

Global Semiconductor Capital Equipment

Global Semicap Tracker (May 26): Japan SPE +11% YoY



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This tracker analyzes the billings data released by SEAJ whose members are Japanese suppliers & represent ~25% of the global wafer fab equipment (WFE) market. SEAJ released May data on 30th June (dataset can be downloaded at [SEAJ+SEMI Model](#)).

Japan SPE saw YoY growth in May with Japan SPE billing of +1% in USD (+11% in JPY). 3M average billing was relatively stable at +4% MoM / +17% YoY in USD (+3% MoM / +18% YoY in JPY). Sequentially, May single month data was -5% MoM in JPY.

By equipment type, Japan front end equipment revenue (relevant to TEL) was +5% YoY in May. Assembly equipment revenue (relevant to DISCO) was +12% YoY. Testing equipment (relevant to Advantest) showed growth of +41% YoY. On a sequential basis, testing equipment is -7% MoM and 3M average was -1%.

For TEL, SEAJ data suggests downside to FQ1. Our regression suggests TEL's FQ1 revenue could be -15% QoQ, below the consensus of +7% QoQ. Note that SEAJ data has good R^2 (0.93) with 2 months of data. We expect TEL revenue to still grow strongly in this year driven by strong DRAM and advanced logic capex.

For Advantest, SEAJ data suggests upside to FQ1. Regression suggests Advantest's revenue could be +10% QoQ, above the consensus of +3% QoQ. Note that SEAJ data has very high R^2 (0.99) with 2 months of data.

We forecast global WFE to be +21.4% YoY in CY2026, and +18.2% in CY2027 ([WFE Model, Report Link](#)). We expect CY2026 will see strong growth from DRAM and NAND spending. We believe the Japanese equipment companies will benefit from the rise of memory capex, and there should be more upside.

We maintain our Outperform on Disco, Advantest, Tokyo Electron, Kokusai and Lasertec within Japan semi. Within our US coverage we **maintain our Outperform on LRCX, AMAT and KLAC**. For Chinese semicap, we **maintain our Outperform on NAURA, AMEC, and Piotech**.

BERNSTEIN TICKER TABLE

Ticker	Rating	29 Jun 2026			TTM Rel. Perf.	Reported EPS			Reported P/E (x)			
		Cur	Closing Price	Price Target		Cur	2025A	2026E	2027E	2025A	2026E	2027E
8035.JP (Tokyo Electron)	O	JPY	74,700	59,200	127.9%	JPY	1,250.88	1,504.14	1,848.77	59.7	49.7	40.4
6146.JP (DISCO)	O	JPY	79,550	85,000	44.7%	JPY	1,246.28	1,733.62	2,127.33	63.8	45.9	37.4
6525.JP (Kokusai)	O	JPY	9,977.00	8,240.00	145.8%	JPY	128.63	200.23	274.61	77.6	49.8	36.3
6857.JP (Advantest)	O	JPY	31,950	39,200	157.9%	JPY	514.52	735.65	870.09	62.1	43.4	36.7
7735.JP (Screen)	M	JPY	16,765	12,600	143.2%	JPY	486.61	572.60	662.24	34.5	29.3	25.3
6920.JP (Lasertec)	O	JPY	49,200	50,000	111.5%	JPY	937.82	893.18	976.61	52.5	55.1	50.4
AMAT (Applied Materials)	O	USD	694.64	525.00	258.6%	USD	9.42	12.17	15.56	73.8	57.1	44.7
LRCX (Lam Research)	O	USD	410.91	340.00	302.2%	USD	4.14	5.68	7.98	99.3	72.4	51.5
KLAC	O	USD	278.39	197.50	192.3%	USD	3.33	3.69	5.12	83.6	75.4	54.3
688012.CH (AMEC)	O	CNY	456.69	500.00	235.3%	CNY	3.40	4.95	7.18	134.3	92.3	63.6
002371.CH (NAURA)	O	CNY	860.19	680.00	124.6%	CNY	5.66	10.22	16.41	151.9	84.2	52.4
688072.CH (Piotech)	O	CNY	832.00	580.00	403.3%	CNY	3.32	8.12	12.40	250.6	102.4	67.1
JPL			2,608.44									
SPX			7,440.43									
ASIAX			1,969.82									

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

AMAT, LRCX, KLAC estimate is Adjusted EPS; AMAT, LRCX, KLAC valuation is Adjusted P/E (x);

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

Tokyo Electron: Outperform, PT=¥59,200. TEL is the #4 SPE supplier globally and the biggest Japanese SPE supplier with major presence in 6 product segments. It is expected to gain share and expand margins with competitive pricing after yen depreciation.

DISCO: Outperform, PT=¥85,000. DISCO is the dominant supplier of grinders and dicers with ~85% market share. The growing usage of dicers/grinders driven by advanced packaging is sustainable, especially for HBM and CoWoS in the near term, and hybrid bonding for HBM/3D stacking NAND/backside power delivery network in the midterm.

Kokusai: Outperform, PT=¥8,240.00. Batch ALD should see more adoption in advanced nodes especially GAA (gate-all-around). The biggest use of batch ALD is in NAND, and NAND capex recovery is accelerating.

Lasertec: Outperform, PT=¥50,000. As major supplier for mask inspection (~50% share) and sole supplier for actinic inspection, Lasertec delivered phenomenal growth in the past, but saw deceleration in recent years. We expect reacceleration from TAM expansion driven by the new A200HiT tool penetrating more actinic inspection at wafer fabs.

Advantest: Outperform, PT=¥39,200/39,200. Benefits from rising testing intensity for HBM and Blackwell. As the dominant supplier for HBM tester (~65%) and Nvidia AI GPU (100% share), Advantest is able to lift the ASP and margin with product migration, especially with HBM4 in 2025.

Screen: Market-Perform, PT=¥12,600. Leading supplier in cleaning equipment with the lowest valuation in our coverage, but also the one with the least specific growth drivers. Cleaning intensity is not increasing, and the market is competitive with both global rivals (TEL, Lam) and Chinese (ACMR, Naura). Declining China revenue contribution presents margin downside risk.

AMAT (Outperform, \$525.00): We maintain a positive view on secular WFE growth and see a number of drivers for AMAT including SAM growth, an increasing services narrative, and capital return.

LRCX (Outperform, \$340.00): The company is benefiting from key inflections (GAA, packaging, HBM, NAND upgrades) and CY26 commentary seems supportive.

KLAC (Outperform, \$197.50): Amid positive WFE trends KLAC possesses structural growth drivers, a strong and durable competitive position, lower China replacement risk, and disciplined capital allocation, warranting premium valuation.

NAURA (Outperform, CNY 680.00): As the domestic WFE leader, NAURA has the broadest product portfolio covering Deposition (PVD, CVD), Dry Etch (ICP), Thermo Processes, and Cleaning, as well as a more diverse client base covering leading logic, DRAM, NAND players, benefiting from the WFE domestic substitution in China with acceleration share gain.

AMEC (Outperform, CNY 500.00): Primarily focus on Dry Etch (CCP, ICP) with rapid expansion in Deposition (ALD, LPCVD, EPI), commonly perceived as the domestic WFE company with the best technology and widest global recognition, continue to benefit from the WFE domestic substitution in China with acceleration share gain.

Piotech (Outperform, CNY 580.00): Rising domestic WFE vendor primarily focus on Deposition (PECVD, HDPCVD, SACVD, ALD) with expansion in W2W and C2W hybrid bonding equipment for advanced packaging. Piotech has a strong track record of product innovation, which will allow it to benefit from the WFE domestic substitution in China with acceleration share gain.

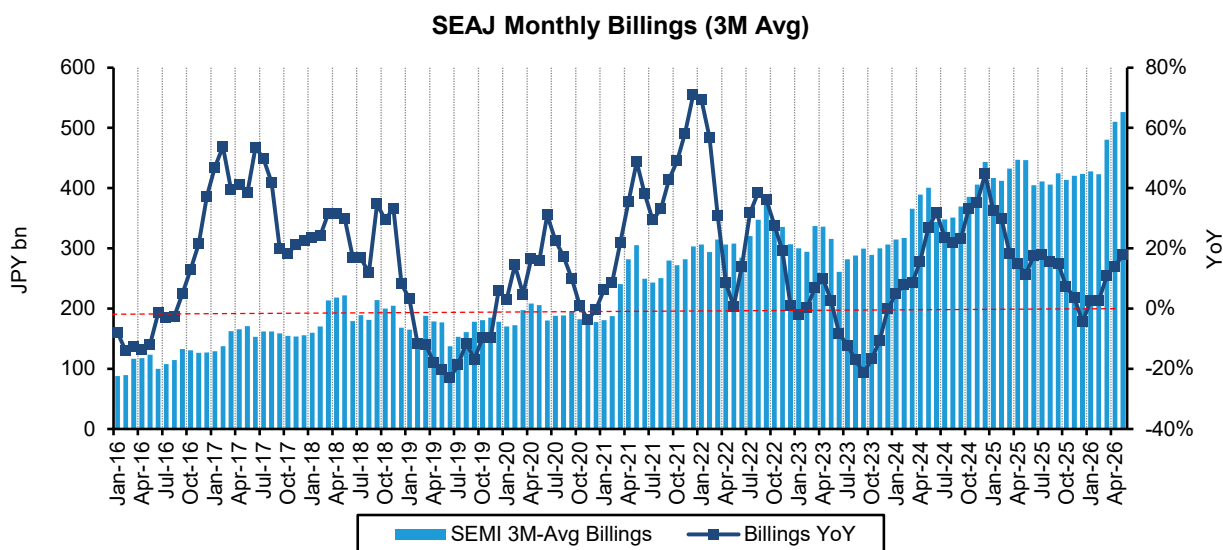
DETAILS

This tracker analyzes the billings data released by SEAJ whose members are Japanese suppliers & represent ~25% of the global wafer fab equipment (WFE) market. SEAJ released May data on 30th June (dataset can be downloaded at [SEAJ+SEMI Model](#)). As usual, we examine the data on both a single-month and 3-month-average basis as the single-month data reflects near-term inflection on a more timely basis and the 3-month moving average reduces the influence of seasonality and reveals the underlying trend better. We also provide the read-across for Tokyo Electron (TEL) and Advantest based on a regression analysis.

May SPE billings were +1% YoY in USD (+11% in JPY). 3M average SPE billings were +17% in USD (+18% YoY in JPY). We forecast the WFE market to be up +21.4% YoY in CY2026 & +18.2% in CY2027.

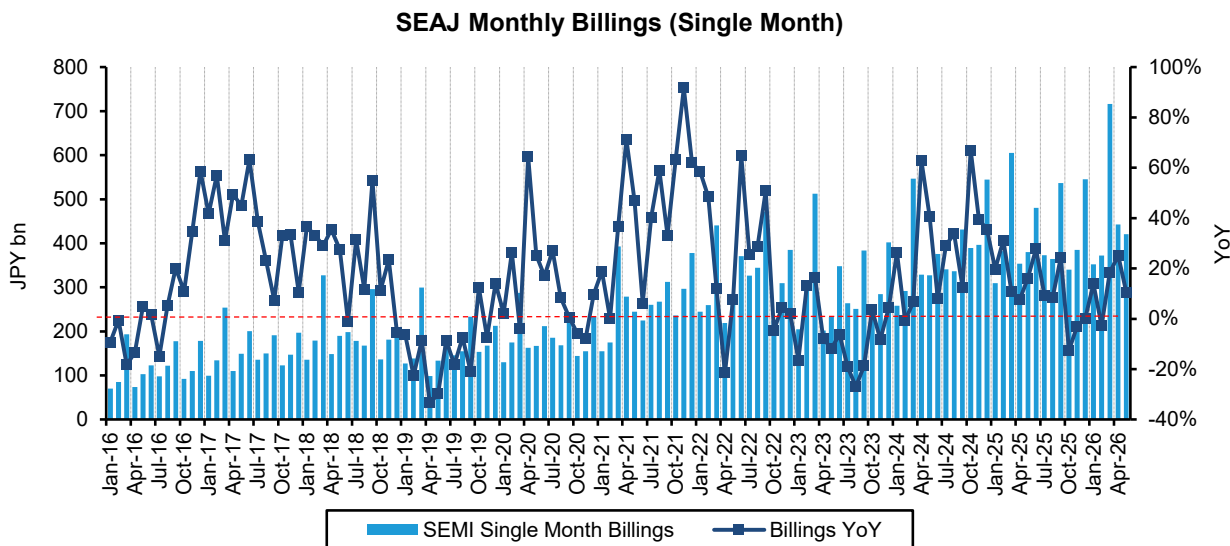
- On 3-month basis, May billings of Japanese equipment suppliers continued the cyclical upward swing that began in mid-CY2023 (**Exhibit 1**). Sequentially 3M average was +3%.
- On single month basis, May billings of Japanese suppliers was at ¥420 bn (-5% MoM / +11% YoY in JPY) (**Exhibit 2**).
- By equipment type, Japan front end equipment revenue (relevant to TEL) was +5.4% YoY in May. Assembly equipment revenue (relevant to DISCO) was +12% YoY. Testing equipment (relevant to Advantest) grew +41% YoY. (**Exhibit 3-Exhibit 6**).
- **We forecast global WFE to be +21.4% YoY in CY2026, and +18.2% in CY2027** ([WFE Model](#), [Report Link](#)). We expect CY2026 will see strong growth from DRAM and NAND spending.

EXHIBIT 1: **On three-month moving average basis, May SEAJ billings was +18% YoY in JPY.**



Source: SEAJ and Bernstein analysis.

EXHIBIT 2: **May single-month billings data was -5% MoM and +11% YoY in JPY.**

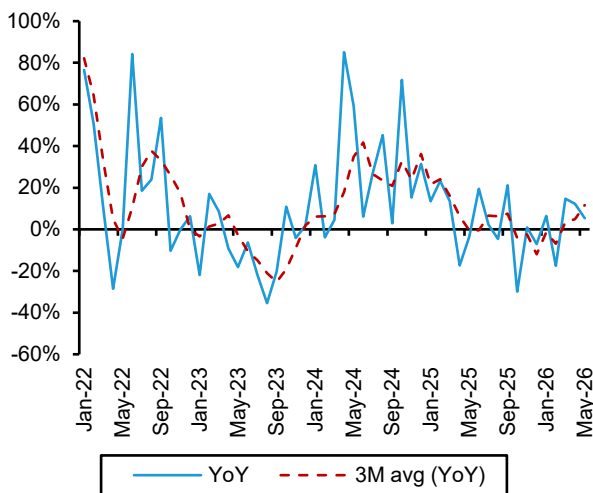


Source: SEAJ and Bernstein analysis.

EXHIBIT 3: **Monthly billings for Japanese WFE was +5.4% YoY / -1.4% MoM.**

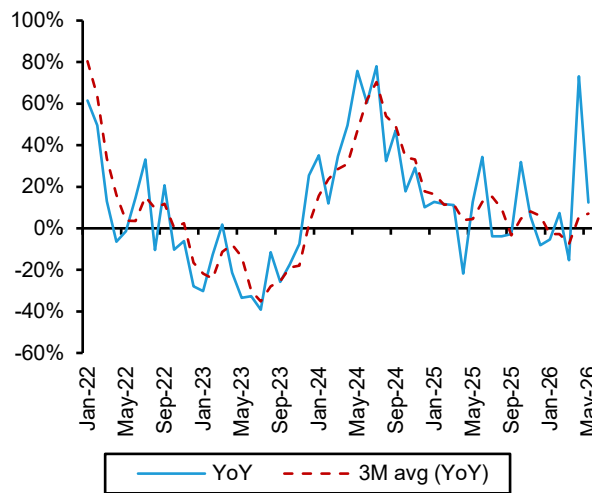
EXHIBIT 4: **Monthly billings for Japanese assembly SPE was +12% YoY / +7% MoM.**

2022-2026: Japan WFE Monthly Billings (YoY)



Source: SEAJ, Bernstein analysis.

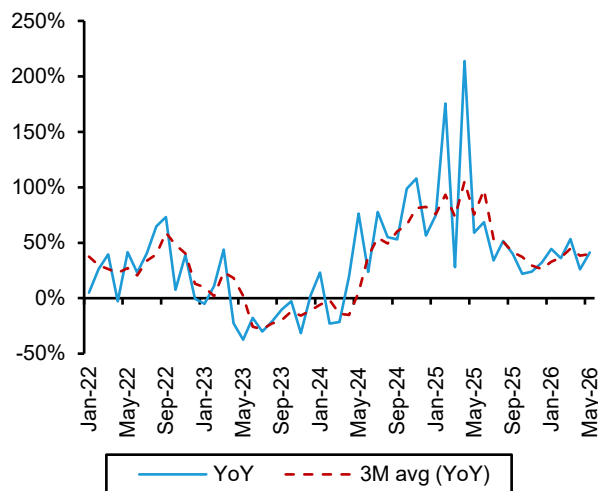
2022-2026: Japan Assembly Monthly Billings (YoY)



Source: SEAJ, Bernstein analysis.

EXHIBIT 5: Monthly billings for Japanese testers was +41% YoY.

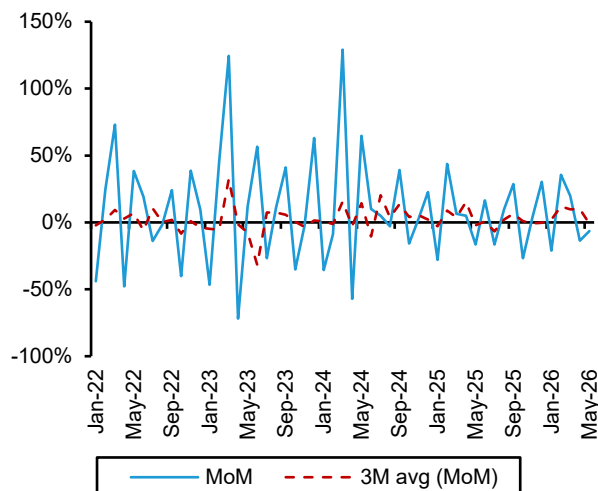
2022-2026: Japan Tester Monthly Billings (YoY)



Source: SEAJ, Bernstein analysis.

EXHIBIT 6: Monthly billings for Japanese testers was -6.5% MoM.

2022-2026: Japan Tester Monthly Billings (MoM)

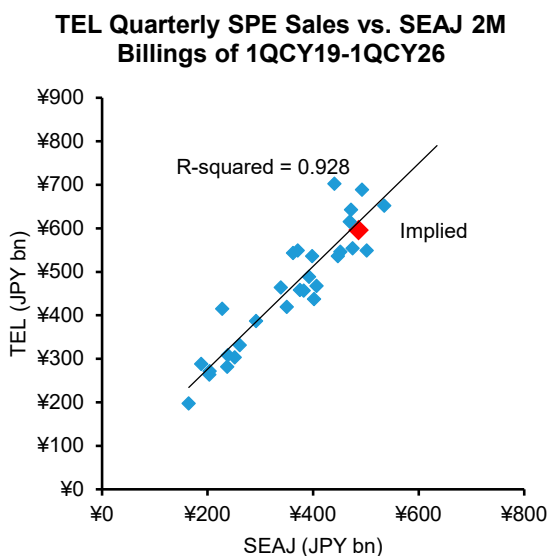


Source: SEAJ, Bernstein analysis.

May data suggests a downside for TEL / upside for Advantest in the June Quarter.

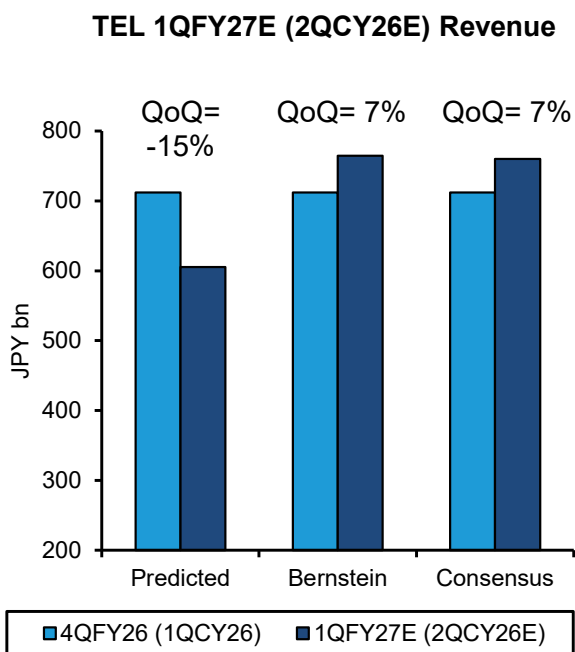
- As detailed in our previous trackers, SEAJ billings data (single month basis) can be used to estimate TEL quarterly SPE (semiconductor production equipment) revenue & hence the corporate revenue in the same quarter. The regression output is shown in **Exhibit 7**. Our regression suggests **-15% QoQ for TEL's SPE revenue** in the June quarter (equivalent to -15% total sales). This is below consensus of +7% QoQ (**Exhibit 8**, Exhibit 9).
- Likewise, SEAJ billings data for testers can be used to estimate Advantest quarterly SPE revenue in the same quarter. The regression output is shown in **Exhibit 10**. We find the regression suggests **+15% QoQ** in Advantest's June quarter tester revenue. This is above consensus of +3% QoQ (**Exhibit 11**, **Exhibit 12**).

EXHIBIT 7: Our regression yields a decent correlation and should have good prediction power.



Source: SEAJ, company disclosures, Bernstein estimates and analysis.

EXHIBIT 9: Regression suggests TEL JunQ revenue of -15% QoQ, below consensus.



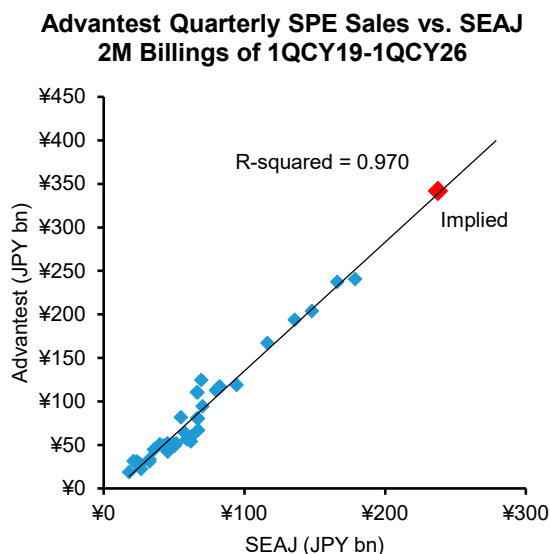
Source: SEAJ, Bloomberg, company disclosures, Bernstein estimates and analysis.

EXHIBIT 8: Our regression suggests TEL JunQ revenue could miss consensus.

	Revenue (JPY bn)		QoQ
	4QFY26 (1QCY26)	1QFY27E (2QCY26E)	
SPE	703	596	-15%
Non-SPE	9	9	
Total	712		
Predicted by Regression		605	-15%
Bernstein		765	7%
Consensus		760	7%

Source: SEAJ, Bloomberg, company disclosures, Bernstein estimates and analysis.

EXHIBIT 10: Our regression yields a decent correlation and should have good prediction power.



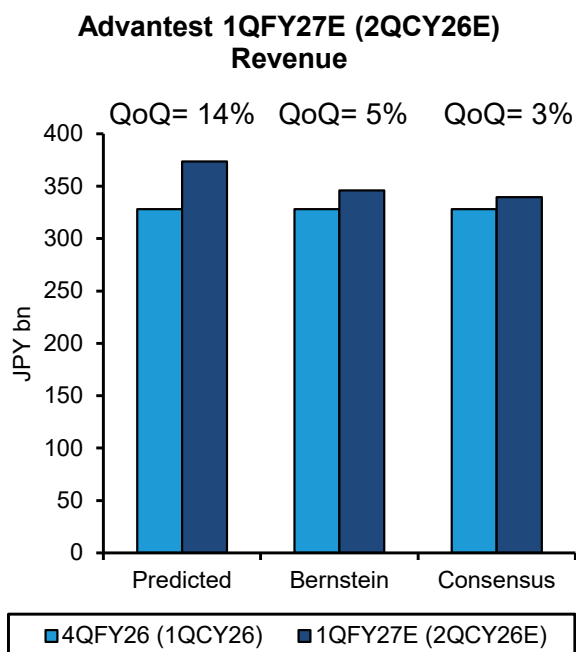
Source: SEAJ, company disclosures, Bernstein estimates and analysis.

EXHIBIT 11: Our regression predicts Advantest JunQ revenue could beat consensus.

	Revenue (JPY bn)		QoQ
	4QFY26 (1QCY26)	1QFY27E (2QCY26E)	
ATE	296	342	15%
Other	32	32	
Total	328	374	14%
Bernstein		346	5%
Consensus		339	3%

Source: SEAJ, Bloomberg, company disclosures, Bernstein estimates and analysis.

EXHIBIT 12: Regression suggests Advantest JunQ revenue at +14% QoQ, above consensus.



Source: SEAJ, Bloomberg, company disclosures, Bernstein estimates and analysis.

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