

Market Review for December 2022

3rd January 2023

TOPIX ended down on the previous month-end. The Japanese equity market started down at the beginning of the month due to deterioration in the ISM manufacturing index and the yen appreciating against the US dollar. The market later rallied on the back of slowing inflation in the U.S., but in the latter half of the month the market sharply closed lower, reflecting factors such as the yen's appreciation due to the BOJ's yield curve control (YCC) revision and the increase in the number of new COVID-19 cases in China.

Table 1. Market performance

2022	As of the end of Dec 2022	Dec 2022	Year to Date
TOPIX	1891.71	-4.73%	-5.05%
Nikkei 225	26094.50	-6.70%	-9.37%
USD/JPY*	131.95	139.54 (30 Nov)	115.16 (end of 2021)

*Reuters London 4pm

Figure 1. TOPIX and USD/JPY

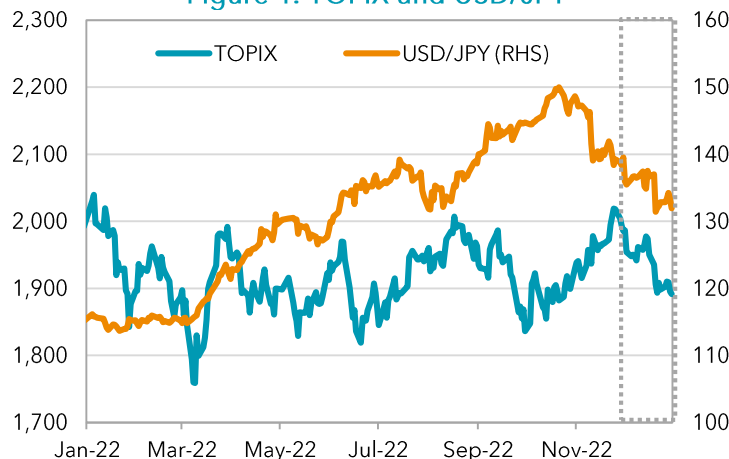


Figure 2. Global Equity Market Monthly Performance (as of the end of Dec 2022, local currency)

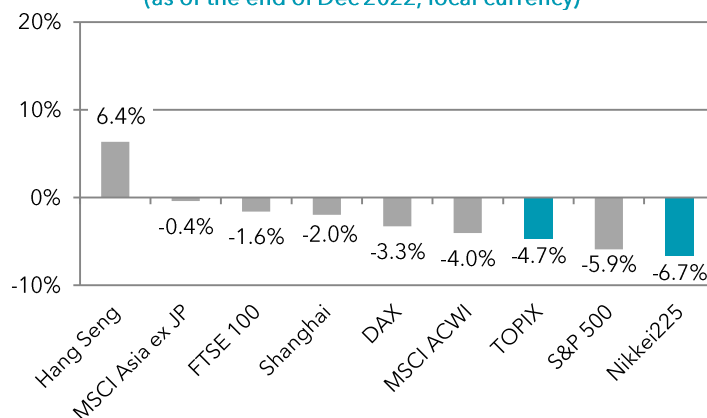


Table 2. Top 5 performing sectors in December 2022

Sectors	Return
Banks	11.69%
Insurance	4.16%
Marine Transportation	1.43%
Electric Power & Gas	1.42%
Iron & Steel	1.34%

Table 3. Bottom 5 performing sectors in December 2022

Sectors	Return
Real Estate	-10.51%
Transportation Equipment	-10.37%
Precision Instruments	-10.36%
Electric Appliance	-9.80%
Mining	-8.63%

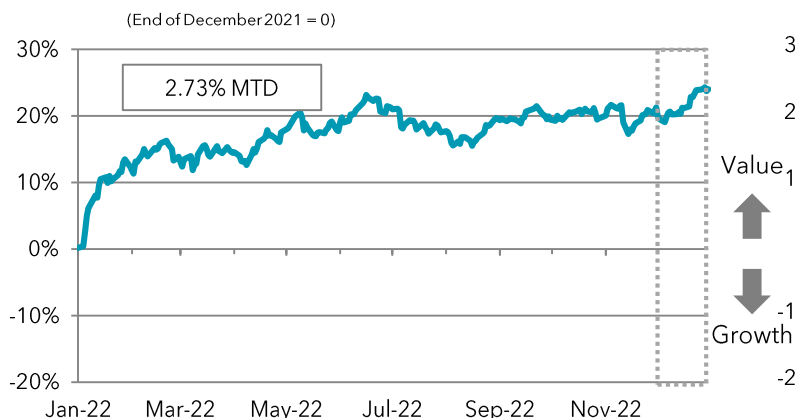
Table 4. Top 5 performing stocks* in December 2022

Name	Return
Mitsubishi UFJ Financial Group (8306 JP)	17.73%
Dai-ichi Life Holdings (8750 JP)	17.71%
MatsukiyoCocokara (3088 JP)	15.38%
Chiba Bank (8331 JP)	15.35%
Concordia Financial Group (7186 JP)	15.30%

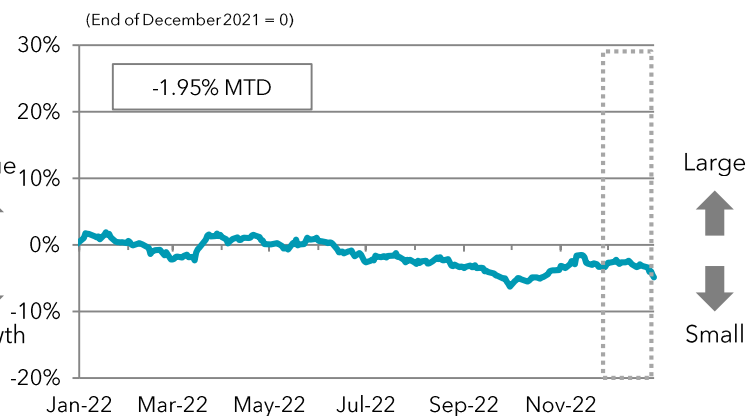
Table 5. Bottom 5 performing stocks* in December 2022

Name	Return
MonotaRO (3064 JP)	-20.51%
Nidec (6594 JP)	-19.86%
Mitsubishi Motors (7211 JP)	-19.81%
Yokogawa Electric (6841 JP)	-17.97%
Open House Group (3288 JP)	-16.61%

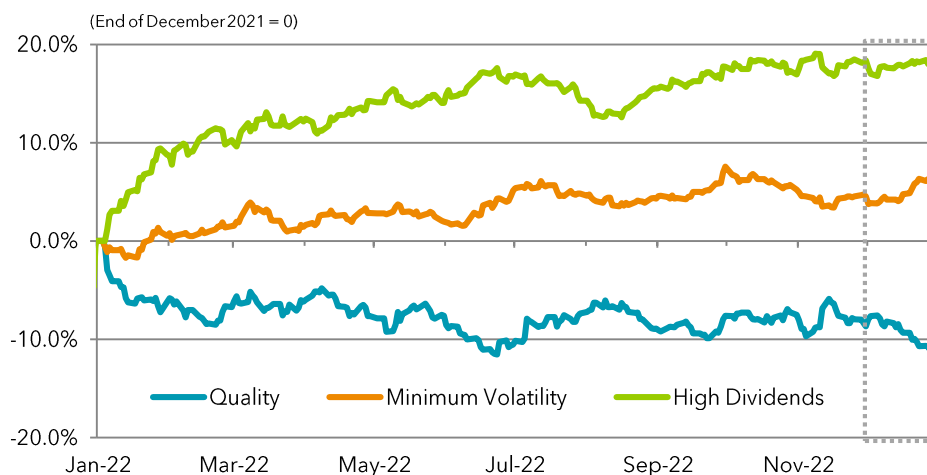
*Stocks with a market cap of over JPY 500 billion

Figure 3. Value-Growth Spread


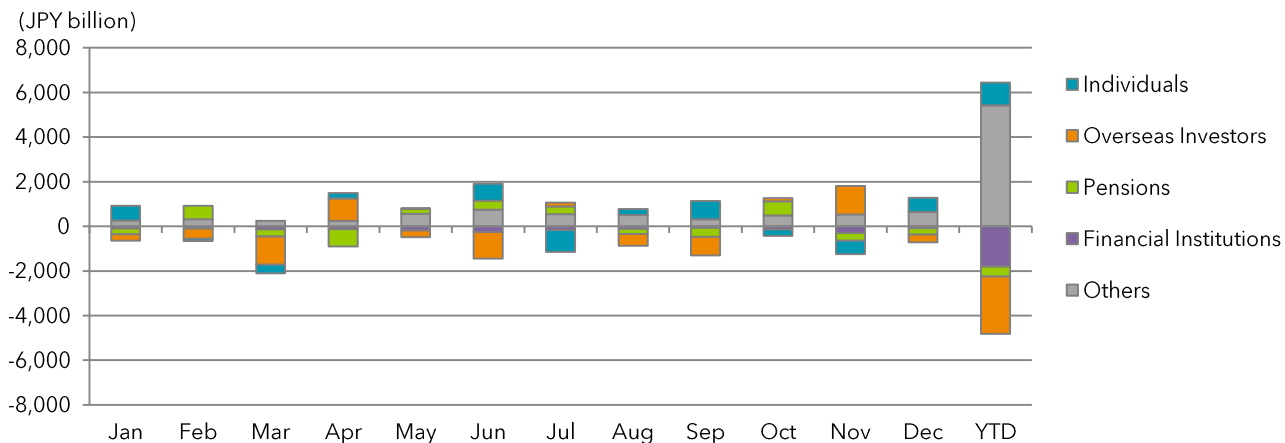
The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means value dominant)

Figure 4. Large-Small Cap Spread


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


Data: Bloomberg, Nomura, SuMi TRUST (as at the end of December 2022)

Figure 6. Monthly Investment Activities by Investor Type in the Japanese Equity Market


Data: Bloomberg, SuMi TRUST (as of 23rd December 2022)

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:

Hirofumi Hayashi

Head of Investment Management Department

Sumitomo Mitsui Trust International Limited

155 Bishopsgate, London EC2M 3XU, United Kingdom

Direct: +44 (0)20 7562 8405

Email: imd@smti.com

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

© Sumitomo Mitsui Trust International Limited 2025