The 720: Apple Supply Chain, Japan Banks, Korea Strategy, China Consumer, Asics, Manipal Health, China AI Tour, MiniMax

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In Focus | Apple Supply Chain

Greater China Tech – Foldable and Affordable. Apple has launched its first foldable iPhone, the iPhone Duo, starting at an affordable US$1,999 to target a wider consumer base. We remain positive on the Apple supply chain and expect foldable iPhone shipments to reach 14 million and 35 million units in 2026E under our base and bull cases, respectively. The new device features advanced hinge technology, an under-display front camera, and next-generation vapor chamber cooling to support the powerful A20 Pro chip and Apple Intelligence. We highlight key Buy-rated beneficiaries across the supply chain, including Hon Hai, SZS, AVC, Lingyi, Luxshare, Largan, and TSMC. *Allen Chang*

Japan | Policy Rates & Banks

Japan Macro – Continue to Forecast a September Policy Rate Hike; Sharp Acceleration of Tightening Unlikely. We maintain our forecast that the BOJ will hike its policy rate by 25bp to 1.25% at the September 17-18 meeting, as recent yen appreciation is unlikely to deter tightening. While financial markets are beginning to price in consecutive rate hikes in September and October, we view a sharp acceleration as unlikely given current statistics show no signs of an inflation overshoot. We continue to expect subsequent rate hikes in January and July 2027, and will focus on any revisions to forward guidance regarding upside inflation risks at the upcoming meeting. *Tomohiro Ota*

Japan Banks – Adjusting estimates to reflect higher policy rate forecasts. We raise our earnings forecasts and target prices across our Japan bank coverage to incorporate expectations for a 25-basis-point BOJ policy rate hike in September, followed by another 25-basis-point increase in January 2027. First-quarter results showed a solid start with record-high profits for the megabanks, driven by robust domestic corporate funding demand and expanding loan-deposit margins. We believe megabanks remain in a sweet spot to capture this accelerating loan growth, and we highlight Mizuho (Buy, on CL) as our top pick given its competitive edge in large corporate lending and capital markets. We also raise our target prices for regional banks, which typically gain favor during rate-hike cycles due to their high domestic exposure. *Makoto Kuroda*

Korea Strategy | Attractive Shareholder Returns

Korea Strategy – Attractive Shareholder Returns Backed by Strong Fundamentals and

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Policy Drivers. We expect shareholder returns to become an increasingly supportive driver of Korean equity performance, lifting the total shareholder-return yield to historically high levels of around 9% in 2026 and 14% in 2027. This shift is underpinned by a supportive policy push, including the Value-up program and dividend tax incentives, alongside unprecedented free-cash-flow generation and strong earnings, with our 2026 profit growth forecast for Korea raised to 350%. To gain targeted exposure to this theme, we highlight companies benefiting from dividend tax changes, KOSPI 200 names with scope for further treasury-share cancellations, holding companies trading at deep NAV discounts, and stocks with large preferred-share discounts. *John Kwon*

Themes in Play | China Consumer, Asics, JP IT Services, KE Holdings, Songfa Ceramics

China Consumer – Pulse Check: 2Q26 and ALC wrap-up. We see a weakening consumption trend post-CNY, with retail sales growth decelerating to 0.2% in 2Q26 and demand remaining soft into July and August. While expectations are lowered, we note widening divergence at the company level, where players with product strength, channel shifts, or overseas share gains are delivering earnings outperformance. Cost inflation risks have re-emerged alongside mixed pricing trends, and luxury/premium brand momentum shows signs of slowing amid stepped-up competition. We update our sector preferences to favor restaurants, food and beverage value retailers, dairy, condiments, and snacks, while upgrading white goods to our preferred list given solid overseas opportunities. *Michelle Cheng*

China Sportswear – 1H26 results and ALC wrap. We note that our covered sportswear brands reported better-than-feared 1H26 results, albeit with mixed guidance for the second half as Li Ning and Xtep lowered their full-year sales outlooks. We expect China sportswear demand to remain incremental but volatile, with industry growth increasingly bifurcated as premium and professional brands outperform the mass market. Discounting pressure is likely to persist in the near term, particularly during Double 11, while overseas expansion emerges as the next strategic focus for leading domestic brands. We continue to favor Anta for its multi-brand strategies, differentiated category positioning, and solid execution. *Michelle Cheng*

Asics – Record buyback signals confidence – Buy. We view Asics' announcement of its largest-ever share buyback of up to ¥70 billion as a strong demonstration of management's confidence in underlying earnings and growth. Despite recent share price weakness driven by broader industry concerns, the company reiterated its commitment to achieving its upwardly revised full-year guidance and maintaining brand value without engaging in short-term price competition. We see strong potential for the company to achieve its earnings targets, supported by growth drivers in regional markets like China and India as well as key product lines. We reaffirm our Buy rating and 12m TP of ¥6,000. *Sho Kawano*

Japan Technology – IT Services: AI Disruption Concerns Receding, focus
beneficiaries/AI tailwind. We believe excessive stock market concerns o
are receding, shifting our focus to AI beneficiaries across the consulting
and network infrastructure sub-sectors. Generative AI is accelerating sc
and driving early investments in AI implementation support, vulnerabili
and network rebuilding to handle increased communication traffic. We



prices across the IT services sector to reflect multiple expansion and highlight Buy-rated NEC, Fujitsu, Nomura Research Institute, Baycurrent, and OBIC Business Consultants as key beneficiaries of modernization and AI-driven development. Conversely, we remain Sell-rated on Otsuka, Money Forward, and freee due to valuation and growth headwinds, and we cut our estimates for Trend Micro on rising AI token costs. *Chikai Tanaka*

KE Holdings – Structural Beneficiary of Completed-Home Sales Reform – Buy. We view the company as a structural net beneficiary of China's new "828 property policy" and completed sales model, and raise our 12m TP to US$25/HK$66. The policy accelerates a market shift toward secondary home transactions, where the company holds over 35% market penetration, driving higher transaction volumes with minimal incremental fixed costs. Furthermore, developers' increased reliance on brokerage channels for fast sell-through preserves new home commission rates, while synergies with home renovation and rental services support long-term growth. Consequently, we raise 2026-28E non-GAAP EPS by 1-7% to account for higher contribution profit from this favorable mix shift, placing our net profit estimates 1-3% above consensus. *Timothy Zhao*

Guangdong Songfa Ceramics – Strong order momentum and capacity expansion – Buy. We hosted a post-results roadshow and remain bullish on the company's outlook as order-winning momentum stays robust, with 253 vessel orders secured in the first seven months of 2026 and management guiding for over 300 by year-end. We expect gross margins to improve sequentially from the second quarter, supported by a shift toward higher-value vessels such as containerships and tankers alongside better operating efficiency. The company also confirmed plans to nearly double its existing capacity by launching a Phase III floating dock around late 2026 and a Phase IV drydock in early 2027, which will be supported by expanded in-house marine engine production. We maintain our Buy rating and 12m TP of Rmb200. *Herbert Lu*

New | Manipal Health initiation

Manipal Health – Acquiring scale, creating value – Initiate at Buy. We initiate coverage on Manipal Health with a Buy rating and a 12m TP of Rs865, implying 20% upside potential. We expect the company to deliver top-quartile revenue growth of over 20% CAGR from FY26 to FY29E, driven by the rapid ramp-up of new hospitals and an improving base business mix. The company boasts industry-leading core margins, with ex-Sahyadri FY26 EBITDA margins at 26.3% and further room for expansion through operating leverage. Supported by a best-in-class track record of turning around acquired assets, our revenue and EBITDA forecasts sit up to 6% and 10% above consensus over FY27-29E. *Shyam Srinivasan*

Results | WH Group, Pro Medicus

WH Group – Factoring US updated earnings. We lower our 2026-28E operating profit estimates for WH Group by 3-5% and trim our 12m TP to HK$10.10 from HK$10.90, reflecting a weaker outlook for US hog production and fresh pork. Following a business update from SFD, we now expect a 24% year-over-year operating profit decline in 3Q26 and flat performance in 4Q26. Our US team projects hog production profits of $15 per head in 3Q26, turning to an $11 per head loss in 4Q26. While the El Nino effect poses risks to feeding costs, management is actively mitigating this through established hedging frameworks and optimized corn procurement. *Valerie Zhou*

Pro Medicus – New AI reporting module presents material upside – Buy. Following the FY26 results briefing, we reiterate our positive view and A$222 12m TP, driven by an expected FY27 revenue step-up of 30% underpinned by major contract implementations including Trinity, UC Health, and BayCare. We see material upside from the upcoming launch of a new AI-led reporting module, which is well-positioned to capture market share as Microsoft retires its dominant legacy platform by August 2027. Management expects to monetize this tool on a per-scan basis, potentially driving a 30% uplift on transaction prices, while momentum in cardiology add-ons and European cloud adoption further support the long-term growth outlook. *Annabel Li*

GS China AI Tour | Huaqin, Hua Hong

Huaqin – Supernode and switch ramp-up to drive growth – Buy. We hosted management during our China AI Tour and came away with a positive view on the growth outlook for the company's data center business, driven by rising AI spending from Chinese cloud service providers. Management expects supernodes and network switches to become key growth drivers, with supernode shipments slated to ramp up in the second half of 2026 following initial deliveries. We believe this expansion will broaden the data center product portfolio, improve product mix, and strengthen Huaqin's position in AI infrastructure. We maintain our Buy rating with 12m TPs of Rmb106.43/HK$127.76. *Verena Jeng*

Hua Hong – 12-inch capacity ramp up and strong demand – Buy. We hosted the CFO during our China AI Tour and note strong order momentum across platforms, particularly for non-volatile memory and PMIC products, which is supporting continuous pricing strength. Management expects prices to increase 10% to 15% year-over-year in 2026, driven by robust client demand tied to generative AI applications. The company continues to expand its 12-inch capacity, targeting 83,000 wafers per month at Fab 9A by the end of the third quarter of 2026, while progressing on its acquisition of a 97.5% stake in Huali Micro. We maintain our Buy rating and 12m TP of HK$335. *Allen Chang*

GS Communacopia | MiniMax, US Autos & Industrials, Nebius

MiniMax – Communacopia + Technology 2026 Key Takeaways – Buy. We hosted MiniMax management at the Communacopia + Technology Conference and reiterate our Buy rating with a 12m TP of HK$760. The company is seeing continued ARR ramp-up driven by the M3 model and the recent multi-modal H3 launch, with further model updates expected soon. Management highlighted that ongoing inference optimization and model efficiency gains are supporting sequential gross margin expansion in the second half of the year. Furthermore, the company's open-weight strategy and harness products are accelerating enterprise adoption, with the enterprise segment now contributing approximately 80% of total revenue. *Ronald Keung*

US Autos & Industrial Tech – Communacopia + Technology 2026 Key Takeaways from Day 1. We highlight strong datacenter demand and progress on physical AI applications as the key takeaways from Day 1 of the conference. Management teams noted that datacenter demand remains robust with visibility extending into 2028, though supply chain readiness and component availability remain gating factors for growth. We see continued focus on physical AI deployments, with auto manufacturers including Ford and Rivian highlighting autonomy roadmaps as key drivers for software revenue and customer stickiness. Furthermore, robotics companies such as Symbotic emphasized the

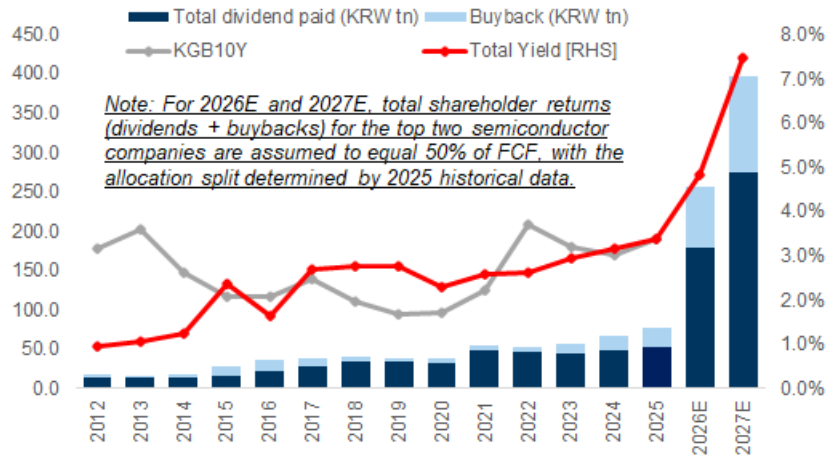
use of AI to improve edge cases, customer satisfaction, and throughput. *Mark Delaney*

Nebius – Communacopia + Technology 2026 Key Takeaways: Strong Demand Visibility and Improving Economics – Buy. Management highlighted that demand continues to outpace supply with forward visibility extending into 2028, allowing the company to preserve 2027 capacity for strategic customers in a tight market. The recent Palantir partnership strengthens enterprise distribution for the full-stack platform, while capacity expansion remains on track with favorable zoning outcomes at the Vineland site. We believe industry-wide regulatory constraints could further support pricing and margins, complementing improving contract economics characterized by shorter payback periods and prepayments funding a meaningful share of capex. 12m TP of $328. *Alexander Duval*

GS Asia Pacific Autos Trip Takeaways

Global Automobiles – Field research in China and EV sentiment update. We slightly raise our 2026 global auto demand forecast to a 1.1% year-over-year decline, up from our previous estimate of a 2.1% drop, driven by stronger-than-expected sales in Europe and emerging markets. Following our field research in China, we note that domestic total demand continues to fall with intensifying competition and retail price declines, prompting Chinese automakers to aggressively accelerate their export-focused strategies. Global battery electric vehicle sales rose 32% year-over-year in July, confirming the rapid advance of Chinese brands in international markets. Additionally, we observe a growing desire among auto and parts manufacturers to enter the humanoid robotics space by repurposing existing automotive technologies. *Kota Yuzawa*

Graphic language | Korea Strategy – Strong free cash flow to support a step-up in Korea's total shareholder yield



Source: FactSet, Goldman Sachs Global Investment Research

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