BERNSTEIN
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Global Semiconductor Capital Equipment

China WFE Import Tracker (Aug 2026): Aug YTD YoY -4%, import growth stronger in 2H


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We track monthly Wafer Fabrication Equipment (WFE) imports to China through data from China Customs (link); this call provides an update to the Aug 2026 data (excel) and our analysis. Aug import was $3.7 billion, -6% MoM and +23% YoY. Aug YTD YoY -4%. **Aug imports remain above monthly average of last year, and we expect 2H import to grow stronger than 1H as memory demand should be much stronger.**

Aug single month total WFE imports at USD 3.7bn, higher than last year average of $3.3bn. Litho import MoM +14%, YoY +32%, continued recovering from April's historical low point, YTD YoY -7% and is gradually recovering. By region, import from Singapore/ Taiwan, China continued to show strong growth, YTD YoY+28%/31% YTD. YTD US +Malaysia+Singapore import share 41%, last year was 35%, showing that shipment from US vendors are still strong. YTD Shanghai & Beijing imports were still the largest (40%/18%), showing further concentration.

August Litho imports of €793 mn were up 11% MoM and 43% YoY. Our regression model estimates that China sales will increase sharply to €2.79 bn in Q3, up 3x QoQ and 20% YoY, reflecting very strong litho imports over the last 2 months. This implies that China will represent 32% of total system sales in Q3. During its Q2 results, ASML reiterated its expectation that China revenue will decline to 20% of total revenue in FY26, a trend that was also reflected in the considerably lower import levels seen in H1 26. While we likewise forecast China revenue declining as a % of total revenue, we believe demand will remain solid over the coming years, supported by continued investment in capacity expansion, particularly in advanced logic. ASML's recent plans to increase DUV capacity by 30% over the next two years, together with the sharp pickup in imports observed over the past two months, further reinforce our thesis.

For LRCX, August data (2-month correlation) suggests Sep-Q China revenues would increase ~29% QoQ, with China exposure landing at ~27% of total revenues based on consensus revenue estimates. While management didn't officially guide China revenues, we note they expect overall China WFE spending to be flat to slightly up this year; the predicted Sep-Q exposure appears directionally consistent with this commentary.

For AMAT, the August data (1-month correlation) suggests Oct-Q China revenues would increase 17% QoQ, with China exposure landing at ~28% of total revenues based on consensus revenue estimates. Though management didn't guide China revenues in the quarter, they expect their China revenues to grow this year, and the predicted Oct-Q exposure appears directionally consistent with this commentary.

For KLAC, the August data (2-month correlation) suggests Sep-Q China revenues would increase ~41% QoQ, with China exposure landing at ~33% of total revenues based on consensus revenue estimates. Management didn't provide guidance for their China revenue exposure this quarter, but last quarter they mentioned that overall China WFE will grow at a slower rate than broader WFE this year. *Continued on next page*

See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.

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For TEL, our regression suggests TEL's China revenue could be +18% YoY and +35% QoQ. Our 2-month regression implies slight upside to TEL's SepQ revenue, tracking ahead of consensus of +20% QoQ, and an implied China mix of 35% based on consensus estimates.

For Kokusai, our regression suggests their China revenue could be +8% YoY and +58% QoQ. Our 2-month regression implies upside to consensus of +10% QoQ, and an implied China contribution of 40%.

For Screen, our regression suggests their China revenue could be -41% YoY and +15% QoQ. Our 2-month regression implies downside to consensus of +76% QoQ, and an implied China contribution of 15%.

For Advantest, our regression suggests their China revenue could be -0.7% YoY and -25% QoQ. Our 2-month regression implies downside to consensus of +18% QoQ, and an implied China contribution of 12%.

BERNSTEIN TICKER TABLE

Ticker	Rating	Cur	21 Sep 2026 Closing Price	Price Target	TTM Rel. Perf.	Cur	Reported EPS 2025A	2026E	2027E	Reported P/E (x) 2025A	2026E	2027E
688012.CH (AMEC)	O	CNY	353.55	660.00	81.5%	CNY	2.28	5.30	7.26	154.9	66.8	48.7
002371.CH (NAURA)	O	CNY	676.61	1,380.00	40.2%	CNY	5.66	10.11	19.92	119.5	67.0	34.0
688072.CH (Piotech)	O	CNY	725.81	1,200.00	207.2%	CNY	3.32	10.18	16.61	218.6	71.3	43.7
8035.JP (Tokyo Electron)	O	JPY	53,110	79,300	67.7%	JPY	1,250.88	1,687.17	2,635.81	42.5	31.5	20.1
6525.JP (Kokusai)	O	JPY	8,884.00	12,420	66.3%	JPY	128.63	262.29	373.69	69.1	33.9	23.8
7735.JP (Screen)	M	JPY	12,805	15,000	52.2%	JPY	486.61	574.49	759.55	26.3	22.3	16.9
6857.JP (Advantest)	O	JPY	32,050	45,800	74.8%	JPY	513.30	948.96	1,088.87	62.4	33.8	29.4
AMAT (Applied Materials)	O	USD	444.57	700.00	127.3%	USD	9.42	12.76	18.30	47.2	34.8	24.3
LRCX (Lam Research)	O	USD	288.11	385.00	120.1%	USD	5.82	9.22	10.97	49.5	31.2	26.3
KLAC	O	USD	176.99	250.00	59.2%	USD	3.76	5.47	7.05	47.1	32.3	25.1
ASML (ASML)	O	USD	1,679.92	2,859.00	66.9%	USD	27.95	44.01	60.58	52.3	33.2	24.1
ASML.NA (ASML)	O	EUR	1,481.40	2,500.00	72.1%	EUR	24.72	38.91	53.56	59.9	38.1	27.7
ASIAX			1,953.49									
JPL			2,660.83									
SPX			7,650.50									
EDME			1,575.17									

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

AMAT, LRCX, KLAC estimate is Adjusted EPS; AMAT, LRCX, KLAC valuation is Adjusted P/E (x); LRCX, KLAC base year is 2026;

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

NAURA (Outperform, CNY 1,380.00): As the domestic WFE leader, NAURA has the broadest product portfolio covering Deposition (PVD, CVD), Dry Etch (ICP), Thermo Processes, and Cleaning, as well as a more diverse client base covering leading logic, DRAM, NAND players, benefiting from the WFE domestic substitution in China with acceleration share gain.

AMEC (Outperform, CNY 660.00): Primarily focused on Dry Etch (CCP, ICP) with rapid expansion in Deposition (ALD, LPCVD, EPI), commonly perceived as the domestic WFE company with the best technology and widest global recognition, continue to benefit from the WFE domestic substitution in China with acceleration share gain.

Piotech (Outperform, CNY 1,200.00): Rising domestic WFE vendor primarily focused on Deposition (PECVD, HDPCVD, SACVD, ALD) with expansion in W2W and C2W hybrid bonding equipment for advanced packaging. Piotech has a strong track record of product innovation, which should allow it to benefit from the WFE domestic substitution in China with acceleration share gain.

Tokyo Electron (Outperform, ¥79,300): TEL is the #4 SPE supplier globally and the biggest Japanese SPE supplier with major presence in 6 product segments. It is expected to gain share and expand margins with competitive pricing after yen depreciation.

Kokusai (Outperform, ¥12,420): Batch ALD should see more adoption in advanced nodes especially GAA (gate-all-around). The biggest use of batch ALD is in NAND, and NAND capex recovery is accelerating.

Screen (Market-Perform, ¥15,000): Cleaning intensity is not increasing, and the market is competitive with both global rivals (TEL, Lam) and Chinese (ACMR, Naura). Potential upside from panel level packaging is worth watching.

Advantest (Outperform, ¥45,800): Benefits from rising testing intensity for HBM and Blackwell. As the dominant supplier for HBM tester (~65%) and Nvidia AI GPU (100% share), Advantest should be able to lift ASP and margin with product migration, especially with HBM4 in 2025.

AMAT (Outperform, $700.00): Exposure to key inflections is strong and valuation vs peers remains attractive.

LRCX (Outperform, $385.00): The company is benefiting from key inflections (GAA, packaging, HBM, NAND upgrades) and CY26/27
commentary seems supportive.

KLAC (Outperform, $250.00): Amid positive WFE trends KLAC posseses structural growth drivers, a strong and durable competitive position, lower China replacement risk, and disciplined capital allocation, warranting premium valuation, in our view.

ASML (Outperform, EUR 2,500.00): We rate **ASML Outperform** with a PT of €2,500.00 with 69% upside, driven by DRAM capacity growth acceleration and EUV intensity increase in 1c node. ASML is the top pick of EU Semis.

DETAILS

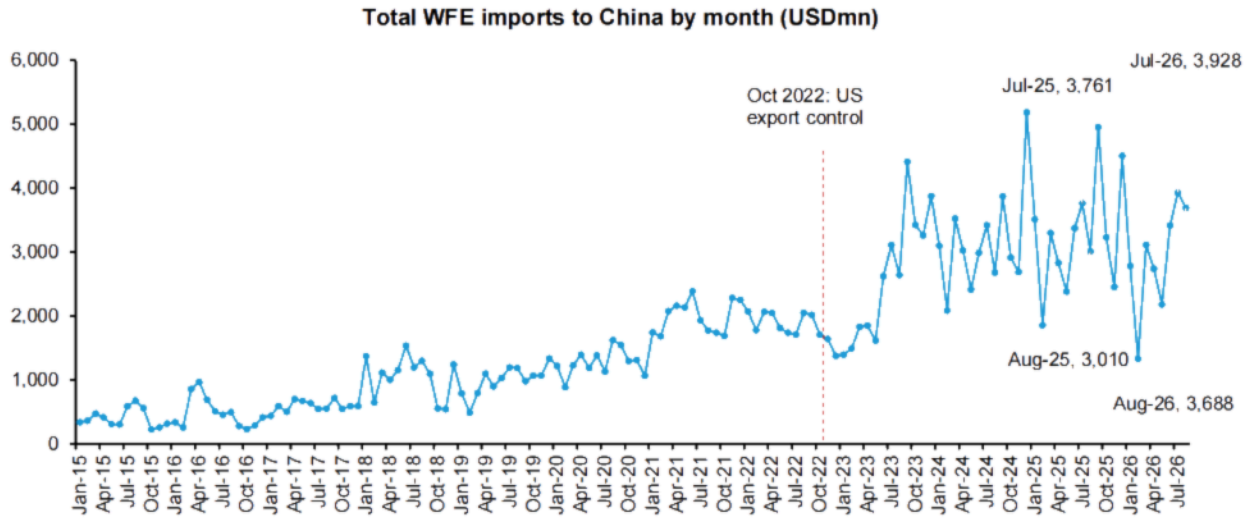
CHINA WFE IMPORT OVERVIEW

China is becoming increasingly important in the global WFE market, and there is intense debate around the sustainability of the demand, tracking the import data to China would provide valuable insights. The China Customs statistics website (link) provides data on monthly Wafer Fabrication Equipment (WFE) imports to China. This data includes a detailed breakdown by equipment type and region. More details on the data source and analysis methodology are illustrated in the appendix.

Key statistics for the overall imports are summarized in the below charts:

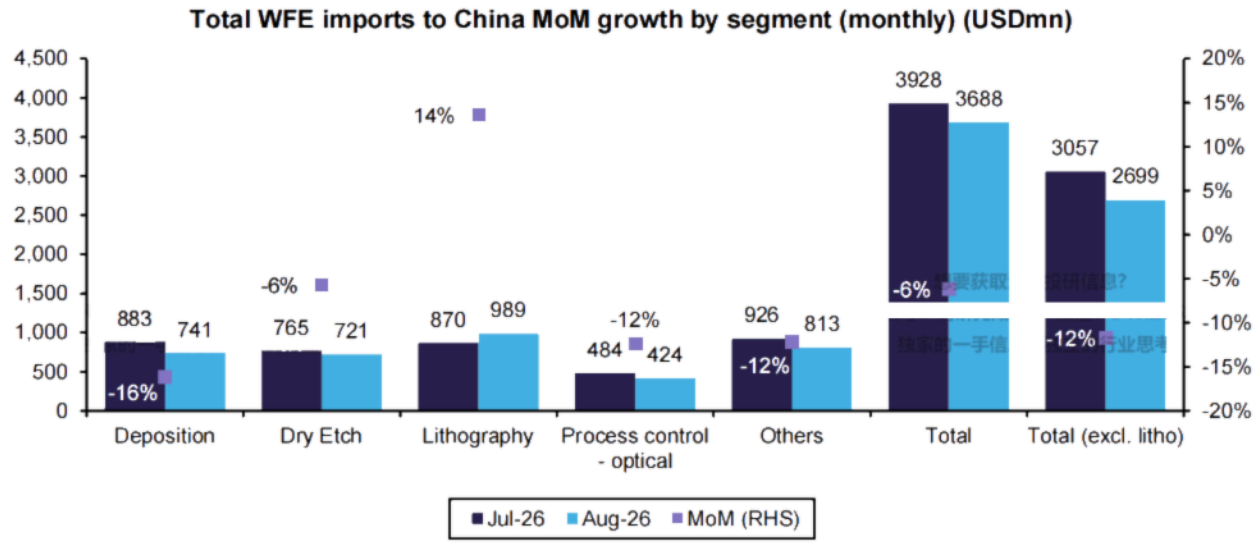
- **Monthly import data** (Exhibit 1, Exhibit 2, Exhibit 3): August import was $3.7bn, much higher than last year's average of $3.3bn/month.
- **By equipment, dry etch, lithography, and deposition became the main drivers for the August imports with double digits increase YoY.** Lithography continued recovering from April's historical low point, YTD YoY -7% and is gradually recovering. The only segment that showed declining YoY was Others. By import region, Singapore, Taiwan, China, Netherlands, Korea, and Malaysia showed strong growth.

EXHIBIT 1: **August import was $3.7 billion**



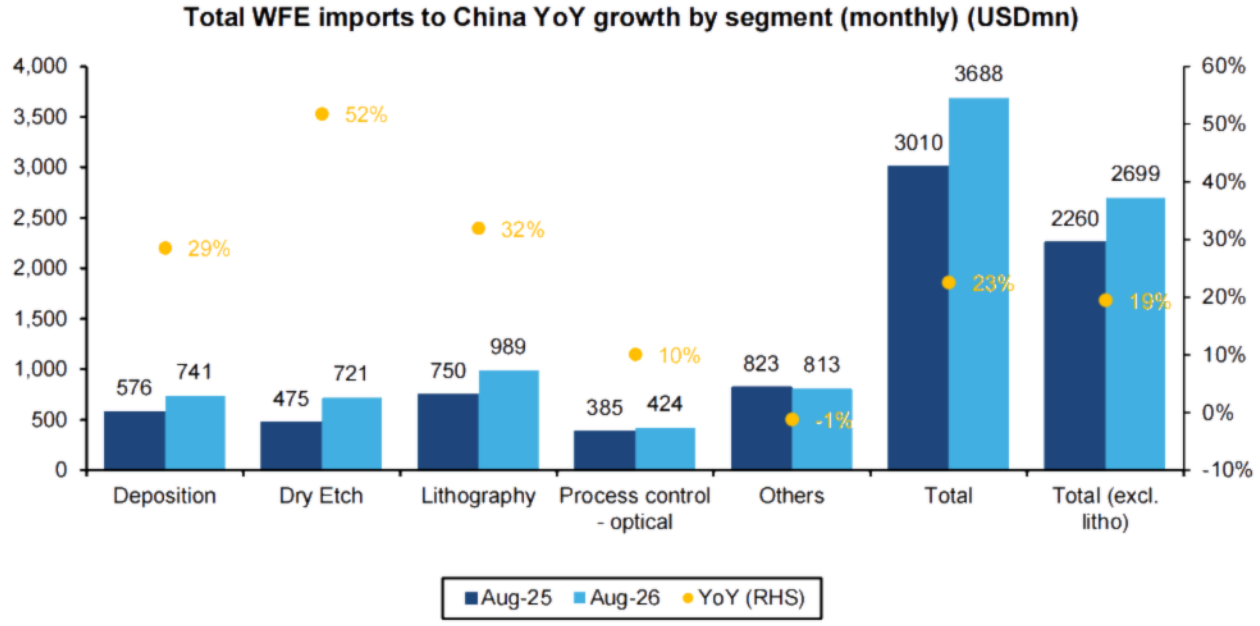
Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 2: **Month-over-month showed -6% decrease, the only increased segment was Lithography import.**



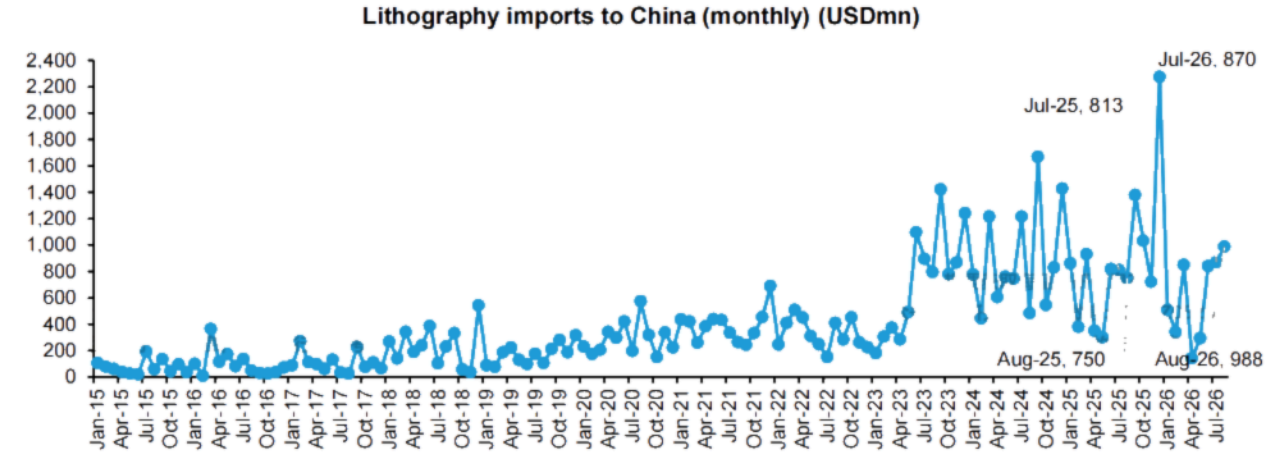
Others include: RTP and Oxidation/Diffusion (84862010), Doping (84862050), and Other equipment used in semiconductor devices or integrated circuits manufacturing (84862090)
Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 3: **The year-over-year figures show an obvious increase of 23%, driven by strong growth from Dry Etch, Lithography, and Deposition imports.**



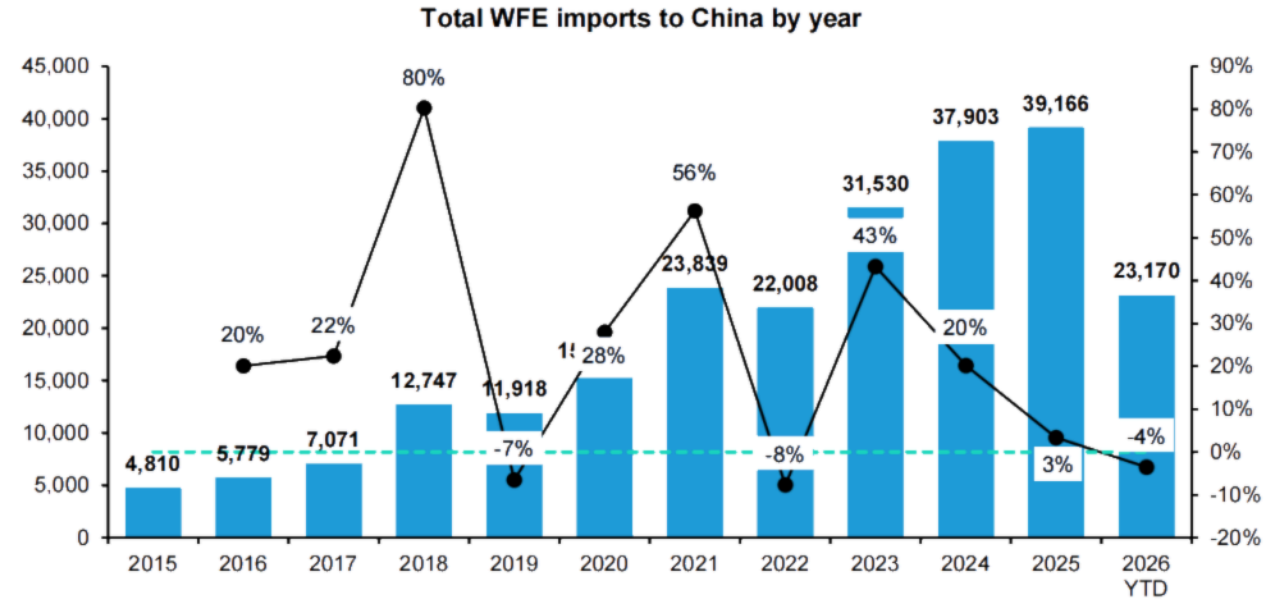
Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 4: **The lithography import was $988 mn in August 2026, 32% higher than last year**



Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 5: **2026 YTD import -4% YoY**



Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

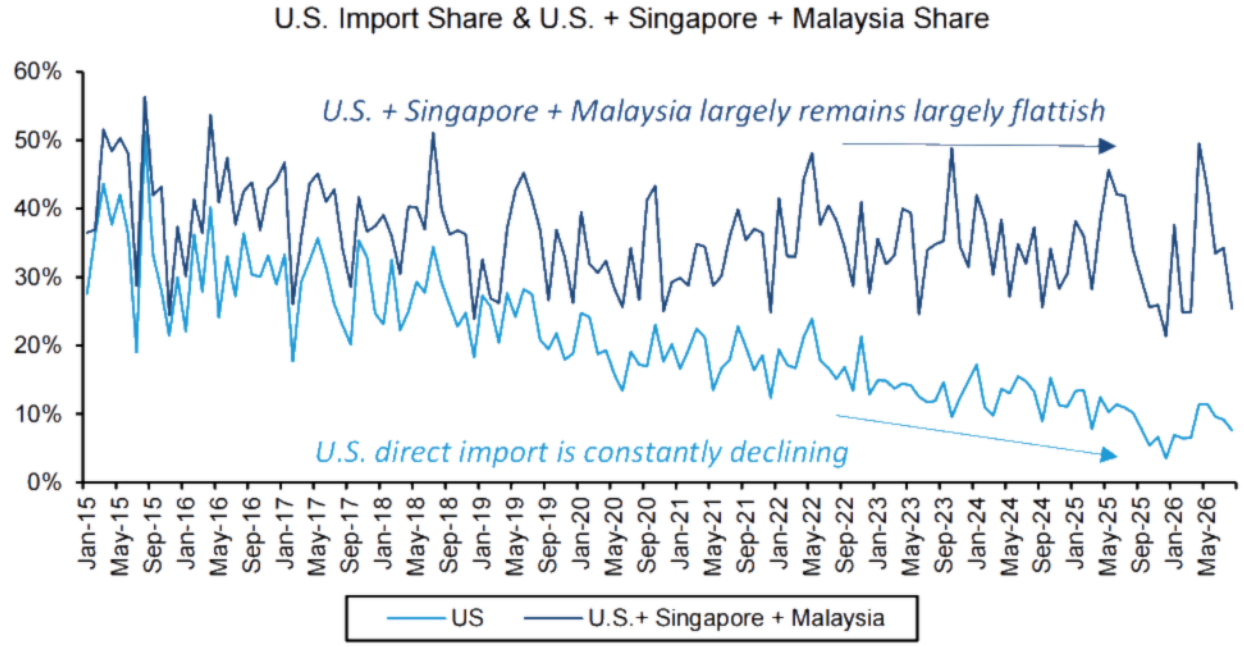
BY REGION & BY EQUIPMENT TYPE SEGMENTATION

From the imports by region breakdown, Exhibit 7 and Exhibit 8 reveal imports from the Netherlands have increased since 2023 due to aggressive lithography imports.

By region, US and SEA imports combined continue to gain share. 2026 YTD US+Malaysia+Singapore import share was 41%, while 2025 US+Malaysia+Singapore import share was 35% and 33% in 2024; 2026 YTD Japan import share was 22%, while 2025 Japan import share was 23% and 26% in 2024; 2026 YTD Netherlands import share was 19%, while 25% in both 2025 & 2024.

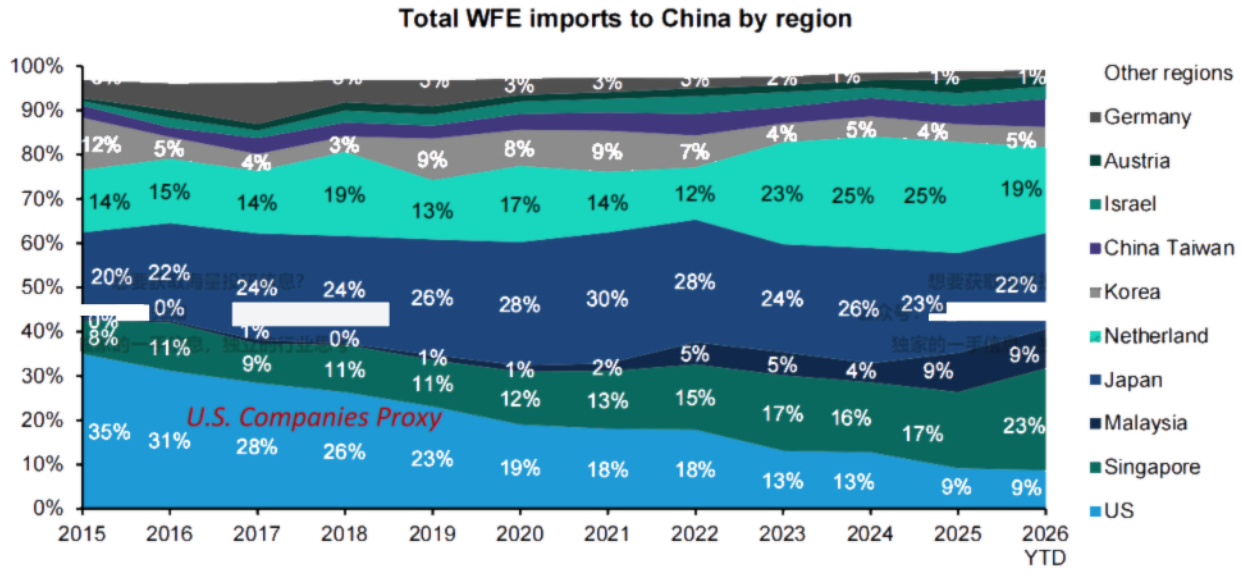
Excluding lithography, there has been a gradual uptick in imports from Singapore/Malaysia since 2021, coupled with a decrease in imports from the US (Exhibit 8). This trend is likely influenced by US suppliers opting to ship goods from their Singapore/Malaysia production facilities to China instead of directly from the US manufacturing sites (for example, Applied Materials has a Singapore manufacturing site).

EXHIBIT 6: **U.S. import share & U.S. + Singapore + Malaysia import share**



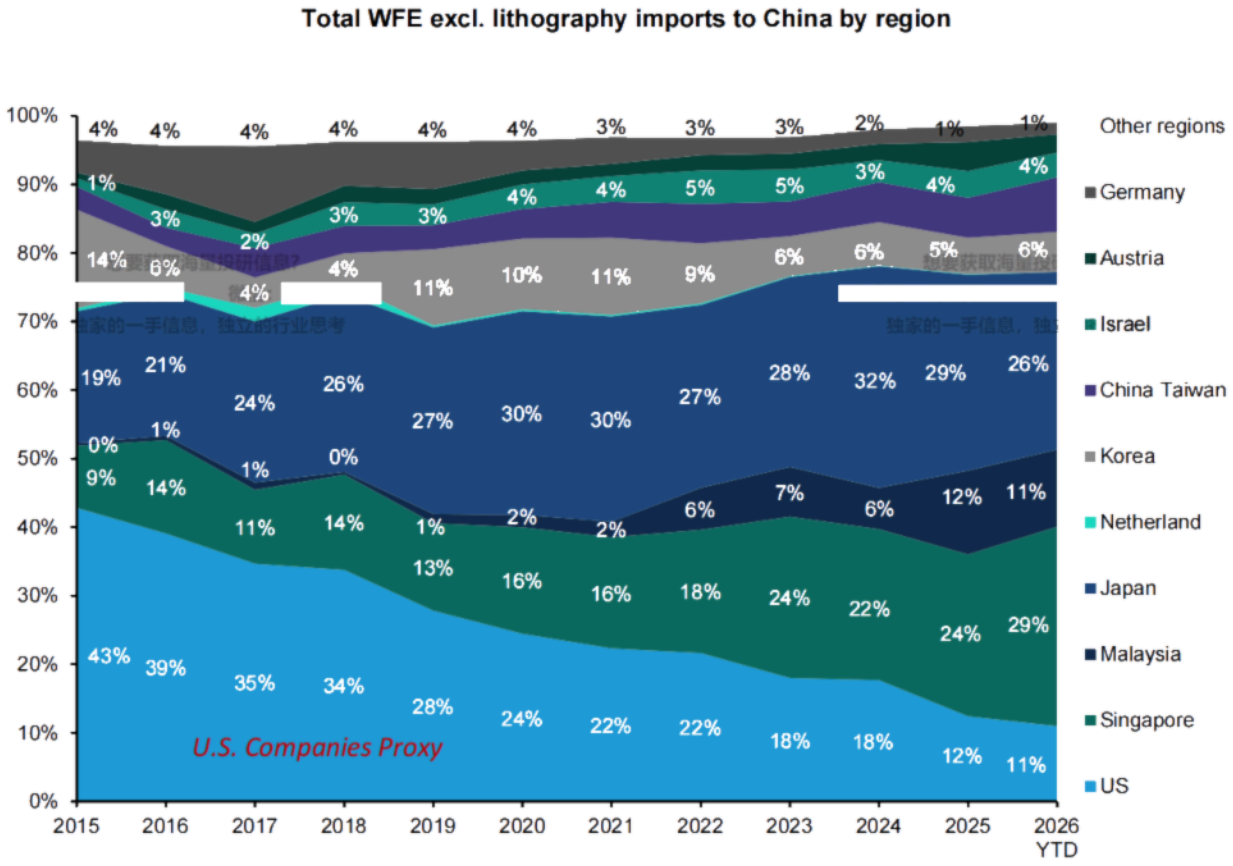
Source: China Custom, Bernstein analysis

EXHIBIT 7: **Netherlands' share decreased, Japan was flattish, US+Singapore+Malaysia in aggregate grew slightly**



Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 8: **Excluding lithography, there has been a gradual uptick in imports from Singapore and Malaysia to offset the share loss for US, indicating a shift in production for US vendors.**

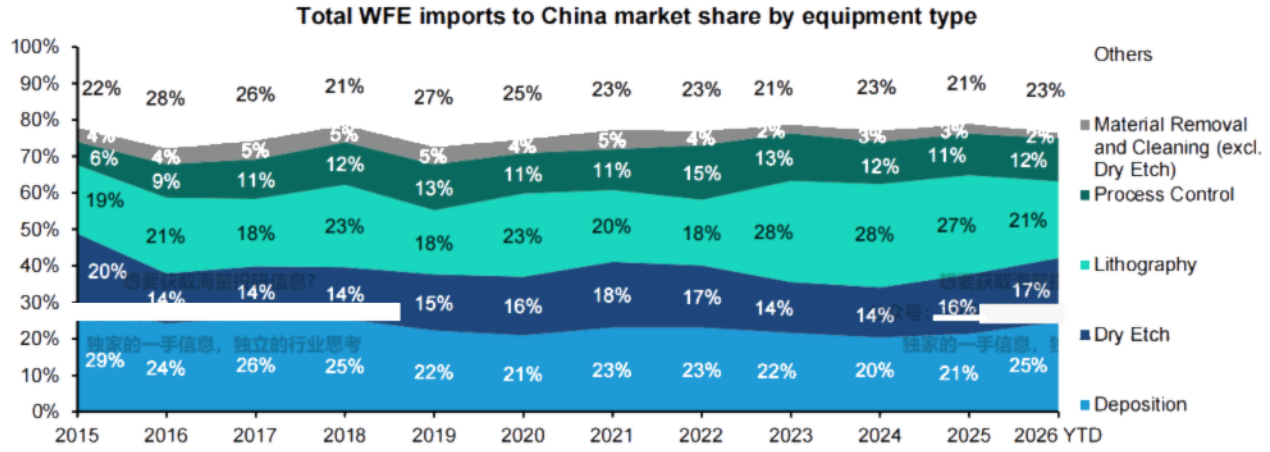


Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

For the imports by equipment type breakdown (Exhibit 9), Lithography's 2024 share remains high at 28% and is the same as 2023 full-year average (28%). 2025 the share dropped by 1ppt to 27%. In 2026 YTD, the share dropped further to 21%.

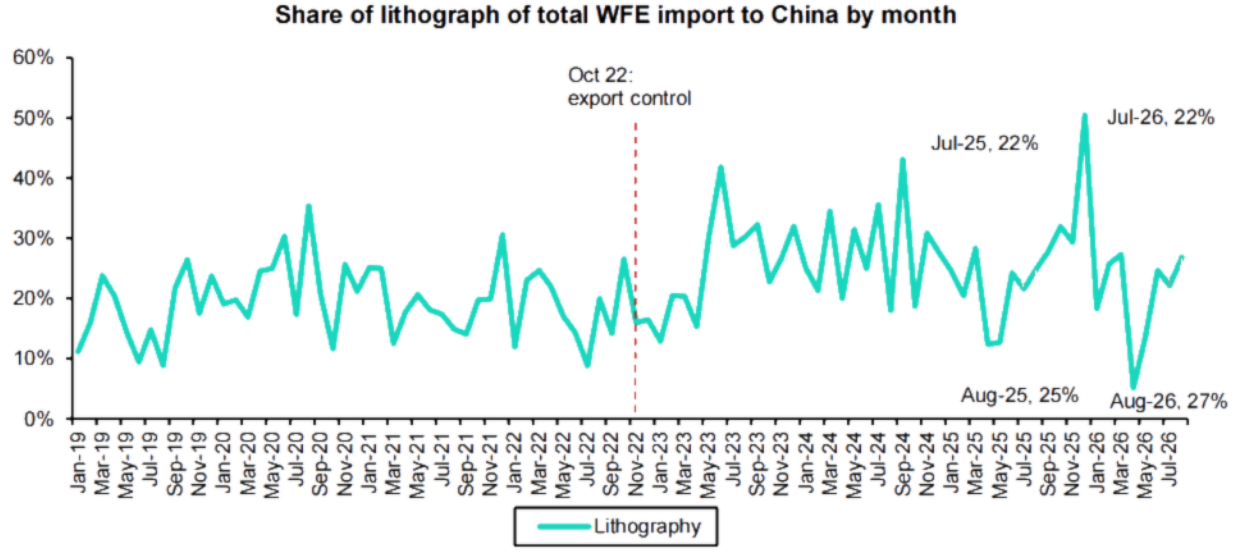
If we further zoom into lithography's monthly import share, it didn't change immediately after Oct 2022 export control, but it took off in June 2023 (Exhibit 10). By region, the Netherlands's share in lithography imports started to increase in Aug 2023 (Exhibit 11), and its share gradually expanded over 2024. As a result, 2024 hit a record high at 89% (Exhibit 12). In 2025, the share further grew to 92%, and it maintained at 92% in YTD 2026.

EXHIBIT 9: **In 2025, imported Lithography intensity just slightly dropped by 1ppt, further declined in 2026**



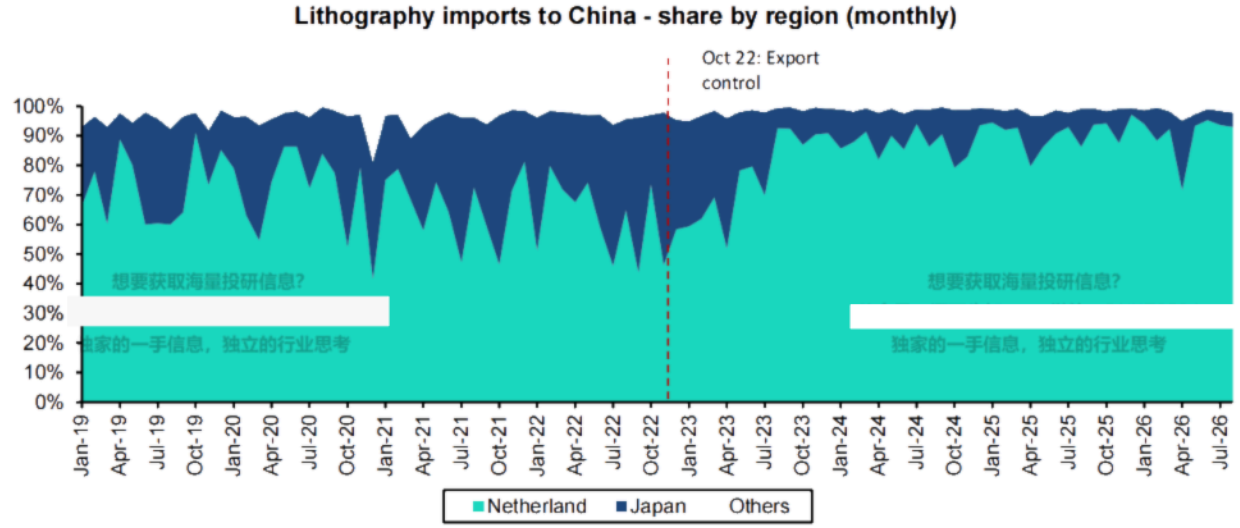
Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 10: **The share of lithography imports increased to 27% in August 2026, slightly higher compared with that in August 2025**



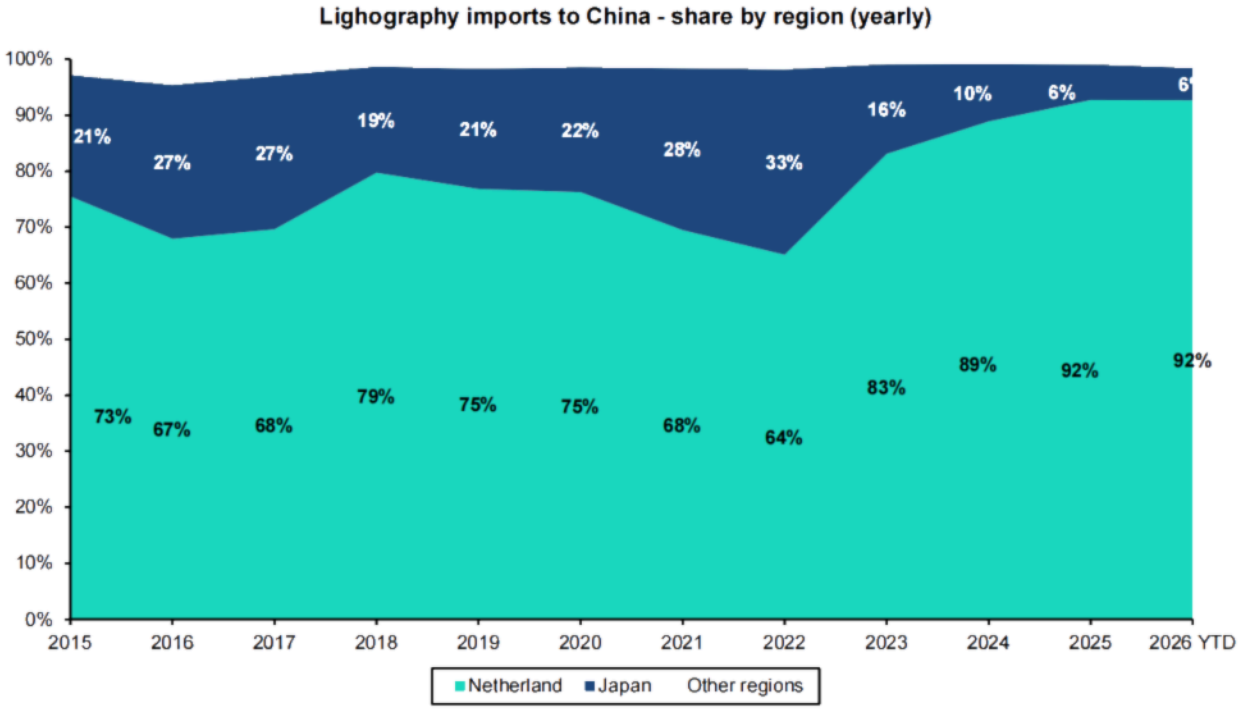
Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 11: **Share of lithography imports from Japan has decreased since Aug 2023 and remains relatively low.**



Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 12: **Netherlands' lithography imports share increased materially after 2022 and is still increasing in 2026**



Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

REGRESSION ANALYSIS

ASML

August Litho imports of €793 mn were up 11% MoM and 43% YoY. Our regression model, based on 2 months of data, estimates that China sales will increase sharply to €2.79 bn in Q3, up 3x QoQ and 20% YoY, reflecting very strong litho imports over the last 2 months. This implies that China will represent 32% of total system sales in Q3. During Q2 results, ASML reiterated that China revenue is expected to decline to 20% of total revenue in FY26, compared to 33% in FY25. While we also forecast China declining as a % of revenue, we believe China demand will remain solid over the next few years, driven by persistently strong investment in capacity expansion, particularly in advanced logic. ASML's recent plans to increase DUV capacity by 30% over the next two years, together with the sharp pickup in imports observed over the past two months, further reinforce our thesis.

China lithography import data published on the China Customs statistics has proven useful in predicting ASML's China systems revenue. Our regression model, using two months of data for a given quarter, has a relatively high R^2 of 0.89, indicating solid predictive power. China's lithography imports in August of €793Mn were up 11% MoM and 43% YoY compared with August 2025. On a 2M basis, litho imports reached a record high of €1.5bn, up 4x sequentially and 25% YoY.(Exhibit 13).

Our regression model estimates that 3Q26 China sales will increase sharply to €2.79 bn, up 3x QoQ and 20% YoY, driven by exceptionally strong imports in July and August. This implies China revenue representing 32% of Q3 total system sales, up 18 percentage points sequentially compared to Q2 and 10 points lower than the Q3 2025 level of 42% (Exhibit 14, Exhibit 15, Exhibit 16, Exhibit 17).

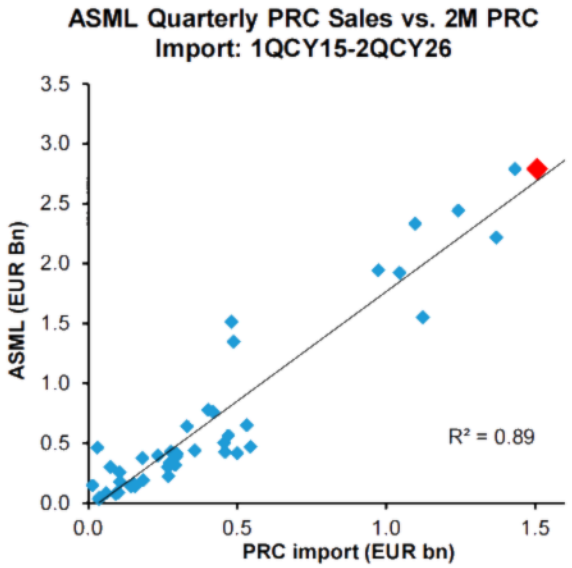
During its Q2 results, ASML reiterated its expectation that China revenue will decline to 20% of total revenue in FY26, down from 33% in FY25, a trend that was also reflected in the considerably lower import levels seen in H1 26. While we likewise forecast China revenue declining as a percentage of total revenue, we believe demand will remain solid over the coming years, supported by continued investment in capacity expansion, particularly in advanced logic. ASML's recent plans to increase DUV capacity by 30% over the next two years, together with the sharp pickup in imports observed over the past two months, further reinforce our thesis.

EXHIBIT 13: **The correlation between monthly China litho imports and ASML's quarterly China systems revenue (divided by 3) is fairly solid. August imports of €793Mn were up 11% MoM and 43% YoY.**



Source: Company reports, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 14: **Our regression yields an R2 of 0.89 indicating robust predictive power using 2 months of data. The implied China revenue for 3Q26 is €2.79 bn, up 3x QoQ, driven by exceptionally strong lithography imports in July and August.**



Source: Company reports, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 15: **The predicted systems sales from China at €2.79 bn represents a 3x increase QoQ. This implies China revenue representing 32% of Q3 total system sales.**

	Revenue (EUR Mn)				
	3QFY25	2QFY26	3QFY26E	YoY	QoQ
ASML China System Sales	2,333	919	2,789	20%	203%
ASML System Sales	5,554	6,565			
Bernstein			8,839	59%	35%
Consensus			8,809	59%	34%
China as % of System Sales	42%	14%			
Bernstein			32%	-10%	18%
Consensus			32%	-10%	18%

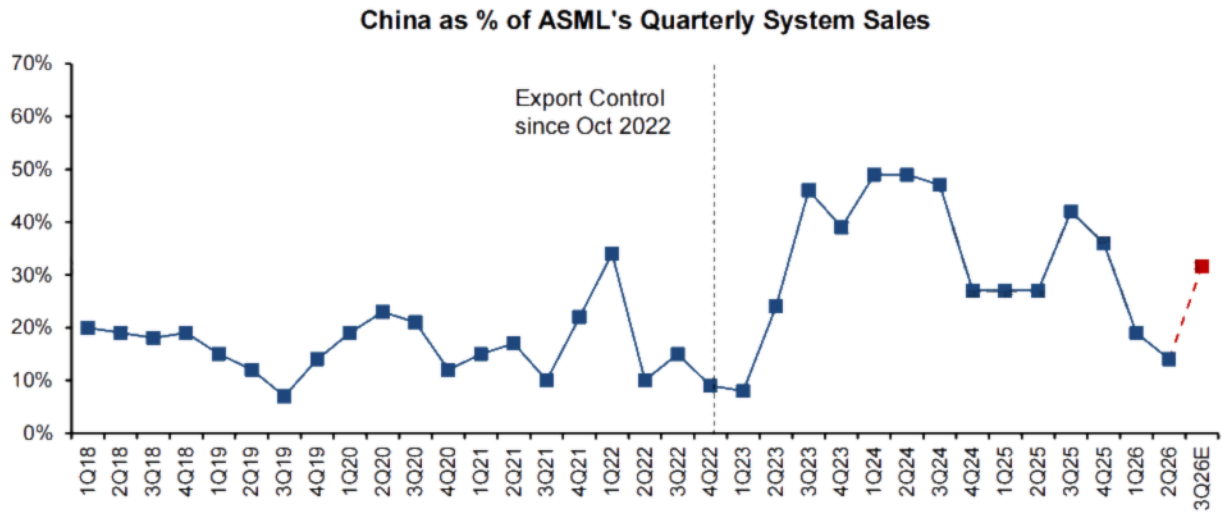
Source: Company reports, General Administration of Customs of the People's Republic of China, Bloomberg, Bernstein estimates and analysis

EXHIBIT 16: **Our estimate for ASML's China system sales in Q3 implies a 203% QoQ growth and 20% YoY. This would be the highest ever recorded China quarterly revenue.**



Source: Company reports, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 17: **ASML's China sales mix is expected to increase to 32% based on Consensus revenue, up 18 percentage points sequentially.**



Source: Company reports, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

LAM RESEARCH (LRCX), APPLIED MATERIALS (AMAT), AND KLA CORPORATION (KLAC)

For LRCX, the R^2 on the 2-month correlation is ~0.86 and hence should have decent predictive power. The August data (2-month correlation) suggests Sep-Q China revenues would increase ~29% QoQ, with China exposure landing at ~27% of total revenues based on consensus revenue estimates (**Exhibit 18**, **Exhibit 19**, **Exhibit 20**). While management didn't officially guide China revenues, we note that they expect overall China WFE spending to be flat to slightly up this year, and the predicted Sep-Q exposure appears directionally consistent with this commentary.

EXHIBIT 18: **LRCX 2-month regression yields an R2 of0.86 and should have decent predictive power...**



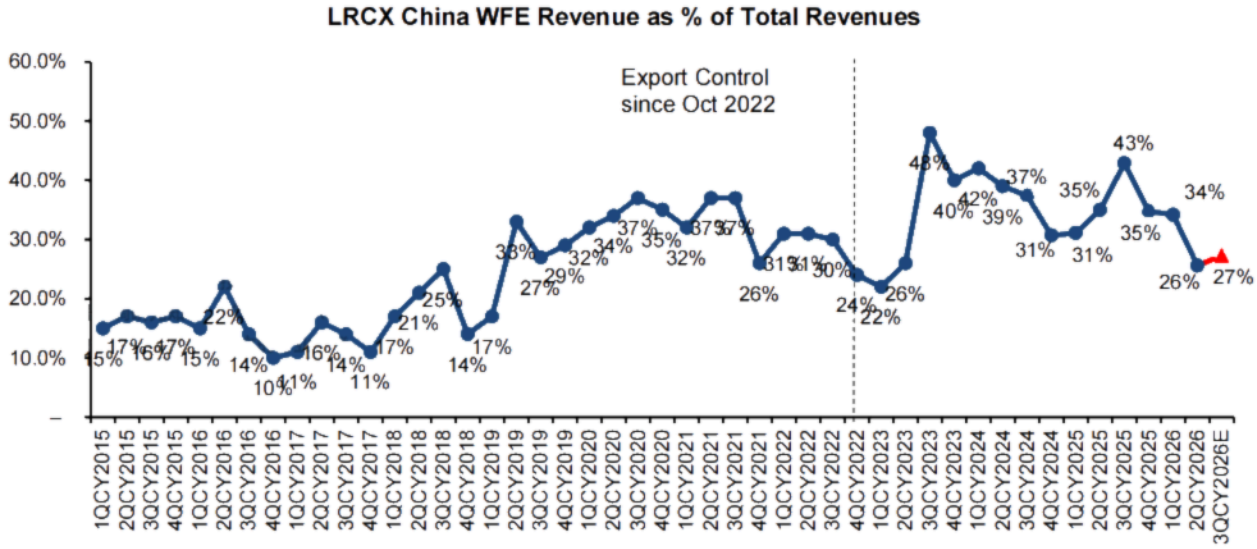
China semicap imports relevant for LRCX, given their manufacturing footprint, include shipments from the U.S., Malaysia, Korea, Taiwan and Austria
Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 19: **...with our analysis suggesting China revenues for LRCX up ~29% sequentially in Sep-Q...**

LRCX	Revenues ($M, USD) 3QCY2025	2QCY2026	3QCY2026E	YoY	QoQ
China Revenues (incl. Predicted Value)	$2,283	$1,722	***$2,221***	(2.7%)	29.0%
Total Revenues (incl. Consensus Estimate)	$5,324	$6,722	***$8,146***	53.0%	21.2%
China as % of Total	42.9%	25.6%	***27.3%***		

Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

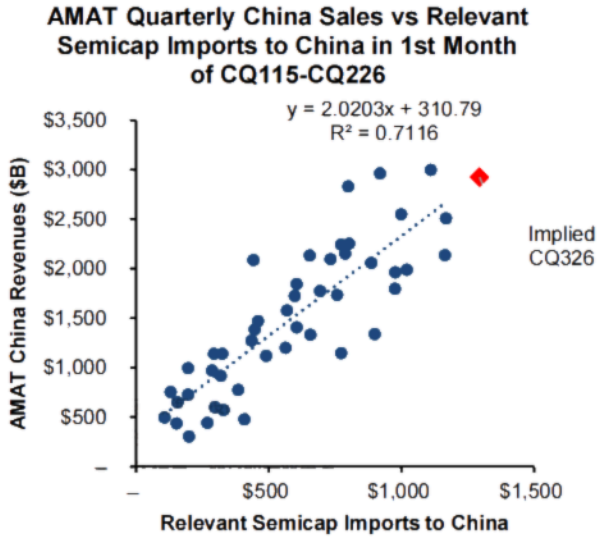
EXHIBIT 20: **...with overall Sep-Q China exposure predicted at ~27% vs Jun-Q exposure of ~26%**



Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

For AMAT, the R^2 on the 1-month correlation is ~0.71 and should have OK predictive power. The August data (1-month correlation) suggests Oct-Q China revenues would increase 17% QoQ, with China exposure landing at ~28% of total revenues based on consensus revenue estimates (**Exhibit 21**, **Exhibit 22**, **Exhibit 23**). Though management didn't guide China revenues in the quarter, they expect their China revenues to grow this year, and the predicted Oct-Q exposure appears directionally consistent with this commentary.

EXHIBIT 21: **The AMAT 1-month regression yields an R2 of 0.71 and should have OK predictive power...**



Normalized for AMAT Fiscal Quarter's ~1 month offset.

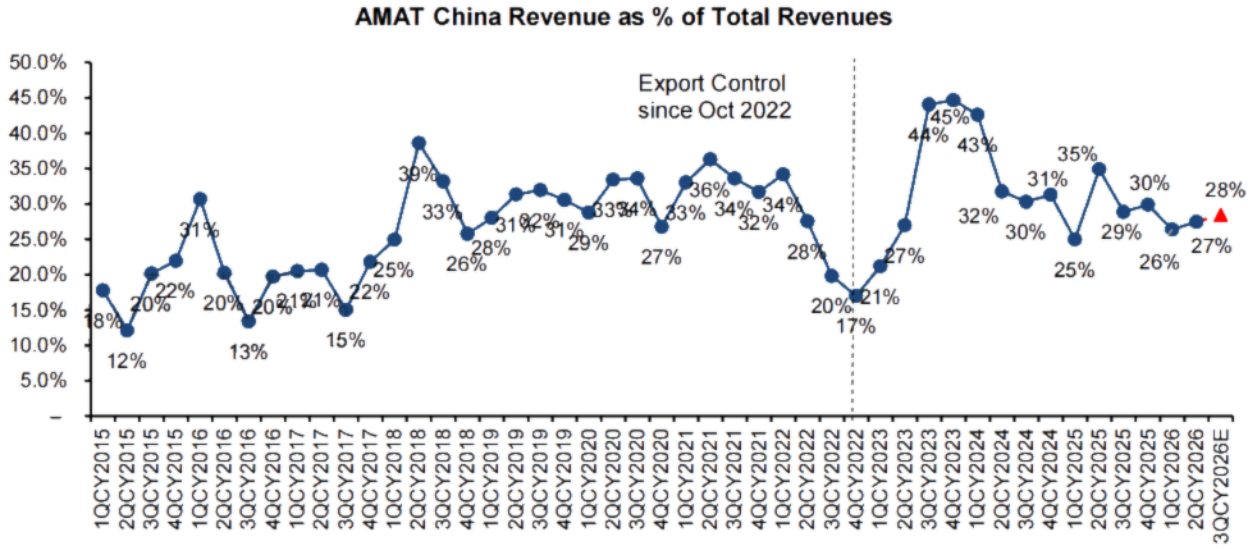
China semicap imports relevant for AMAT, given their manufacturing footprint, include shipments from the U.S., Singapore, Taiwan, Germany, and Israel.
Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 22: **...with our analysis suggesting China revenues for AMAT up ~17% QoQ in the Oct-Q...**

AMAT	Revenues ($M, USD) 3QCY2025	2QCY2026	3QCY2026E	YoY	QoQ
China Revenues (incl. Predicted Value)	$1,964	$2,506	**$2,926**	49.0%	16.8%
Total Revenues (incl. Consensus Estimate)	$6,800	$9,115	**$10,275**	51.1%	12.7%
China as % of Total	28.9%	27.5%	**28.5%**		

Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

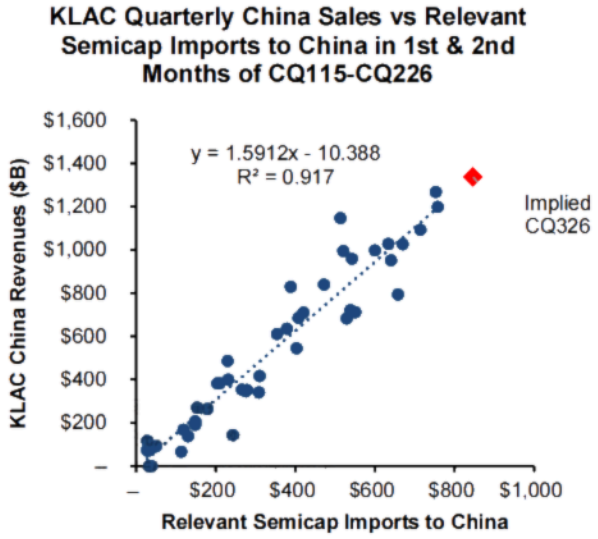
EXHIBIT 23: **...with overall Oct-Q China exposure predicted at ~28% vs Jul-Q exposure of ~27%**



Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

For KLAC, the R^2 on the 2-month correlation is ~0.92 and hence should have good predicting power. The August data (2-month correlation) suggests Sep-Q China revenues would increase ~41% QoQ, with China exposure landing at ~33% of total revenues based on consensus revenue estimates, vs ~26% in the Jun-Q (**Exhibit 24**, **Exhibit 25**). Management didn't provide guidance for their China revenue exposure this quarter, but last quarter they mentioned that overall China WFE will grow at a slower rate than broader WFE this year (**Exhibit 26**).

EXHIBIT 24: **The KLAC 2-month regression yields an R2 of 0.92 and hence should have decent predictive power...**



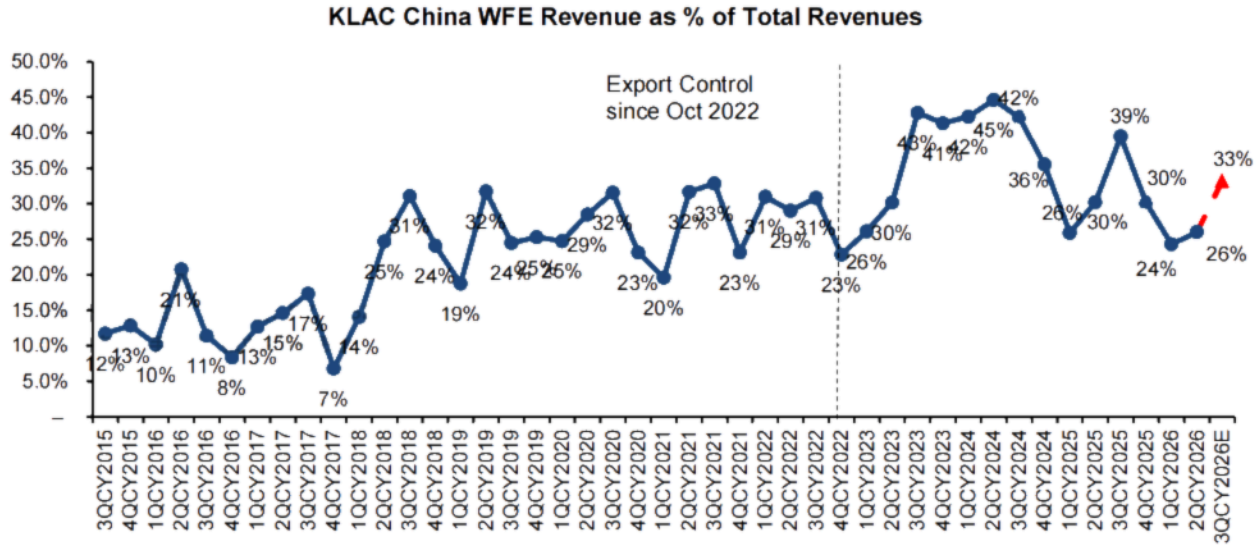
China semicap imports relevant for KLAC include global process control tools.
Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 25: **...with our analysis suggesting China revenues for KLAC up ~41% sequentially in the Sep-Q...**

KLAC	Revenues ($M, USD) 3QCY2025	2QCY2026	3QCY2026E	YoY	QoQ
China Revenues (incl. Predicted Value)	$1,267	$951	***$1,337***	5.5%	40.5%
Total Revenues (incl. Consensus Estimate)	$3,210	$3,658	***$4,025***	25.4%	10.0%
China as % of Total	39.5%	26.0%	***33.2%***		

Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 26: **...with overall Sep-Q China exposure predicted at ~33% vs Jun-Q exposure of ~26%**

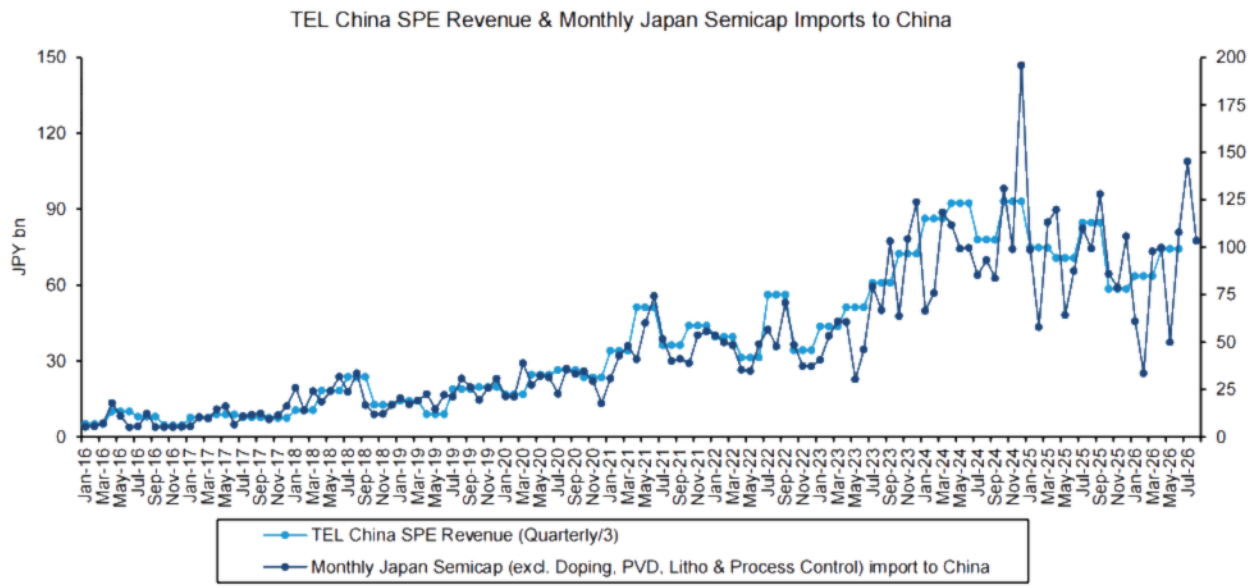


Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

TOKYO ELECTRON (TEL)

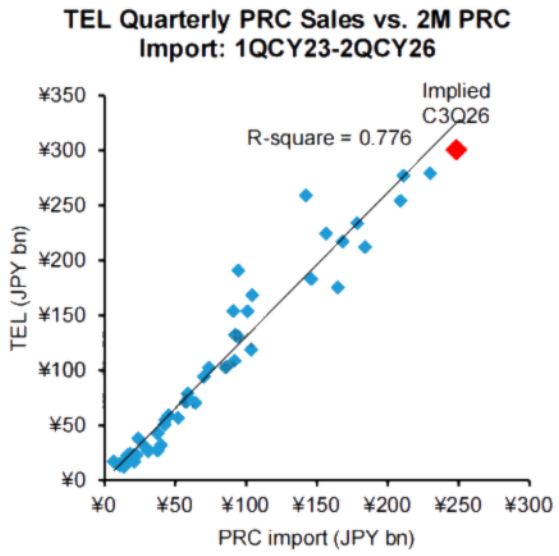
For TEL, the R^2 on the 2-month correlation is ~0.78 and hence should have limited predicting power. August import data suggests China revenues would be +35% QoQ. Based on consensus revenue estimates, China exposure is expected to be 35% of SPE revenues (Exhibit 27-Exhibit 30).

EXHIBIT 27: **There is good correlation between the monthly imports to China and TEL's quarterly SPE revenue from China divided by 3 without a notable time shift between them.**



Source: Company disclosures, General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 28: **China 2-month import yields decent correlation with TEL's China revenue.**



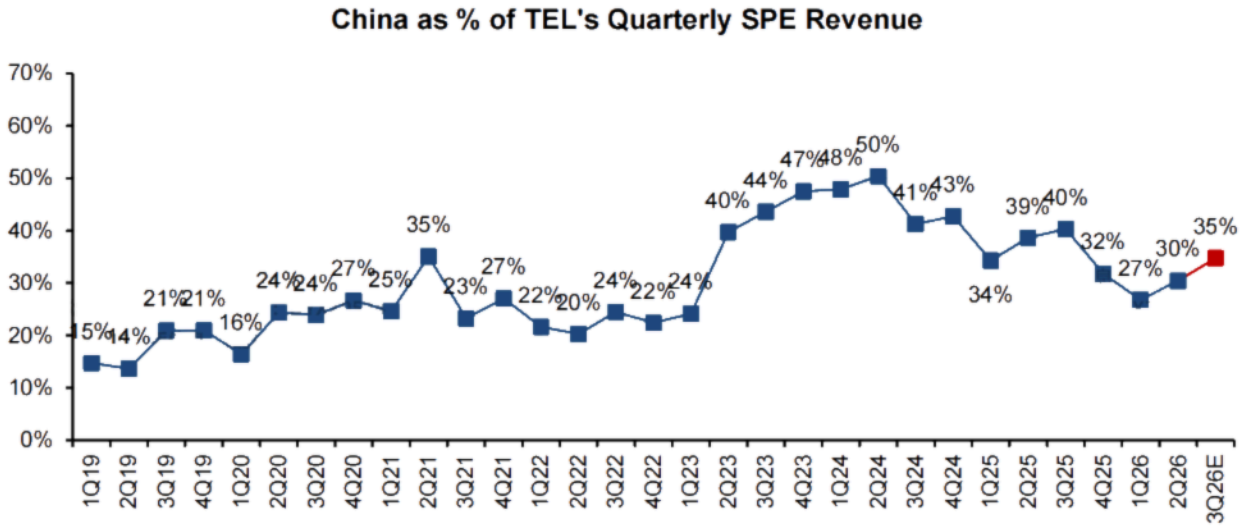
Source: Company disclosures, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 29: **The regression suggests TEL's revenue from China to be +35% QoQ in SepQ.**

	Revenue (JPY B)		
	1QFY27 (2QCY26)	2QFY27E (3QCY26E)	QoQ
China SPE	223	301	35%
Total SPE	719		
Bernstein		876	22%
Consensus		861	20%
China as % of Total SPE Rev	31%		
Bernstein		34%	3%
Consensus		35%	4%

Source: Company disclosures, General Administration of Customs of the People's Republic of China, Bloomberg, Bernstein estimates and analysis

EXHIBIT 30: **...with implied China exposure of 35% vs JunQ exposure of 30%.**

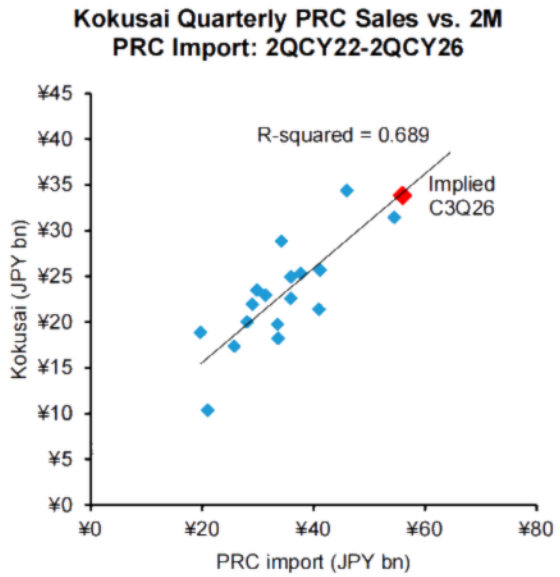


Source: Company disclosures, General Administration of Customs of the People's Republic of China, Bloomberg, Bernstein estimates and analysis

KOKUSAI

For Kokusai, the R^2 on the 2-month correlation is ~0.69 and hence should have some predicting power. August import data suggests China revenues could be +58% QoQ. Based on consensus revenue estimates, China exposure is implied to jump back to 40% of total revenues (Exhibit 31-Exhibit 33).

EXHIBIT 31: **Kokusai's Quarterly China sales shows decent correlation with 2-month import.**



Source: Company disclosures, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

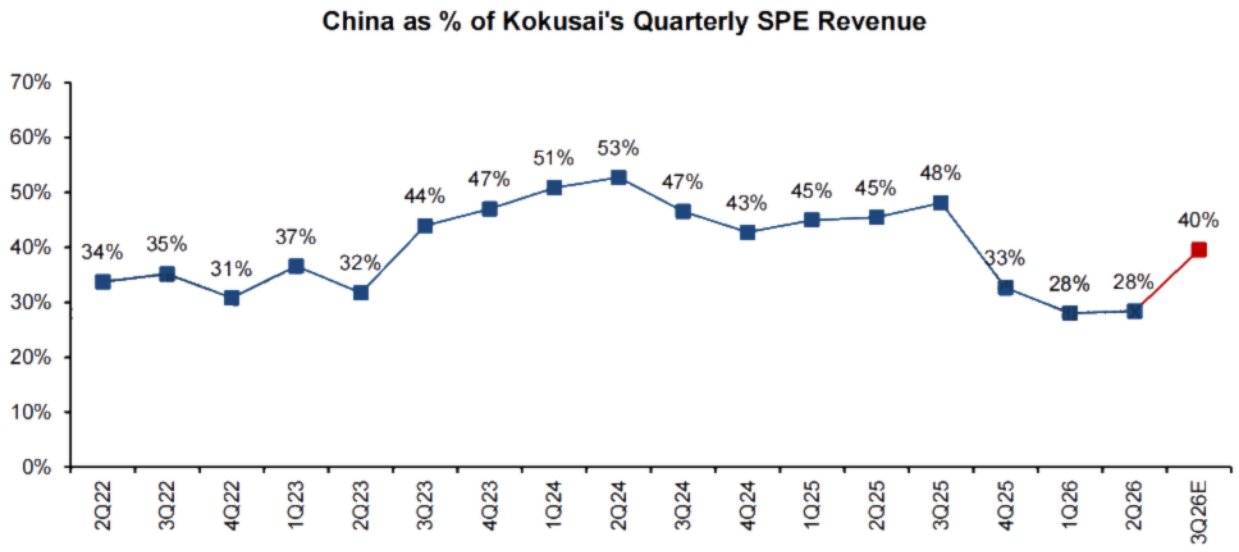
EXHIBIT 32: **The regression suggests Kokusai's revenue from China could be +58% QoQ in SepQ.**

	Revenue (JPY bn)		
	1QFY27 (2QCY26)	2QFY27E (3QCY26E)	QoQ
PRC Sales	21	34	58%
Total Sales	75		
Bernstein		85	13%
Consensus		86	14%
PRC %	28%		
Bernstein		40%	11%
Consensus		40%	11%

Source: Company disclosures, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

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EXHIBIT 33: **...with implied China exposure at 40% vs JunQ exposure of 28%**

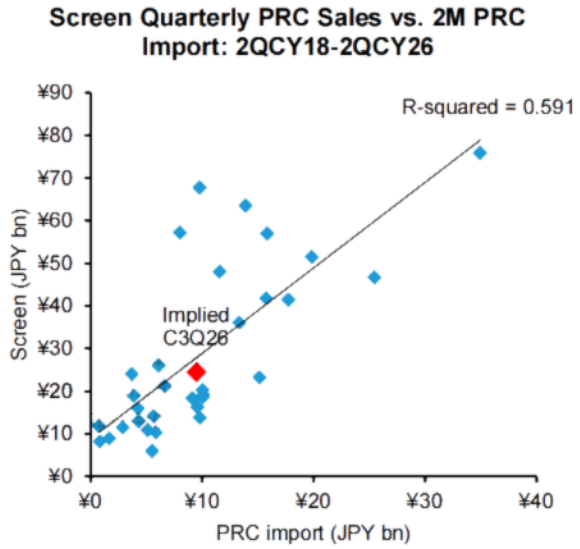


Source: Company disclosures, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

SCREEN

For Screen, the R^2 of the 2-month correlation is ~0.59, indicating some predicative power. The August import data suggests that China revenues could be +15% QoQ. Based on consensus revenue estimates, implied China exposure is expected to be 15% of SPE revenues (Exhibit 34-Exhibit 36).

EXHIBIT 34: **Screen's Quarterly China sales shows some correlation with 2-month import.**



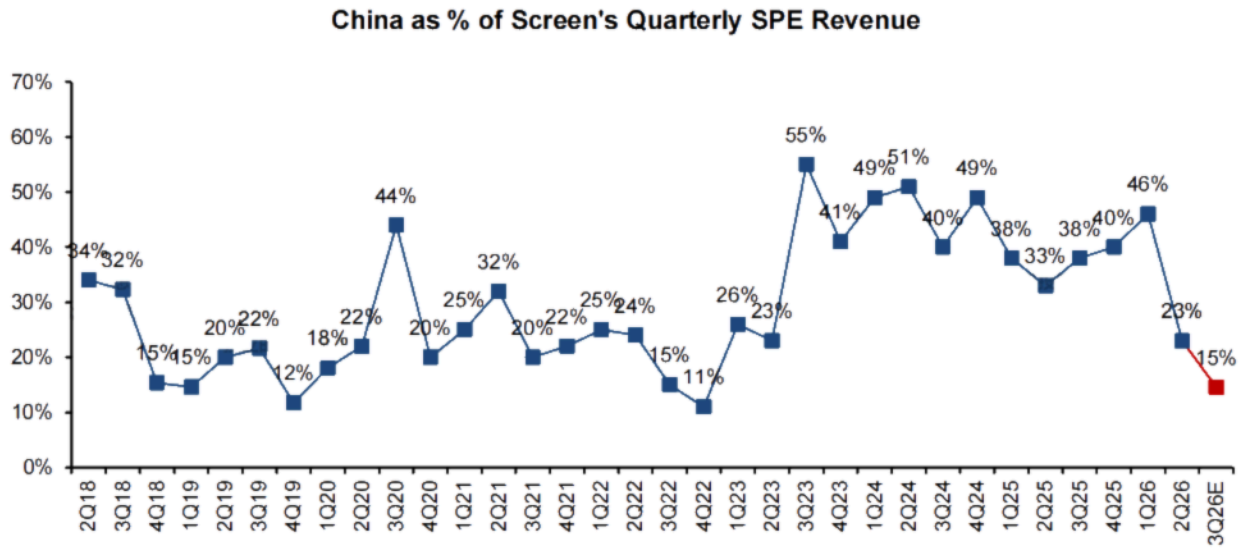
Source: Company reports, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 35: **The regression suggests Screen's revenue from China to be +15% QoQ in SepQ.**

	Revenue (JPY bn)		
	1QFY27 (2QCY26)	2QFY27E (3QCY26E)	QoQ
China Sales	21	25	15%
Total SPE	93		
Bernstein		157	68%
Consensus		164	76%
China %	23%		
Bernstein		16%	-7%
Consensus		15%	-8%

Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 36: **...with overall China exposure predicted at 15% vs JunQ exposure of 23%**

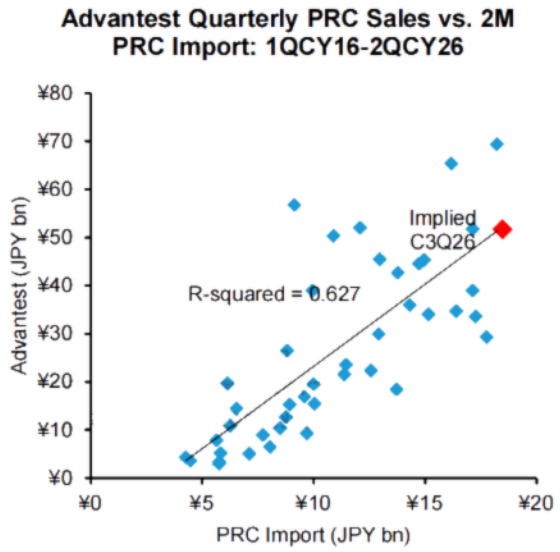


Source: Company disclosures, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

Advantest

For Advantest, the R^2 on the 2-month correlation is ~0.63, indicating some predicting power. August import data suggests China revenues could be -25% QoQ. Based on consensus revenue estimates, China exposure is implied to decline to 12%, down from 19% in JunQ (Exhibit 37-Exhibit 39).

EXHIBIT 37: **Advantest's Quarterly China sales shows decent correlation with 2-month import.**



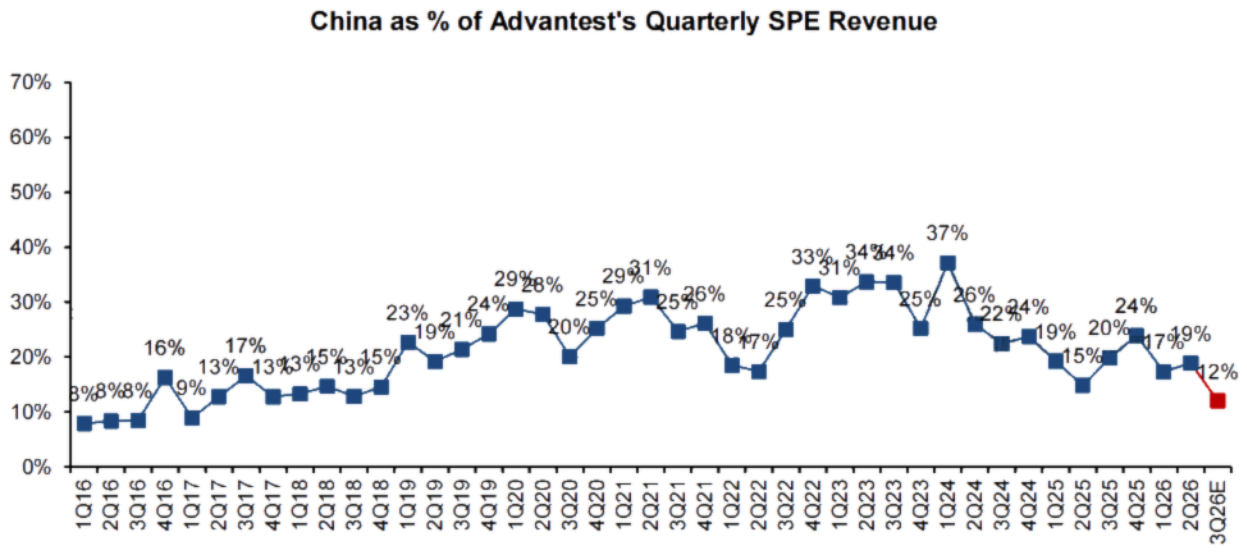
Source: Company reports, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 38: **Our regression suggests Advantest's China sales to be -25% QoQ in SepQ.**

	Revenue (JPY bn)		QoQ
	1QFY27 (2QCY26)	2QFY27E (3QCY26E)	
PRC Sales	69	52	-25%
Total Sales	367		
Bernstein		437	19%
Consensus		433	18%
PRC %	19%		
Bernstein		12%	-7%
Consensus		12%	-7%

Source: Company disclosures, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 39: **...with overall China exposure predicted at 12% vs JunQ exposure of 19%**



Source: Company disclosures, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

APPENDIX: DATA SOURCE AND ANALYSIS METHODOLOGY

We collected the data from the China Customs statistics website (link), with two major filters:

Equipment types, including 11 codes:

- 84862010: RTP and Oxidation/Diffusion (制半导体器件或IC的氧化扩散等热处理设备)
- 84862021: Deposition - CVD (制造半导体器件或IC的化学气相沉积装置)
- 84862022: Deposition - PVD (制造半导体器件或IC的物理气相沉积装置)
- 84862029: Deposition - Others (其他制半导体件或集成电路用薄膜沉积设备)
- 84862031: Lithography - Stepper (制半导体器件或集成电路用的分步重复光刻机), which include the following examples:
  - Steppers (for back-end use), 制造半导体器件或集成电路用分布重复光刻机（后道用）
  - Front-end krypton fluoride (KrF) stepper 制造半导体器件或集成电路用分布重复光刻机（前道用氟化氪（KrF）光刻机）
  - Front-end i-line stepper 制造半导体器件或集成电路用分布重复光刻机（前道用I线光刻机）
  - Other steppers 其他制造半导体器件或集成电路用分布重复光刻机
- 84862039: Lithography (excl. stepper) (其他投影绘制电路图的制半导体件或IC的装置), which include the following examples:
  - ArF lithography (excl. stepper) 制造半导体器件或集成电路用的氟化氩（ArF）光刻机（步进式除外）
  - KrF lithography (excl. stepper) 制造半导体器件或集成电路用的氟化氪（KrF）光刻机（步进式除外）
  - EUV (excl. stepper) 制造半导体器件或集成电路用的极紫外（EUV）光刻机（步进式除外）
  - ArFi lithography (excl. stepper) 制造半导体器件或集成电路用的氟化氩浸没式（ArFi）光刻机（步进式除外）
  - Other lithography 未列名制造半导体器件或集成电路用的光刻设备
  - I-line lithography (excl. stepper) 制造半导体器件或集成电路用的I线光刻机（步进式除外）
- 84862041: Dry Etch (制造半导体器件或IC的等离子体干法刻蚀机)
- 84862049: Material Removal and Cleaning (excl. Dry Etch) (制造半导体器件或IC的其他刻蚀及剥离设备)
- 84862050: Doping (制造半导体器件或集成电路用的离子注入机)
- 84862090: Other equipment used in semiconductor devices or integrated circuits manufacturing (其他制半导体器件或集成电路用的机器及装置)
- 90314100: Process Control - Optical (full name: Optical instruments and apparatus for testing semiconductor wafers and devices (including integrated circuits) or testing photomasks and gratings when manufacturing semiconductor devices (including integrated circuits) 制造半导体器件（包括集成电路）时检测半导体晶圆、器件（包括集成电路）或检测光掩膜、光栅用的光学仪器及器具)
- Note that the definition of each equipment type can't be strictly mapped to Gartner's categorization; for example, we believe CMP is classified into others in this dataset, while it's a separate category in Gartner's definition.

- Material removal & cleaning category here excludes dry etch equipment (even though dry etch equipment is a type of material removal equipment categorized by Gartner).
- Process Control equipment mainly includes two types: electronic beam and optical; the category 903 14 100 here only includes optical equipment.

Trading Partners by region, including 10 codes:

- 309: Netherland
- 502: United States
- 116: Japan
- 133: Korea
- 143: China Taiwan
- 132: Singapore
- 304: Germany
- 115: Israel
- 315: Austria
- 122: Malaysia
- LRCX has manufacturing sites in Austria, Korea, Malaysia, China Taiwan, and United States (refer to https://www.lamresearch.com/company/locations).
- AMAT has volume manufacturing facilities in the United States, and Singapore, with additional manufacturing facilities in Germany, Israel, Italy, Korea, China Taiwan and the United States (refer to https://www.appliedmaterials.com/us/en/about/manufacturing.html).