SuMi TRUST

Market Review for July 2026

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

MONTHLY REVIEW

In July, Japanese equities delivered mixed performance as the TOPIX rose 0.2%, marking a fourth consecutive monthly gain and closing above 4,000 points for the first time, while the Nikkei 225 fell 8.1% amid a sharp sell-off in AI and semiconductor stocks. Concerns over excessive AI investment by US hyperscalers, intensifying competition from Chinese firms, and profit-taking following earlier gains weighed on sentiment, although buying in undervalued and cyclical sectors helped support the broader market. Shipping, Rubber Products, Steel, Insurance and Mining led gains, while Non-ferrous Metals and other semiconductor-linked sectors lagged. The market was also affected by renewed Middle East tensions, higher oil prices and hawkish Federal Reserve commentary, while weaker US employment data and positive Bank of Japan Tankan results provided some support. Value stocks outperformed growth, while the TOPIX was more resilient than the Nikkei given its lower exposure to technology stocks. Foreign investors also returned as net buyers for the first time in two months.

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

	Index	Return	Year to Date
TOPIX	4,003.30	0.21%	17.43%
Nikkei 225	64,362.02	-8.14%	27.86%
	Jul-26	Jun-26	End of 2025
USD/JPY*	157.40	162.55	156.71

*Bloomberg's preferred default source of generic FX data

FIGURE 1. TOPIX and USD/JPY

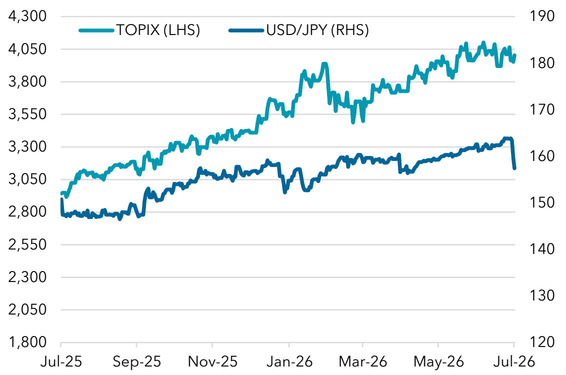


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE
(as at the end of July 2026, local currency)

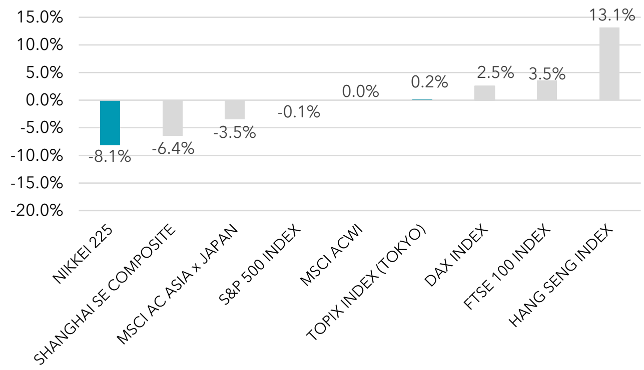


TABLE 2. TOP 5 PERFORMING SECTORS

Sector	Return
Marine Transportation	15.15%
Rubber Products	13.57%
Iron & Steel	13.03%
Insurance	12.08%
Mining	11.53%

TABLE 3. BOTTOM 5 PERFORMING SECTORS

Sector	Return
Nonferrous Metals	-23.46%
Glass & Ceramics Products	-16.08%
Electric Appliance	-9.41%
Metal Products	-7.31%
Chemicals	-5.65%

TABLE 4. TOP 5 PERFORMING STOCKS*

Name	Ticker	Return
CAPCOM	9697 JT Equity	31.61%
OBIC BUSINESS	4733 JT Equity	31.59%
ORIENTAL LAND	4661 JT Equity	27.19%
DENTSU SOKEN	4812 JT Equity	25.50%
SEGA SAMMY HOLDINGS	6460 JT Equity	24.51%

TABLE 5. BOTTOM 5 PERFORMING STOCKS*

Name	Ticker	Return
TAIYO YUDEN	6976 JT Equity	-49.26%
KIOXIA HOLDINGS	285A JT Equity	-48.15%
NITTO BOSEKI	3110 JT Equity	-35.11%
MURATA MFG	6981 JT Equity	-34.92%
FURUKAWA ELECT	5801 JT Equity	-33.51%

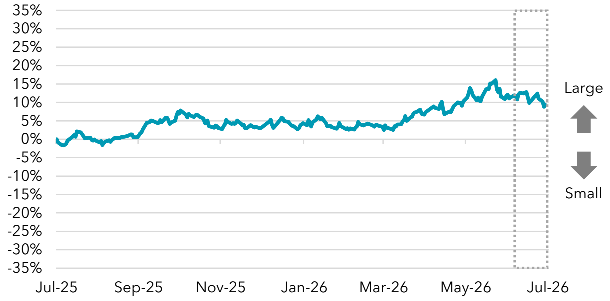
*Stocks with a market cap of over JPY 500 billion at the beginning of the month

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

FIGURE 3. VALUE-GROWTH SPREAD

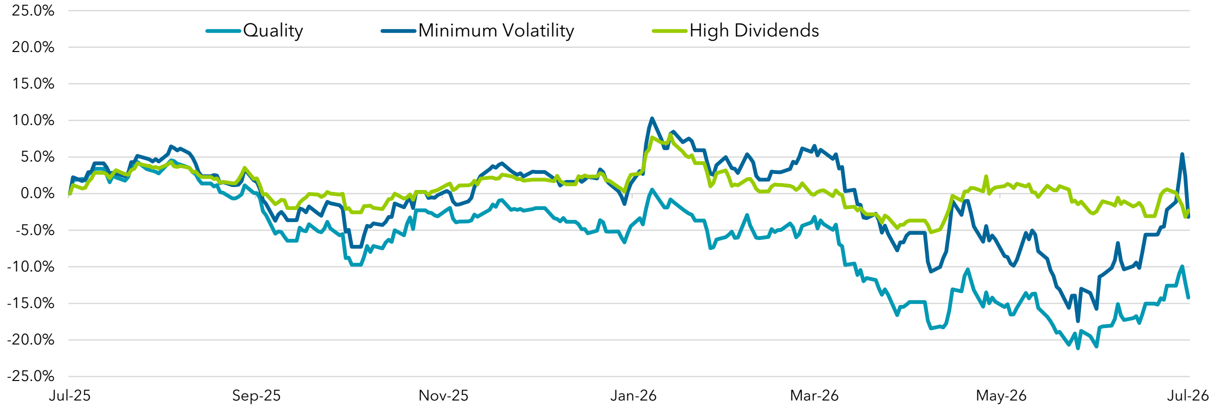
Note: The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means Value dominant)

FIGURE 4. LARGE-SMALL CAP SPREAD



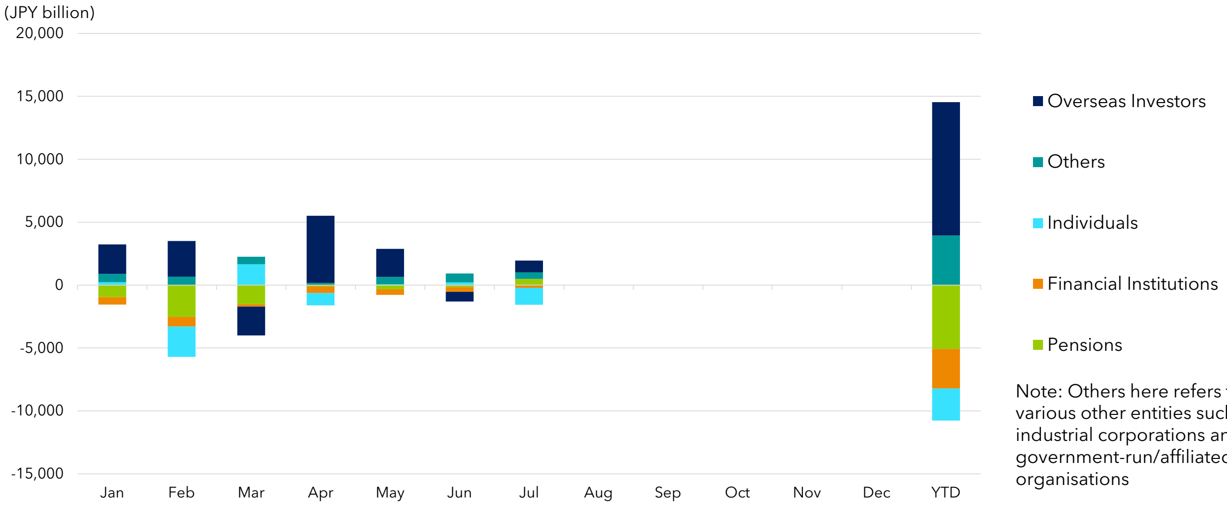
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

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



*The measurement begins from the end of July 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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