

Market Review for October 2025

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

MONTHLY REVIEW

In October 2025, the Japanese market extended its rally for the seventh month in a row, with both the TOPIX and Nikkei 225 reaching record highs amid optimism over the new Takaichi cabinet, expansionary fiscal expectations, and strong U.S. tech and generative AI stocks. The Nikkei 225 surged to a record high surpassing the 52,000 yen level, with a rise of 16.6%, far outpacing the TOPIX's 6.2% gain. Political uncertainty early in the month eased after Sanae Takaichi's cabinet formation with support from the Japan Innovation Party. Foreign investors were significant net buyers of Japanese equities, purchasing over 3 trillion yen in equities as global markets and the depreciation of the yen boosted large-cap, export-oriented, and AI-related sectors, while domestic demand sectors like insurance and real estate lagged.

TABLE 1. MARKET PERFORMANCE (as of the end of October 2025)

	Index	Return	Year to Date
TOPIX	3,331.83	6.19%	19.64%
Nikkei 225	52,411.34	16.64%	31.37%

	Oct-25	Sep-25	End of 2024
USD/JPY*	153.99	147.90	157.20

*Bloomberg's preferred default source of generic FX data

FIGURE 1. TOPIX and USD/JPY

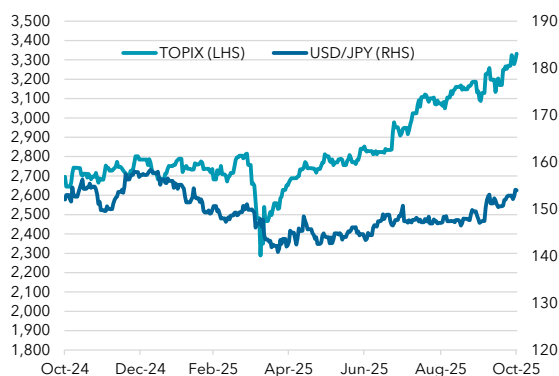


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE (as of the end of October 2025, local currency)

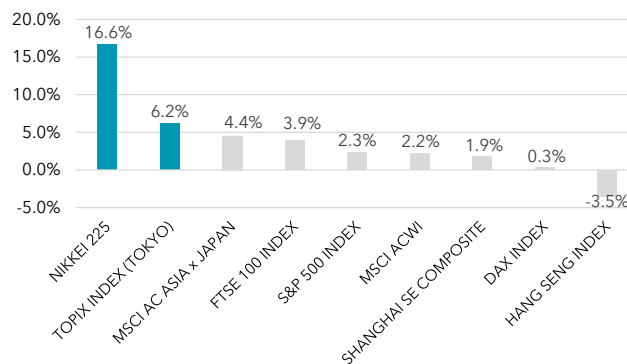


TABLE 2. TOP 5 PERFORMING SECTORS

Sector	Return
Nonferrous Metals	26.81%
Electric Appliance	17.53%
Information & Communication	12.52%
Precision Instruments	12.28%
Machinery	10.54%

TABLE 3. BOTTOM 5 PERFORMING SECTORS

Sector	Return
Insurance	-5.50%
Services	-4.87%
Pulp & Paper	-4.81%
Land Transportation	-3.33%
Real Estate	-2.79%

TABLE 4. TOP 5 PERFORMING STOCKS*

Name	Ticker	Return
KIOXIA	285A JT Equity	122.05%
IBIDEN	4062 JT Equity	62.68%
ADVANTEST	6857 JT Equity	57.92%
FUJIKURA	5803 JT Equity	46.45%
SOFTBANK GROUP	9984 JT Equity	44.85%

TABLE 5. BOTTOM 5 PERFORMING STOCKS*

Name	Ticker	Return
COSMOS PHARMACEUTICAL	3349 JT Equity	-20.15%
BAYCURRENT	6532 JT Equity	-18.79%
AIR WATER	4088 JT Equity	-15.32%
CYBERAGENT	4751 JT Equity	-13.46%
ORIENTAL LAND	4661 JT Equity	-12.53%

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

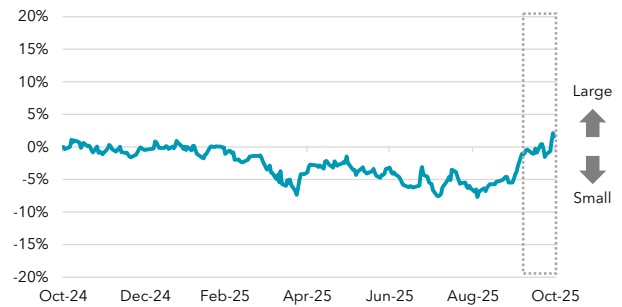
Note. Figures on this sheet are from SuMi TRUST, Bloomberg, NEEDS, MSCI and Nomura (as of October 2025)

FIGURE 3. VALUE-GROWTH SPREAD



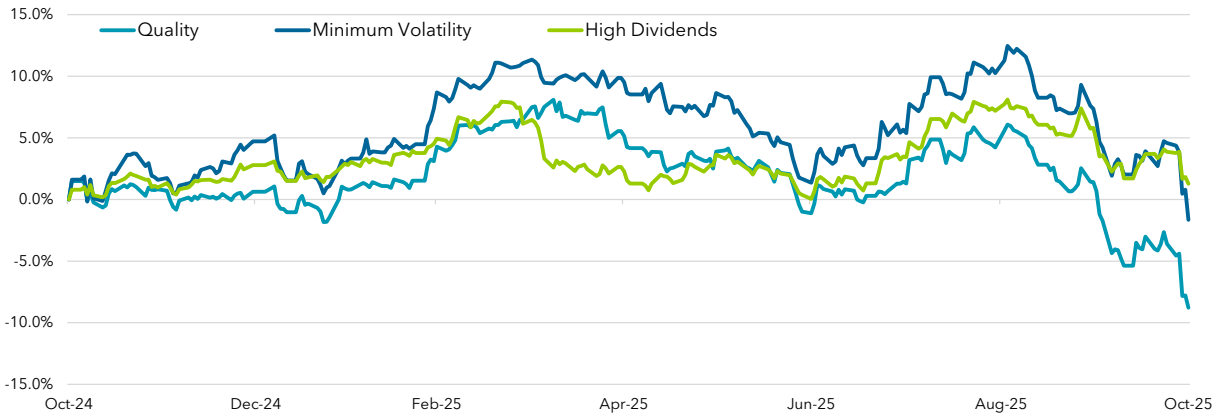
Note: The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means Value dominant)

FIGURE 4. LARGE-SMALL CAP SPREAD



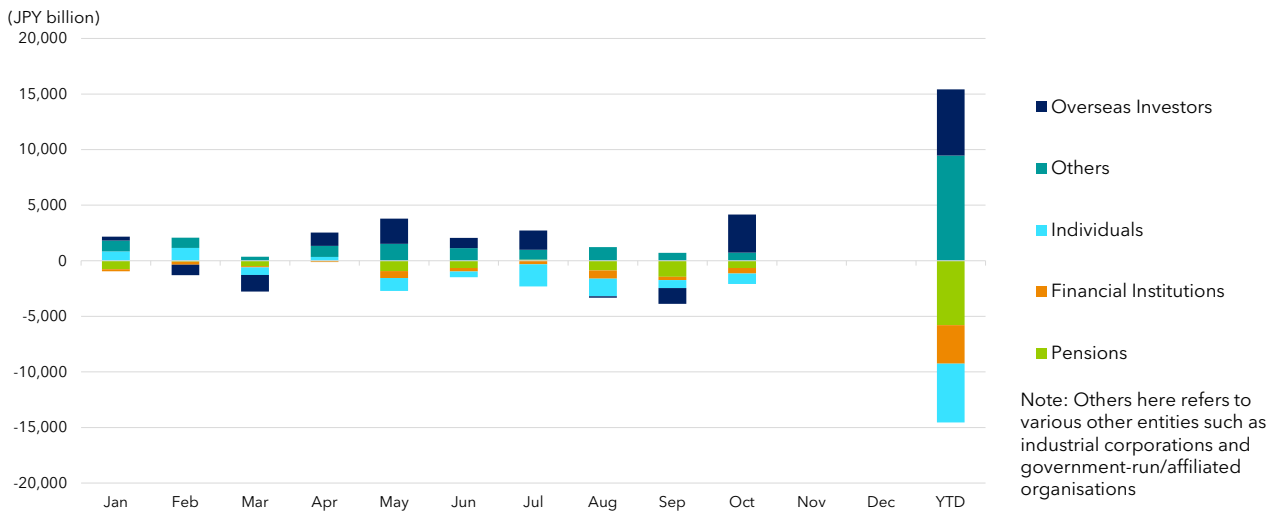
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

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



*The measurement begins from the end of October 2024, 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 of October 2025)

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@smtil.com

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

© Sumitomo Mitsui Trust International Limited 2025