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October 13, 2026 09:49 AM GMT

Semiconductor Production Equipment | Japan

Jul-Sep 2026 Results Preview

We favor companies with improving visibility on earnings. Companies we rate OW, in order of preference, are: Advantest, SCREEN, and Tokyo Electron.

The Jul-Sep 2026 earnings season for SPE companies will kick off with DISCO on October 22.

We favor companies likely to offer greater earnings visibility on Jul-Sep results. We expect broadly solid 2Q results across SPE companies, supported by strong fundamentals. Ahead of earnings, our picks (in order of preference) are Advantest, SCREEN, and Tokyo Electron (TEL). We expect guidance hikes and an update on plans to enhance production capacity at Advantest; strong 2Q results at SCREEN; and 2H guidance being issued for the first time at TEL. We see each of these positive factors feeding expectations for higher earnings in the current FY and beyond.

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SEMICONDUCTOR PRODUCTION EQUIPMENT
Japan
Industry View **Attractive**

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AlphaSignals Earnings Preview

Focus KPI	Focus KPI Surprise	Likely impact to consensus EPS*
KOKUSAI ELECTRIC 6525.T		
Guidance hike	— In-line	↑ Modest revision higher
• Announced major guidance hike at Apr-Jun results; expect only small upward revision at Jul-Sep results.		
SCREEN Holdings 7735.T		
SPE segment margin	↑ Very likely upside surprise	↑ Modest revision higher
• Forecast recovery in SPE margin, from 15% in 1Q to 28% in 2Q, and expect prospects to recover for longer-term improvement in margins.		
• Also expect slight full-year guidance hike, driven mainly by 2H.		
Advantest 6857.T		
Full-year earnings and capacity plan	↑ Likely upside surprise	↑ Modest revision higher
• Still expect upward revision to guidance.		
• Plan for SoC tester capacity may also be updated.		
Tekscend Photomask 429A.T		
Progress vs. full-year guidance	↑ Likely upside surprise	↑ Modest revision higher
• Expect solid progress vs. full-year guidance, tracking above plan.		
• Do not anticipate full-year guidance hike.		
DISCO 6146.T		
Shipments plan	— In-line	— Largely unchanged
• Expect shipments/guidance in line with our estimates.		
• Increase in production support staff may be positive catalyst.		
Lasertec 6920.T		
Revisions to full-year order guidance	↑ Likely upside surprise	— Largely unchanged
• Despite high expectations, expect only a small upward revision for order guidance.		
Tokyo Electron 8035.T		
2H guidance	↑ Very likely upside surprise	↑ Modest revision higher
• Expect full-year OP guidance for ¥1.1trn, with prospects for profit guidance to top consensus.		
• Also look for updates on cryo and other new products.		

*Likely impact to consensus EPS is for the next 12 months

Advantest: We continue to expect Advantest to raise guidance. We see scope for further upside to current-FY guidance, particularly for Compute/Communication sales. Amidst tight supply of SoC testers, production capacity had already expanded to nearly 5,000 units as of 1Q. We believe annual capacity could be increased to above 5,000 units, but the tight supply suggests that actual production likely remains close to full capacity. Assuming an ASP of ¥250mn-¥300mn for the V93000, the current SoC tester sales guidance of ¥1.24trn implies shipments of fewer than 5,000 units, suggesting further upside potential.

At the previous results announcement, **management indicated that it would update its SoC tester capacity plans** in the next couple of quarters, although it is unclear whether an update will take place at the Jul-Sep results. Management may also provide an outlook at its IR Fireside Chat scheduled for Nov 12. With visibility on tester demand now extending to a longer 18 months, capacity plans should offer useful indications of revenue potential beyond the current fiscal year. We will focus on any updates to the capacity outlook.

SCREEN: We believe SCREEN shares could react positively if the company delivers on its 2Q SPE segment margin guidance. We forecast 2Q SPE sales of ¥167.0bn and segment profit of ¥47.2bn (28.3% margin), broadly in line with guidance. The SPE margin fell from 30% in 4Q to 15% in 1Q, seemingly weakening expectations for a margin recovery following the 1Q results. However, we believe the margin decline in 1Q owed largely to lower sales, with no evidence of a particularly sharp increase in fixed costs or deterioration in contribution margin. We therefore expect the SPE margin to recover to around 28% in 2Q, in line with guidance, supported by QoQ sales growth. We see the main drivers of sequential revenue growth as the booking of orders from Chinese DRAM customers later than anticipated; the slippage in revenue recognition for Chinese foundry orders from 1Q to 2Q; and increased investment in other China markets and Taiwan.

Tokyo Electron (TEL): We have positive expectations for 2H guidance, scheduled to be announced with Jul-Sep results. The F3/27 OP consensus outlook appears to have converged toward ¥1trn, the level mentioned by the president at the Apr-Jun results briefing. However, we forecast full-year OP of ¥1.1trn and see upside potential. We believe Tokyo Electron, like KOKUSAI, can achieve full-year revenue growth in the high-40% range, with stronger-than-consensus sales likely to drive earnings upside. We also look for further positive updates on its cryogenic etcher, for which the company announced a second customer win in Apr-Jun, and its probers, which should be benefiting from rapidly growing wafer test demand.

Lasertec: We remain cautious on Lasertec ahead of earnings. Shares have risen sharply since SEMICON Taiwan in early September, and market expectations appear to be building for a substantial upward revision to FY6/27 order guidance of ¥300bn–¥400bn at the Jul–Sep results. While we forecast FY6/27 orders of around ¥390bn, some market participants reportedly expect ¥450-¥500bn. Given that Jul-Sep is only 1Q for Lasertec, and that management had originally positioned accelerated A200HiT evaluations and stronger-than-expected demand as the scenario underpinning the upper end of guidance, we do not expect a major upward revision at the Jul–Sep results. Following the sharp rally in the shares, the YoY earnings hurdle appears high.

DISCO: We expect group results and guidance broadly in line with our expectations.

With nonconsolidated shipments of ¥123.9bn, consolidated shipments should be around ¥150bn, assuming a consolidated-to-nonconsolidated ratio of 1.2x. Our forecast is ¥145bn, suggesting actual shipments should be broadly in line. We forecast 3Q consolidated shipments of ¥154bn, but given management's tendency to issue conservative guidance, we do not expect an aggressive outlook.

We do not expect HBM de-specification to affect DISCO's near-term customer forecasts or orders. HBM remains in short supply, as memory makers' capacity expansion has lagged demand growth substantially. Our bottom-up estimates imply HBM bit demand in 2027 will be 2.7x the 2025 level, requiring even faster wafer capacity growth to offset lower yields. However, we forecast HBM wafer capacity will grow only 1.9x over the same period, making it unlikely that existing capex plans had assumed de-specification production requirements in the first place.

KOKUSAI ELECTRIC: We expect solid results from KOKUSAI, with no major surprises. Having already raised full-year guidance substantially in 1Q, and with lead times growing longer, any further upward revision in 2Q is likely to be modest. We see upside potential particularly in service revenue. In addition, some orders were cautiously excluded from guidance in 1Q due to revenue recognition timing. Depending on how production fares, these details could provide further upside to full-year guidance toward year-end.

Tekscend Photomask: We have a relatively positive view on Tekscend among the companies we rate EW. Despite production issues in 1Q, we expect solid performance from 2Q onward, supported partly by demand from memory makers. With original guidance relatively conservative, OP had already reached 25% of the full-year target in 1Q. We expect actual progress vs. full-year plan to move ahead of schedule from 2Q onward. However, we do not expect an upward revision to full-year guidance in 2Q.