JAPAN ELECTRONIC COMPONENTS/SEMICONDUCTORS

Revisiting investment ratings: maintain Buy on Murata/TDK/Taiyo Yuden/Renesas/Rohm/Ibiden. Nichicon to Buy from Neutral

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Recalibrating our stock selection framework: In terms of our assessment of the current situation, our view remains unchanged that the sector (and the entire Asian technology upstream supply chain) is in the midst of one of the largest and longest cycles in history. On the other hand, we believe that share price formation is in a phase of examining the sustainability and health of global AI Capex. We believe two perspectives are important for stock selection. Namely, assessing risk-return with the perspectives of **(1)** increasing **sensitivity to valuations** (we consider a decline in valuations is linked to pricing in many future risks), and **(2)** strengthening the **scrutiny and assessment of subsectors and individual companies in terms of their potential for sustained growth and resilience** (mix improvement and content growth arising from technological changes being sustained into FY28 and beyond, and companies that can further enhance their fundamental competitiveness in the process).

Key Buy recommendations: Our bullish stance on the **leaders in MLCCs, power semiconductors, and ABF substrates** remains unchanged from the perspective of the sustainability of mix improvement and content growth driven by technological changes. We maintain our **Buy rating on Murata Mfg. (on CL)**, as we expect it to further strengthen its position as the industry leader in MLCCs. We also maintain our **Buy rating on Taiyo Yuden**, as we believe it is entering a phase of sharp earnings recovery. In addition, we reiterate our **Buy rating on TDK and Renesas Electronics**, which have low valuations relative to their favorable earnings outlooks and high-quality business operations. We also reiterate our **Buy rating on Rohm**, which has many company-specific factors such as a rapid earnings recovery and industry restructuring. On the other hand, while we recognize that ABF substrate leader **Ibiden** has a notably high valuation within the sector, we expect increased earnings visibility for FY30 onward driven an upward revision of its medium-term plan and further capacity expansion; we **maintain our Buy rating**. Meanwhile, demand for aluminum electrolytic capacitors is expanding rapidly, lagging behind MLCCs, in line with the shift to higher voltages in AI servers. We **upgrade Nichicon to Buy from Neutral**, as its valuation appeal stands out following the recent share price decline.

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Reorganizing our stock selection framework: maintain Buy on Murata/TDK/Taiyo Yuden/Renesas/Rohm/Ibiden. Upgrading Nichicon to Buy from Neutral.

Recalibrating our stock selection framework

AI-related stocks surged through mid-year, then sharply declined, and gradually bottomed out from around September, but have stalled again over the past week. Amid intense volatility, we first outline our assessment of the current situation, and then recalibrate our stock selection framework on the premise that this market environment will continue.

Assessment of the current situation (1): from a bottom-up perspective, our view remains unchanged that this is one of the largest and longest cycles in history

In our report dated June 8 (LINK), we expressed our view that the current AI-driven cycle in the Japan electronic components/semiconductors sector is one of the most substantial in history, being both long and large. This view remains unchanged today.

In fact, the common message from companies over the past three months or so (not only in this sector but across the entire upstream Asia technology supply chain) is that the outlook for 2027 is becoming even stronger, and visibility for 2028 is also increasing. Many companies have indicated that supply constraints will continue going forward, and that we are currently in the first half of the cycle. We expect many companies to present a bullish outlook during the reporting season ramping up from mid-October onward.

Assessment of the current situation (2): on the other hand, share price formation is in a phase of examining the sustainability and health of global AI Capex

On the other hand, despite these strong fundamentals, conditions remain highly volatile in terms of share price formation (with downward pressure on valuations intensifying, if anything). While we believe macro factors such as rising interest rates (which theoretically lower P/Es) are a major driver of valuation pressure, if we look strictly within the AI ecosystem, four main points are being debated.

Specifically, these are: (A) funding costs for AI capex, (B) constraints on AI infrastructure (power/land), (C) the impact of a slowdown in AI development, and (D) ROI on AI investments. Amid lingering uncertainty, downward pressure is being applied to valuations. We interpret this as the market beginning to price in risks to the sustainability and health of global AI capex (in simple terms, the risk of a slowdown in AI capex from 2028 onward) through lower valuations.

Recalibrating our stock selection framework: assessing risk-return by setting up two lines of defense

Under this assessment of the current situation, point (2) is likely not a debate that can be easily concluded. However, at the Goldman Sachs 2026 Communacopia + Technology Conference in September, we heard many positive comments supporting the ROI of AI, with US companies adapting rapidly to management models utilizing AI. We view Meta's subsequent announcement of the launch of Muse, among others, as being prime examples of driving the real-world deployment of AI agents (also relevant to Edge AI devices). In terms of the AI investment returns (increased revenue and reduced cost), we

believe positive developments are occurring faster and in greater numbers than originally anticipated, as shown by the rapid expansion of Agentic AI.

Based on this overall picture, we recalibrate our stock selection framework for the Japan electronic components/semiconductors sector. We believe it is important to select stocks by establishing two lines of defense.

- **First**, one should be more sensitive to valuations. A decline in valuations means a pricing in of future risk. If valuations decline sufficiently (i.e. if top-down risks, such as the sustainability of AI investment, become priced in), it becomes more straightforward to assess earnings changes through a bottom-up perspective.
- **Second**, a re-examination of the sustainability and resilience of fundamentals for each subsector and individual company. Even if largely tied to AI Capex, we believe that sustainability and resilience vary by subsector and individual company.

For example, in components/devices that can continuously create value through technological solutions by addressing enormous power consumption and increasing efficiency, we expect mix improvement and AI-driven content growth to continue (value creation, rather than excessive price hikes driven by supply and demand). Moreover, companies that further elevate their positions as industry leaders amid rapid technological changes (companies that further strengthen their fundamental competitiveness) would also be positioned as those likely to ultimately maximize cash flows, even while being affected by the overall cycle.

Key Buy recommendations and our views

Under this stock selection framework, we summarize our investment views on the key Buy-rated stocks. In conclusion, our bullish stance on the **leaders in MLCCs, power semiconductors, and ABF substrates** remains unchanged from the perspective of components/devices that can continuously create value through technological solutions by addressing enormous power consumption and increasing efficiency.

In MLCCs, we believe **Murata Mfg.** is poised to further strengthen its position as the industry leader. **We maintain our Buy rating (on CL)**. We also **maintain our Buy rating on Taiyo Yuden**, as we believe it is entering a phase of sharp earnings recovery. Following the recent share price decline, its valuation has fallen to near the historical average level.

Furthermore, we have a strong impression that **TDK** and **Renesas Electronics** are trading at low valuations relative to their favorable earnings outlooks and high-quality business operations. We **reiterate our Buy rating** on both. We also **reiterate our Buy rating on Rohm**, which has many company-specific factors such as a rapid earnings recovery and industry restructuring.

We recognize that ABF substrate leader **Ibiden** has a notably high valuation within the sector. However, we expect increased earnings visibility for FY30 onward driven an upward revision of its medium-term plan and further capacity expansion. We **maintain our Buy rating** for now.

Demand for aluminum electrolytic capacitors is expanding rapidly, lagging behind MLCCs, in line with the shift to higher voltages in AI servers. We **upgrade Nichicon to**

Buy from Neutral, as we think it is undervalued after its recent share price decline. Details are discussed later.

Focus points for earnings of key Buy-rated stocks

Murata Mfg. (Buy, on CL): We expect a second upward revision to full-year guidance for this fiscal year at 1H results. Heading into 2H and next fiscal year, we want to assess further near- and medium-to-long-term earnings potential at the results announcement, driven by further utilization rate increases, mix improvements, and price stabilization (slight price increase effect) for MLCCs. According to comments by President Norio Nakajima at CEATEC on October 13 (LINK), the BB ratio for MLCCs in July-September was just under 1.5x (roughly the same level as the previous quarter), and details on additional capacity expansion would be finalized by the 1H results announcement. We believe positive fundamentals are continuing.

TDK (Buy): We expect a significant upward revision to full-year guidance at 1H results. While we hear of risks related to smartphone/tablet applications (mainly in batteries) from investors, we believe results will confirm solid earnings trends driven by mix improvements (in batteries, a higher pack ratio). Rather, we expect the results to reinforce positive views, such as future expectations for BBUs which will start contributing to revenue from 2H, a rapid earnings recovery in HDD-related businesses, and profit improvements in passive components. The focus is already on assessing the content of the next medium-term plan starting from FY27, and we believe the key to improving the stock's valuation will be whether the company's narrative gives confidence in sustainable earnings growth from next fiscal year onward.

Taiyo Yuden (Buy): Given the company already made a significant upward revision to full-year guidance after 1Q results, our expectation is that full-year guidance will remain roughly unchanged at 1H results. However, from 1Q to 2Q, the company is in a phase where utilization rates are rapidly rising while MLCC prices stabilize. We expect earnings to expand rapidly as well. If a sharp improvement in 2Q earnings is confirmed, there is potential for a major improvement in valuation driven by higher earnings expectations and increased earnings visibility heading into 2H and FY27. While the company has high earnings volatility, we think the stock market may be underestimating the magnitude of its earnings during an upcycle.

Renesas Electronics (Buy): We expect CY3Q results to exceed company guidance, and revenue to continue a steady QoQ increase heading into 4Q. Relative attention within our coverage remains low in the stock market due to potential concerns over a stalling in automotive applications, lack of clarity regarding the impact of price increases, supply constraints for AI/DC-related products such as PMICs, and the only gradual pace of improvement in profit margins. However, if earnings levels in 3Q/4Q are higher than consensus and earnings momentum increases in 1H27 (new investments taking effect should raise the in-house production ratio, primarily for PMICs, lifting fab utilization rates and making it easier for earnings leverage to take effect), we believe the stock's valuation could improve rapidly.

Rohm (Buy): We expect a significant upward revision to full-year guidance at 1H results. The business environment is improving following the end of inventory adjustments, and the company is in a phase where higher sales and production are likely to manifest in stronger-than-expected earnings leverage. In addition, inquiries for Si and SiC to AI/DC

applications are very strong, and our focus is on how quickly the company can resolve production capacity bottlenecks. We think expectations for a rapid earnings recovery heading into FY27 will continue. Also, the company has previously commented that it wanted to complete due diligence regarding the carve-out of Toshiba's analog/power semiconductor business by the end of the summer. As of now, there has been no official update. At 1H results, attention will also be focused on updates regarding the current status of industry restructuring.

Ibiden (Buy): Since the company already made a significant upward revision after 1Q results, our expectation is that full-year guidance will remain roughly unchanged at 1H results. On the other hand, since the medium-term plan figures for FY27/FY30 were not updated following the upward revision to FY26 guidance after 1Q results, we expect an upward revision to the medium-term plan at 1H results. In addition, we believe there is a high possibility that an announcement of additional capacity expansion will be made at the same time, as the company has commented that it wants to make a decision as early as possible within this fiscal year (we think this could exceed the ¥500 bn announced at full-year results). Regarding capacity expansion, since it takes about four years from investment decision to operation, it is important to assess the impact on FY31-FY32 earnings rather than FY30 earnings.

Kyocera (Buy): We expect a second upward revision to full-year guidance for this fiscal year at 1H results. We view the company's post-1Q assumptions for 2Q onward as conservative, and we believe there is upside potential for earnings from 2Q onward, primarily in the Core Components and Electronic Components businesses. In addition, we think there is potential for the targets in the medium-term plan starting from FY28 (ROE of 8%) to be raised at the IR Day scheduled for November 26. It has already been officially announced that the current medium-term plan (ROE target of 5%), whose final year is FY27, will be achieved ahead of schedule in FY26. Depending on the profit contribution of the company's strategic product groups (ceramics for SPE, optical-related ceramics, organic package substrates, MLCCs, tantalum capacitors, etc.), the achievement of the next medium-term targets from FY28 onward could also be brought forward (or the target figures could be revised upward). We will look to assess the growth strategies, competitiveness, and differentiation strategies for its strategic product groups.

MinebeaMitsumi (Buy): We expect an upward revision to full-year guidance at 1H results. In both the near and medium-to-long term, we expect earnings to be driven by ball bearings to AI/DC applications in the PT segment, and motors, BBU protection modules, and (in the future) humanoid-related products in the MLS segment. While we recognize that the SE segment (semiconductors, smartphone actuators, gaming-related products) is tracking in line with company assumptions, and the AS segment (auto-related components) entails some risk relative to guidance, we expect fundamentals to continue tracking above guidance overall. At 1H results, our focus will be on the extent to which earnings visibility improves for 2H26 and FY27 onward.

Maruwa (Buy): for our latest views, please see here.



Changes to our earnings estimates

We reviewed our FY26-FY28 operating profits estimates for the 20 com
electronic components/semiconductors coverage (excluding Nidec, on

Rating Suspended, as well as MARUWA, for which earnings forecasts and target prices have already been updated). As a result, we raise our estimates slightly by +1%/+1%/+2% versus our previous estimates. We view the earnings outlooks for each company as generally strong, and we expect a very high number of companies (9 out of the 21 companies excluding Nidec: Murata, TDK, Rohm, Kyocera, Hirose Electric, NGK, Nichicon, MinebeaMitsumi, and Maxell) to announce upward revisions to their full-year FY26 guidance at their July-September period results. Regarding capacity expansion, we are watching for announcements from Ibiden (ABF substrates) and Murata Mfg. (MLCCs). See Exhibit 7 for the reasons for changes in earnings estimates for individual companies.

Valuations

As noted above, we recognize that the current market environment is one in which downward pressure is being applied to valuations despite strong earnings outlooks. Currently, the sector average P/E for FY27/FY28 has dropped to 17x/14x, a level in line with historical averages (around 17-18x). While acknowledging the debates over the various risks mentioned above and being selective in our stock picking, we maintain a constructive stance on the AI ecosystem. If the sustainability of earnings growth in FY28, on the back of very strong earnings in FY27, can be confirmed, we expect valuations to turn upward again. Our view that this is a long and large cycle remains unchanged, and we continue to set our 12-month target price based on valuations using FY28 earnings rather than FY27 earnings. As shown in Exhibit 10, we adopt EV/GCI = CROCI/WACC (assuming a sector EV/DACF multiple of 10x) for many stocks, and there are no changes to our valuation methodology at this time. We adjust specific applied multiples to factor in differences in CROCI levels and earnings growth across companies (see Exhibit 10).

Exhibit 1: Our ratings and new vs. old target prices

		Rating		Target Price		Change	10/15/2026	Upside /	Implied P/B	Implied P/E			Current P/B	Current P/E		
Ticker	Company name	Old	New	Old	New		Price	downside	FY3/27E	FY3/27E	FY3/28E	FY3/29E	FY3/27E	FY3/27E	FY3/28E	FY3/29E
6981	Murata Mfg.	Buy*	Buy*	¥12,900	¥13,100	2%	¥6,749	94%	7.8x	58.8x	39.3x	29.3x	4.0x	30.3x	20.2x	15.1x
6976	Taiyo Yuden	Buy	Buy	¥21,300	¥21,300	0%	¥9,864	116%	9.0x	NM	45.6x	30.4x	4.2x	38.9x	21.1x	14.1x
6723	Renesas Electronics	Buy	Buy	¥5,500	¥5,500	0%	¥3,014	82%	3.1x	19.5x	16.2x	13.3x	1.7x	10.7x	8.9x	7.3x
6996	Nichicon	Neutral	Buy	¥4,100	¥4,200	2%	¥2,337	80%	2.2x	30.3x	22.0x	18.9x	1.2x	16.9x	12.3x	10.5x
6963	Rohm	Buy	Buy	¥7,200	¥7,200	0%	¥4,064	77%	3.4x	45.9x	30.8x	22.5x	1.9x	25.9x	17.4x	12.7x
6479	MinebeaMitsumi	Buy	Buy	¥5,500	¥5,500	0%	¥3,252	69%	2.2x	23.1x	20.0x	18.3x	1.3x	13.7x	11.8x	10.8x
6762	TDK	Buy	Buy	¥4,900	¥4,900	0%	¥2,904	69%	3.8x	31.8x	29.5x	26.5x	2.3x	18.8x	17.5x	15.7x
5344	MARUWA	Buy	Buy	¥81,000	¥81,000	0%	¥50,020	62%	5.8x	39.9x	26.6x	22.4x	3.6x	24.6x	16.4x	13.8x
4062	Ibiden	Buy	Buy	¥13,350	¥14,900	12%	¥9,213	62%	13.0x	NM	56.3x	40.7x	8.0x	50.6x	34.8x	25.2x
6971	Kyocera	Buy	Buy	¥4,300	¥4,600	7%	¥3,641	26%	1.7x	33.2x	27.5x	23.2x	1.4x	26.3x	21.8x	18.3x
5334	Niterra	Neutral	Neutral	¥5,450	¥4,600	-16%	¥3,646	26%	2.0x	10.5x	14.0x	13.2x	1.6x	8.3x	11.1x	10.5x
6806	Hirose Electric	Neutral	Neutral	¥30,400	¥30,500	0%	¥24,205	26%	2.5x	24.0x	20.6x	18.7x	2.0x	19.1x	16.3x	14.8x
5333	NGK Corp.	Neutral	Neutral	¥6,600	¥6,400	-3%	¥5,165	24%	2.1x	20.8x	19.2x	17.8x	1.7x	16.8x	15.5x	14.3x
6770	Alps Alpine	Neutral	Neutral	¥2,200	¥2,300	5%	¥2,106	9%	1.2x	14.8x	10.7x	9.5x	1.1x	13.5x	9.8x	8.7x
6524	Kohoku Kogyo	Neutral	Neutral	¥6,000	¥6,000	0%	¥5,500	9%	5.8x	31.2x	24.7x	21.6x	5.3x	28.6x	22.6x	19.8x
6908	IRISO Electronics	Neutral	Neutral	¥2,900	¥2,900	0%	¥2,760	5%	0.9x	23.4x	16.8x	14.2x	0.9x	22.3x	16.0x	13.5x
6988	Nitto Denko	Neutral	Neutral	¥3,200	¥3,600	13%	¥3,605	0%	1.9x	16.3x	14.9x	13.6x	1.9x	16.3x	14.9x	13.7x
6929	Nippon Ceramic	Sell	Sell	¥3,600	¥3,600	0%	¥3,670	-2%	1.6x	14.4x	13.9x	13.3x	1.7x	14.7x	14.1x	13.6x
6592	Mabuchi Motor	Sell	Sell	¥1,500	¥1,500	0%	¥1,752	-14%	1.3x	16.3x	17.9x	16.6x	1.5x	19.0x	20.9x	19.4x
6810	Maxell, Ltd.	Sell	Sell	¥1,900	¥1,900	0%	¥2,436	-22%	0.7x	8.1x	6.5x	5.5x	0.9x	10.4x	8.4x	7.0x
6807	Japan Aviation Electronics Industry	Sell	Sell	¥2,000	¥2,100	5%	¥2,789	-25%	1.0x	20.5x	16.5x	14.4x	1.3x	27.3x	21.9x	19.2x
	Average (21 companies)					1%		37%	3.5x	25.4x	23.3x	19.2x	2.4x	21.6x	16.8x	14.2x

*Denotes stock is on the APAC Conviction List. 12-month target prices. Mabuchi Motor, Nippon Ceramic, Renesas Electronics, and Kohoku Kogyo have December fiscal year-ends, so for these companies FY3/27E-FY3/29E figures correspond to FY12/26E-FY12/28E. Earnings forecasts and target price for MARUWA updated in our September 28 report.

Source: LSEG Data & Analytics, Goldman Sachs Global Investment Research

Exhibit 2: Breakdown of target price changes

Ticker	Company Name	Old TP	P/L Update	% chg	BS Update	% chg	New TP	Total % chg
4062	Ibiden	**¥13,350**	¥14,900	11.6%	¥14,900	0.0%	**¥14,900**	11.6%
6762	TDK	**¥4,900**	¥4,900	0.0%	¥4,900	0.0%	**¥4,900**	0.0%
6806	Hirose	**¥30,400**	¥30,500	0.3%	¥30,500	0.0%	**¥30,500**	0.3%
5333	NGK Corp.	**¥6,600**	¥6,400	-3.0%	¥6,400	0.0%	**¥6,400**	-3.0%
6971	Kyocera	**¥4,300**	¥4,600	7.0%	¥4,600	0.0%	**¥4,600**	7.0%
6807	JAE	**¥2,000**	¥2,100	5.0%	¥2,100	0.0%	**¥2,100**	5.0%
6996	Nichicon	**¥4,100**	¥4,200	2.4%	¥4,200	0.0%	**¥4,200**	2.4%
5334	Niterra	**¥5,450**	¥5,100	-6.4%	¥4,600	-9.8%	**¥4,600**	-15.6%
6981	Murata Mfg.	**¥12,900**	¥13,100	1.6%	¥13,100	0.0%	**¥13,100**	1.6%
6770	AlpsAlpine	**¥2,200**	¥2,300	4.5%	¥2,300	0.0%	**¥2,300**	4.5%
6479	MinebeaMitsumi	**¥5,500**	¥5,500	0.0%	¥5,500	0.0%	**¥5,500**	0.0%
6976	Taiyo Yuden	**¥21,300**	¥21,300	0.0%	¥21,300	0.0%	**¥21,300**	0.0%
6988	Nitto Denko	**¥3,200**	¥3,600	12.5%	¥3,600	0.0%	**¥3,600**	12.5%
6592	Mabuchi Motor	**¥1,500**	¥1,500	0.0%	¥1,500	0.0%	**¥1,500**	0.0%
6524	Kohoku Kogyo	**¥6,000**	¥6,000	0.0%	¥6,000	0.0%	**¥6,000**	0.0%
5344	MARUWA	**¥81,000**	¥81,000	0.0%	¥81,000	0.0%	**¥81,000**	0.0%
6908	IRISO Electronics	**¥2,900**	¥2,900	0.0%	¥2,900	0.0%	**¥2,900**	0.0%
6929	Nippon Ceramic	**¥3,600**	¥3,600	0.0%	¥3,600	0.0%	**¥3,600**	0.0%
6810	Maxell Ltd.	**¥1,900**	¥1,900	0.0%	¥1,900	0.0%	**¥1,900**	0.0%
6723	Renesas	**¥5,500**	¥5,500	0.0%	¥5,500	0.0%	**¥5,500**	0.0%
6963	Rohm	**¥7,200**	¥7,200	0.0%	¥7,200	0.0%	**¥7,200**	0.0%
	Avg.			1.7%		-0.5%		1.3%

Earnings forecasts and target price for MARUWA updated in our September 28 report.

Source: Goldman Sachs Global Investment Research

Exhibit 3: Valuations

Ticker	Company	Rating	Price 10/15/26 (¥)	Mrkt cap. 10/15/26 (¥ bn)	Net debt 2027/3 (E) (¥ bn)	Fully diluted EPS 2027/3 (E)	Fully diluted EPS 2028/3 (E)	Fully diluted EPS 2029/3 (E)	Fully diluted P/E 2027/3 (E)	Fully diluted P/E 2028/3 (E)	Fully diluted P/E 2029/3 (E)	EV/EBITDA multiple 2027/3 (E)	EV/EBITDA multiple 2028/3 (E)	EV/EBITDA multiple 2029/3 (E)	BPS 2027/3 (E) (¥)	P/B 2027/3 (E) (X)	ROE 2027/3 (E) (%)
Passive component companies																	
6981	Murata Mfg.	Buy*	6,749	13,248.3	-801.5	222.9	333.5	447.6	30.3x	20.2x	15.1x	17.3x	12.7x	10.0x	1,687	4.0x	13.7%
6762	TDK	Buy	2,904	5,644.0	-409.5	154.2	166.3	184.8	18.8x	17.5x	15.7x	9.0x	7.3x	6.4x	1,281	2.3x	12.6%
6976	Taiyo Yuden	Buy	9,864	1,356.9	56.9	253.5	466.7	701.1	38.9x	21.1x	14.1x	14.9x	10.2x	7.5x	2,373	4.2x	11.1%
6971	Kyocera	Buy	3,641	5,166.9	-270.6	138.4	167.3	198.6	26.3x	21.8x	18.3x	14.8x	12.9x	10.3x	2,630	1.4x	5.2%
6996	Nichicon	Buy	2,337	163.6	-15.8	138.5	190.6	221.9	16.9x	12.3x	10.5x	7.5x	6.5x	5.8x	1,878	1.2x	7.3%
Average									26.2x	18.6x	14.7x	12.7x	9.9x	8.0x		2.6x	10.0%
Mechanical component companies																	
6770	Alps Alpine	Neutral	2,106	438.3	-36.2	155.8	214.7	240.9	13.5x	9.8x	8.7x	4.1x	3.6x	3.3x	1,854	1.1x	8.6%
Average									13.5x	9.8x	8.7x	4.1x	3.6x	3.3x		1.1x	8.6%
Package and PWB companies																	
4062	Ibiden	Buy	9,213	5,227.3	-209.6	181.9	264.6	365.8	50.6x	34.8x	25.2x	22.7x	14.4x	9.3x	1,149	8.0x	16.8%
5334	Niterra	Neutral	3,646	1,452.9	67.7	439.2	328.1	348.3	8.3x	11.1x	10.5x	7.4x	6.5x	6.1x	2,289	1.6x	20.6%
Average									29.5x	23.0x	17.8x	15.0x	10.5x	7.7x		4.8x	18.7%
Other companies																	
6479	MinebeaMitsumi Inc.	Buy	3,252	1,388.9	165.4	237.8	275.4	300.6	13.7x	11.8x	10.8x	8.1x	7.1x	6.6x	2,476	1.3x	9.9%
5344	MARUWA	Buy	50,020	618.8	-86.6	2,032.5	3,048.8	3,613.4	24.6x	16.4x	13.8x	13.1x	9.0x	7.7x	13,856	3.6x	15.8%
6524	Kohoku Kogyo	Neutral	5,500	143.0	-7.5	192.5	243.3	278.0	28.6x	22.6x	19.8x	17.1x	14.4x	11.8x	1,043	5.3x	19.8%
6988	Nitto Denko	Neutral	3,605	2,446.6	-441.1	221.2	241.8	264.1	16.3x	14.9x	13.7x	7.3x	6.5x	5.7x	1,849	1.9x	12.4%
6807	Japan Aviation Electronics Industry	Sell	2,789	196.1	-5.2	102.3	127.5	145.3	27.3x	21.9x	19.2x	5.9x	5.3x	4.9x	2,193	1.3x	4.7%
6806	Hirose Electric	Neutral	24,205	835.8	-164.4	1,268.5	1,481.8	1,633.8	19.1x	16.3x	14.8x	9.1x	8.3x	7.6x	12,327	2.0x	10.6%
5333	NGK Corp.	Neutral	5,165	1,477.2	-120.1	307.6	334.0	360.0	16.8x	15.5x	14.3x	7.5x	6.8x	6.4x	2,988	1.7x	10.6%
6592	Mabuchi Motor	Sell	1,752	456.7	-136.5	92.0	83.7	90.3	19.0x	20.9x	19.4x	7.7x	7.3x	7.0x	1,148	1.5x	8.2%
Average									20.7x	17.5x	15.7x	9.5x	8.1x	7.2x		2.3x	11.5%
Automotive electronic component companies																	
6908	IRISO Electronics	Neutral	2,760	67.5	-8.8	123.9	172.5	204.8	22.3x	16.0x	13.5x	4.4x	4.0x	3.7x	3,083	0.9x	3.5%
6929	Nippon Ceramic	Sell	3,670	99.9	-28.7	250.1	259.5	270.4	14.7x	14.1x	13.6x	8.9x	8.3x	8.0x	2,194	1.7x	10.2%
6810	Maxell, Ltd.	Sell	2,436	99.1	-19.5	233.7	290.2	346.6	10.4x	8.4x	7.0x	4.7x	4.0x	3.6x	2,718	0.9x	9.5%
Average									16.3x	12.2x	10.3x	6.0x	5.5x	5.1x		1.2x	7.7%
Semiconductor companies																	
6723	Renesas Electronics	Buy	3,014	5,638.0	647.9	282.0	338.9	413.6	10.7x	8.9x	7.3x	10.0x	8.6x	7.4x	1,794	1.7x	17.9%
6963	Rohm	Buy	4,064	1,640.9	-67.1	157.0	233.6	319.4	25.9x	17.4x	12.7x	12.8x	8.1x	6.6x	2,102	1.9x	7.7%
Average of 21 companies									21.6x	16.8x	14.2x	10.2x	8.2x	6.9x		2.4x	11.3%

*Denotes stock is on the APAC Conviction List. 12-month target prices. Mabuchi Motor, Nippon Ceramic, Renesas Electronics, and Kohoku Kogyo have December fiscal year-ends, so for these companies FY3/27E-FY3/29E figures correspond to FY12/26E-FY12/28E.

Source: LSEG Data & Analytics, Goldman Sachs Global Investment Research

Exhibit 4: Our new vs. old operating profit estimates

(JPY mn)

		FY3/27E - OP			FY3/28E - OP			FY3/29E - OP			% change		
Ticker	Company name	Old	New	YoY	Old	New	YoY	Old	New	YoY	FY3/27E	FY3/28E	FY3/29E
6981	Murata Mfg.	485,000	490,000	74%	700,000	710,000	45%	895,000	915,000	29%	1%	1%	2%
6976	Taiyo Yuden	45,500	46,000	130%	82,500	83,500	82%	124,500	125,500	50%	1%	1%	1%
6723	Renesas Electronics	556,000	559,000	44%	654,172	656,172	17%	777,172	777,672	19%	1%	0%	0%
6996	Nichicon	11,500	12,200	89%	14,500	15,100	24%	17,000	17,700	17%	6%	4%	4%
6963	Rohm	65,000	66,000	508%	100,500	102,000	55%	142,000	143,000	40%	2%	1%	1%
6479	MinebeaMitsumi	124,500	125,000	20%	142,500	143,500	15%	156,000	156,500	9%	0%	1%	0%
6762	TDK	358,000	359,000	32%	398,000	400,000	11%	440,000	442,500	11%	0%	1%	1%
5344	MARUWA	35,000	35,000	40%	53,000	53,000	51%	63,000	63,000	19%	0%	0%	0%
4062	Ibiden	134,000	136,000	119%	189,500	195,500	44%	255,500	270,000	38%	1%	3%	6%
6971	Kyocera	173,000	180,000	52%	187,500	200,000	11%	211,000	230,000	15%	4%	7%	9%
5334	Niterra	170,000	157,500	14%	187,000	180,000	14%	200,000	191,000	6%	-7%	-4%	-5%
6806	Hirose Electric	54,000	55,000	28%	60,000	61,000	11%	66,500	67,000	10%	2%	2%	1%
5333	NGK Corp.	124,000	124,000	31%	134,500	134,500	8%	145,000	145,000	8%	0%	0%	0%
6770	Alps Alpine	48,000	48,200	15%	55,500	56,500	17%	61,500	63,000	12%	0%	2%	2%
6524	Kohoku Kogyo	6,900	6,900	49%	8,200	8,200	19%	10,100	10,100	23%	0%	0%	0%
6908	IRISO Electronics	4,000	4,000	-26%	5,500	5,500	38%	6,500	6,500	18%	0%	0%	0%
6988	Nitto Denko	201,000	207,500	13%	216,000	226,000	9%	231,500	245,000	8%	3%	5%	6%
6929	Nippon Ceramic	6,500	6,500	4%	7,000	7,000	8%	7,300	7,300	4%	0%	0%	0%
6592	Mabuchi Motor	26,600	26,600	4%	29,000	29,000	9%	30,800	30,800	6%	0%	0%	0%
6810	Maxell, Ltd.	13,000	12,500	58%	15,500	15,500	24%	18,500	18,500	19%	-4%	0%	0%
6807	Japan Aviation Electronics Industry	8,800	9,400	5%	11,300	11,700	24%	12,800	13,300	14%	7%	4%	4%
	Total	2,650,300	2,666,300	44%	3,251,672	3,293,672	24%	3,871,672	3,938,372	20%	1%	1%	2%

Mabuchi Motor, Nippon Ceramic, Renesas Electronics, and Kohoku Kogyo have December fiscal year-ends, so for these companies FY3/27E-FY3/29E figures correspond to FY12/26E-FY12/28E. Earnings forecasts and target price for MARUWA updated in our September 28 report.

Source: Goldman Sachs Global Investment Research

Exhibit 5: Our quarterly and full-year operating profit forecasts vs. consensus

Ticker	Company name	FY3/27									FY3/28				FY3/29	
(JPY: bn)		1Q Act	2Q Est	3Q Est	4Q Est	FY Est	YoY	CoE	FY BBG	Consensus Diff	FY Est	YoY	FY BBG	Consensus Diff	FY Est	YoY
4062	Ibiden	26.9	32.4	37.0	39.7	136.0	119%	127.0	121.1	12%	195.5	44%	177.2	10%	270.0	38%
6762	TDK	86.3	110.7	99.7	62.3	359.0	32%	295.0	346.4	4%	400.0	11%	409.8	-2%	442.5	11%
6806	Hirose Electric	13.3	14.4	14.3	13.0	55.0	28%	50.0	53.1	4%	61.0	11%	60.9	0%	67.0	10%
5333	NGK Corp.	32.6	30.7	30.3	30.4	124.0	31%	107.0	117.3	6%	134.5	8%	126.2	7%	145.0	8%
6971	Kyocera	49.1	41.0	46.3	43.6	180.0	52%	160.0	157.2	14%	200.0	11%	177.3	13%	230.0	15%
6807	Japan Aviation Electronics Industry	0.3	3.2	3.0	2.9	9.4	5%	9.5	10.8	-13%	11.7	24%	13.2	-11%	13.3	14%
6592	Mabuchi Motor	5.4	7.8	7.0	6.5	26.6	4%	26.5	25.7	3%	29.0	9%	28.1	3%	30.8	6%
6996	Nichicon	2.8	2.8	3.2	3.4	12.2	89%	8.7	11.6	5%	15.1	24%	14.4	5%	17.7	17%
5334	Niterra	41.8	28.2	43.6	43.9	157.5	14%	150.0	156.8	0%	180.0	14%	179.4	0%	191.0	6%
6981	Murata Mfg.	98.5	132.0	135.5	124.1	490.0	74%	430.0	450.6	9%	710.0	45%	638.5	11%	915.0	29%
6770	Alps Alpine	-0.9	11.0	15.8	22.3	48.2	15%	48.5	44.0	10%	56.5	17%	49.8	14%	63.0	12%
6479	MinebeaMitsumi	26.3	30.7	35.0	33.0	125.0	20%	120.0	124.0	1%	143.5	15%	141.3	2%	156.5	9%
6976	Taiyo Yuden	4.8	12.0	15.0	14.2	46.0	130%	45.0	43.0	7%	83.5	82%	73.4	14%	125.5	50%
6988	Nitto Denko	49.2	60.3	54.6	43.4	207.5	13%	200.0	202.1	3%	226.0	9%	216.3	4%	245.0	8%
6908	IRISO Electronics	0.7	1.2	1.4	0.7	4.0	-26%	3.5	6.5	-38%	5.5	38%	7.1	-22%	6.5	18%
6929	Nippon Ceramic	1.6	1.6	1.7	1.7	6.5	4%	6.5	6.6	-1%	7.0	8%	7.1	-1%	7.3	4%
6810	Maxell, Ltd.	2.9	4.1	2.8	2.8	12.5	58%	10.0	10.7	17%	15.5	24%	12.5	24%	18.5	19%
6723	Renesas Electronics	125.4	132.7	147.7	153.2	559.0	44%	-	459.8	22%	656.2	17%	432.3	52%	777.7	19%
6963	Rohm	9.6	18.2	20.1	18.0	66.0	508%	30.0	52.0	27%	102.0	55%	80.6	27%	143.0	40%
5344	MARUWA	6.3	8.0	9.8	10.9	35.0	40%	33.7	34.9	0%	53.0	51%	44.9	18%	63.0	19%
6524	Kohoku Kogyo	1.2	1.7	1.9	2.1	6.9	49%	6.8	6.9	1%	8.2	19%	7.9	4%	10.1	23%
Total						2,666.3			2,441.1	9%	3,293.7		2,898.1	14%	3,938.4	
YoY (%)						44%					24%				20%	

Mabuchi Motor, Nippon Ceramic, Renesas Electronics, and Kohoku Kogyo have December fiscal year-ends, so for these companies FY3/27E-FY3/29E figures correspond to FY12/26E-FY12/28E.

Source: Bloomberg, Company data, Goldman Sachs Global Investment Research

Exhibit 6: Our new vs. old EPS estimates

(Yen)

		FY3/27E - EPS			FY3/28E - EPS			FY3/29E - EPS			% change		
Ticker	Company name	Old	New	YoY	Old	New	YoY	Old	New	YoY	FY3/27E	FY3/28E	FY3/29E
6981	Murata Mfg.	220.0	222.9	73%	328.1	333.5	50%	436.3	447.6	34%	1%	2%	3%
6976	Taiyo Yuden	249.9	253.5	133%	460.8	466.7	84%	695.9	701.1	50%	1%	1%	1%
6723	Renesas Electronics	280.8	282.0	45%	337.6	338.9	20%	413.3	413.6	22%	0%	0%	0%
6996	Nichicon	145.9	138.5	47%	181.7	190.6	38%	211.4	221.9	16%	-5%	5%	5%
6963	Rohm	154.9	157.0	NM	230.5	233.6	49%	317.3	319.4	37%	1%	1%	1%
6479	MinebeaMitsumi	236.6	237.8	-4%	273.9	275.4	16%	300.1	300.6	9%	1%	1%	0%
6762	TDK	153.8	154.2	49%	165.5	166.3	8%	183.5	184.8	11%	0%	0%	1%
5344	MARUWA	2,032.5	2,032.5	38%	3,048.8	3,048.8	50%	3,613.4	3,613.4	19%	0%	0%	0%
4062	Ibiden	178.3	181.9	-20%	259.3	264.6	45%	350.6	365.8	38%	2%	2%	4%
6971	Kyocera	134.3	138.4	29%	158.2	167.3	21%	182.7	198.6	19%	3%	6%	9%
5334	Niterra	479.5	439.2	-24%	345.7	328.1	-25%	369.9	348.3	6%	-8%	-5%	-6%
6806	Hirose Electric	1,237.6	1,268.5	25%	1,453.6	1,481.8	17%	1,621.1	1,633.8	10%	3%	2%	1%
5333	NGK Corp.	312.1	307.6	50%	338.4	334.0	9%	365.1	360.0	8%	-1%	-1%	-1%
6770	Alps Alpine	154.8	155.8	13%	210.1	214.7	38%	233.7	240.9	12%	1%	2%	3%
6524	Kohoku Kogyo	192.5	192.5	67%	243.3	243.3	26%	278.0	278.0	14%	0%	0%	0%
6908	IRISO Electronics	123.9	123.9	4%	172.5	172.5	39%	204.8	204.8	19%	0%	0%	0%
6988	Nitto Denko	212.3	221.2	12%	228.5	241.8	9%	247.0	264.1	9%	4%	6%	7%
6929	Nippon Ceramic	236.2	250.1	-24%	259.5	259.5	4%	270.4	270.4	4%	6%	0%	0%
6592	Mabuchi Motor	91.6	92.0	-13%	83.3	83.7	-9%	89.8	90.3	8%	0%	0%	0%
6810	Maxell, Ltd.	220.5	233.7	4%	275.1	290.2	24%	331.6	346.6	19%	6%	5%	5%
6807	Japan Aviation Electronics Industry	96.4	102.3	-2%	123.1	127.5	25%	139.4	145.3	14%	6%	4%	4%

Mabuchi Motor, Nippon Ceramic, Renesas Electronics, and Kohoku Kogyo have December fiscal year-ends, so for these companies FY3/27E-FY3/29E figures correspond to FY12/26E-FY12/28E. Earnings forecasts and target price for MARUWA updated in our September 28 report.

Source: Goldman Sachs Global Investment Research

Exhibit 7: Factors behind changes to our earnings estimates

Ticker	Company	Reasons for our earnings revisions
6770	Alps Alpine	Raised automotive revenue forecasts (largely because initial assumptions were overly conservative). Actuators are also tracking smoothly. Slightly raised operating profit forecasts.
6929	Nippon Ceramic	Maintained operating profit forecasts vs. 2Q results announcement (August). Amid soaring raw material prices and the small contribution from mix improvement in automatic lighting, our FY3/27 operating profit forecast is in line with company guidance.
6908	IRISO Electronics	Maintained annual operating profit forecasts vs. October 9, but revised quarterly operating profit forecasts for FY3/27. Regarding soaring raw material costs centered on gold and copper, our forecasts remain relatively optimistic compared to company assumptions.
6479	MinebeaMitsumi	Made minor adjustments overall reflecting pluses and minuses, such as strength in the PT and MLS businesses and factoring in risks in the AS business.
6807	Japan Aviation Electronics Industry	Raised forecasts reflecting higher connector sales for industrial machinery and automotive applications.
6996	Nichicon	Slightly raised forecasts in view of the growth trend in aluminum electrolytic capacitors and the effects of price pass-through.
6988	Nitto Denko	Raised forecasts reflecting strength in electronics-related tape and circuit materials.
6762	TDK	Slightly raised forecasts reflecting strength in HDD-related and passive component-related businesses.
6806	Hirose Electric	Slightly raised forecasts on the back of strong connector sales for general industrial machinery.
5334	Niterra	Lowered forecasts factoring in losses at a US subsidiary and a slight downward revision to the sales outlook for spark plugs/sensors.
4062	Ibiden	Slightly raised forecasts on the back of contributions from Agentic AI-related products (CPUs and switches for major CPU and GPU clients).
6976	Taiyo Yuden	Slightly raised forecasts on the back of higher MLCC production and sales.
6592	Mabuchi Motor	Maintained forecasts vs. previous estimates.
5344	MARUWA	Earnings forecasts were updated on September 28. We anticipate 2Q (Jul–Sep) to be a phase where AI/semiconductor applications in particular finally demonstrate their true underlying profitability.
6981	Murata Mfg.	Slightly raised forecasts on the back of higher MLCC production and sales.
5333	NGK Insulators	Maintained forecasts vs. previous estimates.
6971	Kyocera	Raised forecasts assuming greater-than-expected profit improvement in Core Components and Electronic Components.
6524	Kohoku Kogyo	Maintained operating profit forecasts vs. 2Q results announcement (August). We view lead terminal demand as solid and optical devices entering a phase where revenue growth accelerates in 3Q/4Q.
6810	Maxell, Ltd.	While higher volume driven by rush demand amid Middle East developments boosts 1H profit, lowered FY26 operating profit forecasts taking a cautious stance on a pullback in 2H volume.
6963	Rohm	Slightly raised forecasts in view of higher sales for data center and industrial machinery applications.
6723	Renesas Electronics	Gradual recovery in automotive and rapid expansion in data centers continue; slightly adjusted earnings forecasts.

Source: Goldman Sachs Global Investment Research

Exhibit 8: CROCI trend and outlook

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	FY2027E	FY2028E
Murata Mfg.	10.4%	14.1%	19.8%	18.0%	14.9%	17.9%	15.1%	11.9%	16.6%	15.5%	10.9%	11.6%	12.1%	13.7%	17.9%	22.8%	27.2%
TDK	5.8%	9.3%	9.8%	11.3%	14.1%	10.5%	11.8%	11.2%	16.6%	18.6%	13.5%	14.2%	15.3%	15.7%	17.5%	20.5%	22.5%
Nitto Denko	13.2%	10.7%	15.8%	11.2%	12.9%	15.3%	11.0%	10.0%	12.3%	14.1%	13.3%	12.6%	15.0%	12.6%	14.1%	15.1%	16.4%
IRISO Electronics	12.7%	20.6%	20.7%	17.4%	14.2%	18.6%	13.7%	9.5%	11.3%	11.9%	14.3%	11.6%	11.1%	12.7%	8.6%	8.6%	8.9%
Taiyo Yuden	6.0%	6.7%	8.7%	10.0%	7.3%	9.5%	12.3%	10.1%	11.1%	16.2%	6.6%	6.8%	4.8%	7.8%	9.1%	12.2%	15.0%
Ibiden	8.8%	8.1%	9.4%	7.7%	3.0%	5.2%	4.5%	6.4%	8.9%	13.1%	17.7%	18.6%	6.7%	9.2%	31.7%	47.5%	41.1%
Renesas Electronics	-0.8%	-2.8%	5.9%	10.3%	17.5%	14.2%	8.6%	7.9%	9.0%	13.3%	18.5%	12.7%	7.4%	13.7%	8.4%	10.9%	12.4%
MinebeaMitsumi Inc.	5.0%	8.8%	12.0%	11.8%	8.1%	12.5%	8.3%	11.6%	9.2%	10.4%	10.4%	7.6%	7.3%	9.5%	8.7%	9.5%	10.0%
Niterra	7.6%	10.1%	7.0%	7.8%	7.6%	16.3%	7.1%	5.7%	9.7%	13.8%	10.3%	13.1%	14.3%	12.7%	16.6%	12.8%	13.3%
Nippon Ceramic	9.0%	8.7%	6.7%	3.3%	7.4%	11.5%	11.9%	9.6%	11.6%	12.9%	24.1%	11.5%	18.1%	16.1%	15.6%	14.9%	14.8%
JAE	12.8%	16.2%	15.9%	12.7%	11.1%	13.9%	12.9%	10.3%	11.1%	12.6%	10.3%	10.5%	9.3%	6.7%	7.6%	8.0%	8.3%
NGK Corp.	3.0%	9.9%	9.4%	11.7%	9.5%	8.9%	11.8%	3.9%	10.0%	10.4%	8.8%	8.9%	9.5%	9.2%	11.5%	12.3%	12.7%
Mabuchi Motor	8.8%	12.3%	14.4%	13.3%	15.8%	12.9%	14.7%	11.4%	8.3%	8.5%	6.7%	10.4%	9.1%	10.6%	9.9%	8.6%	8.4%
Rohm	5.8%	4.4%	7.7%	6.0%	6.9%	8.5%	7.3%	5.1%	5.3%	12.0%	18.5%	7.8%	3.0%	7.1%	10.5%	15.2%	16.6%
Alps Alpine	6.7%	10.3%	14.4%	12.2%	11.4%	13.3%	9.3%	6.8%	5.6%	7.6%	4.5%	1.9%	5.6%	6.6%	5.5%	5.9%	5.9%
Kyocera	6.3%	5.5%	6.3%	6.3%	4.9%	4.7%	5.1%	4.9%	4.0%	6.1%	4.7%	4.0%	2.3%	3.4%	5.9%	7.0%	8.6%
Hirose Electric	12.6%	17.3%	13.9%	14.3%	13.2%	14.3%	11.3%	11.1%	10.0%	17.4%	16.1%	11.8%	12.9%	12.3%	13.5%	14.5%	15.0%
Nichicon	-1.4%	3.5%	3.0%	3.6%	0.8%	4.1%	-8.0%	3.4%	4.5%	4.1%	7.7%	9.5%	-0.3%	5.1%	6.4%	7.7%	8.3%
Maxell Ltd.	7.3%	4.7%	2.5%	2.4%	3.8%	4.9%	3.9%	1.8%	2.8%	8.3%	4.3%	5.5%	4.2%	6.4%	7.1%	7.8%	8.3%
MARUWA	12.4%	9.0%	8.3%	9.8%	11.3%	20.1%	16.4%	14.2%	16.0%	29.2%	20.2%	24.5%	26.9%	18.3%	23.6%	29.6%	30.5%
Kohoku Kogyo									12.8%	18.9%	15.4%	13.1%	17.8%	13.6%	18.6%	20.8%	21.5%
Sector Avg	7.5%	9.5%	10.7%	10.3%	10.1%	12.0%	9.6%	8.4%	9.9%	13.1%	12.1%	10.9%	10.1%	10.6%	12.8%	14.9%	15.5%

1st Quartile 2nd Quartile 3rd Quartile 4th Quartile

Source: Goldman Sachs Global Investment Research

Exhibit 9: Risks to target price attainment

Ticker	Company Name	Key Risks
6770	Alps Alpine	Key risks include forex fluctuations and changes in auto production.
6929	Nippon Ceramic	Greater-than-expected increase in automobile production, increase in the number of ultrasonic sensors installed per vehicle, emergence of sales growth for current sensors, additional share buybacks, and forex swings.
6908	IRISO Electronics	Changes in automobile production volume, changes in materials and distribution costs, changes in plant operations, changes in the competitive environment in growth fields like connectors for automotive powertrains, forex swings.
6479	MinebeaMitsumi	Sharper-than-expected rises in input costs, a decline in auto production, and yen appreciation.
6807	Japan Aviation Electronics Industry	Increased interest in aerospace themes, strengthening of the relationship with Kyocera, upside in smartphone and automotive production, declining material costs.
6996	Nichicon	High share price volatility as an AI-related small- and mid-cap stock, quarterly earnings volatility (earnings execution capability), rising costs such as raw materials and electricity, and reductions in subsidies for storage battery-related products.
6988	Nitto Denko	Material cost fluctuations, exchange rate fluctuations, changes in shipment volumes of smartphones, PCs, and tablets primarily in North America.
6762	TDK	Decline in smartphone production volume, higher input costs, and yen appreciation.
6806	Hirose Electric	Greater-than-expected yen appreciation/depreciation, changes in smartphone and auto production.
5334	Niterra	Changes in auto production, input cost fluctuations, the speed of new business development, and forex swings.
4062	Ibiden	Road map changes of main customers, weaker PC and server demand, and a reduction in diesel vehicle sales
6976	Taiyo Yuden	Weaker-than-expected smartphone demand, deterioration in MLCC supply/demand, and yen appreciation.
6592	Mabuchi Motor	Stronger-than-expected auto production volume, a decline in input costs, and yen depreciation.
5344	MARUWA	A decline in investment in applications that support end demand, such as AI/general-purpose servers, xEVs, and semiconductor manufacturing equipment; a decline in end product demand due to supply chain disruptions and inventory adjustments; the emergence of substitute technologies.
6981	Murata Mfg.	A decline in smartphone production volume, deterioration in MLCC supply/demand, and yen appreciation.
5333	NGK Corp.	Forex fluctuation, auto production volatility, and pace of the recovery in the semiconductor cycle.
6971	Kyocera	Slower-than-expected progress on planned management changes, inefficient investment or deployment of surplus capital, a delayed cycle recovery, and yen appreciation.
6524	Kohoku Kogyo	**Optical components and devices business**: Demand fluctuation for major end-use products (automobiles, telecommunications equipment such as communication stations, industrial machinery, home appliances, etc.) **Lead terminals business**: Sudden changes in the schedule of telecom submarine cable laying projects, reactionary decline in demand due to excessive component production for telecom submarine cable laying companies. **Company-wide**: FX fluctuations, political instability in major production locations such as Sri Lanka and Dongguan in China
6810	Maxell, Ltd.	A greater-than-expected recovery in automobile output, increased adoption of the company's automotive products, acceleration in margin improvement for consumer electronics products, lower costs relating to projector business downsizing, and yen depreciation.
6963	Rohm	Further increases in precious metal prices, delays in business portfolio transformation, uncertainty surrounding thereorganization and integration schemes, fluctuations in the market valuation of Toshiba shares.
6723	Renesas Electronics	A slowdown or delayed recovery in consumer electronics-related demand, stagnant automobile production, protracted reduction in semiconductor inventories, delayed recovery for industrial equipment applications, and yen appreciation

Source: Goldman Sachs Global Investment Research

Exhibit 10: Target price methodologies

Summary of Valuation Methodologies

Ticker	Company Name	Target price	Valuation methodology	Period	Sector Target Multiple	Premium/Discount	Implied PE Multiple (FY3/29)
6770.T	Alps Alpine	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	-60%	9.5x
6479.T	MinebeaMitsumi Inc.	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	-	18.3x
5334.T	Niterra	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	-10%	13.2x
6807.T	JAE	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	-60%	14.4x
4062.T	Ibiden	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	60%	40.7x
5333.T	NGK Corp.	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	-10%	17.8x
6988.T	Nitto Denko	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	-40%	13.6x
6762.T	TDK	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	10%	26.5x
6806.T	Hirose Electric	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	-	18.7x
6976.T	Taiyo Yuden	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	80%	30.4x
6996.T	Nichicon	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	-	18.9x
6981.T	Murata Mfg.	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	80%	29.3x
6592.T	Mabuchi Motor	12 months	EV/GCI vs CROCI/WACC	FY12/28	10.0x	-30%	16.6x
6971.T	Kyocera	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	-	23.2x
6908.T	IRISO Electronics	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	-45%	14.2x
6929.T	Nippon Ceramic	12 months	EV/GCI vs CROCI/WACC	FY12/28	10.0x	-20%	13.3x
6810.T	Maxell Ltd.	12 months	PBR	FY3/29	0.7x	-	5.5x
6723.T	Renesas Electronics	12 months	EV/GCI vs CROCI/WACC	FY12/28	13.0x	-	13.3x
6963.T	Rohm	12 months	EV/GCI vs CROCI/WACC	FY3/29	10.0x	20%	22.5x
5344.T	MARUWA	12 months	EV/EBITDA vs EBITDA Margin	FY3/29	12.0x	-	22.4x
6524.T	Kohoku Kogyo	12 months	DCF	FY12/26-FY12/35	-	-	21.6x

Source: Goldman Sachs Global Investment Research

Nichicon: P/E drops below historical average; Re-evaluating growth potential of aluminum electrolytic capacitors for AI servers; Upgrading to Buy from Neutral

6996.T	12m Price Target: ¥4200	Price: ¥2337	Upside: 79.7%

Buy

Market cap: ¥160.4bn / $1.0bn
Enterprise value: ¥176.4bn / $1.1bn
3m ADTV :¥2.6bn/ $16.6mn
Japan
Japan Electronic Components/Semiconductors
M&A Rank: 3

GS Forecast

	3/26	3/27E	3/28E	3/29E
Revenue (¥ bn)	169.7	193.7	210.7	234.7
Op. profit (¥ bn) New	**6.5**	**12.2**	**15.1**	**17.7**
Op. profit (¥ bn) Old	6.5	11.5	14.5	17.0
Op. profit CoE (¥ bn)	6.0	8.7	--	--
EPS (¥) New	**94.0**	**138.5**	**190.6**	**221.9**
EPS (¥) Old	94.0	145.9	181.7	211.4
P/E (X)	15.5	16.9	12.3	10.6
P/B (X)	1.0	1.5	1.4	1.3
CROCI (%)	5.1	6.4	7.7	8.3

	6/26	9/26E	12/26E	3/27E
EPS (¥)	36.8	39.1	32.8	29.8

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of October 15th 2026 close.

Investment rating

We revise our 12m target price to ¥4,200 from ¥4,100 and upgrade our rating to Buy from Neutral. The two reasons are: (1) we think the stock is undervalued following the

recent share price decline (pushing P/E below its historical average), and (2) in addition to upside to FY26E earnings, we have re-evaluated the growth potential of aluminum electrolytic capacitors for AI/DC application. Despite the volatility of AI-related mid-to-small cap stocks is high, we judge the stock's risk-return to be favorable (details below).

Differences between earnings estimates and consensus and our view

Our operating profits estimates for FY26E-FY28E have been increased by +6%/+4%/+4% from our previous estimates. We forecast FY26E operating profits of ¥12.2 bn versus company guidance of ¥8.7 bn. Compared to the Bloomberg consensus, our estimates are +5%/+5%/+3% higher for FY26-FY28. While 1Q FY26 operating profits were a solid ¥2.8 bn, we believe both capacitors and NECST segment will continue to track at high levels from 2Q onward. From 1H to 2H, and further heading into FY27E, we expect the profit contribution of aluminum electrolytic capacitors for AI/DC applications to begin rising.

Outlook by business

Aluminum electrolytic capacitors for AI/DC applications to expand further in 2H: As indicated by the solid BB ratio for aluminum electrolytic capacitors (1.3x in 1Q), demand is being driven by information and communications applications (mainly for servers). Heading into 2H, in addition to the sustained strength of conductive/conductive hybrid aluminum solid electrolytic capacitors (mainly DC 0.8-2.5V, up to around 12-80V), we expect adoption of long-L-type (large) aluminum electrolytic capacitors (mainly for high-voltage power supplies such as 400V and above) to increase in earnest. While we estimate Nichicon's position in AI/DC applications is behind TDK and Nippon Chemi-Con, we believe it has the potential to increase its share from FY25 levels (which we estimate at around 20%) to around 30% going forward, leveraging increased adoption by Taiwanese power supply makers.

Content increases to occur over the medium to long term, driven by higher voltages in AI server power supplies: Aluminum electrolytic capacitors represent electronic components that see a significant increase in installed content as AI server power supplies shift to higher voltages. Simply put, just as demand for SiC is beginning to rapidly increase in the high-voltage domain after PMICs in power semiconductors started growing around compute trays (low-voltage area), aluminum electrolytic capacitors are on track to grow rapidly as one of the capacitors used in the high-voltage domain, lagging behind the surge in MLCCs (which have an overwhelming advantage in the low-voltage area). We believe that if Nichicon can manage appropriately its product technology improvement and production capacity, this will directly lead to profit expansion. At the 1H results briefing, our focus will be on how the medium-to-long-term sales outlook for aluminum electrolytic capacitors for AI/DC applications is updated (and the possibility of an upward revision).

Progress expected in price pass-throughs for aluminum electrolytic capacitors: We note that FY26 guidance incorporates a cost increase impact of approximately ¥4.3 bn on a company-wide basis, mainly due to the impact of rising material costs (we estimate this is centered on aluminum electrolytic capacitors). On the other hand, the company is making progress in passing on the costs of materials in its prices, but the positive effects of this are not factored into its guidance. With this, if price pass-throughs proceed

smoothly, we expect there is potential for upside in terms of profits as well as increased sales relative to initial guidance.

Stable profits likely to be maintained for the NECST segment as well: For the NECST segment, 1Q earnings were stronger than company expected, centered on energy storage systems, while we were concerned about a pullback from 2Q onward. However, it is highly likely that the effects of subsidies from the Tokyo Metropolitan Government will continue from 2Q onward, allowing the company to maintain a high level of earnings (we estimate that a sharp stalling can at least be avoided). Even if demand for energy storage systems slows down somewhat heading into 2H (4Q), we believe the fundamentals are in place for the company as a whole to steadily maintain operating profit growth from 1H to 2H, driven by the profit growth effect of aluminum electrolytic capacitors from 1H to 2H.

Valuation

After evaluation as an AI-related mid-to-small cap stock, the share price rose by about 3.2x from its January 9 closing price (¥1,564) to its year-to-date high (June 19, ¥4,965). But following a correction in AI-related stocks overall, its October 15 closing price was ¥2,337, falling to roughly half of its year-to-date high. While the stock already being traded as a capacitor supply chain-related name, we believe it is possible to highlight the fact that fundamentals have steadily improved in the meantime, while its P/E has dropped below its historical average.

Our revised target price is ¥4,200, and our assumptions, such as EV/GCI = CROCI/WACC for FY28E and the EV/DACF multiple (sector average of 10x), remain unchanged from our previous estimates. Based on our earnings estimates, the stock is trading at **P/Es for FY27E/FY28E of 12x/11x,** well below the stock's 3-year/10-year historical average P/Es of 16x/20x, and in our view this suggests the stock is undervalued. We judge the share price level to be attractive even without putting a premium for AI-related stocks.

Implied P/E of our new target price is 22x for FY27E and 19x for FY28E. While this target price setting implies a P/E level slightly above the historical average, we believe our target price is reasonable given the current phase, where the sustained AI upcycle and technology-driven content growth (which we consider to be in the early stages) are set to unfold and upgrade the stock to Buy (from Neutral).

Key Risks

High volatility of the stock price: The company is positioned as an AI-related mid-to-small cap stock. It is more affected by stock supply and demand than large-cap stocks, and there is a possibility that high share price volatility will continue going forward.

Limited track record of earnings execution capability: The track record of achieving earnings has not necessarily been high in the past. However, we believe that its execution capability, such as pass-through of material price hikes and improving productivity, has been on an improving trend recently.

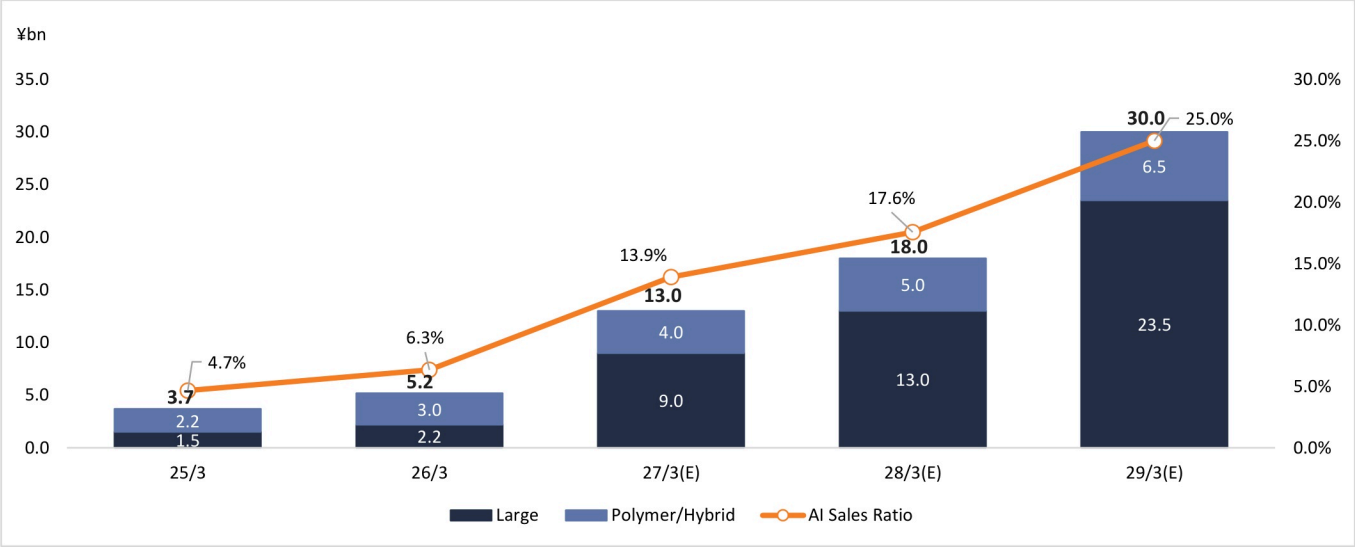
Impact of rising costs: The company is relatively susceptible to the impact of rising external costs, such as electricity costs and materials costs, particularly aluminum.

NECST business: Storage batteries have the characteristic of being easily influenced by

subsidy trends, and any reduction in subsidies resulting from regulatory changes could pose downside risk to earnings in the NECST business.

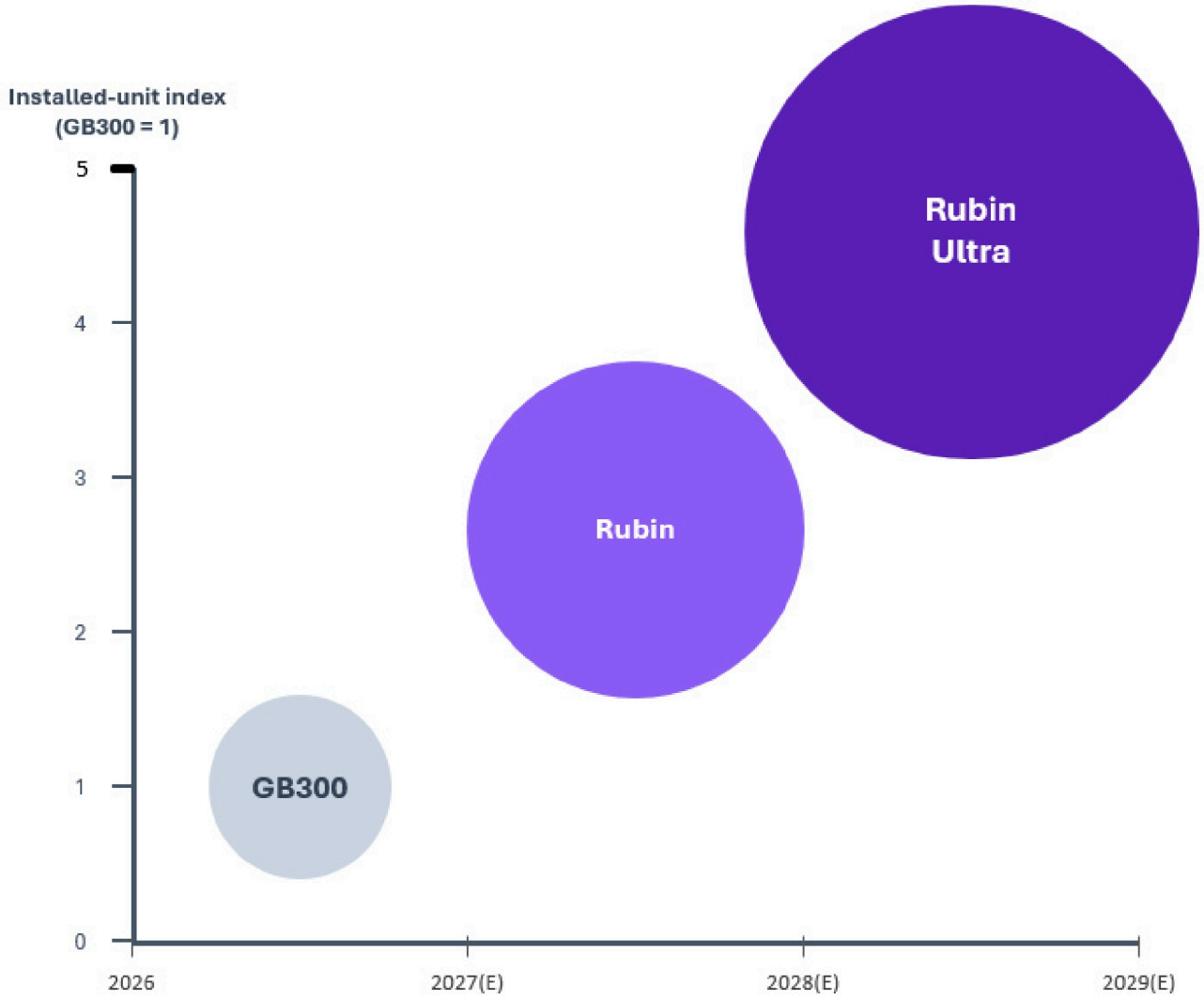
Even factoring in these risks, we judge the risk-return profile of the current share price to be favorable, given the P/E ratio is lower than the historical average and significant sales expansion for AI/DC applications is beginning to emerge (and new technological demands are once again increasing in the mature aluminum electrolytic capacitor industry).

Exhibit 11: Revenue for Aluminum Electrolytic Capacitors to AI / Data Center Applications (Historical and GSe)
AI Sales Ratio = Revenue from AI/DC Applications ÷ Total Aluminum Electrolytic Capacitor Revenue (GSe)



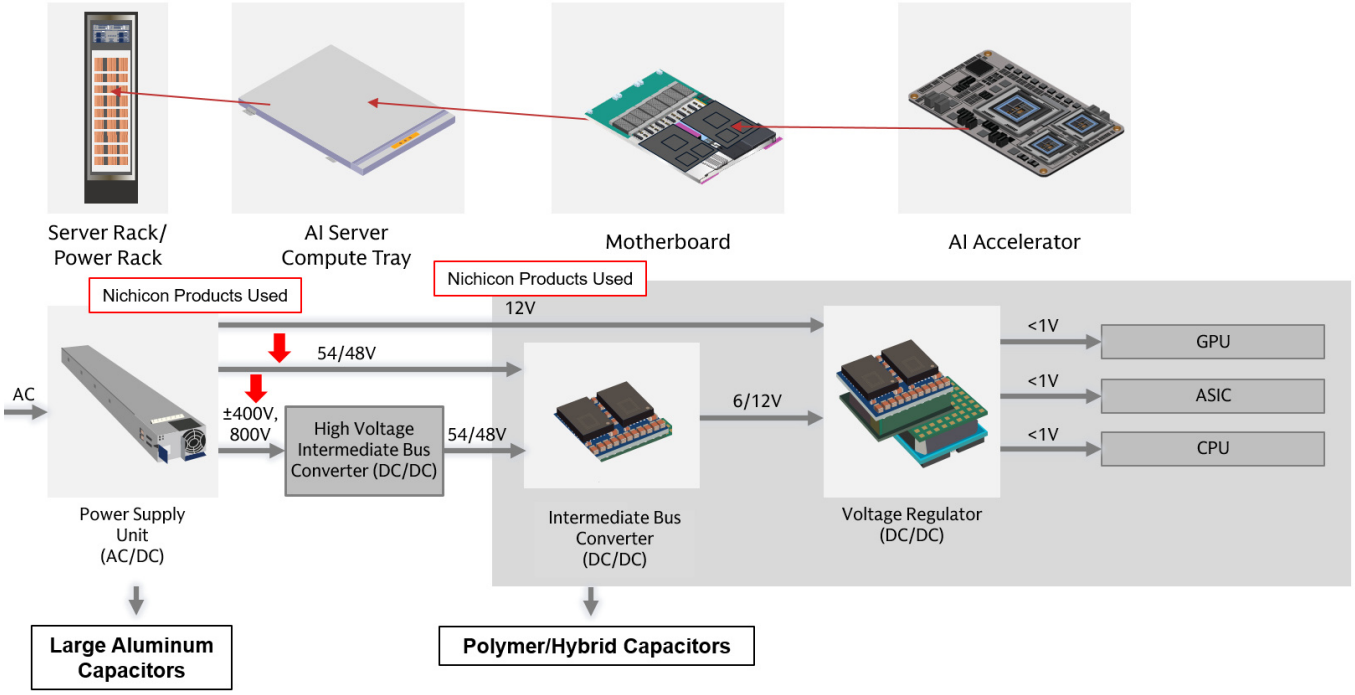
Source: Goldman Sachs Global Investment Research, Company data

Exhibit 12: Large aluminum electrolytic capacitor content per system is poised to rise rapidly, driven by higher power supply voltages and an increase in voltage conversion circuits.
Area of circle represents capacitance per rack (normalized to GB300 = 1)



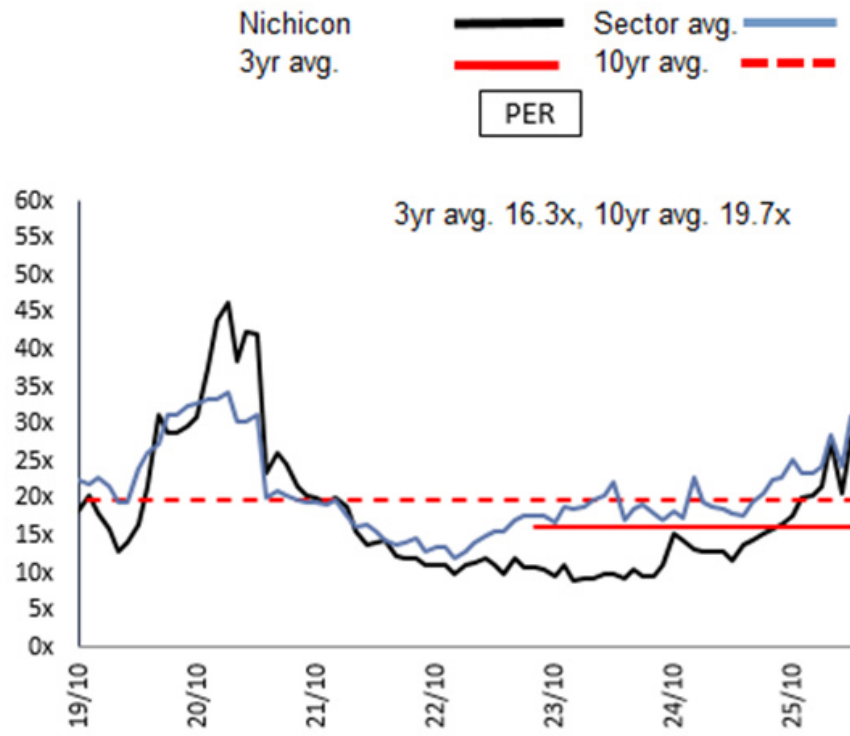
Source: Goldman Sachs Global Investment Research

Exhibit 13: Application Areas and Types of Aluminum Electrolytic Capacitors in AI Servers



Source: Company data, Goldman Sachs Global Investment Research,

Exhibit 14: Nichicon: Historical P/E trend



Source: LSEG Data & Analytics, Goldman Sachs Global Investment Research

Appendix: Updated Investment Thesis

Investment Thesis - Nichicon

Nichicon manufactures aluminum electrolytic capacitors, film capacitors for xEVs, and energy storage systems for household and industrial use. It is currently in a phase where the growth potential for aluminum electrolytic capacitors for AI servers is increasing. For AI servers, in addition to the sustained strength of conductive polymer and hybrid capacitors, demand for long-L-type (large) aluminum electrolytic capacitors is expected to ramp up, backed by the shift to higher voltages in power supply circuits. We believe that if the company can manage its product technology and production capacity appropriately, this will directly lead to profit expansion. In addition, we also expect the materialization of positive factors such as progress in pass-throughs of rising material prices and the sustainability of stable profits in the NECST business. While we view the volatility of AI-related mid-to-small cap stocks as high, we view the stock's risk-return to be favorable. We are Buy rated on Nichicon.

Target price methodologies

Exhibit 15: Target price methodologies

Company Name	Ticker	Analyst	TP Methodology
Ibiden	4062.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying +60% premium to our sector average EV/DACF multiple of 10X.
NGK Corp.	5333.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying -10% discount to our sector average EV/DACF multiple of 10X.
Niterra	5334.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying -10% discount to our sector average EV/DACF multiple of 10X.
MinebeaMitsumi Inc.	6479.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, in-line with our sector average EV/DACF multiple of 10X.
Mabuchi Motor	6592.T	Daiki Takayama	Our target price is based on FY12/28E EV/GCI vs. CROCI/WACC, applying -30% discount to our sector average EV/DACF multiple of 10X.
Renesas Electronics	6723.T	Daiki Takayama	Our target price is based on FY12/28E EV/GCI vs. CROCI/WACC, applying EV/DACF multiple of 13X.
TDK	6762.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying +10% premium to our sector average EV/DACF multiple of 10X.
Alps Alpine	6770.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying -60% discount to our sector average EV/DACF multiple of 10X.
Hirose Electric	6806.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, in-line with our sector average EV/DACF multiple of 10X.
Japan Aviation Electronics Industry	6807.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying -60% discount to our sector average EV/DACF multiple of 10X.
Rohm	6963.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying +20% premium to our sector average EV/DACF multiple of 10X.
Kyocera	6971.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, in-line with our sector average EV/DACF multiple of 10X.
Taiyo Yuden	6976.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying +80% premium to our sector average EV/DACF multiple of 10X.
Murata Mfg.	6981.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying +80% premium to our sector average EV/DACF multiple of 10X.
Nitto Denko	6988.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying -40% discount to our sector average EV/DACF multiple of 10X.
Nichicon	6996.T	Daiki Takayama	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, in-line with our sector average EV/DACF multiple of 10X.
MARUWA	5344.T	Mitsuhiro Icho	Our target price is based on the correlation between EV/EBITDA multiple and EBITDA margin. The applied multiple is 12.0X. (FY3/29E)
Maxell Ltd.	6810.T	Mitsuhiro Icho	Our target price is based on a P/B of 0.7X (FY3/29E)
IRISO Electronics	6908.T	Mitsuhiro Icho	Our target price is based on FY3/29E EV/GCI vs. CROCI/WACC, applying -45% discount to our sector average EV/DACF multiple of 10X.
Nippon Ceramic	6929.T	Mitsuhiro Icho	Our target price is based on FY12/28E EV/GCI vs. CROCI/WACC, applying -20% discount to our sector average EV/DACF multiple of 10X.
Kohoku Kogyo	6524.T	Mitsuhiro Icho	Our target price is calculated using a 10-year DCF model (terminal growth rate of 0%)

Source: Goldman Sachs Global Investment Research

Disclosure Appendix

Reg AC

We, Daiki Takayama, Mitsuhiro Icho, Makoto Takahara and Yuji Hidaka, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

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Unless otherwise stated, the individuals listed in the Contributing Authors disclosure of this report are analysts in Goldman Sachs' Global Investment Research division.

GS Factor Profile

The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our universe of rated stocks) and its sector peers. The four key attributes depicted are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:

Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

M&A Rank

Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

Disclosures

The rating(s) for Alps Alpine, Hirose Electric, IRISO Electronics, Ibiden, Japan Aviation Electronics Industry, Kohoku Kogyo, Kyocera, MARUWA, Mabuchi Motor, Maxell Ltd., MinebeaMitsumi Inc., Murata Mfg., NGK Corp., Nichicon, Nippon Ceramic, Niterra, Nitto Denko, Renesas Electronics, Rohm, TDK and Taiyo Yuden is/are relative to the other companies in its/their coverage universe: Alps Alpine, Dai Nippon Printing, Hirose Electric, IRISO Electronics, Ibiden, Japan Aviation Electronics Industry, Kohoku Kogyo, Kyocera, MARUWA, Mabuchi Motor, Maxell Ltd., MinebeaMitsumi Inc., Murata Mfg., NGK Corp., Nichicon, Nidec, Nippon Ceramic, Niterra, Nitto Denko, Renesas Electronics, Rohm, TDK, TOPPAN Holdings, Taiyo Yuden

Company-specific regulatory disclosures

Compendium report: please see disclosures at https://www.gs.com/research/hedge.html. Disclosures applicable to the companies included in this compendium can be found in the latest relevant published research

Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	50%	34%	16%	65%	58%	43%

As of October 1, 2026, Goldman Sachs Global Investment Research had investment ratings on 3,094 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage universe and related definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services within the previous twelve months.

Price target and rating history chart(s)

Compendium report: please see disclosures at https://www.gs.com/research/hedge.html. Disclosures applicable to the companies included in this compendium can be found in the latest relevant published research

Target price history table(s)

Nichicon (6996.T)

Date of report	Target price (¥)	Closing price (¥)
05-Aug-26	4,100	3,280
08-Jun-26	4,000	4,070
08-May-26	2,200	2,494
23-Mar-26	2,000	1,765
06-Feb-26	1,700	1,680
12-Jan-26	1,600	1,564
05-Nov-25	1,400	1,518
05-Aug-25	1,500	1,309
09-May-25	1,400	1,169
31-Mar-25	1,500	1,224
06-Feb-25	1,400	1,029
06-Nov-24	1,300	1,012
01-Oct-24	1,200	978
06-Aug-24	1,300	968
02-Jul-24	1,500	1,200
09-May-24	1,700	1,373
09-Feb-24	1,800	1,254
06-Dec-23	1,900	1,441

Nippon Ceramic (6929.T)

Date of report	Target price (¥)	Closing price (¥)
07-Aug-26	3,600	3,765
08-Jun-26	3,700	3,900
02-Oct-25	3,000	3,485
01-Aug-25	2,900	3,200
31-Mar-25	2,700	2,870
07-Feb-25	2,400	2,580
08-Nov-24	2,300	2,596
02-Aug-24	2,200	2,330
03-Apr-24	2,500	2,668
06-Dec-23	2,550	2,899

Alps Alpine (6770.T)

Date of report	Target price (¥)	Closing price (¥)
23-Mar-26	2,200	2,101
30-Jan-26	2,300	2,015
12-Jan-26	2,200	1,942
31-Oct-25	2,100	1,946
02-Oct-25	2,000	1,857
31-Jul-25	1,700	1,600
07-Jul-25	1,600	1,478
30-Apr-25	1,400	1,448
31-Mar-25	1,500	1,521
31-Jul-24	1,700	1,603
02-Jul-24	1,600	1,525
05-Jun-24	1,500	1,549
09-May-24	1,400	1,541
03-Apr-24	1,240	1,202
30-Jan-24	1,150	1,307

IRISO Electronics (6908.T)

Date of report	Target price (¥)	Closing price (¥)
09-Oct-26	2,900	2,810
23-Mar-26	3,400	3,310
03-Feb-26	3,300	3,365
12-Jan-26	3,100	3,215
05-Nov-25	3,000	3,020
04-Aug-25	2,800	2,878
07-Jul-25	2,900	2,767
07-May-25	2,700	2,600
31-Mar-25	2,900	2,596
04-Feb-25	3,000	2,534
09-Aug-24	2,900	2,332
02-Jul-24	3,300	3,130
08-May-24	3,400	3,140
03-Apr-24	3,200	2,866
02-Feb-24	3,900	3,410

Maxell Ltd. (6810.T)

Date of report	Target price (¥)	Closing price (¥)
31-Jul-26	1,900	2,070
14-Apr-26	1,800	2,225
23-Mar-26	1,900	1,960
12-Jan-26	2,000	2,366
31-Jul-25	1,800	2,015
07-Jul-25	1,700	1,852
27-Apr-25	1,600	1,825
01-Oct-24	1,700	1,831
31-Jul-24	1,800	1,733
23-Jul-24	1,700	1,785
02-Jul-24	1,570	1,845
05-Jun-24	1,530	1,818
29-Apr-24	1,390	1,508
03-Apr-24	1,470	1,574
06-Dec-23	1,530	1,661

TDK (6762.T)

Date of report	Target price (¥)	Closing price (¥)
31-Jul-26	4,900	3,008
08-Jun-26	4,600	3,715
28-Apr-26	3,000	2,677
23-Mar-26	2,900	2,043
12-Jan-26	2,800	2,142
31-Oct-25	2,700	2,673
02-Oct-25	2,400	2,154
01-Aug-25	2,100	1,876
28-Apr-25	2,000	1,460
31-Mar-25	2,100	1,546
01-Nov-24	2,300	1,848
01-Oct-24	2,230	1,948
02-Sep-24	11,300	2,023
30-Jul-24	11,500	2,029
02-Jul-24	11,200	2,004
26-Apr-24	8,300	1,462
03-Apr-24	8,700	1,488
31-Jan-24	7,800	1,488

Maxell Ltd. (6810.T)

Date of report	Target price (¥)	Closing price (¥)

TDK (6762.T)

Date of report	Target price (¥)	Closing price (¥)
06-Dec-23	7,500	1,338
01-Nov-23	6,500	1,158

MARUWA (5344.T)

Date of report	Target price (¥)	Closing price (¥)
28-Sep-26	81,000	55,430
06-Sep-26	90,000	53,510
08-Jun-26	89,000	67,750
08-May-26	70,000	68,930
16-Apr-26	72,000	69,200
23-Mar-26	67,000	53,790
03-Feb-26	55,000	51,620
12-Jan-26	54,000	44,550
02-Oct-25	48,000	38,170
24-Jul-25	45,000	46,930
07-Jul-25	46,000	40,020
08-May-25	44,000	32,210
25-Apr-25	42,000	29,375
31-Mar-25	47,000	30,320
01-Feb-25	55,000	38,320
31-Jan-25	54,000	38,320
29-Jan-25	55,000	40,900
22-Jan-25	58,000	50,150
29-Oct-24	51,000	41,650
01-Oct-24	53,000	43,300
29-Jul-24	49,000	40,500
02-Jul-24	45,000	38,300
25-Apr-24	39,000	33,300
03-Apr-24	40,000	32,350

Japan Aviation Electronics Industry (6807.T)

Date of report	Target price (¥)	Closing price (¥)
08-Jun-26	2,000	2,381
24-Apr-26	2,300	2,484
28-Jan-26	2,400	2,476
12-Jan-26	2,600	2,518
30-Oct-25	2,500	2,807
02-Oct-25	2,600	2,459
23-Jul-25	2,500	2,450
23-Apr-25	2,700	2,283
31-Mar-25	2,800	2,609
29-Jan-25	2,700	2,893
23-Oct-24	2,800	2,553
02-Jul-24	2,700	2,611
24-Apr-24	2,800	2,331
03-Apr-24	2,700	2,392
29-Jan-24	2,900	3,040
06-Dec-23	3,000	2,850
27-Oct-23	2,700	2,750

Hirose Electric (6806.T)

Date of report	Target price (¥)	Closing price (¥)
04-Aug-26	30,400	27,415
08-Jun-26	29,300	26,620
11-May-26	21,200	22,430
23-Mar-26	20,900	20,675
12-Jan-26	19,600	17,390
04-Nov-25	18,500	21,255
02-Oct-25	18,900	18,415
07-Jul-25	17,500	16,725
09-May-25	18,400	16,565
31-Mar-25	19,200	17,250
03-Feb-25	19,800	17,955
01-Oct-24	19,000	18,380
01-Aug-24	18,500	17,625
02-Jul-24	18,300	18,200
03-Apr-24	17,200	14,980
01-Feb-24	17,800	17,305
06-Dec-23	18,000	16,270
01-Nov-23	17,300	17,165

Mabuchi Motor (6592.T)

Date of report	Target price (¥)	Closing price (¥)
14-Aug-26	1,500	1,742
08-Jun-26	1,400	1,546
23-Mar-26	1,500	1,556
13-Feb-26	1,400	1,611
12-Jan-26	1,300	1,458
31-Oct-25	2,500	1,364
14-Aug-25	2,300	1,216
07-Jul-25	2,100	1,060
31-Mar-25	2,300	1,146
01-Oct-24	2,200	1,124
02-Jul-24	2,300	1,183
03-Apr-24	2,400	1,318
14-Feb-24	2,200	1,348
06-Dec-23	3,900	1,171
02-Nov-23	3,700	1,150

Niterra (5334.T)

Date of report	Target price (¥)	Closing price (¥)
31-Jul-26	10,900	4,708
08-Jun-26	10,600	4,939
23-Mar-26	7,800	3,535
30-Jan-26	6,700	3,376
12-Jan-26	6,800	3,385

Kyocera (6971.T)

Date of report	Target price (¥)	Closing price (¥)
30-Jul-26	4,300	3,550
08-Jun-26	4,200	3,571
23-Mar-26	2,700	2,336
12-Jan-26	2,600	2,228
02-Oct-25	2,400	1,952

Niterra (5334.T)

Date of report	Target price (¥)	Closing price (¥)
31-Oct-25	6,000	3,171
02-Oct-25	5,700	2,870
07-Jul-25	5,100	2,397
31-Jan-25	4,800	2,571
01-Oct-24	4,500	2,041
30-Apr-24	4,900	2,586
03-Apr-24	5,000	2,446
31-Jan-24	4,000	2,000
06-Dec-23	3,700	1,691

Kyocera (6971.T)

Date of report	Target price (¥)	Closing price (¥)
30-Jul-25	2,300	1,645
14-May-25	2,200	1,793
31-Mar-25	2,000	1,676
03-Feb-25	2,100	1,579
30-Oct-24	2,200	1,756
01-Oct-24	2,300	1,687
26-Apr-24	2,500	1,928
03-Apr-24	2,700	1,958
09-Jan-24	2,600	2,010
06-Dec-23	8,600	2,045
01-Nov-23	7,600	1,889

Taiyo Yuden (6976.T)

Date of report	Target price (¥)	Closing price (¥)
05-Aug-26	21,300	11,165
08-Jun-26	21,200	14,975
08-May-26	7,100	6,663
23-Mar-26	4,900	3,926
12-Jan-26	4,300	3,405
02-Oct-25	3,800	3,382
05-Aug-25	3,200	2,841
07-Jul-25	3,100	2,488
09-May-25	3,200	2,202
31-Mar-25	3,400	2,467
07-Nov-24	3,600	2,781
01-Oct-24	4,100	3,081
02-Jul-24	4,800	4,105
08-May-24	4,000	3,643
07-Feb-24	4,100	3,431
06-Dec-23	4,500	3,627
07-Nov-23	4,400	3,695

Renesas Electronics (6723.T)

Date of report	Target price (¥)	Closing price (¥)
31-Jul-26	5,500	3,442
08-Jun-26	5,400	4,139
24-Apr-26	3,800	3,141
23-Mar-26	3,600	2,276
05-Feb-26	3,300	2,767
12-Jan-26	2,900	2,380
24-Apr-25	2,500	1,670
31-Mar-25	2,900	1,988
06-Feb-25	2,700	2,306
31-Oct-24	2,600	2,110
01-Oct-24	2,900	2,161
25-Jul-24	3,400	2,584
02-Jul-24	3,800	3,014
03-Apr-24	3,400	2,650
08-Feb-24	3,200	2,542
27-Nov-23	3,300	2,563
26-Oct-23	2,900	2,106

Rohm (6963.T)

Date of report	Target price (¥)	Closing price (¥)
13-Aug-26	7,200	4,886
05-Aug-26	6,600	4,749
08-Jun-26	6,500	4,815
23-Mar-26	3,300	3,102
04-Feb-26	2,300	2,735
12-Jan-26	2,400	2,385
06-Nov-25	2,100	2,370
02-Oct-25	2,300	2,198
04-Aug-25	1,940	1,930
07-Jul-25	1,900	1,852
13-May-25	1,480	1,423
31-Mar-25	1,620	1,429
03-Feb-25	1,800	1,473
07-Nov-24	1,900	1,720
01-Oct-24	2,100	1,715
05-Aug-24	2,500	1,657
02-Jul-24	2,700	2,119
08-May-24	2,900	2,255
03-Apr-24	3,300	2,447
01-Feb-24	3,400	2,592
27-Nov-23	3,500	2,725
01-Nov-23	3,300	2,492

Murata Mfg. (6981.T)

Date of report	Target price (¥)	Closing price (¥)
31-Jul-26	12,900	7,416
08-Jun-26	12,600	8,711
30-Apr-26	5,400	5,156
23-Mar-26	4,200	3,508
12-Jan-26	3,900	3,194
31-Oct-25	3,600	3,392
02-Oct-25	3,300	2,770
30-Apr-25	3,000	2,214
31-Mar-25	3,400	2,306
01-Oct-24	3,500	2,893
02-Jul-24	3,800	3,364
03-Apr-24	3,400	2,768
06-Dec-23	3,300	2,892

MinebeaMitsumi Inc. (6479.T)

Date of report	Target price (¥)	Closing price (¥)
08-Jun-26	5,500	4,546
12-May-26	4,000	3,566
23-Mar-26	3,800	2,541
12-Jan-26	3,700	2,997
06-Nov-25	3,400	3,114
02-Oct-25	3,300	2,764
05-Aug-25	3,000	2,395
09-May-25	2,900	2,177
31-Mar-25	3,000	2,174
05-Feb-25	3,300	2,447
06-Nov-24	3,400	2,858
01-Oct-24	3,500	2,941
02-Jul-24	3,700	3,552
03-Apr-24	3,400	2,907
02-Feb-24	3,200	3,101
06-Dec-23	3,100	2,831
02-Nov-23	2,800	2,504

Ibiden (4062.T)

Date of report	Target price (¥)	Closing price (¥)
04-Aug-26	26,700	8,165
08-Jun-26	25,500	8,530
23-Mar-26	9,600	3,770
12-Jan-26	8,100	3,357
30-Oct-25	14,600	3,399
02-Oct-25	10,600	2,289
07-Jul-25	7,200	1,593
08-May-25	6,300	1,031
31-Mar-25	6,200	997
04-Feb-25	6,500	1,125
01-Oct-24	7,000	1,148
02-Jul-24	8,400	1,617
01-May-24	8,000	1,537
03-Apr-24	9,000	1,594
01-Feb-24	8,700	1,892
29-Nov-23	8,900	1,774
26-Oct-23	9,600	1,801

Nitto Denko (6988.T)

Date of report	Target price (¥)	Closing price (¥)
28-Jul-26	3,200	3,446
08-Jun-26	3,000	3,008
27-Apr-26	4,200	3,302
12-Jan-26	4,600	3,630
27-Oct-25	4,100	4,068
02-Oct-25	4,000	3,491
25-Apr-25	2,800	2,630
27-Jan-25	3,000	2,820
01-Oct-24	2,800	2,489
26-Jul-24	14,400	2,565
02-Jul-24	13,600	2,550
26-Apr-24	13,400	2,851
03-Apr-24	13,700	2,756
26-Jan-24	11,400	2,251
06-Dec-23	10,700	2,077
26-Oct-23	10,200	1,860

Kohoku Kogyo (6524.T)

Date of report	Target price (¥)	Closing price (¥)
08-Jun-26	6,000	5,890
13-May-26	5,400	6,760
23-Mar-26	4,700	4,225
13-Feb-26	4,300	3,965
12-Feb-26	4,100	3,900
12-Jan-26	3,600	2,963
02-Oct-25	4,000	3,100
07-Aug-25	3,500	2,640
07-Jul-25	3,200	2,452
12-May-25	2,400	1,892
21-Apr-25	2,500	1,668

NGK Corp. (5333.T)

Date of report	Target price (¥)	Closing price (¥)
30-Jul-26	6,600	5,245
08-Jun-26	6,400	6,092
30-Apr-26	4,500	4,961
23-Mar-26	4,200	3,792
12-Jan-26	3,300	3,490
31-Oct-25	2,600	2,606
02-Oct-25	2,400	2,462
31-Jul-25	2,000	1,917
07-Jul-25	1,900	1,782
28-Apr-25	2,000	1,794
31-Mar-25	2,100	1,836
01-Oct-24	1,900	1,897
29-Jul-24	2,000	2,080
26-Apr-24	1,900	2,177
03-Apr-24	1,800	1,983
31-Jan-24	1,600	1,852
27-Oct-23	1,500	1,769

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