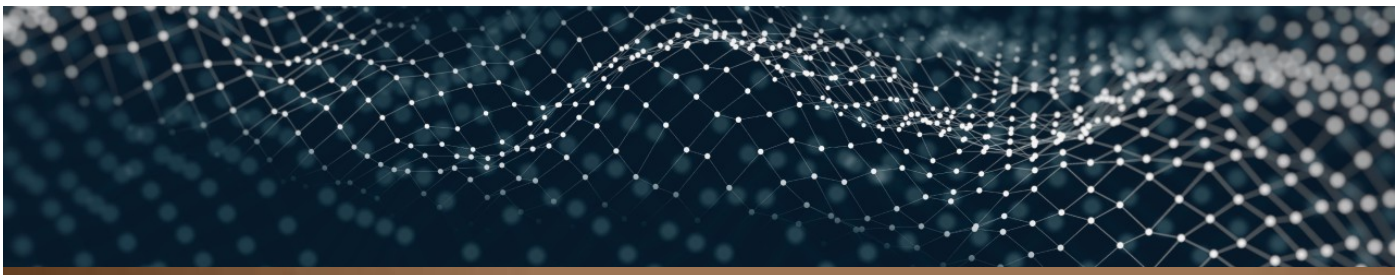
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ASIA TECHNOLOGY TRACKER 21 OCTOBER 2026

Asia Pacific Reports/Notes

Humanoid Robot & Physical AI, China,Hong Kong

Robotics tour takeaways: CIIF 2026—Ecosystem demand, workflow integration, and what's next for the sector *(Karen Li, CFA)*

Physical AI is moving from concept discussion to early deployment exploration, as evidenced by the 2026 China International Industry Fair (CIIF), where we led an expo tour on 13-14 October. Unlike earlier humanoid robot exhibitions that were more focused on body kinetics, locomotion control and foundation model performance demos, CIIF had a clear manufacturing/industrial application focus. Humanoid robot OEM exhibitors including Unitree, UBTech and Agibot showcased more practical use-case demos at their booths, echoing the broader tone of the Industry Fair. In our conversations with players across the supply chain, the discussion was less about whether robots can dance, walk or maintain balance, and more about whether the ecosystem can solve real bottlenecks around perception consistency, manipulation reliability, data quality, component cost-down, scenario-specific deployment and ROI validation. This direction also looks consistent with recent policy signals, and it supports our long-term bullish stance on the sector's multi-year runway as volumes scale. That said, we still see the industry in an early commercialization stage, where management teams sound more constructive on robotics/Physical AI demand than on traditional industrial automation, but also acknowledge that broad-based factory or household deployment still needs further validation and repeatability proof.

Memory Market Update

Perplexing top-down vs bottom-up view; Thoughts into 3Q earnings; NT earnings conviction to calm fears *(Jay Kwon)*

Global top three memory shares are down -42% from the 2026 peak; what are the share prices pricing-in? Memory shares (SEC/SKH/MU) have dropped sharply (down 42% from recent peaks in September on average), likely on negative macro developments such as softer-than-expected Frontier AI model lab annual-revenue-runrate trend (link), widening Neo-Cloud CDS spread (report), tightening risk appetite and rising doubts about AI capex sustainability. This likely marks the third interim share correction post the AI trade (the first correction in July-2024 on the Yen-carry trade unwind and the second correction in mid-2025 on HBM ASP correction speculation), and we believe the current share price action presumes the market pricing-in a down-cycle as early as 2027 with the Q/Q memory price trend turning negative. This is perplexing to us since we see limited signs of a crack from a bottom-up memory supply/demand fundamental angle (spot price trending upwards, HBM ASP negotiation bias to the upside, LTA order

visibility extended, etc.),and we believe the biggest disconnects seem to be : 1) what if the AI capex run-rate slows to <$1.5T in 27 from funding risks (reportfrom US hardware team), and 2) what are the catalysts to reverse this dampened sentiment? Historically, memory stocks have fallen 49% from peak-to-trough over the past four downcycles (vs GFC: -71% and pre-AI: -53%) and bottomed at 0.9-1.2x trailing P/B (see Table 3).

Japan Reports/Notes

Nidec (6594) (Underweight), Japan
Discloses report by executive responsibility investigation committee *(Akinori Kanemoto)*
Nidec disclosed the investigation report by the executive responsibility investigation committee after the market close on October 20. The report states that the committee believes nine former representative directors, directors, auditors, and executive officers are liable for damages under the Companies Act and for damages resulting from breaches of duty as executive officers. Similar to the third-party committee's investigation report, the current report notes that the company recorded large impairment losses because the priority placed on earnings targets resulted in distortions of accounting practices, delays and accumulation of impairment losses, and creation of new liabilities. The next steps are the receipt of an audit company's opinion on the financial statements, submission of a confirmation report on internal control systems to the TSE by October 28, and a subsequent review by the TSE. We maintain our Underweight rating given the large number of uncertainties at the present time.

US Reports/Notes

Steel Dynamics (Neutral), United States
3Q Results: Slight Miss on ADI Ramp, with Lagged Price Tailwinds to Persist into 4Q *(Bill Peterson)*
Steel Dynamics 3Q adj EBITDA was 4% shy of pre-print BBG, while headline EPS of $5.26 missed its $5.34-5.38 mid-quarter guide (link). The miss was driven by ADI losses (-$26M) vs. consensus in the green (+$22M), while the main segment drivers in Steel Operations/Fab were generally in line. Steel Operations earnings were the strongest since 2Q22, benefiting from record metal margins (+$110/t Q/Q) and shipments (+5% Y/Y), while utilization rose 200bps Q/Q to 92% (vs. ~80% industry avg.). Strong Steel Fab shipments (+26% Y/Y) more than offset margin compression (-$49/t Q/Q). Pricing reversed gradually higher, which we expect to persist throughout FY27, while the backlog rose 50% Y/Y (unch.). Metals Recycling faced margin compression amid weaker pricing (-$15/t Q/Q). ADI losses may have been unexpected and in line with recent hiccups, but not unwarranted for a complex mill ramp. Shipments totaled 55Kt (flat Q/Q) vs. hot band production at 91Kt as "yield losses increased at higher operating speeds." Associated equipment issues have been resolved, Oct'26 utilization has averaged 75%, and YE26 exit target (~90%) remains intact, while the second CASH line (for ABS) is now expected to be operational early 1Q27 (prior YE26). Into 4Q, we expect lagged price tailwinds to persist and stronger-than-seasonal shipments (ex downtime). We're N-rated STLD on full valuation.

Europe Reports/Notes

ASM International (Overweight), Netherlands
3Q26 Preview: Company positioned to out-perform WFE growth but consensus estimates lag *(Sandeep Deshpande)*
ASMI should report a strong 3Q and guide to 4Q ahead of consensus expectations. JPMe raised 4Q expectations by ~4%, but given the strong industry momentum currently seen, it is possible that the company could guide to revenues that are higher than our expectations, even, driven by strong 3nm/2nm/1.4nm logic buildouts through FY27, with all these processes using more ALD/Epi which helps ASMI sales. ASMI's share gains coupled with the very robust capacity buildouts mean that ASMI is in a position to out-perform WFE, while consensus estimates are not reflecting this, providing upside for the stock.

Key Rating, Price Target & Estimate Changes for Asia tech companies

None

Asia Pacific Technology Valuation



Price as of Oct 20, 2026			Price	Target Price		Mkt	EPS Y/Y Growth		P/E		P/BV		ROE		Div. Yield	
Company Name	Rec	RIC Ticker	CP	TP	Upside (%)	Cap (US$MM)	FY1E (%)	FY2E (%)	FY1E (x)	FY2E (x)	FY1E (x)	FY2E (x)	FY1E (%)	FY2E (%)	FY1E (%)	FY2E (%)
Asia Pacific																
SK hynix	OW	000660.KS	1,211,000.0	2,750,000	127.1	663,912	510.2	27.2	3.4	2.6	2.3	1.5	na	64.0	2.8	4.3
Inspur - A	OW	000977.SZ	57.6	85	47.6	12,657	6.0	93.9	33.1	17.1	3.5	2.9	11.2	18.8	0.3	0.3
Zhejiang Dahua Technology Co., Ltd - A	N	002236.SZ	15.0	23	49.9	7,382	5.2	29.3	12.2	9.4	1.2	1.1	10.4	12.4	2.3	2.5
Goertek - A	N	002241.SZ	21.5	25	16.2	11,433	-6.6	11.7	20.7	18.6	1.9	1.8	9.6	9.8	1.2	1.1
Dongshan Precision - A	OW	002384.SZ	122.2	30	-75.4	31,180	155.0	27.6	75.3	59.0	9.8	8.6	13.8	15.5	0.1	0.4
Hangzhou HikVision Digital Technology Co., Ltd - A	N	002415.SZ	32.8	35	6.6	45,008	8.6	27.5	19.5	15.3	3.3	3.0	17.8	20.6	2.8	3.1
Luxshare - A	OW	002475.SZ	47.6	97	103.8	55,113	21.2	34.8	17.2	12.8	3.0	2.5	20.4	21.1	0.6	1.5
Samsung Electronics	OW	005930.KS	210,000.0	400,000	90.5	1,029,692	572.2	41.4	4.3	3.0	1.6	1.2	48.3	45.3	9.1	9.2
Samsung SDI	OW	006400.KS	555,000.0	640,000	15.3	34,240	NM	97.8	54.1	27.3	2.0	1.9	3.9	7.2	0.0	0.0
Samsung SDS	N	018260.KS	197,600.0	220,000	11.3	11,475	-11.3	26.2	22.7	18.0	1.4	1.3	6.3	7.5	1.7	1.9
LG Display	N	034220.KS	7,270.0	11,500	58.2	1,952	NM	NM	na	5.7	0.4	0.4	NM	7.4	0.0	0.0
Leeno Industrial	N	058470.KQ	67,400.0	80,000	18.7	3,855	18.8	15.0	28.4	24.7	6.0	5.2	22.8	22.6	1.2	1.3
LG Electronics	N	066570.KS	162,900.0	190,000	16.6	19,914	138.3	23.4	9.2	7.4	0.9	0.9	9.7	10.9	0.7	0.7
Lenovo Group Limited (0992)	OW	0992.HK	25.3	50	97.9	39,925	-42.3	391.3	36.2	7.4	3.5	2.5	49.1	40.4	1.9	2.1
AAC Technologies Holdings (2018)	OW	2018.HK	36.0	65	80.7	5,543	2.9	28.3	13.7	10.7	1.2	1.1	9.0	10.7	1.1	1.1
UMC	N	2303.TW	127.0	130	2.4	48,853	131.9	-15.5	16.5	19.6	3.5	3.6	23.2	18.1	2.0	5.4
Delta Electronics, Inc.	OW	2308.TW	1,605.0	2,500	55.8	128,247	86.1	53.5	37.3	24.3	12.6	9.5	37.4	44.6	0.7	1.4
Hon Hai Precision	OW	2317.TW	241.5	330	36.6	102,987	32.0	21.6	13.5	11.1	1.5	1.4	12.6	13.2	3.0	3.5
TSMC	OW	2330.TW	2,405.0	3,300	37.2	1,918,376	69.0	33.7	21.5	16.1	8.0	5.8	43.9	41.8	1.2	1.4
Macronix	OW	2337.TW	100.0	205	105.0	6,091	NM	117.0	5.4	2.5	2.3	1.3	55.2	65.6	0.0	3.7
Winbond	OW	2344.TW	152.5	360	136.1	21,110	3150.6	110.1	5.3	2.5	2.9	1.5	75.0	77.0	0.3	5.7
ASUSTek Computer	N	2357.TW	981.0	880	-10.3	22,416	36.7	-14.0	12.0	13.9	2.4	2.3	21.4	17.0	4.3	5.6
Quanta Computer Inc.	OW	2382.TW	320.5	400	24.8	38,082	36.2	10.1	12.1	11.0	4.8	4.4	40.7	42.1	4.8	6.4
Advantech	N	2395.TW	684.0	405	-40.8	18,063	16.7	13.3	47.8	42.2	10.6	10.1	22.4	24.6	1.6	1.9
Nanya Technology	OW	2408.TW	422.0	850	101.4	40,284	3584.5	85.6	5.4	2.9	2.8	1.6	77.2	70.8	0.2	7.6
MediaTek Inc.	OW	2454.TW	4,150.0	5,600	34.9	204,110	6.1	122.4	59.5	26.8	15.0	11.0	26.5	47.5	1.3	1.4
Zhongji Innolight - A	OW	300308.SZ	647.9	430	-33.6	107,720	105.2	88.0	68.4	36.4	24.5	15.5	43.4	52.2	0.1	0.4
Sinnet - A	OW	300383.SZ	10.1	18	78.6	2,711	36.2	51.8	34.9	23.0	1.4	1.3	4.0	5.9	1.0	0.6
Maxscend Microelectronics - A	UW	300782.SZ	56.3	50	-11.3	4,510	NM	NM	na	47.5	3.0	2.8	NM	6.1	0.3	0.0
Largan Precision Co Ltd	OW	3008.TW	5,975.0	5,000	-16.3	24,041	19.2	8.2	31.4	29.0	4.1	3.7	12.9	13.3	1.6	1.7
Pegatron Corp	N	4938.TW	105.0	90	-14.3	8,619	4.6	35.2	18.6	13.7	1.3	1.3	7.2	9.4	3.8	3.8
JCET - A	OW	600584.SS	57.3	115	100.9	15,329	57.7	59.5	41.5	26.0	3.4	3.0	8.3	12.2	0.3	0.7
Wingtech Tech - A	OW	600745.SS	12.5	88	606.3	2,320	NM	46.6	7.7	5.3	0.4	0.4	5.7	7.8	0.2	1.3
Universal Scientific Industrial (Shanghai) - A	N	601231.SS	21.1	19	-9.9	6,942	8.3	20.9	25.8	21.3	2.4	2.2	9.6	10.6	0.4	0.4
Will Semiconductor - A	OW	603501.SS	76.9	155	101.5	13,927	21.0	36.9	19.0	13.9	3.0	2.5	16.4	19.5	0.9	1.1
AtHub - A	N	603881.SS	21.2	27	27.3	2,280	15.7	53.4	83.0	54.1	4.5	4.2	5.6	8.1	0.7	0.4
Gigadevice Semiconductor - A	N	603986.SS	282.4	78	-72.4	28,140	na	na	na	na	na	na	na	na	na	na
Huafeng Test & Control - A	OW	688200.SS	300.0	234	-22.0	6,084	66.4	26.0	73.2	58.1	10.4	9.2	14.9	16.8	0.3	0.4
	N	688396.SS	50.6	45	-11.1	10,051	5.1	71.9	83.6	48.6	2.9	2.7	3.5	5.8	0.0	0.1
Frontken Corp	OW	FRKN.KL	4.9	6	21.2	2,005	7.0	12.9	46.1	40.8	7.8	6.9	17.9	18.0	0.8	0.8
Hana Microelectronics	OW	HANA.BK	48.5	61	25.8	1,279	15.3	65.9	46.3	27.9	1.6	1.6	3.5	5.7	1.2	2.0
Inari Amertron Berhad	OW	INAR.KL	2.5	3	21.6	1,977	42.3	32.3	35.1	26.5	3.1	3.1	9.9	12.9	2.6	3.4
UWC	OW	UWCB.KL	7.0	9	23.6	1,876	55.1	36.8	48.1	35.2	10.2	7.9	23.8	25.4	0.0	0.0
Average							**242.9**	**51.5**	**31.2**	**21.9**	**4.6**	**3.7**	**21.9**	**24.0**	**1.4**	**2.2**
Japan																
Nittobo (3110)	OW	3110.T	2,912.0	5,500	88.9	3,344	-47.8	32.6	24.3	18.3	2.9	2.6	12.0	14.4	1.2	1.6
Toray (3402)	OW	3402.T	1,217.0	1,360	11.8	12,289	16.4	21.2	19.1	15.8	1.0	0.9	5.1	5.9	2.2	2.2
Asahi Kasei (3407)	OW	3407.T	1,585.0	2,100	32.5	13,939	10.4	16.6	14.7	12.6	1.1	1.0	7.5	8.2	2.4	2.5
SUMCO (3436)	UW	3436.T	2,492.0	3,000	20.4	5,506	44.7	NM	na	29.8	1.6	1.5	NM	5.2	0.8	1.0
Sumitomo Chemical (4005)	N	4005.T	592.2	500	-15.6	6,187	31.3	27.5	12.2	9.6	0.9	0.9	7.7	9.3	2.6	2.7
Shin-Etsu Chemical (4063)	OW	4063.T	5,869.0	7,000	19.3	73,501	-8.7	19.7	23.8	19.9	2.6	2.5	10.6	12.6	1.8	2.1
Kaneka (4118)	N	4118.T	6,092.0	4,600	-24.5	2,362	-2.1	16.5	15.5	13.3	0.8	0.8	5.1	5.9	2.6	2.8
Mitsui Chemicals (4183)	N	4183.T	2,092.0	2,100	0.4	2,651	45.4	24.0	15.7	12.6	0.9	0.8	5.7	6.7	3.6	3.6
TOKYO OHKA KOGYO (4186)	OW	4186.T	7,910.0	12,500	58.0	6,378	13.4	13.5	25.1	22.1	3.8	3.3	15.8	15.9	1.5	1.7
Mitsubishi Chemical Group (4188)	N	4188.T	1,149.5	800	-30.4	10,924	228.7	-29.4	11.1	15.7	0.9	0.8	8.1	5.5	2.8	2.8
Nippon Paint Holdings (4612)	OW	4612.T	1,258.0	1,500	19.2	18,815	14.1	5.7	14.3	13.5	1.5	1.4	10.9	10.6	1.4	1.5
FUJIFILM Holdings (4901)	OW	4901.T	3,358.0	5,000	48.9	26,147	1.6	20.0	14.4	12.0	1.0	1.0	7.2	8.2	2.2	2.4
AGC (5201)	N	5201.T	5,474.0	6,400	16.9	7,334	22.0	23.9	13.8	11.1	0.8	0.7	5.6	6.7	3.8	3.8
Nippon Electric Glass (5214)	OW	5214.T	5,092.0	5,500	8.0	2,417	-58.1	124.8	30.9	13.7	0.7	0.7	2.4	5.2	3.1	3.2
Sumitomo Osaka Cement (5232)	OW	5232.T	1,752.0	2,167	23.7	1,063	2.6	60.0	14.5	9.1	27.0	25.8	5.8	9.1	2.3	2.5
Taiheiyo Cement (5233)	OW	5233.T	4,132.0	5,000	21.0	2,906	92.9	31.0	9.4	7.2	0.6	0.6	6.8	8.4	2.9	3.4
Disco (6146)	N	6146.T	52,630.0	63,000	19.7	36,017	36.8	27.2	30.8	24.2	8.2	6.7	28.5	29.7	1.2	1.3
Hitachi (6501)	OW	6501.T	5,810.0	6,500	11.9	157,637	18.4	23.3	27.5	22.3	3.8	3.6	14.0	16.3	1.0	1.0
Mitsubishi Electric (6503)	OW	6503.T	4,852.0	7,100	46.3	61,006	38.7	11.3	17.6	15.8	2.1	2.0	12.1	12.4	1.2	1.3
Nidec (6594)	UW	6594.T	1,758.0	1,500	-14.7	12,714	NM	19.2	14.9	12.5	2.2	1.8	15.7	16.0	0.0	0.0
Fujitsu (6702)	OW	6702.T	4,391.0	4,700	7.0	46,327	-29.4	21.6	24.0	19.7	3.6	3.3	15.2	17.4	1.3	1.4
Seiko Epson (6724)	UW	6724.T	3,321.0	1,900	-42.8	6,714	-18.5	22.2	23.6	19.3	1.3	1.2	5.5	6.5	2.2	2.2
ULVAC (6728)	OW	6728.T	7,751.0	10,000	29.0	2,408	59.3	26.3	14.4	11.4	1.6	1.5	11.1	12.6	2.5	3.1
Panasonic Holdings (6752)	N	6752.T	3,878.0	4,900	26.4	57,126	174.3	15.8	17.4	15.0	1.7	1.5	9.6	10.3	1.4	1.5
Sharp (6753)	UW	6753.T	590.6	720	21.9	2,419	46.8	-45.3	7.2	13.2	2.1	1.7	29.3	13.1	0.0	0.0
Sony Group (6758)	OW	6758.T	3,960.0	5,800	46.5	146,028	NM	7.8	18.0	16.7	2.8	2.5	15.6	15.3	0.9	1.1
Advantest (6857)	OW	6857.T	33,870.0	51,000	50.6	156,422	92.2	42.6	34.1	23.9	21.2	14.5	73.6	72.1	0.4	0.6
Lasertec (6920)	N	6920.T	39,190.0	54,000	37.8	22,300	-12.2	18.2	47.6	40.3	15.4	12.7	32.4	31.6	0.8	1.0
CASIO COMPUTER (6952)	N	6952.T	2,252.0	1,300	-42.3	3,240	82.3	19.0	34.9	29.3	2.3	2.3	6.6	7.7	2.0	2.0
Kyocera (6971)	N	6971.T	3,515.0	3,900	11.0	29,216	28.9	11.9	25.5	22.8	1.3	1.2	5.1	5.3	1.6	1.6
Murata Manufacturing (6981)	OW	6981.T	6,643.0	13,700	106.2	78,055	62.7	56.1	31.8	20.4	4.2	3.7	13.5	19.3	1.1	1.3
Nikon (7731)	UW	7731.T	1,723.5	1,300	-24.6	3,992	352.4	17.3	21.6	18.4	0.9	0.9	4.2	4.8	2.9	2.9
SCREEN Holdings (7735)	OW	7735.T	12,805.0	17,000	32.8	15,411	29.7	34.8	20.3	15.0	4.6	3.8	22.6	25.7	1.5	2.0
HOYA (7741)	OW	7741.T	25,990.0	30,000	15.4	56,263	7.5	14.4	32.0	28.0	8.8	8.7	27.4	31.1	1.2	1.4
Canon (7751)	N	7751.T	4,807.0	4,400	-8.5	25,212	3.4	1.5	12.3	12.1	1.1	1.1	9.3	9.2	3.3	3.3
Citizen Watch (7762)	N	7762.T	2,236.0	1,850	-17.3	3,442	5.5	2.4	21.6	21.1	2.1	2.0	9.6	9.3	2.1	2.1
Yamaha (7951)	N	7951.T	1,228.5	1,100	-10.5	3,403	85.5	15.0	22.5	19.5	1.2	1.2	5.4	6.1	2.1	2.1
Tokyo Electron (8035)	OW	8035.T	10,085.0	17,000	68.6	144,642	39.2	41.5	28.7	20.3	7.3	6.1	36.8	43.9	1.7	2.5
Average							**42.0**	**21.9**	**21.3**	**17.8**	**3.9**	**3.4**	**14.0**	**14.6**	**1.8**	**2.0**

Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Technology Semiconductor and Hardware

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