

## Market Review for May 2026

This is a marketing communication. Please note past performance information does not predict future returns.

### MONTHLY REVIEW

Japanese equities extended their strong upward momentum in May 2026, supported by continued strength in AI and semiconductor-related stocks, solid corporate earnings and sustained foreign inflows, although geopolitical tensions continued to contribute to market volatility. The Nikkei 225 significantly outperformed rising by 11.88%, while the TOPIX rose by 6.17%, highlighting the ongoing divergence between large-cap technology stocks and the broader market. Early-month gains were driven by optimism surrounding AI-related IPOs despite external uncertainties, with momentum interrupted mid-month by rising interest rates and policy concerns, before recovering towards month-end as sentiment improved and oil prices eased. Sector performance remained uneven, with services and technology leading the advance, while mining lagged, and although trading activity and share buybacks stayed elevated, market leadership remained relatively narrow.

TABLE 1. MARKET PERFORMANCE (as at the end of May 2026)

	Index	Return	Year to Date
TOPIX	3,957.17	6.17%	16.08%
Nikkei 225	66,329.50	11.88%	31.76%
	May-26	Apr-26	End of 2025
USD/JPY*	159.27	156.59	156.71

\*Bloomberg's preferred default source of generic FX data

FIGURE 1. TOPIX and USD/JPY

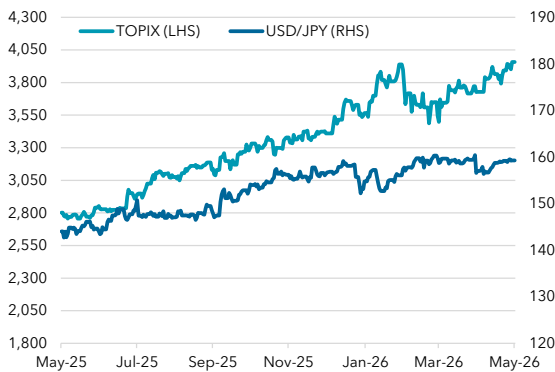


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE

(as at the end of May 2026, local currency)

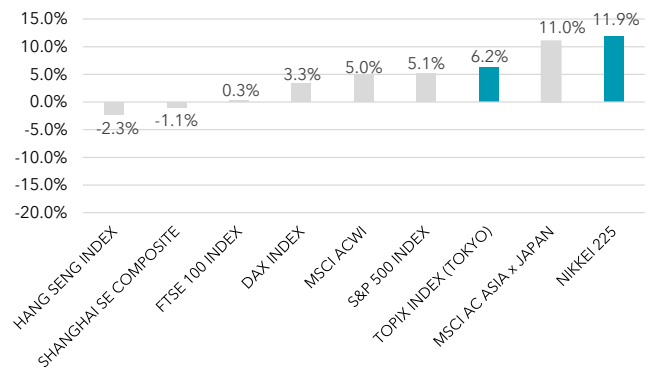


TABLE 2. TOP 5 PERFORMING SECTORS

Sector	Return
Services	18.34%
Metal Products	18.14%
Electric Appliance	17.97%
Glass & Ceramics Products	16.24%
Information & Communication	13.55%

TABLE 3. BOTTOM 5 PERFORMING SECTORS

Sector	Return
Mining	-13.56%
Real Estate	-9.59%
Construction	-5.95%
Marine Transportation	-5.70%
Machinery	-3.84%

TABLE 4. TOP 5 PERFORMING STOCKS\*

Name	Ticker	Return
TAIYO YUDEN	6976 JT Equity	131.77%
MUSASHI SEIMITSU	7220 JT Equity	120.26%
MURATA MFG	6981 JT Equity	86.68%
KIOXIA HOLDINGS	285A JT Equity	75.32%
IBIDEN	4062 JT Equity	70.62%

TABLE 5. BOTTOM 5 PERFORMING STOCKS\*

Name	Ticker	Return
RAKUTEN BANK	5838 JT Equity	-26.20%
SBI SHINSEI BANK	8303 JT Equity	-23.81%
SEIBU HOLDINGS	9024 JT Equity	-23.42%
SUMITOMO REALTY	8830 JT Equity	-23.25%
MODEC	6269 JT Equity	-22.23%

\*Stocks with a market cap of over JPY 500 billion at the beginning of the month

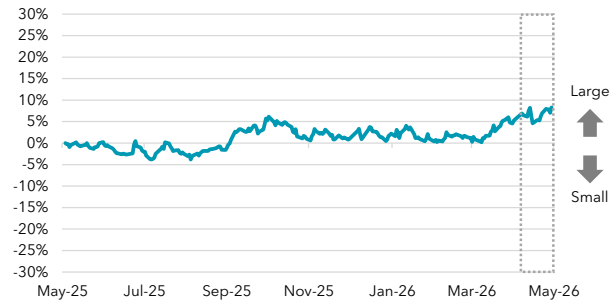
Note. Figures on this sheet are from SuMi TRUST, Bloomberg, NEEDS, MSCI and Nomura (as at the end of May 2026)

FIGURE 3. VALUE-GROWTH SPREAD



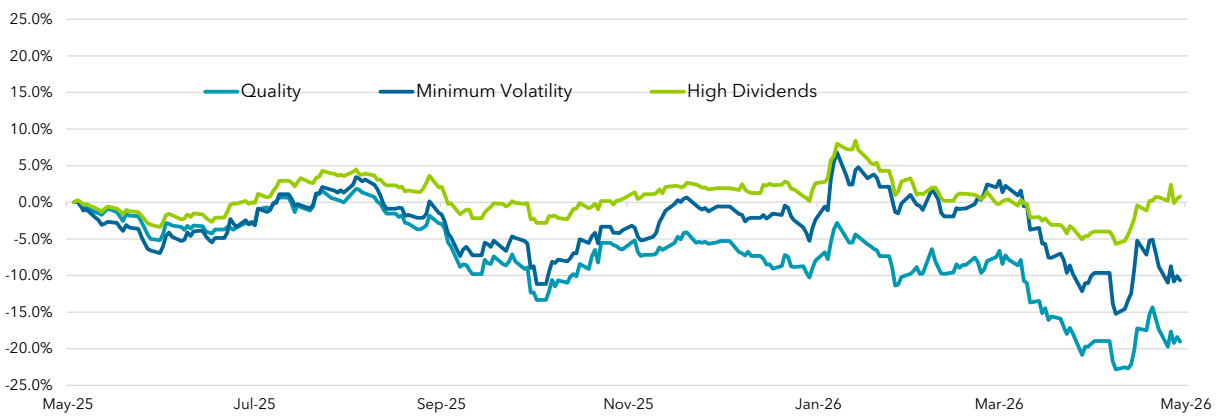
Note: The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means Value dominant)

FIGURE 4. LARGE-SMALL CAP SPREAD



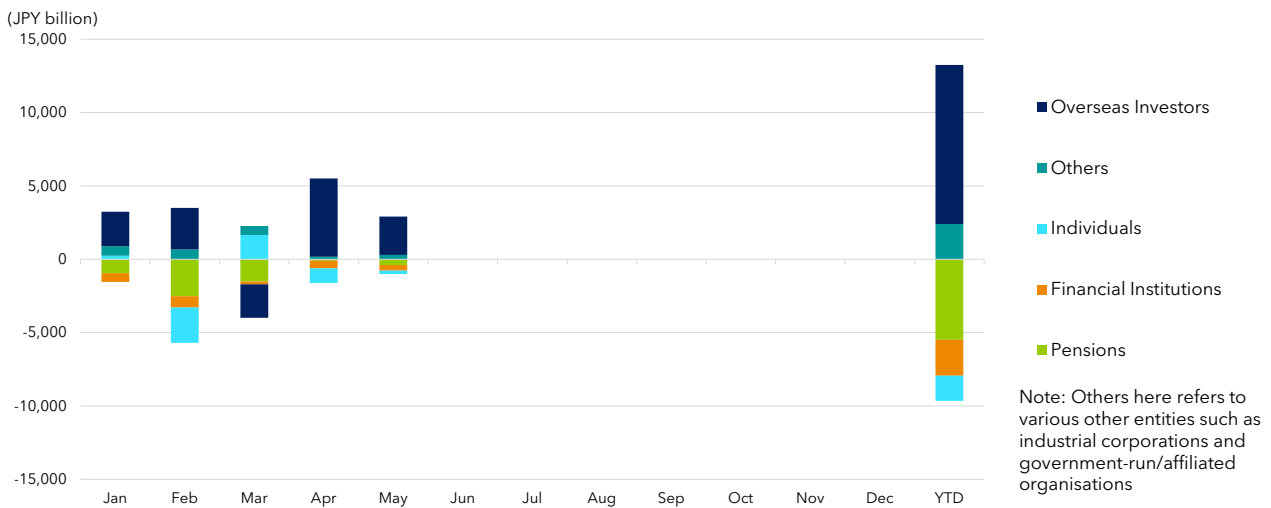
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

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



\*The measurement begins from the end of May 2025, starting from 0%.

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



Note: Others here refers to various other entities such as industrial corporations and government-run/affiliated organisations

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

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