

Aggressive value search on an all sectors wide basis...

To me Bottom has been confirmed, rebound scale for Indexes (both TOPIX and Nikkei 225) yet remain unclear and to be confirmed but it does not matter considering that around current level the market is full of interesting opportunities on a stock pick basis.

I also do strongly believe that to screen a full PEDY based stocks list can prove a wise strategy (as pointed by Kimura in his newsletters dated 16th of May and 19th of June). The Nikkei Money august edition gave out its own list, although names in the steel and shipbuilding sectors look very cheap those are late in the earnings peak cycle. It is worth focusing on early earnings cycle timing, soon the new 'shikiho' summer edition Japanese version will be on sale with companies own individual estimates for FY07/08.

Now what to buy?

A typical value investment example

When one speak about value a good example is JASDAQ listed condo builder (I was not in this one, just as typical example of good value screening) 8937 Human21 suspended high four days in a row after having revised upward earnings the 15th of June with FY07 sales up 73,7 %, current earnings x 2.4, net earnings x 2.5. On the announcement day the stock suddenly traded at FY07 Per less than 4 x. The chart and volume advance speak by them. Value investment pays off in Japan; of course individual and onshore investment trusts have been the major players in this one.

On the large caps front (1808) Haseko has also a FY07 Per of 5,59 x...but shareholder's equity per stock is negative at -28,87 Yen (which translates into a shareholder's equity ratio off 21,8 %). Such fundamental indicators make it more risky as medium term investment, this said on a short term basis...

Moreover one must accumulate a value stock when current FY Per is above average to take full advantage of the forecasted upside revision, timing and patience remain the key words.

Previous picks:

(8692) Daiko clearing services remain on my favorite's list radar.

Now considering TSE first section average (FY07) PEDY is **16,1x** below is a non exclusive list of potentially interesting stocks. In addition to low PEDY a high shareholder's equity ratio is important to consider.

Personal potential PEDY based picks (small, mid, large caps included):

	FY07 (E) per	DVY	PEDY	MKT
Keika Express (9374)	7,68	4,79	1,60	OSE2
Tokai Tokyo Sec (8616)	8,26	3,83	2,15	TSE1

Aizawa sec (8708)	8,82	3,56	2,47	JAS
Takagi sec (8625)	8,35	3,16	2,64	TSE2
Daichi Chuo Kisen (9132)	8,93	2,97	3,00	TSE1
Iwabuchi elec (5983)	9,44	2,60	3,63	JAS
Hanwa co (8078)	8,76	2,33	3,75	TSE1
*Takachiho elec (2715)	13,03	1,98	6,58	TSE1
*Sakata Inx (4633)	12,55	1,52	8,25	TSE1
*Isuzu (7202)	7,51	0,82	9,15	TSE1
H.S securities (8699)	16,52	1,18	14,0	HERAK
Asset Investors (3121)	20,13	1,39	14,4	OSE2
Canare electric (5819)	19,04	1,20	15,8	JAS

* Stocks mentioned in the Nikkei money august edition

According to soon to be published company estimates for the next fiscal year I shall refresh and eventually update this (non exhaustive) sample screening.

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