

Market Review for September 2026

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

MONTHLY REVIEW

Japanese equities delivered mixed performance in September 2026 amid rising geopolitical tensions in the Middle East, higher global bond yields and evolving monetary policy expectations. The Nikkei 225 outperformed, gaining 0.7%, while the broader TOPIX declined 1.1%, supported by a recovery in AI and semiconductor-related stocks despite weakness across much of the market. Early-month sentiment weakened as escalating regional conflict drove oil prices higher, inflation concerns intensified and the yen strengthened. Markets subsequently recovered as AI-related shares rebounded and pressure from energy prices and currency movements eased, before trading largely sideways towards month-end. Sector performance remained uneven, with petroleum and coal products, information technology and financials leading gains, while mining and several domestic-oriented sectors lagged. Investor sentiment remained cautious, with foreign investors continuing to be net sellers, although domestic retail investors returned as net buyers. Looking ahead, we expect a period of consolidation, supported by strong AI-driven earnings growth and semiconductor demand but constrained by higher interest rates, inflationary pressures, concerns over the sustainability of AI investment and ongoing geopolitical uncertainty.

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

	Index	Return	Year to Date
TOPIX	4,108.65	-1.15%	20.52%
Nikkei 225	66,753.72	0.67%	32.61%
	Sep-26	Aug-26	End of 2025
USD/JPY*	157.41	159.74	156.71

*Bloomberg's preferred default source of generic FX data

FIGURE 1. TOPIX and USD/JPY

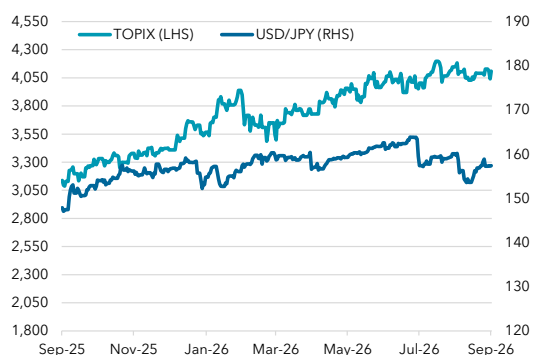


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE (as at the end of September 2026, local currency)

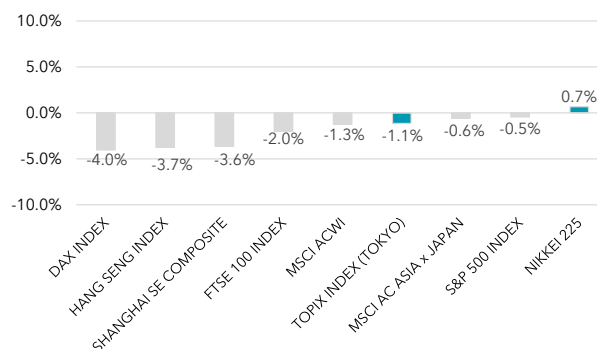


TABLE 2. TOP 5 PERFORMING SECTORS

Sector	Return
Oil & Coal Products	4.93%
Information & Communication	4.70%
Banks	1.43%
Marine Transportation	1.40%
Insurance	1.28%

TABLE 3. BOTTOM 5 PERFORMING SECTORS

Sector	Return
Mining	-7.60%
Other Products	-7.12%
Fishery, Agriculture & Forestry	-6.94%
Transportation Equipments	-6.57%
Services	-5.69%

TABLE 4. TOP 5 PERFORMING STOCKS*

Name	Ticker	Return
TOKAI CARBON	5301 JT Equity	28.96%
TAKARA	2531 JT Equity	24.72%
SOFTBANK	9984 JT Equity	23.65%
MEIKO ELECTRONIC	6787 JT Equity	22.62%
LASERTEC	6920 JT Equity	22.27%

TABLE 5. BOTTOM 5 PERFORMING STOCKS*

Name	Ticker	Return
MERCARI	4385 JT Equity	-22.21%
MITSUI KINZOKU	5706 JT Equity	-21.91%
CITIZEN WATCH	7762 JT Equity	-17.69%
NEXON	3659 JT Equity	-16.94%
SEIKO GROUP	8050 JT Equity	-16.68%

*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 September 2026)

FIGURE 3. VALUE-GROWTH SPREAD



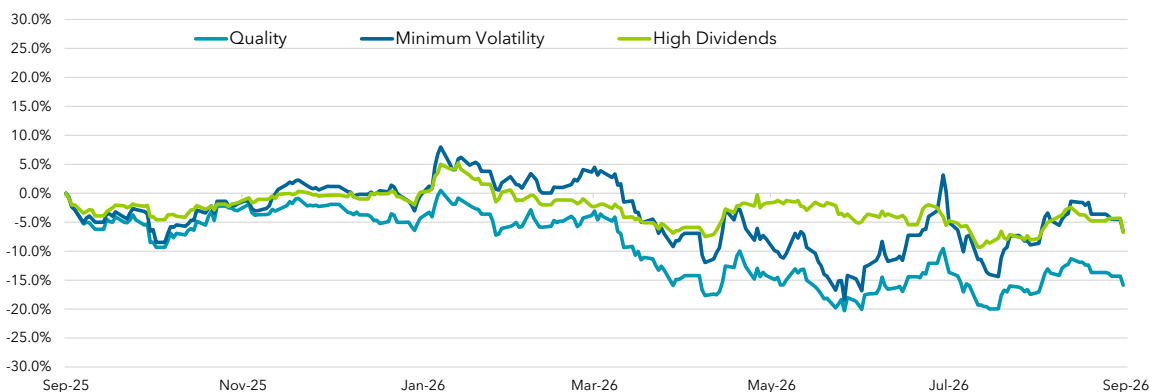
Note: The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means Value dominant)

FIGURE 4. LARGE-SMALL CAP SPREAD



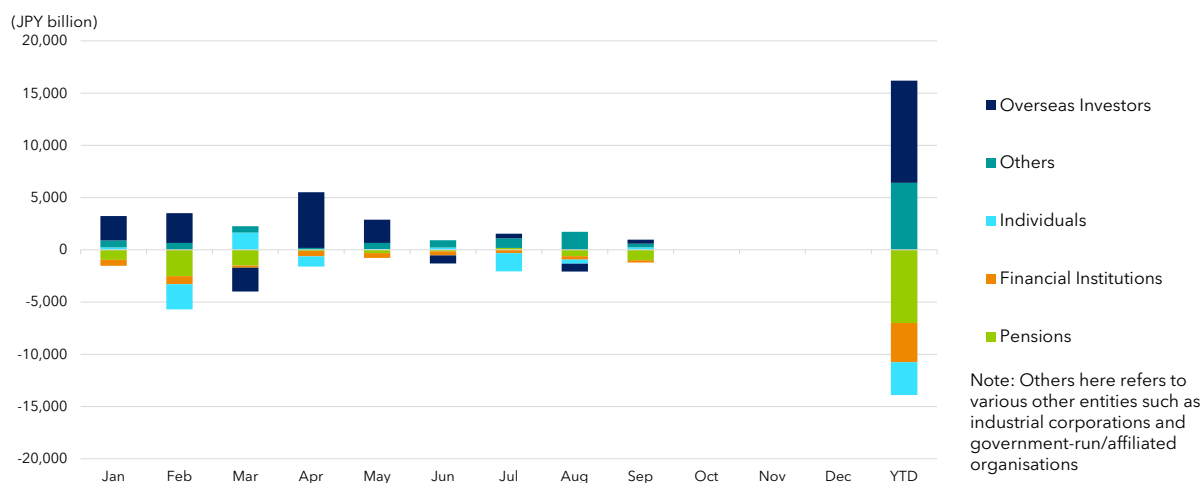
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

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



*The measurement begins from the end of September 2025, starting from 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 at the end of September 2026)

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