SPREAD AGAINST MSCI JAPAN*



*End of May 2022=0

FIGURE 6. MONTHLY INVESTMENT ACTIVITIES BY INVESTOR TYPE IN THE JAPANESE EQUITY MARKET**



**Latest month figures are until the 3rd week of the month

Note. Figures on this sheet are from SuMi TRUST, Bloomberg, NEEDS, MSCI and Nomura (as of May 2023)

Disclaimer – UK

This marketing communication is issued by Sumitomo Mitsui Trust International Limited (“SMTI”). SMTI is authorised and regulated by the United Kingdom’s Financial Conduct Authority (the “FCA”), whose address is 12 Endeavour Square, London, E20 1JN, United Kingdom.

This marketing communication has been made available to you only because SMTI has classified you as a professional client in accordance with the FCA’s rules. If you have received this marketing communication from a source other than SMTI, you should contact SMTI before using it or relying on it. You must not send this marketing communication to any other person without first having received written approval from SMTI.

The information contained in this marketing communication (the “Material”) is being made available for information purposes only and is designed to provide information on the investment services which SMTI may offer to clients.

Nothing in the Material amounts to or should be construed as an actual offer by SMTI to provide any investment services to any person. If SMTI agrees to provide any investment services to any person, those services will be the subject of a separate written agreement between SMTI and that person. Furthermore, the Material has not been prepared with any consideration of the individual circumstances of any person to whom it is communicated.

Accordingly, it is not intended to, and does not, constitute a personnel recommendation in relation to the purchase or sale of, or exercise of any rights in relation to, any financial instruments or advice in relation to any investment policy or strategy to be followed. The Material also does not contain the results of any investment research carried out by SMTI and is not intended to amount to a financial promotion of any particular financial instrument which may be referred to in it.

While SMTI uses all reasonable endeavours to ensure the Material is accurate, it has not been prepared with a view to any person relying on it. Accordingly, SMTI accepts no responsibility for any loss caused to any recipient of this document as a result of any error, inaccuracy or incompleteness in the Material, nor for any error in the transmission or receipt of this communication.

Any enquiries regarding the products should be made to:

Kei Ohashi

Head of Investment Management Department

Sumitomo Mitsui Trust International Limited

155 Bishopsgate, London EC2M 3XU, United Kingdom

Direct: +44 (0)20 7562 8412

Email: imd@smtil.com

Sumitomo Mitsui Trust International Limited is authorised and regulated by the Financial Conduct Authority

© Sumitomo Mitsui Trust International Limited 2026