

# Japan

Reference NIKKEI225

Analysis of 06-Mar-2024

Closing Price of 05-Mar-2024

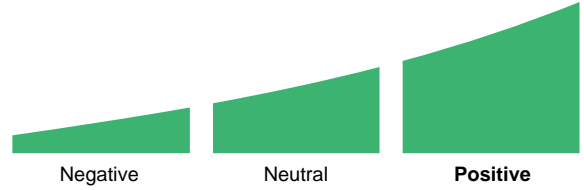
The Japanese market represents approximately 5% of the worldwide market capitalization with 666 companies being followed by the Screener.

The NIKKEI225 is currently trading at its 52 week high and 49% above its low.

Performance since March 7, 2023: 41.6% vs. 7.7% for the STOXX600 and 27.4% for the SP500.

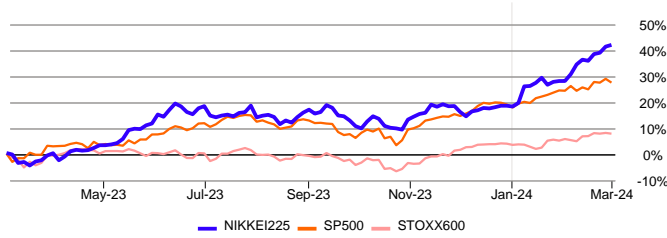
Currently 60.8% of the stocks are in an upward trend.

## Global Evaluation



Index	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	4wk Perf.	Div	Global Evaluation
NIKKEI225 (JP)	40,097.63	19.8%	222	4,482.24	★★★★★		13.9	12.0%	10.3%	2.2%	
STOXX600 (EP)	496.26	3.6%	583	14,933.39	★★★★★		11.7	11.0%	2.6%	3.6%	
SP500 (US)	5,078.65	6.5%	499	45,702.27	★★★★★		17.8	16.5%	2.8%	1.4%	

## Comparison March 7, 2023 - March 5, 2024



**"Price to Estimated Earnings" (PE) - Evolution over five years**  
The estimated PE is calculated on the basis of the underlying stocks. The index is currently trading up and above its historical median of 11.5.



### Price evaluation rating ★

In order to assess whether an index is correctly valued, we focus on Peter Lynch's broadly accepted methodology of comparing the projected earnings growth and dividend with the estimated PE ratio. Based on this approach, we feel this index is currently slightly undervalued. A "Forecasted Growth + Estimated Dividend Yield to Estimated Price Earnings" ratio higher than 0.9 indicates that the index's price includes a discount to growth of -12.3%.

### Earnings revision trend ★

Compared to seven weeks ago, the analysts have raised by 2.7% their earnings estimates. This positive trend began November 17, 2023 at a level of 33,585.2.

### Technical Trend and relative Performance ★★

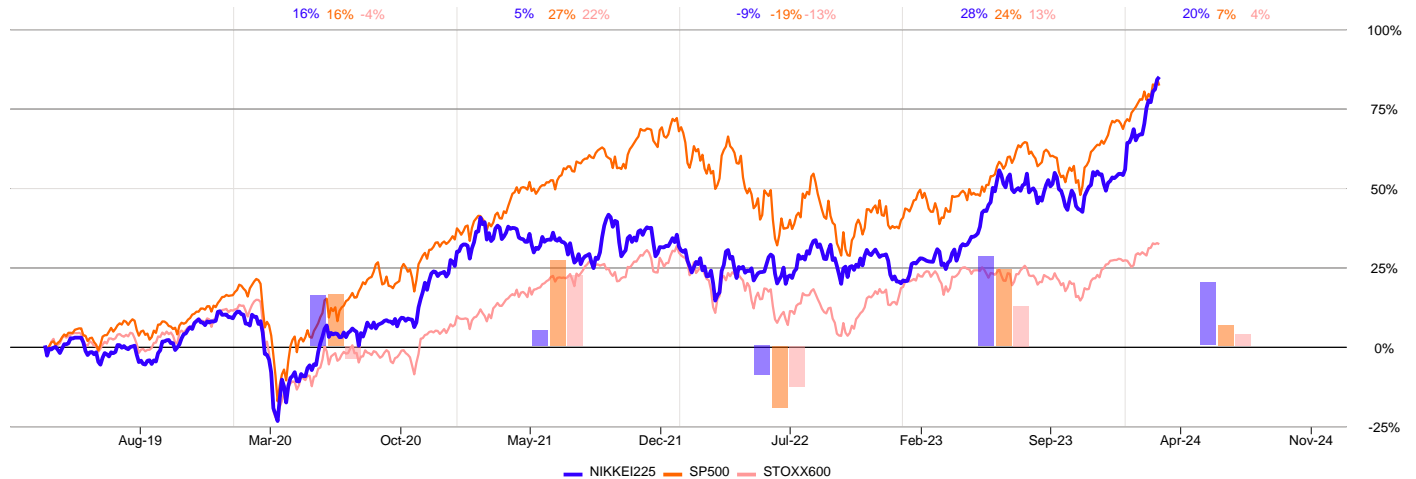
The 40-day Technical Trend has been positive since November 10, 2023. The confirmed Technical Reverse point is currently 9% lower.

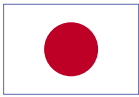
## Checklist

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Global Evaluation		Positive
Stars	★★★★★	Very strong interest since January 5, 2024.
Earnings Rev Trend	★	Analysts positive since November 17, 2023
Valuation Rating	★	Moderately undervalued
MT Tech Trend	★	Market positive since November 10, 2023
4wk Perf.	★	Positive 4 weeks price performance
Sensitivity		Moderate, no change over 1 year.

## Comparison March 5, 2019 - March 5, 2024





# Japan

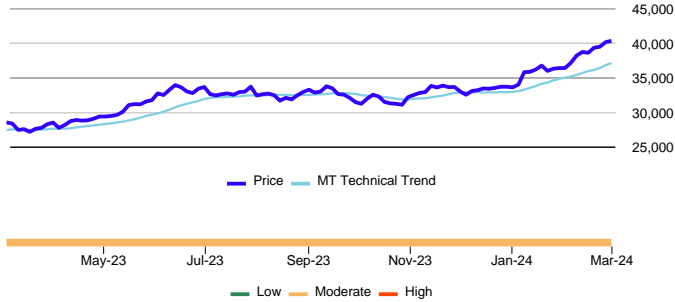
Reference NIKKEI225

Analysis of 06-Mar-2024

Closing Price of 05-Mar-2024

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## Price & Sensitivity Evolution



### Volatility

Volatility is often used as a sensitivity factor. It measures the magnitude of upward and downward movements of a stock or index. The higher the volatility, the more an index is considered as sensitive. As of the last update, the monthly volatility of 10.7% is lower than the last few years' average of 16.9%. The low magnitude of short term price fluctuations indicates a lull in the market. The long term volatility of 15.9% is similar to the 11.8% of the European STOXX600 index.

### The sensitivity factor in declining markets

The "Bear Market Factor" measures the behavior of an index in declining markets. In this context, the NIKKEI225 has a tendency to mitigate drops of the index TSC\_World. This would indicate a low sensitive behaviour of the index during market corrections. The NIKKEI225 has a tendency to mitigate drops in the index TSC\_World by -0.58%.

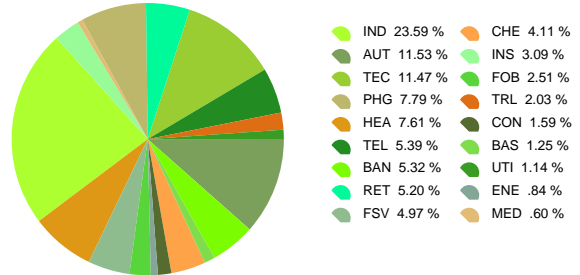
### The sensitivity factor in rising markets

The "Bad News Factor" measures the index's corrections during rising international markets. In this configuration, the market normally sanctions the NIKKEI225 index when there is specific pressure in this particular economic zone. When the index declines in a rising world market its average deviation is -1.65%.

### Sensitivity analysis summary

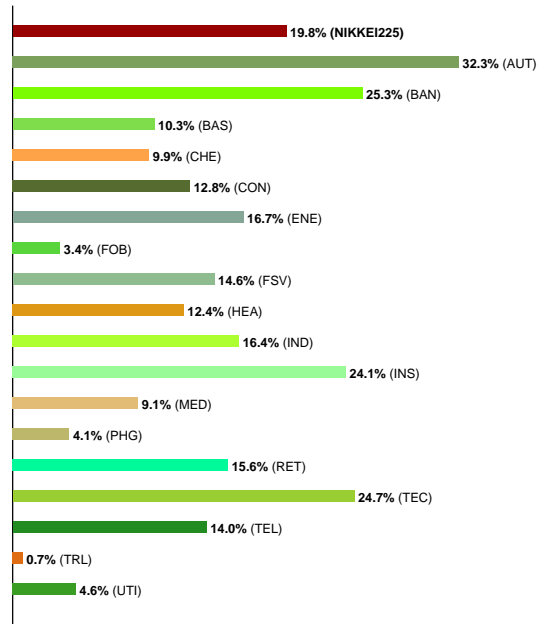
Generally speaking, the NIKKEI225 index shows an average sensitive behaviour, in line with other equity indices because of a medium Bad News Factor.

## Groups by market capitalization Japanese



The largest group in terms of market capitalization, Industrial Goods & Services, represents 23.6% of the Japanese market. In order of size follow Automobile & Parts with 11.5% and Technology with 11.5%.

## 2024 performance of the groups of the Japanese market



Since the beginning of the year, the NIKKEI225 index recorded a variation of 19.8%. The market is made up of 18 groups with performances ranging from 0.7% to 32.3%.

AUT:Automobiles & Parts  
BAN:Banks  
BAS:Basic Resources

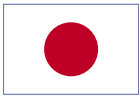
CHE:Chemicals  
CON:Construction & Materials  
ENE:Energy

FOB:Food & Beverage  
FSV:Financial Services  
HEA:Health Care

IND:Industrial Goods & Services  
INS:Insurance  
MED:Media

PHG:Personal & Household Goods  
RET:Retail  
TEC:Technology

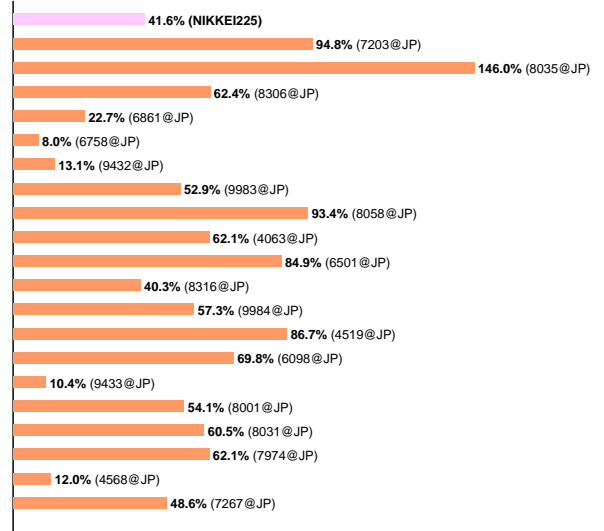
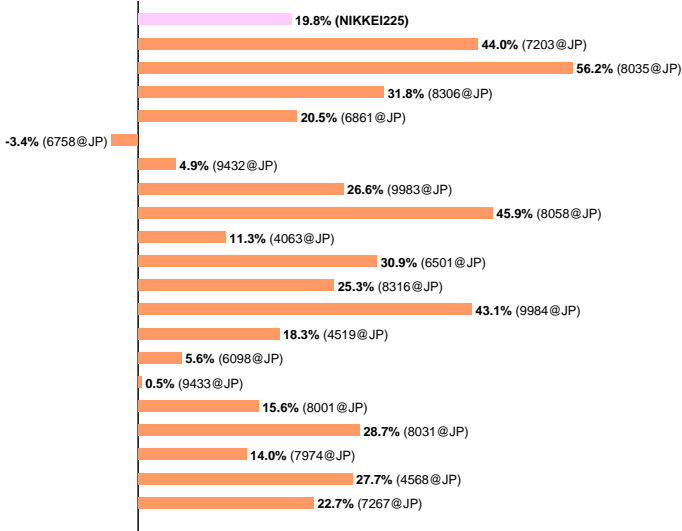
TEL:Telecommunications  
TRL:Travel & Leisure  
UTI:Utilities



Index	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	4wk Perf.	Div	Global Evaluation
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### 2024 performance of the 20 largest stocks

### 12 months performance of the 20 largest stocks

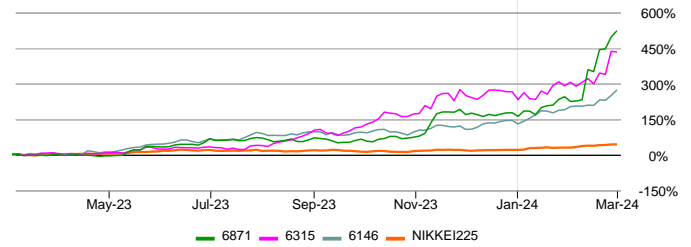
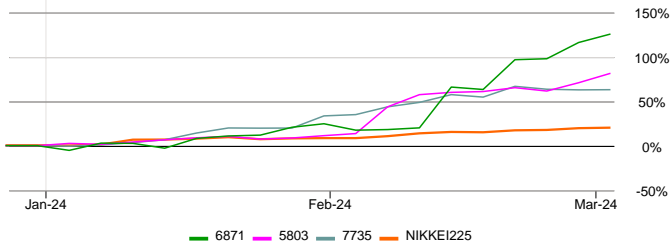


The analysis and details of the above stock can be found on page 6

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### Top Stocks 2024

### Top Stocks 12 months

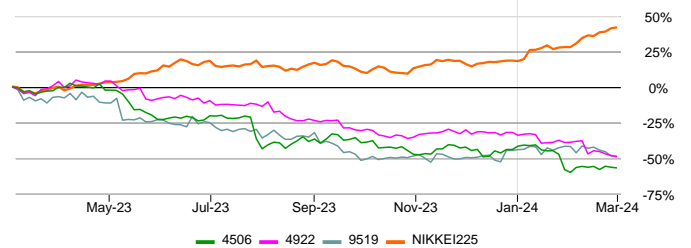
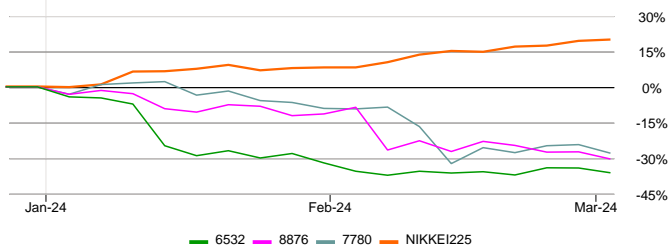


Since the beginning of the year, the performance of the index was 19.8%; as for the three best stocks, (MICRONICS JAPAN (6871), FUJIKURA (5803) and SCREEN HOLDINGS (7735)), their performance was 125.6%, 81.4% and 63.0% respectively.

Since 12 months ago, the performance of the index has been 41.6%; the three best stocks, (MICRONICS JAPAN (6871), TOWA (6315) and DISCO (6146)) recorded a performances of 522.6%, 432.5% and 272.5% respectively.

### Flop Stocks 2024

### Flop Stocks 12 months



BAYCURRENT (6532), RELO GROUP (8876) and MENICON (7780) with -36.3%, -30.5% and -28.0% recorded the three worst performances since the beginning of the year. For the NIKKEI225 index, the variation was 19.8%.

The three worst performances in 12 months were recorded by SUMITOMO PHARMA (4506), KOSE (4922) and RENOVA (9519) with -57.0%, -49.2% and -48.7%. As for the group, it recorded a variation of 41.6%.

AUT:Automobiles & Parts  
BAN:Banks  
BAS:Basic Resources

CHE:Chemicals  
CON:Construction & Materials  
ENE:Energy

FOB:Food & Beverage  
FSV:Financial Services  
HEA:Health Care

IND:Industrial Goods & Services  
INS:Insurance  
MED:Media

PHG:Personal & Household Goods  
RET:Retail  
TEC:Technology

TEL:Telecommunications  
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The lists below present a selection of stocks with particular characteristics of interest to many investors. **The selection is not meant as a recommendation to buy or sell any securities by the reader, as it cannot and does not consider the reader's personal financial situation nor its appetite for or aversion to risk. Please request personalised guidance from your financial advisor prior to any action.**

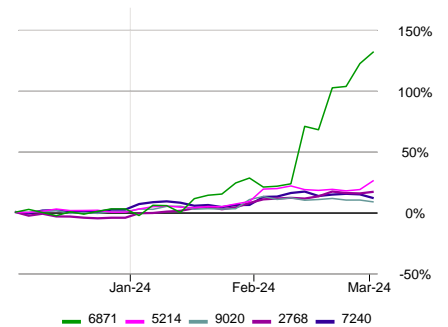
## Stocks of interest

Name	Market	Group	Best Evaluation	Defensive Stocks	High Dividends	Low PE
COSMO ENERGY HOLDINGS	JP	Energy			✓	
EAST JAPAN RAILWAY	JP	Industrial Goods & Services	✓			
J S R	JP	Chemicals		✓		
JAPAN TOBACCO	JP	Personal & Household Goods			✓	
MAZDA MOTOR	JP	Automobiles & Parts				✓
MICRONICS JAPAN	JP	Technology	✓			
MITSUBISHI MOTORS	JP	Automobiles & Parts				✓
NIPPON ELEC.GLASS	JP	Industrial Goods & Services	✓			
NIPPON STEEL	JP	Basic Resources			✓	
NISSAN MOTOR	JP	Automobiles & Parts				✓
NISSHIN SEIFUN	JP	Food & Beverage		✓		
NOK	JP	Automobiles & Parts	✓			
OPEN HOUSE GROUP	JP	Financial Services				✓
SBI HOLDINGS INC	JP	Financial Services			✓	
SOJITZ	JP	Industrial Goods & Services	✓			
TAISHO PHARM.	JP	Health Care		✓		
TOKYO ELECTRIC POWER	JP	Utilities				✓
TOSOH	JP	Chemicals			✓	
TOWA	JP	Technology		✓		
YAMAZAKI BAKING	JP	Food & Beverage		✓		

## Top Global Evaluation

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	7wk EPS Rev	Stars	Sensitivity	Global Evaluation
6871 JP	MICRONICS JAPAN Semiconductors	8,280.00 JPY	2.10	86.2%	★★★★★		
5214 JP	NIPPON ELEC.GLASS Electrical Components & Equipment	3,819.00 JPY	2.29	53.2%	★★★★★		
9020 JP	EAST JAPAN RAILWAY Transportation Services	8,788.00 JPY	22.07	24.3%	★★★★☆		
2768 JP	SOJITZ Diversified Industrials	3,899.00 JPY	5.28	21.6%	★★★★☆		
7240 JP	NOK Auto Parts	2,055.00 JPY	2.38	18.4%	★★★★☆		

Evolution over the last 3 months

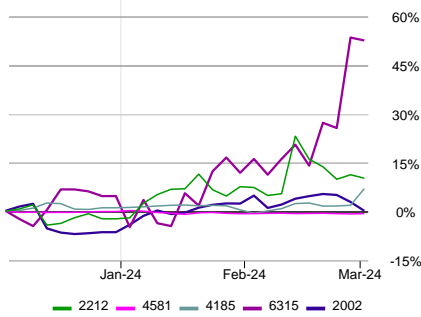


The Global Evaluation is a multi-criteria approach to identify the stocks with the best overall outlook. The assessment is the compilation of fundamental (PE, growth, earnings revisions, dividend, etc.), technical (moving average, relative performance), and sensitivity (behaviour in declining markets and sensitivity to bad news) factors. In order to present a relevant selection, only companies with a market capitalization above \$1bn and showing good earnings growth valuations, are listed. Furthermore, the eligible stocks must have a minimum rating of two stars, a neutral to positive valuation, and a low to moderate sensitivity. When the global rankings are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.



Index	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	4wk Perf.	Div	Global Evaluation
NIKKEI225 (JP)	40,097.63	19.8%	222	4,482.24	★★★★		13.9	12.0%	10.3%	2.2%	

Evolution over the last 3 months



### Defensive stocks

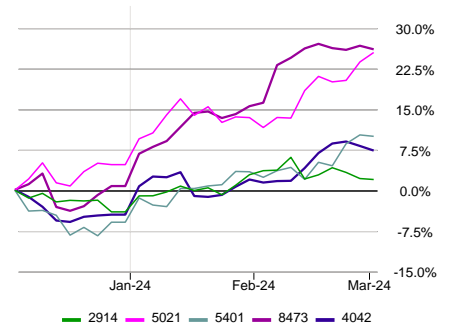
Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Bear Mkt Factor	Stars	Sensitivity	Global Evaluation
2212 JP	YAMAZAKI BAKING Food Products	3,628.00 JPY	5.03	-213	★★★★		
4581 JP	TAISHO PHARM. Pharmaceuticals	8,590.00 JPY	4.69	-193	★★★★		
4185 JP	J S R Speciality Chemicals	4,255.00 JPY	5.86	-176	★★★★		
6315 JP	TOWA Semiconductors	10,400.00 JPY	1.75	-173	★★★★		
2002 JP	NISSHIN SEIFUN Food Products	2,032.00 JPY	4.04	-172	★★★★		

The sensitivity assessment is based on essentially two criteria: the stock's "behaviour in declining markets" (Bear Market Factor), and the stock's "sensitivity to bad news" (Bad News Factor). By positioning a stock according to the world averages, three sensitivity levels can be attributed (low, moderate, high). Combining these elements makes it possible to create a final ranking of stocks in the market. To present the most useful selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have a minimum rating of two stars, a neutral to positive valuation, and a low to moderate sensitivity. In case of a tie, the stock's "behaviour in declining markets" will act as the deciding classification element.

### Attractive dividends

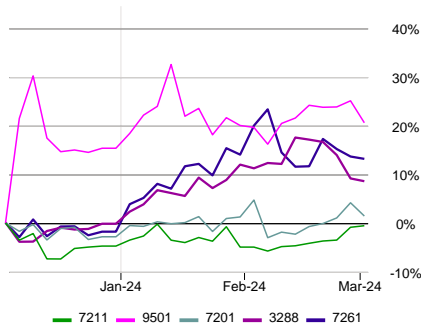
Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Div	Stars	Sensitivity	Global Evaluation
2914 JP	JAPAN TOBACCO Tobacco	3,872.00 JPY	45.34	5.2%	★★★★		
5021 JP	COSMO ENERGY HOLDINGS Oil Equipment & Services	6,787.00 JPY	3.89	4.4%	★★★★		
5401 JP	NIPPON STEEL Steel	3,775.00 JPY	23.08	4.2%	★★★★		
8473 JP	SBI HOLDINGS INC Equity Investment Instruments	3,968.00 JPY	7.23	4.0%	★★★★		
4042 JP	TOSOH Commodity Chemicals	2,024.50 JPY	4.25	4.0%	★★★★		

Evolution over the last 3 months



Within this category, the equities that have been chosen are based on the expected dividend yield over the next 12 months. The selection takes into consideration only companies with payout dividends totalling not more than 70% of their forecasted income. This is to ensure that only companies are included that show a strong potential for a continued payout of dividends in the future. This profile also requires a minimum of 2 stars and a market value greater than one billion USD.

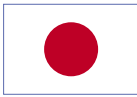
Evolution over the last 3 months



### Stocks with a low PE

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	LT P/E	Stars	Sensitivity	Global Evaluation
7211 JP	MITSUBISHI MOTORS Automobiles	468.70 JPY	4.65	5.0	★★★★		
9501 JP	TOKYO ELECTRIC POWER Conventional Electricity	772.00 JPY	8.40	5.0	★★★★		
7201 JP	NISSAN MOTOR Automobiles	578.50 JPY	14.49	5.1	★★★★		
3288 JP	OPEN HOUSE GROUP Real Estate Investment Trusts	4,549.00 JPY	3.70	5.2	★★★★		
7261 JP	MAZDA MOTOR Automobiles	1,755.50 JPY	7.26	5.3	★★★★		

The price to earnings ratio (PE) may help to find undervalued stocks. If the PE of a stock is much lower than the PE of its reference market, the stock could have upside price potential. In order to present a relevant selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have: a minimum rating of two stars, a neutral to positive valuation, a low to moderate sensitivity. When the PE ratios are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.



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## The 20 top stocks by market capitalization






Symbol Market	Name Sector	Price Ccy	Perf YtD	Mkt Cap in \$bn	Stars	Sensitivity	LT P/E	LT Growth	4wk Rel. Perf.	Div	Global Evaluation
7203 JP	TOYOTA MOTOR Automobiles	3,729.00 JPY	43.9%	330.20	★★★★★		9.8	6.9%	14.3%	2.5%	
8035 JP	TOKYO ELECTRON Semiconductors	39,450.00 JPY	56.2%	122.93	★★★★★		28.0	27.6%	29.6%	1.2%	
8306 JP	MITSUBISHI UFJ FIN Money Center Banks	1,596.50 JPY	31.8%	120.96	★★★★★		12.2	9.3%	0.8%	2.9%	
6861 JP	KEYENCE Electronic Equipment	74,880.00 JPY	20.5%	117.67	★★★★★		39.8	26.1%	0.1%	0.4%	
6758 JP	SONY GROUP Consumer Electronics	12,950.00 JPY	-3.4%	107.53	★★★★★		14.7	11.6%	-20.8%	0.7%	
9432 JP	NIPPON TELG. & TEL. Integrated Telecommunications	180.70 JPY	4.9%	102.51	★★★★★		11.1	7.9%	-13.5%	2.9%	
9983 JP	FAST RETAILING Apparel Retailers	44,280.00 JPY	26.6%	92.40	★★★★★		35.2	22.2%	3.0%	0.8%	
8058 JP	MITSUBISHI Industrial Suppliers	3,287.00 JPY	45.9%	90.41	★★★★★		14.0	6.2%	20.4%	2.3%	
4063 JP	SHIN-ETSU CHEMICAL Speciality Chemicals	6,588.00 JPY	11.3%	88.39	★★★★★		19.4	15.3%	1.7%	1.7%	
6501 JP	HITACHI Electronic Equipment	13,310.00 JPY	30.9%	81.16	★★★★★		17.3	14.5%	1.3%	1.2%	
8316 JP	SUMI MITSUI FIN GRP Money Center Banks	8,623.00 JPY	25.3%	75.12	★★★★★		11.0	8.1%	1.1%	3.4%	
9984 JP	SOFTBANK GROUP Mobile Telecommunications	9,008.00 JPY	43.1%	71.92	★★★★★		205.8	4663.3%	25.0%	0.5%	
4519 JP	CHUGAI PHARM. Pharmaceuticals	6,317.00 JPY	18.3%	68.64	★★★★★		27.1	16.0%	13.0%	1.3%	
6098 JP	RECRUIT HOLDINGS Business Support Services	6,299.00 JPY	5.6%	66.76	★★★★★		24.0	14.3%	-1.6%	0.4%	
9433 JP	KDDI Mobile Telecommunications	4,506.00 JPY	0.4%	65.91	★★★★★		12.1	9.4%	-16.8%	3.4%	
8001 JP	ITOCHU Industrial Suppliers	6,666.00 JPY	15.6%	65.02	★★★★★		10.4	7.5%	-10.0%	2.5%	
8031 JP	MITSUI Industrial Suppliers	6,816.00 JPY	28.7%	64.87	★★★★★		11.2	4.1%	7.0%	2.6%	
7974 JP	NINTENDO Toys	8,390.00 JPY	14.0%	64.66	★★★★★		24.5	9.3%	-10.6%	2.0%	
4568 JP	DAIICHI SANKYO Pharmaceuticals	4,945.00 JPY	27.7%	62.53	★★★★★		33.2	29.9%	-2.3%	1.2%	
7267 JP	HONDA MOTOR Automobiles	1,798.50 JPY	22.7%	61.71	★★★★★		8.0	7.1%	-3.5%	3.5%	

# Glossary - Equities

## Global Evaluation

The rating results from several factors: fundamentals, technical analysis, measures of sensitivity, and the benchmark trend.

The synthesis is rated on a 5 level scale:

-  : **Positive**, almost all or all the factors are positive
-  : **Slightly positive**, a majority of factors are positive
-  : **Neutral**, balance between positive and negative factors
-  : **Slightly negative**, a majority of factors are negative
-  : **Negative**, almost all or all the factors are negative

The synthesis for the Indices and Industries is rated on a 3 level scale: Positive, Neutral and Negative.

## Number of Stocks

The number of stocks in the index that can be analyzed.

## Mkt Cap in \$bn

This number represents the Market Capitalization in USD bn. It is calculated by multiplying a firm's share price by the number of outstanding shares. For reasons of comparison, all results are in USD.

## Valuation Rating

Our Valuation Rating indicates if a stock is "expensive" or "cheap" relative to its growth potential. This is used to determine whether or not the investor is paying a premium for anticipated growth.

To estimate a stock's value relative to its current price, our Valuation Rating combines:

- stock price
- projected earnings
- projected earnings growth
- dividends

We establish our rating by combining these elements.

There are five ratings, ranging from strongly undervalued to strongly overvalued.

## Stars

theScreener's star rating system is designed to enable you to identify high-quality stocks quickly and easily.

Stars are earned for each element specified below:

- Earnings Rev Trend
- Valuation Rating
- MT Tech Trend
- 4 week Relative Performance

Therefore, a stock can earn a maximum of four stars.

The lowest rating a stock can have is no stars.

Once a stock has earned a star, it will keep it until:

- Earnings Rev Trend becomes negative
- Valuation Rating becomes negative
- MT Tech Trend becomes negative
- 4 week Relative Performance drops below -1%

## Dividend

This is the dividend in % for the next 12 months.

Even if the same number is shown, the dividend value can appear in one of four colors, depending on the earnings coverage:

- 0%, no dividend
- 4%, the dividends are covered (between 0% and 40% of earnings)
- 4%, the dividends represent between 40% and 70% of earnings
- 4%, the dividends are higher than 70% of earnings, which implies that the dividend coverage is not guaranteed.

## Earnings Rev. Trend

The earnings revision trend represents the analysts' consensus and is based on their earnings per share revisions in the last seven weeks. To ensure reliable estimates, theScreener only analyzes titles that are covered by at least three analysts.

Revisions exceeding  $\pm 1\%$  are interpreted as positive or negative earnings revision trends.

## Financials Rating

Financials are rated on a three-level scale (positive, neutral, and negative). The overall rating is based on the subratings that take the mid- and long-term development into account as well as the industry average.

## Target Price

The target price is an estimate of the stock's price in 12 months.

## LT PE

This is the relationship between the price and the estimated long-term future earnings.

## LT Growth

This is the estimated annual growth rate of future earnings, normally projected over the next two to three years.

## MT Tech. Trend

The medium-term (40d) technical trend indicates the current trend, positive, neutral, or negative.

When a price falls to 1.75% above or below the technical trend, the MT technical trend is considered neutral.

Once the price breaks out of the 1.75% neutral zone, the MT technical trend will change to positive or negative.

## 4-week (Relative) Performance

This figure measures the dividend-adjusted performance of a stock relative to its national or regional index (compared to four weeks ago). As for an Index, it measures the net performance over 4 weeks.

## Bad News Factor

To determine the "Bad News Factor" we analyze a stock's declines in rising markets. If a stock price falls while its relative index goes up, it can be assumed that the stock's performance has been affected by bad news - hence the name, "Bad News Factor".

Here a stock's movements are measured on a bi-weekly basis, during a sliding 52 week period. Every time a stock drops while its reference index rises, the difference is calculated in %, integrated into a yearly average and expressed in basis points.

The higher the "Bad News Factor," the more a stock has proven to be sensitive to bad news. The lower the "Bad News Factor," the less the stock has proven to be sensitive to bad news.

## Bear Market Factor

To determine the "Bear Market Factor" we analyze a stock's price movements in declining markets.

This is the analysis of the movements, in a bi-weekly intervals, during a sliding 52 week period. The higher the "Bear Market Factor," the greater the probability a stock would drop when its relative index drops.

A "Bear Market Factor" that is strongly negative means the stock has been more resistant to losses in declining markets.

## Sensitivity

Stock price developments are generally volatile and contain high risks that can result in a total loss. Based on a their historical behaviour, stocks are classified by sensitivity level. These sensitivity levels have to be considered solely in relative historical comparison to other stocks. Please note that even "Low Sensitivity" stocks are equities and therefore high risk investments that can lose up to all of their value, and that past performance is no indication of current or future performance.

"Sensitivity" is determined by measuring the "Bear Market Factor" and the "Bad News Factor" against its benchmark.

There are three grades of sensitivity levels:

- Low Sensitivity: The sensitivity indicators fall below the world reference average.
- Moderate Sensitivity: The sensitivity indicators are situated higher than the world reference average, but lower than standard deviation.
- High Sensitivity: The sensitivity indicators are at levels higher than standard deviation.

## Volatility

Volatility measures the magnitude of upwards and downwards movements of a stock or index. The volatility 12 M shows the average volatility over the last 12 months.

## Beta

Beta is a common measure of sensitivity. Where a Beta is greater than 100, the stock is more volatile than its reference index.

## Correlation

Correlation is the degree of similarity in which a stock fluctuates in relation to its reference index.

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If the investment currency differs from the currency of the investment instrument, currency fluctuations can have a strong influence on the performance of the investment instrument, so that it can be significantly higher or lower.

More information: [www.thescreener.com/home/method/](http://www.thescreener.com/home/method/)

Price data, financial ratios and earnings estimates provided by FACTSET. Indexes data provided by EDI.