

JAPAN WEEKLY REVIEW

For Week Commencing 18 July 2016

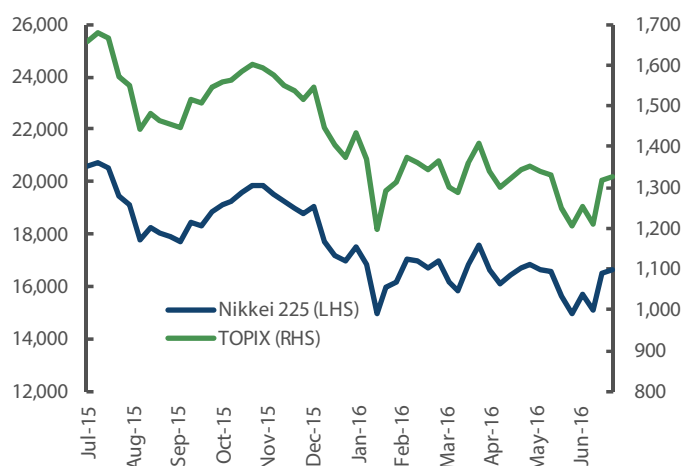
Market Review

Below are performance data for the TOPIX, Nikkei 225 and JPX-Nikkei 400, stock indices representative of Japan's stock market:

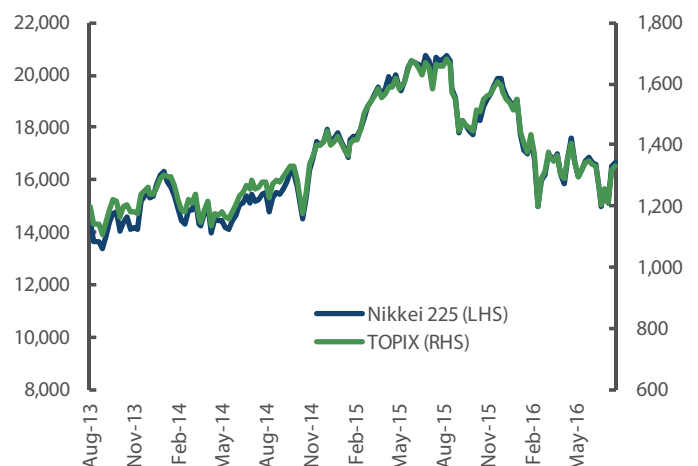
Stock Index	As of 2016/7/22	Performance Returns (%)					
		1 Week	Rolling 3 Months	Rolling 6 Months	Rolling 1 Year	MTD	YTD
Nikkei 225	16,627.25	0.8	-5.4	-2.0	-19.3	6.7	-12.6
TOPIX	1,327.51	0.8	-5.7	-3.4	-19.8	6.6	-14.2
JPX-Nikkei 400	11,914.59	0.7	-6.6	-3.8	-20.2	5.9	-14.6

Nikkei 225 & TOPIX

1 Year Performance



3 Year Performance



Source: Nikko AM, Tokyo Stock Exchange, Inc. , as of 22 July 2016

Past performance or any prediction, projection or forecast is not indicative of future performance.

Macro & Other Data

- Number of overseas visitors to Japan in June increases 23.9%, setting record for the month
- Japan nationwide department store sales decline in June; sales of apparel, luxury goods weaken

- The Japan National Tourism Agency announced on 20 July that the number of overseas visitors to Japan reached a record 1.99 million in June, increasing 23.9% on-year. Totals were boosted by an increase in the number of Korean tourists, which had dropped after the earthquake in southern Japan in April. At the same time, the number of visitors in the January to June first half climbed by 28.2% on-year to a record high of 11.71 million. Japan is now entering its peak tourist season from summer to fall, and, if the current pace continues, the full-year total could reach about 25 million. However, the extensive shopping sprees once popular with tourists have lost momentum. Average spending per visitor in the April-June quarter was down 9.9% on-year to JPY 159,930 (approx. USD 1,600), dropping for the second straight quarter.
- According to data released by the Japan Department Stores Association on 20 July, national department store sales (for all stores) in June 2016 totalled JPY 469.9 billion (approx. USD 4.58 billion). On a same-store basis, sales decreased 3.5% on-year, falling for the fourth consecutive month. Sales of apparel—a mainstay for department stores—continued to weaken, while those of luxury goods stalled. Sales of general goods (including furniture and consumer electronics) also fell, dropping for the first time in 15 months. Duty free sales to overseas visitors declined by 20.4% on-year to about JPY 13 billion (approx. USD 127 million), falling for the third straight month. Although the number of customers from overseas grew by 14.0%, average spending per customer decreased by 30.2% as consumption shifted toward less expensive consumable goods.

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