on 22-Oct-2026

BERNSTEIN
SOCIETE GENERALE GROUP

22 October 2026

Japan IT Hardware & Electronics

Japan IT Hardware & Electronics: 2Q26 Preview... are AI sentiments too low?



Kengo Makita
+81 3 6777 6977
kengo.makita@bernsteinsg.com



Ting Ming Neo
+852 2123 2554
tingming.neo@bernsteinsg.com



Do Youn Na
+81 3 6777 8519
do-youn.na@bernsteinsg.com

We initiated on *Japan IT Hardware & Electronics: Japan's Physical AI Comeback - Initiating with a positive view* and preview the upcoming 2Q26 results.

Software/IT Services stock price outperformed AI related names in the last quarter. From 1st July, Software and IT Services stocks (Hitachi, NEC) have risen by 30% from the strong 1Q26 results while AI related names (Murata, Panasonic) came down as expectations were elevated in 1H26 and caution on DC build out led to multiples compressing. However, FY26E earnings largely revised upwards by 2-11% in the same period, reflecting better opportunities to enter positions.

IT Services and software should continue to beat expectations on strong domestic demand, particularly in AX and Cybersecurity. Despite Tankan survey revisions coming down marginally since June, we still continue to see strong acceleration in domestic software growth from +7.5% in 2025 to +10.3% in 2026E. Fujitsu and NRI's investors day in the quarter signaled strong modernization and data/AI demand. Recent cyberattacks on Japanese firms should see increased urgency and demand for cybersecurity orders, solidifying NEC's position.

AI related names will likely see continued growth but expectations remain elevated. MLCCs are expected to remain tight with BB ratios maintaining or increasing to 1.5 compared to 1Q26. Regressing Murata Capacitor revenue growth with Japan MLCC export growth shows R^2 of 0.8 with July-Aug export growth growing at +30%YoY far stronger vs 1 year average of 18%. Murata will likely guide for price increases given its competitors SEMCO and Taiyo Yuden have already announced. Tone on pricing increase will be a major catalyst. On Panasonic, we expect questions on BBU share loss but unlikely to have large beat and raise. CBUs could see a beat and raise on low revenue guidance post 2028E. Read across from Delta (Covered by Alex Wang), TDK, and Musashi (Both not covered) will be another focus point.

Energy names are likely to continue to beat expectations on strong demand. Hitachi energy grid business is expected to perform with consensus expecting 25-30%YoY growth. MHI GTCC order demand likely to beat (flat/+LSD growth vs -10/20% buyside consensus est) and see potential revision given GEV/ENR's strong backlog guidance. Near term capacity improvement especially from ITO will be an upside catalyst.

Defense stocks unlikely to have earnings catalyst in 2Q26. Defense will see sustained revenue growth of ~+20%YoY as contracts are executed. The focus will be on capacity expansion as 2028E budget nears and the composition of budget.

FX will be major tailwind beneficial for companies with overseas businesses. In the quarter, JPY/USD has depreciated from 145 in 2Q25 to 159 in 2Q26. We expect Murata, Panasonic, KHI, Melco and Hitachi to benefit from overseas exposure.

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: 21 Oct 2026 20:30 UTC Completion Date: 21 Oct 2026 07:49 UTC

on 22-Oct-2026

BERNSTEIN TICKER TABLE

			20 Oct 2026		TTM	Adjusted EPS				Adjusted P/E (x)	
			Closing	Price	Rel.						
Ticker	Rating	Cur	Price	Target	Perf.	Cur	2025A	2026E	2027E	2025A	2026E	2027E
6501.JP (Hitachi)	O	JPY	5,810.00	7,300.00	6.0%	JPY	176.63	231.31	295.52	32.9	25.1	19.7
6503.JP (Mitsubishi Electric)	O	JPY	4,852.00	7,000.00	(0.1)%	JPY	196.54	289.27	345.19	24.7	16.8	14.1
7011.JP (Mitsubishi Heavy)	O	JPY	3,685.00	6,300.00	(36.8)%	JPY	98.84	152.95	173.71	37.3	24.1	21.2
7012.JP (Kawasaki Heavy)	M	JPY	2,226.50	2,500.00	(10.1)%	JPY	129.41	135.27	169.62	17.2	16.5	13.1
6981.JP (Murata)	O	JPY	6,643.00	10,000	104.3%	JPY	127.66	205.12	292.61	52.0	32.4	22.7
6701.JP (NEC)	O	JPY	5,349.00	5,800.00	(13.7)%	JPY	202.95	245.60	275.49	26.4	21.8	19.4
6752.JP (Panasonic)	M	JPY	3,878.00	4,500.00	86.3%	JPY	81.17	204.60	251.87	47.8	19.0	15.4
JPL			2,600.84									

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

We expect underlying fundamentals to remain strong in 2Q26 results. Near term expectations remain relatively high even as sellside consensus earnings are revising upwards and multiples coming down. **We see Hitachi and MHI as longer term plays while the current set up favors Murata as an entry point.**

We rate Hitachi: Outperform, TP = ¥7,300. Mitsubishi Electric: Outperform, TP = ¥7,000. Mitsubishi Heavy Industries: Outperform, TP = ¥6,300. Kawasaki Heavy Industries: Market-Perform, TP = ¥2,500. Murata: Outperform, TP = ¥10,000. NEC: Outperform, TP = ¥5,800. Panasonic: Market-Perform, TP: ¥4,500.

on 22-Oct-2026

DETAILS

Software/IT Services stock price outperformed AI related names in the last quarter. From 1st July, Software and IT Services stocks (Hitachi, NEC) have risen by 30% from the strong 1Q26 results while AI related names (Murata, Panasonic) came down as expectations were elevated in 1H26 and caution on DC build out led to multiples compressing. However, current FY2026E (End March27) sell side earnings estimates have mostly revised upwards by 2-10% in the same time period. From our conversation with buy side investors, Hitachi, MELCO, Murata, NEC and Panasonic have their earnings estimates revised upwards in 2Q26.

We are ahead of consensus on revenue for almost all of our companies with earnings even further ahead while Panasonic remains inline with consensus relatively high expectations. We believe Hitachi has more upside on margins from Lumada margin expansion progress with Energy contributing higher margins through higher ASP/pricing, supported by FX tailwind. MELCO should beat on stronger energy/DC demand, strong PLC FA production, and stronger domestic/overseas HVAC sales- contributed by rushed purchase. MHI's Innovative Total Optimization (ITO) will likely be showing progress on GTCC production and cost savings more than sellside consensus.

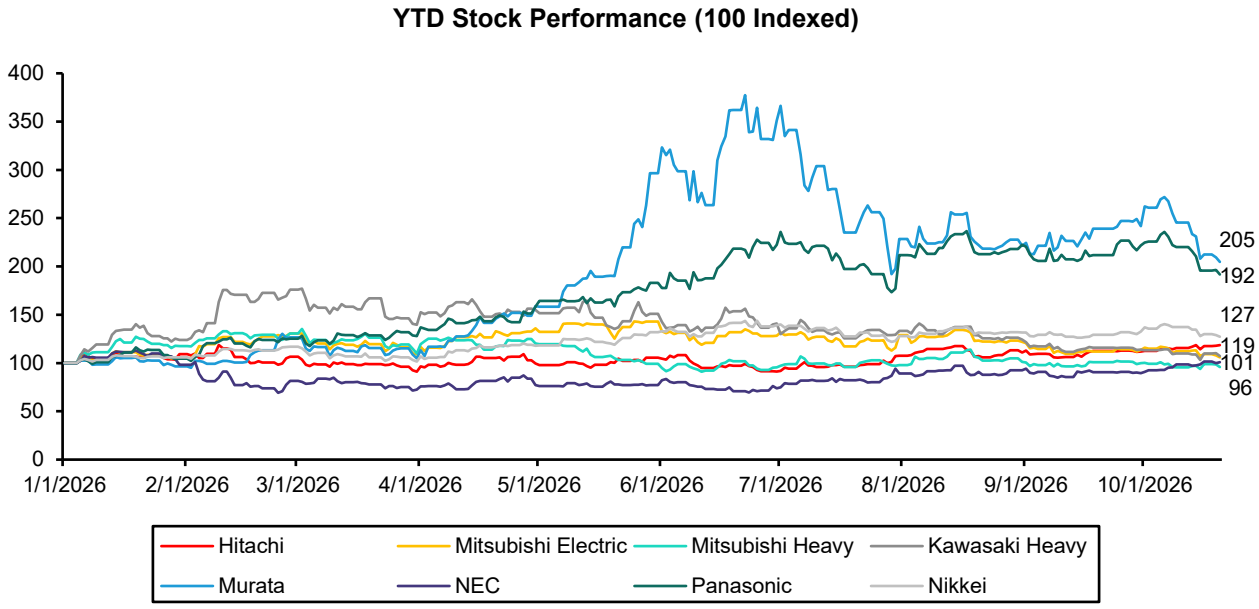
EXHIBIT 1: **Summary of our 2Q26 coverage vs sell-side consensus preview**

	FY26.2Q		% YoY		Delta (%)
Company	**BERN**	**Cons.**	**BERN**	**Cons.**	**Bern vs Cons.**
Revenue (JPY Bn)					
Hitachi	2,914.9	2,889.8	15.3%	14.3%	0.9%
Mitsubishi Electric	1,643.0	1,554.8	15.7%	9.5%	5.7%
Mitsubishi Heavy Industries	1,235.1	1,206.8	34.2%	31.2%	2.3%
Kawasaki Heavy Industries	572.1	561.2	12.7%	10.5%	1.9%
Murata	584.7	554.5	20.2%	13.9%	5.4%
NEC	910.6	921.3	6.6%	7.9%	-1.2%
Panasonic	1,946.2	1,934.5	1.2%	0.6%	0.6%
Operating Profit (JPY Bn)					
Hitachi	408.1	360.7	37.4%	21.4%	13.1%
Mitsubishi Electric	175.8	162.1	56.4%	44.2%	8.5%
Mitsubishi Heavy Industries	133.9	122.3	98.7%	79.3%	9.5%
Kawasaki Heavy Industries	35.4	32.5	133.2%	121.2%	9.0%
Murata	133.3	127.6	28.8%	23.3%	4.5%
NEC	111.6	97.8	34.1%	17.6%	14.1%
Panasonic	151.5	152.8	94.0%	95.6%	-0.8%

For operating profit consensus, Hitachi is based on Adj.OP, MHI and KHI are based on Business Profit, and the rest are Operating Profit
Source: Bloomberg, Bernstein estimates and analysis

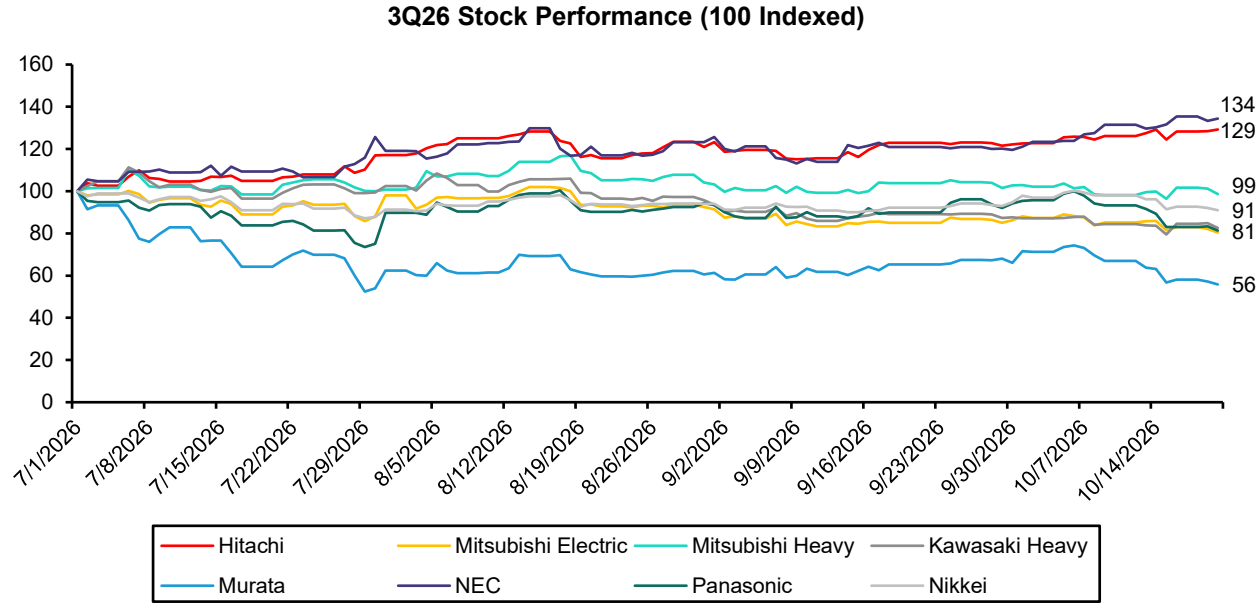
on 22-Oct-2026

EXHIBIT 2: **AI related stocks have outperformed others in our coverage YTD**



Source: Bloomberg, Bernstein analysis

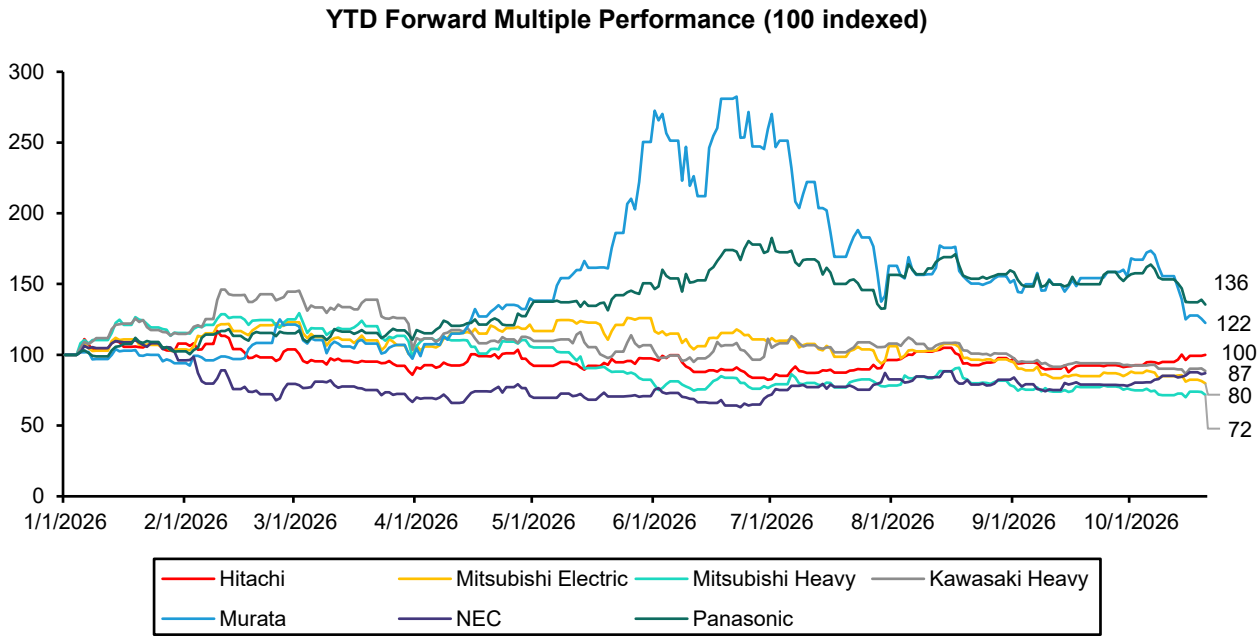
EXHIBIT 3: **However, software/IT Services stocks caught up after posting strong domestic results in 1Q26 while AI names came down**



3Q26 refers to calendar year (1st July to 20th Oct)
Source: Bloomberg, Bernstein analysis

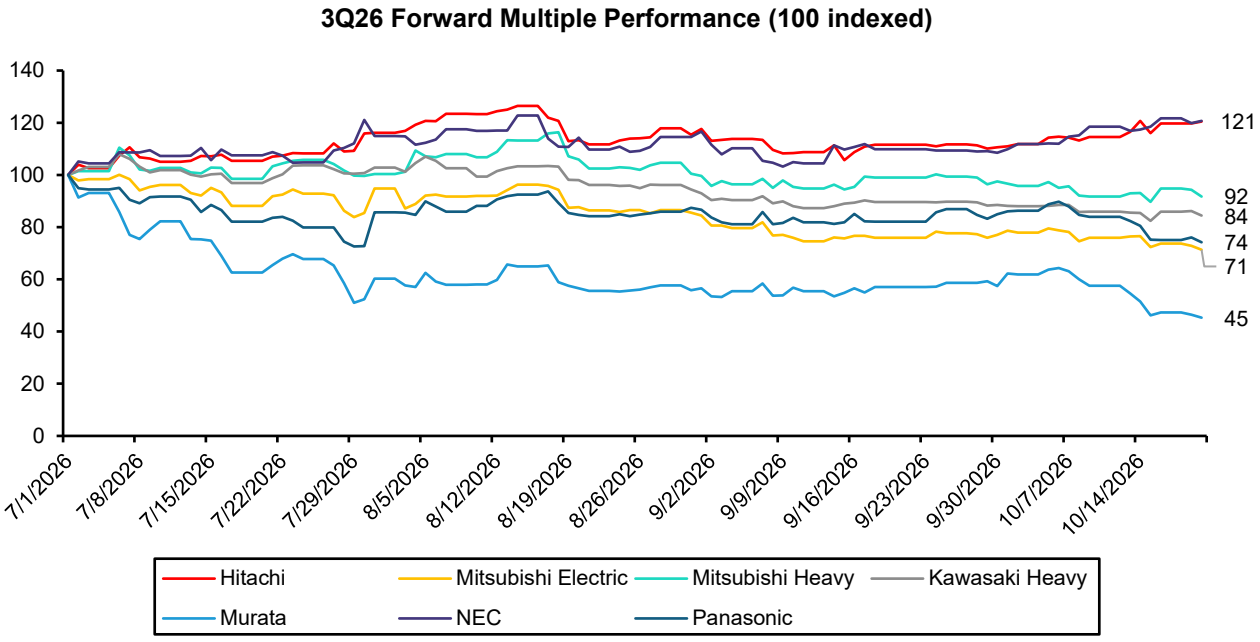
on 22-Oct-2026

EXHIBIT 4: **YTD, AI component and module stocks have outperformed while heavy industries and software have underperformed on expectations**



Murata is valued on P/E, while the others are valued on EV/EBITDA
Source: Bloomberg, Bernstein analysis

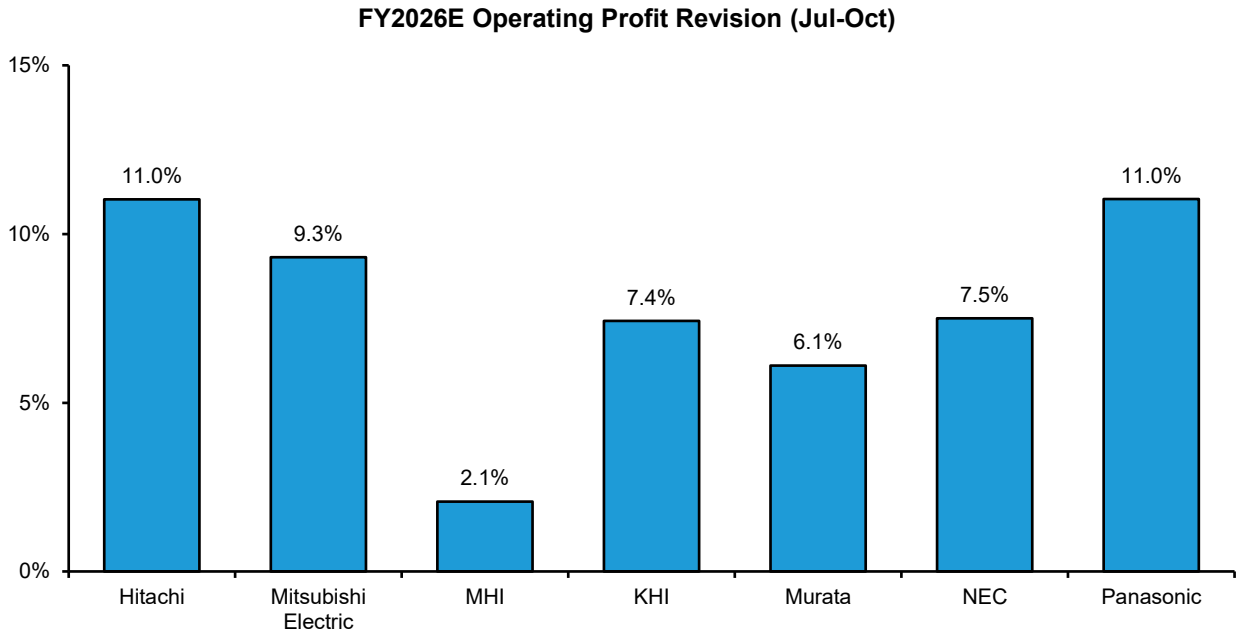
EXHIBIT 5: **Multiples for software stocks have outperformed as strong 1Q26 results have lifted weaker sentiments while AI and DC stocks underperformed as investors are more caution in the sector**



Source: Bloomberg, Bernstein analysis

on 22-Oct-2026

EXHIBIT 6: **We see earnings revised upwards by 2-11% in the last quarter on FY2026E (End March 27)**



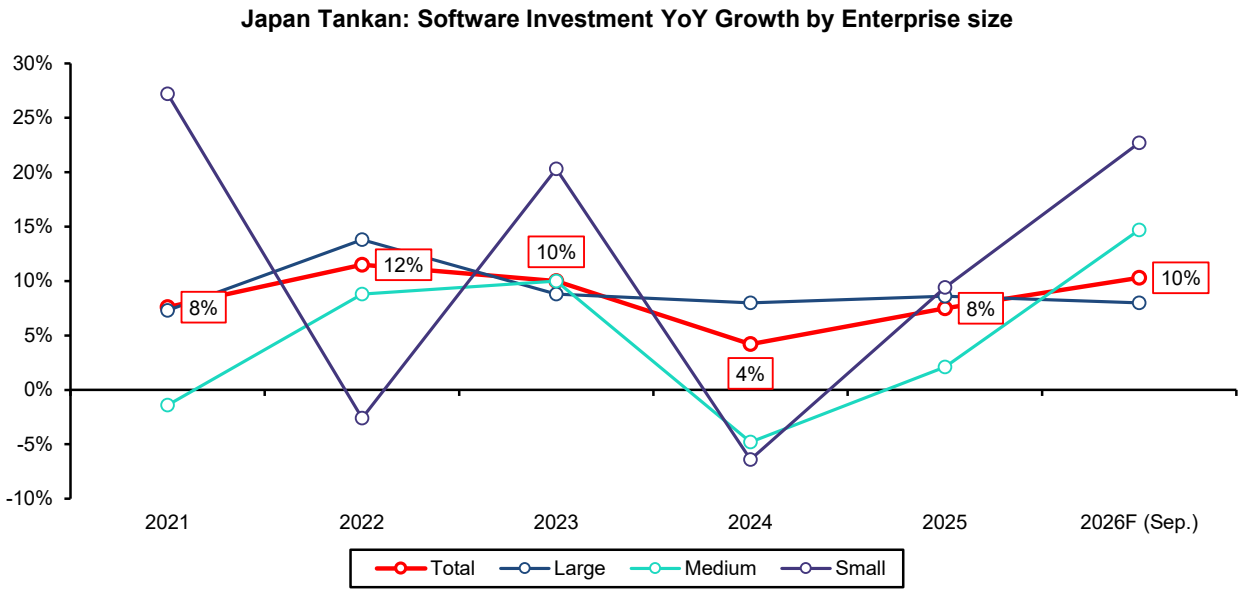
Source: Bloomberg, Bernstein analysis

Hitachi is our top pick and we expect Hitachi to beat on Energy and Lumada margins. The market understands, and the stock has priced in the strength in Energy Grid, but we think consistently strong Energy growth will support the current stock price. We believe DSS will continue to be strong - most recent Tankan survey for software investments for 2026E despite revising downwards marginally from June to Sept still show growth acceleration from 2025 to 2026E with +10%YoY growth *(Exhibit 7-Exhibit 11)*.

NEC will likely beat on margins and see strong revenue from AX and defense related spending. While post 1Q26 strong results have lifted expectations and sentiments from the SaaS apocalypse, we see strength in solutions based AX software uplifting margins with submarine business profitability picking up. The increasing importance of cybersecurity (NEC being the specialist) could see order guidance raised. Read across from NRI and Fujitsu (not covered) see continued strong IT spending in modernization, cybersecurity and data/AI governance *(Exhibit 12).*

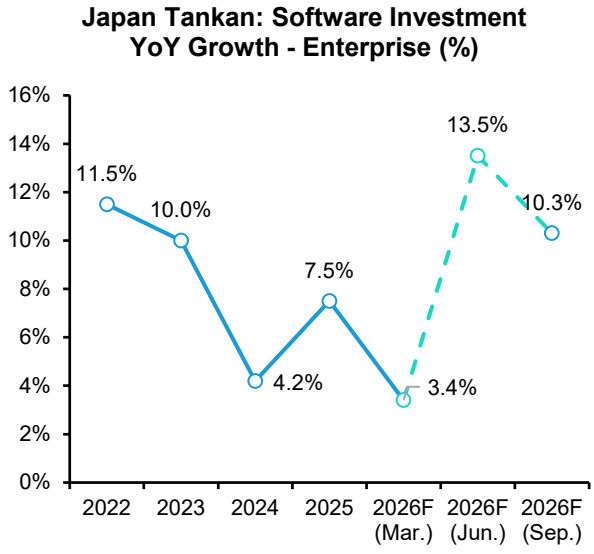
on 22-Oct-2026

EXHIBIT 7: **Japanese companies continue to expand software investment across all size, with overall investment expected to grow 10% YoY in 2026**



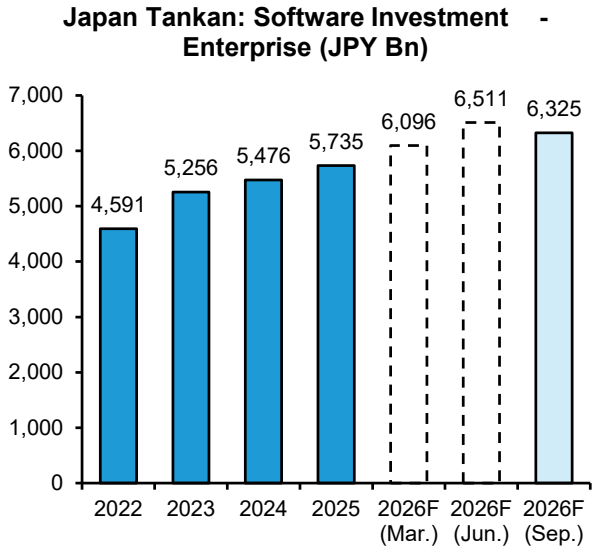
Source: BOJ, Bernstein analysis

EXHIBIT 8: **Japanese Enterprises continue to plan solid software investment growth (1/2)**



Source: BOJ, Bernstein analysis

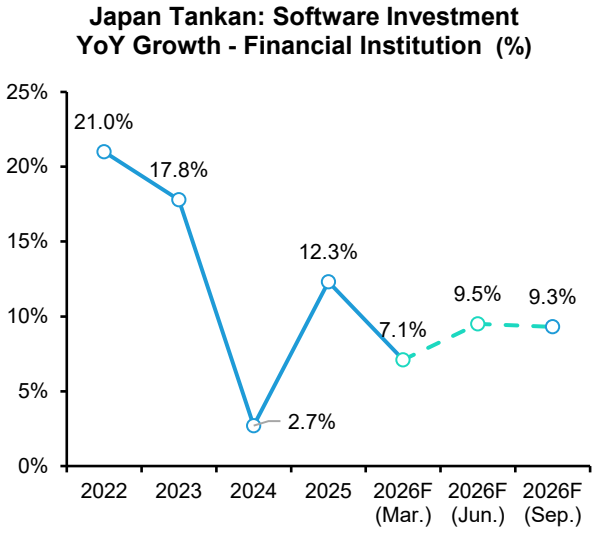
EXHIBIT 9: **Japanese Enterprises continue to plan solid software investment growth (2/2)**



Source: BOJ, Bernstein analysis

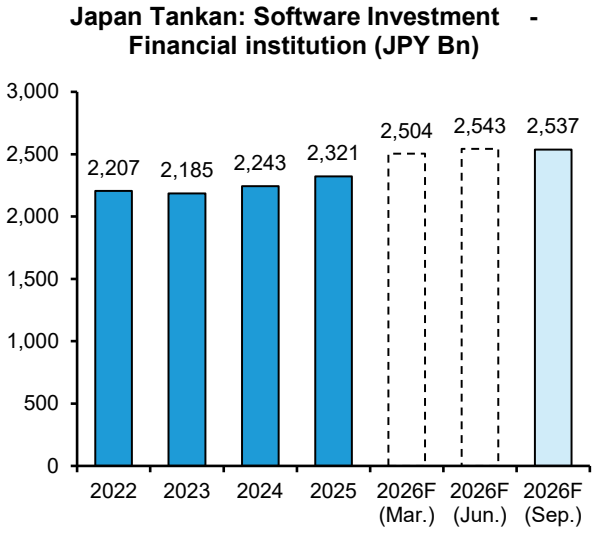
on 22-Oct-2026

EXHIBIT 10: **Software investment by financial institutions, a key driver of Japan's IT spending, remains robust (1/2)**



Source: BOJ, Bernstein analysis

EXHIBIT 11: **Software investment by financial institutions, a key driver of Japan's IT spending, remains robust (2/2)**



Source: BOJ, Bernstein analysis

EXHIBIT 12: **Leading Japanese IT services players highlighted strong and sustained modernization demand**

Company	Date	Details
Hitachi	2026.07.29 (FY26.1Q Earnings)	• FY26.1Q DSS order grew 7% YoY and revenue increased 11%, supported by strong **Domestic AI transformation and modernization** demand across Social infrastructure, Public and Finance
NEC	2026.07.29 (FY26.1Q Earnings)	• **Strong modernization demand** across all industries, with BluStellar adoption expanding particularly in government and finance
Fujitsu	2026.07.30 (FY26.1Q Earnings)	• Modernization and Uvance FY26.1Q orders grew 23% and 51% YoY, respectively, reflecting **strong demand for legacy DX/Modernization** • Japan orders rose 10% YoY and manufacturing orders increased 6%, with DX and modernization demand broadening across diverse industries
	2026.09.16 (FY26 IR Day)	• **80% of large and mid-sized enterprises still have legacy systems**, supporting projected IT modernization market growth of 10% CAGR through 2030
NRI	2026.07.30 (FY26.1Q Earnings)	• Domestic Industrial IT orders grew 18.3% YoY, with **strong core-system modernization demand** • **Cybersecurity** inquiries surged as frontier AI heightened cyber threats
	2026.08.26 (FY26 IR Day)	• Strong client demand for enterprise-wide AI adoption is driving large-scale **Modernization, next-generation ERP and data/AI governance**

Fujitsu and NRI are not covered
Source: Company disclosures, Bernstein analysis

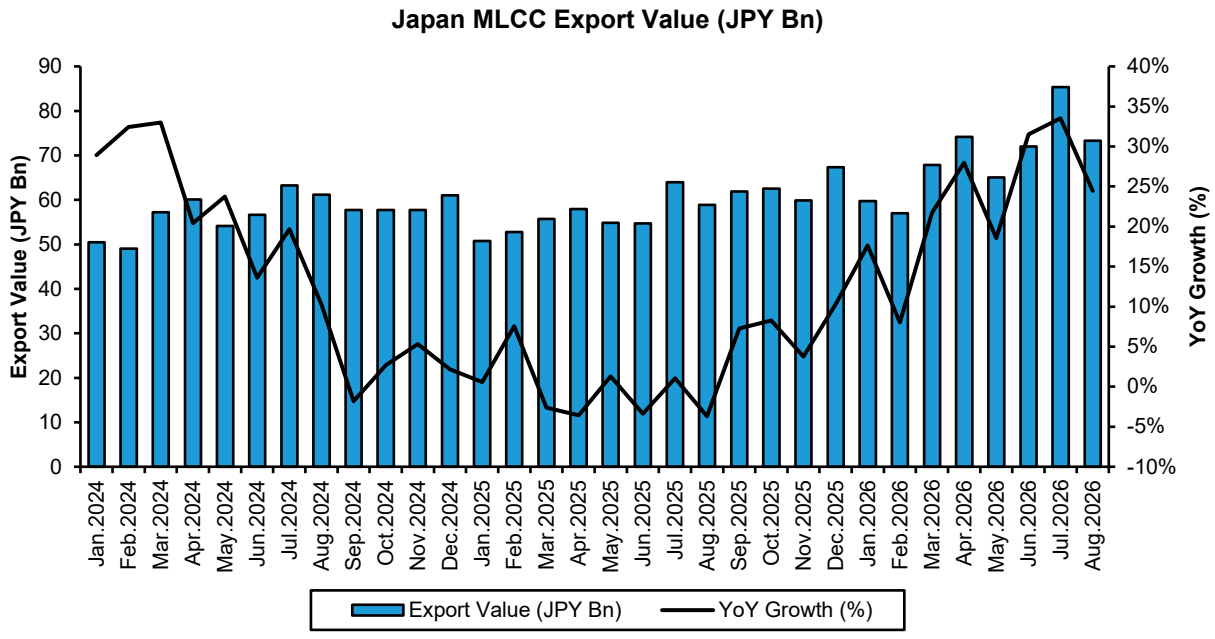
on 22-Oct-2026

Murata will likely beat expectations and raise guidance on continued strong MLCC AI DC demand. Murata revenue will likely beat from AI DC demand at higher prices with strong autos demand as well. ASP continues to rise and take effect on newer orders in 1H26 recognizing as revenue. FX tailwind will be a kicker, pushing margins up by ~1ppt. Weaker iPhone 18 Pro demand may weigh on order guidance, but overall Apple's global shipment in July/Aug is still up 5-15%YoY which will reflect in near term revenue, and the current focus is largely still on premium AI DC MLCC.

High frequency data points towards +30% revenue growth for MLCCs with FX likely lifting another 5%. Jul and August MLCC Japan export value grew by 30%YoY which historically shows a strong correlation to Murata's Capacitor Revenue at R^2=0.8. ASP has consistently been accelerating since Oct 2025. We likely believe this is due to higher value AI MLCCs being exported from Japan to high end AI server assemblers overseas *(Exhibit 13, Exhibit 14)*. Forward read across from Korean and Taiwanese players show ~20-50%YoY revenue growth for the quarter which shows accelerating strength in the sector *(Exhibit 17-Exhibit 20)*.

Price hike tone will likely come through with bonus on actual price hike announcement as key catalyst for the stock. Murata is known to follow close competitors (SEMCO and Taiyo Yuden) on price hike to maintain its competitiveness. From July to August, Yageo, SEMCO and Taiyo Yuden (All not covered) have issued price increase of 10-20% announcements effective August and September. We believe Murata will follow the same along the same ballpark during the earnings *(Exhibit 23)*.

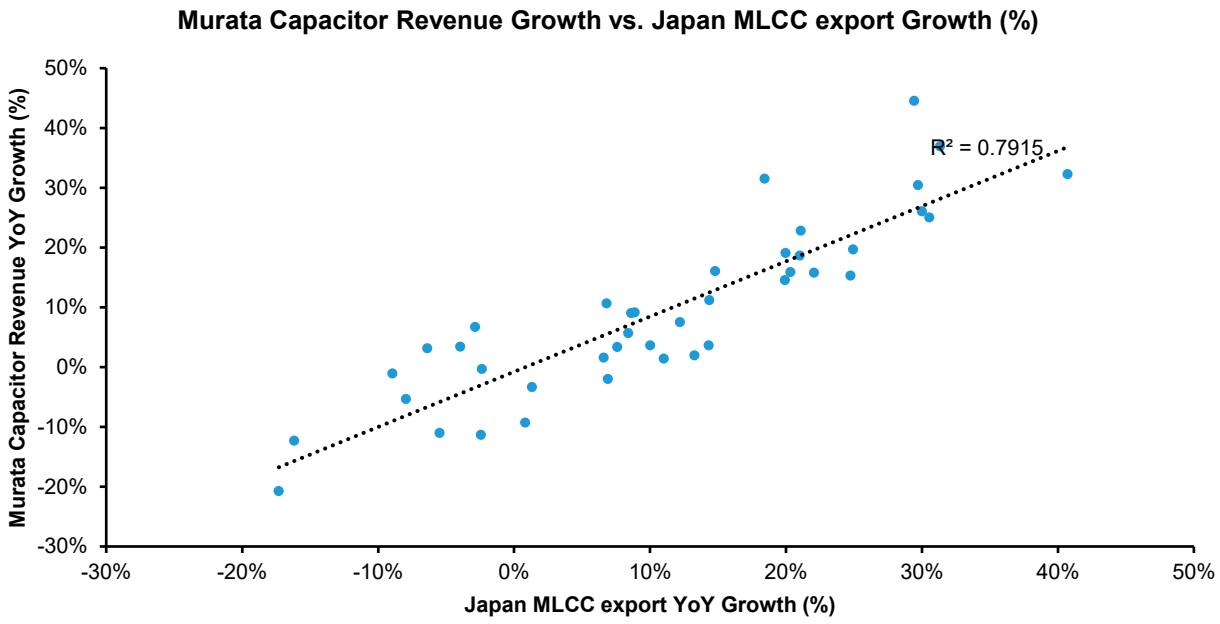
EXHIBIT 13: **Japan MLCC exports grew 25-35%YoY in July and August, reflecting strong demand for premium MLCCs**



Source: Trade Statistics of Japan, Bernstein analysis

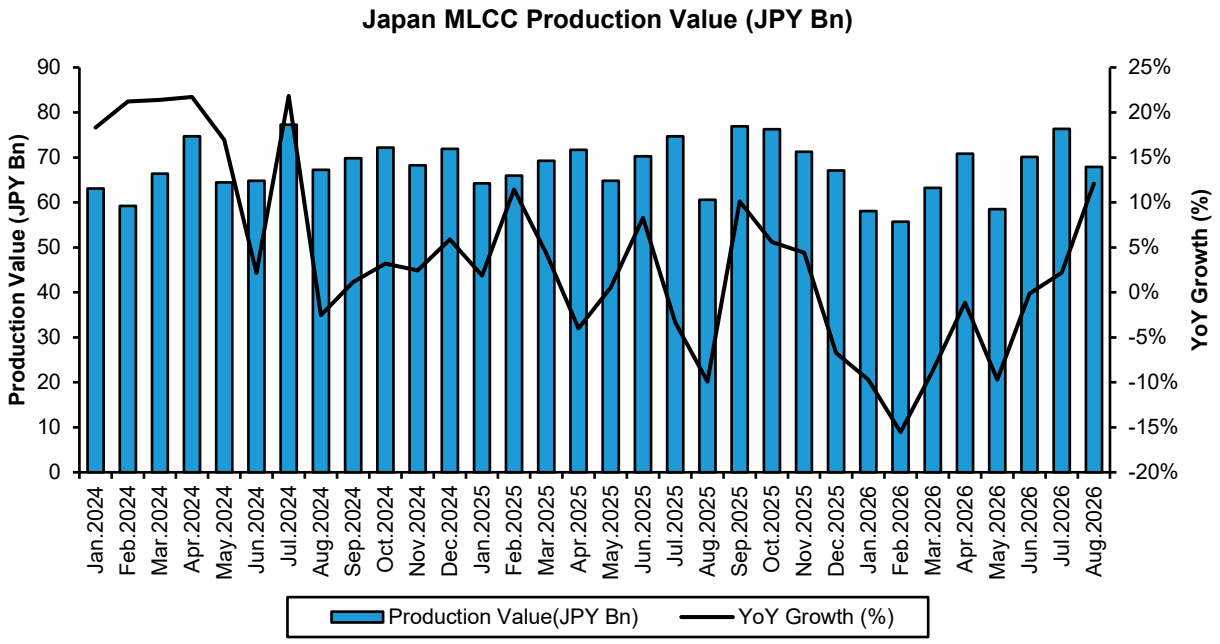
on 22-Oct-2026

EXHIBIT 14: **Japanese MLCC export growth is showing a strong correlation with Murata's revenue growth, indicating a solid 2Q performance**



Source: Trade Statistics of Japan, Bernstein analysis

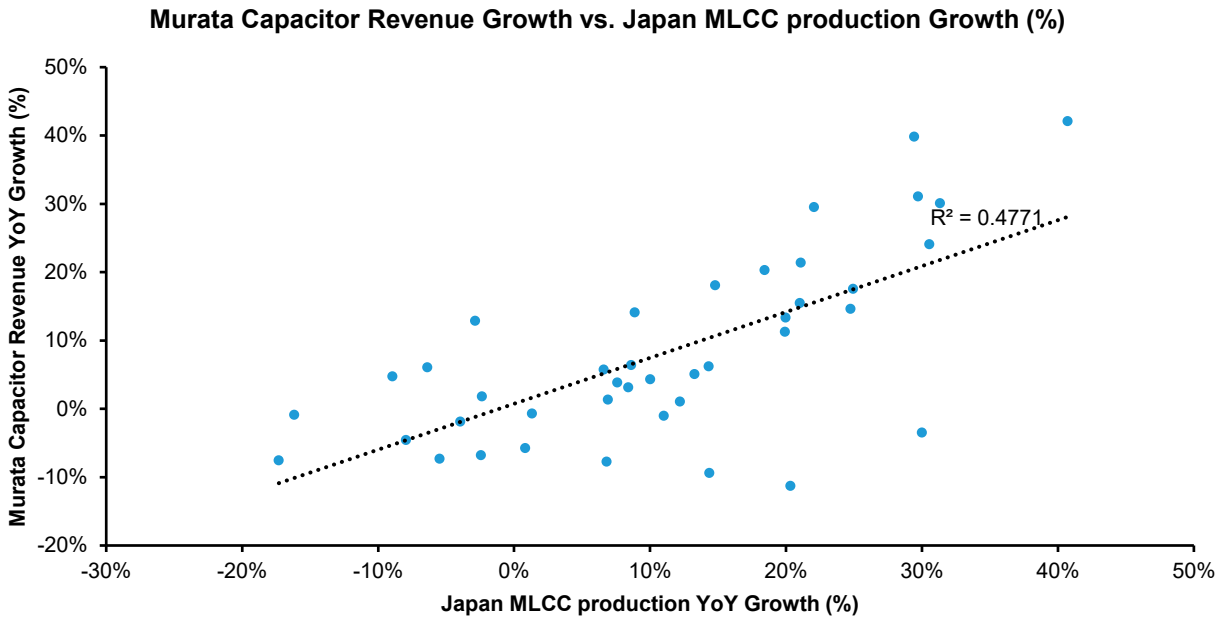
EXHIBIT 15: **Japan MLCC production rebounded to positive YoY growth in Jul-Aug 2026**



Source: METI, Bernstein analysis

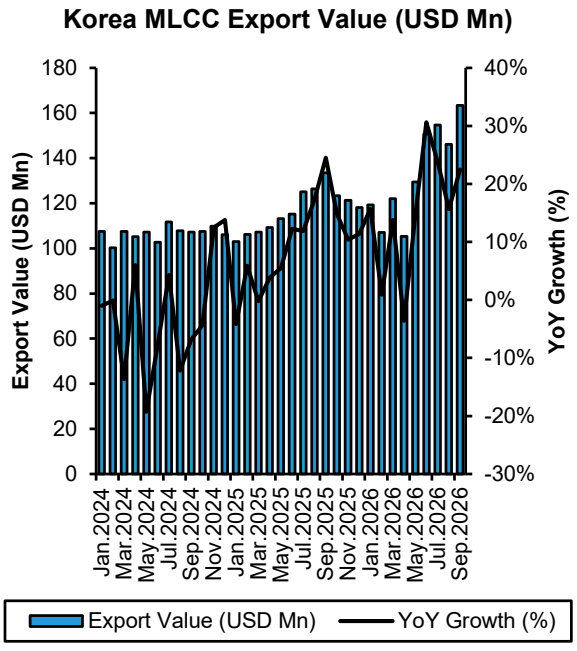
on 22-Oct-2026

EXHIBIT 16: **Japanese MLCC production shows weaker correlation with Murata's capacitor revenue**



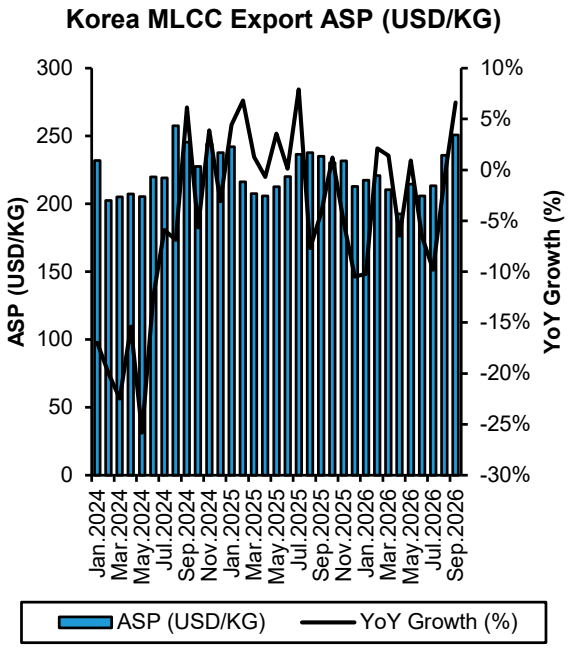
Source: METI, Bernstein analysis

EXHIBIT 17: **Korean MLCC export value also show ~20% growth, indicating strong demand**



Source: TRASS, Bernstein analysis

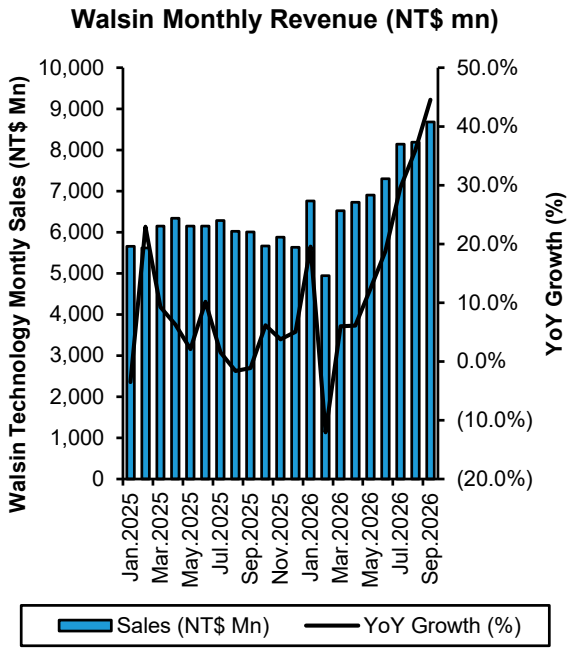
EXHIBIT 18: **Korea's MLCC export ASP turned positive YoY in September**



Source: TRASS, Bernstein analysis

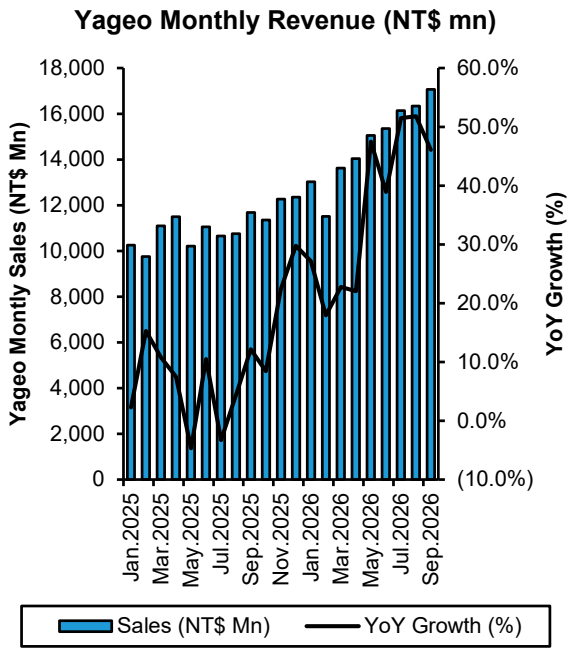
on 22-Oct-2026

EXHIBIT 19: **Taiwanese MLCC Players' strong revenue growth signals broadening demand for General-Purpose Passive Components such as MLCCs (1/2)**



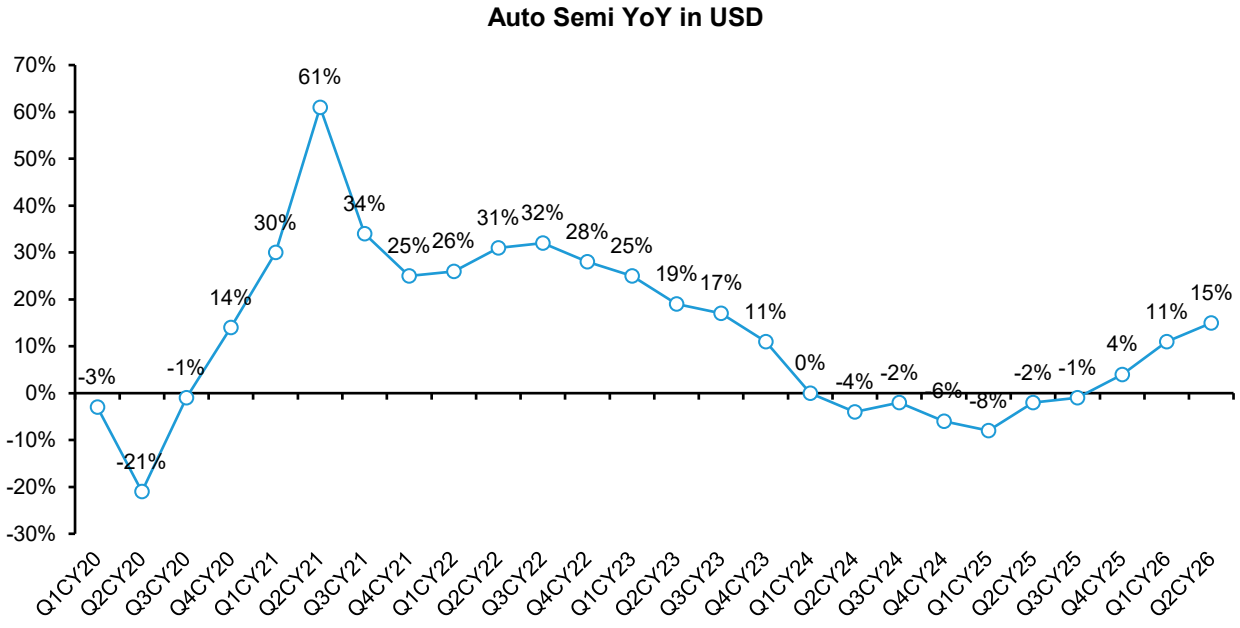
Revenue refers to total revenue and MLCC takes approximately 50% of total revenue
Source: MOPS, Bernstein analysis

EXHIBIT 20: **Taiwanese MLCC Players' strong revenue growth signals broadening demand for General-Purpose Passive Components such as MLCCs (2/2)**



Revenue refers to total revenue and MLCC takes approximately 20% of total revenue
Source: MOPS, Bernstein analysis

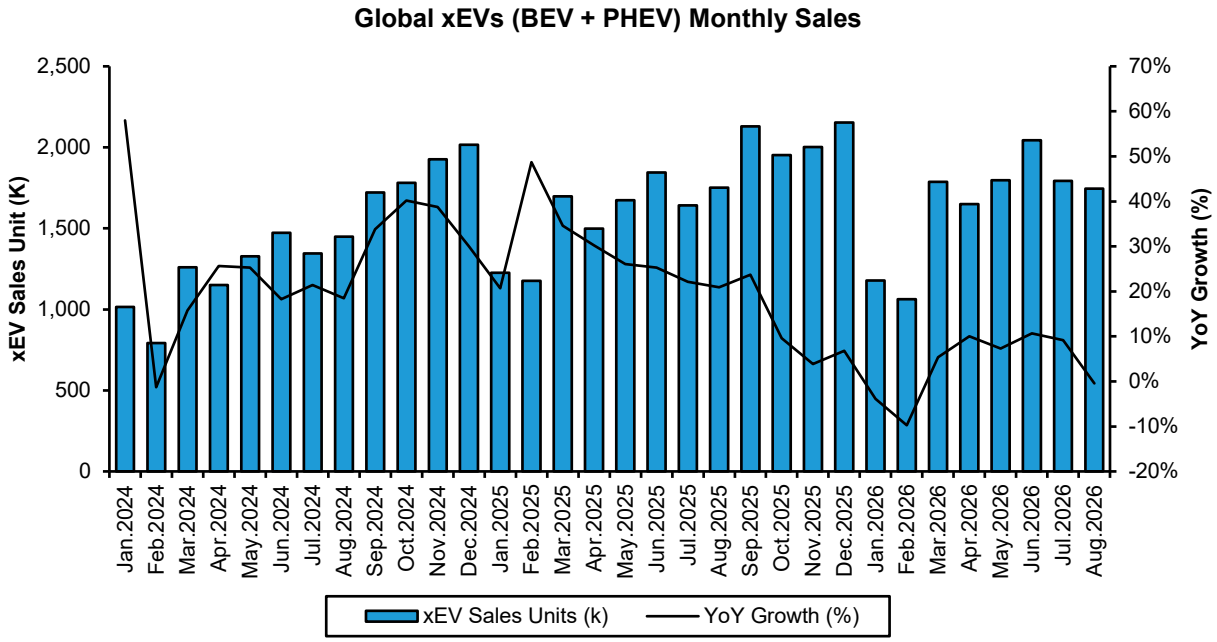
EXHIBIT 21: **Auto semiconductor revenue growth reaccelerated in 2026, supporting the automotive electrification upcycle**



Source: Company reports, Bernstein Semiconductor Team

on 22-Oct-2026

EXHIBIT 22: **Global xEV Sales momentum has weakened, with sales volumes remaining flat**



Source: SNE, Bernstein Auto teams

EXHIBIT 23: **News reports and read across from MLCC peers suggest tightening MLCC supply and possible price hikes for Murata**

Company	Report Date	Report detail
Yageo	Jul. 2026	• Raised price increases across capacitor products, including MLCCs
SEMCO	Jul. 2026	• Issued a notice of 30% price increase across MLCC products, effective August
Taiyo Yuden	Jul. 2026	• Notified customers of tight lead times and requested price increases requested from September
SEMCO	Aug 2026	• Raised prices for OEM/ODM customers by 25–30% for general-purpose X5R MLCCs and by 10–20% for AI-server X6S MLCCs, effective 4Q26
Murata	Sep. 2026	• EOL notices issued for 9 product series

Yageo, Samsung Electro-Mechanics and Taiyo Yuden are not covered
Source: News report (Trendforce, Bloomberg, The Elec), Bernstein analysis

MHI is likely to see GTCC order revision on strong demand while on defense front, MHI and KHI will unlikely see revision as investors will be more focused on new defense budget and allocation. Energy remains the key driver of MHI. Our read across from GEV and Siemens Energy (Covered by Sunaina Ocalan and Alasdair Leslie respectively) showed annual global gas turbine demand will surpass 2025 demand of 91GW to reach 100-120GW. Further comments from GEV in September of continued strong gas turbine demand with contracts at premium pricing. *(Exhibit 24)* This is important as investors are worried that GTCC orders will collapse in 2026 given the sharp growth in 2025. On Defense, we believe the market will likely react to government confirmation of defense budget and its allocation to MHI.

on 22-Oct-2026

EXHIBIT 24: **Major energy players reaffirm strong and durable power demand, with order momentum showing no signs of peaking**

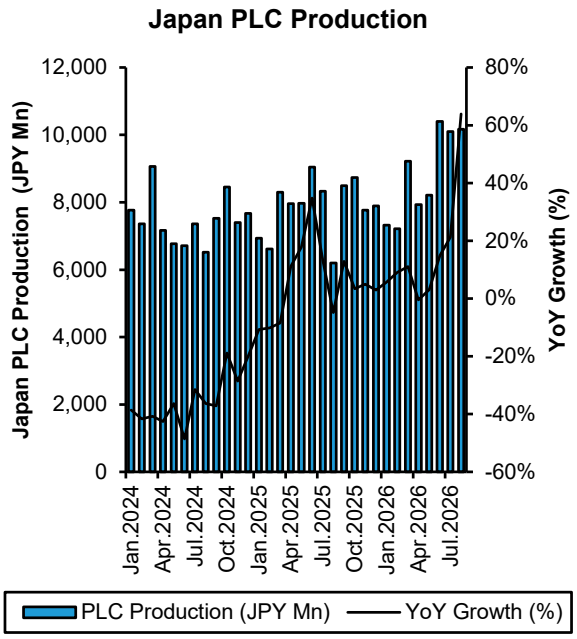
Company	Date	Details
GE Vernova	2026.04.22 (FY26.1Q Earnings)	• Raised its year-end 2026 target for **Gas turbine** backlog and slot reservation agreements from **100GW to at least 110GW** • Bringing forward its USD200bn total backlog target from 2028 to 2027.
	2026.07.22 (FY26.2Q Earnings)	• Raised its year-end 2026 target for **Gas turbine** backlog and slot reservation agreements from **110GW to at least 125GW** • Total backlog reached USD176bn, with management remaining on track to reach USD200bn in 2027
	2026.09.16 (Laguna Conference)	• Continued to see **strong Gas turbine demand**, selling **multiple 2032 delivery slots backed by cash commitments**, indicating strong and durable demand for Gas turbines • Strong customer response has put all 12GW of incremental 2030–31 capacity under **contracting at premium pricing**
Siemens Energy	2026.06.29 (FY26.3Q pre-close call)	• Raised its outlook for **the annual global Gas turbine market** from 90–100GW to **110–120GW** over the coming years • **Gas turbine** order backlog reached 60GW, with production slots booked through FY2028 and FY2029–30 filling rapidly.
	2026.08.05 (FY26.3Q Earnings)	• Reaffirmed that annual global **Gas turbine** demand could reach 110–120GW, with the U.S. potentially accounting for around half and data-center demand providing around **20GW of additional upside**

Siemens Energy (Covered by Alasdair Leslie), GE Vernova (Covered by Sunaina Ocalan)
Source: Company disclosures, Bernstein analysis

MELCO should beat on stronger energy/DC demand, strong FA PLC production, and stronger domestic/overseas HVAC sales- contributed by rushed purchase. Strong FA PLC was particularly visible in the July and August, growing around 30%YoY which will also elevate MELCO's margins in strong FA cycle brought about by semis *(Exhibit 25, Exhibit 26).* On life, under Japan's Top Runner scheme, manufacturers and importers must meet shipment-weighted average efficiency targets within each product category. Anticipated price increases following the introduction of stricter standards in April 2027 drove demand pull-forward, with Japan's domestic air-conditioner shipments growing by over 20% YoY in 2026. Higher temperatures across Europe added higher demand to HVAC business as well *(Exhibit 27, Exhibit 28).*

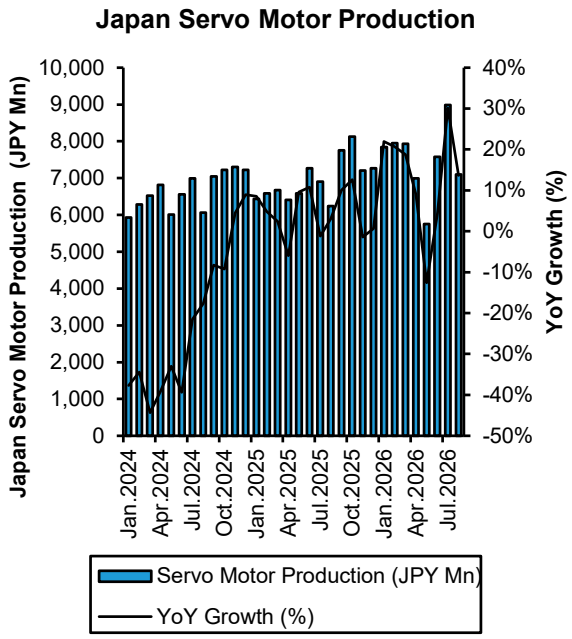
on 22-Oct-2026

EXHIBIT 25: **Japan's PLC production growth accelerated sharply from June**



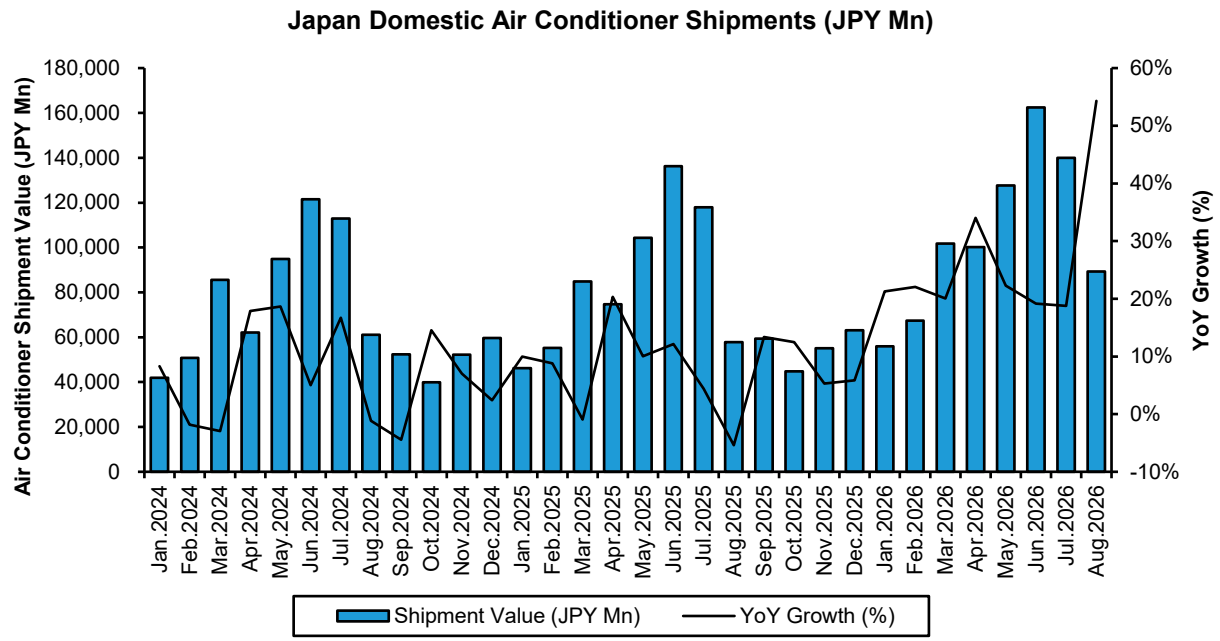
Source: METI, Bernstein analysis

EXHIBIT 26: **Japan's Servo Motor production recorded strong growth of 30% YoY in July**



Source: METI, Bernstein analysis

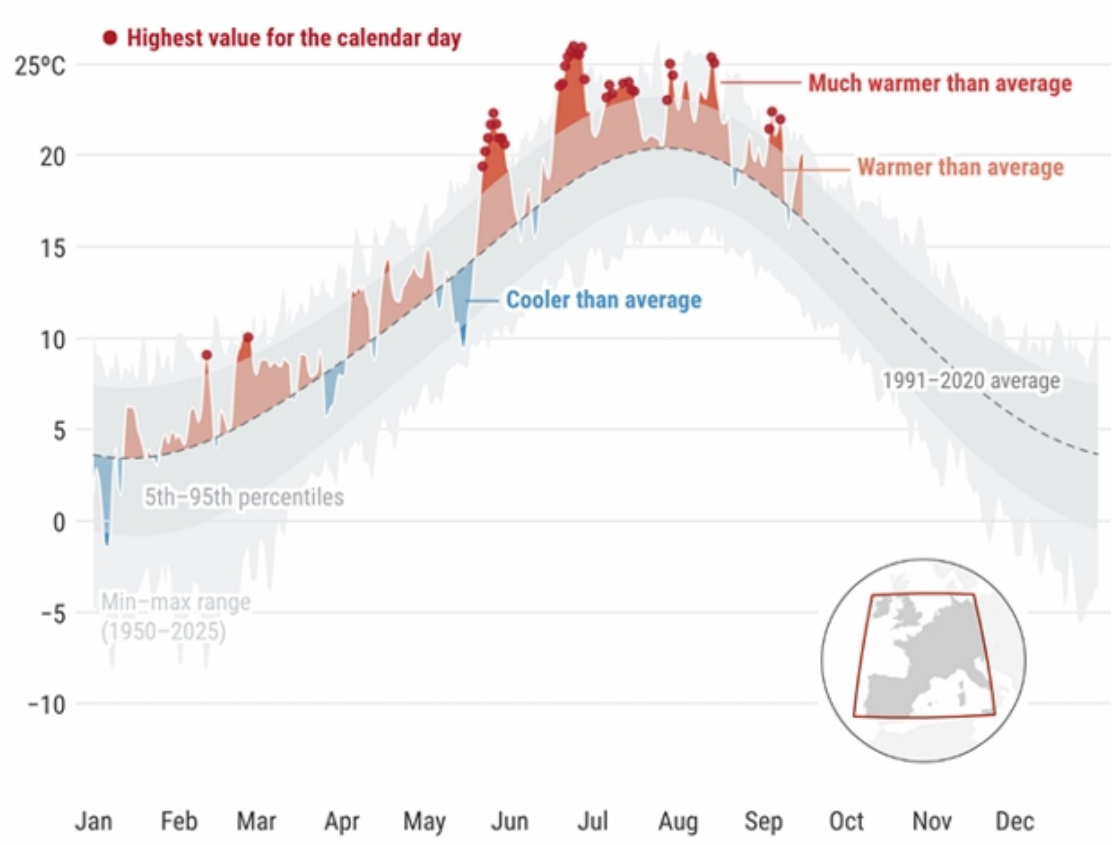
EXHIBIT 27: **Japan's Air-Conditioner demand surges ahead of stricter Energy-Efficiency Standards**



Source: JRAIA, Bernstein analysis

on 22-Oct-2026

EXHIBIT 28: **Western Europe's exceptionally hot summer in 2026 likely supported strong demand for HVAC**

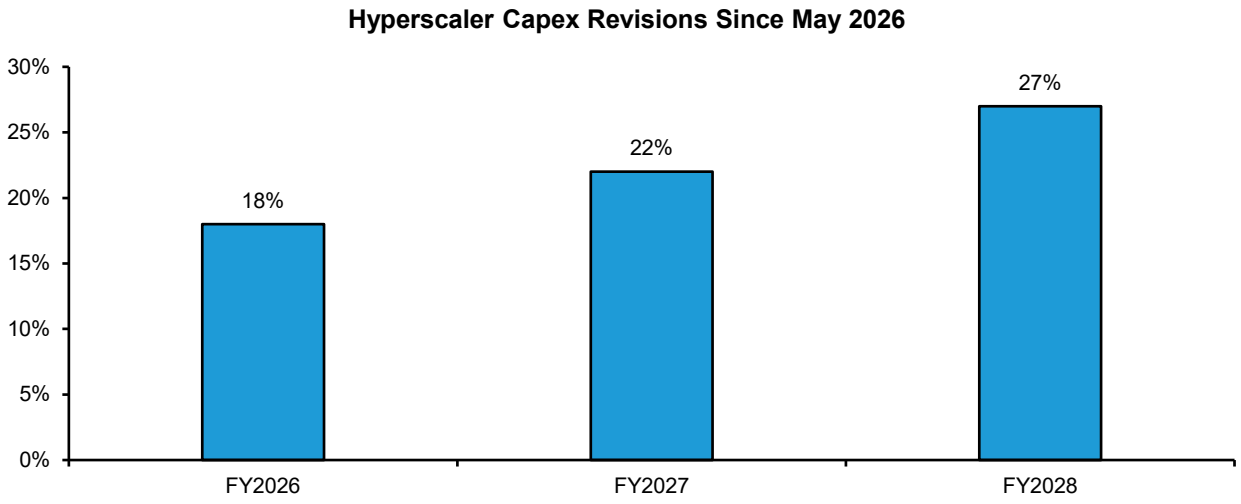


Source: Copernicus, Bernstein analysis

Panasonic could have a small beat on revenue, slightly miss on margins, but order guidance remains a wild card. Market already has elevated expectations for the stock with strong BBU revenue growth and uplifting blended margins across the business. From our discussions with investors, CBU could be the next driver that will have strong upward revision in orders post FY28 with possibility of strong data center power demand revisions *(Exhibit 29)*. Despite this, we are cautious on the increasing competition of TDK (Not covered), Delta (Covered by Alex Wang) and other battery cells and module players that are starting to enter the DC market *(Exhibit 30).* On the CBU market, we similarly see strong involvement in ultracapcitor cell manufacturer and others like Musashi Energy that produces hybrid capacitors *(Exhibit 31).*

on 22-Oct-2026

EXHIBIT 29: **Hyperscaler Capex estimates for FY26-28 are up 15-25% since May, indicating continued AI investment momentum**



Source: Bernstein US Industrials & Tech team

EXHIBIT 30: **We are seeing more entrants into the BBU market in the recent quarter**

Supply Chain	Company	Time Period	Comments
E2E	Panasonic	Sep-26	3x BBU Capacity Expansion. JPY1.5Tn contract revenue by 2030E.
E2E/Cell	Murata		E2E supplier covering cell production, smart battery control units, and power supply units in a shelve. Cell supplier to OEM and Module makers too.
Cell	**Samsung**	**Aug-26**	**As BBU sales increase due to expanded data center investments, cylindrical battery production is rising, and utilization rates are high**
Cell	**LG**	**Jul-26**	**Starts producing 2170 cylindrical batteries**
Cell/Module	TDK	Jun-26	In the BBU market, we have already received the go-ahead from several customers. We plan to start volume production of high-voltage DC battery backup units from the third quarter.
Module	Dynapack	Jun-26	Demand for BBUs and order visibility for the second half remain solid, and the company expects to begin shipments to a new cloud service customer in the fourth quarter. The company expects to start mass production of 8kW and 12kW BBUs in the fourth quarter, and begin entering volume production of those with capacities above 15kW and high-voltage direct current-related products next year
Module	Simplo Technologies	Jul-26	Simplo's preference for Samsung SDI reflects not only their long-standing business relationship but also Samsung SDI's technology tailored to data center requirements and US policies aimed at excluding Chinese-made batteries
OEM	Delta	Mar-26	800V DC power rack embedded with 80kW BBU per shelf
OEM	Lite-On	Jul-26	Started deploying BBU Power racks. To deliver next generation racks from 2H2026.

E2E refers to “End to End” manufacturer, producing the cells and assembly to deliver the full BBU unit. Samsung and LG are covered by Neil Beveridge. Delta is covered by Alex Wang. The rest are not covered
Source: Company reports, Bernstein analysis

on 22-Oct-2026

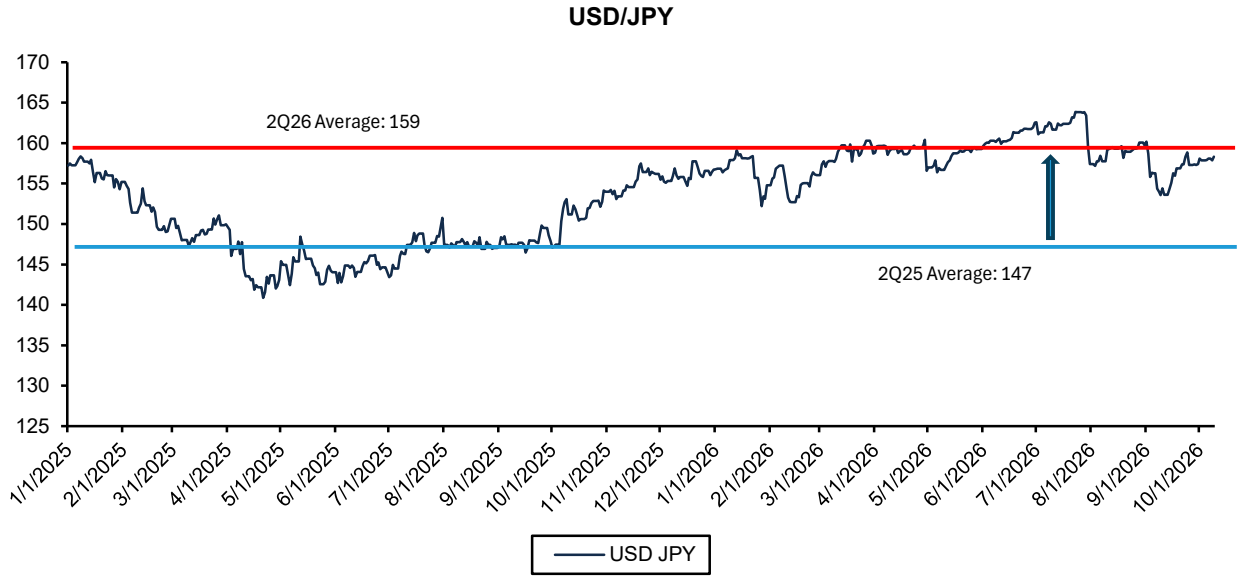
EXHIBIT 31: **The supercapacitor industry is already crowded with component and module players established in providing DC peak shaving services**

Company	Panasonic	Maxwell	VINATech	Nippon Chemi-Con	LS Material	TDK	Mitsubishi Electric	Musashi Energy Solutions
Domicile	Japan	USA	South Korea	Japan	South Korea	Japan	Japan	Japan
Business Description	Conglomerate with focus on Energy Solutions	Supercapacitor cell and module manufacturer	EDLC and hybrid supercapacitor cell and module manufacturer	EDLCs plus conductive-polymer, hybrid, and snap-in aluminum capacitors and modules manufacturer	Ultracapacitor cell and module manufacturer	Electronics component and module manufacturer	Conglomerate with focus on Data Center and Energy solutions	Hybrid Supercapacitor specialist, combining Lithium ion technology with EDLC construction.
AI DC Involvement	Developing CBU with supercapacitor functions for peak-shaving starting pilot testing in 2026	Developing new low-ESR ultracapacitor solutions for AIDC to deliver higher power with faster response	To reach KRW 1Tn (JPY115Bn/USD730Mn) in revenue by 2030E. Signed contract with Bloom Energy to supply supercap for AIDC through 2027	Announced new capacitor series in June 2026 with higher voltage, capacitance per volume and lifespan	Unveiled next generation capacitor for AI DC of 6Mn charging cycles (5 years) up from 1Mn	Expands ultra-capacitor series for AI servers and raise voltage rating to 500V for higher power density, reliability and minimal size	Acclerate deployment of next-gen 800V DC compatible power supply systems. Co-creation with Foxconn and Nvidia including supplying supercapacitors	Hybrid Supercapacitor is already solutions for peak shaving for AI DC within the racks
Competitive Edge	BBU adjacency with strong hyperscaler relationship and energy management reputation	Ultracapacitor specialist for automotive, renewable energy, industrial power and data centers	Established ultracapacitor specialist with existing industrial, transport and renewable expertise	Established ultracapacitor specialist with existing industrial, and renewable expertise	Producing rack type supercapacitor systems for Data Center using renewable energy since 2025	Expertise in electronics component including ultracapacitors, capacitors and other passive componets used in data center	Leveraging extensive customer base and high reliability cultivated through already installed UPS systems and integrated engineering capabilities, and power electronics technologies	Specialised in propietary material and processes to contain high energy density with rapid charge and discharge rates under restricted physical space.

Panasonic, Mitsubishi Electric covered by Kengo Makita. The rest are not covered
Source: Company reports, Bernstein analysis

FX impact will be a tailwind for companies exposed to overseas businesses. In the quarter, JPY/USD has depreciated from 145 in 2Q25 to 159 in 2Q26 *(Exhibit 32)*. We expect Murata, Panasonic, KHI, Melco and Hitachi to benefit from overseas exposure. We expect FX to boost Hitachi and MELCO to gain 3% tailwind, Murata ~6% and Panasonic ~5% on revenue growth YoY. While for OPM Murata will experience the largest tailwind, boosting OPM by 1.5%. KHI will have the most significant impact due to its overseas powersports and engine business. MHI and NEC will be negligible. *(Exhibit 33)*

EXHIBIT 32: **USD/JPY have seen strong depreciation YoY in 2Q, benefitting companies with overseas exposure**



Source: Bloomberg, Bernstein analysis

on 22-Oct-2026

EXHIBIT 33: **Estimated FX impact on companies for 2Q26E**

	FX Revenue Impact (%)	FX OP Margin Impact (%)
Hitachi	3.1%	0.1%
Mitsubishi Electric	3.8%	-0.3%
MHI	Negligible	Negligible
KHI	Significant	Significant
Murata	6.4%	1.5%
NEC	Negligible	Negligible
Panasonic	5.2%	0.1%

Source: Company reports, Bernstein estimates and analysis

on 22-Oct-2026

APPENDIX - FINANCIAL FORECASTS

EXHIBIT 34: **Hitachi Income Statement**

Income Statement

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Revenue	9,162	9,369	9,481	8,767	8,729	10,265	10,881	9,729	9,783	10,587	12,190	13,723	15,394	17,037	18,661
Gross profit	**2,380**	**2,502**	**2,516**	**2,370**	**2,195**	**2,559**	**2,689**	**2,582**	**2,821**	**3,180**	**3,830**	**4,482**	**5,150**	**5,783**	**6,428**
Selling, general and administrative expenses	1,792	1,787	1,761	1,708	1,700	1,820	1,941	1,826	1,849	1,980	2,190	2,412	2,642	2,837	3,014
Adjusted Operating Income	**587**	**715**	**755**	**662**	**495**	**738**	**748**	**756**	**972**	**1,199**	**1,640**	**2,070**	**2,508**	**2,947**	**3,414**
Net other income (expense)	(46)	(129)	(236)	(519)	304	44	57	19	(93)	(67)	(121)	(144)	(150)	(151)	(151)
Net other financial income (expense)	(19)	(4)	10	(3)	13	28	(13)	7	41	98	26	23	22	22	22
Share of profits (losses) of investments accounted	(47)	62	(15)	44	39	40	53	75	58	44	37	42	43	43	43
EBITDA	**890**	**1,009**	**882**	**617**	**1,342**	**1,391**	**1,372**	**1,309**	**1,409**	**1,732**	**2,068**	**2,498**	**2,961**	**3,421**	**3,899**
EBIT	**475**	**644**	**514**	**184**	**850**	**851**	**846**	**858**	**978**	**1,274**	**1,582**	**1,991**	**2,423**	**2,861**	**3,328**
Interest Income	(6)	(6)	3	(3)	(6)	(12)	(26)	(32)	(15)	(1)	27	63	100	148	209
Profit before tax	**469**	**639**	**517**	**180**	**844**	**839**	**820**	**826**	**963**	**1,273**	**1,609**	**2,053**	**2,523**	**3,009**	**3,538**
Income tax expense	(125)	(132)	(186)	(51)	(325)	(168)	(116)	(199)	(306)	(422)	(486)	(616)	(757)	(903)	(1,061)
Losses from discontinued operations	(6)	(16)	(9)	(2)	(1)	0	0	0	0	0	0	0	0	0	0
Net income	**338**	**491**	**321**	**127**	**519**	**671**	**704**	**627**	**657**	**851**	**1,123**	**1,437**	**1,766**	**2,107**	**2,476**
Basic EPS (JPY)	**47.9**	**75.2**	**46.1**	**18.1**	**103.9**	**120.8**	**136.9**	**126.9**	**133.9**	**176.8**	**233.5**	**298.9**	**367.2**	**438.1**	**515.0**
Diluted EPS (JPY)	**47.9**	**75.1**	**46.1**	**18.1**	**103.7**	**120.6**	**136.8**	**126.8**	**133.7**	**176.6**	**231.3**	**295.5**	**363.1**	**433.2**	**509.2**
Margins															
Gross profit	26.0%	26.7%	26.5%	27.0%	25.1%	24.9%	24.7%	26.5%	28.8%	30.0%	31.4%	32.7%	33.5%	33.9%	34.4%
Adjusted operating profit	6.4%	7.6%	8.0%	7.5%	5.7%	7.2%	6.9%	7.8%	9.9%	11.3%	13.5%	15.1%	16.3%	17.3%	18.3%
EBIT	5.2%	6.9%	5.4%	2.1%	9.7%	8.3%	7.8%	8.8%	10.0%	12.0%	13.0%	14.5%	15.7%	16.8%	17.8%
EBITDA	9.7%	10.8%	9.3%	7.0%	15.4%	13.6%	12.6%	13.5%	14.4%	16.4%	17.0%	18.2%	19.2%	20.1%	20.9%
Profit before tax	5.1%	6.8%	5.4%	2.1%	9.7%	8.2%	7.5%	8.5%	9.8%	12.0%	13.2%	15.0%	16.4%	17.7%	19.0%
Net income	3.7%	5.2%	3.4%	1.5%	5.9%	6.5%	6.5%	6.4%	6.7%	8.0%	9.2%	10.5%	11.5%	12.4%	13.3%
Growth YoY															
Revenue		2.3%	1.2%	-7.5%	-0.4%	17.6%	6.0%	-10.6%	0.6%	8.2%	15.1%	12.6%	12.2%	10.7%	9.5%
Gross profit		5.1%	0.6%	-5.8%	-7.4%	16.5%	5.1%	-4.0%	9.2%	12.7%	20.5%	17.0%	14.9%	12.3%	11.1%
Adjusted operating profit		21.7%	5.6%	-12.3%	-25.2%	49.1%	1.3%	1.0%	28.6%	23.4%	36.8%	26.2%	21.1%	17.5%	15.9%
EBIT		35.6%	-20.2%	-64.3%	363.1%	0.1%	-0.6%	1.5%	13.9%	30.3%	24.2%	25.8%	21.7%	18.1%	16.3%
EBITDA		13.3%	-12.6%	-30.1%	117.6%	3.7%	-1.4%	-4.6%	7.6%	22.9%	19.4%	20.8%	18.5%	15.5%	14.0%
Profit before tax		36.1%	-19.1%	-65.1%	368.4%	-0.6%	-2.3%	0.7%	16.6%	32.2%	26.4%	27.6%	22.9%	19.3%	17.5%
Net income		45.2%	-34.6%	-60.4%	307.5%	29.4%	4.9%	-11.0%	4.8%	29.6%	31.9%	28.0%	22.9%	19.3%	17.5%
Diluted EPS		56.9%	-38.7%	-60.7%	472.3%	16.3%	13.4%	-7.3%	5.5%	32.1%	31.0%	27.8%	22.9%	19.3%	17.5%

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 35: **Hitachi Balance Sheet**

Balance Sheet

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Cash and cash equivalents	765	698	808	812	1,016	969	833	705	866	1,323	1,928	2,719	3,729	5,086	6,761
Trade receivables and contract assets	2,433	2,501	2,400	2,260	2,734	2,978	2,875	2,991	3,496	4,005	4,676	5,231	5,736	6,162	6,555
Inventories	1,226	1,375	1,357	1,409	1,653	2,042	1,646	1,511	1,566	1,770	2,549	2,829	3,179	3,571	3,959
Investments in securities and other financial asset	0	373	284	280	328	376	347	331	318	355	408	450	492	535	578
Other current assets	536	204	187	456	211	234	227	316	351	413	485	485	485	485	485
Total current assets	**5,003**	**5,152**	**5,036**	**5,218**	**5,943**	**6,599**	**5,929**	**5,855**	**6,598**	**7,867**	**10,046**	**11,714**	**13,621**	**15,839**	**18,338**
Investments accounted for using the equity metho	691	743	724	480	472	411	479	816	836	612	616	616	616	616	616
Investments in securities and other financial asset	720	716	568	441	534	585	497	320	350	594	513	513	513	513	513
Property, plant and equipment	1,998	2,125	1,957	2,165	2,409	2,479	1,700	1,222	1,342	1,653	1,745	1,884	1,984	2,038	2,039
Goodwill	0	0	0	636	1,161	2,154	2,165	2,372	2,487	2,648	2,712	2,756	2,810	2,873	2,946
Other intangible assets	0	0	0	480	965	1,257	1,245	1,179	1,200	1,216	1,238	1,281	1,335	1,399	1,471
Other non-current assets	294	316	381	511	368	402	487	458	473	452	469	469	469	469	469
Total Non-current assets	**4,661**	**4,955**	**4,591**	**4,712**	**5,910**	**7,288**	**6,573**	**6,367**	**6,687**	**7,174**	**7,293**	**7,519**	**7,727**	**7,907**	**8,054**
Total Assets	**9,664**	**10,107**	**9,627**	**9,930**	**11,853**	**13,888**	**12,501**	**12,221**	**13,285**	**15,041**	**17,339**	**19,233**	**21,348**	**23,746**	**26,392**
Short-term debt	196	121	111	183	417	1,234	778	38	73	43	61	61	61	61	61
Current portion of long-term debt	190	117	185	231	274	336	142	187	369	426	433	433	433	433	433
Other financial liabilities	274	255	258	252	289	294	264	266	280	317	321	321	321	321	321
Trade payables	1,402	1,537	1,406	1,271	1,516	1,755	1,548	1,400	1,573	1,659	2,791	3,107	3,411	3,754	4,080
Accrued expenses	688	697	654	604	699	738	721	697	736	799	613	613	613	613	613
Contract liabilities	472	551	554	615	934	1,070	1,241	1,658	2,196	3,055	3,214	3,214	3,214	3,214	3,214
Other current liabilities	498	517	438	576	469	427	472	555	680	868	855	855	855	855	855
Total Current liabilities	**3,721**	**3,795**	**3,606**	**3,733**	**4,597**	**5,854**	**5,166**	**4,803**	**5,908**	**7,167**	**8,288**	**8,604**	**8,908**	**9,252**	**9,578**
Non-current liabilities															
Long-term debt	2,197	843	812	708	1,071	1,706	1,556	1,294	955	764	540	563	563	563	563
Retirement and severance benefits	784	636	575	527	514	434	415	323	246	247	236	233	233	233	233
Other non-current liabilities	451	367	413	371	345	657	707	383	358	334	326	316	316	316	316
Total Non-current liabilities	**3,431**	**1,846**	**1,800**	**1,607**	**1,930**	**2,798**	**2,678**	**2,000**	**1,559**	**1,346**	**1,102**	**1,112**	**1,112**	**1,112**	**1,112**
Total Liabilities	**8,425**	**5,567**	**5,595**	**5,212**	**5,663**	**7,395**	**8,532**	**7,166**	**6,362**	**7,253**	**8,269**	**9,401**	**9,716**	**10,021**	**10,364**
Total Hitachi, Ltd. stockholders' equity	2,967	3,278	3,263	3,160	3,526	4,342	4,943	5,704	5,847	6,568	7,687	9,169	10,861	12,773	14,926
Non-controlling interests	1,130	1,234	1,152	1,107	933	1,013	393	156	184	204	251	348	467	609	776
Total Equity	**4,097**	**4,512**	**4,414**	**4,267**	**4,458**	**5,355**	**5,336**	**5,860**	**6,031**	**6,773**	**7,939**	**9,517**	**11,328**	**13,382**	**15,702**
Total Liabilities and Equity	**9,664**	**10,107**	**9,627**	**9,930**	**11,853**	**13,888**	**12,501**	**12,221**	**13,285**	**15,041**	**17,339**	**19,233**	**21,348**	**23,746**	**26,392**

Source: Company reports, Bernstein estimates and analysis

on 22-Oct-2026

EXHIBIT 36: **Hitachi Cash Flow Statement**

Cash Flow Statement

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Net Income	338	491	321	127	519	671	704	627	657	851	1,123	1,437	1,766	2,107	2,476
Depreciation & amortization	415	364	368	433	492	540	526	452	432	458	486	507	538	560	571
Changes in working capital	(165)	(76)	(202)	(142)	13	(226)	(174)	8	110	242	(365)	(520)	(551)	(475)	(456)
Other	41	(52)	123	143	(230)	(255)	(229)	(130)	(27)	116	(138)	(65)	(65)	(65)	(65)
Cash flow from operations	**630**	**727**	**610**	**561**	**793**	**730**	**827**	**957**	**1,172**	**1,668**	**1,105**	**1,360**	**1,688**	**2,127**	**2,526**
Capex	(417)	(440)	(472)	(421)	(373)	(440)	(411)	(385)	(392)	(498)	(590)	(733)	(746)	(740)	(717)
Net proceeds from investment income	72	(65)	235	(180)	(179)	(764)	510	195	(219)	122	87	0	0	0	0
Other	637	758	685	636	886	885	878	1,015	1,209	1,703	1,120	1,360	1,688	2,127	2,526
Cash flow from investments	**292**	**253**	**447**	**35**	**334**	**(319)**	**978**	**825**	**599**	**1,327**	**617**	**627**	**943**	**1,387**	**1,809**
Cash flow from financing	**(210)**	**(321)**	**(320)**	**3**	**(185)**	**203**	**(1,143)**	**(1,025)**	**(424)**	**(971)**	**(33)**	**164**	**68**	**(30)**	**(134)**
Net effect of exchange rate changes	0	0	0	0	0	69	29	72	(14)	102	20	0	0	0	0
Net change in cash	**(1,933)**	**(4,029)**	**(4,470)**	**2,616**	**3,936**	**(373)**	**12,286**	**12,109**	**13,714**	**15,624**	**17,711**	**20,077**	**22,562**	**25,184**	**27,909**
Beginning cash	17,356	15,426	11,128	6,591	9,555	13,567	13,164	25,450	37,559	51,273	66,897	84,608	104,685	127,247	152,431
Ending cash	**15,426**	**11,128**	**6,591**	**9,555**	**13,567**	**13,164**	**25,450**	**37,559**	**51,273**	**66,897**	**84,608**	**104,685**	**127,247**	**152,431**	**180,340**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 37: **Mitsubishi Electric Income Statement**

Income Statement

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E	2031E
Revenue	4,394	4,239	4,444	4,520	4,463	4,191	4,477	5,004	5,258	5,522	5,895	6,669	7,158	7,453	7,779	8,145
Gross profit	**1,323**	**1,288**	**1,354**	**1,333**	**1,262**	**1,174**	**1,265**	**1,407**	**1,546**	**1,692**	**1,889**	**2,219**	**2,414**	**2,561**	**2,717**	**2,892**
Selling, general and administrative expenses	1,013	1,014	1,021	1,043	1,017	954	1,014	1,148	1,237	1,316	1,388	1,512	1,594	1,627	1,671	1,734
Adjusted Operating Profit	**310**	**274**	**333**	**290**	**245**	**221**	**251**	**259**	**309**	**376**	**501**	**708**	**820**	**933**	**1,046**	**1,158**
Net other income (expense)	(26)	(3)	(5)	1	14	9	1	3	20	15	(68)	(5)	0	0	0	0
Operating Profit	**301**	**270**	**327**	**290**	**260**	**230**	**252**	**262**	**329**	**392**	**433**	**703**	**820**	**933**	**1,046**	**1,158**
EBITDA	**452**	**415**	**509**	**469**	**472**	**451**	**463**	**501**	**529**	**613**	**667**	**950**	**1,058**	**1,164**	**1,269**	**1,374**
Net other financial income (expense)	5	4	2	5	3	9	9	8	10	6	23	29	53	84	118	157
Share of profits (losses) of investments accounted for using th	29	22	24	20	19	19	18	22	28	39	70	70	71	71	71	71
Profit before tax	**318**	**296**	**353**	**316**	**282**	**259**	**280**	**292**	**366**	**437**	**526**	**802**	**944**	**1,088**	**1,235**	**1,387**
Income tax expense	77	73	87	78	48	57	62	67	69	90	92	171	189	218	247	277
Net income	**241**	**223**	**266**	**238**	**234**	**202**	**218**	**225**	**297**	**347**	**434**	**631**	**755**	**871**	**988**	**1,109**
Basic EPS (JPY)	**106.4**	**98.1**	**119.2**	**105.7**	**103.4**	**90.0**	**95.4**	**101.3**	**135.7**	**155.7**	**196.5**	**289.3**	**345.2**	**398.0**	**451.7**	**507.1**
Diluted EPS (JPY)	**106.4**	**98.1**	**119.2**	**105.7**	**103.4**	**90.0**	**95.4**	**101.3**	**135.7**	**155.7**	**196.5**	**289.3**	**345.2**	**398.0**	**451.7**	**507.1**
Margins																
Gross profit	30.1%	30.4%	30.5%	29.5%	28.3%	28.0%	28.2%	28.1%	29.4%	30.6%	32.1%	33.3%	33.7%	34.4%	34.9%	35.5%
Adjusted Operating Profit	7.0%	6.5%	7.5%	6.4%	5.5%	5.3%	5.6%	5.2%	5.9%	6.8%	8.5%	10.6%	11.5%	12.5%	13.4%	14.2%
Operating Profit	6.9%	6.4%	7.4%	6.4%	5.8%	5.5%	5.6%	5.2%	6.2%	7.1%	7.3%	10.5%	11.5%	12.5%	13.4%	14.2%
Profit before tax	7.2%	7.0%	7.9%	7.0%	6.3%	6.2%	6.2%	5.8%	7.0%	7.9%	8.9%	12.0%	13.2%	14.6%	15.9%	17.0%
Net income	5.5%	5.3%	6.0%	5.3%	5.2%	4.8%	4.9%	4.5%	5.6%	6.3%	7.4%	9.5%	10.5%	11.7%	12.7%	13.6%
Growth YoY																
Revenue		-3.5%	4.9%	1.7%	-1.3%	-6.1%	6.8%	11.8%	5.1%	5.0%	6.8%	13.1%	7.3%	4.1%	4.4%	4.7%
Gross profit		-2.6%	5.1%	-1.5%	-5.3%	-7.0%	7.7%	11.3%	9.9%	9.5%	11.7%	17.4%	8.8%	6.1%	6.1%	6.5%
Adjusted Operating Profit		-11.7%	21.6%	-12.9%	-15.4%	-10.0%	13.6%	3.2%	19.2%	22.0%	33.2%	41.2%	15.8%	13.9%	12.0%	10.7%
Operating Profit		-10.3%	21.2%	-11.3%	-10.6%	-11.3%	9.5%	4.1%	25.2%	19.3%	10.5%	62.3%	16.6%	13.9%	12.0%	10.7%
Profit before tax		-7.0%	19.2%	-10.5%	-10.8%	-8.2%	8.1%	4.5%	25.2%	19.5%	20.3%	52.4%	17.7%	15.3%	13.5%	12.3%
Net income		-7.7%	19.6%	-10.8%	-1.7%	-13.6%	8.0%	3.2%	32.0%	16.8%	25.0%	45.5%	19.6%	15.3%	13.5%	12.3%
Diluted EPS		-7.9%	21.5%	-11.4%	-2.1%	-12.9%	6.0%	6.2%	34.0%	14.7%	26.2%	47.2%	19.3%	15.3%	13.5%	12.3%

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 38: **Mitsubishi Electric Balance Sheet**

Balance Sheet

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E	2031E
Cash and cash equivalents	574	662	599	514	538	767	727	646	765	757	732	1,040	1,758	2,543	3,457	4,486
Trade receivables and contract assets	1,035	1,037	1,192	1,234	900	907	944	1,052	1,090	1,147	1,297	1,394	1,447	1,514	1,571	1,631
Inventories	644	643	646	729	694	744	960	1,209	1,253	1,245	1,262	1,611	1,666	1,733	1,797	1,870
Other current assets	298	281	146	147	153	155	171	186	145	202	222	266	266	266	266	266
Total current assets	**2,552**	**2,624**	**2,583**	**2,624**	**2,628**	**2,847**	**3,090**	**3,388**	**3,625**	**3,748**	**4,027**	**4,976**	**5,812**	**6,744**	**7,789**	**8,960**
Investments accounted for using the equity method	538	619	194	198	196	205	221	237	266	325	343	387	459	530	601	672
Investments in securities and other financial assets	0	0	363	304	262	354	321	359	337	313	298	316	316	316	316	316
Property, plant and equipment	713	733	724	761	854	858	856	896	963	958	1,078	1,071	1,075	1,081	1,088	1,097
Goodwill and intangible assets	0	0	0	0	0	0	0	0	212	221	475	506	542	579	618	659
Net defined benefit assets	0	0	0	0	0	0	0	0	627	670	970	656	656	656	656	656
Other non-current assets	253	202	441	470	469	534	619	703	138	141	166	185	185	185	185	185
Total Non-current assets	**1,503**	**1,554**	**1,723**	**1,732**	**1,782**	**1,951**	**2,018**	**2,194**	**2,542**	**2,628**	**3,330**	**3,122**	**3,233**	**3,347**	**3,465**	**3,586**
Total Assets	**4,060**	**4,180**	**4,306**	**4,356**	**4,410**	**4,798**	**5,108**	**5,583**	**6,167**	**6,376**	**7,358**	**8,098**	**9,044**	**10,092**	**11,254**	**12,545**
Bonds, borrowings and lease liabilities	117	124	123	105	133	153	173	186	152	121	152	124	124	124	124	124
Trade payables	774	780	580	560	527	542	602	644	589	602	592	716	757	796	833	874
Contract liabilities	0	0	0	0	0	0	0	0	306	331	413	530	559	587	614	645
Accrued expenses	0	0	0	0	0	0	0	0	341	354	389	338	338	338	338	338
Other current liabilities	618	621	786	752	742	811	872	972	452	439	735	570	570	570	570	570
Total Current liabilities	**1,508**	**1,526**	**1,488**	**1,416**	**1,403**	**1,505**	**1,647**	**1,803**	**1,839**	**1,847**	**2,282**	**2,277**	**2,348**	**2,415**	**2,479**	**2,551**
Non-current liabilities																
Bonds, borrowings and lease liabilities	288	228	189	193	244	213	156	214	243	240	211	214	214	214	214	214
Net defined benefit liabilities	230	195	172	176	163	161	162	154	151	144	134	135	135	135	135	135
Other non-current liabilities	97	91	60	59	61	48	45	48	68	69	102	88	88	88	88	88
Total Non-current liabilities	**614**	**514**	**420**	**429**	**468**	**422**	**364**	**416**	**462**	**452**	**446**	**437**	**437**	**437**	**437**	**437**
Total Liabilities	**8,425**	**5,567**	**5,595**	**5,212**	**5,663**	**7,395**	**8,532**	**7,166**	**6,362**	**7,253**	**8,269**	**9,401**	**9,716**	**10,021**	**10,364**	**10,690**
Mitsubishi Electric Corp. stockholders' equity	1,839	2,040	2,294	2,400	2,430	2,754	2,976	3,239	3,739	3,950	4,484	5,206	6,037	6,965	8,004	9,156
Non-controlling interests	99	101	103	111	109	116	121	124	127	127	146	178	223	276	335	401
Total Equity	**1,938**	**2,141**	**2,397**	**2,511**	**2,539**	**2,871**	**3,097**	**3,363**	**3,866**	**4,076**	**4,630**	**5,384**	**6,260**	**7,241**	**8,339**	**9,558**
Total Liabilities and Equity	**4,060**	**4,180**	**4,306**	**4,356**	**4,410**	**4,798**	**5,108**	**5,583**	**6,167**	**6,376**	**7,358**	**8,098**	**9,044**	**10,092**	**11,254**	**12,545**

Source: Company reports, Bernstein estimates and analysis

on 22-Oct-2026

EXHIBIT 39: **Mitsubishi Electric Cash Flow Statement**

Cash Flow Statement

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E	2031E
Net Income	241	223	266	238	234	202	218	225	297	347	434	631	755	871	988	1,109
Depreciation & amortization	151	145	181	179	212	221	211	239	201	221	234	248	239	231	224	216
Changes in working capital	(50)	(20)	(182)	(177)	(50)	119	(146)	(297)	(31)	(49)	10	(242)	(47)	(82)	(66)	(69)
Other	24	18	0	0	0	0	0	0	(51)	(63)	(102)	(105)	(71)	(71)	(71)	(71)
Cash flow from operations	**367**	**366**	**266**	**240**	**396**	**542**	**282**	**167**	**415**	**456**	**576**	**532**	**875**	**949**	**1,075**	**1,185**
Capex	(180)	(158)	(184)	(184)	(173)	(155)	(131)	(119)	(181)	(223)	(223)	(269)	(278)	(274)	(270)	(266)
Net proceeds from investment income	(55)	18	27	(1)	(6)	(2)	40	(8)	88	(9)	(131)	2	0	0	0	0
Other	(20)	(8)	(25)	(25)	(24)	(19)	(23)	(21)	(1)	(1)	10	(1)	0	0	0	0
Cash flow from investments	**(255)**	**(149)**	**(182)**	**(211)**	**(204)**	**(177)**	**(115)**	**(149)**	**(94)**	**(192)**	**(344)**	**(268)**	**(278)**	**(274)**	**(270)**	**(266)**
Cash flow from financing	**(82)**	**(123)**	**(150)**	**(112)**	**(156)**	**(157)**	**(241)**	**(120)**	**(240)**	**(265)**	**(305)**	**35**	**121**	**110**	**110**	**110**
Net effect of exchange rate changes	(23)	(6)	3	(2)	(12)	22	34	20	38	(7)	48	10	0	0	0	0
Net change in cash	**6**	**88**	**(63)**	**(85)**	**23**	**230**	**(40)**	**(81)**	**120**	**(8)**	**(26)**	**309**	**718**	**784**	**914**	**1,029**
Beginning cash	569	574	662	599	514	538	767	727	646	765	757	732	1,040	1,758	2,543	3,457
Ending cash	**574**	**662**	**599**	**514**	**538**	**767**	**727**	**646**	**765**	**757**	**732**	**1,040**	**1,758**	**2,543**	**3,457**	**4,486**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 40: **Mitsubishi Heavy Industries Income Statement**

Income Statement

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Revenue	3,914	4,086	4,078	4,041	3,700	3,860	4,203	4,657	4,361	4,974	5,641	6,341	7,160	8,148	9,342	10,644
Gross profit	**733**	**719**	**769**	**710**	**583**	**656**	**765**	**930**	**871**	**1,083**	**1,309**	**1,508**	**1,745**	**2,033**	**2,384**	**2,754**
Selling, general and administrative expenses	583	545	538	584	531	557	624	695	584	633	687	758	829	930	1,027	1,117
Operating Profit	**151**	**174**	**231**	**126**	**52**	**99**	**141**	**235**	**287**	**450**	**622**	**750**	**916**	**1,104**	**1,357**	**1,638**
Business Profit	**120**	**58**	**201**	**(30)**	**54**	**160**	**193**	**283**	**355**	**432**	**683**	**799**	**962**	**1,150**	**1,403**	**1,684**
EBITDA	**323**	**453**	**430**	**450**	**290**	**235**	**290**	**391**	**448**	**661**	**747**	**894**	**1,074**	**1,275**	**1,544**	**1,840**
Net other income (expenses)	15	(115)	(30)	(156)	2	61	52	48	68	(18)	61	48	46	46	46	46
Net interest income (expense)	4	(19)	(6)	(3)	(5)	13	(2)	33	(3)	42	26	15	12	18	23	25
Profit before tax	**170**	**39**	**195**	**(33)**	**49**	**174**	**191**	**315**	**352**	**475**	**709**	**814**	**974**	**1,167**	**1,426**	**1,709**
Income tax expense	64	23	58	(140)	6	48	45	72	106	116	178	199	239	286	349	419
Net income attributable to MHI	**18**	**(7)**	**110**	**87**	**41**	**114**	**130**	**222**	**245**	**332**	**514**	**584**	**699**	**837**	**1,023**	**1,226**
Diluted EPS (JPY)	**26.12**	**(2.18)**	**32.80**	**25.91**	**12.08**	**33.81**	**38.83**	**66.04**	**73.02**	**98.84**	**152.95**	**173.71**	**207.89**	**249.07**	**304.33**	**364.71**
Margins																
Gross profit	18.7%	17.6%	18.9%	17.6%	15.8%	17.0%	18.2%	20.0%	20.0%	21.8%	23.2%	23.8%	24.4%	25.0%	25.5%	25.9%
Operating Profit	3.8%	4.2%	5.7%	3.1%	1.4%	2.6%	3.4%	5.0%	6.6%	9.0%	11.0%	11.8%	12.8%	13.5%	14.5%	15.4%
Business Profit	3.1%	1.4%	4.9%	-0.7%	1.5%	4.2%	4.6%	6.1%	8.1%	8.7%	12.1%	12.6%	13.4%	14.1%	15.0%	15.8%
Profit before tax	4.3%	1.0%	4.8%	-0.8%	1.3%	4.5%	4.5%	6.8%	8.1%	9.5%	12.6%	12.8%	13.6%	14.3%	15.3%	16.1%
Net income	0.4%	-0.2%	2.7%	2.2%	1.1%	2.9%	3.1%	4.8%	5.6%	6.7%	9.1%	9.2%	9.8%	10.3%	10.9%	11.5%
Growth YoY																
Revenue		4.4%	-0.2%	-0.9%	-8.4%	4.3%	8.9%	10.8%	-6.4%	14.1%	13.4%	12.4%	12.9%	13.8%	14.7%	13.9%
Gross profit		-2.0%	7.0%	-7.7%	-17.8%	12.4%	16.6%	21.6%	-6.3%	24.3%	20.9%	15.3%	15.7%	16.5%	17.2%	15.5%
Operating Profit		15.3%	33.0%	-45.3%	-58.7%	90.4%	42.5%	66.1%	22.3%	56.7%	38.3%	20.6%	22.1%	20.5%	23.0%	20.7%
Business Profit		-51.6%	244.8%	-114.7%	-283.1%	196.3%	20.6%	46.1%	25.6%	21.8%	58.1%	16.9%	20.5%	19.5%	22.1%	20.0%
Profit before tax		-76.9%	397.2%	-116.7%	-251.1%	251.9%	10.0%	64.9%	11.7%	34.8%	49.3%	14.8%	19.7%	19.8%	22.2%	19.8%
Net income		-141.7%	-1606.4%	-21.0%	-53.4%	179.4%	14.9%	70.2%	10.6%	35.3%	54.8%	13.6%	19.7%	19.8%	22.2%	19.8%
EPS		-108.3%	-1604.4%	-21.0%	-53.4%	179.8%	14.9%	70.1%	10.6%	35.4%	54.7%	13.6%	19.7%	19.8%	22.2%	19.8%

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 41: **Mitsubishi Heavy Industries Balance Sheet**

Balance Sheet

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Cash and cash equivalents	248	299	283	282	245	314	348	431	658	1,335	2,312	3,063	3,890	4,836	5,932	7,241
Trade receivables	1,180	760	717	612	655	744	805	916	985	1,109	1,225	1,343	1,517	1,708	1,935	2,142
Inventories	989	749	739	726	713	799	877	975	1,063	1,042	886	963	1,080	1,208	1,358	1,495
Other current assets	1,105	1,433	1,419	1,219	841	946	1,013	1,098	1,207	1,955	1,603	1,603	1,603	1,603	1,603	1,603
Total current assets	**3,522**	**3,241**	**3,159**	**2,838**	**2,455**	**2,803**	**3,042**	**3,420**	**3,912**	**5,440**	**6,027**	**6,973**	**8,089**	**9,355**	**10,827**	**12,482**
Property, plant and equipment	935	773	785	793	780	790	840	908	935	794	859	927	1,002	1,086	1,180	1,284
Right-of-use assets	0	0	0	96	93	98	86	93	87	63	65	65	65	65	65	65
Goodwill	121	122	121	125	125	129	131	172	173	106	107	107	107	107	107	107
Intangible assets	129	103	108	79	75	70	70	94	87	77	97	112	125	137	149	161
Other financial assets	78	485	448	392	560	487	521	538	471	489	531	531	531	531	531	531
Other non-current assets	697	525	522	663	724	738	784	1,030	994	1,299	1,315	1,335	1,354	1,373	1,393	1,412
Total Non-current assets	**1,960**	**2,008**	**1,983**	**2,147**	**2,356**	**2,313**	**2,433**	**2,836**	**2,747**	**2,829**	**2,975**	**3,078**	**3,185**	**3,300**	**3,426**	**3,560**
Total Assets	**5,482**	**5,249**	**5,143**	**4,986**	**4,811**	**5,116**	**5,475**	**6,256**	**6,659**	**8,270**	**9,001**	**10,050**	**11,274**	**12,655**	**14,253**	**16,043**
Bonds and borrowings	363	518	444	769	445	305	349	379	281	255	297	297	297	297	297	297
Trade payables	836	801	862	824	764	863	895	959	930	1,001	1,094	1,194	1,343	1,508	1,702	1,882
Accrued income taxes	31	27	27	29	12	29	20	55	25	87	50	50	50	50	50	50
Contract liabilities	778	915	875	835	732	887	937	1,095	1,444	2,162	2,483	2,483	2,483	2,483	2,483	2,483
Other current liabilities	519	391	378	351	392	397	423	452	466	757	452	452	452	452	452	452
Total Current liabilities	**2,527**	**2,652**	**2,587**	**2,809**	**2,345**	**2,481**	**2,624**	**2,941**	**3,146**	**4,261**	**4,376**	**4,476**	**4,625**	**4,790**	**4,983**	**5,164**
Bonds and borrowings	562	656	533	602	791	774	843	764	851	621	557	557	557	557	557	557
Retirement benefit liabilities	123	142	154	146	124	77	76	73	72	57	58	58	58	58	58	58
Provisions	0	19	44	58	50	62	61	80	72	55	54	54	54	54	54	54
Other non-current liabilities	162	86	76	81	60	60	36	38	48	47	47	47	47	47	47	47
Total Non-current liabilities	**848**	**903**	**807**	**887**	**1,026**	**973**	**1,017**	**955**	**1,043**	**780**	**716**	**716**	**716**	**716**	**716**	**716**
Total Liabilities	**3,375**	**3,555**	**3,394**	**3,696**	**3,371**	**3,454**	**3,641**	**3,896**	**4,189**	**5,041**	**5,092**	**5,193**	**5,341**	**5,506**	**5,700**	**5,880**
MHI shareholders' equity	1,679	1,396	1,431	1,218	1,366	1,577	1,741	2,245	2,347	3,089	3,800	4,695	5,710	6,857	8,183	9,704
Non-controlling interests	322	298	318	72	73	86	93	116	123	140	108	163	224	292	370	459
Total Equity	**2,107**	**1,694**	**1,749**	**1,290**	**1,439**	**1,663**	**1,834**	**2,361**	**2,470**	**3,228**	**3,909**	**4,858**	**5,933**	**7,149**	**8,553**	**10,163**
Total Liabilities and Equity	**5,482**	**5,249**	**5,143**	**4,986**	**4,811**	**5,116**	**5,475**	**6,256**	**6,659**	**8,270**	**9,001**	**10,050**	**11,274**	**12,655**	**14,253**	**16,043**

Source: Company reports, Bernstein estimates and analysis

on 22-Oct-2026

EXHIBIT 42: **Mitsubishi Heavy Industries Cash Flow Statement**

Cash Flow Statement

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Net Income	105	17	137	107	43	126	146	244	262	346	538	615	736	881	1,077	1,290
Depreciation & amortization	173	279	199	324	238	136	149	156	161	211	125	144	158	172	186	202
Changes in working capital	(55)	201	233	76	(167)	27	(162)	(10)	167	360	333	(95)	(141)	(154)	(183)	(165)
Other	(82)	23	(26)	8	(48)	(29)	(16)	(42)	(39)	(61)	(37)	(20)	(19)	(19)	(19)	(19)
Cash flow from operations	**140**	**520**	**543**	**515**	**66**	**260**	**117**	**348**	**551**	**856**	**959**	**643**	**733**	**879**	**1,060**	**1,308**
Capex	(200)	(267)	(224)	(246)	(146)	(129)	(132)	(160)	(241)	(181)	(210)	(227)	(246)	(267)	(293)	(317)
Net proceeds from investment income	114	9	18	(17)	(75)	103	49	(22)	(8)	72	120	0	0	0	0	0
Other	95	20	44	24	39	42	38	52	61	60	419	471	484	486	486	486
Cash flow from investments	**9**	**(238)**	**(162)**	**(240)**	**(182)**	**16**	**(46)**	**(131)**	**(188)**	**(49)**	**329**	**244**	**238**	**218**	**193**	**169**
Cash flow from financing	**(162)**	**(112)**	**(256)**	**(204)**	**222**	**(256)**	**(19)**	**(159)**	**(114)**	**(275)**	**(213)**	**(137)**	**(144)**	**(151)**	**(159)**	**(167)**
Net effect of exchange rate changes	1	2	(3)	(10)	19	23	17	42	(2)	80	19	0	0	0	0	0
Net change in cash	**(56)**	**57**	**(16)**	**(2)**	**(36)**	**69**	**33**	**84**	**227**	**698**	**956**	**751**	**827**	**947**	**1,095**	**1,310**
Beginning cash	300	242	299	283	282	245	314	348	431	658	1,335	2,312	3,063	3,890	4,836	5,932
Ending cash	**242**	**299**	**283**	**282**	**245**	**314**	**348**	**431**	**658**	**1,335**	**2,312**	**3,063**	**3,890**	**4,836**	**5,932**	**7,241**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 43: **Kawasaki Heavy Industries Income Statement**

Income Statement

JPY billion	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Revenue	1,501	1,726	1,849	2,129	2,311	2,585	2,734	2,955	3,219	3,503
Gross profit	**253**	**334**	**312**	**432**	**455**	**589**	**650**	**740**	**821**	**904**
Selling, general and administrative expenses	211	252	276	307	329	433	465	520	557	603
Adjusted Operating Profit	**42**	**82**	**36**	**125**	**126**	**156**	**185**	**220**	**264**	**301**
Other operating income (expenses)	(12)	1	10	19	19	28	26	26	26	26
Operating Profit	**30**	**82**	**46**	**143**	**145**	**184**	**211**	**246**	**290**	**327**
EBITDA		**160**	**127**	**237**	**249**	**293**	**321**	**353**	**396**	**433**
Net financial income (expense)	(3)	(12)	(14)	(36)	0	(11)	(11)	(7)	(2)	4
Profit (loss) before income taxes	**28**	**70**	**32**	**108**	**146**	**173**	**201**	**238**	**287**	**331**
Income tax	13	15	5	17	31	50	50	71	86	99
Net income	**15**	**55**	**27**	**90**	**115**	**122**	**150**	**167**	**201**	**231**
EPS (JPY)	**15.1**	**63.3**	**30.3**	**105.1**	**129.4**	**135.3**	**169.6**	**188.0**	**226.9**	**261.0**
Margins										
Gross profit	16.9%	19.3%	16.9%	20.3%	19.7%	22.8%	23.8%	25.0%	25.5%	25.8%
Adjusted Operating Profit	2.8%	4.7%	2.0%	5.9%	5.5%	6.0%	6.8%	7.4%	8.2%	8.6%
Operating Profit	2.0%	4.8%	2.5%	6.7%	6.3%	7.1%	7.7%	8.3%	9.0%	9.3%
Profit before tax	1.8%	4.1%	1.7%	5.0%	6.3%	6.7%	7.3%	8.1%	8.9%	9.4%
Net income	1.0%	3.2%	1.5%	4.2%	5.0%	4.7%	5.5%	5.6%	6.3%	6.6%
Growth YoY										
Revenue		15.0%	7.2%	15.1%	8.5%	11.8%	5.8%	8.1%	8.9%	8.8%
Gross profit		31.8%	-6.5%	38.2%	5.4%	29.4%	10.5%	13.8%	10.9%	10.1%
Adjusted Operating Profit		93.5%	-55.6%	244.2%	1.3%	23.6%	18.7%	18.6%	20.0%	14.2%
Operating Profit		171.2%	-43.9%	209.8%	1.4%	26.5%	15.1%	16.2%	17.9%	12.9%
Profit before tax		154.2%	-54.5%	236.2%	35.4%	18.6%	16.2%	18.7%	20.7%	15.1%
Net income		272.6%	-50.6%	230.7%	27.2%	6.3%	23.2%	10.8%	20.7%	15.1%
EPS		319.3%	-52.1%	246.8%	23.1%	4.5%	25.4%	10.8%	20.7%	15.1%

Source: Company reports, Bernstein estimates and analysis

on 22-Oct-2026

EXHIBIT 44: **Kawasaki Heavy Industries Balance Sheet**

Balance Sheet

JPY billion	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Cash and cash equivalents		138	84	133	115	247	492	707	963	1,250
Trade and other receivables		470	681	764	880	969	998	1,072	1,148	1,230
Contract assets		159	137	171	200	278	295	320	349	382
Inventories		690	710	775	822	868	874	905	939	972
Other financial assets		11	11	12	35	22	22	22	22	22
Other current assets		101	104	169	203	229	229	229	229	229
Total current assets		**1,570**	**1,727**	**2,024**	**2,256**	**2,613**	**2,910**	**3,255**	**3,651**	**4,084**
Property, plant and equipment		451	496	516	543	562	539	523	514	510
Intangible assets		66	70	76	83	96	109	123	137	153
Investments accounted for using equity method		77	91	108	141	173	200	227	254	282
Deferred tax assets		110	117	129	119	116	116	116	116	116
Other non-current assets		0	0	0	0	0	0	0	0	0
Total Non-current assets		**887**	**953**	**993**	**1,069**	**1,127**	**1,145**	**1,170**	**1,202**	**1,240**
Total Assets		**2,458**	**2,680**	**3,017**	**3,325**	**3,740**	**4,054**	**4,425**	**4,852**	**5,324**
Trade and other payables		452	522	594	665	700	697	714	731	747
Bonds, borrowings and other financial liabilities		340	454	527	503	525	525	525	525	525
Contract liabilities		256	265	364	387	589	625	678	741	810
Other current liabilities		0	0	0	0	0	0	0	0	0
Total Current liabilities		**1,309**	**1,541**	**1,847**	**1,954**	**2,166**	**2,200**	**2,269**	**2,349**	**2,434**
Non-current liabilities		0	0	0	0	0	0	0	0	0
Bonds, borrowings and other financial liabilities		445	392	362	359	364	364	364	364	364
Retirement benefit liability		92	75	67	51	51	51	51	51	51
Other non-current liabilities		0	0	0	0	0	0	0	0	0
Total Non-current liabilities		**552**	**484**	**445**	**422**	**427**	**427**	**427**	**427**	**427**
Total Liabilities		**1,861**	**2,026**	**2,292**	**2,376**	**2,593**	**2,627**	**2,696**	**2,776**	**2,861**
Total equity attributable to owners of the parent		576	634	703	878	1,070	1,342	1,633	1,969	2,343
Non-controlling interests		21	20	22	70	77	86	96	107	120
Total Equity		**597**	**655**	**725**	**948**	**1,147**	**1,428**	**1,729**	**2,076**	**2,464**
Total Liabilities and Equity		**2,458**	**2,680**	**3,017**	**3,325**	**3,740**	**4,054**	**4,425**	**4,852**	**5,324**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 45: **Kawasaki Heavy Industries Cash Flow Statement**

Cash Flow Statement

JPY billion	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Net Income		55	27	90	115	122	150	167	201	231
Depreciation & amortization		77	81	93	104	109	109	107	106	107
Changes in working capital		(112)	(55)	(62)	(64)	(44)	(18)	(61)	(59)	(63)
Other		3	(21)	27	(14)	(18)	(27)	(27)	(27)	(27)
Cash flow from operations		**24**	**32**	**149**	**140**	**170**	**215**	**185**	**221**	**248**
Capex		(70)	(97)	(114)	(118)	(138)	(99)	(105)	(111)	(118)
Other		(8)	7	2	(10)	7	0	0	0	0
Cash flow from investments		**(77)**	**(90)**	**(111)**	**(128)**	**(132)**	**(99)**	**(105)**	**(111)**	**(118)**
Cash flow from financing		**85**	**13**	**10**	**(33)**	**93**	**130**	**134**	**146**	**156**
Net effect of exchange rate changes		(2)	(9)	1	4	1	0	0	0	0
Net change in cash		**30**	**(54)**	**49**	**(17)**	**131**	**245**	**215**	**256**	**287**
Beginning cash		358	138	84	133	115	247	492	707	963
Ending cash		**138**	**84**	**133**	**115**	**247**	**492**	**707**	**963**	**1,250**

Source: Company reports, Bernstein estimates and analysis

on 22-Oct-2026

EXHIBIT 46: **NEC Income Statement**

Income Statement

JPY billion	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E	2031E
Revenue	2,665	2,844	2,913	3,095	2,994	3,014	3,313	3,477	3,423	3,583	3,830	4,069	4,413	4,869	5,369
Gross profit	**756**	**798**	**830**	**888**	**861**	**886**	**958**	**1,006**	**1,061**	**1,181**	**1,295**	**1,398**	**1,535**	**1,716**	**1,908**
Selling, general and administrative expenses	698	730	743	753	733	763	794	814	777	806	815	844	882	949	1,016
Other operating income (expenses)	(15)	(4)	(29)	(7)	26	9	6	(4)	(27)	(16)	(20)	(23)	(23)	(23)	(23)
Operating Profit	**42**	**64**	**58**	**128**	**154**	**133**	**170**	**188**	**256**	**360**	**460**	**530**	**629**	**744**	**869**
EBITDA	**138**	**164**	**187**	**301**	**296**	**304**	**348**	**380**	**442**	**530**	**633**	**683**	**766**	**872**	**993**
Non-GAAP Operating Profit							**197**	**228**	**311**	**397**	**513**	**579**	**679**	**794**	**918**
Net other financial income (expense)	18	18	14	(7)	(1)	7	(7)	(8)	(7)	35	(7)	(6)	(5)	(5)	(6)
Share of profits (losses) of investments accounted for using the equity method	9	5	6	3	5	5	4	5	(10)	3	2	3	3	3	3
Profit (loss) before income taxes	**68**	**87**	**77**	**124**	**158**	**144**	**168**	**185**	**240**	**398**	**479**	**559**	**659**	**774**	**898**
Income tax	33	27	25	11	(4)	(12)	36	20	55	125	126	158	188	222	260
Net income	**35**	**60**	**52**	**113**	**162**	**157**	**132**	**165**	**185**	**273**	**353**	**401**	**471**	**551**	**638**
Basic EPS (JPY)	**21.0**	**35.3**	**30.6**	**77.0**	**111.4**	**103.7**	**84.9**	**112.2**	**131.5**	**203.0**	**245.6**	**275.5**	**327.5**	**387.5**	**452.4**
Margins															
Gross profit	28.4%	28.0%	28.5%	28.7%	28.8%	29.4%	28.9%	28.9%	31.0%	33.0%	33.8%	34.3%	34.8%	35.3%	35.5%
Operating Profit	1.6%	2.2%	2.0%	4.1%	5.1%	4.4%	5.1%	5.4%	7.5%	10.0%	12.0%	13.0%	14.3%	15.3%	16.2%
Non-GAAP Operating Profit							5.9%	6.5%	9.1%	11.1%	13.4%	14.2%	15.4%	16.3%	17.1%
Profit before tax	2.6%	3.1%	2.7%	4.0%	5.3%	4.8%	5.1%	5.3%	7.0%	11.1%	12.5%	13.7%	14.9%	15.9%	16.7%
Net income	1.3%	2.1%	1.8%	3.6%	5.4%	5.2%	4.0%	4.7%	5.4%	7.6%	9.2%	9.9%	10.7%	11.3%	11.9%
Growth YoY															
Revenue		6.7%	2.4%	6.2%	-3.3%	0.7%	9.9%	5.0%	-1.5%	4.7%	6.9%	6.2%	8.4%	10.3%	10.3%
Gross profit		5.6%	4.1%	6.9%	-3.0%	2.9%	8.1%	5.0%	5.4%	11.4%	9.6%	7.9%	9.8%	11.8%	11.2%
Operating Profit		52.6%	-9.5%	120.9%	20.5%	-13.8%	28.6%	10.3%	36.4%	40.3%	27.8%	15.3%	18.6%	18.2%	16.7%
Non-GAAP Operating Profit								15.5%	36.8%	27.6%	29.0%	13.1%	17.2%	16.9%	15.7%
Profit before tax		27.7%	-11.1%	60.4%	27.3%	-8.5%	16.1%	10.3%	29.6%	66.1%	20.3%	16.8%	17.8%	17.4%	16.0%
Net income		70.8%	-13.7%	117.1%	43.6%	-3.2%	-16.1%	25.3%	12.1%	48.0%	29.1%	13.7%	17.4%	17.1%	15.8%
EPS		68.0%	-13.5%	152.1%	44.7%	-6.9%	-18.1%	32.2%	17.1%	54.3%	21.0%	12.2%	18.9%	18.3%	16.7%

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 47: **NEC Balance Sheet**

Balance Sheet

JPY billion	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E	2031E
Cash and cash equivalents	240	346	278	359	523	431	419	476	585	659	395	446	449	430	388
Trade receivables	952	931	734	737	740	722	800	829	878	994	869	911	1,000	1,101	1,207
Contract assets	0	0	266	248	270	286	336	412	375	420	575	610	662	730	805
Inventories	206	220	235	199	186	246	268	243	185	171	330	345	378	415	455
Other financial assets	4	6	6	6	10	18	16	16	10	28	59	59	59	59	59
Other current assets	106	113	110	108	132	134	157	166	182	186	229	229	229	229	229
Total current assets	**1,509**	**1,640**	**1,638**	**1,699**	**1,861**	**1,837**	**1,996**	**2,142**	**2,225**	**2,459**	**2,458**	**2,600**	**2,778**	**2,964**	**3,143**
Property, plant and equipment	419	400	409	558	553	540	563	511	580	564	664	748	837	934	1,041
Goodwill	63	104	223	182	301	336	356	392	394	451	990	1,203	1,463	1,778	2,161
Intangible assets	142	156	171	199	369	375	378	372	352	369	298	227	179	147	127
Other financial assets	262	246	250	219	210	237	208	203	221	229	232	232	232	232	232
Deferred tax assets	157	142	151	165	134	153	160	157	177	187	215	215	215	215	215
Other non-current assets	117	120	108	100	241	284	323	451	366	209	313	431	549	668	787
Total Non-current assets	**1,175**	**1,181**	**1,312**	**1,424**	**1,808**	**1,925**	**1,988**	**2,086**	**2,090**	**2,008**	**2,711**	**3,055**	**3,474**	**3,974**	**4,562**
Total Assets	**2,684**	**2,821**	**2,951**	**3,123**	**3,669**	**3,762**	**3,984**	**4,228**	**4,315**	**4,467**	**5,169**	**5,656**	**6,252**	**6,938**	**7,706**
Trade and other payables	497	512	483	461	468	447	498	520	493	477	565	589	647	710	779
Contract liabilities	0	0	185	195	250	266	288	390	406	463	689	732	794	876	966
Bonds and borrowings	119	140	159	155	52	187	131	85	234	55	94	94	94	94	94
Accruals	155	171	179	191	216	232	241	253	250	255	202	202	202	202	202
Other current liabilities	231	228	144	189	212	202	208	222	244	314	265	265	265	265	265
Total Current liabilities	**1,003**	**1,063**	**1,157**	**1,222**	**1,198**	**1,334**	**1,366**	**1,469**	**1,633**	**1,564**	**1,816**	**1,884**	**2,003**	**2,148**	**2,307**
Non-current liabilities															
Bonds and borrowings	343	376	388	365	489	258	321	298	256	272	307	307	307	307	307
Lease liabilities	0	0	0	109	115	103	110	113	124	111	135	135	135	135	135
Other financial liabilities	8	9	47	42	35	27	20	29	22	30	35	35	35	35	35
Net defined benefit liabilities	264	275	242	224	192	180	179	158	138	123	122	122	122	122	122
Other non-current liabilities	50	49	56	47	78	73	76	71	70	85	89	89	89	89	89
Total Non-current liabilities	**665**	**704**	**733**	**787**	**909**	**641**	**706**	**669**	**610**	**621**	**688**	**688**	**688**	**688**	**688**
Total Liabilities	**1,668**	**1,767**	**1,890**	**2,009**	**2,107**	**1,975**	**2,071**	**2,138**	**2,244**	**2,185**	**2,504**	**2,572**	**2,691**	**2,836**	**2,994**
Total equity attributable to owners of the parent	854	881	860	911	1,308	1,514	1,624	1,916	1,952	2,197	2,567	2,971	3,432	3,956	4,548
Non-controlling interests	162	173	201	204	254	273	289	174	119	85	98	113	129	146	163
Total Equity	**1,016**	**1,054**	**1,060**	**1,115**	**1,562**	**1,787**	**1,913**	**2,090**	**2,072**	**2,282**	**2,665**	**3,084**	**3,561**	**4,102**	**4,711**
Total Liabilities and Equity	**2,684**	**2,821**	**2,951**	**3,123**	**3,669**	**3,762**	**3,984**	**4,228**	**4,315**	**4,467**	**5,169**	**5,656**	**6,252**	**6,938**	**7,706**

Source: Company reports, Bernstein estimates and analysis

on 22-Oct-2026

EXHIBIT 48: **NEC Cash Flow Statement**

Cash Flow Statement

JPY billion	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E	2031E
Net Income	35	60	52	113	162	157	132	165	185	273	353	401	471	551	638
Depreciation & amortization	80	96	100	166	168	181	183	188	158	155	153	130	114	105	101
Changes in working capital	13	13	(71)	(1)	3	(67)	(106)	(117)	21	(139)	(7)	(67)	(117)	(143)	(153)
Other	(36)	(39)	(17)	(16)	(58)	(123)	(57)	35	(20)	149	(113)	8	27	47	55
Cash flow from operations	**93**	**130**	**64**	**262**	**275**	**148**	**152**	**271**	**344**	**438**	**386**	**472**	**495**	**560**	**642**
Capex	(45)	(53)	(61)	(89)	(71)	(71)	(78)	(100)	(151)	(92)	(124)	(142)	(154)	(170)	(188)
Net proceeds from investment income	24	22	14	2	8	2	2	0	16	83	28	0	0	0	0
Other	28	17	(30)	3	(60)	6	26	24	4	42	(546)	(213)	(259)	(315)	(383)
Cash flow from investments	**6**	**(14)**	**(77)**	**(84)**	**(122)**	**(63)**	**(50)**	**(76)**	**(131)**	**34**	**(642)**	**(356)**	**(414)**	**(486)**	**(571)**
Cash flow from financing	**(49)**	**(7)**	**(51)**	**(92)**	**1**	**(190)**	**(123)**	**(156)**	**(104)**	**(418)**	**(13)**	**(65)**	**(78)**	**(94)**	**(113)**
Net effect of exchange rate changes	(2)	(2)	(1)	(4)	6	13	9	17	(1)	20	5	0	0	0	0
Net change in cash	**48**	**106**	**(64)**	**82**	**160**	**(93)**	**(11)**	**57**	**108**	**74**	**(264)**	**51**	**3**	**(19)**	**(42)**
Beginning cash	192	240	346	278	359	523	431	419	476	585	659	395	446	449	430
Ending cash	**240**	**346**	**278**	**359**	**523**	**431**	**419**	**476**	**585**	**659**	**395**	**446**	**449**	**430**	**388**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 49: **Murata Income Statement**

Income Statement

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Revenue	1,136	1,372	1,575	1,534	1,630	1,813	1,687	1,640	1,743	1,831	2,187	2,666	3,188	3,701	4,214	4,738
Gross profit	**432**	**445**	**600**	**581**	**622**	**768**	**674**	**637**	**718**	**775**	**977**	**1,257**	**1,590**	**1,904**	**2,246**	**2,592**
Selling, general and administrative expenses	(149)	(188)	(232)	(230)	(204)	(233)	(256)	(243)	(278)	(297)	(320)	(357)	(386)	(401)	(414)	(434)
Research and development expenses	(82)	(94)	(102)	(102)	(102)	(111)	(125)	(133)	(149)	(159)	(188)	(224)	(266)	(305)	(344)	(382)
Net other income (expense)	0	0	0	0	0	0	5	(46)	(11)	(37)	5	6	6	6	6	6
Operating Profit	**201**	**163**	**267**	**253**	**313**	**424**	**298**	**215**	**280**	**282**	**474**	**682**	**945**	**1,204**	**1,494**	**1,781**
EBITDA	**315**	**305**	**391**	**394**	**456**	**580**	**468**	**391**	**453**	**460**	**657**	**868**	**1,141**	**1,415**	**1,726**	**2,039**
Net other financial income (expense)	2	2	3	4	1	1	4	24	25	27	25	28	43	65	95	134
Share of profits (losses) of investments accounted for using th	(5)	(7)	(2)	(4)	(10)	0	0	0	0	0	0	0	0	0	0	0
Others	2	3	0	1	12	8	0	0	0	0	0	0	0	0	0	0
Profit before tax	**200**	**168**	**267**	**254**	**316**	**433**	**303**	**239**	**304**	**309**	**498**	**710**	**988**	**1,269**	**1,589**	**1,916**
Income tax expense	(44)	(22)	(60)	(71)	(79)	(119)	(59)	(59)	(71)	(75)	(125)	(177)	(247)	(317)	(397)	(479)
Net income	**156**	**146**	**207**	**183**	**237**	**314**	**244**	**180**	**233**	**234**	**373**	**532**	**741**	**951**	**1,192**	**1,437**
Basic EPS (JPY)	**81.5**	**73.2**	**107.8**	**95.4**	**123.5**	**163.7**	**128.6**	**95.7**	**125.1**	**127.7**	**205.1**	**292.6**	**407.1**	**522.9**	**654.9**	**789.7**
Margins																
Gross profit	38.1%	32.4%	38.1%	37.9%	38.2%	42.4%	39.9%	38.8%	41.2%	42.3%	44.7%	47.2%	49.9%	51.4%	53.3%	54.7%
Operating Profit	17.7%	11.9%	16.9%	16.5%	19.2%	23.4%	17.7%	13.1%	16.0%	15.4%	21.7%	25.6%	29.6%	32.5%	35.4%	37.6%
Profit before tax	17.6%	12.2%	17.0%	16.6%	19.4%	23.9%	17.9%	14.6%	17.5%	16.9%	22.8%	26.6%	31.0%	34.3%	37.7%	40.4%
Net income	13.7%	10.6%	13.1%	11.9%	14.5%	17.3%	14.4%	11.0%	13.4%	12.8%	17.1%	20.0%	23.2%	25.7%	28.3%	30.3%
Growth YoY																
Revenue		20.8%	14.8%	-2.6%	6.3%	11.2%	-6.9%	-2.8%	6.3%	5.0%	19.4%	21.9%	19.6%	16.1%	13.9%	12.4%
Gross profit		2.9%	34.9%	-3.1%	7.0%	23.5%	-12.3%	-5.5%	12.7%	8.0%	26.1%	28.7%	26.5%	19.7%	18.0%	15.4%
Operating Profit		-18.9%	63.4%	-5.1%	23.7%	35.4%	-29.7%	-27.8%	29.8%	0.8%	68.1%	44.0%	38.5%	27.4%	24.1%	19.3%
Profit before tax		-16.3%	59.3%	-5.0%	24.6%	36.8%	-30.0%	-20.9%	27.2%	1.4%	61.5%	42.4%	39.1%	28.4%	25.2%	20.6%
Net income		-6.4%	41.7%	-11.6%	29.5%	32.4%	-22.4%	-26.0%	29.2%	0.3%	59.7%	42.7%	39.1%	28.4%	25.2%	20.6%
EPS		-10.2%	47.3%	-11.6%	29.5%	32.5%	-21.4%	-25.6%	30.7%	2.1%	60.7%	42.6%	39.1%	28.4%	25.2%	20.6%

Source: Company reports, Bernstein estimates and analysis



on 22-Oct-2026

EXHIBIT 50: **Murata Balance Sheet**

Balance Sheet

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Cash and cash equivalents	344	200	252	347	428	544	469	622	625	654	747	1,059	1,533	2,208	3,084	4,205
Trade receivables	209	258	274	281	341	358	270	293	294	328	388	456	529	591	657	709
Inventories	211	290	349	334	361	465	575	513	483	520	609	681	754	819	878	923
Other financial assets	53	21	27	30	23	24	43	20	51	24	43	43	43	43	43	43
Other current assets	28	42	31	36	31	44	50	52	45	55	86	86	86	86	86	86
Total current assets	**846**	**810**	**934**	**1,027**	**1,184**	**1,435**	**1,408**	**1,500**	**1,498**	**1,581**	**1,872**	**2,325**	**2,944**	**3,746**	**4,748**	**5,966**
Property, plant and equipment	508	705	856	1,002	1,079	1,085	1,146	1,185	1,184	1,301	1,356	1,455	1,593	1,756	1,958	2,187
Right-of-use assets	0	0	0	0	32	32	50	59	64	60	60	60	60	60	60	60
Goodwill	62	77	78	73	71	118	123	137	136	99	96	91	85	80	76	71
Intangible assets	49	54	48	39	34	47	39	39	41	36	25	17	14	13	14	15
Other financial assets	103	87	67	49	41	35	39	47	40	50	59	59	59	59	59	59
Deferred tax assets	5	36	42	42	38	27	43	47	53	60	64	64	64	64	64	64
Other non-current assets	36	27	24	18	15	31	10	23	13	10	11	11	11	11	11	11
Total Non-current assets	**764**	**987**	**1,115**	**1,223**	**1,310**	**1,374**	**1,451**	**1,538**	**1,530**	**1,618**	**1,671**	**1,757**	**1,887**	**2,044**	**2,241**	**2,466**
Total Assets	**1,609**	**1,797**	**2,049**	**2,250**	**2,494**	**2,809**	**2,858**	**3,038**	**3,028**	**3,199**	**3,543**	**4,082**	**4,831**	**5,790**	**6,989**	**8,432**
Bonds and borrowings	0	0	0	0	40	0	61	50	1	2	1	1	1	1	1	1
Trade payables	58	94	75	79	86	94	66	68	70	80	85	97	111	124	137	149
Lease liabilities	0	0	0	7	7	6	8	9	10	11	11	11	11	11	11	11
Other financial liabilities	0	0	0	0	53	64	60	56	49	57	57	57	57	57	57	57
Income taxes payable	7	25	38	28	42	59	13	27	31	43	27	27	27	27	27	27
Deferred income	0	0	0	0	0	0	1	1	1	1	2	2	2	2	2	2
Provisions	0	0	0	0	0	0	3	2	2	3	5	5	5	5	5	5
Other current liabilities	0	0	0	0	91	104	88	105	113	119	104	104	104	104	104	104
Total Current liabilities	**209**	**262**	**260**	**284**	**318**	**321**	**298**	**318**	**277**	**316**	**291**	**304**	**318**	**331**	**344**	**356**
Non-current liabilities																
Bonds and borrowings	1	1	100	150	111	111	51	2	2	2	2	2	2	2	2	2
Lease liabilities	0	0	0	0	0	0	0	0	0	0	0	0	42	42	42	42
Other financial liabilities	0	0	0	0	0	0	3	4	5	1	1	1	1	1	1	1
Deferred income	0	0	0	0	0	0	19	20	19	22	21	21	21	21	21	21
Retirement benefit liability	59	68	76	85	74	65	70	71	75	72	73	73	73	73	73	73
Provisions	0	0	0	0	0	0	9	8	7	10	9	9	9	9	9	9
Deferred tax liabilities	10	8	7	6	8	13	9	11	12	10	10	10	10	10	10	10
Other non-current liabilities	1	2	2	2	5	10	3	4	4	6	7	7	7	7	7	7
Total Non-current liabilities	**71**	**78**	**185**	**271**	**223**	**224**	**200**	**165**	**172**	**165**	**165**	**165**	**165**	**165**	**165**	**165**
Total Liabilities	**280**	**340**	**444**	**555**	**541**	**545**	**498**	**482**	**448**	**481**	**457**	**469**	**483**	**496**	**509**	**521**
Murata Manufacturing Co., Ltd. stockholders' equity	1,355	1,457	1,604	1,694	1,921	2,264	2,360	2,556	2,581	2,719	3,088	3,614	4,350	5,295	6,481	7,913
Non-controlling interests	1	1	1	1	1	0	0	-1	-1	-1	-1	-1	-1	-1	-1	-1
Total Equity	**1,355**	**1,457**	**1,605**	**1,695**	**1,922**	**2,264**	**2,360**	**2,556**	**2,580**	**2,718**	**3,087**	**3,613**	**4,349**	**5,294**	**6,480**	**7,912**
Total Liabilities and Equity	**1,635**	**1,797**	**2,049**	**2,250**	**2,462**	**2,809**	**2,858**	**3,038**	**3,028**	**3,199**	**3,544**	**4,083**	**4,831**	**5,790**	**6,989**	**8,432**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 51: **Murata Cash Flow Statement**

Cash Flow Statement

JPY billion	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Net Income	156	146	207	183	237	314	244	180	233	234	373	532	741	951	1,192	1,437
Depreciation & amortization	114	142	124	140	143	156	170	176	173	178	184	186	196	211	233	258
Changes in working capital	(14)	(65)	(90)	(5)	(50)	(76)	(42)	83	29	(23)	(166)	(128)	(132)	(114)	(112)	(85)
Other	5	(21)	24	41	4	1	56	74	69	96	104	150	204	252	302	345
Cash flow from operations	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(7)**	**(7)**	**(7)**	**(7)**	**(7)**	**(7)**	**(7)**	**(7)**
Capex	(218)	(320)	(317)	(313)	(226)	(189)	(228)	(241)	(197)	(257)	(232)	(272)	(325)	(369)	(430)	(483)
Net proceeds from investment income	45	57	29	31	59	30	54	30	27	23	22	32	47	70	100	139
Other	(36)	(30)	1	9	10	8	24	9	(38)	41	(19)	0	0	0	0	0
Cash flow from investments	**(203)**	**(194)**	**(304)**	**(284)**	**(150)**	**(212)**	**(151)**	**(202)**	**(208)**	**(194)**	**(79)**	**(239)**	**(278)**	**(299)**	**(330)**	**(344)**
Cash flow from financing	**(12)**	**(84)**	**52**	**18**	**(118)**	**(118)**	**(182)**	**(165)**	**(243)**	**(222)**	**(34)**	**(11)**	**(10)**	**(10)**	**(10)**	**(10)**
Net effect of exchange rate changes	(3)	1	2	1	0	13	13	30	2	19	4	0	0	0	0	0
Net change in cash	**27**	**(51)**	**30**	**85**	**105**	**104**	**(43)**	**153**	**3**	**29**	**93**	**312**	**474**	**675**	**877**	**1,121**
Beginning cash	663	977	899	1,046	1,249	1,806	1,867	1,947	2,305	2,309	2,406	3,241	4,744	6,971	10,004	13,929
Ending cash	**902**	**926**	**929**	**1,131**	**1,354**	**1,911**	**1,824**	**2,100**	**2,308**	**2,338**	**2,499**	**3,553**	**5,217**	**7,646**	**10,880**	**15,050**

Source: Company reports, Bernstein estimates and analysis

on 22-Oct-2026

EXHIBIT 52: **Panasonic Income Statement**

Income Statement

JPY billion	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E	2031E
Revenue	7,344	7,982	8,003	7,491	6,699	7,389	8,379	8,496	8,458	8,049	8,154	8,737	9,240	9,743	10,278
Gross profit	**2,187**	**2,339**	**2,266**	**2,151**	**1,975**	**2,082**	**2,261**	**2,494**	**2,629**	**2,527**	**2,608**	**2,795**	**2,991**	**3,213**	**3,444**
Selling, general and administrative expenses	(1,843)	(1,938)	(1,939)	(1,864)	(1,668)	(1,725)	(1,947)	(2,104)	(2,161)	(2,079)	(1,901)	(1,999)	(2,093)	(2,171)	(2,305)
Adjusted Operating Profit	**344**	**401**	**327**	**287**	**307**	**358**	**314**	**390**	**467**	**447**	**707**	**797**	**898**	**1,042**	**1,140**
Other operating income (expenses)	(84)	(41)	63	(4)	(49)	(0)	(26)	(29)	(41)	(211)	(47)	18	18	18	18
Operating Profit	**277**	**381**	**411**	**294**	**259**	**358**	**289**	**361**	**426**	**236**	**660**	**814**	**916**	**1,060**	**1,158**
EBITDA	**548**	**668**	**708**	**667**	**576**	**697**	**671**	**761**	**832**	**641**	**1,000**	**1,199**	**1,320**	**1,478**	**1,601**
Net other financial income (expense)	(2)	(2)	5	(3)	2	3	28	64	60	27	0	(5)	(1)	5	12
Profit (loss) before income taxes	**275**	**379**	**416**	**291**	**261**	**360**	**316**	**425**	**486**	**263**	**660**	**809**	**916**	**1,065**	**1,170**
Income tax	(103)	(127)	(114)	(51)	(77)	(95)	(36)	40	(102)	(54)	(167)	(202)	(229)	(266)	(293)
Net income	**172**	**252**	**303**	**240**	**184**	**265**	**281**	**465**	**384**	**209**	**493**	**607**	**687**	**799**	**878**
EPS (JPY)	**64.3**	**101.2**	**121.8**	**96.7**	**70.7**	**109.4**	**113.7**	**190.2**	**156.8**	**81.2**	**204.6**	**251.9**	**284.9**	**331.5**	**364.2**
Margins															
Gross profit	29.8%	29.3%	28.3%	28.7%	29.5%	28.2%	27.0%	29.4%	31.1%	31.4%	32.0%	32.0%	32.4%	33.0%	33.5%
Operating Profit	3.8%	4.8%	5.1%	3.9%	3.9%	4.8%	3.4%	4.2%	5.0%	2.9%	8.1%	9.3%	9.9%	10.9%	11.3%
Adjusted Operating Profit	4.7%	5.0%	4.1%	3.8%	4.6%	4.8%	3.7%	4.6%	5.5%	5.6%	8.7%	9.1%	9.7%	10.7%	11.1%
Profit before tax	3.7%	4.7%	5.2%	3.9%	3.9%	4.9%	3.8%	5.0%	5.7%	3.3%	8.1%	9.3%	9.9%	10.9%	11.4%
Net income	2.3%	3.2%	3.8%	3.2%	2.7%	3.6%	3.3%	5.5%	4.5%	2.6%	6.0%	6.9%	7.4%	8.2%	8.5%
Growth YoY															
Revenue		8.7%	0.3%	-6.4%	-10.6%	10.3%	13.4%	1.4%	-0.5%	-4.8%	1.3%	7.2%	5.8%	5.4%	5.5%
Gross profit		7.0%	-3.1%	-5.1%	-8.2%	5.4%	8.6%	10.3%	5.4%	-3.9%	3.2%	7.2%	7.0%	7.4%	7.2%
Operating Profit		37.5%	8.1%	-28.6%	-12.0%	38.3%	-19.3%	25.1%	18.2%	-44.6%	179.2%	23.4%	12.5%	15.7%	9.2%
Adjusted Operating Profit		16.8%	-18.5%	-12.3%	7.1%	16.5%	-12.2%	24.2%	19.8%	-4.2%	58.1%	12.6%	12.7%	16.0%	9.4%
Profit before tax		37.6%	10.0%	-30.1%	-10.4%	38.2%	-12.2%	34.4%	14.4%	-45.9%	151.0%	22.6%	13.1%	16.3%	9.9%
Net income		46.2%	20.1%	-20.7%	-23.4%	44.3%	5.7%	65.9%	-17.4%	-45.6%	135.9%	23.1%	13.1%	16.3%	9.9%
EPS		57.3%	20.4%	-20.6%	-26.9%	54.7%	4.0%	67.2%	-17.5%	-48.2%	152.1%	23.1%	13.1%	16.3%	9.9%

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 53: **Panasonic Balance Sheet**

Balance Sheet

JPY billion	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E	2031E
Cash and cash equivalents	1,271	1,090	772	1,017	1,593	1,206	819	1,120	848	770	924	1,128	1,360	1,679	2,041
Trade receivables	847	1,039	1,191	1,051	1,194	1,325	1,323	1,361	1,316	1,380	1,432	1,499	1,598	1,684	1,775
Other financial assets	144	204	131	148	150	211	170	227	165	197	214	214	214	214	214
Inventories	806	989	1,016	794	833	1,133	1,289	1,209	1,022	1,066	1,235	1,293	1,368	1,432	1,476
Other current assets	137	165	163	426	153	157	202	236	264	467	520	520	520	520	520
Total current assets	**3,205**	**3,486**	**3,274**	**3,436**	**3,923**	**4,031**	**3,803**	**4,153**	**3,615**	**3,880**	**4,324**	**4,655**	**5,060**	**5,529**	**6,026**
Investments accounted for using the equity method	156	148	136	307	456	403	401	424	497	567	565	583	601	619	638
Other financial assets	162	166	216	215	231	213	243	207	186	213	220	220	220	220	220
Property, plant and equipment	1,323	1,374	1,324	1,035	1,062	1,115	1,172	1,559	1,902	2,244	2,646	2,952	3,232	3,513	3,798
Right-of-use assets	0	0	0	261	250	258	239	271	281	247	150	71	34	16	8
Other non-current assets	1,137	1,117	1,063	965	926	2,003	2,202	2,797	2,861	3,020	2,889	2,889	2,889	2,889	2,889
Total Non-current assets	**2,778**	**2,805**	**2,740**	**2,783**	**2,924**	**3,992**	**4,257**	**5,258**	**5,728**	**6,293**	**6,470**	**6,715**	**6,976**	**7,259**	**7,554**
Total Assets	**5,983**	**6,291**	**6,014**	**6,219**	**6,847**	**8,024**	**8,060**	**9,411**	**9,343**	**10,172**	**10,795**	**11,370**	**12,036**	**12,788**	**13,579**
Trade and other payables	956	1,146	1,151	970	1,046	1,664	1,663	1,690	1,506	1,497	1,614	1,690	1,788	1,871	1,928
Lease liabilities	0	0	8	64	59	61	60	69	62	59	58	58	58	58	58
Bonds and borrowings	177	375	390	251	310	433	159	262	107	186	139	139	139	139	139
Other financial liabilities	330	305	274	213	221	161	146	148	125	117	119	119	119	119	119
Other current liabilities	1,249	1,271	1,175	1,030	1,169	747	845	952	882	1,141	1,175	1,175	1,175	1,175	1,175
Total Current liabilities	**2,712**	**3,098**	**2,989**	**2,616**	**2,804**	**3,065**	**2,873**	**3,122**	**2,683**	**2,999**	**3,106**	**3,182**	**3,280**	**3,363**	**3,421**
Non-current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonds and borrowings	947	864	601	954	880	1,198	1,050	1,084	1,173	1,163	1,165	1,165	1,165	1,165	1,165
Lease liabilities	0	0	8	202	199	206	188	211	227	253	191	191	191	191	191
Other non-current liabilities	564	447	331	290	196	207	158	272	386	376	456	456	456	456	456
Total Non-current liabilities	**1,511**	**1,311**	**940**	**1,447**	**1,274**	**1,611**	**1,396**	**1,568**	**1,786**	**1,791**	**1,812**	**1,812**	**1,812**	**1,812**	**1,812**
Total Liabilities	**4,223**	**4,409**	**3,929**	**4,063**	**4,079**	**4,676**	**4,270**	**4,689**	**4,468**	**4,790**	**4,918**	**4,994**	**5,092**	**5,175**	**5,233**
Total equity attributable to owners of the parent	1,572	1,708	1,914	1,998	2,594	3,165	3,618	4,544	4,694	5,211	5,697	6,178	6,724	7,368	8,075
Non-controlling interests	188	175	171	158	174	182	172	178	180	171	180	199	220	245	272
Total Equity	**1,760**	**1,882**	**2,085**	**2,156**	**2,769**	**3,347**	**3,790**	**4,722**	**4,875**	**5,382**	**5,877**	**6,376**	**6,944**	**7,613**	**8,347**
Total Liabilities and Equity	**5,983**	**6,291**	**6,014**	**6,219**	**6,847**	**8,024**	**8,060**	**9,411**	**9,343**	**10,172**	**10,795**	**11,370**	**12,036**	**12,788**	**13,579**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 54: **Panasonic Cash Flow Statement**

Cash Flow Statement

JPY billion	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E	2031E
Net Income	172	252	303	240	184	265	281	465	384	209	493	607	687	799	878
Depreciation & amortization	271	288	296	373	318	339	382	400	406	404	340	385	404	418	443
Changes in working capital	19	(178)	(143)	8	(81)	(203)	(89)	181	(12)	(130)	(51)	(50)	(76)	(67)	(78)
Other	(77)	61	(252)	(191)	84	(149)	(53)	(180)	18	141	170	0	0	0	0
Cash flow from operations	**385**	**423**	**204**	**430**	**504**	**253**	**521**	**867**	**796**	**624**	**951**	**942**	**1,015**	**1,150**	**1,243**
Capex	(279)	(394)	(316)	(274)	(231)	(234)	(289)	(547)	(772)	(623)	(619)	(612)	(647)	(682)	(719)
Net proceeds from investment income	2	(9)	4	30	315	(6)	(2)	42	(15)	(23)	(17)	(18)	(18)	(18)	(18)
Other	(144)	(55)	119	37	93	(556)	(53)	(74)	(73)	39	(11)	0	0	0	0
Cash flow from investments	**(420)**	**(459)**	**(193)**	**(206)**	**177**	**(796)**	**(344)**	**(579)**	**(860)**	**(607)**	**(647)**	**(629)**			
Cash flow from financing	**295**	**(129)**	**(342)**	**48**	**(178)**	**59**	**(607)**	**(83)**	**(190)**	**(167)**	**(170)**	**(108)**			
Net effect of exchange rate changes	(2)	(17)	14	(28)	74	97	44	96	(18)	73	19	0			
Net change in cash	**258**	**(181)**	**(317)**	**244**	**577**	**(387)**	**(386)**	**300**	**(272)**	**(77)**	**153**	**205**			
Beginning cash	1,013	1,271	1,090	772	1,017	1,593	1,206	819	1,120	848	770	924			
Ending cash	**1,271**	**1,090**	**772**	**1,017**	**1,593**	**1,206**	**819**	**1,120**	**848**	**770**	**924**	**1,128**			

Source: Company reports, Bernstein estimates and analysis

人在草木间

on 22-Oct-2026

I. REQUIRED DISCLOSURES

References to "Bernstein" or the "Firm" in these disclosures relate to the following entities: Bernstein Institutional Services LLC (April 1, 2024 onwards), Sanford C. Bernstein & Co., LLC (pre April 1, 2024), Bernstein Autonomous LLP, BSG France S.A. (April 1, 2024 onwards), Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited, Sanford C. Bernstein Japan KK（サンフォード・C・バーンスタイン株式会社）and analysts employed by Société Générale Africa Technologies & Services to produce Bernstein research under a Global Services Agreement in place between Bernstein and Société Générale.

Bernstein is part of a joint venture between Société Générale (SG) and AllianceBernstein, L.P. (AB). Unless specifically noted otherwise, for purposes of these disclosures, references to Bernstein's "affiliates" relate to both SG and AB and their respective affiliates.

VALUATION METHODOLOGY

This research publication covers six or more companies. For valuation methodology and other company disclosures:
Please visit: https://bernstein-autonomous.bluematrix.com/sellside/Disclosures.action.
Or, you can also write to the Director of Compliance, Bernstein Institutional Services LLC, 245 Park Avenue, New York, NY 10167.

RISKS

This research publication covers six or more companies. For risks and other company disclosures:
Please visit: https://bernstein-autonomous.bluematrix.com/sellside/Disclosures.action.
Or, you can also write to the Director of Compliance, Bernstein Institutional Services LLC, 245 Park Avenue, New York, NY 10167.

RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION

EQUITY RATINGS DEFINITIONS

Bernstein brand

The Bernstein brand rates stocks based on forecasts of relative performance for the next 12 months versus the S&P 500 for stocks listed on the U.S. and Canadian exchanges, versus the Bloomberg Europe Developed Markets Large and Mid Cap Price Return Index EUR (EDME) for stocks listed on the European exchanges and emerging markets exchanges outside of the Asia Pacific region, versus the Bloomberg Japan Large and Mid Cap Price Return Index USD (JPL) for stocks listed on the Japanese exchanges, and versus the Bloomberg Asia ex-Japan Large and Mid Cap Price Return Index (ASIAX) for stocks listed on the Asian (ex-Japan) exchanges -unless otherwise specified.

The Bernstein brand has three categories of ratings:

- Outperform: Stock will outpace the market index by more than 15 pp
- Market-Perform: Stock will perform in line with the market index to within +/-15 pp
- Underperform: Stock will trail the performance of the market index by more than 15 pp

Coverage Suspended: Coverage of a company under the Bernstein research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Not Covered (NC) denotes companies that are not under coverage.

Bernstein brand stock ratings are based on a 12-month time horizon.

Autonomous brand – common stocks

on 22-Oct-2026

The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 600 Financials Price Return Index (E600BK) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 600 Insurance Price Return Index (E600IN) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, the Bloomberg Emerging Markets Financials Large, Mid and Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments, and the Bloomberg Japan Financials Large & Mid Cap Price Return Index (JPFILM) for Japanese Financials. Ratings are stated relative to the sector (not the market).

The Autonomous brand has three categories of common stock ratings:

- Outperform (OP): Stock will outpace the relevant index by more than 10 pp
- Neutral (N): Stock will perform in line with the market index to within +/-10 pp
- Underperform (UP): Stock will trail the performance of the relevant index by more than 10 pp

Coverage Suspended: Coverage of a company under the Autonomous research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Those denoted as 'Feature' (e.g., Feature Outperform FOP, Feature Under Outperform FUP) are our core ideas.

Not Covered (NC) denotes companies that are not under coverage.

Autonomous brand common stock ratings are based on a 12-month time horizon.

Autonomous brand – preferred stocks

The Autonomous brand has three categories of preferred stock ratings:

- Outperform (OP): The total return of the preferred instrument is expected to outperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Neutral (N): The total return of the preferred instrument is expected to perform in line with preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Underperform (UP): The total return of the preferred instrument is expected to underperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous preferred stock ratings are based on a 6-month time horizon.

AUTONOMOUS CREDIT RESEARCH

Where this report contains investment recommendations for credit instruments, as defined in article 3(1)(35) of the Market Abuse Regulation, the information below is presented to comply with its disclosure requirements.

The report may also include reference(s) to published opinions by other Autonomous or Bernstein analysts covering the equity securities of the issuer(s) referenced herein. Please note an investment recommendation for credit instruments published by the author(s) of this report may differ from the published view of the analyst covering equity securities for the issuer(s) contained in this report and vice versa.

CREDIT RATINGS DEFINITIONS

The Autonomous brand has three categories of credit ratings:

- Credit Outperform (C-OP): The total return of the Reference Credit Instrument is expected to outperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.

on 22-Oct-2026

- Credit Neutral (C-N): The total return of the Reference Credit Instrument is expected to perform in line with the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.
- Credit Underperform (C-UP): The total return of the Reference Credit Instrument is expected to underperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous credit ratings are based on a 6-month time horizon.

A list of all investment recommendations produced by the author(s) of this report alongside credit ratings history are available upon request.

It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e. the private side) within the Firm, and into other areas, units, groups or affiliates (i.e. public side) of the Firm

DISTRIBUTION OF EQUITY RATINGS/INVESTMENT BANKING SERVICES

Equity Rating	Market Abuse Regulation (MAR) and FINRA Rating Category	Global Rating Distribution	Investment Banking Relationships*
Outperform	BUY	52.3%	14.2%
Market-Perform (Bernstein Brand) Neutral (Autonomous Brand)	HOLD	35.6%	16.1%
Underperform	SELL	12.1%	13.6%

* These figures represent the percentage of companies within each equity rating category for which affiliates of Bernstein have provided investment banking services within the previous 12 months.
As of September 30, 2026. All figures are updated quarterly.

PRICE CHARTS/ RATINGS AND PRICE TARGET HISTORY

This research publication covers six or more companies. For price chart and other company disclosures, please visit https://bernstein-autonomous.bluematrix.com/sellside/Disclosures.action or you can write to the Director of Compliance, Bernstein Institutional Services LLC, 245 Park Avenue, New York, NY 10167.

CONFLICTS OF INTEREST

Bernstein and/or affiliates have received compensation for non-investment banking securities-related products or services in the previous twelve months from the following clients: Hitachi Ltd and Mitsubishi Heavy Industries.

An affiliate of Bernstein has received compensation for non-investment banking securities-related products or services in the previous twelve months from the following clients: Hitachi Ltd and Panasonic Holdings Corp.

Certain affiliates of Bernstein act as market maker or liquidity provider in the debt securities of: NEC Corp.

OTHER MATTERS

The legal entity(ies) employing the analyst(s) listed in this report, and their location, can be determined by the country code of their phone number, as follows:

+1 Bernstein Institutional Services LLC; New York, New York, USA

+44 Bernstein Autonomous LLP; London UK

+212 Société Générale Global Solution Center Morocco, Casablanca, Morocco

+33 BSG France S.A.; Paris, France

on 22-Oct-2026

+34 BSG France S.A.; Madrid, Spain

+41 Bernstein Autonomous LLP; Geneva, Switzerland

+49 BSG France S.A.; Frankfurt, Germany

+91 Sanford C. Bernstein (India) Private Limited; Mumbai, India

+852 Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司; Hong Kong, China

+65 Sanford C. Bernstein (Singapore) Private Limited; Singapore

+81 Sanford C. Bernstein Japan KK; Tokyo, Japan

Where this report has been prepared by research analyst(s) employed by a non-US affiliate, such analyst(s), is/are (unless otherwise expressly noted below) not registered as associated persons of Bernstein Institutional Services LLC or any other SEC-registered broker-dealer and are not licensed or qualified as research analysts with FINRA. Accordingly, such analyst(s) may not be subject to FINRA's restrictions regarding (among other things) communications by research analysts with a subject company, interactions between research analysts and investment banking personnel, participation by research analysts in solicitation and marketing activities relating to investment banking transactions, public appearances by research analysts, and trading securities held by a research analyst account.

Where this report has been prepared by research analyst(s) employed by Société Générale Africa Technologies & Services (part of the Société Générale group of companies), it has been prepared on behalf of a Bernstein company under a Global Services Agreement in place between Bernstein and Société Générale.

CERTIFICATION

Each research analyst listed in this report, who is primarily responsible for the preparation of the content of this report, certifies that all of the views expressed in this publication accurately reflect that analyst's personal views about any and all of the subject securities or issuers and that no part of that analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views in this publication.

II. ADDITIONAL GLOBAL CONFLICT DISCLOSURES

It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e., the private side) within the Firm, and into other areas, units, groups or affiliates (i.e., public side) of the Firm.

III. OTHER IMPORTANT INFORMATION AND DISCLOSURES

Separate branding is maintained for "Bernstein" and "Autonomous" research products.

- Bernstein produces a number of different types of research products including, among others, fundamental analysis and quantitative analysis under both the "Autonomous" and "Bernstein" brands. Recommendations contained within one type of research product may differ from recommendations contained within other types of research products, whether as a result of differing time horizons, methodologies or otherwise. Furthermore, views or recommendations within a research product issued under one brand may differ from views or recommendations under the same type of research product issued under the other brand. The Research Ratings System for the two brands and other information related to those Rating Systems are included in the previous section.

- Autonomous operates as a separate business unit within the following entities: Bernstein Institutional Services LLC, Bernstein Autonomous LLP, Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 and Sanford C. Bernstein (India) Private Limited. For information relating to "Autonomous" branded products (including certain Sales materials) please visit: www.autonomous.com. For information relating to Bernstein branded products please visit: www.bernsteinresearch.com.

Analysts are compensated based on aggregate contributions to the research franchise as measured by account penetration, productivity and proactivity of investment ideas. No analysts are compensated based on performance in, or contributions to, generating investment banking revenues.

This report has been produced by an independent analyst as defined in Article 3 (1)(34)(i) of EU 596/2014 Market Abuse Regulation ("MAR") and the same article of MAR as it forms part of United Kingdom domestic law by virtue of the European Union

on 22-Oct-2026

(Withdrawal) Act 2018.

To our readers in the United States: Bernstein Institutional Services LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission ("SEC") and a member of the U.S. Financial Industry Regulatory Authority, Inc. ("FINRA") is distributing this publication in the United States and accepts responsibility for its contents. Where this material contains an analysis of debt product(s), such material is intended only for institutional investors and is not subject to the US independence and disclosure standards applicable to debt research prepared for retail investors.

Bernstein Institutional Services LLC may act as principal for its own account or as agent for another person (including an affiliate) in sales or purchases of any security which is a subject of this report. This report does not purport to meet the objectives or needs of any specific individuals, entities or accounts.

To our readers in Canada: If this publication pertains to a Canadian domiciled company, it is being distributed in Canada by Sanford C. Bernstein (Canada) Limited, which is licensed and regulated by the Canadian Investment Regulatory Organization. If the publication pertains to a non-Canadian domiciled company, it is being distributed by Bernstein Institutional Services LLC, which is licensed and regulated by both the SEC and FINRA, into Canada under the International Dealers Exemption.

This document may not be passed onto any person in Canada unless that person qualifies as "permitted client" as defined in Section 1.1 of NI 31-103.

To our readers in Brazil: This report has been prepared by Bernstein Institutional Services LLC, and Banco BTG Pactual S.A. ("BTG") is responsible for the distribution of this report in Brazil.

To readers in the United Kingdom: This publication has been issued or approved for issue in the United Kingdom by Bernstein Autonomous LLP, authorised and regulated by the Financial Conduct Authority and located at 60 London Wall, London EC2M 5SH, +44 (0)20-7170-5000. Registered in England & Wales No OC343985.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

To our readers in the member states of the EEA: This publication is being distributed by BSG France SA, which is authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and Autorité des Marchés Financiers (AMF).

To our readers in Hong Kong: This publication is being distributed in Hong Kong by Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, which is licensed and regulated by the Hong Kong Securities and Futures Commission (Central Entity No. AXC846) to carry out Type 4 (Advising on Securities) regulated activities and subject to the licensing conditions mentioned in the SFC Public Register (https://www.sfc.hk/publicregWeb/corp/AXC846/details)). This publication is solely for professional investors, as defined in the Securities and Futures Ordinance (Cap. 571). The purpose of this report is solely to provide an analysis of the issuers referred to in this report and is not intended for any purpose contrary to the laws of Hong Kong.

To our readers in Singapore: This publication is being distributed in Singapore by Sanford C. Bernstein (Singapore) Private Limited, only to accredited investors or institutional investors, as defined in the Securities and Futures Act 2001 of Singapore ("SFA"). Recipients in Singapore should contact Sanford C. Bernstein (Singapore) Private Limited in respect of matters arising from, or in connection with, this publication. Sanford C. Bernstein (Singapore) Private Limited is regulated by the Monetary Authority of Singapore and licensed under the SFA as a capital markets services licence holder for dealing in capital markets products that are securities and collective investment schemes and an exempt financial adviser for advising on, issuing and promulgating analyses and reports on securities. Sanford C. Bernstein (Singapore) Private Limited is registered in Singapore with Company Registration No. 20213710W and located at 8 Marina Boulevard, #12-01, Marina Bay Financial Centre, Singapore 018981, +65-6326-7000.

To our readers in the People's Republic of China: The securities referred to in this document are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan, the "PRC") in contravention of any applicable laws of the PRC.

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

on 22-Oct-2026

We do not represent that this document may be lawfully distributed, or that any securities may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us which would permit a public offering of any securities or distribution of this document in the PRC. Accordingly, the securities are not being offered or sold within the PRC by means of this document or any other document. Neither this document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

To our readers in Japan: This publication is being distributed in Japan by Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社), which is registered in Japan as a Financial Instruments Business Operator with the Kanto Local Finance Bureau (registration number: The Director-General of Kanto Local Finance Bureau (FIBO) No.3387) and regulated by the Financial Services Agency. It is also a member of Investment Management Association of Japan. This publication is solely for qualified institutional investors in Japan only, as defined in Article 2, paragraph (3), items (i) of the Financial Instruments and Exchange Act.

For the institutional client readers in Japan who have been granted access to the Bernstein website by Daiwa Securities Group Inc. ("Daiwa"), your access to this document should not be construed as meaning that Bernstein is providing you with investment advice for any purposes. Whilst Bernstein has prepared this document, your relationship is, and will remain with, Daiwa, and Bernstein has neither any contractual relationship with you nor any obligations towards you.

To our readers in Australia: Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 is responsible for distributing research in Australia. It is regulated by the Securities and Exchange Commission under U.S. laws, by the Financial Conduct Authority under U.K. laws, which differs from Australian laws. Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 is exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 in respect of the provision of the following financial services to wholesale clients:

- providing financial product advice;
- dealing in a financial product;
- making a market for a financial product; and
- providing a custodial or depository service.

To our readers in India: This publication is being distributed in India by Sanford C. Bernstein (India) Private Limited (SCB India) which is licensed and regulated by Securities and Exchange Board of India ("SEBI") as a research analyst entity under the SEBI (Research Analyst) Regulations, 2014, having registration no. INH000006378 and as a stock broker having registration no. INZ000213537. SCB India is currently engaged in the business of providing research and stock broking services. Please refer to www.bernsteinresearch.in for more information.

- SCB India is a Private limited company incorporated under the Companies Act, 2013, on April 12, 2017 bearing corporate identification number U65999MH2017FTC293762, and registered office at Level 3A, 4th Floor, First International Financial Centre, Plot Nos C-54 and C-55, G Block, Near CBI Office, Bandra Kurla Complex, Bandra (East), Mumbai 400098, Maharashtra, India (Phone No: +91-22-68421401).
- For details of Associates (i.e., affiliates/group companies) of SCB India, kindly email MUM-BERNSTEIN-InCompliance@bernsteinsg.com / scbincompliance@bernsteinsg.com.
- SCB India does not have any disciplinary history as on the date of this report.
- Except as noted above, SCB India and/or its Associates (i.e., affiliates/group companies), the Research Analysts authoring this report, and their relatives
  - do not have any financial interest in the subject company
  - do not have actual/beneficial ownership of one percent or more in securities of the subject company;
  - is not engaged in any investment banking activities for Indian companies, as such;
  - have not managed or co-managed a public offering in the past twelve months for any Indian companies;

on 22-Oct-2026

- have not received any compensation for investment banking services or merchant banking services from the subject company in the past 12 months;
- have not received compensation for brokerage services from the subject company in the past twelve months;
- have not received any compensation or other benefits from the subject company or third party related to the specific recommendations or views in this report; and
- do not currently, but may in the future, act as a market maker in the financial instruments of the companies covered in the report.
- do not have any conflict of interest in the subject company as of the date of this report.

- Except as noted above, the subject company has not been a client of SCB India during twelve months preceding the date of distribution of this research report. Neither SCB India nor its Associates (i.e., affiliates/group companies) have received compensation for products or services other than investment banking, merchant banking or brokerage services from the subject company in the past twelve months.
- The principal research analyst(s) who prepared this report, members of the analysts' team, and members of their households are not an officer, director, employee or advisory board member of the companies covered in the report.
- Our Compliance officer / Grievance officer is Ms. Rupal Talati, who can be reached at +91-22-68421451, or MUM-BERNSTEIN-InCompliance@bernsteinsg.com / Scbin-investorgrievance@bernsteinsg.com / scbincompliance@bernsteinsg.com.
- Kindly refer to the Research investor charter and Research Most Important Terms & Conditions (MITC) available at (https://bernsteinresearch.in/)
- Disclaimer: Registration granted by SEBI, and certification from NISM, is in no way a guarantee of performance of the intermediary or provide any assurance of returns to investors. Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

To our readers in Switzerland: This document is provided in Switzerland by or through Bernstein Autonomous LLP, and is provided only to qualified investors as defined in article 10 of the Swiss Collective Investment Scheme Act ("CISA") and related provisions of the Collective Investment Scheme Ordinance and in strict compliance with applicable Swiss law and regulations. The products mentioned in this document may not be suitable for all types of investors. This document is based on the Directives on the Independence of Financial Research issued by the Swiss Bankers Association (SBA) in January 2008.

To our readers in the Middle East: Bernstein Autonomous LLP, DIFC branch has its principal office at Gate Village 06, DIFC, Dubai, UAE. Bernstein Autonomous LLP, DIFC branch is regulated by the Dubai Financial Services Authority (DFSA) with the registration number CL10040 and is provisioned for Arranging Deals in Investments and Advising on Financial Products. All communications and services are directed at Professional Clients and Market Counterparties only (as defined in the DFSA rulebook). Persons other than Professional Clients and Market Counterparties, such as Retail Clients, are not the intended recipients of our communications or services.

LEGAL

All research publications are disseminated to our clients through posting on the firm's password protected websites, bernsteinresearch.com and autonomous.com. Certain, but not all, research publications are also made available to clients through third-party vendors or redistributed to clients through alternate electronic means as a convenience.

This publication has been published and distributed in accordance with the Firm's policy for management of conflicts of interest in investment research, a copy of which is available from Bernstein Institutional Services LLC, Director of Compliance, 245 Park Avenue, New York, NY 10167. Additional disclosures and information regarding Bernstein's business are available on our website www.bernsteinresearch.com.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors where that permission profile is not consistent with the licenses held by the entities noted herein. This document is for distribution only as may be permitted by law. This publication is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use

on 22-Oct-2026

would be contrary to law or regulation or which would subject any of the entities referenced herein or any of their subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction. This publication is based upon public sources we believe to be reliable, but no representation is made by us that the publication is accurate or complete. We do not undertake to advise you of any change in the reported information or in the opinions herein. This publication was prepared and issued by entity referred to herein for distribution to eligible counterparties or professional clients. This publication is not an offer to buy or sell any security, and it does not constitute investment, legal or tax advice. The investments referred to herein may not be suitable for you. Investors must make their own investment decisions in consultation with their professional advisors in light of their specific circumstances. The value of investments may fluctuate, and investments that are denominated in foreign currencies may fluctuate in value as a result of exposure to exchange rate movements. Information about past performance of an investment is not necessarily a guide to, indicator of, or assurance of, future performance.

This report is directed to and intended only for our clients who are "eligible counterparties", "professional clients", "institutional investors" and/or "professional investors" as defined by the aforementioned regulators, and must not be redistributed to retail clients as defined by the aforementioned regulators. Retail clients who receive this report should note that the services of the entities noted herein are not available to them and should not rely on the material herein to make an investment decision. The result of such act will not hold the entities noted herein liable for any loss thus incurred as the entities noted herein are not registered/ authorised/ licensed to deal with retail clients and will not enter into any contractual agreement/arrangement with retail clients. This report is provided subject to the terms and conditions of any agreement that the clients may have entered into with the entities noted herein. All research reports are disseminated on a simultaneous basis to eligible clients through electronic publication to our client portal.

The information in this report was prepared by Bernstein solely for the internal business use of our clients. Clients may store, display, analyze, reformat and print the information in this report for this limited use only. Clients may not copy, alter, create derivative works, resell, reverse engineer, commercially exploit, share or distribute any part of the information contained herein for any purpose without Bernstein's express written consent. These restrictions include extracting data or using the content to develop indices or other products. Further, you may not use this report, or any portion of this report, to train or finetune any third-party machine learning or artificial intelligence system, or as a prompt or input into any such system. You also may not, without Bernstein's express written consent, do any of the foregoing in connection with your own internal machine learning or artificial intelligence system.

Bernstein may use artificial intelligence tools in the preparation of its materials. Any such materials are reviewed by Bernstein's research analysts prior to publication.

This report has been prepared for information purposes only and is based on current public information that we consider reliable, but the entities noted herein do not warrant or represent (express or implied) as to the sources of information or data contained herein are accurate, complete, not misleading or as to its fitness for the purpose intended even though the entities noted herein rely on reputable or trustworthy data providers, it should not be relied upon as such. Opinions expressed are the author(s)' current opinions as of the date appearing on the material only and we do not undertake to advise you of any change in the reported information or in the opinions herein.

Any references to Societe Generale herein are purely factual, based upon publicly available information, and included for comparative purposes only. They do not constitute an opinion or recommendation with respect to the securities of Societe Generale.

This publication was prepared and issued by the entity referred to herein for distribution to eligible counterparties or professional clients. The information in this report is intended for general circulation and does not constitute an offer to buy or sell any security, investment, legal or tax advice nor a personal recommendation, as defined by any of the aforementioned regulators. It does not take into account the particular investment objectives, financial situations, or needs of individual investors. The report has not been reviewed by any of the aforementioned regulators and does not represent any official recommendation from the aforementioned regulators. The investments referred to herein may not be suitable for you. Investors must make their own investment decisions in consultation with advice sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any recipient of the recommendation, before the recipient makes a commitment to purchase the investment product.

The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The information in this report does not constitute, or form part of, any offer to sell or issue, or any offer to purchase or subscribe for shares, or to induce engagement in any other investment activity. The value of any securities or financial instruments mentioned in this report may fluctuate subject to market conditions. Information about past performance of an investment is not necessarily a guide to, indicative of, or assurance of future performance. Estimates of future performance mentioned by the research analyst in this report are based on assumptions that may not be realized due to unforeseen factors like market volatility/fluctuation. In relation to securities or financial instruments denominated in a foreign currency other than the clients' home currency, movements in exchange rates will have an effect on the value, either favorable or unfavorable. Before acting on any recommendations in this report, recipients should consider the appropriateness of investing in the subject securities or financial

on 22-Oct-2026

instruments mentioned in this report and, if necessary, seek independent professional advice.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors where that permission profile is not consistent with the licenses held by the entities noted herein. This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject the entities noted herein to any regulation or licensing requirement within such jurisdiction.

Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

No part of this material may be reproduced, distributed or transmitted or otherwise made available without prior consent of the entities noted herein. Copyright Bernstein Institutional Services LLC Bernstein Autonomous LLP, BSG France S.A., Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited and Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社). All rights reserved. The trademarks and service marks contained herein are the property of their respective owners. Any unauthorized use or disclosure is strictly prohibited. The entities noted herein may pursue legal action if the unauthorized use results in any defamation and/or reputational risk to the entities noted herein and research published under the Bernstein and Autonomous brands.