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Investor Presentation | Japan

Semiconductor Production Equipment: Tech Monthly Aug 2026

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SEMICONDUCTOR PRODUCTION EQUIPMENT

Japan

Industry View **Attractive**

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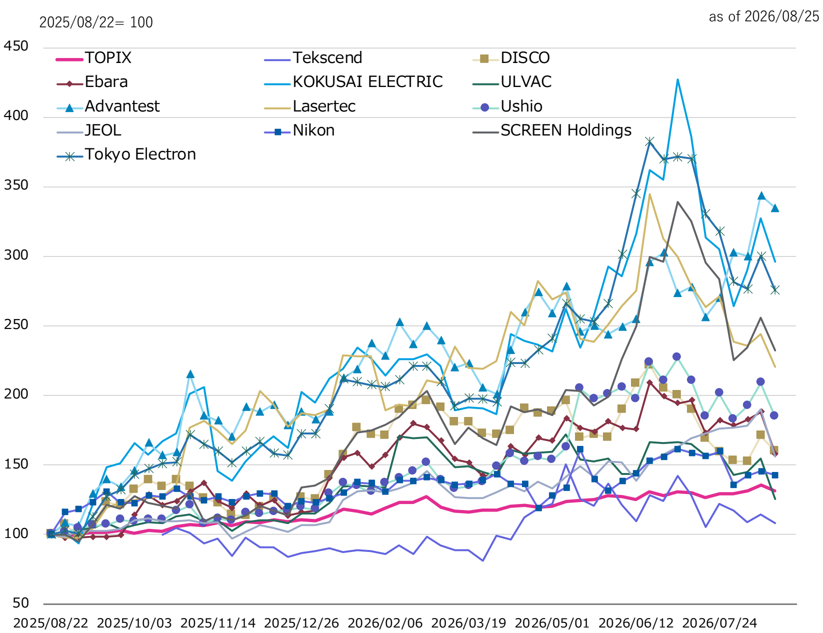
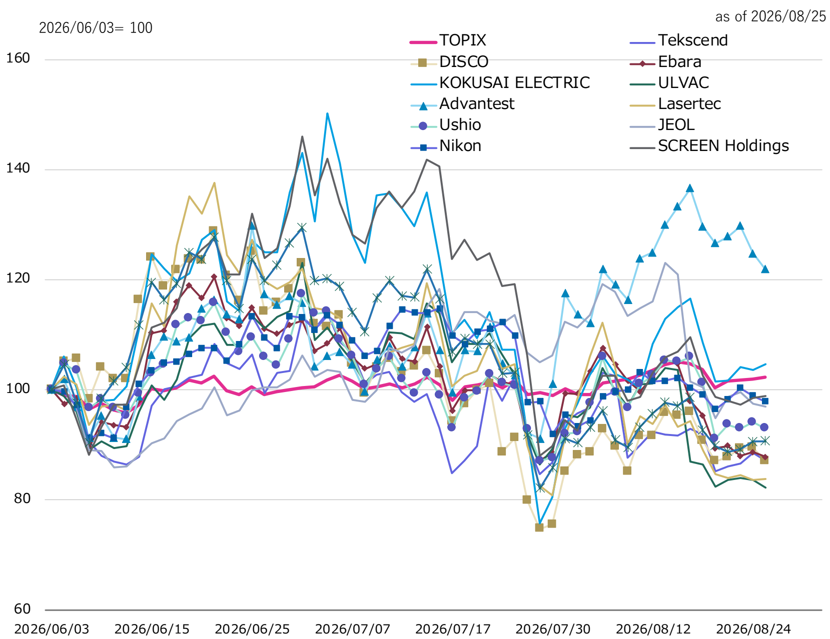
Stock price performance





Stock performance and valuations

		Rating	Share price		Performance				Valuation											
			(LC)	(LC)					Cons PE (x)			Cons EV/EBITDA (x)			Cons PBR (x)			Cons Div. yield		
		MS	Last close	MS PT	YTD	3m	1m	11/20 ~	F1	F2	F3	F1	F2	F3	F1	F2	F3	F1	F2	F3
Semiconductor Production Equipment (Japan)																				
8035 JP	Tokyo Electron	OW	55,410	65,000	61.5%	6.2%	-11.6%	70.5%	33.2	23.9	19.3	23.0	17.1	14.0	10.3	8.6	7.1	1.5%	2.0%	2.6%
7735 JP	SCREEN Holdings	OW	13,305	17,000	74.6%	20.6%	-16.1%	105.3%	21.5	16.6	14.0	13.1	10.5	9.1	4.5	3.8	3.2	1.4%	1.8%	2.2%
6525 JP	Kokusai Electric	OW	8,489	8,300	54.5%	11.0%	-0.9%	101.1%	36.0	25.3	19.4	21.1	15.7	12.5	7.8	6.4	5.3	0.7%	1.0%	1.3%
6146 JP	DISCO	OW	60,700	78,000	26.0%	-13.0%	-0.3%	28.4%	35.6	29.1	24.7	23.8	19.7	17.1	9.5	7.9	6.8	1.1%	1.4%	1.8%
6857 JP	Advantest	OW	34,450	36,000	75.5%	24.1%	19.0%	65.3%	38.1	29.8	24.8	28.5	22.6	19.1	20.5	13.8	9.9	0.3%	0.6%	0.8%
6361 JP	Ebara	OW	4,931	7,100	33.8%	-13.4%	-13.2%	27.7%	22.0	18.6	15.5	13.2	10.6	9.1	3.9	3.5	3.1	1.6%	1.9%	2.3%
6920 JP	Lasertec	UW	34,950	36,000	17.9%	-18.8%	-19.0%	25.0%	30.9	23.2	18.6	21.4	16.4	13.5	10.0	7.7	5.8	1.1%	1.4%	1.9%
6951 JP	JEOL	EW	7,140	7,100	41.9%	5.4%	-12.9%	53.8%	17.3	13.9	12.5	10.3	8.2	7.4	2.2	2.0	1.8	1.8%	2.3%	2.2%
6925 JP	Ushio	OW	3,900	4,900	55.7%	-7.5%	-6.3%	67.9%	29.7	19.9	16.5	12.6	9.9	8.2	1.5	1.5	1.4	1.8%	2.4%	3.1%
6728 JP	ULVAC	EW	7,597	8,100	7.3%	-21.7%	-21.0%	13.7%	17.5	14.9	13.7	7.6	6.6	6.2	1.5	1.4	1.3	2.1%	2.4%	2.6%
7731 JP	Nikon	UW	1,971	1,100	13.0%	-2.7%	-12.3%	13.5%	62.5	29.1	21.6	14.1	10.7	9.1	1.1	1.1	1.1	1.0%	1.6%	1.6%
429A JP	Tekscend	EW	3,740	4,600	23.4%	-20.3%	-8.9%	19.5%	14.2	13.0	11.3	6.3	5.5	4.8	1.9	1.7	1.6	1.9%	1.9%	2.3%
PLAB US	Photronics (Not covered)	NA	29	NA	-8.4%	-43.0%	-3.3%	44.6%	15.8	14.5	13.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
Semiconductor Capital Equipment (North America)																				
LRCX US	Lam Research	OW	315	367	83.8%	3.0%	3.1%	125.4%	33.2	26.8	23.2	27.3	22.5	19.8	21.4	15.0	11.9	0.4%	0.4%	0.5%
AMAT US	Applied Materials	EW	480	642	86.8%	11.1%	-10.5%	118.0%	37.5	25.7	19.7	32.3	21.6	17.2	13.9	10.7	8.6	0.4%	0.4%	0.5%
KLAC US	KLA Corp	OW	183	253	50.9%	-2.9%	-12.9%	66.3%	33.4	27.5	24.0	27.6	22.8	20.4	26.1	23.2	15.3	0.5%	0.6%	0.7%
TER US	Teradyne	EW	366	397	89.3%	2.2%	4.7%	135.0%	39.8	31.2	23.7	32.2	24.6	18.4	14.7	11.0	8.4	0.1%	0.1%	0.1%
Mid Small Cap/Manufacturer (Japan):																				
7729 JP	Tokyo Seimitsu	OW	18,010	22,000	62.2%	-1.9%	2.8%	66.2%	23.0	18.7	16.0	13.7	11.6	10.2	3.5	3.1	2.8	1.7%	2.2%	2.5%
6315 JP	Towa	EW	2,337	3,200	8.7%	-19.4%	-18.1%	-7.2%	20.2	15.9	13.6	11.1	9.1	7.8	2.3	2.0	1.8	1.1%	1.2%	1.3%
Semiconductors (Japan)																				
285A JP	Kioxia Holdings	OW	51,260	110,000	391.2%	-21.7%	-8.5%	352.2%	5.0	3.7	3.1	3.4	2.6	2.4	4.5	2.3	1.4	1.2%	2.0%	3.3%

Note: Data as of August 25 market close. Prices and price targets are in Japanese yen except for Teradyne, Applied Materials, Lam Research, KLA and Photronics, which are in US dollars. Tokyo Seimitsu and Towa are covered by Yoshihito Hasegawa. Koixia Holdings is covered by Kazuo Yoshikawa. Teradyne, Applied Materials, Lam Research, and

Mid Small Cap/Manufacturer (Japan): In-Line, Semiconductor Capital Equipment (North America): In-Line

Earnings reaction summary for our coverage and overseas peers

	Release date (local time)	result	Actual (LCbn) Sales	OP	vs Cons Sales	OP	Price return (vs Index)
Disco	07/23/2026	JunQ	114.31	48.79	+5%	+3%	-11%
Advantest	07/29/2026	JunQ	367.47	189.31	+34%	+67%	+11%
Tokyo Electron	07/30/2026	JunQ	732.39	211.41	+33%	+82%	+5%
Kokusai Electric	08/06/2026	JunQ	75.41	15.89	+22%	+71%	-3%
SCREEN Holdings	07/28/2026	JunQ	121.78	14.37	-19%	-54%	-18%
Ebara	08/14/2026	JunQ	244.45	23.84	-17%	-46%	-6%
Lasertec	08/06/2026	JunQ	60.95	27.07	-18%	-25%	-14%
Ulvac	08/14/2026	JunQ	77.50	4.88	+9%	-21%	-16%
Ushio	08/04/2026	JunQ	48.99	4.95	+8%	+33%	+7%
Nikon	08/06/2026	JunQ	164.18	-2.27	-4%	NA	-0%
JEOL	08/14/2026	JunQ	24.47	-1.96	-49%	NA	-16%
Tekscend	08/06/2026	JunQ	34.52	7.36	+0%	+5%	-15%
ASML	07/15/2026	JunQ	9.33	3.46	+6%	+9%	-1%
Lam Research	07/29/2026	JunQ	6.72	2.51	+26%	+37%	+16%
Applied Materials	08/13/2026	JulQ	9.12	3.08	+30%	+46%	-5%
KLA Tencor	07/28/2026	JunQ	3.66	1.59	+11%	+13%	-9%
Teradyne	07/28/2026	JunQ	1.33	0.44	+23%	+40%	-4%

Source: Price return is the index-relative 1-day return after earnings announcements (vs. TOPIX for Japan; vs S&P 500 for US and vs Netherlands AEX for ASML) Source:

Key SPE makers' WFE market growth outlook for 2026 as of Apr-Jun 2026 results

YoY	Tokyo Electron	Kokusai Electric	SCREEN HD	Lam Research	KLA
WFE outlook	**up >= +20%**	**up >= +25%**	**up >= +20%**	**up +36%**	**up mid-20s%**
DRAM	up >= +30%	up +40%+/-	up >= +25%	-	-
NAND	up >= +40%	up +25%+/-	up +20%	-	-
Logic/Foundry	up >= +15%	up +20%+/-	up >= +20%	-	-
China	up +20%	up +5%	> = +10%		

Advanced packaging revenue	up +70%+	2.5x	Flattish	up > +70%	up > +70%

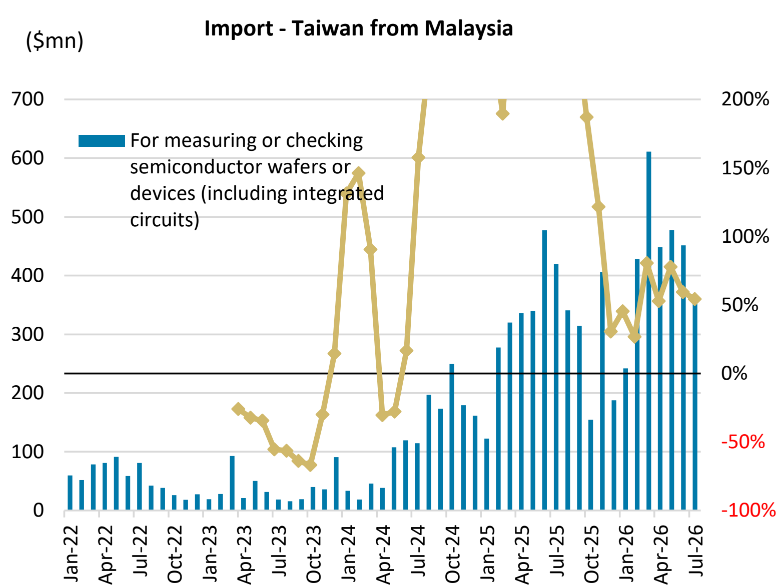
Prev. Q WFE outlook	**up >= +20%**	**up +15%**	**up +15 ~ 20%**	**up +27%**	**up Mid/High teen**
DRAM	up >= +30%	up +25 ~ 30%	up +20%- ~ +25%	-	-
NAND	up +40%	up +15%	up close to +15%	-	-
Logic/Foundry	up +10 ~ 15%	up +5 ~ 10%	up > +20 ~ 25%	-	-
China	close to up 20%	down 5%	Flattish	Flat ~ slightly up	flat ~ slightly up

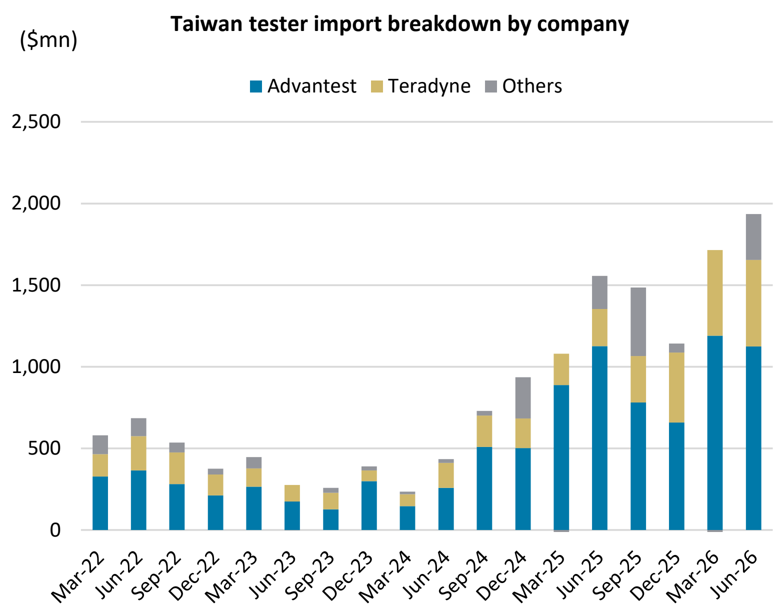
Advanced packaging revenue	up > +60%	flat	up +20% (market growth)	up > +50%	up high-50%

Capex outlook of major semiconductor manufactures

Capex Forecasts	TSMC	Intel	Samsung Electronics	SK hynix
As of DecQ	$52B–$56B (YoY +26%–+36%)	Roughly flat to slightly down (vs. FY25 actual $18B)	Memory capex to increase (FY25 actual KRW52.2T)	Sharp YoY increase (FY25 actual KRW28.6T)
As of MarQ	$52B–$56B, toward the high end of the range (revised up)	Roughly flat YoY (revised up)	Sharp YoY increase (FY25 actual KRW52.2T)	Sharp YoY increase (FY25 actual KRW28.6T)
As of JunQ (new)	**$60B–$64B (large upward revision, YoY +46%–+55%)**	**Over $20B (YoY +13% or more)**	**NA (policy of continued investment, centered on the DS division)**	**High KRW40T range (YoY +61%–+71%)**
Key drivers of the increase / change	• Rising demand pressure from customers (structural demand including Agentic AI) • Higher equipment purchase costs due to inflation	• Strong customer demand (including long-term agreements) • Equipment investment for Intel 3 / 18A / 18A-P up 40% vs. 2025 • Expanded investment in advanced packaging (EMIB-T)	• Expanded investment in the Pyeongtaek fab and continued strength in AI demand • Ramp-up of the Taylor fab in the U.S.	• Pull-forward of the M15X mass-production schedule • Accelerated investment ahead of the Yongin Fab1 cleanroom opening (early 2027) • Capacity expansion to meet AI demand
Medium-term capex policy from 2027 onward	Stated that "capex over the next three years will significantly exceed the past three years (= $101B in total)" Announced an additional $100B investment in Arizona (cumulative $265B), with four or more additional fabs planned	2027 capex expected to be significantly above the 2026 level	Construction of Taylor Fab2 to start at end-2026, with mass production targeted for 2030	Domestically, strengthening Icheon and Yongin as core DRAM / AI memory sites and Cheongju as the hub for NAND and advanced packaging
Main investment targets / regions	•Taiwan: leading-edge fabs and advanced packaging fabs (13 buildings under construction) •Arizona: 2nm-and-below logic plus advanced packaging (cumulative $265B) •Japan: new fab to be ramped up early	•U.S. accounts for the majority of investment Equipment investment for Intel 3, 18A and 18A-P •Advanced packaging (EMIB-T)	•Pyeongtaek: expanded fab investment •Taylor: foundry Fab1 ramp-up (operation planned within 2026), Fab2 groundbreaking (end-2026, mass production targeted 2030)	•Centered on Yongin cluster infrastructure development and the M15X ramp-up •Announced investment plans for advanced packaging (P&T7) and a new NAND production site (M17)

Taiwan test-related equipment imports from Malaysia



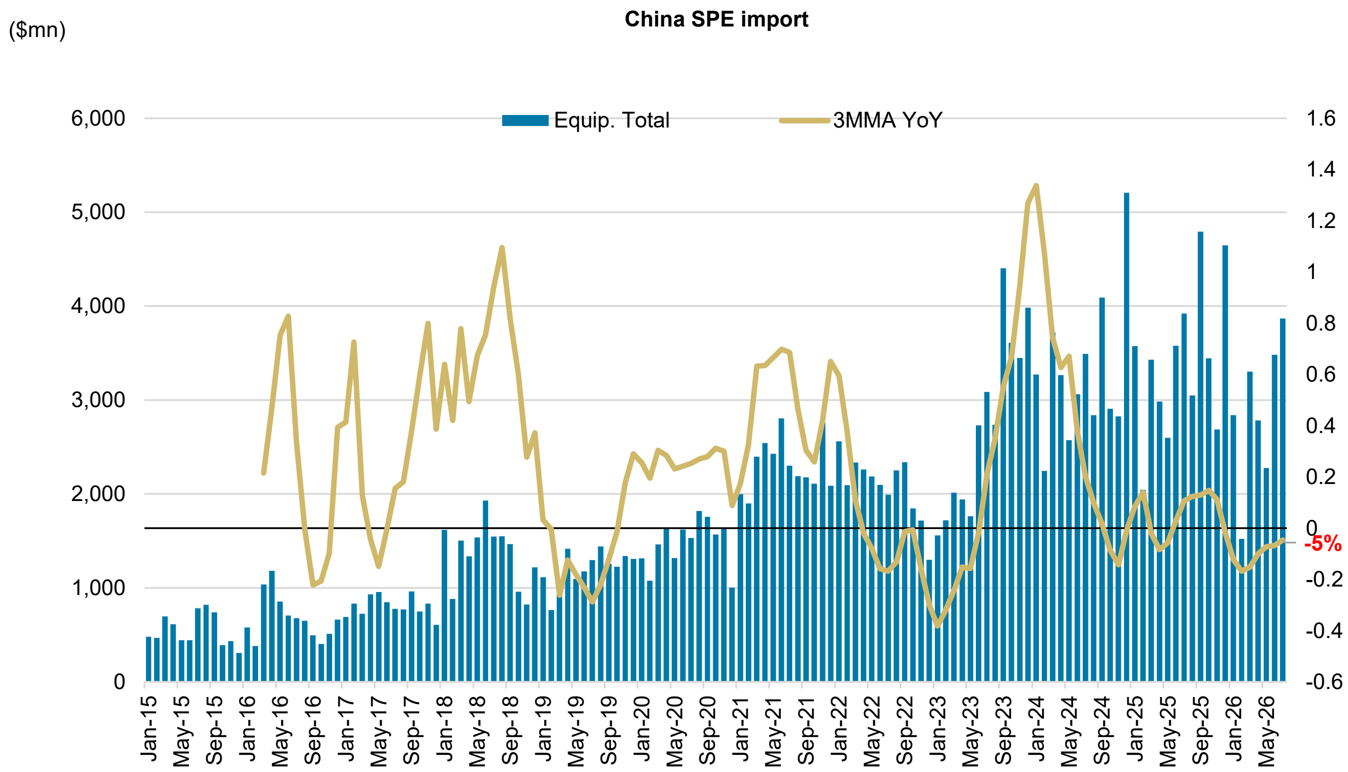


Quarterly system sales of major front-end equipment manufacturers

($mn) Equipment sales	CY2025 Q1	Q2	Q3	Q4	CY2026 Q1	Q2	CY2026 YTD prog.	CY2025
Total	**21,464**	**21,636**	**21,356**	**23,183**	**24,055**	**25,645**	**49,701**	**87,639**
y-y	*26%*	*22%*	*6%*	*4%*	*12%*	*19%*	**57%**	*13%*
q-q	*-4%*	*1%*	*-1%*	*9%*	*4%*	*7%*	(prog. vs 2025)	
ASML	6,211	6,591	6,520	8,910	7,258	7,497	14,754	28,232
Applied Materials	5,401	5,564	4,879	5,141	5,965	7,040	13,005	20,985
Lam Research	3,035	3,438	3,548	3,357	3,731	4,250	7,980	13,378
Tokyo Electron	3,360	2,742	3,077	2,459	3,403	3,268	6,671	11,639
KLA Tenchor	2,394	2,472	2,465	2,511	2,640	2,837	5,477	9,842
SCREEN Holdings	750	609	586	605	740	395	1,135	2,549
KOKUSAI Electric	313	220	281	200	318	359	677	1,015
Logic/Foundry	**10,825**	**12,024**	**11,858**	**13,108**	**11,664**	**12,585**	**24,249**	**47,814**
y-y	*27%*	*29%*	*4%*	*14%*	*8%*	*5%*	**51%**	*17%*
q-q	*-6%*	*11%*	*-1%*	*11%*	*-11%*	*8%*	(prog. vs 2025)	
DRAM	**6,675**	**5,131**	**5,709**	**6,920**	**8,576**	**8,224**	**16,800**	**24,434**
y-y	*27%*	*-1%*	*5%*	*1%*	*28%*	*60%*	**69%**	*8%*
q-q	*-3%*	*-23%*	*11%*	*21%*	*24%*	*-4%*	(prog. vs 2025)	
NAND	**1,612**	**2,005**	**1,625**	**1,047**	**1,171**	**2,003**	**3,174**	**6,288**
y-y	*64%*	*167%*	*147%*	*-20%*	*-27%*	*-0%*	**50%**	*70%*
q-q	*24%*	*24%*	*-19%*	*-36%*	*12%*	*71%*	(prog. vs 2025)	
Sales to China	**7,737**	**8,983**	**10,464**	**9,711**	**8,026**	**7,887**	**15,913**	**36,894**
y-y	*-21%*	*-7%*	*4%*	*7%*	*4%*	*-12%*	**43%**	*-4%*
q-q	*-15%*	*16%*	*16%*	*-7%*	*-17%*	*-2%*	(prog. vs 2025)	

Note: Total represents aggregate new system sales of ASML, AMAT, LRCX, TEL, KLAC, SCREEN, and KOKUSAI listed in the table; application-level figures represent the sum of sales by application across the respective companies. Application classifications are based on company disclosures and therefore the sum may not reconcile with Total. ASML Memory sales are classified as DRAM for simplicity. YTD represents CY26 YTD sales; prog. vs. 2025 represents CY26 YTD sales as a percentage of CY25 full-year sales. FX conversion is based on Visible Alpha methodology.

China monthly SPE import data: Jul -5% YoY, 3MMA

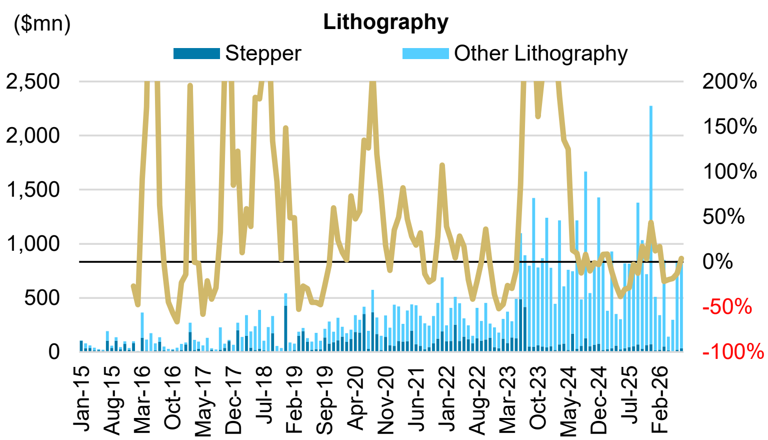


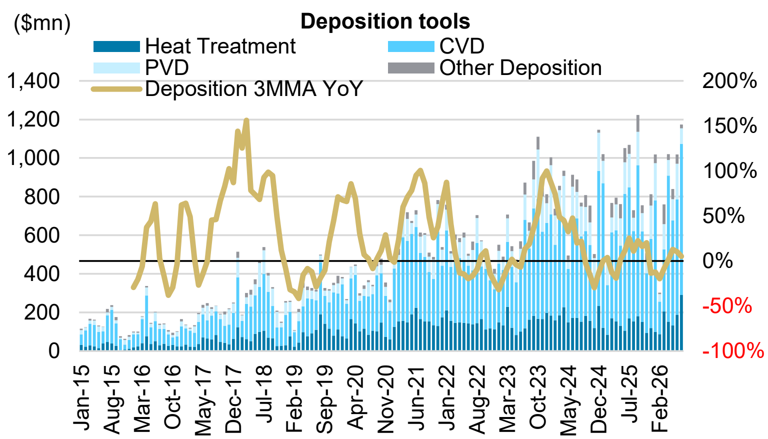
Note: Data excludes handling equipment and components

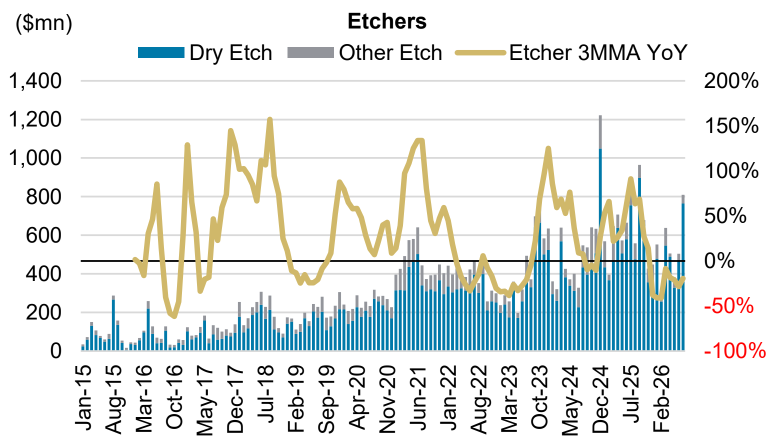
WFE forecast table

($mn)	2022	2023	2024	2025	2026e	2027e	2028e
WFE Revenue	**96,222**	**96,008**	**105,057**	**117,530**	**162,782**	**223,360**	**254,124**
y-y	**6%**	**0%**	**9%**	**12%**	**39%**	**37%**	**14%**
WFE by segment							
Foundry/Logic	59,180	70,023	69,192	75,307	94,818	127,995	143,672
Leading Logic		27,500	24,500	31,000	51,189	76,572	89,589
Mature Logic		42,523	44,692	44,307	43,629	51,422	54,083
Memory	35,854	24,794	35,228	41,600	66,515	94,048	108,722
DRAM	18,256	19,579	29,244	31,083	52,827	70,086	77,456
NAND	17,598	5,215	5,985	10,517	13,689	23,963	31,266
Other	1,188	1,192	637	622	1,449	1,316	1,730
Y/Y Change %							
Foundry/Logic	*18%*	*18%*	*-1%*	*9%*	*26%*	*35%*	*12%*
Leading Logic			*-11%*	*27%*	*65%*	*50%*	*17%*
Mature Logic			*5%*	*-1%*	*-2%*	*18%*	*5%*
Memory	*-10%*	*-31%*	*42%*	*18%*	*60%*	*41%*	*16%*
DRAM	*-12%*	*7%*	*49%*	*6%*	*70%*	*33%*	*11%*
NAND	*-8%*	*-70%*	*15%*	*76%*	*30%*	*75%*	*30%*
Other	*19%*	*0%*	*-47%*	*-2%*	*133%*	*-9%*	*31%*
WFE by Region							
North America	10,239	11,347	13,657	10,578	15,464	22,336	25,412
Europe	5,982	5,742	4,202	2,351	2,767	3,350	3,812
Japan	7,244	6,439	7,354	8,815	11,395	16,082	18,551
Korea	19,656	18,966	18,910	23,506	39,068	53,606	59,211
Taiwan	26,566	19,501	15,233	27,620	43,951	62,541	71,155
China	22,104	31,681	42,548	41,723	45,579	55,840	68,613
Other	4,431	2,334	3,152	2,938	4,558	9,604	7,370
WFE by Region (Y/Y)							
North America	32%	11%	20%	-23%	46%	44%	14%
Europe	108%	-4%	-27%	-44%	18%	21%	14%
Japan	5%	-11%	14%	20%	29%	41%	15%
Korea	-14%	-4%	0%	24%	66%	37%	10%
Taiwan	13%	-27%	-22%	81%	59%	42%	14%
China	-10%	43%	34%	-2%	9%	23%	23%
Other	73%	-47%	35%	-7%	55%	111%	-23%

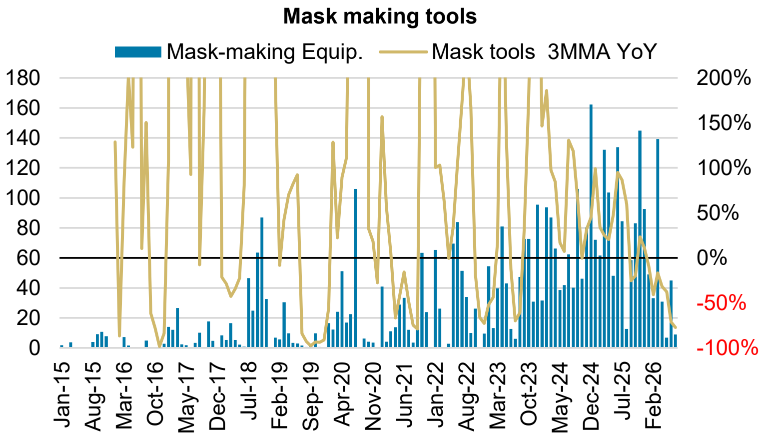
China monthly SPE import data

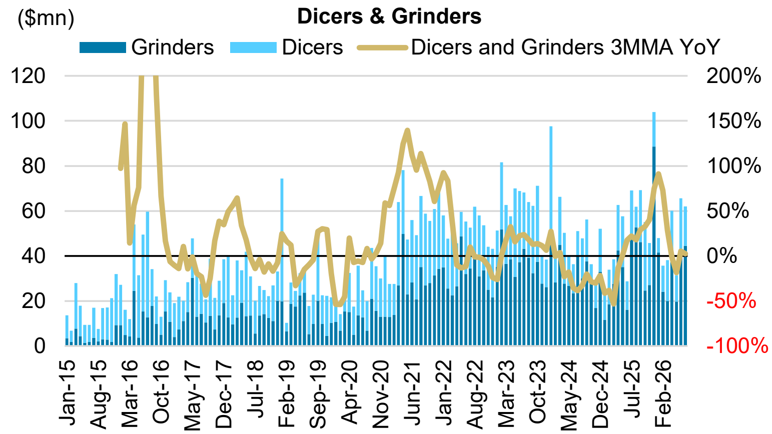


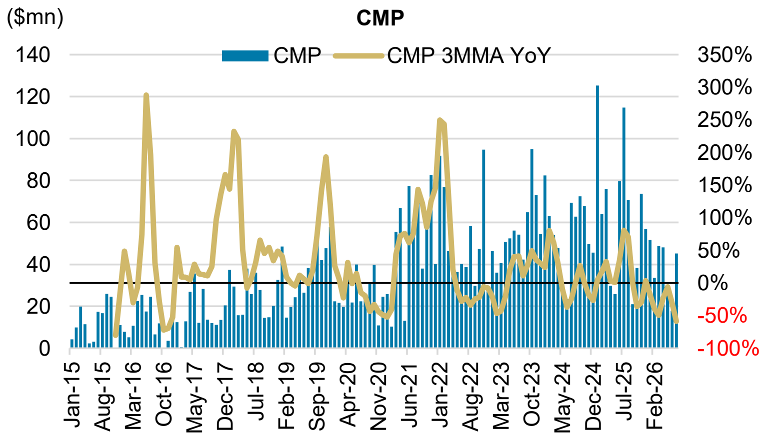




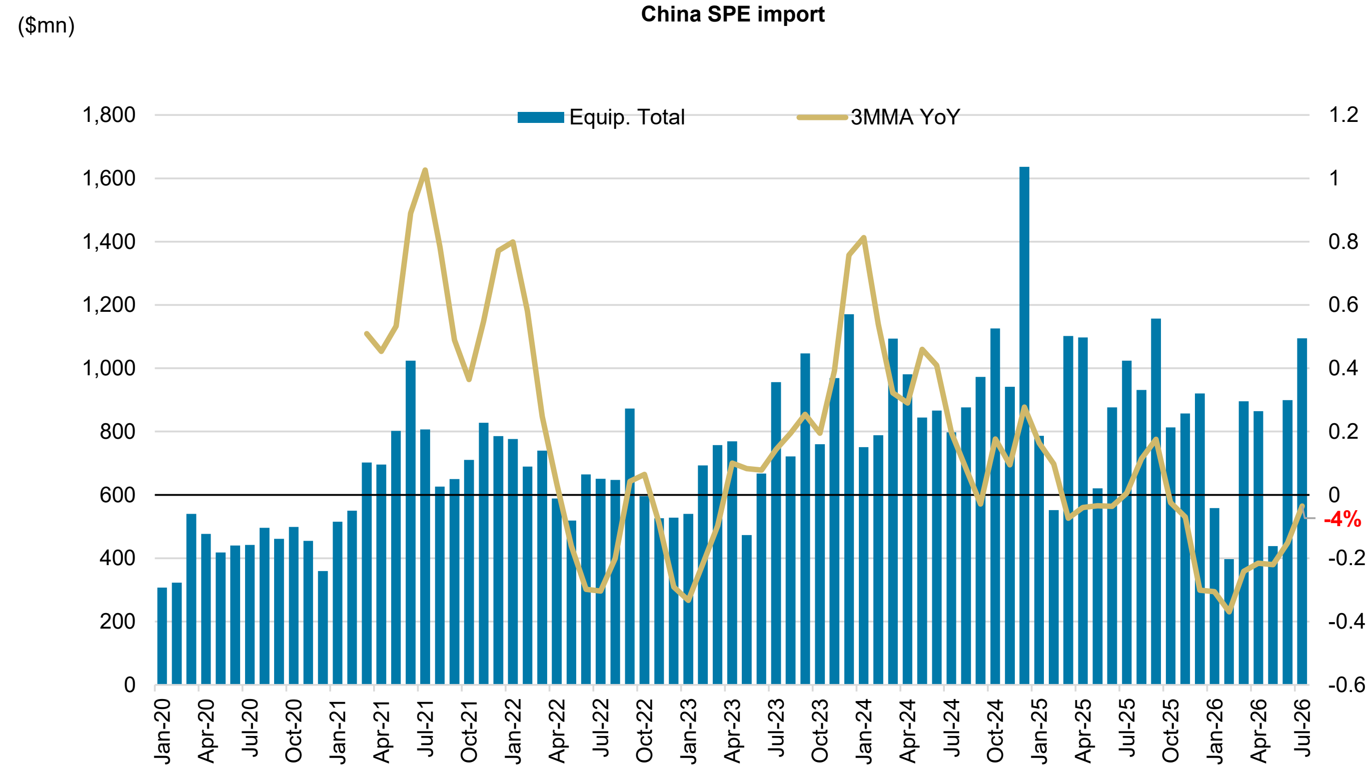
China monthly SPE import data





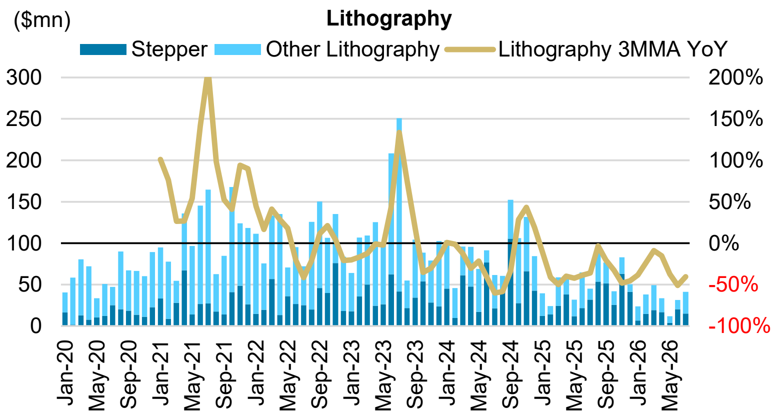


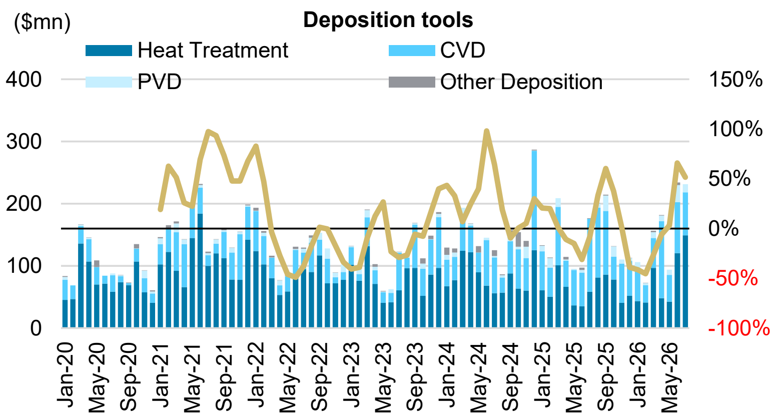
China monthly SPE imports from Japan: Jun -4% YoY, 3MMA

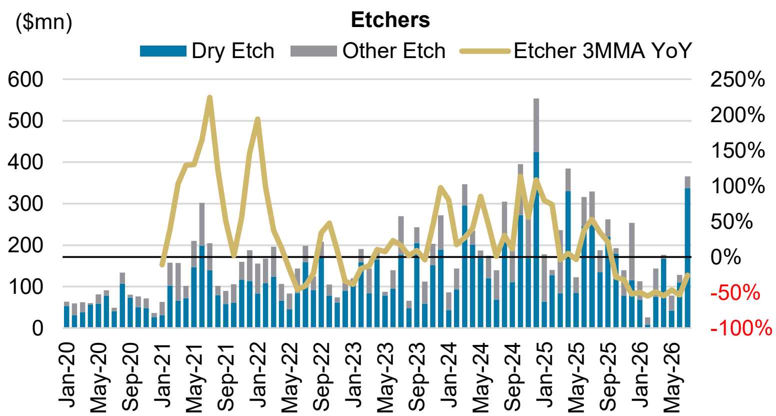


Note: Data excludes handling equipment and components

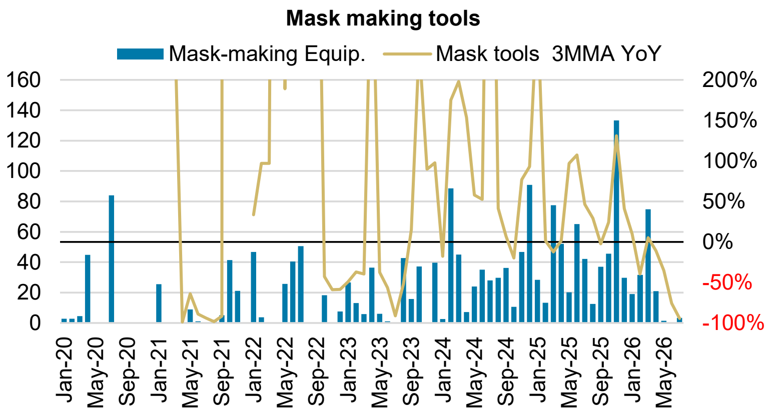
China monthly SPE imports from Japan

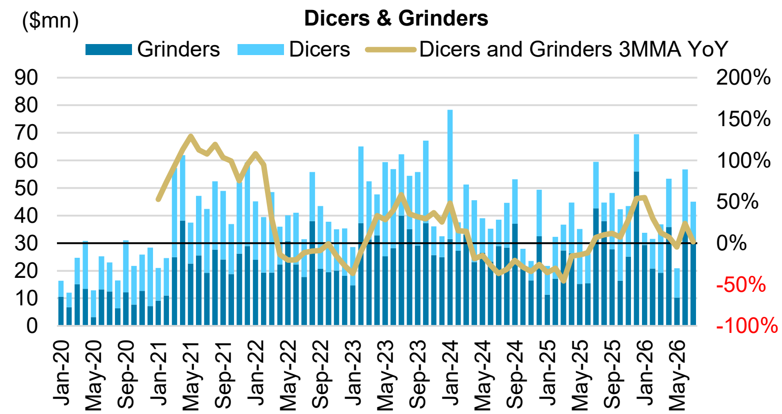


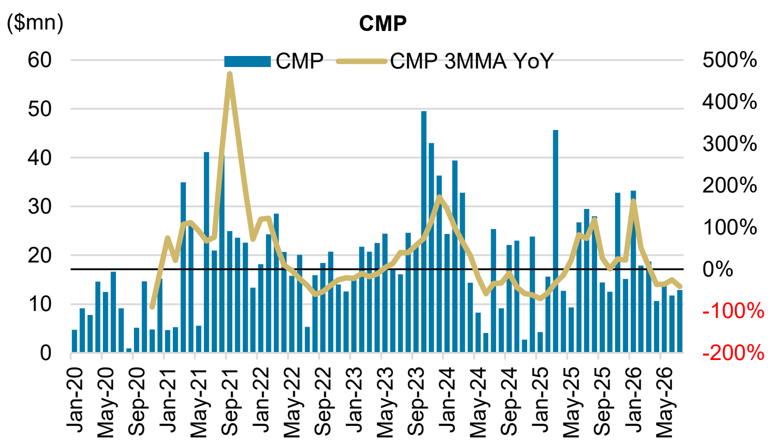




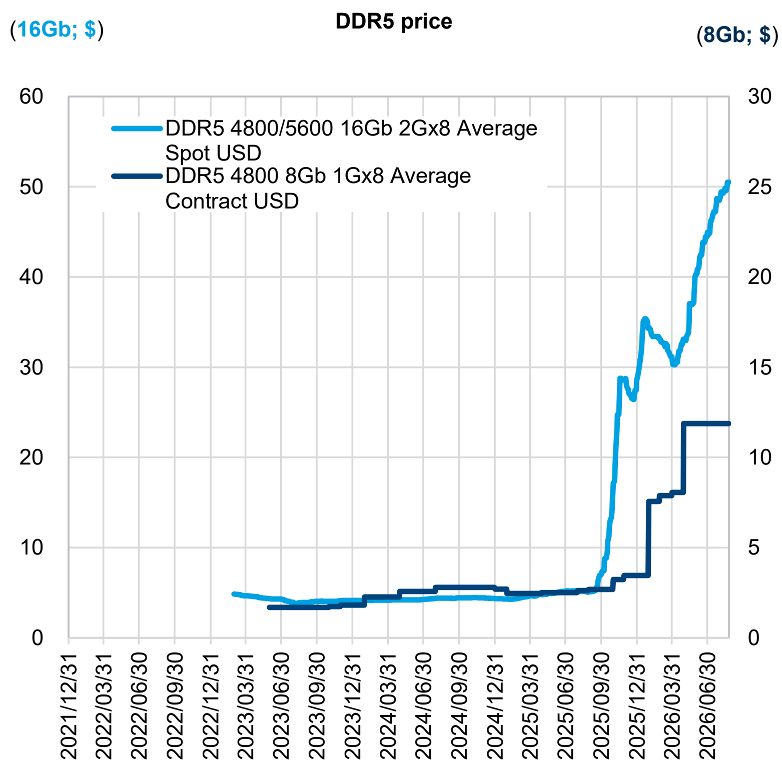
China monthly SPE imports from Japan

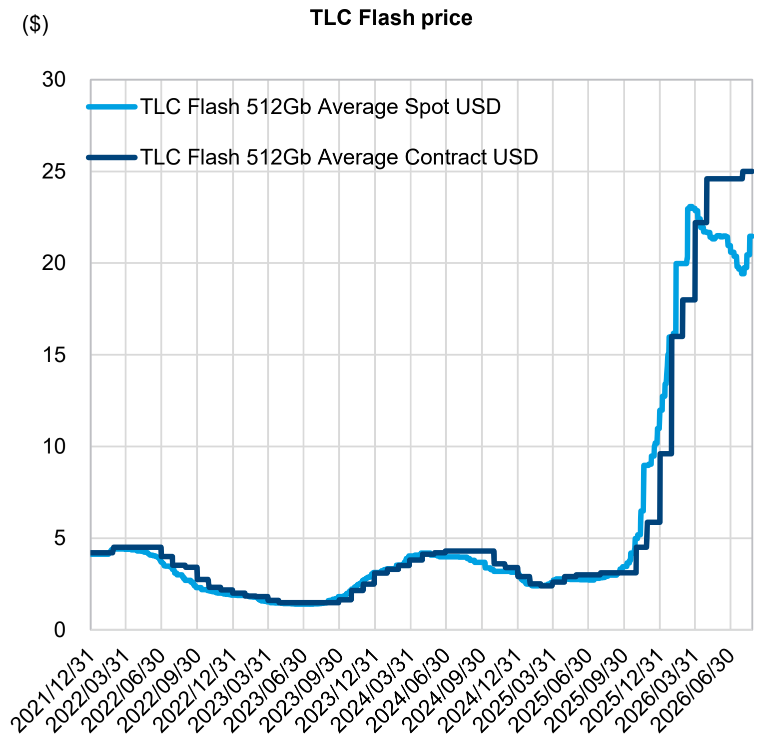




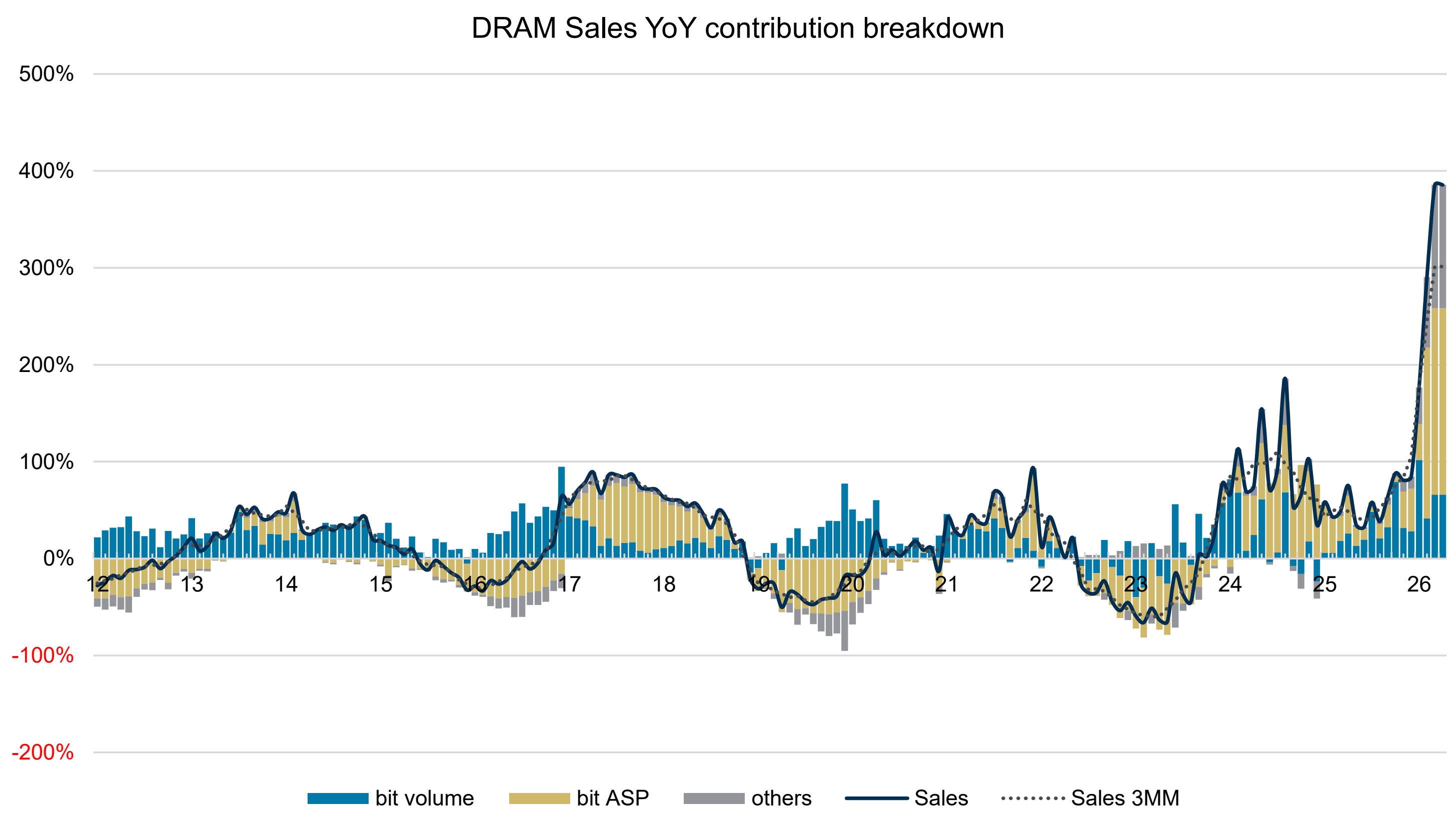


Memory price trends





DRAM YoY growth



DRAM bit shipment and ASP YoY growth