

# Japan Value Equity Concentrated

April 2026

## Strategy

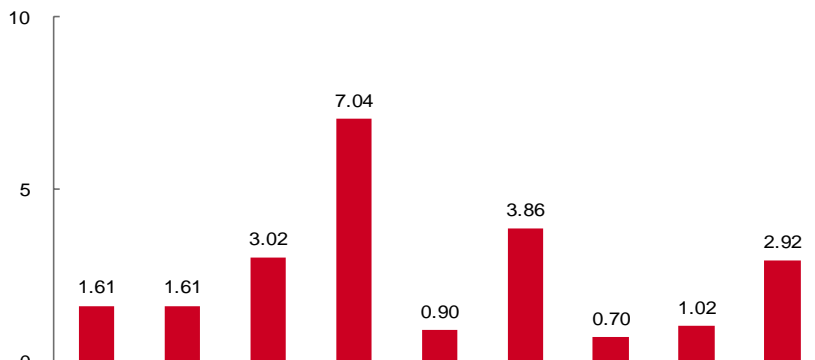
Concentrated Strategy is a focused Japanese equity strategy that aims for above-benchmark return in the mid- to long-term. The portfolio is constructed through investment in undervalued stocks, with careful consideration of risk/return. The strategy takes a bottom-up approach in which the research team analyzes the intrinsic value of individual stocks and compares it with market price in order to identify undervalued names. The portfolio is not constrained by sector weights or market caps.

## Market Review

Following a ceasefire between the US and Iran, the easing of excessive concerns over the situation in the Middle East supported the market. Nonferrous metal and electrical appliances sectors rose on expectations that they would benefit from growing demand for generative AI and data centers. Meanwhile, the mining and oil & coal sectors fell on reduced expectations for earnings growth due to a pause in rising crude oil prices.

In the first part of the month, the Japanese market rose significantly as fears over geopolitical risks eased following the ceasefire agreement between the US and Iran. In the middle of the month, share prices remained firm, supported by strong buying in high-priced stocks amid a rally in US tech stocks. However, fears over prolonged Middle East tensions, stemming from stalled negotiations between the US and Iran and Trump's indication to block the Strait of Hormuz capped market gains. The market rebounded in the latter part of the month as the BOJ kept policy rates unchanged at its policy meeting. Toward the end of the month, the market underwent a correction, weighed down by persistently high crude oil prices amid geopolitical uncertainties in the Middle East and long-term interest rates, which climbed to an all-time high.

### Composite Performance (%) Excess Return\*



	Apr	QTD	YTD	1Y	3Y	5Y	7Y	10Y	SI
<b>Composite</b>	8.17	8.17	13.46	50.05	25.71	21.13	16.10	14.42	10.96
<b>Benchmark</b>	6.57	6.57	10.44	43.01	24.81	17.27	15.41	13.39	8.04

### Composite Summary

<b>Composite Name</b>	SJAM Value Mother Fund		
<b>Benchmark</b>	TOPIX Total Return**		
<b>Inception Date</b>	January 2004		
<b>Number of Holdings</b>	69		
<b>Bloomberg Code</b>	SNAMCON		
<b>Assets Under Management</b>	Domestic	JPY 78.3B (USD 500M)	
	Overseas	JPY 0B (USD 0M)	
	Strategy Total	JPY 78.3B (USD 500M)	

Top Ten Holdings	%
OMRON CORP	4.44
NTT INC	4.40
SUMITOMO MITSUI TRUST GROUP	3.98
KYOCERA CORP	3.95
DAIKIN INDUSTRIES LTD	3.84
SUMCO CORP	3.54
KIRIN HOLDINGS CO LTD	3.32
TOYOTA MOTOR CORP	2.98
FANUC CORP	2.84
MURATA MANUFACTURING CO LTD	2.84
<b>Total</b>	<b>36.14</b>

### Characteristics

	Portfolio	Benchmark
P/E	14.87x	15.79x
P/B	1.15x	1.70x
ROE	7.74%	10.78%
Dividend Yield	2.92%	2.31%

### Market Cap

	Portfolio	Benchmark
Large	44.7%	67.8%
Mid	44.9%	25.0%
Small	8.2%	7.2%
Others	0.7%	-

\* Excess return figures are annualized for three years and longer.

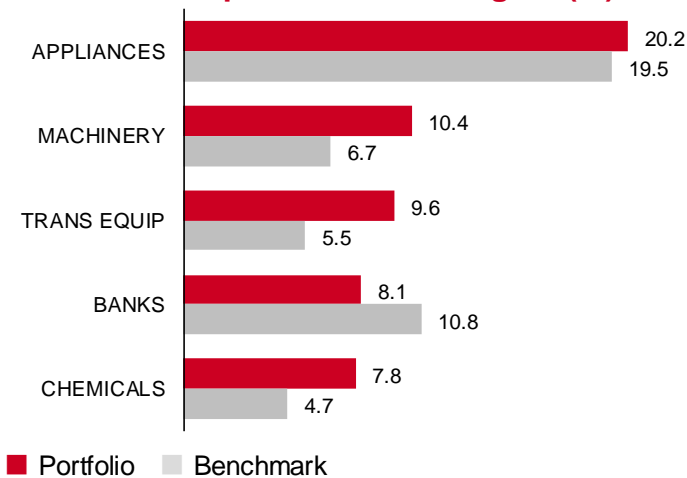
\*\* TOPIX Total Return Index includes the dividends paid by the index constituents.

The data shown is of a representative account. Past performance is not a guarantee of future returns.

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## Top Five Sector Weights (%)



**Kenji Ueno, CMA**  
 Senior Portfolio Manager  
 33 years investment experience  
 29 years at Sompo AM

## Attribution Analysis

Both sector allocation and stock selection contributed to performance. In sector allocation, overweighting (OW) of Appliances and underweighting (UW) of Wholesale and Insurance contributed to performance, while OW of Trans Equip and Land Trans, and UW of Nonferrous detracted. In stock selection, OW of Sumco, Murata Manufacturing, and Omron contributed to performance, while UW of Softbank Group and Advantest, and OW of NTT detracted. Last month we increased holdings of Kao, West Japan Railway, and Toyota Motor and decreased holdings of Murata Manufacturing, Sumco and Taiyo Yuden.

## Outlook

We expect the market will face upside resistance. The ceasefire agreement between the US and Iran increased expectations for an easing of the situation in the Middle East. We previously expected the market would gradually regain a sense of calm as long as it didn't lead to further escalation of the conflict and a prolonged surge in energy prices. We believe historically high valuations (forward P/E, etc), primarily driven by some AI and semiconductor names, have already priced in the improved situation in the Middle East, robust corporate earnings, and further enhancements in corporate governance. The earnings season will go in full swing from May. We believe caution will be needed, as Japanese companies are highly likely to announce lackluster earnings guidance for FY2026 due to concerns over the Middle East situation. However, the market will be supported as there is strong equity demand from a high level of share buybacks and the BoJ has relatively accommodative monetary policy compared to the US and Europe.

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