# Electronic Components: Earnings Outlook (Jul-Sep)

## Focus on MLCC/ABF substrate capacity expansion, pricing/demand trends, progress on Rohm's deal for Toshiba's semiconductor business

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We expect many electronic components companies to report strong results for the July–September 2026 quarter, as they did in April–June, and to raise their full-year guidance. We see the drivers as growth centered on AI servers, industrial equipment, and autos, along with a seasonal pickup in demand for high-end smartphones. For individual components, our focus points are comments on MLCC demand trends, capacity expansion, and price hikes; details of TDK's and Taiyo Yuden's passive components alliance; and comments on a possible sale of TDK's HDD head business. We are also watching whether Ibiden announces capacity expansion at Gama Cell 7 and Ono Cell 9 and whether it acquires an external fab; progress on Rohm's deal to integrate Toshiba's semiconductor business; Niterra's future shareholder return measures following cancellation of its exhaust-gas-related business deal with Denso; and the content of the FY2028–30 business plan that Kyocera is due to announce. Macro factors make it difficult to discern the direction of electronic components stocks as a whole, but fundamentals continue to improve substantially.

- **MLCC focus points:** Bloomberg reported on October 13 that Murata Manufacturing President Norio Nakajima said that (1) Murata may add to its MLCC capex to meet strong demand, and (2) the MLCC book-to-bill ratio is still high, at just under 1.5. In an interview published by the Nikkei on the same day, Mr. Nakajima said that (1) Murata plans to finalize details of its MLCC capacity expansion plans, including the investment amount, at its end-October earnings announcement, and (2) the plant in Izumo, Shimane Prefecture, which Murata had not expected to reach full capacity until 2030, now looks likely to reach it this year. On the first point, he added that Murata is currently negotiating with production equipment makers and others, is considering securing buildings, and is "working out how far we can bring forward capex." Mr. Nakajima has already said that MLCC demand is growing much faster than Murata had planned and that production space could become a bottleneck from the second half of 2028, so we think it is only natural for Murata to consider bringing forward capacity expansion. However, his comment in the Nikkei report that the new Izumo plant looks likely to max out capacity this year was a positive surprise. The plant was completed only in March this year and is large, with total floor area of about 70,000m² (similar in size to Building E at the Takefu plant, which we visited at the end of August). We think that the plant is mass-producing cutting-edge MLCCs for AI servers. If the new Izumo plant reaches full operation this year, there could be substantial upside to earnings from 2H FY2026.
- If the report is accurate, Murata intends to announce plans to bring forward capacity expansion and secure plant space (by building new plants) with its 2Q FY2026 results. A large-scale capex announcement would be the first since 2017–18. Murata's MLCC capital intensity has averaged around 13% over the past 10 years. Applying that 13% to our sales forecasts for the next three years and assuming the construction of two or three new plants (it may need even more), we estimate that MLCCs alone would require ¥1 trillion or more in

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capex over the period. We therefore expect total capex including other businesses to exceed ¥1 trillion over the next three years (our forecasts already assume more than ¥1 trillion). With the new Izumo plant set to reach full production this year, Murata's only remaining spare space would be at its Thailand plant and its third plant in the Philippines. However, MLCCs for AI servers are low-mix, high-volume products, so Murata can meet that demand by raising production efficiency substantially. We therefore think that plant space should not be a problem until around 2027 or the first half of 2028. That said, if AI server demand grows faster than we expect, for example, if the new Izumo plant reaches full production ahead of schedule, as suggested by the reports, production space could become an issue as early as the second half of 2027. Murata plans capex of ¥680 billion for FY2025–27 under its Medium-Term Direction 2027, and we see scope for this to be raised to roughly ¥800–900 billion (our FY2025–FY2027 earnings model assumes cumulative capex of ¥800 billion).

- We also expect Japanese MLCC makers to start commenting on their approach to price hikes alongside 2Q FY2026 results. Some MLCC makers have already decided on price hikes, and others have notified customers that they will raise prices, but we have yet to confirm the size of the hikes. We think that companies are likely to refrain from specifying the size in their earnings announcements as well. We think that all of the makers are trying to smooth price negotiations with customers by expanding production capacity.
- Sales trends at the major Japanese and Korean MLCC makers lead us to expect their server-related sales to more than double YoY in 2026. For 2027, our channel checks indicate that MLCC makers are starting to receive customer inquiries well in excess of that level. If that is indeed the case, we would expect further upside to earnings beyond the effect of price hikes.
- We are also watching for details of the passive components business alliance that TDK and Taiyo Yuden have begun to consider (they announced the signing of an MOU on September 29), and an update on the possibility of TDK selling its HDD head business (as reported by Bloomberg on October 6). We think it is unlikely the back-end process in SAE will be sold, so the question is whether or not it might sell the front-end process of the head business.
- **Rohm:** As Texas Instruments' (TXN) Jul-Sep results confirmed (3Q 2026), market conditions for analog and discrete semiconductors have improved considerably, driven by recovering and growing demand from industrial equipment, autos, and AI servers. We think Rohm can also benefit from these tailwinds. Specifically, we expect Rohm to achieve its full-year FY2026 operating profit guidance of ¥30 billion in 1H alone. We also expect it to raise its full-year guidance substantially, but not to the range anticipated by the buyside (which we estimate at ¥60–70 billion). We expect a sharp V-shaped earnings recovery. Our other focus points are Rohm’s development of AI-related products and progress in its talks on integration with Toshiba's semiconductor business.
- **Ibiden:** Our focus at the 2Q earnings announcement is less on FY2026 earnings than on how far Ibiden raises the targets in its medium-term plan for FY2030 (operating profit target: ¥300 billion; our estimate: ¥440 billion). We see further share price upside if Ibiden raises the target to around ¥500 billion. We are also watching for announcements of the next capacity expansions, such as Cell 9 at the Ono plant and Cell 7 at the Gama plant, and when they start production; whether Ibiden acquires an external fab; and whether it raises prices further.

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## Figure 1: Share price performance of major electronic components companies

| Ticker | Company | Price (JPY) | Performance -1W | -1M | -3M | -6M | -9M | -12M | Performance Ranking -1W | -1M | -3M | -6M | -9M | -12M |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6981 | Murata Mfg. | 6,643 | -11.4% | -14.4% | -17.0% | 38.1% | 101.3% | 127.5% | 11 | 13 | 9 | 3 | 3 | 3 |
| 6976 | Taiyo Yuden | 9,095 | -17.1% | -3.0% | -22.6% | 49.8% | 157.5% | 147.3% | 15 | 6 | 12 | 2 | 1 | 2 |
| 6762 | TDK | 2,834 | -10.1% | -0.4% | -7.8% | 10.0% | 43.3% | 16.0% | 10 | 2 | 6 | 6 | 6 | 9 |
| 6971 | Kyocera | 3,515 | -7.7% | -3.4% | -4.1% | 28.4% | 53.9% | 68.9% | 6 | 7 | 5 | 4 | 5 | 4 |
| 6963 | Rohm | 3,903 | -14.8% | -16.0% | -17.6% | 4.2% | 55.5% | 62.1% | 14 | 14 | 10 | 9 | 4 | 5 |
| 6996 | Nichicon | 2,249 | -12.8% | -12.9% | -24.9% | 3.2% | 34.1% | 50.4% | 13 | 12 | 13 | 11 | 8 | 6 |
| 6997 | Nippon Chemi-con | 1,674 | -18.3% | -39.9% | -46.0% | -28.9% | 6.9% | 7.4% | 16 | 16 | 16 | 16 | 9 | 12 |
| 6594 | Nidec | 1,758 | -9.4% | -38.4% | -28.7% | -26.0% | -23.4% | -31.9% | 9 | 15 | 15 | 15 | 16 | 16 |
| 6479 | MinebeaMitsumi | 3,260 | -7.8% | -5.6% | -16.5% | 4.2% | 0.7% | 9.7% | 7 | 8 | 8 | 10 | 13 | 11 |
| 4062 | Ibiden | 9,167 | -12.7% | -6.2% | 5.3% | 73.6% | 120.4% | 266.7% | 12 | 10 | 3 | 1 | 2 | 1 |
| 6806 | Hirose Elec | 23,900 | -5.0% | -2.4% | -11.7% | 10.5% | 37.1% | 19.8% | 4 | 5 | 7 | 5 | 7 | 7 |
| 6807 | JAE | 2,658 | -6.4% | 5.4% | 8.6% | 7.5% | 3.3% | 0.5% | 5 | 1 | 2 | 7 | 12 | 13 |
| 6770 | AlpsAlpine | 2,091 | -3.0% | -5.7% | -0.5% | -9.0% | 5.9% | 10.2% | 3 | 9 | 4 | 12 | 10 | 10 |
| 5334 | Niterra | 3,536 | -7.8% | -2.0% | -26.9% | -19.1% | 0.2% | 16.6% | 8 | 4 | 14 | 13 | 14 | 8 |
| 6727 | Wacom | 832 | -2.8% | -1.2% | 11.7% | 5.3% | 4.8% | -0.4% | 1 | 3 | 1 | 8 | 11 | 14 |
| 7915 | NISSHA | 1,100 | -2.8% | -7.6% | -18.3% | -20.2% | -14.3% | -20.2% | 2 | 11 | 11 | 14 | 15 | 15 |
| Simple Average | | | -9.4% | -9.6% | -13.6% | 8.2% | 36.7% | 46.9% | | | | | | |
| | SOX | 11,284 | -3.4% | -9.2% | -8.7% | 17.0% | 40.3% | 65.0% | | | | | | |
| | NK225 | 64,075 | -5.4% | -1.5% | -3.3% | 8.0% | 21.4% | 29.9% | | | | | | |
| | TOPIX | 4,009 | -2.1% | -2.0% | -0.1% | 6.3% | 11.7% | 23.4% | | | | | | |

Source: Bloomberg Finance L.P., J.P. Morgan
Note: Stock prices as of Oct 20. The darker the red, the higher the ranking of stock price performance; the darker blue, the lower the ranking of stock price performance.

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## Figure 2: Electronic components coverage companies: Earnings forecasts

| | | FY24 | FY25 | FY26E | FY27E | FY28E | FY26E | FY26E | FY27E | FY28E | CY2025 | | | | CY2026 | | 3QE | 4QE | CY2027 | | | | CY2028 | CY26 | CY26 | CY27 | CY27 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | | | 1QE | 2QE | 3QE | 4QE | 1QE | 3Q | 4Q | 1Q | 2Q |
| | | | | JPM | JPM | JPM | CoE | BBG | BBG | BBG | | | | | | | JPM | JPM | JPM | JPM | JPM | JPM | JPM | BBG | BBG | BBG | BBG |
| **Sales (JPY mn)** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6981 | Murata Mfg. | 1,743,352 | 1,830,856 | 2,245,302 | 2,744,067 | 3,367,411 | 2,110,000 | 2,144,444 | 2,526,221 | 3,032,650 | 411,863 | 416,154 | 486,624 | 467,454 | 460,624 | 502,264 | 565,430 | 591,628 | 585,980 | 633,132 | 691,639 | 713,781 | 705,515 | 558,383 | 555,195 | 547,253 | 615,643 |
| 6976 | Taiyo Yuden | 341,438 | 355,341 | 426,432 | 493,653 | 574,945 | 424,000 | 417,077 | 479,727 | 558,074 | 86,714 | 84,810 | 92,814 | 88,515 | 89,202 | 93,897 | 109,522 | 114,256 | 108,757 | 114,238 | 124,189 | 131,291 | 123,934 | 107,576 | 108,318 | 106,987 | 107,462 |
| 6762 | TDK | 2,204,806 | 2,504,820 | 3,076,811 | 3,352,518 | 3,604,164 | 2,580,000 | 2,941,078 | 3,167,087 | 3,437,754 | 534,262 | 535,753 | 647,610 | 675,203 | 646,254 | 741,005 | 798,989 | 790,562 | 746,255 | 817,747 | 862,616 | 857,691 | 814,464 | 785,774 | 754,343 | 670,788 | 804,708 |
| 6971 | Kyocera | 2,014,454 | 2,070,203 | 2,146,966 | 2,254,299 | 2,383,302 | 2,080,000 | 2,120,291 | 2,215,995 | 2,345,288 | 522,399 | 478,038 | 513,347 | 530,611 | 548,207 | 525,383 | 531,675 | 539,137 | 550,772 | 545,365 | 555,988 | 567,645 | 585,301 | 525,725 | 530,229 | 538,185 | 528,720 |
| 6963 | Rohm | 448,466 | 481,148 | 561,994 | 616,128 | 673,338 | 510,000 | 543,146 | 580,691 | 628,089 | 103,824 | 116,205 | 128,023 | 125,287 | 111,633 | 135,739 | 143,860 | 145,723 | 136,672 | 150,172 | 156,196 | 159,625 | 150,134 | 139,913 | 139,080 | 133,024 | 147,336 |
| 6996 | Nichicon | 175,751 | 169,724 | 195,328 | 216,497 | 236,142 | 185,000 | 190,667 | 206,261 | 224,713 | 43,006 | 39,601 | 41,131 | 43,522 | 45,470 | 44,714 | 47,341 | 52,345 | 50,928 | 51,400 | 51,572 | 57,155 | 56,371 | 46,739 | 49,390 | 50,324 | 51,519 |
| 6997 | Nippon Chemi-con | 122,684 | 136,821 | 159,320 | 175,268 | 194,293 | 160,000 | 159,627 | 170,993 | 177,598 | 31,858 | 30,885 | 33,361 | 35,898 | 36,677 | 37,987 | 39,764 | 41,149 | 40,420 | 42,571 | 43,228 | 45,145 | 44,324 | 39,216 | 40,039 | 43,632 | 42,571 |
| 6594 | Nidec | 2,607,813 | 2,671,326 | 2,869,850 | 3,030,832 | 3,150,881 | 2,800,000 | 2,724,811 | 2,829,274 | 2,996,794 | - | - | - | - | - | - | - | - | - | - | - | - | - | 670,734 | 685,725 | 689,187 | 696,359 |
| 6479 | MinebeaMitsumi | 1,522,703 | 1,664,387 | 1,802,040 | 1,911,510 | 1,999,789 | 1,690,000 | 1,736,219 | 1,825,253 | 1,905,641 | 374,823 | 366,925 | 411,389 | 453,921 | 432,152 | 426,567 | 466,276 | 474,443 | 434,755 | 463,065 | 489,620 | 500,056 | 458,768 | 447,007 | 453,638 | 414,071 | 445,739 |
| 4062 | Ibiden | 369,436 | 416,201 | 570,071 | 691,884 | 847,284 | 550,000 | 544,265 | 682,235 | 863,029 | 99,099 | 97,464 | 98,021 | 103,136 | 117,580 | 123,219 | 135,270 | 151,472 | 160,110 | 161,232 | 161,570 | 184,372 | 184,710 | 131,292 | 141,723 | 151,731 | 151,061 |
| 6806 | Hirose Elec | 189,420 | 211,264 | 257,753 | 285,891 | 310,581 | 250,000 | 251,144 | 271,038 | 293,165 | 44,998 | 48,972 | 53,053 | 54,524 | 54,715 | 62,085 | 66,422 | 66,264 | 62,983 | 68,911 | 72,685 | 74,512 | 69,783 | 64,762 | 64,602 | 62,773 | 67,995 |
| 6807 | JAE | 221,644 | 227,872 | 247,981 | 258,519 | 272,186 | 240,000 | 244,079 | 253,990 | 267,997 | 55,191 | 51,605 | 58,836 | 56,346 | 61,085 | 58,250 | 63,357 | 62,550 | 63,824 | 62,593 | 64,095 | 64,435 | 67,396 | 63,153 | 61,578 | 63,751 | 61,197 |
| 6770 | AlpsAlpine | 990,407 | 1,019,459 | 1,100,809 | 1,167,036 | 1,201,209 | 1,045,000 | 1,084,322 | 1,124,247 | 1,179,452 | 249,791 | 238,920 | 266,791 | 255,478 | 258,270 | 237,889 | 269,640 | 308,360 | 284,920 | 266,064 | 279,821 | 322,789 | 298,362 | 287,873 | 295,494 | 270,340 | 245,665 |
| 5334 | Niterra | 652,993 | 731,207 | 810,060 | 865,580 | 913,284 | 790,000 | 796,044 | 838,529 | 945,114 | 167,320 | 169,927 | 181,244 | 174,884 | 205,152 | 203,705 | 192,686 | 204,895 | 208,774 | 214,692 | 211,163 | 218,843 | 220,883 | 199,256 | 202,419 | 206,927 | 214,692 |
| 6727 | Wacom | 115,681 | 109,995 | 103,811 | 104,848 | 107,951 | 110,000 | 106,606 | 111,374 | 119,226 | 28,163 | 24,505 | 26,889 | 30,244 | 28,357 | 22,659 | 25,344 | 28,384 | 27,424 | 23,027 | 24,227 | 29,299 | 28,296 | 26,772 | 28,842 | 28,333 | 23,027 |
| 7915 | NISSHA | 195,598 | 194,897 | 195,529 | 205,109 | 216,447 | 195,000 | 197,046 | 204,882 | 215,049 | 47,442 | 49,607 | 48,221 | 49,627 | 45,790 | 50,243 | 49,529 | 49,967 | 48,118 | 51,280 | 52,704 | 53,007 | 51,339 | 49,465 | 49,784 | 49,759 | 51,640 |
| | Total | 13,916,646 | 14,754,017 | 15,614,170 | 16,660,644 | - | 15,719,000 | 16,200,866 | 17,488,798 | 19,189,633 | 3,462,356 | 3,385,232 | 3,753,017 | 3,820,113 | 3,795,655 | 3,215,453 | 3,967,577 | 4,010,992 | 3,917,439 | 3,985,018 | 4,223,725 | 3,979,645 | 3,859,581 | 4,143,641 | 4,160,396 | 4,027,063 | 4,255,331 |
| **Sales YoY % chg.** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6981 | Murata Mfg. | 6.3% | 5.0% | 22.6% | 22.2% | 22.7% | 15.2% | 17.1% | 17.8% | 20.0% | 5.5% | -1.3% | 5.4% | 4.3% | 11.8% | 20.7% | 16.2% | 26.6% | 27.2% | 26.1% | 22.3% | 20.6% | 20.4% | 14.7% | 18.8% | 18.8% | 22.6% |
| 6976 | Taiyo Yuden | 5.8% | 4.1% | 20.0% | 15.8% | 16.5% | 19.3% | 17.4% | 15.0% | 16.3% | 7.3% | 4.5% | 7.0% | 1.9% | 2.9% | 10.7% | 18.0% | 29.1% | 21.9% | 21.7% | 13.4% | 14.9% | 14.0% | 15.9% | 22.4% | 19.9% | 14.4% |
| 6762 | TDK | 4.8% | 13.6% | 22.8% | 9.0% | 7.5% | 3.0% | 17.4% | 7.7% | 8.5% | 10.2% | 3.3% | 13.5% | 16.2% | 21.0% | 38.3% | 23.4% | 17.1% | 15.5% | 10.4% | 8.0% | 8.5% | 9.1% | 21.3% | 11.7% | 3.8% | 8.6% |
| 6971 | Kyocera | 0.5% | 2.8% | 3.7% | 5.0% | 5.7% | 0.5% | 2.4% | 4.5% | 5.8% | 2.1% | -4.2% | 2.7% | 7.5% | 4.9% | 9.9% | 3.6% | 1.6% | 0.5% | 3.8% | 4.6% | 5.3% | 6.3% | 2.4% | -0.1% | -1.8% | 0.6% |
| 6963 | Rohm | -4.1% | 7.3% | 16.8% | 9.6% | 9.3% | 6.0% | 12.9% | 6.9% | 8.2% | -7.8% | -1.8% | 12.6% | 11.2% | 7.5% | 16.8% | 12.4% | 16.3% | 22.4% | 10.6% | 8.6% | 9.5% | 9.8% | 9.3% | 11.0% | 19.2% | 8.5% |
| 6996 | Nichicon | -3.2% | -3.4% | 15.1% | 10.8% | 9.1% | 9.0% | 12.3% | 8.2% | 8.9% | 0.3% | -3.8% | -5.1% | -9.8% | 5.7% | 12.9% | 15.1% | 20.3% | 12.0% | 15.0% | 8.9% | 9.2% | 10.7% | 13.6% | 13.5% | 10.7% | 15.2% |
| 6997 | Nippon Chemi-con | -18.6% | 11.5% | 16.4% | 10.0% | 10.9% | 16.9% | 16.7% | 7.1% | 3.9% | -8.2% | 5.4% | 9.0% | 16.1% | 15.1% | 23.0% | 19.2% | 14.6% | 10.2% | 12.1% | 8.7% | 9.7% | 9.7% | 17.6% | 11.5% | 19.0% | 12.1% |
| 6594 | Nidec | 11.1% | 2.4% | 7.4% | 5.6% | 4.0% | 4.8% | 2.0% | 3.8% | 5.9% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6479 | MinebeaMitsumi | 8.6% | 9.3% | 8.3% | 6.1% | 4.6% | 1.5% | 4.3% | 5.1% | 4.4% | 7.5% | 3.2% | -2.7% | 22.8% | 15.3% | 16.3% | 13.3% | 4.5% | 0.6% | 8.6% | 5.0% | 5.4% | 5.5% | 8.7% | -0.1% | -4.2% | 4.5% |
| 4062 | Ibiden | -0.3% | 12.7% | 37.0% | 21.4% | 22.5% | 32.1% | 30.8% | 25.3% | 26.5% | 9.7% | 10.5% | 5.0% | 16.2% | 18.6% | 26.4% | 38.0% | 46.9% | 36.2% | 30.8% | 19.4% | 21.7% | 15.4% | 33.9% | 37.4% | 29.0% | 22.6% |
| 6806 | Hirose Elec | 14.4% | 11.5% | 22.0% | 10.9% | 8.6% | 18.3% | 18.9% | 7.9% | 8.2% | 11.5% | 9.1% | 6.9% | 9.3% | 21.6% | 26.8% | 25.2% | 21.5% | 15.1% | 11.0% | 9.4% | 12.4% | 10.8% | 22.1% | 18.5% | 14.7% | 9.5% |
| 6807 | JAE | -1.8% | 2.8% | 8.8% | 4.2% | 5.3% | 5.3% | 7.1% | 4.1% | 5.5% | 1.4% | -7.1% | 1.6% | 6.3% | 10.7% | 12.9% | 7.7% | 11.0% | 4.5% | 7.5% | 1.2% | 3.0% | 5.6% | 7.3% | 9.3% | 4.4% | 5.1% |
| 6770 | AlpsAlpine | 2.7% | 2.9% | 8.0% | 6.0% | 2.9% | 2.5% | 6.4% | 3.7% | 4.9% | 9.2% | 2.3% | 3.9% | 2.1% | 3.4% | -0.4% | 1.1% | 20.7% | 10.3% | 11.8% | 3.8% | 4.7% | 4.7% | 7.9% | 15.7% | 4.7% | 3.3% |
| 5334 | Niterra | 6.3% | 12.0% | 10.8% | 6.9% | 5.5% | 8.0% | 8.9% | 5.5% | 12.6% | 5.5% | 2.7% | 13.9% | 8.6% | 22.6% | 19.9% | 6.3% | 17.2% | 1.8% | 5.4% | 9.6% | 6.8% | 5.8% | 9.9% | 15.7% | 0.9% | 5.4% |
| 6727 | Wacom | -2.6% | -4.9% | -5.6% | 1.0% | 3.0% | 0.0% | -3.1% | 4.5% | 7.0% | -5.0% | -16.0% | -4.4% | 0.1% | 0.7% | -7.5% | -5.7% | -6.1% | -3.3% | 1.6% | -4.4% | 3.2% | 3.2% | -0.4% | -4.6% | -0.1% | 1.6% |
| 7915 | NISSHA | 16.6% | -0.4% | 0.3% | 4.9% | 5.5% | 0.1% | 1.1% | 4.0% | 5.0% | 1.5% | -6.3% | -1.1% | 5.2% | -3.5% | 1.3% | 2.7% | 0.7% | 5.1% | 2.1% | 6.4% | 6.1% | 6.7% | 2.6% | 0.3% | 8.7% | 2.8% |
| | Total | 5.1% | 6.0% | 5.8% | 6.7% | - | 6.5% | 9.8% | 7.9% | 9.7% | 6.4% | 0.3% | 5.0% | 9.0% | 9.6% | -5.0% | 5.7% | 5.0% | 3.2% | 23.9% | 6.5% | -0.8% | -1.5% | 10.4% | 8.9% | 6.1% | 32.3% |

| | | FY24 | FY25 | FY26E | FY27E | FY28E | FY26E | FY26E | FY27E | FY28E | CY2025 | | | | CY2026 | | 3QE | 4QE | CY2027 | | | | CY2028 | CY26 | CY26 | CY27 | CY27 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | | | 1QE | 2QE | 3QE | 4QE | 1QE | 3Q | 4Q | 1Q | 2Q |
| | | | | JPM | JPM | JPM | CoE | BBG | BBG | BBG | | | | | | | JPM | JPM | JPM | JPM | JPM | JPM | JPM | BBG | BBG | BBG | BBG |
| **Operating profits (JPY mn)** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6981 | Murata Mfg. | 279,702 | 281,835 | 488,180 | 773,586 | 1,158,615 | 430,000 | 465,243 | 670,677 | 926,624 | 45,541 | 61,621 | 103,515 | 37,876 | 78,823 | 98,454 | 126,925 | 135,685 | 127,116 | 159,577 | 196,713 | 212,305 | 204,991 | 131,165 | 125,531 | 115,821 | 146,382 |
| 6976 | Taiyo Yuden | 10,459 | 19,996 | 45,321 | 86,376 | 130,050 | 45,000 | 44,592 | 76,940 | 110,083 | 2,057 | 3,142 | 5,882 | 7,495 | 3,477 | 4,818 | 11,725 | 15,192 | 13,586 | 16,824 | 22,106 | 25,619 | 21,827 | 12,197 | 13,713 | 13,081 | 13,704 |
| 6762 | TDK | 224,192 | 272,415 | 369,487 | 461,422 | 557,042 | 295,000 | 346,216 | 407,217 | 476,584 | 15,099 | 56,419 | 91,208 | 83,110 | 41,678 | 86,310 | 108,819 | 103,690 | 70,668 | 106,544 | 128,833 | 128,879 | 97,166 | 106,166 | 95,465 | 60,682 | 99,743 |
| 6971 | Kyocera | 27,299 | 118,138 | 176,857 | 209,621 | 256,143 | 160,000 | 165,690 | 187,891 | 219,452 | 15,024 | 18,550 | 23,395 | 28,676 | 47,517 | 49,101 | 40,662 | 41,427 | 45,667 | 46,506 | 51,332 | 54,037 | 57,746 | 38,939 | 40,826 | 42,002 | 43,837 |
| 6963 | Rohm | -40,061 | 10,864 | 63,875 | 115,739 | 152,047 | 30,000 | 51,220 | 79,462 | 103,482 | -28,981 | 195 | 7,458 | 2,050 | 1,161 | 9,635 | 19,378 | 21,225 | 13,637 | 27,540 | 31,058 | 32,630 | 24,511 | 15,029 | 15,329 | 12,370 | 24,876 |
| 6996 | Nichicon | 5,203 | 6,456 | 14,986 | 18,617 | 21,406 | 8,700 | 12,131 | 14,985 | 17,327 | 1,441 | 724 | 817 | 2,310 | 2,605 | 2,841 | 3,388 | 4,376 | 4,381 | 3,799 | 4,482 | 5,009 | 5,326 | 2,869 | 3,344 | 3,612 | 3,823 |
| 6997 | Nippon Chemi-con | 3,740 | 3,369 | 8,396 | 11,507 | 15,321 | 8,000 | 8,332 | 10,799 | 12,519 | 1,453 | 152 | 804 | 976 | 1,437 | 1,673 | 2,114 | 2,391 | 2,218 | 2,475 | 2,812 | 3,196 | 3,023 | 1,905 | 1,960 | 2,967 | 2,475 |
| 6594 | Nidec | 238,116 | 138,928 | 270,628 | 312,682 | 294,000 | 200,000 | 232,187 | 261,172 | 271,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | 17,791 | 54,958 | 64,554 | 118,192 |
| 6479 | MinebeaMitsumi | 94,482 | 103,979 | 127,778 | 149,753 | 172,621 | 120,000 | 125,654 | 143,659 | 161,552 | 21,531 | 17,432 | 26,955 | 31,289 | 28,303 | 26,313 | 31,577 | 34,504 | 35,384 | 32,083 | 36,561 | 39,903 | 41,205 | 31,738 | 34,101 | 34,084 | 31,831 |
| 4062 | Ibiden | 47,621 | 62,027 | 135,275 | 181,677 | 262,567 | 127,000 | 122,271 | 179,120 | 258,861 | 12,764 | 17,636 | 14,937 | 11,954 | 17,500 | 26,880 | 31,562 | 36,562 | 40,272 | 44,302 | 43,302 | 47,562 | 46,512 | 29,611 | 32,866 | 36,916 | 37,834 |
| 6806 | Hirose Elec | 42,672 | 42,995 | 56,668 | 65,440 | 72,984 | 50,000 | 54,005 | 61,628 | 68,696 | 8,457 | 9,833 | 10,628 | 12,042 | 10,492 | 13,338 | 15,809 | 15,131 | 12,390 | 15,854 | 17,441 | 17,755 | 14,390 | 14,548 | 14,520 | 12,640 | 15,262 |
| 6807 | JAE | 15,615 | 8,937 | 9,129 | 12,377 | 16,139 | 9,500 | 10,486 | 13,263 | 15,145 | 4,161 | 1,480 | 3,280 | 1,156 | 3,021 | 327 | 3,324 | 2,173 | 3,305 | 1,871 | 3,661 | 2,355 | 4,489 | 3,204 | 2,506 | 3,752 | 1,614 |
| 6770 | AlpsAlpine | 34,106 | 42,043 | 49,246 | 50,718 | 56,361 | 48,500 | 46,945 | 50,526 | 56,903 | 8,811 | 3,726 | 17,496 | 12,041 | 8,780 | -921 | 13,826 | 14,157 | 22,184 | 5,444 | 17,024 | 17,413 | 10,837 | 11,730 | 14,417 | 19,155 | 5,232 |
| 5334 | Niterra | 129,660 | 137,903 | 165,249 | 205,252 | 224,405 | 150,000 | 155,188 | 181,048 | 207,534 | 26,331 | 33,591 | 38,145 | 38,916 | 27,251 | 41,778 | 30,430 | 47,245 | 45,796 | 51,382 | 49,970 | 53,042 | 50,858 | 32,060 | 42,929 | 41,424 | 51,382 |
| 6727 | Wacom | 10,210 | 13,382 | 13,236 | 12,996 | 13,565 | 14,000 | 13,236 | 13,698 | 14,583 | 2,607 | 2,723 | 3,131 | 4,030 | 3,498 | 2,717 | 3,266 | 3,810 | 3,442 | 2,502 | 2,861 | 4,008 | 3,625 | 3,333 | 3,755 | 3,513 | 2,502 |
| 7915 | NISSHA | 5,457 | 4,039 | -2,698 | 6,862 | 9,384 | -3,300 | 6,407 | 7,092 | 8,817 | 1,432 | 1,126 | 949 | 532 | 750 | -5,250 | 521 | 1,281 | 948 | 1,646 | 2,114 | 2,154 | - | 361 | 1,191 | 1,124 | 1,523 |
| | Total | 1,128,473 | 1,267,306 | 1,991,611 | 2,674,624 | 3,412,651 | 1,692,400 | 1,859,803 | 2,359,175 | 2,929,160 | 137,728 | 228,350 | 348,600 | 274,453 | 276,293 | 358,014 | 443,327 | 478,847 | 440,993 | 518,349 | 610,269 | 645,868 | 586,508 | 452,645 | 497,410 | 467,696 | 600,211 |
| **OPM** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6981 | Murata Mfg. | 16.0% | 15.4% | 21.7% | 28.2% | 34.4% | 20% | 21.7% | 26.5% | 30.6% | 11.1% | 14.8% | 21.3% | 8.1% | 17.1% | 19.6% | 22.4% | 22.9% | 21.7% | 25.2% | 28.4% | 29.7% | 29.1% | 23.5% | 22.6% | 21.2% | 23.8% |
| 6976 | Taiyo Yuden | 3.1% | 5.6% | 10.6% | 17.5% | 22.6% | 11% | 10.7% | 16.0% | 19.7% | 2.4% | 3.7% | 6.3% | 8.5% | 3.9% | 5.1% | 10.7% | 13.3% | 12.5% | 14.7% | 17.8% | 19.5% | 17.6% | 11.3% | 12.7% | 12.2% | 12.8% |
| 6762 | TDK | 10.2% | 10.9% | 12.0% | 13.8% | 15.5% | 11% | 11.8% | 12.9% | 13.9% | 2.8% | 10.5% | 14.1% | 12.3% | 6.4% | 11.6% | 13.6% | 13.1% | 9.5% | 13.0% | 14.9% | 15.0% | 11.9% | 13.5% | 12.7% | 9.0% | 12.4% |
| 6971 | Kyocera | 1.4% | 5.7% | 8.2% | 9.3% | 10.7% | 8% | 7.8% | 8.5% | 9.4% | 2.9% | 3.9% | 4.6% | 5.4% | 8.7% | 9.3% | 7.6% | 7.7% | 8.3% | 8.5% | 9.2% | 9.5% | 9.9% | 7.4% | 7.7% | 7.8% | 8.3% |
| 6963 | Rohm | -8.9% | 2.3% | 11.4% | 18.8% | 22.6% | 6% | 9.4% | 13.7% | 16.5% | -27.9% | 0.2% | 5.8% | 1.6% | 1.0% | 7.1% | 13.5% | 14.6% | 10.0% | 18.3% | 19.9% | 20.4% | 16.3% | 10.7% | 11.0% | 9.3% | 16.9% |
| 6996 | Nichicon | 3.0% | 3.8% | 7.7% | 8.6% | 9.1% | 5% | 6.4% | 7.3% | 7.7% | 3.4% | 1.8% | 2.0% | 5.3% | 5.7% | 6.4% | 7.2% | 8.4% | 8.6% | 7.4% | 8.7% | 8.8% | 9.4% | 6.1% | 6.8% | 7.2% | 7.4% |
| 6997 | Nippon Chemi-con | 3.0% | 2.5% | 5.3% | 6.6% | 7.9% | 5% | 5.2% | 6.3% | 7.0% | 4.6% | 0.5% | 2.4% | 2.7% | 3.9% | 4.4% | 5.3% | 5.8% | 5.5% | 5.8% | 6.5% | 7.1% | 6.8% | 4.9% | 4.9% | 6.8% | 5.8% |
| 6594 | Nidec | 9.1% | 5.2% | 9.4% | 10.3% | 9.3% | 7% | 8.5% | 9.2% | 9.0% | - | - | - | - | - | - | - | - | - | - | - | - | - | 2.7% | 8.0% | 9.4% | 17.0% |
| 6479 | MinebeaMitsumi | 6.2% | 6.2% | 7.1% | 7.8% | 8.6% | 7% | 7.2% | 7.9% | 8.5% | 5.7% | 4.8% | 6.6% | 6.9% | 6.5% | 6.2% | 6.8% | 7.3% | 8.1% | 6.9% | 7.5% | 8.0% | 9.0% | 7.1% | 7.5% | 8.2% | 7.1% |
| 4062 | Ibiden | 12.9% | 14.9% | 23.7% | 26.3% | 31.0% | 23% | 22.5% | 26.3% | 30.0% | 12.9% | 18.1% | 15.2% | 11.6% | 14.9% | 21.8% | 23.3% | 24.1% | 25.2% | 27.5% | 26.8% | 25.8% | 25.2% | 22.6% | 23.2% | 24.3% | 25.0% |
| 6806 | Hirose Elec | 22.5% | 20.4% | 22.0% | 22.9% | 23.5% | 20% | 21.5% | 22.7% | 23.4% | 18.8% | 20.1% | 20.0% | 22.1% | 19.2% | 21.5% | 23.8% | 22.8% | 19.7% | 23.0% | 24.0% | 23.8% | 20.6% | 22.5% | 22.5% | 20.1% | 22.4% |
| 6807 | JAE | 7.0% | 3.9% | 3.7% | 4.8% | 5.9% | 4% | 4.3% | 5.2% | 5.7% | 7.5% | 2.9% | 5.6% | 2.1% | 4.9% | 0.6% | 5.2% | 3.5% | 5.2% | 3.0% | 5.7% | 3.7% | 6.7% | 5.1% | 4.1% | 5.9% | 2.6% |
| 6770 | AlpsAlpine | 3.4% | 4.1% | 4.5% | 4.3% | 4.7% | 5% | 4.3% | 4.5% | 4.8% | 3.5% | 1.6% | 6.6% | 4.7% | 3.4% | -0.4% | 5.1% | 4.6% | 7.8% | 2.0% | 6.1% | 5.4% | 3.6% | 4.1% | 4.9% | 7.1% | 2.1% |
| 5334 | Niterra | 19.9% | 18.9% | 20.4% | 23.7% | 24.6% | 19% | 19.5% | 21.6% | 22.0% | 15.7% | 19.8% | 21.0% | 22.3% | 13.3% | 20.5% | 15.8% | 23.1% | 21.9% | 23.9% | 23.7% | 24.2% | 23.0% | 16.1% | 21.2% | 20.0% | 23.9% |
| 6727 | Wacom | 8.8% | 12.2% | 12.7% | 12.4% | 12.6% | 13% | 12.4% | 12.3% | 12.2% | 9.3% | 11.1% | 11.6% | 13.3% | 12.3% | 12.0% | 12.9% | 13.4% | 12.6% | 10.9% | 11.8% | 13.7% | 12.8% | 12.4% | 13.0% | 12.4% | 10.9% |
| 7915 | NISSHA | 2.8% | 2.1% | -1.4% | 3.3% | 4.3% | -2% | 3.3% | 3.5% | 4.1% | 3.0% | 2.3% | 2.0% | 1.1% | 1.6% | -10.4% | 1.1% | 2.6% | 2.0% | 3.2% | 4.0% | 4.1% | - | 0.7% | 2.4% | 2.3% | 2.9% |
| | Total | 8.1% | 8.6% | 12.8% | 16.1% | - | 11% | 11.5% | 13.5% | 15.3% | 4.0% | 6.7% | 9.3% | 7.2% | 7.3% | 11.1% | 11.2% | 11.9% | 11.3% | 13.0% | 14.4% | 16.2% | 15.2% | 10.9% | 12.0% | 11.6% | 14.1% |

Source: Bloomberg Finance L.P. consensus estimates., J.P. Morgan estimates
Note: Consensus as of Oct 20.

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## Figure 3: Electronic components coverage companies: Valuations

| Ticker | Company | Share Price (JPY) | Price Target (JPY) | Return | Rating | Market Capitalization (JPY mn) | P/E FY26E (x) | P/E FY27E (x) | P/E FY28E (x) | EPS FY26E (x) | EPS FY27E (x) | EPS FY28E (x) | EV/EBITDA FY26E (x) | EV/EBITDA FY27E (x) | EV/EBITDA FY28E (x) | P/B FY26E (x) | P/B FY27E (x) | P/B FY28E (x) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6981 | Murata Mfg. | 6,643 | 13,700 | 106.2% | OW | 13,040,221 | 31.78 | 20.36 | 13.46 | 209 | 326 | 494 | 20.37 | 13.60 | 9.42 | 4.22 | 3.66 | 3.22 |
| 6976 | Taiyo Yuden | 9,095 | 18,100 | 99.0% | OW | 1,251,152 | 41.68 | 20.46 | 13.36 | 218 | 445 | 681 | 13.99 | 9.61 | 7.12 | 3.14 | 2.77 | 2.33 |
| 6762 | TDK | 2,834 | 4,500 | 58.8% | OW | 5,508,899 | 18.92 | 16.19 | 13.40 | 150 | 175 | 211 | 8.68 | 7.15 | 5.95 | 2.27 | 2.08 | 1.88 |
| 6971 | Kyocera | 3,515 | 3,900 | 11.0% | N | 4,988,139 | 25.49 | 22.77 | 19.64 | 138 | 154 | 179 | 15.94 | 13.41 | 11.43 | 1.28 | 1.20 | 1.24 |
| 6963 | Rohm | 3,903 | 8,000 | 105.0% | OW | 1,575,875 | 33.04 | 17.88 | 13.57 | 118 | 218 | 288 | 17.23 | 10.54 | 8.34 | 1.94 | 1.80 | 1.63 |
| 6996 | Nichicon | 2,249 | 4,100 | 82.3% | OW | 157,430 | 14.73 | 12.25 | 10.66 | 153 | 184 | 211 | 7.32 | 6.19 | 5.36 | 1.19 | 1.10 | 1.01 |
| 6997 | Nippon Chemi-con | 1,674 | 3,700 | 121.0% | OW | 46,860 | 9.62 | 6.61 | 4.87 | 174 | 253 | 344 | 8.61 | 6.98 | 5.60 | 0.82 | 0.72 | 0.62 |
| 6594 | Nidec | 1,758 | 1,500 | -14.7% | UW | 2,096,536 | 9.98 | 8.71 | 10.27 | 176 | 202 | 171 | 5.57 | 4.64 | 5.61 | 0.99 | 0.89 | 1.57 |
| 6479 | MinebeaMitsumi | 3,260 | 5,100 | 56.4% | OW | 1,392,283 | 13.91 | 12.19 | 10.74 | 234 | 268 | 304 | 8.18 | 6.95 | 5.86 | 1.35 | 1.25 | 1.14 |
| 4062 | Ibiden | 9,167 | 14,350 | 56.5% | OW | 5,201,243 | 57.88 | 42.89 | 29.62 | 158 | 214 | 310 | 25.76 | 20.55 | 15.61 | 8.08 | 6.87 | 5.63 |
| 6806 | Hirose Elec | 23,900 | 33,300 | 39.3% | OW | 825,277 | 18.97 | 15.06 | 13.24 | 1,260 | 1,587 | 1,805 | 9.08 | 7.94 | 7.16 | 1.84 | 1.75 | 1.65 |
| 6807 | JAE | 2,658 | 2,100 | -21.0% | UW | 186,864 | 28.59 | 21.02 | 16.06 | 93 | 126 | 166 | 5.68 | 4.88 | 4.23 | 1.22 | 1.18 | 1.13 |
| 6770 | AlpsAlpine | 2,091 | 2,370 | 13.3% | N | 435,145 | 11.81 | 12.70 | 11.46 | 177 | 165 | 183 | 5.08 | 5.06 | 4.64 | 0.93 | 0.88 | 0.84 |
| 5334 | Niterra | 3,536 | 6,500 | 83.8% | OW | 1,409,077 | 6.77 | 9.45 | 8.65 | 522 | 374 | 409 | 7.00 | 5.55 | 4.82 | 1.53 | 1.39 | 1.26 |
| 6727 | Wacom | 832 | 1,300 | 56.3% | OW | 112,320 | 11.86 | 12.38 | 11.82 | 70 | 67 | 70 | 5.93 | 5.23 | 4.22 | 2.30 | 1.84 | 1.52 |
| 7915 | NISSHA | 1,100 | 1,260 | 14.5% | N | 52,818 | - | 13.56 | 9.29 | -99 | 81 | 118 | 11.39 | 5.23 | 4.39 | 0.48 | 0.48 | 0.46 |
| Simple Average | | - | - | 54.2% | - | 2,392,509 | 22.34 | 16.53 | 13.13 | 234 | 302 | 371 | 10.99 | 8.34 | 6.86 | 2.10 | 1.87 | 1.70 |

| Tiker | Company | Share Price (JPY) | Price Target (JPY) | Return | Rating | Market Capitalization (JPY mn) | ROE FY26E | ROE FY27E | ROE FY28E | DPS FY26E (JPY) | DPS FY27E (JPY) | DPS FY28E (JPY) | Dividend Yield FY26E | Dividend Yield FY27E | Dividend Yield FY28E | Dividend Payout Ratio FY26E | Dividend Payout Ratio FY27E | Dividend Payout Ratio FY28E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6981 | Murata Mfg. | 6,643 | 13,700 | 106.2% | OW | 13,040,221 | 13.5% | 19.3% | 25.3% | 70.0 | 85.0 | 100.0 | 1.1% | 1.3% | 1.5% | 33.5% | 26.1% | 20.3% |
| 6976 | Taiyo Yuden | 9,095 | 18,100 | 99.0% | OW | 1,251,152 | 8.4% | 15.7% | 20.7% | 95.0 | 105.0 | 125.0 | 1.0% | 1.2% | 1.4% | 43.5% | 23.6% | 18.4% |
| 6762 | TDK | 2,834 | 4,500 | 58.8% | OW | 5,508,899 | 12.5% | 13.4% | 14.7% | 50.0 | 60.0 | 70.0 | 1.8% | 2.1% | 2.5% | 33.4% | 34.3% | 33.1% |
| 6971 | Kyocera | 3,515 | 3,900 | 11.0% | N | 4,988,139 | 5.1% | 5.3% | 6.2% | 56.0 | 56.0 | 56.0 | 1.6% | 1.6% | 1.6% | 40.6% | 36.3% | 31.3% |
| 6963 | Rohm | 3,903 | 8,000 | 105.0% | OW | 1,575,875 | 6.9% | 12.1% | 14.7% | 50.0 | 55.0 | 65.0 | 1.3% | 1.4% | 1.7% | 42.3% | 25.2% | 22.6% |
| 6996 | Nichicon | 2,249 | 4,100 | 82.3% | OW | 157,430 | 9.0% | 10.3% | 10.8% | 39.0 | 41.0 | 43.0 | 1.7% | 1.8% | 1.9% | 25.5% | 22.3% | 20.4% |
| 6997 | Nippon Chemi-con | 1,674 | 3,700 | 121.0% | OW | 46,860 | 8.0% | 10.6% | 12.7% | 25.0 | 25.0 | 25.0 | 1.5% | 1.5% | 1.5% | 14.4% | 9.9% | 7.3% |
| 6594 | Nidec | 1,758 | 1,500 | -14.7% | UW | 2,096,536 | 10.4% | 10.7% | 16.5% | 0.0 | 0.0 | 0.0 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 6479 | MinebeaMitsumi | 3,260 | 5,100 | 56.4% | OW | 1,392,283 | 10.1% | 10.6% | 11.1% | 60.0 | 62.0 | 65.0 | 1.8% | 1.9% | 2.0% | 25.6% | 23.2% | 21.4% |
| 4062 | Ibiden | 9,167 | 14,350 | 56.5% | OW | 5,201,243 | 15.8% | 18.3% | 22.1% | 17.5 | 27.5 | 32.5 | 0.2% | 0.3% | 0.4% | 11.0% | 12.9% | 10.5% |
| 6806 | Hirose Elec | 23,900 | 33,300 | 39.3% | OW | 825,277 | 10.0% | 11.8% | 12.7% | 580.0 | 640.0 | 680.0 | 2.4% | 2.7% | 2.8% | 46.0% | 40.3% | 37.7% |
| 6807 | JAE | 2,658 | 2,100 | -21.0% | UW | 186,864 | 4.3% | 5.7% | 7.2% | 50.0 | 60.0 | 70.0 | 1.9% | 2.3% | 2.6% | 53.8% | 47.4% | 42.3% |
| 6770 | AlpsAlpine | 2,091 | 2,370 | 13.3% | N | 435,145 | 8.5% | 8.1% | 8.5% | 64.0 | 70.0 | 72.0 | 3.1% | 3.3% | 3.4% | 36.1% | 42.5% | 39.4% |
| 5334 | Niterra | 3,536 | 6,500 | 83.8% | OW | 1,409,077 | 24.4% | 15.4% | 15.3% | 140.0 | 140.0 | 150.0 | 4.0% | 4.0% | 4.2% | 26.8% | 37.4% | 36.7% |
| 6727 | Wacom | 832 | 1,300 | 56.3% | OW | 112,320 | 21.9% | 16.5% | 14.1% | 24.0 | 24.0 | 24.0 | 2.9% | 2.9% | 2.9% | 34.2% | 35.7% | 34.1% |
| 7915 | NISSHA | 1,100 | 1,260 | 14.5% | N | 52,818 | -4.2% | 3.5% | 5.0% | 50.0 | 50.0 | 50.0 | 4.5% | 4.5% | 4.5% | -50.5% | 61.6% | 42.2% |
| Simple Average | | - | - | 54.2% | - | 2,392,509 | 10.3% | 11.7% | 13.6% | - | - | - | 1.9% | 2.0% | 2.2% | 26.0% | 29.9% | 26.1% |

| Ticker | Company | Share Price (JPY) | Price Target (JPY) | Return | Rating | Market Capitalization (JPY mn) | ROIC FY26E | ROIC FY27E | ROIC FY28E | FCF FY26E (JPY mn) | FCF FY27E (JPY mn) | FCF FY28E (JPY mn) | FCF Yield FY26E | FCF Yield FY27E | FCF Yield FY28E | Net Debt FY26E (JPY mn) | Net Debt FY27E (JPY mn) | Net Debt FY28E (JPY mn) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6981 | Murata Mfg. | 6,643 | 13,700 | 106.2% | OW | 13,040,221 | 13.0% | 18.9% | 25.0% | 302,770 | 504,085 | 782,706 | 2.3% | 3.9% | 6.0% | -468,379 | -599,221 | -627,458 |
| 6976 | Taiyo Yuden | 9,095 | 18,100 | 99.0% | OW | 1,251,152 | 6.7% | 12.2% | 16.6% | 37,821 | 41,671 | 90,371 | 3.0% | 3.3% | 7.2% | 72,194 | 81,865 | 52,296 |
| 6762 | TDK | 2,834 | 4,500 | 58.8% | OW | 5,508,899 | 10.2% | 10.8% | 12.0% | 151,693 | 292,267 | 381,190 | 2.8% | 5.3% | 6.9% | -215,511 | -317,468 | -495,470 |
| 6971 | Kyocera | 3,515 | 3,900 | 11.0% | N | 4,988,139 | 3.3% | 3.8% | 4.7% | 67,689 | 91,315 | 130,207 | 1.4% | 1.8% | 2.6% | -449,799 | -595,971 | -623,573 |
| 6963 | Rohm | 3,903 | 8,000 | 105.0% | OW | 1,575,875 | 4.7% | 8.2% | 10.1% | 29,464 | 70,807 | 103,870 | 1.9% | 4.5% | 6.6% | -145,628 | -138,747 | -150,637 |
| 6996 | Nichicon | 2,249 | 4,100 | 82.3% | OW | 157,430 | 6.6% | 6.8% | 7.3% | 9,656 | 12,157 | 14,513 | 6.1% | 7.7% | 9.2% | -2,337 | -5,282 | -10,952 |
| 6997 | Nippon Chemi-con | 1,674 | 3,700 | 121.0% | OW | 46,860 | 4.9% | 6.1% | 7.4% | 6,034 | 7,675 | 9,945 | 12.9% | 16.4% | 21.2% | 52,585 | 49,932 | 46,146 |
| 6594 | Nidec | 1,758 | 1,500 | -14.7% | UW | 2,096,536 | 7.2% | 7.7% | 8.0% | 202,000 | 231,438 | 176,300 | 9.6% | 11.0% | 8.4% | 139,981 | -47,163 | -47,061 |
| 6479 | MinebeaMitsumi | 3,260 | 5,100 | 56.4% | OW | 1,392,283 | 6.2% | 7.4% | 7.8% | 66,945 | 97,443 | 125,943 | 4.8% | 7.0% | 9.0% | 247,378 | 180,159 | 86,237 |
| 4062 | Ibiden | 9,167 | 14,350 | 56.5% | OW | 5,201,243 | 12.5% | 14.9% | 18.5% | -34,259 | -76,259 | 19,964 | -0.7% | -1.5% | 0.4% | 73,229 | 195,051 | 229,960 |
| 6806 | Hirose Elec | 23,900 | 33,300 | 39.3% | OW | 825,277 | 9.2% | 10.9% | 11.8% | 32,062 | 42,328 | 49,209 | 3.9% | 5.1% | 6.0% | -147,309 | -146,797 | -148,422 |
| 6807 | JAE | 2,658 | 2,100 | -21.0% | UW | 186,864 | 3.9% | 5.1% | 6.6% | 5,117 | 8,424 | 11,457 | 2.7% | 4.5% | 6.1% | -4,947 | -7,284 | -11,348 |
| 6770 | AlpsAlpine | 2,091 | 2,370 | 13.3% | N | 435,145 | 6.8% | 7.1% | 7.5% | 3,711 | 9,467 | 16,535 | 0.9% | 2.2% | 3.8% | 11,817 | 27,880 | 30,513 |
| 5334 | Niterra | 3,536 | 6,500 | 83.8% | OW | 1,409,077 | 11.2% | 11.5% | 11.7% | 195,598 | 141,676 | 157,084 | 13.9% | 10.1% | 11.1% | -11,027 | -82,189 | -163,019 |
| 6727 | Wacom | 832 | 1,300 | 56.3% | OW | 112,320 | 24.8% | 18.9% | 15.9% | 9,718 | 9,042 | 9,469 | 8.7% | 8.1% | 8.4% | -26,870 | -38,998 | -51,250 |
| 7915 | NISSHA | 1,100 | 1,260 | 14.5% | N | 52,818 | -1.8% | 2.6% | 3.5% | -4,079 | 3,843 | 5,609 | -7.7% | 7.3% | 10.6% | 35,070 | 34,176 | 31,097 |
| Simple Average | | - | - | 54.2% | - | 2,392,509 | 8.1% | 9.6% | 10.9% | - | - | - | 4.2% | 6.0% | 7.7% | - | - | - |

Source: Bloomberg Finance L.P. estimates, J.P. Morgan estimates.
Note: Stock prices and Consensus as of Oct 20.

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## Figure 4: List of new Murata Plants

| Products | Location | Announced | Start of construction | Completion | Building | Total Capex for building (¥mn) | Total floor area (m^2) | Building area (m^2) |
|---|---|---|---|---|---|---|---|---|
| MLCC | Fukui | 2014/09 | 2014/12 | 2015/09 | For Production | 10,000 | 22,620 | 3,600 |
| R&D | Nagaoka | 2015/04 | 2015/05 | 2016/02 | Training Facilities | NA | Training 3,386<br>Lodging 953 | Training 2,006<br>Lodging 357 |
| MLCC | Izumo | 2015/05 | 2015/04 | 2015/12 | For Production | 18,000 | 5,334 | 1,331 |
| MLCC | Izumo | 2015/05 | 2015/04 | 2016/10 | For Production | | 22,436 | 3,504 |
| NA | Kanazawa | 2015/10 | 2015/11 | 2016/09 | For Production | 12,000 | 34,709 | 5,694 |
| Tooling | Sabae | 2015/12 | 2016/01 | 2017/01 | For Production | 2,700 | 8,181 | 1,500 |
| Modules | Komoro | 2016/05 | 2016/08 | 2017/05 | For Production | NA | 10,624 | 2,537 |
| MLCC | Toyama | 2016/7 | 2016/10 | 2017/06 | For Production | NA | 28,500 | 4,443 |
| MLCC | Fukui | 2016/10 | 2017/02 | 2017/10 | For Material Production | 10,000 | 18,119 | 3,522 |
| Inductor | Tome | 2017/03 | 2016/05 | 2017/03 | For Production | 1,900 | 5,750 | NA |
| HQ | Nagaokakyo | 2017/03 | 2016/03 | 2017/03 | NA | NA | 9,525 | NA |
| NA | Komoro | 2017/06 | 2016/08 | 2017/06 | For Production | NA | 10,624 | 2,537 |
| Metrocirc | Toyama | 2017/06 | 2016/10 | 2017/06 | For Production | 17,000 | 29,299 | 5,906 |
| MLCC | Yokaichi | 2017/07 | 2016/08 | 2017/07 | For Material | NA | 12,574 | 1,985 |
| Metrocirc | Wakura | 2017/10 | 2018/02 | 2019/01 | For Production | 3,500 | 11,310 | 3,310 |
| Metrocirc | Kanawaza/Nomi | 2017/10 | 2017/10 | 2017/10 | Factory acquisition | NA | NA | NA |
| MLCC | Fukui | 2017/11 | 2017/02 | 2017/11 | For Production | 10,000 | 18,119 | 3,500 |
| NA | Okayama | 2017/11 | 2017/12 | 2018/11 | For Production | 10,000 | 28,384 | 4,908 |
| R&D | Yokohama | 2017/11 | 2018/05 | 2020/10 | Innovation center | 40,000 | 65,335 | 7,415 |
| NA | Okayama | 2017/12 | 2017/04 | 2017/12 | For Logistic | 1,600 | 4,893 | 1,317 |
| MLCC | Philippine | 2018/03 | 2017/02 | 2018/03 | For Production | 5,000 | 73,117 | 32,278 |
| Metrocirc | Ise | 2018/05 | 2018/06 | 2019/04 | For Production | 4,000 | 13,887 | 2,779 |
| MLCC | Fukui | 2018/06 | 2018/06 | 2019/12 | For Production | 29,000 | Production: 54,144<br>Energy : 4,295 | Production: 9,383<br>Energy : 1,800 |
| MLCC | Izumo | 2018/06 | 2017/05 | 2018/06 | Logistic, Welfare | 3,800 | L 7,319 / W 4,640 | L 1,470 / F 1,914 |
| Battery | Wuxi | 2018/08 | - | 2018/08 | Logistic, Welfare | 16,000 | Production: 88,178<br>Welfare: 7,308 | 22,508 |
| MEMS sensor | Finland | 2018/08 | 2018/08 | 2019/12 | For Production | 5,000 | 16,000 | NA |
| MLCC | Izumo | 2018/09 | 2018/10 | 2019/11 | For Production | 40,000 | 41,125 | 10,210 |
| MLCC | Okayama | 2018/10 | 2018/10 | 2019/10 | For Production, Material | 10,000 | 25,845 | 5,841 |
| NA | Malaysia | 2018/10 | 2018/10 | 2020/01 | For Production | 4,000 | 23,007 | 7,699 |
| MLCC | Wuxi | 2018/11 | 2018/11 | 2019/12 | For Production | 14,000 | Production: 94,925<br>Office: 15,708<br>Energy: 16,595 | Production: 22,155<br>Office: 15,708<br>Energy: 16,595 |
| EMI Filter/ Antenna Coil | Thailand | 2019/12 | 2018/12 | 2019/10 | For Production | EMI Filter Plant: 1,500<br>Antenna Coil Plant: 1,400 | EMI Filter Plant: 9,993<br>Antenna Coil Plant: 9,995 | EMI Filter Plant: 5,166<br>Antenna Coil Plant: 5,138 |
| Electrode Materials | Shiga (Yasu) | 2019/07 | 2019/07 | 2021/02 | For Material Production | 14,000 | 23,052 | 4,289 |
| MLCC | Shimane (Izumo) | 2019/08 | 2019/08 | 2020/07 | For Production | 4,990 | 9,328 | 2,812 |
| Ceramic material | Okayama | 2019/12 | 2019/12 | 2020/12 | For Production | 16,000 | Production: 33,262<br>Office: 3,812<br>Energy: 1,706 | Production: 5,306<br>Office: 1,361<br>Energy: 873 |
| RF module | Nagano | 2021/11 | 2021/11 | 2022/12 | For Production | 5,770 | 13,460 | 3,300 |
| MLCC | Thailand | 2021/11 | 2021/07 | 2023/03 | For Production | 12,000 | 80,950 | 35,088 |
| R&D (Plating technology) | Fukui (Sabae) | 2022/01 | 2022/02 | 2023/08 | For R&D | 6,400 | 11,322 | 1,797 |
| MLCC | Shimane (Izumo) | 2022/03 | 2022/03 | 2023/04 | For Production | 12,000 | 22,120 | 6,314 |
| NA | Shenzhen | 2022/03 | 2020/12 | 2022/03 | Welfare | NA | 9,446 | 2,019 |
| NA | Yokaichi | 2022/05 | 2022/05 | 2023/05 | Welfare | 3,550 | 6,584 | 2,400 |
| Inductor | DaNang | 2022/06 | 2022/06 | 2023/08 | For Production | 4,320 | 22,637 | 5,486 |
| MLCC | Wuxi | 2022/11 | 2022/11 | 2024/04 | For Production | 44,500 | Production: 27,140<br>Warehouse: 11,630<br>EC: 12,519 | Production: 6,557<br>Warehouse: 2,797<br>EC: 2,409 |
| MLCC | Philippines | 2023/08 | 2023/08 | 2025/09 | For Production | 11,200 | 77,981 | 32,454 |
| MLCC | Izumo | 2024/5 | 2024/3 | 2026/3 | For Production | 47,000 | 69,676 | 10,742 |
| Inductor | Ho Chi Minh | 2025/05 | 2025/05 | 2026 1H | For Production | 3,000 | 10,576 | 3,500 |
| MLCC | Fukui (Echizen) | 2026/02 | 2023/11 | 2026/02 | For R&D | 35,000 | 41,709 | - |
| Thermistor | Yokaichi | 2026/05 | 2026/05 | 2026/08 | For Production | 16,900 | 18,010 | 2,951 |
| Chip inductors EMI filters | Miyagi (Tome) | 2026/05 | 2026/05 | 2027/12 | For Production | 9,700 | 13,391 | 3,902 |
| EMI Filter | Thailand | 2026/09 | 2026/09 | 2027/11 | For Production | 6,200 | 10,797 | 2,834 |

Source: Company data, J.P. Morgan.

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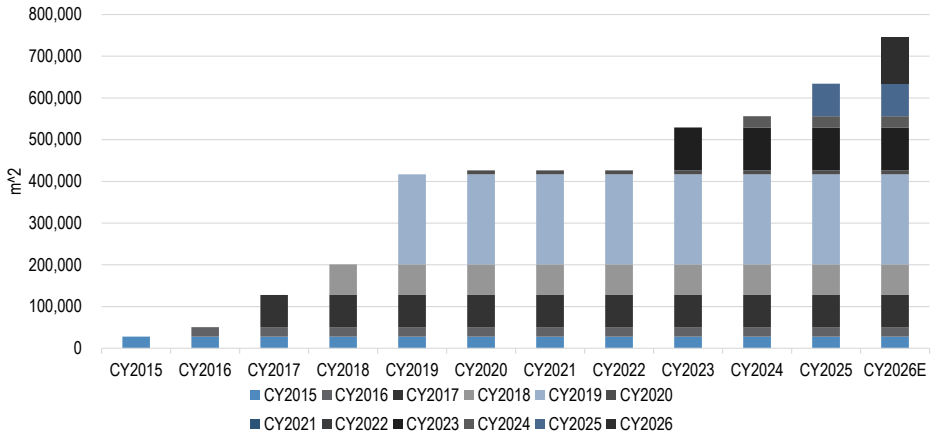
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### Figure 5: Murata's new MLCC plants (Fukui, Izumo, Singapore, Wuxi, Philippines)

| Products | Completion | Total Capex for building (¥mn) | Total floor area (m^2) | Accumulated floor area (m^2) |
|---|---|---|---|---|
| MLCC | CY2015 | 32,700 | 27,954 | 27,954 |
| MLCC | CY2016 | 10,000 | 22,436 | 50,390 |
| MLCC | CY2017 | 84,000 | 77,312 | 127,702 |
| MLCC | CY2018 | 130,800 | 73,117 | 200,819 |
| MLCC | CY2019 | 37,890 | 216,039 | 416,858 |
| MLCC | CY2020 | - | 9,328 | 426,186 |
| MLCC | CY2021 | 17,770 | 0 | 426,186 |
| MLCC | CY2022 | 81,970 | 0 | 426,186 |
| MLCC | CY2023 | 11,200 | 103,070 | 529,256 |
| MLCC | CY2024 | 47,000 | 27,140 | 556,396 |
| MLCC | CY2025 | 3,000 | 77,981 | 634,377 |
| MLCC | CY2026 | 67,800 | 111,385 | 745,762 |

Source: Company data, J.P. Morgan.
Note: Capex amounts are based on announcement dates; total floor area and cumulative total floor area since 2015 are based on completion dates.

### Figure 6: Cumulative total floor area of Murata's new MLCC plants (since 2015)



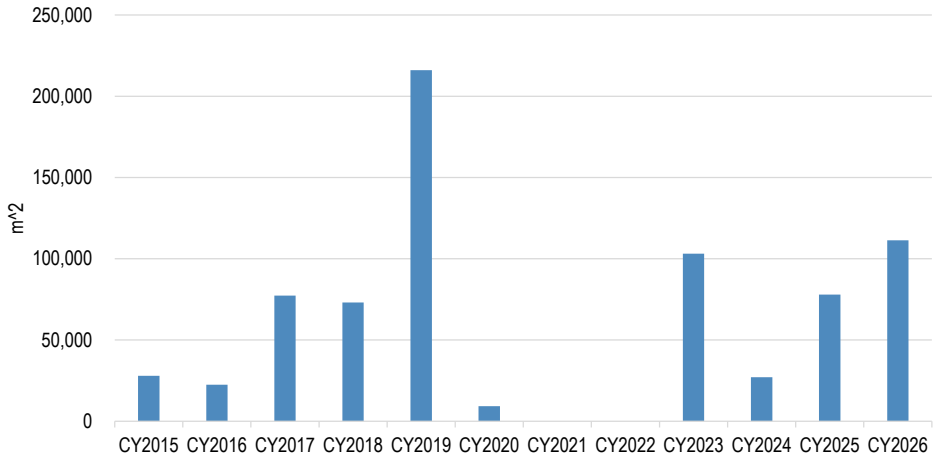

Source: Note: 2026 data as of September 2026. 2026 data include the ceramic capacitor R&D center completed in March 2026. CY2026 data is JPM calculations.
Company data, J.P. Morgan.

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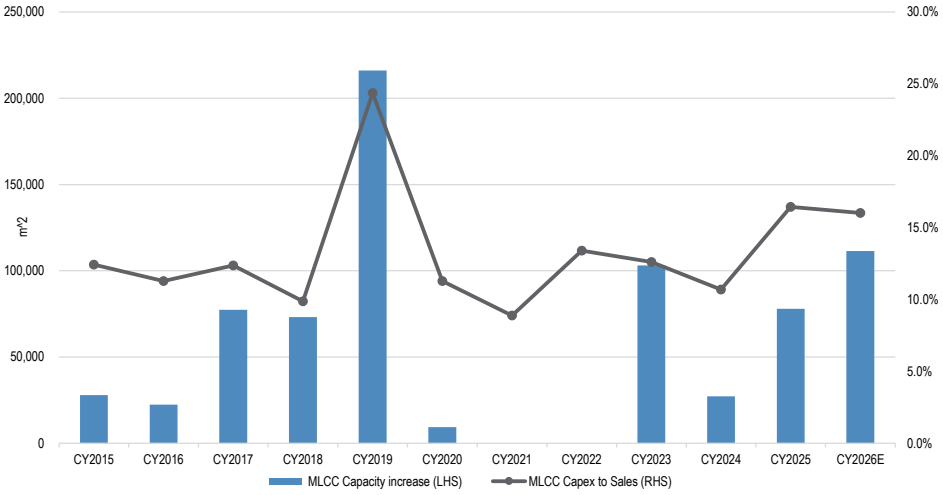
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### Figure 7: Murata: Annual increase in total floor area of new MLCC plants




Source: Company data, J.P. Morgan.
Note: 2026 data as of September 2026. 2026 data include the ceramic capacitor R&D center completed in March 2026.

### Figure 8: Murata: Annual increase in total floor area of new MLCC plants vs MLCC capital intensity (guidance basis)



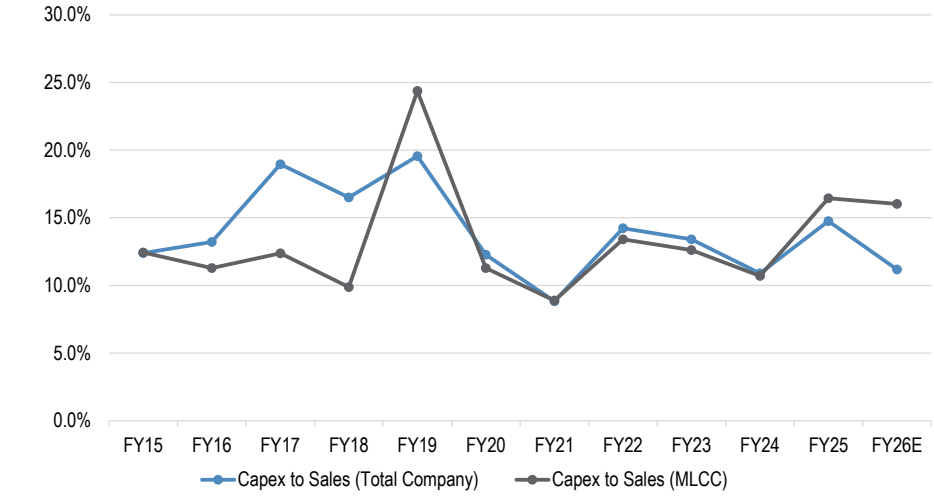

Source: Company data, J.P. Morgan.
Note: 2026 data as of September 2026. 2026 data include the ceramic capacitor R&D center completed in March 2026. Capital intensity is on a fiscal-year basis; 2026 is based on guidance.

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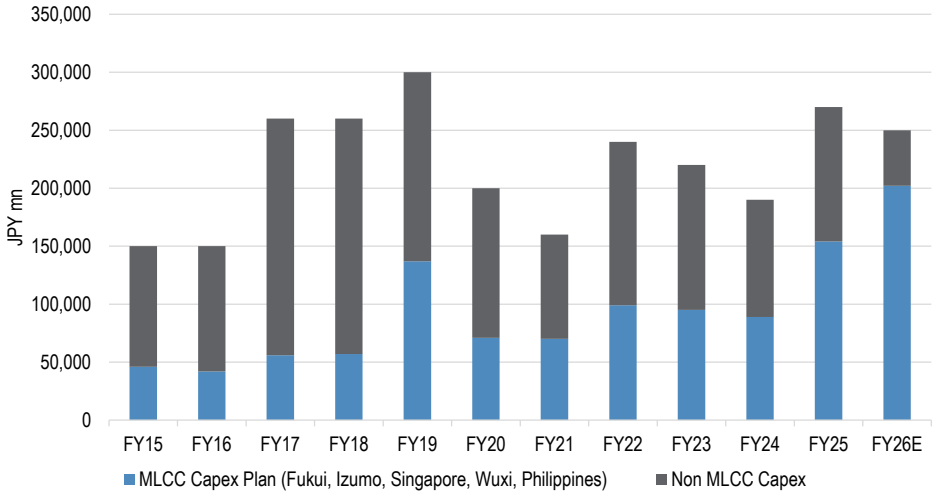
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**Figure 9: Murata: Companywide and MLCC capital intensity (guidance basis)**




Note: FY26E is also based on company guidance
Source: Company data, J.P. Morgan.

**Figure 10: Trend in Murata's capex plans, overall and for MLCC plants**



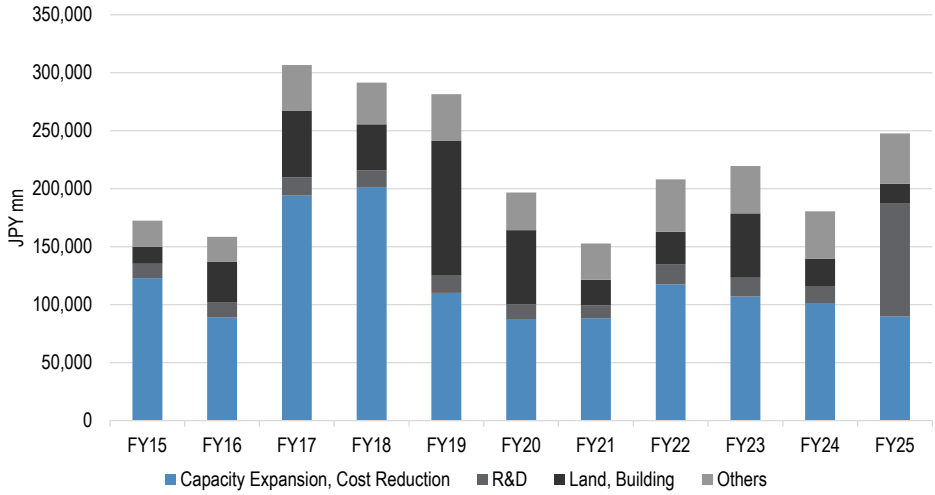

Source: Company data, J.P. Morgan.
Note: MLCC capex plans include Fukui, Izumo, Singapore, Wuxi, the Philippines, and Thailand. Thailand includes some non-MLCC investment.
FY26E is also based on company guidance

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**Figure 11: Murata: Actual capex and breakdown**




Source: Company data, J.P. Morgan.