BERNSTEIN
SOCIETE GENERALE GROUP

21 October 2026

Global Semiconductor Capital Equipment

China WFE Import Tracker (Sep 2026): Sept YTD YoY -4%, import recovering maintained


Qingyuan Lin, Ph.D.
+852 2123 2654
qingyuan.lin@bernsteinsg.com


Stacy A. Rasgon, Ph.D.
+1 213 559 5917
stacy.rasgon@bernsteinsg.com


David Dai, CFA
+852 2918 5704
david.dai@bernsteinsg.com


Kai Zhang
+852 2123 2665
kai.zhang@bernsteinsg.com


Francis Ma
+852 2123 2626
francis.ma@bernsteinsg.com


Alrick Shaw
+1 917 344 8454
alrick.shaw@bernsteinsg.com


Arpad von Nemes
+1 917 344 8461
arpad.vonnemes@bernsteinsg.com


Eva Zhang
+1 212 845 7839
eva.zhang@bernsteinsg.com


Carmine Milano, CFA
+44 20 7762 1857
carmine.milano@bernsteinsg.com


Juho Hwang
+81 3 6777 6980
juho.hwang@bernsteinsg.com

We track monthly Wafer Fabrication Equipment (WFE) imports to China through data from China Customs (link); this call provides an update to the Sep 2026 data (excel) and our analysis. Sept import was $4.7 billion, +26% MoM and -6% YoY. Sept YTD YoY -4%. **Sept imports remain above monthly average, full year is on track to be flattish vs 2025.**

Sept single month total WFE imports at USD 4.7bn, higher than last year average of $3.3bn. Litho import MoM -1%, YoY -29%, continued recovering from April's historical low point, YTD YoY -12%. By region, import from Singapore/Taiwan, China continued to show strong growth, YTD YoY+18%/42% YTD. YTD US+Malaysia+Singapore import share 40%, last year was 35%, showing that shipment from US vendors are still strong. YTD Shanghai & Beijing imports were still the largest (41%/18%), showing further concentration.

September Litho imports of €810 mn were up 2% MoM but down 26% YoY. Our regression mode estimates that China sales will increase sharply to €2.24 bn in Q3, up 143% QoQ but down 17% YoY, reflecting very strong litho imports over the last quarter. The actual Q3 China system sales reported by ASML of €1.93bn was lower representing 23% of system sales. During Q3 results, **ASML reiterated that China revenue is expected to decline to 20% of total revenue in FY26 and that China demand should remain strong in 2027 and beyond.** While we also forecast China declining as a % of revenue, we also believe China demand will remain solid over the next few years, driven by strong investment in capacity expansion, particularly in advanced logic. ASML's recent plans to increase DUV capacity by 30% over the next two years further reinforce our thesis.

For LRCX, the September data (3-month correlation) suggests Sep-Q China revenues would increase ~44% QoQ, with China exposure landing at ~31% of total revenues based on consensus revenue estimates, vs ~26% in the Jun-Q. 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. We note that LRCX reports earnings on Wednesday.

For AMAT, the September data (2-month correlation) suggests Oct-Q China revenues would increase ~21% QoQ, with China exposure landing at ~30% of total revenues based on consensus revenue estimates, vs ~27% in the Jul-Q. 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 September data (3-month correlation) suggests Sep-Q China revenues would increase ~24% QoQ, with China exposure landing at ~29% of total revenues based on consensus revenue estimates, vs ~26% in the Jun-Q. 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.

First Published: 20 Oct 2026 22:00 UTC Completion Date: 20 Oct 2026 18:56 UTC

For TEL, our regression suggests TEL's China revenue could be +14% YoY and +30% QoQ. Our 3-month regression implies slight upside to TEL's SepQ revenue, tracking ahead of consensus of +25% QoQ, and an implied China mix of 32% based on consensus estimates.

For Kokusai, our regression suggests their China revenue could be -3% YoY and +43% QoQ. Our 3-month regression implies upside to consensus of +14% QoQ, and an implied China contribution of 36%.

For Screen, our regression suggests their China revenue could be -12% YoY and +71% QoQ. Our 3-month regression implies slight downside to consensus of +77% QoQ, and an implied China contribution of 22%.

For Advantest, our regression suggests their China revenue could be +9% YoY and -18% QoQ. Our 3-month regression implies downside to consensus of +17% QoQ, and an implied China contribution of 13%.

BERNSTEIN TICKER TABLE

			20 Oct 2026		TTM	Reported EPS				Reported P/E (x)	
Ticker	Rating	Cur	Closing Price	Price Target	Rel. Perf.	Cur	2025A	2026E	2027E	2025A	2026E	2027E
688012.CH (AMEC)	O	CNY	278.50	660.00	42.5%	CNY	2.28	5.30	7.26	122.0	52.6	38.3
002371.CH (NAURA)	O	CNY	566.49	1,380.00	27.3%	CNY	5.66	10.11	19.92	100.0	56.1	28.4
688072.CH (Piotech)	O	CNY	546.00	1,200.00	109.0%	CNY	3.32	10.18	16.61	164.5	53.6	32.9
8035.JP (Tokyo Electron)	O	JPY	10,085	79,300	41.0%	JPY	1,250.88	1,687.17	2,635.81	8.1	6.0	3.8
6525.JP (Kokusai)	O	JPY	7,394.00	12,420	30.2%	JPY	128.63	262.29	373.69	57.5	28.2	19.8
7735.JP (Screen)	M	JPY	12,805	15,000	62.4%	JPY	486.61	574.49	759.55	26.3	22.3	16.9
6857.JP (Advantest)	O	JPY	33,870	45,800	71.5%	JPY	513.30	948.96	1,088.87	66.0	35.7	31.1
AMAT (Applied Materials)	O	USD	413.11	700.00	63.8%	USD	9.42	12.76	18.30	43.9	32.4	22.6
LRCX (Lam Research)	O	USD	272.20	385.00	69.7%	USD	5.82	9.22	10.97	46.8	29.5	24.8
KLAC	O	USD	166.40	250.00	27.2%	USD	3.76	5.47	7.05	44.3	30.4	23.6
ASML (ASML)	O	USD	1,647.12	2,859.00	42.8%	USD	27.95	48.89	64.67	52.5	30.0	22.7
ASML.NA (ASML)	O	EUR	1,455.40	2,500.00	50.8%	EUR	24.72	43.23	57.18	58.9	33.7	25.5
ASIAX			1,807.32									
JPL			2,600.84									
SPX			7,712.57									
EDME			1,582.95									

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 72% upside, driven by DRAM capacity growth acceleration and EUV intensity increase in 1c node. ASML is the top pick of EU Semis.

DETAILS

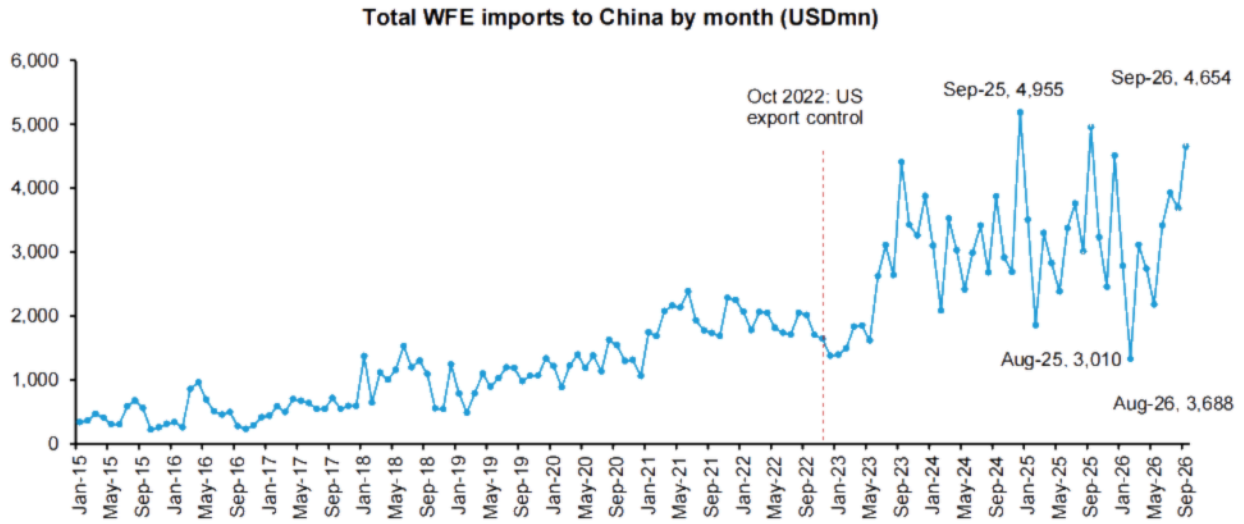
CHINA WFE IMPORT OVERVIEW

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:

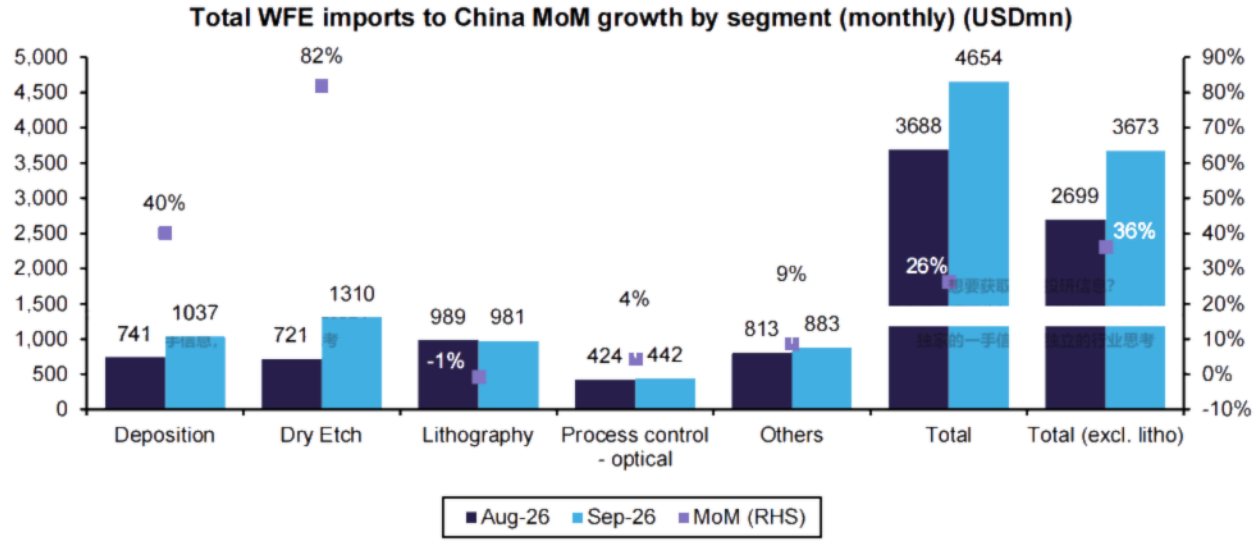
- **Monthly import data** (Exhibit 1, Exhibit 2, Exhibit 3): September import was $4.7bn, much higher than last year's average of $3.3bn/month.
- **By equipment, lithography and process control became the main drags for the September imports with double digits decrease YoY.** Although still weak, lithography continued recovering from April's historical low point, YTD YoY -12% and is gradually recovering. The only segment that showed increasing YoY was dry etch (+46% YoY). By import region, Singapore, Taiwan China, and Korea showed positive YTD growth year-on-year.

EXHIBIT 1: **September import was $4.7 billion**



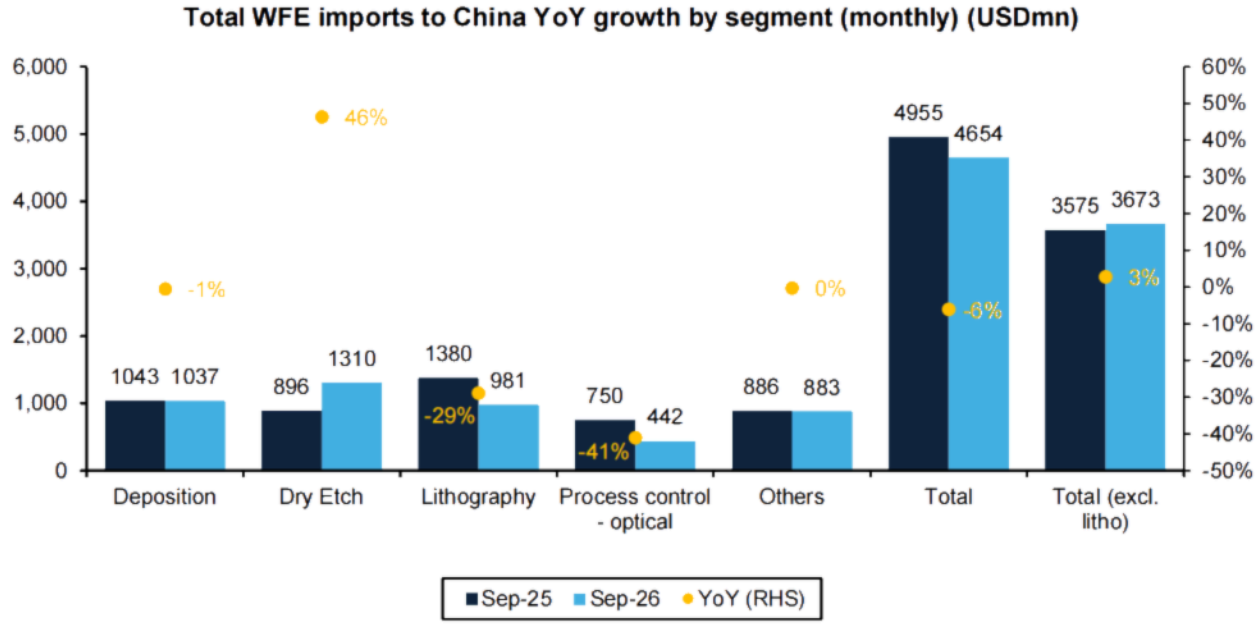
Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 2: **Month-over-month showed 26% increase, the only decreased segment was Lithography import.**



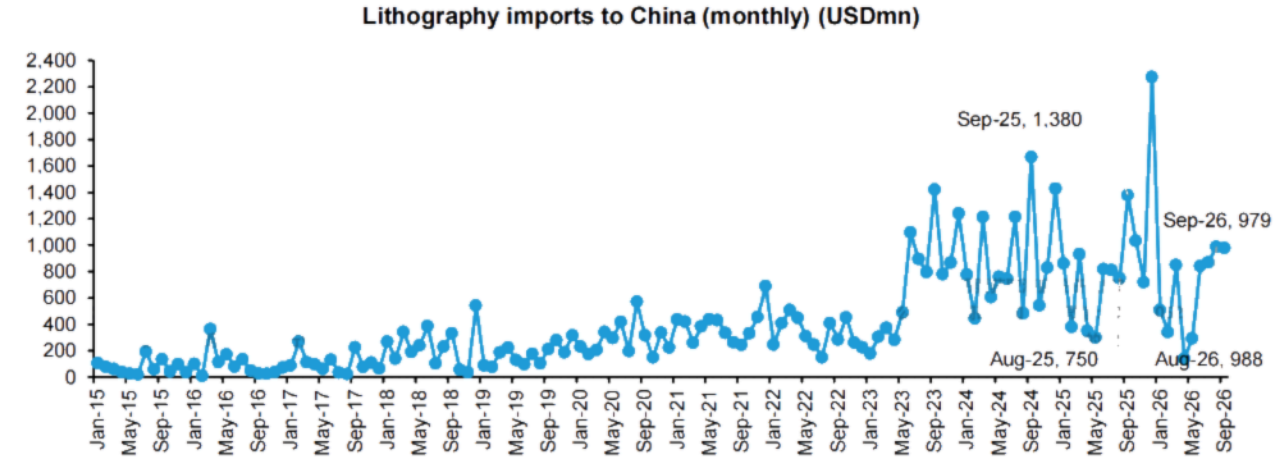
Others include: RTP and Oxidation/Diffusion (84862010), Doping (84862050), and Other equipment used in semiconductor devices or integrated circuits manufacturing (84862090)
Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 3: **The year-over-year figures show a decrease of 6%, driven by significant decrease from Lithography and Process Control imports.**



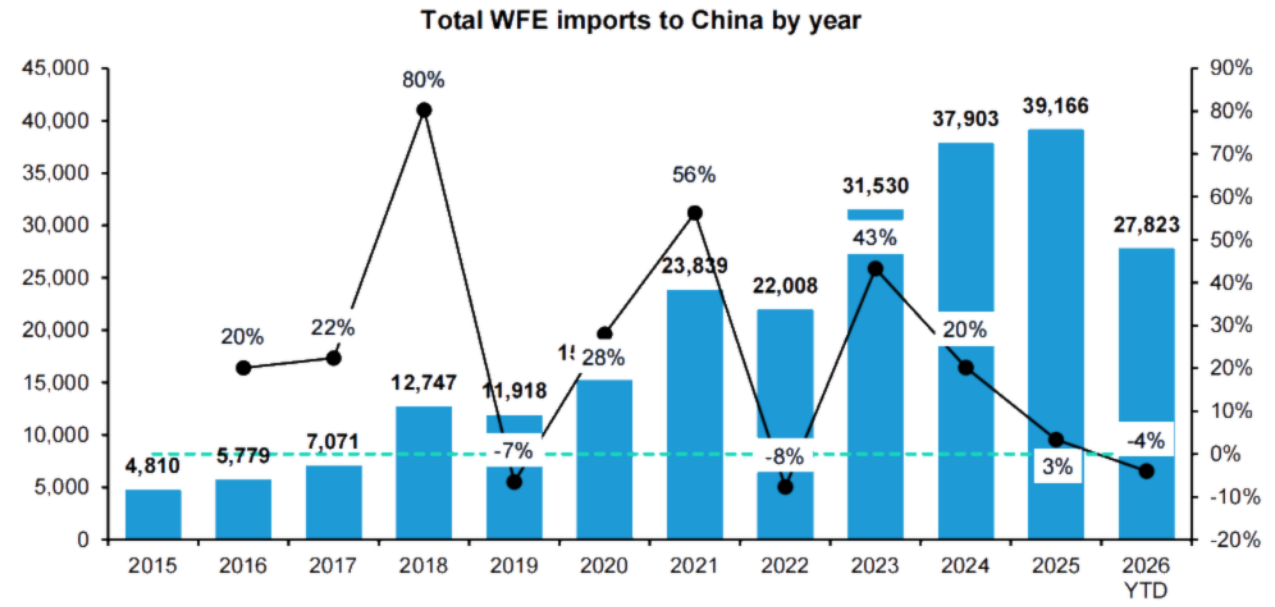
Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 4: **The lithography import was $979 mn in September 2026, 29% lower 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

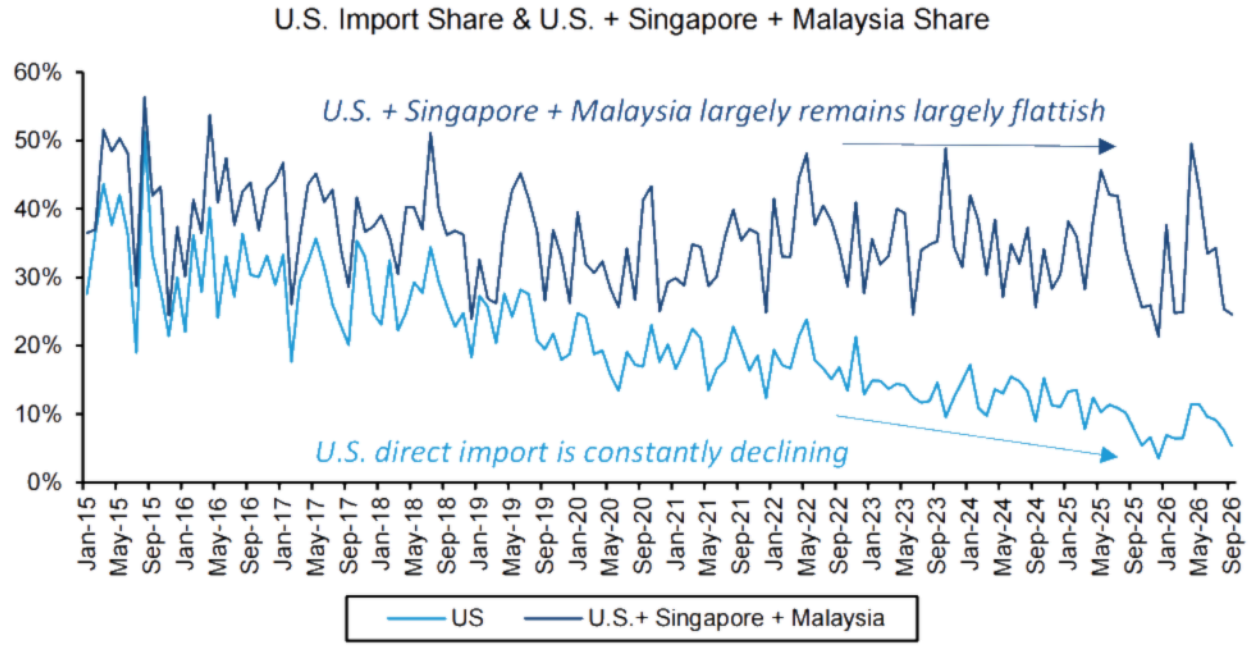
BY REGION & BY EQUIPMENT TYPE SEGMENTATION

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 40%, while 2025 US+Malaysia+Singapore import share was 35% and 33% in 2024; 2026 YTD Japan import share was 21%, while 2025 Japan import share was 23% and 26% in 2024; 2026 YTD Netherlands import share was 19%, while 25% in both 2025 & 2024.

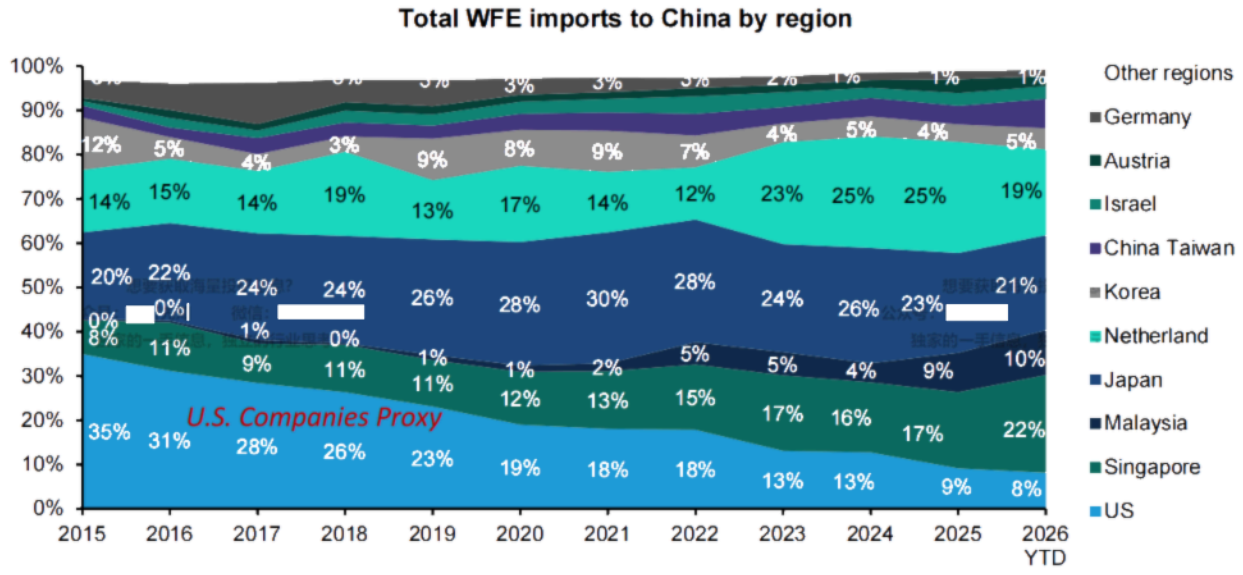
Excluding lithography, there has been a gradual uptick in imports from Singapore/Malaysia since 2021, coupled with a decrease in imports from the US (Exhibit 8). This trend is likely influenced by US suppliers opting to ship goods from their Singapore/Malaysia production facilities to China instead of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



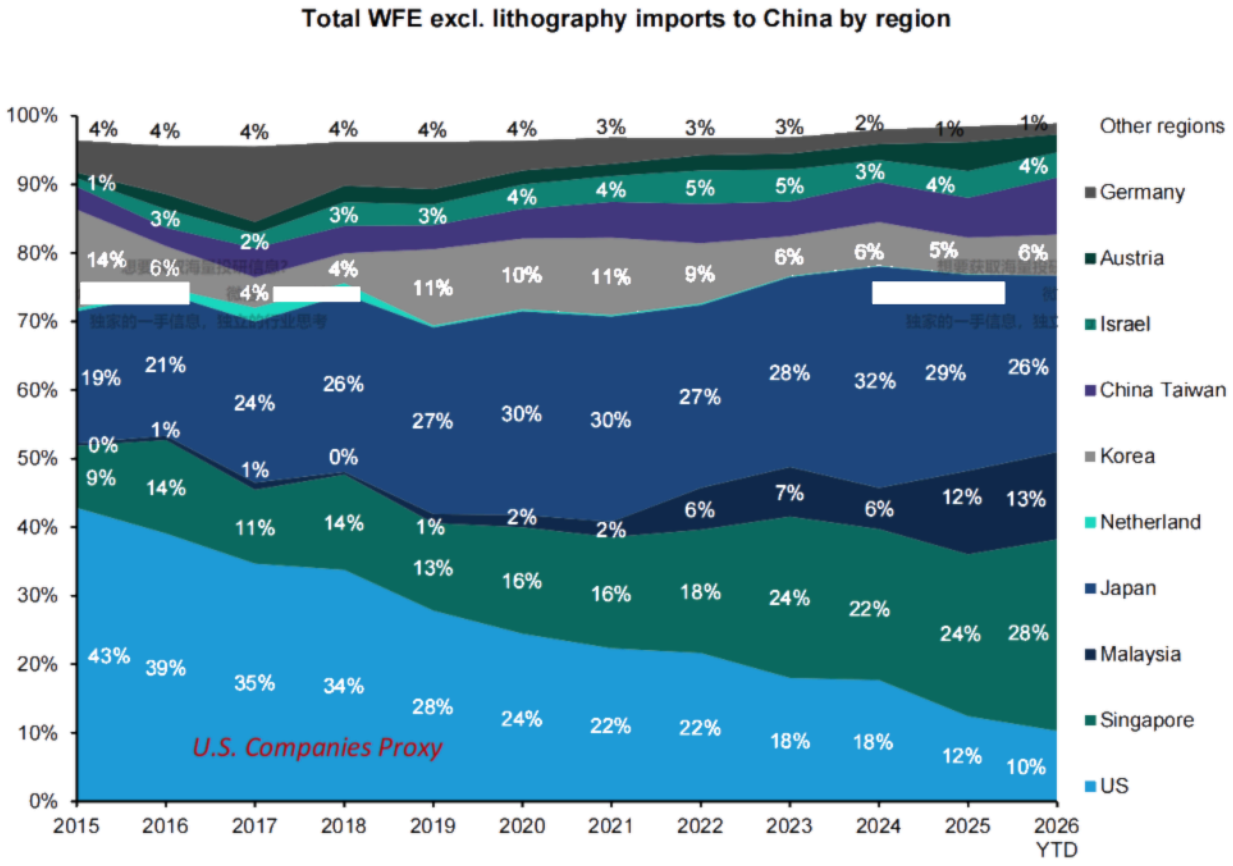
Source: China Custom, Bernstein analysis

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.**

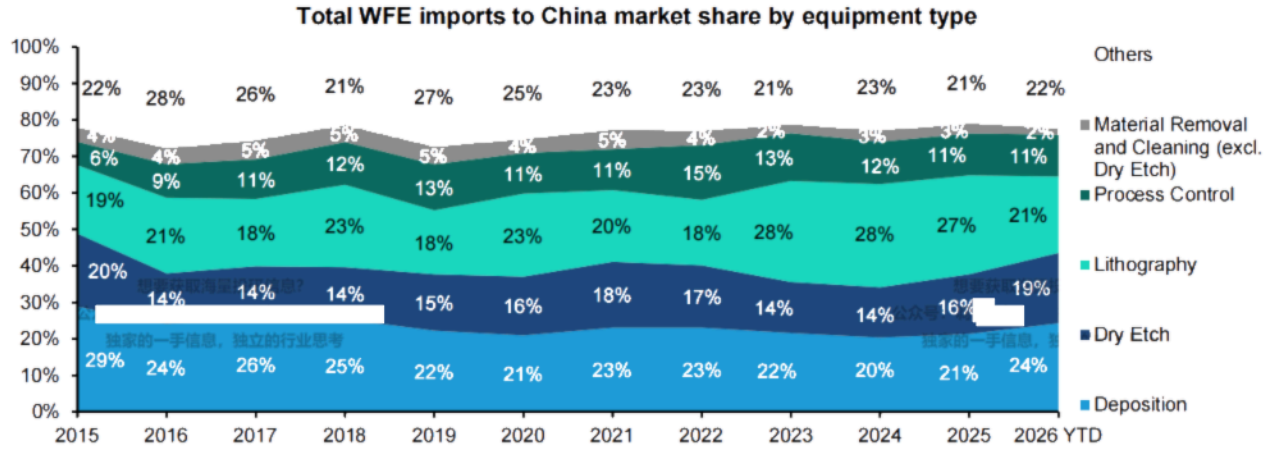


Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

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

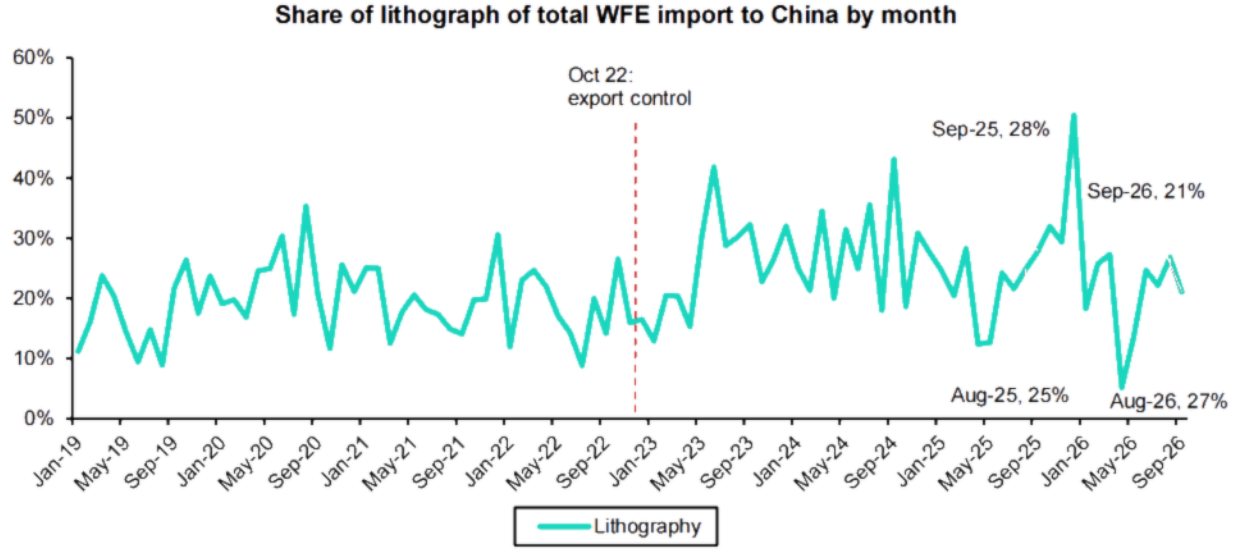
If we further zoom into lithography's monthly import share, it didn't change immediately after Oct 2022 export control, but it took off in June 2023 (Exhibit 10). By region, the Netherlands's share in lithography imports started to increase in Aug 2023 (Exhibit 11), and its share gradually expanded over 2024. As a result, 2024 hit a record high at 89% (Exhibit 12). In 2025, the share further grew to 92%, and it grew another 1ppt to 93% in YTD 2026.

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



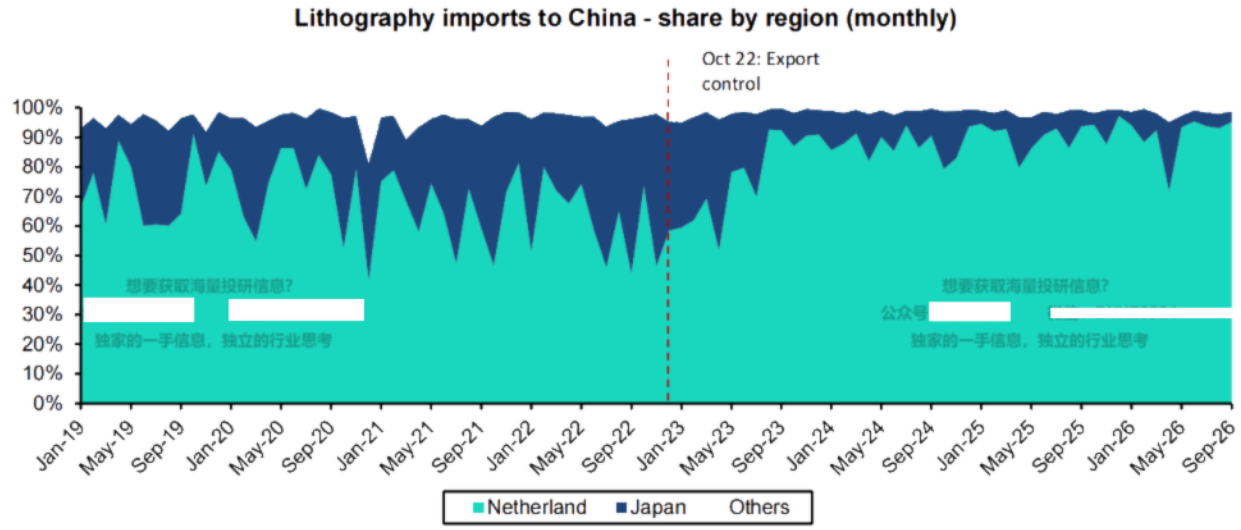
Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

EXHIBIT 10: **The share of lithography imports decreased to 21% in September 2026, lower than that in September 2025**



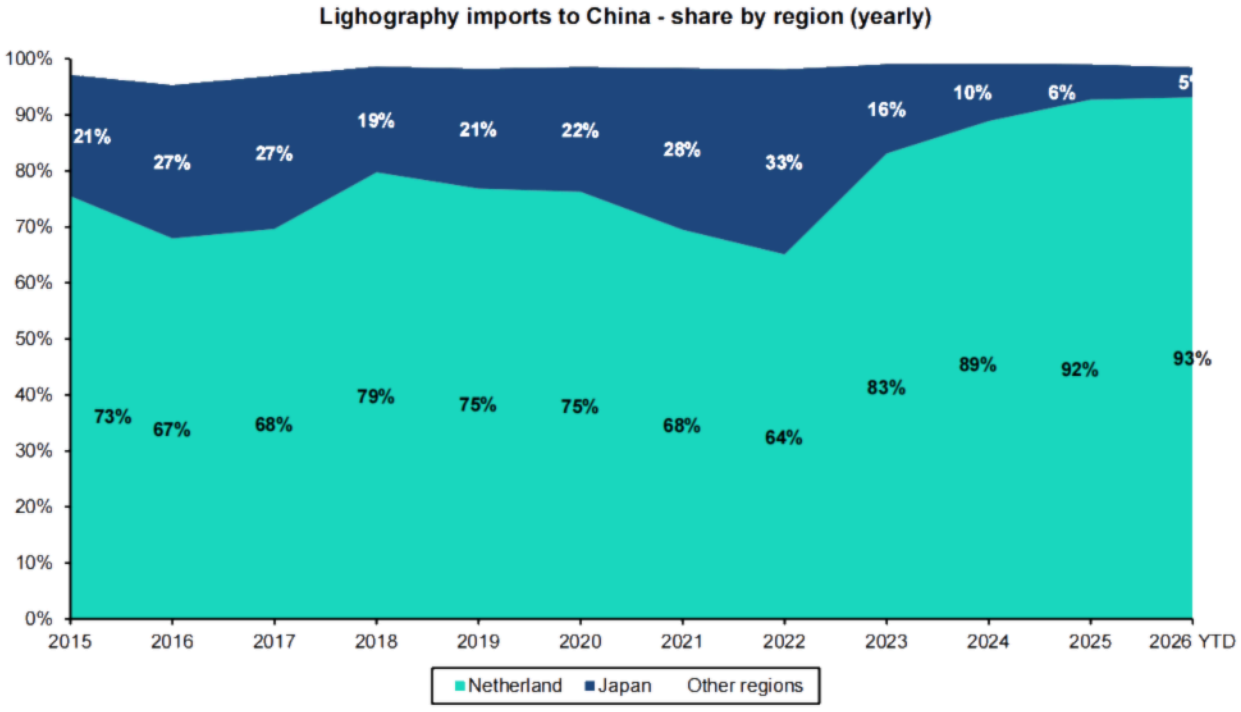
Source: General Administration of Customs of the People's Republic of China, Bernstein analysis

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

September Litho imports of €810 mn were up 2% MoM but down 26% YoY. Our regression mode estimates that China sales will increase sharply to €2.24 bn in Q3, up 143% QoQ but down 17% YoY, reflecting very strong litho imports over the last quarter. This implies that China will represent 27% of total system sales in Q3, higher than the actual China system sales reported by ASML of €1.93bn representing 23% of system sales. During Q3 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 strong investment in capacity expansion, particularly in advanced logic. ASML's recent plans to increase DUV capacity by 30% over the next two years 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 quarterly import data, has a very high R^2 of 0.95, indicating strong predictive power. China's lithography imports in September of €810 mn were up 2% MoM but down 26% YoY compared with September 2025. On a quarterly basis, litho imports reached €2.32bn, up 127% sequentially and 1% YoY.(Exhibit 13).

Our regression model estimates that 3Q26 China sales will increase sharply to €2.24bn, up 143x QoQ but down 4% YoY. This implies China revenue representing 27% of Q3 total system sales, up 9 percentage points sequentially compared to Q2 and 15 points lower than the Q3 2025 level of 42%. This is higher to the actual China system sales reported by ASML at €1.93bn representing 23% of system sales. (Exhibit 14, Exhibit 15, Exhibit 16, Exhibit 17).

During its Q3 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 already reflected in the significantly lower import levels observed in H1 26. At the same time, management emphasized that underlying demand for DUV tools in China remains structurally strong and does not view domestic lithography competitors as a meaningful near- or medium-term threat, suggesting that **China should remain an important market in 2027 and beyond.**

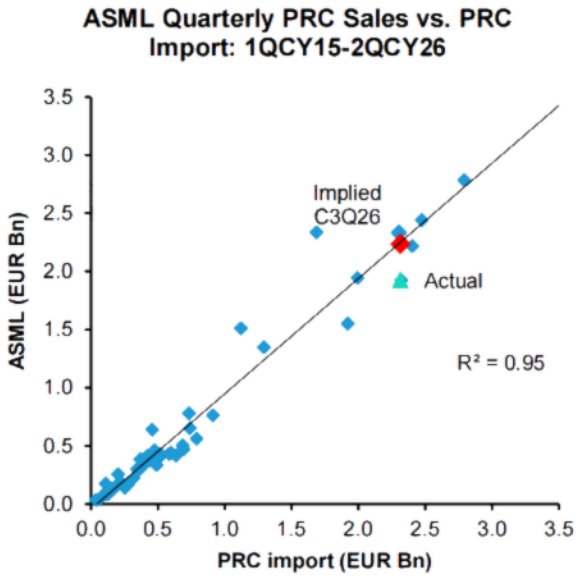
While we likewise forecast China revenue declining as a percentage of total revenue, we also believe demand will remain solid over the coming years, supported by continued investment in capacity expansion, particularly in advanced logic. ASML's recent plans to increase DUV capacity by 30% over the next two years 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. September imports of €810Mn were up 2% MoM but down -26% 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 0.95 indicating robust predictive power using 3M of data. The implied China revenue for 3Q26 is €2.24Bn driven by strong litho imports in Q3. Our estimate is below to the actual Q3 China systems sales of €1.93Mn.**



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

EXHIBIT 15: **The predicted systems sales from China at €2.24bn represents a 143% increase QoQ.This implies China revenue representing 27% of Q3 total system sales. This is higher than the actual reported China system sales of €1.93bn (23% of Sales)**

	Revenue (EUR Mn)				
	3QFY25	2QFY26	3QFY26	YoY	QoQ
Actual:					
ASML China System Sales	2,333	919	1,926	-17%	110%
ASML System Sales	5,554	6,565	8,373	51%	28%
Estimates:					
China Sales			2,235	-4%	143%
China as % of System Sales	42%	14%			
Actual			23%	-19%	9%
Bernstein est.			27%	-15%	13%
Consensus est.			27%	-15%	13%

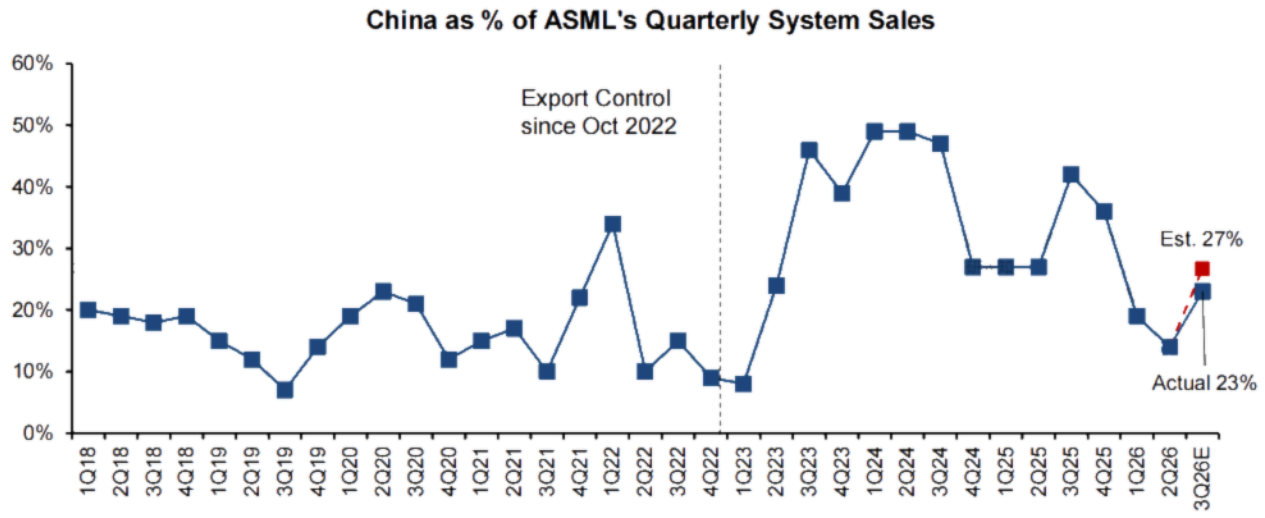
Source: Company reports, General Administration of Customs of the People's Republic of China, Bloomberg, Bernstein estimates and analysis

EXHIBIT 16: **Our estimate for ASML's China system sales in Q3 implies a 143% QoQ growth and -4% YoY. Actual China system sales was down -17% YoY.**



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 27% based on Consensus revenue, up 13 percentage points sequentially.**

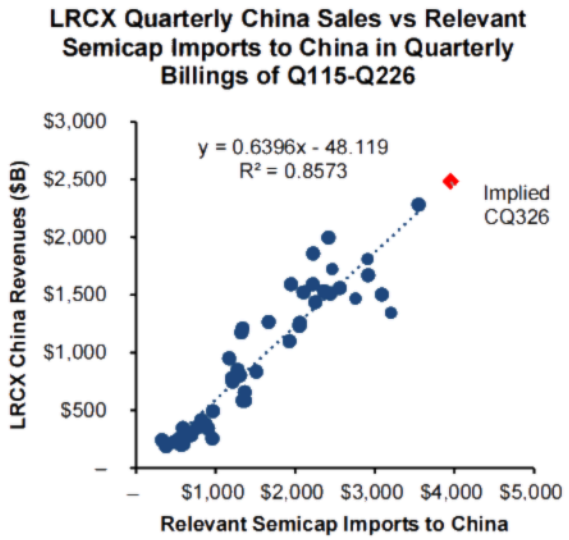


Source: Company reports, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

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

For LRCX, the R^2 on the 3-month correlation is ~0.86 and hence should have decent predictive power. The September data (3-month correlation) suggests Sep-Q China revenues would increase ~44% QoQ, with China exposure landing at ~31% of total revenues based on consensus revenue estimates, vs ~26% in the Jun-Q (**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. We note that LRCX reports earnings on Wednesday.

EXHIBIT 18: **LRCX 3-month regression yields an R2 of0.86 and should have decent predictive power...**



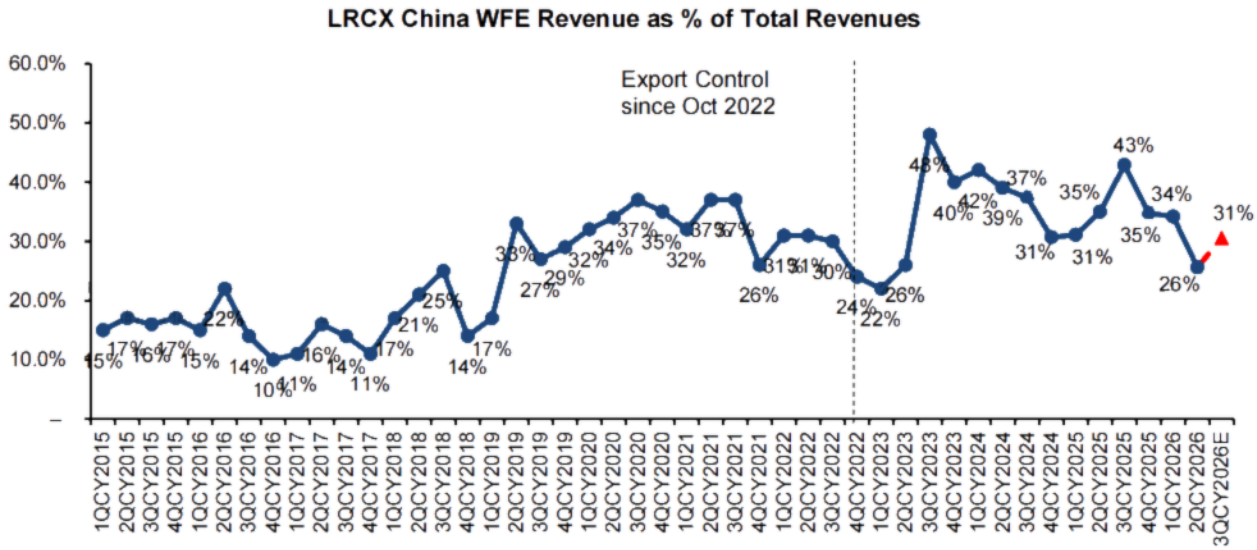
China semicap imports relevant for LRCX, given their manufacturing footprint, include shipments from the U.S., Malaysia, Korea, Taiwan and Austria
Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 19: **...with our analysis suggesting China revenues for LRCX up ~44% sequentially in Sep-Q...**

LRCX	Revenues ($M, USD) 3QCY2025	2QCY2026	3QCY2026E	YoY	QoQ
China Revenues (incl. Predicted Value)	$2,283	$1,722	***$2,482***	8.7%	44.1%
Total Revenues (incl. Consensus Estimate)	$5,324	$6,722	***$8,127***	52.6%	20.9%
China as % of Total	42.9%	25.6%	***30.5%***		

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

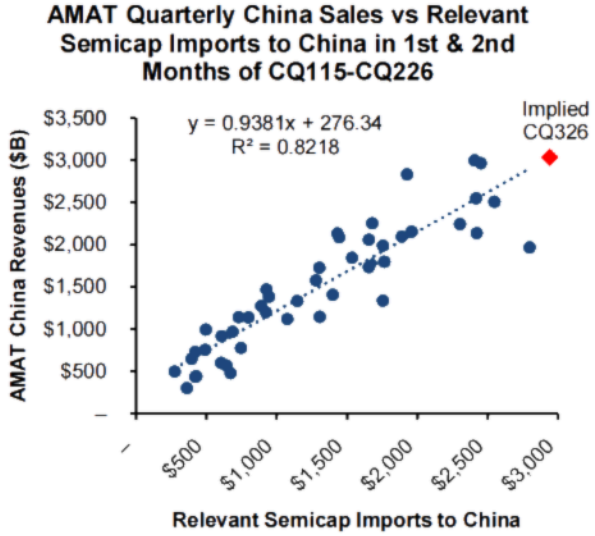
EXHIBIT 20: **...with overall Sep-Q China exposure predicted at ~31% vs Jun-Q exposure of ~26%**



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 2-month correlation is ~0.82 and should have decent predictive power. The September data (2-month correlation) suggests Oct-Q China revenues would increase ~21% QoQ, with China exposure landing at ~30% of total revenues based on consensus revenue estimates, vs ~27% in the Jul-Q (**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 2-month regression yields an R2 of 0.82 and should have decent predictive power...**



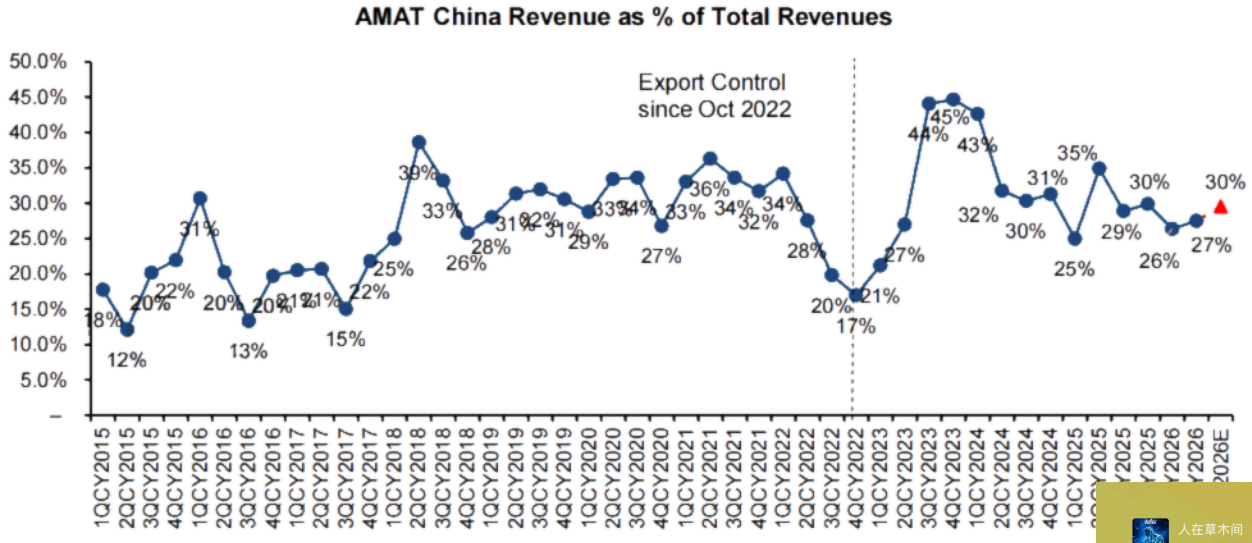
China semicap imports relevant for AMAT, given their manufacturing footprint, include shipments from the U.S., Singapore, Taiwan, Germany, and Israel.
Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 22: **...with our analysis suggesting China revenues for AMAT up ~21% QoQ in the Oct-Q...**

AMAT	Revenues ($M, USD) 3QCY2025	2QCY2026	3QCY2026E	YoY	QoQ
China Revenues (incl. Predicted Value)	$1,964	$2,506	***$3,034***	54.5%	21.1%
Total Revenues (incl. Consensus Estimate)	$6,800	$9,115	**$10,279**	51.2%	12.8%
China as % of Total	28.9%	27.5%	***29.5%***		

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 ~30% vs Jul-Q exposure of ~27%**

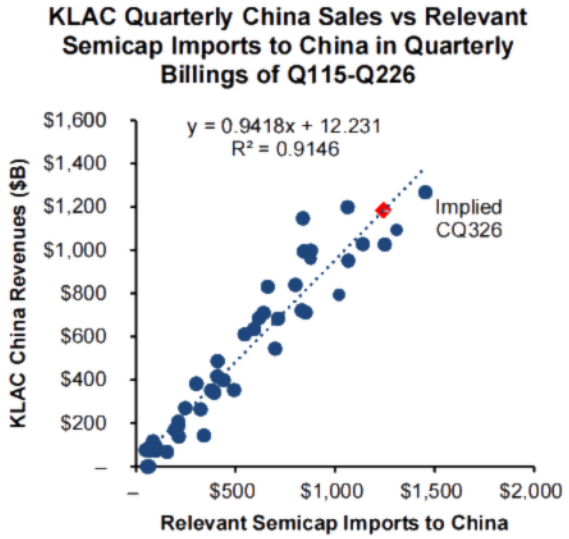


Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

人在草木间

For KLAC, the R^2 on the 3-month correlation is ~0.91 and hence should have good predicting power. The September data (3-month correlation) suggests Sep-Q China revenues would increase ~24% QoQ, with China exposure landing at ~29% 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 3-month regression yields an R2 of 0.91 and hence should have decent predictive power...**



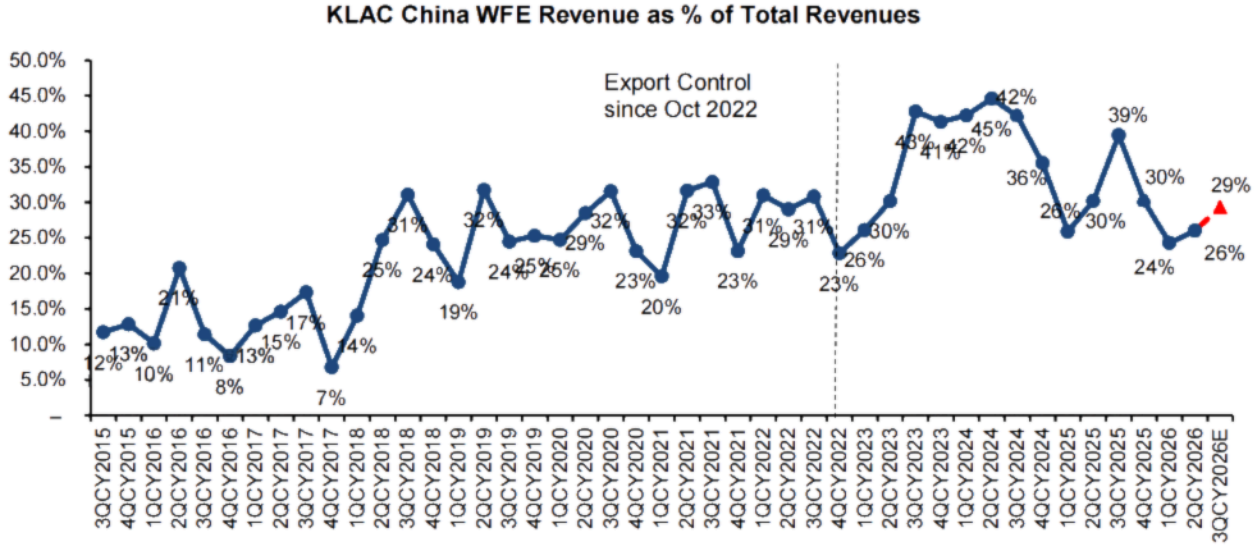
China semicap imports relevant for KLAC include global process control tools.
Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 25: **...with our analysis suggesting China revenues for KLAC up ~24% sequentially in the Sep-Q...**

KLAC	Revenues ($M, USD)			YoY	QoQ
	3QCY2025	2QCY2026	3QCY2026E		
China Revenues (incl. Predicted Value)	$1,267	$951	***$1,184***	(6.6%)	24.4%
Total Revenues (incl Consensus Estimate)	$3,210	$3,658	***$4,034***	25.7%	10.3%
China as % of Total	39.5%	26.0%	***29.3%***		

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 ~29% vs Jun-Q exposure of ~26%**

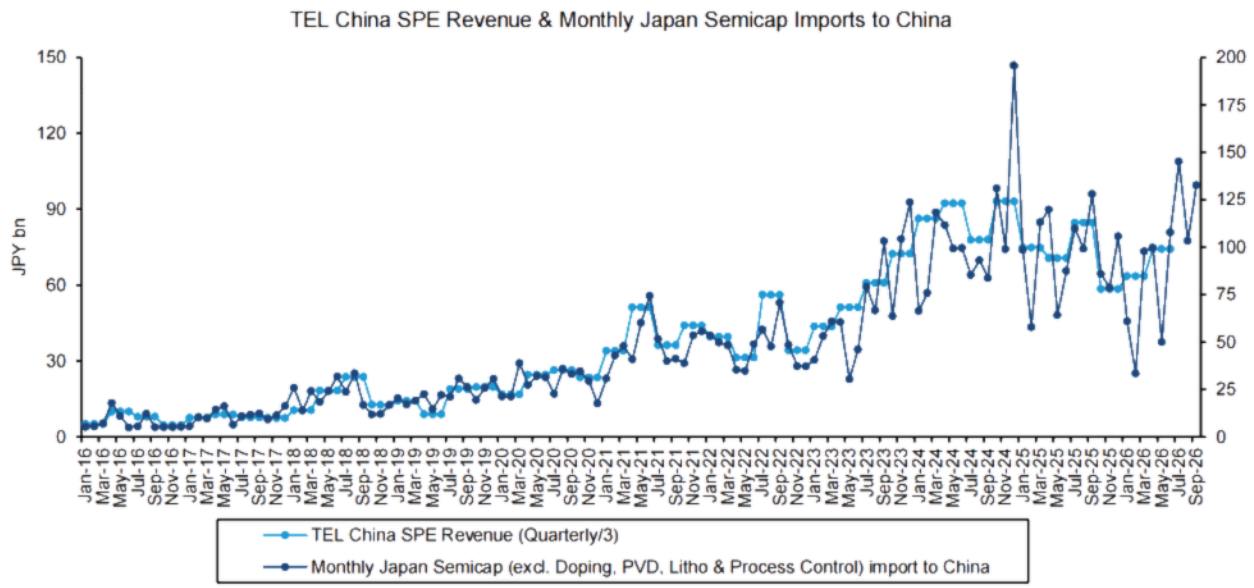


Source: Company reports, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

TOKYO ELECTRON (TEL)

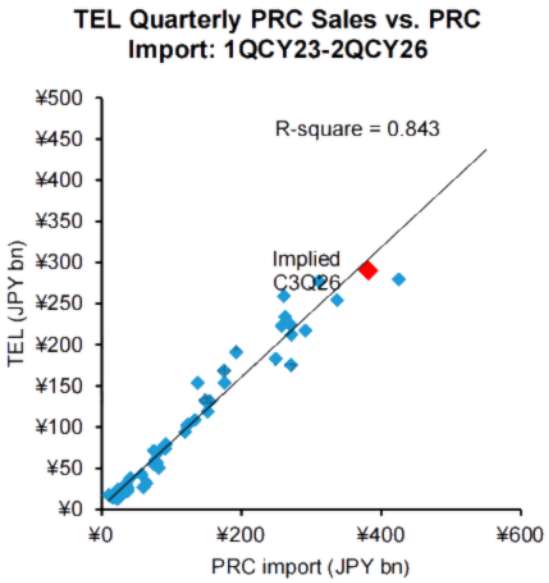
For TEL, the R^2 on the 3-month correlation is ~0.84 and hence should have limited predicting power. September import data suggests China revenues would be +30% QoQ. Based on consensus revenue estimates, China exposure is expected to be 32% of SPE revenues (Exhibit 27-Exhibit 30).

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 import yields decent correlation with TEL's China revenue.**



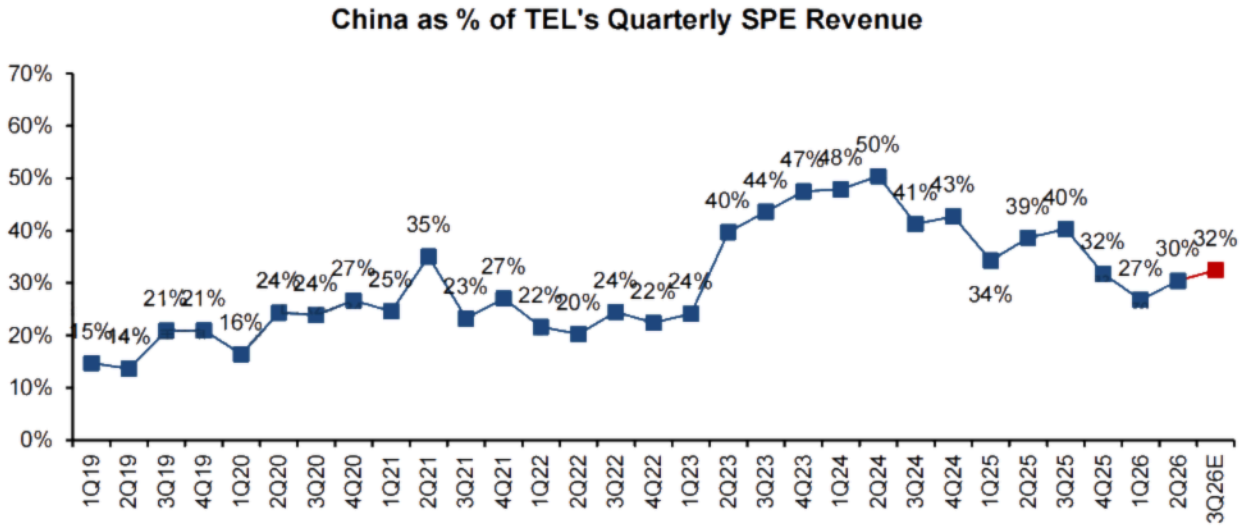
Source: Company disclosures, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 29: **The regression suggests TEL's revenue from China to be +30% QoQ in SepQ.**

	Revenue (JPY B) 1QFY27 (2QCY26)	2QFY27E (3QCY26E)	QoQ
China SPE	223		
Import tracker		290	30%
Bernstein implied		271	22%
Consensus implied		278	25%
China as % of Total SPE Rev	31%		

Bernstein / Consensus implied assumes same country ratio as previous quarter.
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 32% vs JunQ exposure of 30%.**

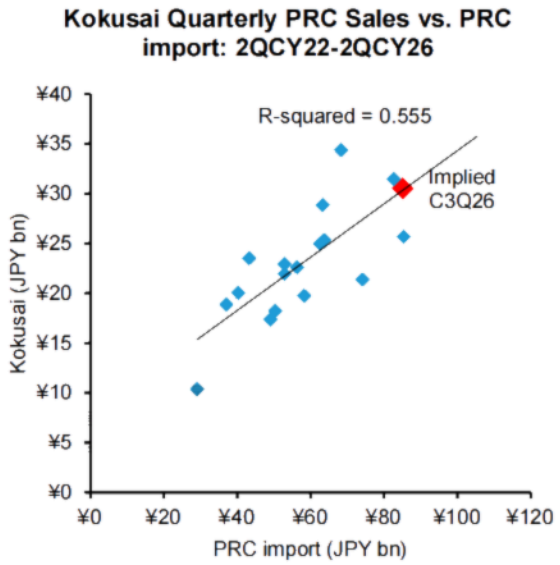


Source: Company disclosures, General Administration of Customs of the People's Republic of China, Bloomberg, Bernstein estimates and analysis

KOKUSAI

For Kokusai, the R^2 on the 3-month correlation is ~0.56 and hence should have some predicting power. September import data suggests China revenues could be +43% QoQ. Based on consensus revenue estimates, China exposure is implied to be 36% of total revenues (Exhibit 31-Exhibit 33).

EXHIBIT 31: **Kokusai's Quarterly China sales shows some correlation with monthly import.**



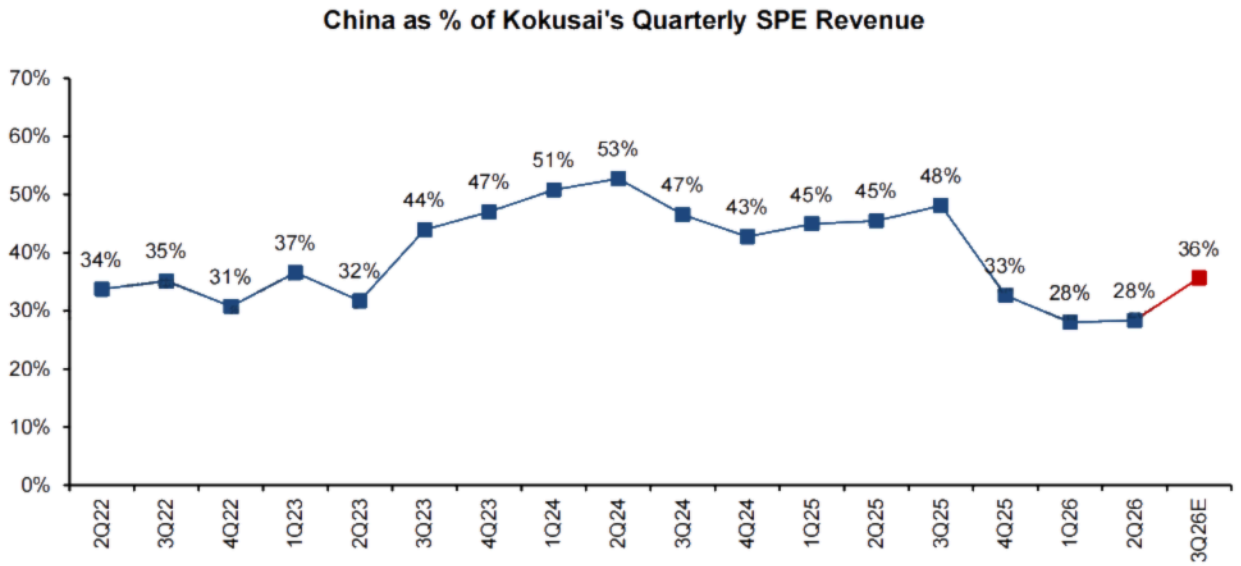
Source: Company disclosures, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 32: **The regression suggests Kokusai's revenue from China to be +43% QoQ in SepQ.**

	Revenue (JPY bn) 1QFY27 (2QCY26)	2QFY27E (3QCY26E)	QoQ
PRC Sales	21		
Import Tracker		31	43%
Bernstein Implied		24	13%
Consensus Implied		24	14%
PRC as % of Total SPE Rev	28%		

Bernstein / Consensus implied assumes same country ratio as previous quarter.
Source: Company disclosures, General Administration of Customs of the People's Republic of China, Bloomberg, Bernstein estimates and analysis

EXHIBIT 33: **...with implied China exposure at 36% vs JunQ exposure of 28%**

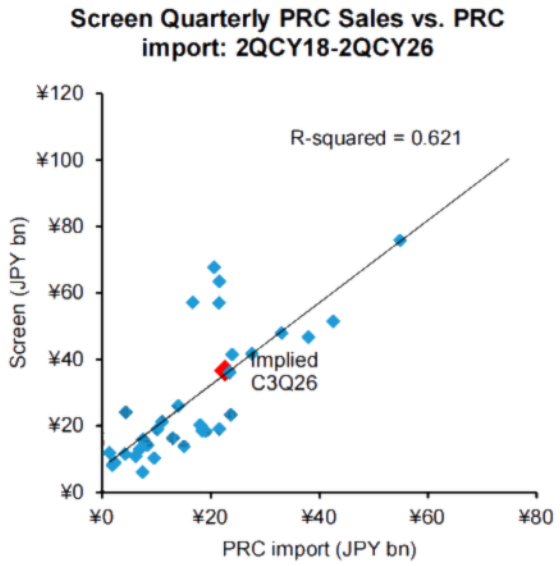


Source: Company disclosures, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

SCREEN

For Screen, the R^2 of the 3-month correlation is ~0.62, indicating some predicative power. The September import data suggests that China revenues could be +71% QoQ. Based on consensus revenue estimates, implied China exposure is expected to be 22% of SPE revenues (Exhibit 34-Exhibit 36).

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



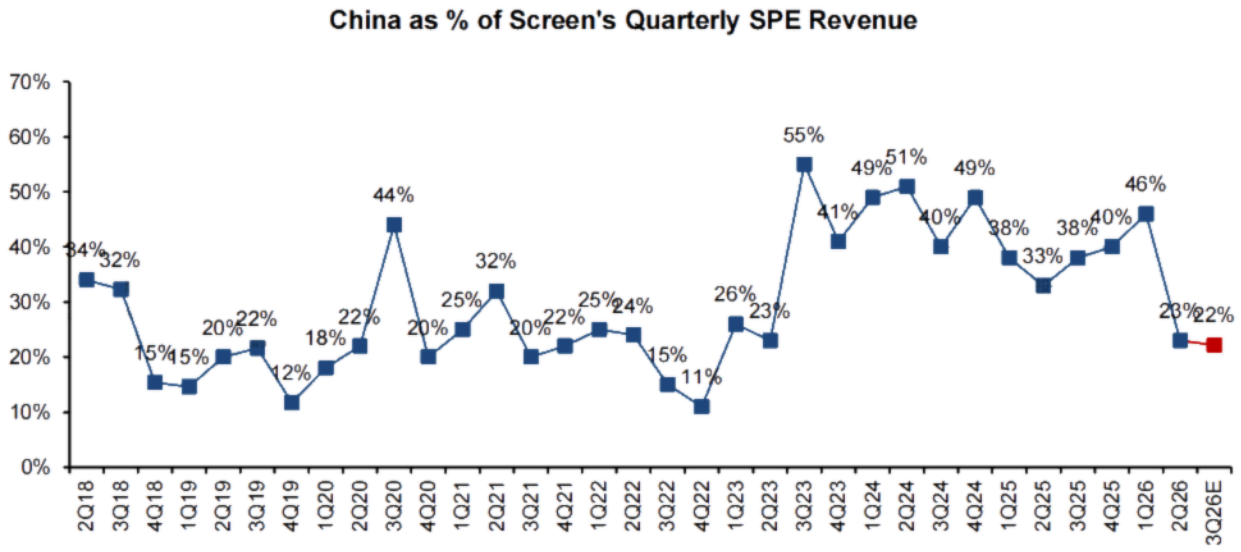
Source: Company reports, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 35: **The regression suggests Screeni's revenue from China to be +71% QoQ in SepQ.**

	Revenue (JPY bn) 1QFY27 (2QCY26)	2QFY27E (3QCY26E)	QoQ
PRC Sales	21		
Import Tracker		37	71%
Bernstein Implied		36	68%
Consensus Implied		38	77%
PRC as % of Total SPE Rev	23%		

Bernstein / Consensus implied assumes same country ratio as previous quarter.
Source: Company disclosures, General Administration of Customs of the People's Republic of China, Bloomberg, Bernstein estimates and analysis

EXHIBIT 36: **...with overall China exposure predicted at 22% vs JunQ exposure of 23%**

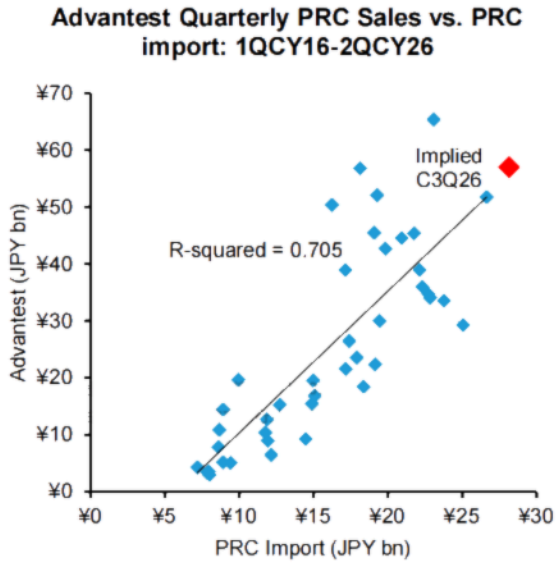


Source: Company disclosures, Bloomberg, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

Advantest

For Advantest, the R^2 on the 3-month correlation is ~0.70, indicating some predicting power. September import data suggests China revenues could be -18% QoQ. Based on consensus revenue estimates, China exposure is implied to decline to 13%, down from 19% in JunQ (Exhibit 37-Exhibit 39).

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



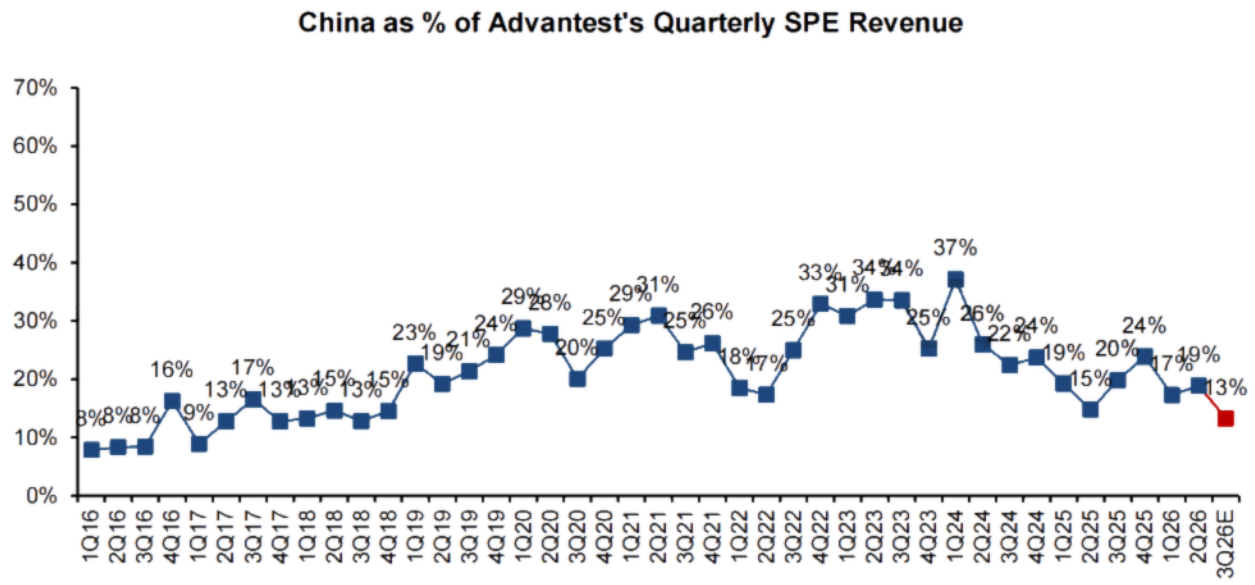
Source: Company reports, General Administration of Customs of the People's Republic of China, Bernstein estimates and analysis

EXHIBIT 38: **Our regression suggests Advantest's China sales to be -18% QoQ in SepQ.**

	Revenue (JPY bn)		QoQ
	1QFY27 (2QCY26)	2QFY27E (3QCY26E)	
PRC Sales	69		
Import Tracker		57	-18%
Bernstein Implied		83	19%
Consensus Implied		81	17%
PRC as % of Total SPE Rev	19%		

Bernstein / Consensus implied assumes same country ratio as previous quarter.
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 13% 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).