Ibiden (4062)

Revising up our earnings forecasts, maintaining our bullish stance; Ibiden benefiting from higher demand for ABF substrates for GPU, EMIB-T, and ASIC

Overweight

4062.T, 4062 JP
Price (15 Jul 26):¥19,340

▲**Price Target (Dec-27):¥28,500**
Prior (Dec-26):¥18,400

We change the time horizon of our price target from December 2026 to December 2027. We raise our December 2027 price target from ¥18,400 to ¥28,500 and reiterate our Overweight rating. Although the company raised its medium-term management plan (MTP; FY2023-27) targets at FY2025 results, its top-line assumptions for substrates for GPUs and EMIB-Ts seem cautious. At present, our assumption is that capacity will be tight from 2H FY2029, and if the company announces the construction of new facilities at the Gama and Ono Plants or the acquisition of external fabs, we think earnings will rise even higher above the MTP targets in FY2029-30. We believe the company will fully benefit from growing demand for AI servers, not only with substrates for GPUs and EMIB-T but also with the expansion of its standard ABF substrates for ASIC applications (we expect this from FY2028 onward). Furthermore, we still anticipate growth in the number of substrates for servers for Agentic AI. While Ibiden's share price has fallen sharply from its recent peak due to the recent risk-off sentiment toward AI-related stocks, we maintain a bullish stance since the company is in a solid position with regard to fundamentals, amid ongoing advancements in its substrate technology.

- **Earnings forecasts:** We revise up our earnings forecasts in light of FY2025 results and current demand trends (we change our forex assumption from ¥152/US$ to ¥155/US$). We revise up our operating profit forecasts from ¥81.0 billion to ¥115.6 billion for FY2026 (guidance: ¥90.0 billion; Bloomberg consensus estimate: ¥100.8 billion), from ¥97.5 billion to ¥156.9 billion for FY2027 (Bloomberg consensus estimate: ¥154.9 billion), from ¥172.1 billion to ¥209.4 billion for FY2028 (¥224.7 billion), and from ¥224.4 billion to ¥319.9 billion for FY2029, and we newly add a forecast of ¥392.6 billion for FY2030. The MTP targets sales of ¥650 billion and operating profit of ¥150 billion in FY2027 and sales of over ¥1 trillion and operating profit of over ¥300 billion in FY2030. However, guidance strikes us as cautious, particularly for substrates for EMIB-T and GPU applications. If there are additional investments to increase capacity, we think there will be room for significant upside over the FY2030 MTP targets.

Japan Equity Research

Technology - Electronic Components

Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Ikki Shibata
(81-3) 6736 8641
ikki.shibata@jpmorgan.com
JPMorgan Securities Japan Co., Ltd.

Key Changes (FYE Mar)

	Prev	Cur	Δ
Adj. EPS - 27E (¥)	190.00	271.71	43.0%
Adj. EPS - 28E (¥)	229.08	369.74	61.4%

Style Exposure

Quant Factors	Current %Rank	Hist %Rank (1=Top) 6M	1Y	3Y	5Y
Value	94	85	78	72	69
Growth	29	21	47	29	14
Momentum	5	5	27	25	34
Quality	72	72	72	63	72
Low Vol	98	92	89	94	76

Sources for: Style Exposure – J.P. Morgan Global Markets Strategy; all other tables are company data and J.P. Morgan estimates.

See page 14 for analyst certification and important disclosures, including non-US analyst disclosures.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto AC
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Price Performance

	YTD	1m	3m	12m
Abs	187.3%	-15.0%	106.2%	501.2%
Rel	167.4%	-17.2%	97.8%	456.5%

Company Data

Shares O/S (mn)	279
52-week range (¥)	27,500-3,029
Market cap ($ bn)	33.3
Exchange rate	162.25
Free float (%)	88.6%
3M ADV (mn)	8.58
3M ADV ($ mn)	1,005.5
Volatility (90 Day)	105
Index	TOPIX
BBG ANR (Buy | Hold | Sell)	13|3|1

Key Metrics (FYE Mar)

¥ in millions	2026/3A	2027/3E	2028/3E	2029/3E
Financial Estimates				
Revenue	416,201.0	534,406.0	645,931.0	750,071.0
EBITDA	128,263	196,422	254,317	316,441
EBIT	62,027.0	115,621.8	156,916.8	209,440.8
Net income	63,713	80,312	109,289	146,056
Reported EPS	215.6	271.7	369.7	494.1
BBG EPS	192.61	248.24	369.09	-
Cashflow from operations	77,016	232,667	388,993	408,566
FCFF	11,047	20,980	87,306	136,879
Margins and Growth				
Revenue Growth Y/Y (%)	12.7%	28.4%	20.9%	16.1%
EBIT margin	14.9%	21.6%	24.3%	27.9%
EBIT Growth	30.3%	86.4%	35.7%	33.5%
EBITDA margin	30.8%	36.8%	39.4%	42.2%
EBITDA Growth Y/Y (%)	26.0%	53.1%	29.5%	24.4%
Net margin	15.3%	15.0%	16.9%	19.5%
Fully Diluted EPS growth	89.0%	26.1%	36.1%	33.6%
Ratios				
Effective Tax Rate	29.6%	30.0%	30.0%	30.0%
Interest cover	NM	NM	NM	NM
Net debt/Equity	NM	NM	NM	NM
Net debt/EBITDA	NM	NM	NM	NM
ROE	12.2%	13.7%	16.4%	18.8%
Valuation				
FCFF yield	0.2%	0.4%	1.5%	2.4%
Dividend yield	0.1%	0.2%	0.3%	0.3%
EV/Revenue	2.0	1.7	1.7	1.5
EV/EBITDA	6.6	4.7	4.2	3.6
P/E	89.7	71.2	52.3	39.1

Summary Investment Thesis and Valuation

Investment Thesis

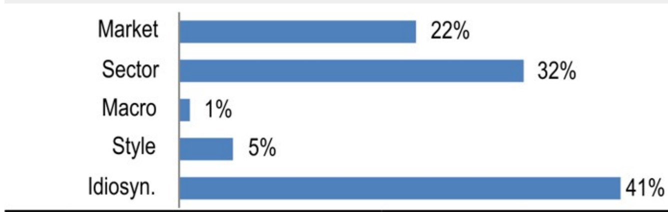
In addition to the company's dominant market share in substrates for GPUs for AI servers, we also expect the company to see major earnings growth in EMIB substrates for ASICs and in standard ABF substrates from growing demand for AI servers. We believe Ibiden is well-positioned to maximize benefits from the shift to larger and higher multi-layered FC-BGA substrates for AI server-use GPUs because of its strong technological abilities.

Valuation

Our December 2027 price target of ¥28,500 is based on (1) the ¥16,300 value derived from a zero-growth ROIC model (EV/IC = ROIC/WACC) using our FY2030 estimates (Rf = 2.57%, Rp = 5.15%, beta = 1.30, WACC = 5.9%) plus (2) Ibiden's 75% premium to the sector-average P/E (from August 2025 to July 2026, 12-month forward Bloomberg consensus basis), reflecting the rise in Ibiden's share price since August 2025 on expectations for earnings growth for AI server applications. Our price target is equivalent to a P/E of 31x our FY2030 EPS estimate.

We calculated our previous December 2026 price target of ¥18,400 based on (1) the ¥10,200 value derived from a zero-growth ROIC model (EV/IC = ROIC/WACC) using our FY2029 estimates (Rf = 2.2%, Rp = 5.15%, beta = 1.30, WACC = 6.45%) plus (2) Ibiden's 80% premium to the sector-average P/E (from August 2025 to May 2026, 12-month forward Bloomberg consensus basis), reflecting the rise in Ibiden's share price since August 2025 on expectations for earnings growth for AI server applications.

Performance Drivers



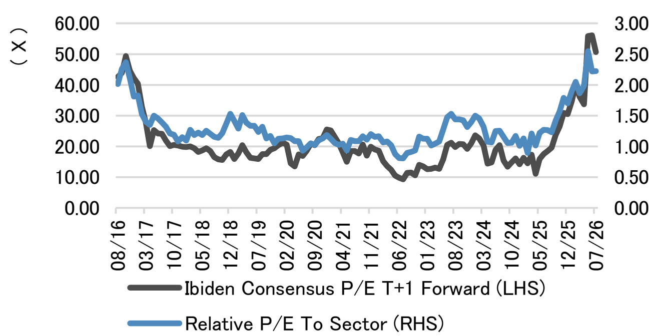
Factors	6M Corr	1Y Corr
Market: MSCI Japan	0.52	0.47
Sect: Technology	0.59	0.64
Macro:		
Japan CPI Nationwide YoY	0.27	0.25
Nikkei Japan Manufacturing PMI	-0.16	-0.14
Japan Unemployment Rate SA	-0.15	-0.13
Quant Styles:		
LowVol	-0.62	-0.63
Value	-0.64	-0.60
DivYld	-0.66	-0.58

Source: J.P. Morgan Global Markets Strategy for Performance Drivers; company data, Bloomberg Finance L.P. and J.P. Morgan estimates for all other tables. Note: Price history may not be complete or exact.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto AC
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

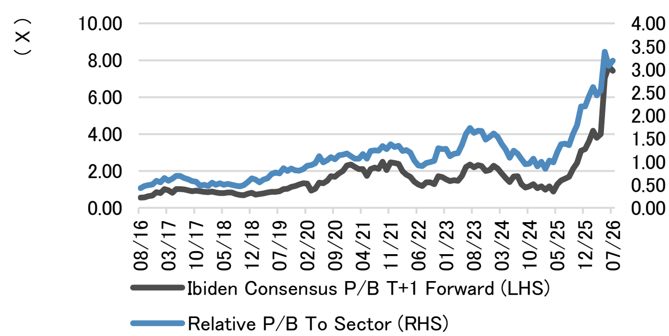
- **Changes:** We revise up our earnings forecasts mainly for the electronics business, and we lower them slightly for the ceramics business. In the electronics business, in addition to a slower rise in depreciation than we previously forecast, we also revise up our sales forecasts for GPUs for AI servers. We previously anticipated that EMIB substrates for ASICs used as accelerators for AI servers would start up from FY2028, but now we expect them to start up from FY2027 with the previous generation product (which we assume is a product with built-in silicon capacitors). As a result, we revise up our earnings forecasts for FY2026-27. In addition, we anticipate the launch of standard ABF substrates for ASICs from FY2028, and newly factor this into our earnings forecasts. We formulate our earnings forecasts for FY2029-30 on the assumption that capacity constraints can be eliminated through additional capacity expansion.
- Our earnings forecasts call for earnings growth to significantly overshoot the company's forecasts from a medium- to long-term perspective, although this will depend on factors such as fluctuations in fixed costs associated with the start-up of plants as well as capex/depreciation schedules and the timing of the start-up of logic semiconductors. Looking ahead, the stock market's expectations for FY2029-30 earnings will likely rise, if Ibiden constructs new facilities in vacant spaces at the Gama and Ono Plants, and moreover, acquires external fabs. On the other hand, hiring human resources should also become important, given the prospect of significant capacity expansion.
- **Price target:** Our December 2027 price target of ¥28,500 is based on (1) the ¥16,300 value derived from a zero-growth ROIC model (EV/IC = ROIC/WACC) using our FY2030 estimates (Rf = 2.57%, Rp = 5.15%, beta = 1.30, WACC = 5.9%) plus (2) Ibiden's 75% premium to the sector-average P/E (from August 2025 to July 2026, 12-month forward Bloomberg consensus basis), reflecting the rise in Ibiden's share price since August 2025 on expectations for earnings growth for AI server applications. Our price target is equivalent to a P/E of 31x our FY2030 EPS estimate. We change the base year for our price target from FY2029 to FY2030 due to factoring in our medium- to long-term earnings outlook, based on the company's medium-term outlook.

Figure 1: 12-Month Forward Consensus P/E, Sector Relative P/E



Source: Bloomberg Finance L.P. consensus estimates, J.P. Morgan.
Note: Share price and consensus as of July 13

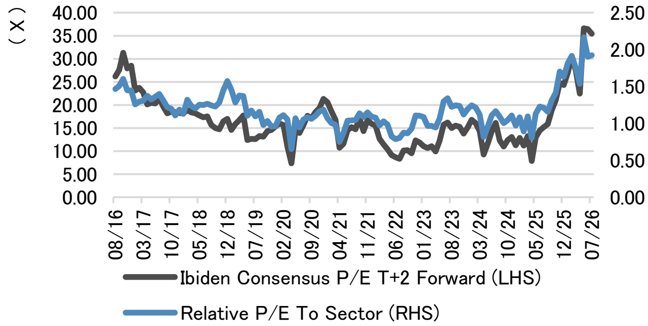
Figure 2: 12-Month Forward Consensus P/B, Sector Relative P/B



Source: Bloomberg Finance L.P. consensus estimates, J.P. Morgan.
Note: Share price and consensus as of July 13

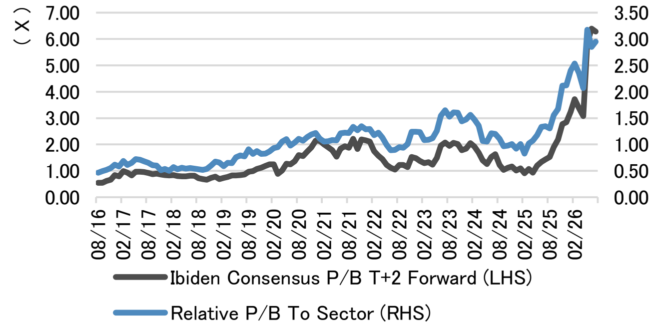
JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Figure 3: 24-Month Forward Consensus P/E, Sector Relative P/E



Source: Bloomberg Finance L.P. consensus estimates, J.P. Morgan.
Note: Share price and consensus as of Jul 13

Figure 4: 24-Month Forward Consensus P/B, Sector Relative P/B



Source: Bloomberg Finance L.P. consensus estimates, J.P. Morgan.
Note: Share price and consensus as of Jul 13

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto AC
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Figure 5: Earnings Forecast Summary

Ibiden			Sales		Operating Pofits			Recurring profits		Net Profits		EPS	BPS	DPS	Capex	Dep.	R&D
4062			JPY mn	YoY	JPY mn	YoY	OPM	JPY mn	YoY	JPY mn	YoY	JPY	JPY	JPY	JPY mn	JPY mn	JPY mn
FY3/24			370,511	-11.27%	47,568	-34.26%	12.84%	51,140	-32.87%	31,490	-39.66%	213.0	3,543	40	146,583	46,032	20,229
FY3/25			369,436	-0.29%	47,621	0.11%	12.89%	47,890	-6.36%	33,704	7.03%	228.1	3,513	40	157,304	54,205	27,451
FY3/26			416,201	12.66%	62,027	30.25%	14.90%	60,822	27.00%	63,713	89.04%	215.6	1,970	25	64,277	66,236	29,916
FY3/27E		JPM	534,406	28.40%	115,622	86.41%	21.64%	118,332	94.55%	80,312	26.05%	271.7	2,223	35	210,000	80,800	37,000
FY3/28E		JPM	645,931	20.87%	156,917	35.72%	24.29%	159,727	34.98%	109,289	36.08%	369.7	2,559	55	300,000	97,400	38,000
FY3/29E		JPM	750,071	16.12%	209,441	33.47%	27.92%	212,251	32.88%	146,056	33.64%	494.1	3,017	65	270,000	107,000	38,000
FY3/30E		JPM	988,955	31.85%	319,852	52.72%	32.34%	323,252	52.30%	223,756	53.20%	757.0	3,719	100	360,000	119,000	42,000
FY3/31E		JPM	1,139,560	15.23%	392,630	22.75%	34.45%	396,030	22.51%	274,701	22.77%	929.4	4,582	120	290,000	129,400	44,000
FY3/27E		JPM Old	496,121	18.10%	81,020	29.67%	16.33%	83,830	35.33%	56,161	-26.12%	190.0	2,250	21	100,000	84,700	36,000
FY3/28E		JPM Old	566,041	14.09%	97,520	20.37%	17.23%	100,330	19.68%	67,711	20.57%	229.1	2,471	22	170,000	128,500	38,000
FY3/29E		JPM Old	743,021	31.27%	172,050	76.43%	23.16%	175,450	74.87%	120,505	77.97%	407.7	2,879	23	270,000	197,000	40,000
FY3/30E		JPM Old	871,201	17.25%	224,410	30.43%	25.76%	227,810	29.84%	157,157	30.42%	531.7	3,417	25	210,000	220,000	42,000
FY3/27E		CoE 26/5	500,000	35.34%	90,000	88.99%	18.00%	90,000	87.93%	58,000	72.09%	196.2	-	35	210,000	81,000	37,000
FY3/26E		BBG	516,998	39.94%	100,828	111.73%	19.50%	101,265	111.45%	70,747	109.91%	248.2	2,182	37	210,000	81,203	-
FY3/27E		BBG	646,742	25.10%	154,902	53.63%	23.95%	155,662	53.72%	109,165	54.30%	369.1	2,516	49	257,500	98,748	-
FY3/28E		BBG	796,470	23.15%	224,706	45.06%	28.21%	215,769	38.61%	154,225	41.28%	527.7	2,976	59	152,500	116,706	-
FY3/25	1H		181,585	-3.23%	28,512	18.44%	15.70%	29,531	10.09%	20,527	14.73%	69.4	1,659	20	83,532	22,900	11,960
	2H		187,851	2.72%	19,109	-18.67%	10.17%	18,359	-24.50%	13,177	-3.10%	44.6	1,757	20	73,772	31,305	15,491
FY3/26	1H		195,485	7.65%	32,573	14.24%	16.66%	32,305	9.39%	22,069	7.51%	74.7	1,881	30	34,810	25,429	15,900
	2H		220,716	17.50%	29,454	54.14%	13.34%	28,517	55.33%	41,644	216.04%	140.9	1,970	15	29,467	40,807	14,016
FY3/27	1HE	JPM	243,674	24.65%	49,043	50.56%	20.13%	49,848	54.31%	33,634	52.40%	113.8	-	-	105,000	35,700	18,500
	2HE	JPM	290,732	31.72%	66,578	126.04%	22.90%	68,483	140.15%	46,678	12.09%	157.9	-	-	105,000	45,100	18,500
FY3/28	1HE	JPM	300,569	23.35%	70,620	44.00%	23.50%	72,025	44.49%	49,158	46.16%	166.3	-	-	135,000	41,500	19,000
	2HE	JPM	341,332	17.40%	83,878	25.98%	24.57%	85,283	24.53%	58,438	25.19%	197.7	-	-	165,000	55,900	19,000
FY3/29	1HE	JPM	348,675	16.00%	92,304	30.70%	26.47%	93,709	30.11%	64,336	30.88%	217.7	-	-	135,000	51,300	19,000
	2HE	JPM	398,017	16.61%	115,109	37.23%	28.92%	116,514	36.62%	80,300	37.41%	271.7	-	-	135,000	55,700	19,000
FY3/27E	1HE	CoE 26/5	230,000	17.66%	38,000	16.66%	16.52%	37,500	16.08%	23,000	4.22%	77.8	-	15	-	-	-
	2HE	CoE 26/5	270,000	22.33%	52,000	76.55%	19.26%	52,500	84.10%	35,000	-15.95%	118.4	-	20	-	-	-
FY3/25	1Q		88,220	-6.75%	11,295	38.06%	12.80%	12,868	26.19%	8,816	20.97%	29.8	1,717	-	40,321	10,198	5,500
	2Q		93,365	0.35%	17,217	8.34%	18.44%	16,663	0.22%	11,711	10.44%	39.6	1,659	-	43,211	12,702	6,460
	3Q		88,752	-4.08%	6,345	-50.72%	7.15%	6,376	-53.06%	4,274	-55.02%	14.5	1,724	-	26,971	15,278	8,300
	4Q		99,099	9.69%	12,764	20.18%	12.88%	11,983	11.65%	8,903	117.41%	30.1	1,757	-	46,801	16,027	7,191
FY3/26	1Q		97,464	10.48%	17,636	56.14%	18.09%	17,407	35.27%	12,728	44.37%	43.1	1,822	-	20,436	11,667	7,800
	2Q		98,021	4.99%	14,937	-13.24%	15.24%	14,898	-10.59%	9,341	-20.24%	31.6	1,881	-	14,374	13,762	8,100
	3Q		103,136	16.21%	11,954	88.40%	11.59%	11,328	77.67%	8,931	108.96%	30.2	1,943	-	12,536	19,065	6,700
	4Q		117,580	18.65%	17,500	37.10%	14.88%	17,189	43.44%	32,713	267.44%	110.7	1,970	-	16,931	21,742	7,316
FY3/27	1QE	JPM	117,554	20.61%	22,179	25.76%	18.87%	22,129	27.13%	14,860	16.75%	50.3	-	-	52,500	17,300	9,000
	2QE	JPM	126,120	28.67%	26,864	79.85%	21.30%	27,719	86.06%	18,773	100.98%	63.5	-	-	52,500	18,400	9,500
	3QE	JPM	142,872	38.53%	32,394	170.99%	22.67%	33,444	195.23%	22,781	155.08%	77.1	-	-	52,500	21,500	9,500
	4QE	JPM	147,860	25.75%	34,184	95.34%	23.12%	35,039	103.85%	23,897	-26.95%	80.8	-	-	52,500	23,600	9,000
FY3/28	1QE	JPM	150,429	27.97%	36,224	63.33%	24.08%	37,274	68.44%	25,462	71.34%	86.1	-	-	67,500	20,200	9,500
	2QE	JPM	149,520	18.55%	34,024	26.65%	22.76%	34,379	24.03%	23,435	24.83%	79.3	-	-	67,500	21,300	9,500
	3QE	JPM	172,822	20.96%	43,334	33.77%	25.07%	44,384	32.71%	30,439	33.62%	103.0	-	-	82,500	27,400	9,500
	4QE	JPM	173,160	17.11%	43,334	26.77%	25.03%	43,689	24.69%	29,952	25.34%	101.3	-	-	82,500	28,500	9,500
FY3/29	1QE	JPM	173,924	15.62%	46,131	27.35%	26.52%	47,181	26.58%	32,397	27.24%	109.6	-	-	67,500	25,100	9,500
	2QE	JPM	173,015	15.71%	45,131	32.64%	26.09%	45,486	32.31%	31,210	33.18%	105.6	-	-	67,500	26,200	9,500
	3QE	JPM	201,397	16.53%	59,089	36.36%	29.34%	60,139	35.50%	41,467	36.23%	140.3	-	-	67,500	27,300	9,500
	4QE	JPM	201,735	16.50%	59,089	36.36%	29.29%	59,444	36.06%	40,981	36.82%	138.6	-	-	67,500	28,400	9,500

Source: Company data, Bloomberg Finance L.P. consensus estimates, J.P. Morgan estimates.
Note: Share price and consensus as of July 13

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto AC
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Figure 6: Sales and OP Forecasts by Segment (Half Year, Full Year)

FY JPY mn	FY3/2024	FY3/2025	FY3/2026	FY3/2027E	FY3/2028E	FY3/2029E	FY3/2030E	FY3/2031E	FY3/2027E	FY3/2028E	FY3/2029E	FY3/2030E	FY3/2027E
				JPM New	JPM New	JPM New	JPM New	JPM New	JPM Old	JPM Old	JPM Old	JPM Old	CoE 26/5
Sales	370,511	369,436	416,201	534,406	645,931	750,071	988,955	1,139,560	496,121	566,041	743,021	871,201	500,000
yoy % chg.	-11.3%	-0.3%	12.7%	28.4%	20.9%	16.1%	31.8%	15.2%	18.1%	14.1%	31.3%	17.3%	20.1%
seq % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross profits	102,471	113,328	131,669	191,622	238,917	297,441	413,852	492,630	154,540	175,040	255,050	311,410	-
as a % of sales	27.7%	30.7%	31.6%	35.9%	37.0%	39.7%	41.8%	43.2%	31.1%	30.9%	34.3%	35.7%	-
SGA	54,903	65,707	69,642	76,000	82,000	88,000	94,000	100,000	73,520	77,520	83,000	87,000	-
as a % of sales	14.8%	17.8%	16.7%	14.2%	12.7%	11.7%	9.5%	8.8%	14.8%	13.7%	11.2%	10.0%	-
Operating profits	47,568	47,621	62,027	115,622	156,917	209,441	319,852	392,630	81,020	97,520	172,050	224,410	90,000
yoy % chg.	-34.3%	0.1%	30.3%	86.4%	35.7%	33.5%	52.7%	22.8%	29.7%	20.4%	76.4%	30.4%	45.1%
seq % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-
as a % of sales	12.8%	12.9%	14.9%	21.6%	24.3%	27.9%	32.3%	34.5%	16.3%	17.2%	23.2%	25.8%	18.0%
Recurring profits	51,140	47,890	60,822	118,332	159,727	212,251	323,252	396,030	83,830	100,330	175,450	227,810	90,000
as a % of sales	13.8%	13.0%	14.6%	22.1%	24.7%	28.3%	32.7%	34.8%	16.9%	17.7%	23.6%	26.1%	18.0%
Net Profits	31,490	33,704	63,713	80,312	109,289	146,056	223,756	274,701	56,161	67,711	120,505	157,157	58,000
as a % of sales	8.5%	9.1%	15.3%	15.0%	16.9%	19.5%	22.6%	24.1%	11.3%	12.0%	16.2%	18.0%	11.6%
R&D	20,229	27,451	29,916	37,000	38,000	38,000	42,000	44,000	36,000	38,000	40,000	42,000	37,000
Depreciation	46,032	54,205	66,236	80,800	97,400	107,000	119,000	129,400	84,700	128,500	197,000	220,000	81,000
Electronics	36,703	44,298	55,800	71,000	88,000	98,000	110,000	120,000	74,000	118,000	187,000	210,000	71,000
Capex	146,583	157,304	64,277	210,000	300,000	270,000	360,000	290,000	100,000	170,000	270,000	210,000	210,000
Inventory	65,318	67,175	70,962	-	-	-	-	-	-	-	-	-	-
Sales													
Electronics	190,700	197,223	243,316	354,675	459,800	558,940	792,668	938,003	316,000	378,720	549,600	671,480	330,000
yoy % chg.	-23.94%	3.42%	23.37%	45.77%	29.64%	21.56%	41.82%	18.33%	27.48%	19.85%	45.12%	22.18%	35.63%
seq % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-
Ceramic	96,481	84,068	82,554	85,400	87,800	88,800	89,956	91,226	85,000	88,200	90,300	92,600	80,000
yoy % chg.	7.28%	-12.87%	-1.80%	3.45%	2.81%	1.14%	1.30%	1.41%	4.83%	3.76%	2.38%	2.55%	-3.09%
seq % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	83,330	88,145	90,331	94,331	98,331	102,331	106,331	110,331	95,121	99,121	103,121	107,121	90,000
yoy % chg.	8.35%	5.78%	2.48%	4.43%	4.24%	4.07%	3.91%	3.76%	4.39%	4.21%	4.04%	3.88%	-0.37%
seq % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sales	370,511	369,436	416,201	534,406	645,931	750,071	988,955	1,139,560	496,121	566,041	743,021	871,201	500,000
yoy % chg.	-11.27%	-0.29%	12.66%	28.40%	20.87%	16.12%	31.85%	15.23%	18.10%	14.09%	31.27%	17.25%	20.13%
seq % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating profits													
Electronics	27,276	26,847	45,248	99,682	140,057	192,741	303,105	375,772	64,500	80,360	154,300	206,240	75,000
yoy % chg.	-55.02%	-1.57%	68.54%	120.30%	40.50%	617.92%	569.87%	276.97%	37.99%	24.59%	474.74%	341.23%	65.75%
seq % chg.	-	-	-	-	-	-	-	-	-	-	92.01%	33.66%	-
OP margin	14.3%	13.6%	18.6%	28.1%	30.5%	34.5%	38.2%	40.1%	20.4%	21.2%	28.1%	30.7%	22.7%
Ceramic	13,356	12,218	7,646	8,140	9,060	8,900	8,947	9,058	8,720	9,360	9,950	10,370	6,000
yoy % chg.	117.91%	-8.52%	-37.42%	6.46%	11.30%	-27.16%	17.01%	11.27%	13.20%	7.34%	-18.56%	34.62%	-21.53%
seq % chg.	-	-	-	-	-	-	-	-	-	-	6.30%	4.22%	-
OP margin	13.8%	14.5%	9.3%	9.5%	10.3%	10.0%	9.9%	9.9%	10.3%	10.6%	11.0%	11.2%	7.5%
Others	7,057	8,706	8,964	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	9,000
yoy % chg.	15.01%	23.37%	2.96%	-10.75%	0.00%	-8.11%	-10.75%	0.00%	0.10%	0.00%	-8.11%	0.10%	0.40%
seq % chg.	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	-
OP margin	8.5%	9.9%	9.9%	8.5%	8.1%	7.8%	7.5%	7.3%	8.4%	8.1%	7.8%	7.5%	10.0%
Elimination	-121	-150	169	-200	-200	-200	-200	-200	-200	-200	-200	-200	0
yoy % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-100.00%
seq % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-
OP margin	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OP	47,568	47,621	62,027	115,622	156,917	209,441	319,852	392,630	81,020	97,520	172,050	224,410	90,000
yoy % chg.	-34.26%	0.11%	30.25%	86.41%	35.72%	33.47%	52.72%	22.75%	29.67%	20.37%	76.43%	30.43%	45.10%
seq % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-
OP margin	12.84%	12.89%	14.90%	21.64%	24.29%	27.92%	32.34%	34.45%	16.33%	17.23%	23.16%	25.76%	18.00%

FY JPY mn	FY3/2026 1H	FY3/2026 2H	FY3/2027E 1HE	FY3/2027E 2HE	FY3/2028E 1HE	FY3/2028E 2HE	FY3/2029E 1HE	FY3/2029E 2HE	FY3/2027E 1HE	FY3/2027E 2HE
									CoE 26/5	CoE 26/5
Sales	195,485	220,716	243,674	290,732	299,949	345,982	346,939	403,132	230,000	270,000
yoy % chg.	7.7%	17.5%	24.7%	31.7%	23.1%	19.0%	15.7%	16.5%	17.7%	22.3%
seq % chg.	4.1%	12.9%	10.4%	19.3%	3.2%	15.3%	0.3%	16.2%	4.2%	17.4%
Gross profits	67,913	63,756	86,543	105,078	110,748	128,168	134,762	162,678	-	-
as a % of sales	34.7%	28.9%	35.5%	36.1%	36.9%	37.0%	38.8%	40.4%	-	-
SGA	35,340	34,302	37,500	38,500	40,500	41,500	43,500	44,500	-	-
as a % of sales	18.1%	15.5%	15.4%	13.2%	13.5%	12.0%	12.5%	11.0%	-	-
Operating profits	32,573	29,454	49,043	66,578	70,248	86,668	91,262	118,178	38,000	52,000
yoy % chg.	14.2%	54.1%	50.6%	126.0%	43.2%	30.2%	29.9%	36.4%	16.7%	76.5%
seq % chg.	70.5%	-9.6%	66.5%	35.8%	5.5%	23.4%	5.3%	29.5%	29.0%	36.8%
as a % of sales	16.7%	13.3%	20.1%	22.9%	23.4%	25.0%	26.3%	29.3%	16.5%	19.3%
Recurring profits	32,305	28,517	49,848	68,483	71,653	88,073	92,667	119,583	37,500	52,500
as a % of sales	16.5%	12.9%	20.5%	23.6%	23.9%	25.5%	26.7%	29.7%	16.3%	19.4%
Net Profits	22,069	41,644	33,634	46,678	48,897	60,391	63,607	82,448	23,000	35,000
as a % of sales	11.3%	18.9%	13.8%	16.1%	16.3%	17.5%	18.3%	20.5%	10.0%	13.0%
R&D	15,900	14,016	18,500	18,500	19,000	19,000	19,000	19,000	-	-
Depreciation	25,429	40,807	35,700	45,100	41,500	55,900	51,300	55,700	-	-
Electronics	20,500	35,300	31,000	40,000	37,000	51,000	47,000	51,000		
Capex	34,810	29,467	105,000	105,000	135,000	165,000	135,000	135,000	-	-
Inventory	68,446	70,962	-	-	-	-	-	-	-	-
Sales										
Electronics	113,547	129,769	157,225	197,450	210,300	249,500	254,290	304,650	150,000	180,000
yoy % chg.	15.56%	31.12%	38.47%	52.15%	33.76%	26.36%	20.92%	22.10%	32.10%	38.71%
seq % chg.	14.73%	14.29%	21.16%	25.58%	6.51%	18.64%	1.92%	19.80%	15.59%	20.00%
Ceramic	39,689	42,865	42,200	43,200	43,400	44,400	44,400	44,400	38,000	42,000
yoy % chg.	-7.99%	4.72%	6.33%	0.78%	2.84%	2.78%	2.30%	0.00%	-4.26%	-2.02%
seq % chg.	-3.04%	8.00%	-1.55%	2.37%	0.46%	2.30%	0.00%	0.00%	-11.35%	10.53%
Others	42,249	48,082	44,249	50,082	46,249	52,082	48,249	54,082	42,000	48,000
yoy % chg.	5.11%	0.28%	4.73%	4.16%	4.52%	3.99%	4.32%	3.84%	-0.59%	-0.17%
seq % chg.	-11.89%	13.81%	-7.97%	13.18%	-7.65%	12.61%	-7.36%	12.09%	-12.65%	14.29%
Total Sales	195,485	220,716	243,674	290,732	299,949	345,982	346,939	403,132	230,000	270,000
yoy % chg.	7.65%	17.50%	24.65%	31.72%	23.09%	19.00%	15.67%	16.52%	17.66%	22.33%
seq % chg.	4.06%	12.91%	10.40%	19.31%	3.17%	15.35%	0.28%	16.20%	4.21%	17.39%
Operating profits										
Electronics	25,429	19,819	42,273	57,408	62,918	77,138	84,012	108,728	33,000	42,000
yoy % chg.	41.35%	123.77%	66.24%	189.66%	48.84%	34.37%	33.53%	40.95%	56.61%	111.92%
seq % chg.	187.11%	-22.06%	113.30%	35.80%	9.60%	22.60%	8.91%	29.42%	66.51%	27.27%
OP margin	22.4%	15.3%	26.9%	29.1%	29.9%	30.9%	33.0%	35.7%	22.0%	23.3%
Ceramic	3,839	3,807	3,870	4,270	4,430	4,630	4,350	4,550	2,500	3,500
yoy % chg.	-45.81%	-25.85%	0.81%	12.16%	14.47%	8.43%	-1.81%	-1.73%	-6.05%	-8.06%
seq % chg.	-25.22%	-0.83%	1.65%	10.34%	3.75%	4.51%	-6.05%	4.60%	-34.33%	40.00%
OP margin	9.7%	8.9%	9.2%	9.9%	10.2%	10.4%	9.8%	10.2%	6.6%	8.3%
Others	3,250	5,714	3,000	5,000	3,000	5,000	3,000	5,000	2,500	6,500
yoy % chg.	-6.82%	9.51%	-7.69%	-12.50%	0.00%	0.00%	0.00%	0.00%	-47.37%	13.76%
seq % chg.	-37.72%	75.82%	-47.50%	66.67%	-40.00%	66.67%	-40.00%	66.67%	-56.25%	160.00%
OP margin	7.7%	11.9%	6.8%	10.0%	6.5%	9.6%	6.2%	9.2%	6.0%	13.5%
Elimination	55	114	-100	-100	-100	-100	-100	-100	0	0
yoy % chg.	-	-	-	-	-	-	-	-	-	-
seq % chg.	-	-	-	-	-	-	-	-	-	-
OP margin	-	-	-	-	-	-	-	-	-	-
Total OP	32,573	29,454	49,043	66,578	70,248	86,668	91,262	118,178	38,000	52,000
yoy % chg.	14.24%	54.14%	50.56%	126.04%	43.24%	30.17%	29.91%	36.36%	16.66%	76.55%
seq % chg.	70.46%	-9.58%	66.51%	35.75%	5.51%	23.37%	5.30%	29.49%	29.01%	36.84%
OP margin	16.66%	13.34%	20.13%	22.90%	23.42%	25.05%	26.31%	29.32%	16.52%	19.26%

Source: Company data, J.P. Morgan estimates.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Figure 7: Sales and OP Forecasts by Segment (Quarterly)

FY	FY3/2025				FY3/2026				FY3/2027E				FY3/2028E				FY3/2029E			
JPY mn	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	1QE	2QE	3QE	4QE	1QE	2QE	3QE	4QE
									JPM	JPM	JPM	JPM	JPM	JPM	JPM	JPM	JPM	JPM	JPM	JPM
Sales	88,220	93,365	88,752	99,099	97,464	98,021	103,136	117,580	117,554	126,120	142,872	147,860	150,429	149,520	172,822	173,160	173,924	173,015	201,397	201,735
yoy % chg.	-6.7%	0.4%	-4.1%	9.7%	10.5%	5.0%	16.2%	18.6%	20.6%	28.7%	38.5%	25.8%	28.0%	18.6%	21.0%	17.1%	15.6%	15.7%	16.5%	16.5%
qoq % chg.	-2.4%	5.8%	-4.9%	11.7%	-1.6%	0.6%	5.2%	14.0%	0.0%	7.3%	13.3%	3.5%	1.7%	-0.6%	15.6%	0.2%	0.4%	-0.5%	16.4%	0.2%
Gross profits	25,614	32,755	23,602	31,357	35,072	32,841	28,070	35,686	40,679	45,864	51,394	53,684	56,224	54,524	63,834	64,334	67,631	67,131	81,089	81,589
as a % of sales	29.0%	35.1%	26.6%	31.6%	36.0%	33.5%	27.2%	30.4%	34.6%	36.4%	36.0%	36.3%	37.4%	36.5%	36.9%	37.2%	38.9%	38.8%	40.3%	40.4%
SGA	14,319	15,538	17,257	18,593	17,436	17,904	16,116	18,186	18,500	19,000	19,000	19,500	20,000	20,500	20,500	21,000	21,500	22,000	22,000	22,500
as a % of sales	16.2%	16.6%	19.4%	18.8%	17.9%	18.3%	15.6%	15.5%	15.7%	15.1%	13.3%	13.2%	13.3%	13.7%	11.9%	12.1%	12.4%	12.7%	10.9%	11.2%
Operating profits	11,295	17,217	6,345	12,764	17,636	14,937	11,954	17,500	22,179	26,864	32,394	34,184	36,224	34,024	43,334	43,334	46,131	45,131	59,089	59,089
yoy % chg.	38.1%	8.3%	-50.7%	20.2%	56.1%	-13.2%	88.4%	37.1%	25.8%	79.9%	171.0%	95.3%	63.3%	26.7%	33.8%	26.8%	27.3%	32.6%	36.4%	36.4%
qoq % chg.	6.3%	52.4%	-63.1%	101.2%	38.2%	-15.3%	-20.0%	46.4%	26.7%	21.1%	20.6%	5.5%	6.0%	-6.1%	27.4%	0.0%	6.5%	-2.2%	30.9%	0.0%
as a % of sales	12.8%	18.4%	7.1%	12.9%	18.1%	15.2%	11.6%	14.9%	18.9%	21.3%	22.7%	23.1%	24.1%	22.8%	25.1%	25.0%	26.5%	26.1%	29.3%	29.3%
Pretax profits	12,868	16,663	6,376	11,983	17,407	14,898	11,328	17,189	22,129	27,719	33,444	35,039	37,274	34,379	44,384	43,689	47,181	45,486	60,139	59,444
as a % of sales	14.6%	17.8%	7.2%	12.1%	17.9%	15.2%	11.0%	14.6%	18.8%	22.0%	23.4%	23.7%	24.8%	23.0%	25.7%	25.2%	27.1%	26.3%	29.9%	29.5%
Net Profits	8,816	11,711	4,274	8,903	12,728	9,341	8,931	32,713	14,860	18,773	22,781	23,897	25,462	23,435	30,439	29,952	32,397	31,210	41,467	40,981
as a % of sales	10.0%	12.5%	4.8%	9.0%	13.1%	9.5%	8.7%	27.8%	12.6%	14.9%	15.9%	16.2%	16.9%	15.7%	17.6%	17.3%	18.6%	18.0%	20.6%	20.3%
R&D	5,500	6,460	8,300	7,191	7,800	8,100	6,700	7,316	9,000	9,500	9,500	9,000	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Depreciation	10,198	12,702	15,278	16,027	11,667	13,762	19,065	21,742	17,300	18,400	21,500	23,600	20,200	21,300	27,400	28,500	25,100	26,200	27,300	28,400
Electronics	8,100	10,200	12,000	13,998	9,300	11,200	16,400	18,900	15,000	16,000	19,000	21,000	18,000	19,000	25,000	26,000	23,000	24,000	25,000	26,000
Capex	40,321	43,211	26,971	46,801	20,436	14,374	12,536	16,931	52,500	52,500	52,500	52,500	67,500	67,500	82,500	82,500	67,500	67,500	67,500	67,500
Inventory	68,054	69,201	73,136	67,175	67,552	68,446	73,426	70,962	-	-	-	-	-	-	-	-	-	-	-	-
Electronics	44,949	53,305	47,163	51,806	56,285	57,262	58,366	71,403	73,875	83,350	96,400	101,050	105,150	105,150	124,750	124,750	127,145	127,145	152,325	152,325
yoy % chg.	-10.99%	2.35%	3.41%	21.85%	25.22%	7.42%	23.75%	37.83%	31.25%	45.56%	65.16%	41.52%	42.34%	26.15%	29.41%	23.45%	20.92%	20.92%	22.10%	22.10%
qoq % chg.	5.73%	18.59%	-11.52%	9.84%	8.65%	1.74%	1.93%	22.34%	3.46%	12.83%	15.66%	4.82%	4.06%	0.00%	18.64%	0.00%	1.92%	0.00%	19.80%	0.00%
Ceramic	23,571	19,564	18,921	22,012	19,600	20,089	20,898	21,967	21,100	21,100	21,600	21,600	21,700	21,700	22,200	22,200	22,200	22,200	22,200	22,200
yoy % chg.	-3.40%	-17.49%	-23.61%	-6.74%	-16.85%	2.68%	10.45%	-0.20%	7.65%	5.03%	3.36%	-1.67%	2.84%	2.84%	2.78%	2.78%	2.30%	2.30%	0.00%	0.00%
qoq % chg.	-0.13%	-17.00%	-3.29%	16.34%	-10.96%	2.49%	4.03%	5.12%	-3.95%	0.00%	2.37%	0.00%	0.46%	0.00%	2.30%	0.00%	0.00%	0.00%	0.00%	0.00%
Others	19,700	20,496	22,668	25,281	21,579	20,670	23,872	24,210	22,579	21,670	24,872	25,210	23,579	22,670	25,872	26,210	24,579	23,670	26,872	27,210
yoy % chg.	-0.01%	18.82%	2.33%	4.35%	9.54%	0.85%	5.31%	-4.24%	4.63%	4.84%	4.19%	4.13%	4.43%	4.61%	4.02%	3.97%	4.24%	4.41%	3.87%	3.82%
qoq % chg.	-18.69%	4.04%	10.60%	11.53%	-14.64%	-4.21%	15.49%	1.42%	-6.74%	-4.03%	14.78%	1.36%	-6.47%	-3.86%	14.12%	1.31%	-6.22%	-3.70%	13.53%	1.26%
Total Sales	88,220	93,365	88,752	99,099	97,464	98,021	103,136	117,580	117,554	126,120	142,872	147,860	150,429	149,520	172,822	173,160	173,924	173,015	201,397	201,735
yoy % chg.	-6.75%	0.35%	-4.08%	9.69%	10.48%	4.99%	16.21%	18.65%	20.61%	28.67%	38.53%	25.75%	27.97%	18.55%	20.96%	17.11%	15.62%	15.71%	16.53%	16.50%
qoq % chg.	-2.35%	5.83%	-4.94%	11.66%	-1.65%	0.57%	5.22%	14.00%	-0.02%	7.29%	13.28%	3.49%	1.74%	-0.60%	15.58%	0.20%	0.44%	-0.52%	16.40%	0.17%
Operating profits																				
Electronics	5,314	12,676	1,920	6,937	14,028	11,401	7,608	12,211	18,794	23,479	28,309	29,099	32,559	30,359	39,069	38,069	42,506	41,506	54,864	53,864
yoy % chg.	19.39%	9.84%	-74.98%	92.11%	163.98%	-10.06%	296.25%	76.03%	33.98%	105.94%	272.10%	138.30%	73.24%	29.30%	38.01%	30.83%	30.55%	36.72%	40.43%	41.49%
qoq % chg.	47.16%	138.54%	-84.85%	261.30%	102.22%	-18.73%	-33.27%	60.50%	53.91%	24.93%	20.57%	2.79%	11.89%	-6.76%	28.69%	-2.56%	11.66%	-2.35%	32.18%	-1.82%
OP margin	11.8%	23.8%	4.1%	13.4%	24.9%	19.9%	13.0%	17.1%	25.4%	28.2%	29.4%	28.8%	31.0%	28.9%	31.3%	30.5%	33.4%	32.6%	36.0%	35.4%
Ceramic	4,282	2,802	2,253	2,881	2,096	1,743	2,064	1,743	1,935	1,935	2,135	2,135	2,215	2,215	2,315	2,315	2,175	2,175	2,275	2,275
yoy % chg.	50.88%	-4.01%	-34.05%	-31.13%	-51.05%	-37.79%	-8.39%	-39.50%	-7.68%	11.02%	3.44%	22.49%	14.47%	14.47%	8.43%	8.43%	-1.81%	-1.81%	-1.73%	-1.73%
qoq % chg.	2.37%	-34.56%	-19.59%	27.87%	-27.25%	-16.84%	18.42%	-15.55%	11.02%	0.00%	10.34%	0.00%	3.75%	0.00%	4.51%	0.00%	-6.05%	0.00%	4.60%	0.00%
OP margin	18.2%	14.3%	11.9%	13.1%	10.7%	8.7%	9.9%	7.9%	9.2%	9.2%	9.9%	9.9%	10.2%	10.2%	10.4%	10.4%	9.8%	9.8%	10.2%	10.2%
Others	1,769	1,719	2,404	2,814	1,503	1,747	2,242	3,472	1,500	1,500	2,000	3,000	1,500	1,500	2,000	3,000	1,500	1,500	2,000	3,000
yoy % chg.	91.45%	11.84%	36.98%	-0.95%	-15.04%	1.63%	-6.74%	23.38%	-0.20%	-14.14%	-10.79%	-13.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
qoq % chg.	-37.73%	-2.83%	39.85%	17.05%	-46.59%	16.23%	28.33%	54.86%	-56.80%	0.00%	33.33%	50.00%	-50.00%	0.00%	33.33%	50.00%	-50.00%	0.00%	33.33%	50.00%
OP margin	9.0%	8.4%	10.6%	11.1%	7.0%	8.5%	9.4%	14.3%	6.6%	6.9%	8.0%	11.9%	6.4%	6.6%	7.7%	11.4%	6.1%	6.3%	7.4%	11.0%
Elimination	-70	20	-232	132	9	46	40	74	-50	-50	-50	-50	-50	-50	-50	-50	-50	-50	-50	-50
yoy % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
qoq % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OP margin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OP	11,295	17,217	6,345	12,764	17,636	14,937	11,954	17,500	22,179	26,864	32,394	34,184	36,224	34,024	43,334	43,334	46,131	45,131	59,089	59,089
yoy % chg.	38.06%	8.34%	-50.72%	20.18%	56.14%	-13.24%	88.40%	37.10%	25.76%	79.85%	170.99%	95.34%	63.33%	26.65%	33.77%	26.77%	27.35%	32.64%	36.36%	36.36%
qoq % chg.	6.35%	52.43%	-63.15%	101.17%	38.17%	-15.30%	-19.97%	46.39%	26.74%	21.12%	20.59%	5.53%	5.97%	-6.07%	27.36%	0.00%	6.45%	-2.17%	30.93%	0.00%
OP margin	12.80%	18.44%	7.15%	12.88%	18.09%	15.24%	11.59%	14.88%	18.87%	21.30%	22.67%	23.12%	24.08%	22.76%	25.07%	25.03%	26.52%	26.09%	29.34%	29.29%

Source: Company data, J.P. Morgan estimates.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto AC
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Figure 8: Profit and Loss Statement

FY	FY3/2025	FY3/2026	FY3/2027E	FY3/2028E	FY3/2029E	FY3/2030E	FY3/2031E	FY3/2026				FY3/2027				FY3/2028				FY3/2029			
JPY mn								1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	1QE	2QE	3QE	4QE	1QE	2QE	3QE	4QE
Sales	369,436	416,201	534,406	645,931	750,071	988,955	1,139,560	97,464	98,021	103,136	117,580	117,554	126,120	142,872	147,860	150,429	149,520	172,822	173,160	173,924	173,015	201,397	201,735
COGS	256,108	284,532	342,784	407,014	452,630	575,103	646,930	62,392	65,180	75,066	81,894	76,875	80,256	91,478	94,176	94,205	94,996	108,988	108,826	106,293	105,884	120,308	120,146
Gross Profit	113,328	131,669	191,622	238,917	297,441	413,852	492,630	35,072	32,841	28,070	35,686	40,679	45,864	51,394	53,684	56,224	54,524	63,834	64,334	67,631	67,131	81,089	81,589
SG&A	65,707	69,642	76,000	82,000	88,000	94,000	100,000	17,436	17,904	16,116	18,186	18,500	19,000	19,000	19,500	20,000	20,500	20,500	21,000	21,500	22,000	22,000	22,500
Operating Profit	47,621	62,027	115,622	156,917	209,441	319,852	392,630	17,636	14,937	11,954	17,500	22,179	26,864	32,394	34,184	36,224	34,024	43,334	43,334	46,131	45,131	59,089	59,089
Financial Income and Expenses	3,199	2,402	2,410	2,410	2,410	3,000	3,000	877	414	707	404	950	255	950	255	950	255	950	255	950	255	950	255
Foreign Exchange Gains / Losses	-1,336	320	1,000	0	0	0	0	-127	553	-331	225	0	500	0	500	0	0	0	0	0	0	0	0
Equity method income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	-1,594	-3,927	-700	400	400	400	400	-979	-1,006	-1,002	-940	-1,000	100	100	100	100	100	100	100	100	100	100	100
Recurring Profit	47,890	60,822	118,332	159,727	212,251	323,252	396,030	17,407	14,898	11,328	17,189	22,129	27,719	33,444	35,039	37,274	34,379	44,384	43,689	47,181	45,486	60,139	59,444
Extraordinary Gains	54,235	59,281	800	800	800	800	800	1,302	3,719	3,282	50,978	200	200	200	200	200	200	200	200	200	200	200	200
Extraordinary Losses	50,674	29,011	4,000	4,000	4,000	4,000	4,000	1,663	3,677	3,393	20,278	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Profit Before Tax (EBT)	51,451	91,092	115,132	156,527	209,051	320,052	392,830	17,046	14,939	11,217	47,890	21,329	26,919	32,644	34,239	36,474	33,579	43,584	42,889	46,381	44,686	59,339	58,644
Corporate Income Tax	17,400	26,929	34,540	46,958	62,715	96,015	117,849	4,168	5,514	2,188	15,059	6,399	8,076	9,793	10,272	10,942	10,074	13,075	12,867	13,914	13,406	17,802	17,593
Minority Interest	346	449	280	280	280	280	280	148	86	97	118	70	70	70	70	70	70	70	70	70	70	70	70
Net Income	33,704	63,713	80,312	109,289	146,056	223,756	274,701	12,728	9,341	8,931	32,713	14,860	18,773	22,781	23,897	25,462	23,435	30,439	29,952	32,397	31,210	41,467	40,981
Tax Rate	33.8%	29.6%	30.0%	30.0%	30.0%	30.0%	30.0%	24.45%	36.91%	19.51%	31.44%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
% to Sales																							
COGS	69.32%	68.36%	64.14%	63.01%	60.34%	58.15%	56.77%	64.02%	66.50%	72.78%	69.65%	65.40%	63.63%	64.03%	63.69%	62.62%	63.53%	63.06%	62.85%	61.11%	61.20%	59.74%	59.56%
Gross Profit	30.68%	31.64%	35.86%	36.99%	39.66%	41.85%	43.23%	35.98%	33.50%	27.22%	30.35%	34.60%	36.37%	35.97%	36.31%	37.38%	36.47%	36.94%	37.15%	38.89%	38.80%	40.26%	40.44%
	17.79%	16.73%	14.22%	12.69%	11.73%	9.50%	8.78%	17.89%	18.27%	15.63%	15.47%	15.74%	15.07%	13.30%	13.19%	13.30%	13.71%	11.86%	12.13%	12.36%	12.72%	10.92%	11.15%
EBITDA	101,826	128,263	196,422	254,317	316,441	438,852	522,030	29,303	28,699	31,019	39,242	39,479	45,264	53,894	57,784	56,424	55,324	70,734	71,834	71,231	71,331	86,389	87,489
Operating Profit	12.89%	14.90%	21.64%	24.29%	27.92%	32.34%	34.45%	18.09%	15.24%	11.59%	14.88%	18.87%	21.30%	22.67%	23.12%	24.08%	22.76%	25.07%	25.03%	26.52%	26.09%	29.34%	29.29%
Recurring Profit	12.96%	14.61%	22.14%	24.73%	28.30%	32.69%	34.75%	17.86%	15.20%	10.98%	14.62%	18.82%	21.98%	23.41%	23.70%	24.78%	22.99%	25.68%	25.23%	27.13%	26.29%	29.86%	29.47%
Net Profit	9.12%	15.31%	15.03%	16.92%	19.47%	22.63%	24.11%	13.06%	9.53%	8.66%	27.82%	12.64%	14.89%	15.94%	16.16%	16.93%	15.67%	17.61%	17.30%	18.63%	18.04%	20.59%	20.31%
YoY Analysis																							
Sales	-0.29%	12.66%	28.40%	20.87%	16.12%	31.85%	15.23%	10.48%	4.99%	16.21%	18.65%	20.61%	28.67%	38.53%	25.75%	27.97%	18.55%	20.96%	17.11%	15.62%	15.71%	16.53%	16.50%
Gross Profit	10.60%	16.18%	45.53%	24.68%	24.50%	39.14%	19.04%	36.93%	0.26%	18.93%	13.81%	15.99%	39.66%	83.09%	50.43%	38.21%	18.88%	24.21%	19.84%	20.29%	23.12%	27.03%	26.82%
SG&A	19.68%	5.99%	9.13%	7.89%	7.32%	6.82%	6.38%	21.77%	15.23%	-6.61%	-2.19%	6.10%	6.12%	17.90%	7.23%	8.11%	7.89%	7.89%	7.69%	7.50%	7.32%	7.32%	7.14%
Operating Profit	0.11%	30.25%	86.41%	35.72%	33.47%	52.72%	22.75%	56.14%	-13.24%	88.40%	37.10%	25.76%	79.85%	170.99%	95.34%	63.33%	26.65%	33.77%	26.77%	27.35%	32.64%	36.36%	36.36%
Recurring Profit	-6.36%	27.00%	94.55%	34.98%	32.88%	52.30%	22.51%	35.27%	-10.59%	77.67%	43.44%	27.13%	86.06%	195.23%	103.85%	68.44%	24.03%	32.71%	24.69%	26.58%	32.31%	35.50%	36.06%
Profit Before Tax	8.47%	77.05%	26.39%	35.95%	33.56%	53.10%	22.74%	42.94%	-1.92%	85.01%	162.67%	25.13%	80.19%	191.02%	-28.50%	71.01%	24.74%	33.51%	25.26%	27.16%	33.08%	36.15%	36.73%
Net Profit	7.03%	89.04%	26.05%	36.08%	33.64%	53.20%	22.77%	44.37%	-20.24%	108.96%	267.44%	16.75%	100.98%	155.08%	-26.95%	71.34%	24.83%	33.62%	25.34%	27.24%	33.18%	36.23%	36.82%
Per Share																							
Shares Outstanding(thousands)	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221	279,221
Fully Diluted	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580	295,580
EPS（JPY）	121	228	288	391	523	801	984	46	33	32	117	53	67	82	86	91	84	109	107	116	112	149	147
Fully Diluted	114	216	272	370	494	757	929	43	32	30	111	50	64	77	81	86	79	103	101	110	106	140	139
CFPS	315	465	577	740	906	1,228	1,447	87	83	100	195	115	133	159	170	164	160	207	209	206	206	246	248
Fullu Dilluted	297	440	545	699	856	1,160	1,367	83	78	95	184	109	126	150	161	154	151	196	198	195	194	233	235
BPS（JPY）	1,757	1,970	2,223	2,559	3,017	3,719	4,582	1,822	1,881	1,943	1,970	-	-	-	-	-	-	-	-	-	-	-	-
DPS（JPY）	20.0	25.0	35.0	55.0	65.0	100.0	120.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DOE	1.14%	1.27%	1.57%	2.15%	2.15%	2.69%	2.62%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Payout Ratio	16.57%	10.96%	12.17%	14.05%	12.43%	12.48%	12.20%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R&D	27,451	29,916	37,000	38,000	38,000	42,000	44,000	7,800	8,100	6,700	7,316	9,000	9,500	9,500	9,000	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
as a % of sales	7.43%	7.19%	6.92%	5.88%	5.07%	4.25%	3.86%	8.00%	8.26%	6.50%	6.22%	7.66%	7.53%	6.65%	6.09%	6.32%	6.35%	5.50%	5.49%	5.46%	5.49%	4.72%	4.71%
Depreciation	54,205	66,236	80,800	97,400	107,000	119,000	129,400	11,667	13,762	19,065	21,742	17,300	18,400	21,500	23,600	20,200	21,300	27,400	28,500	25,100	26,200	27,300	28,400
対as a % of sales	14.67%	15.91%	15.12%	15.08%	14.27%	12.03%	11.36%	11.97%	14.04%	18.49%	18.49%	14.72%	14.59%	15.05%	15.96%	13.43%	14.25%	15.85%	16.46%	14.43%	15.14%	13.56%	14.08%
Electronics	44,298	55,800	71,000	88,000	98,000	110,000	120,000	9,300	11,200	16,400	18,900	15,000	16,000	19,000	21,000	18,000	19,000	25,000	26,000	23,000	24,000	25,000	26,000
as a % of sales	11.99%	13.41%	13.29%	13.62%	13.07%	11.12%	10.53%	9.54%	11.43%	15.90%	16.07%	12.76%	12.69%	13.30%	14.20%	11.97%	12.71%	14.47%	15.02%	13.22%	13.87%	12.41%	12.89%
Ceramic	5,807	6,000	4,800	4,000	3,200	2,800	2,400	1,400	1,500	1,500	1,600	1,200	1,200	1,200	1,200	1,000	1,000	1,000	1,000	800	800	800	800
as a % of sales	1.57%	1.44%	0.90%	0.62%	0.43%	0.28%	0.21%	1.44%	1.53%	1.45%	1.36%	1.02%	0.95%	0.84%	0.81%	0.66%	0.67%	0.58%	0.58%	0.46%	0.46%	0.40%	0.40%
Others	4,100	4,436	5,000	5,400	5,800	6,200	7,000	967	1,062	1,165	1,242	1,100	1,200	1,300	1,400	1,200	1,300	1,400	1,500	1,300	1,400	1,500	1,600
as a % of sales	1.11%	1.07%	0.94%	0.84%	0.77%	0.63%	0.61%	0.99%	1.08%	1.13%	1.06%	0.94%	0.95%	0.91%	0.95%	0.80%	0.87%	0.81%	0.87%	0.75%	0.81%	0.74%	0.79%
CAPEX	157,304	64,277	210,000	300,000	270,000	360,000	290,000	20,436	14,374	12,536	16,931	52,500	52,500	52,500	52,500	67,500	67,500	82,500	82,500	67,500	67,500	67,500	67,500
as a % of sales	42.58%	15.44%	39.30%	46.44%	36.00%	36.40%	25.45%	20.97%	14.66%	12.15%	14.40%	44.66%	41.63%	36.75%	35.51%	44.87%	45.14%	47.74%	47.64%	38.81%	39.01%	33.52%	33.46%
Electronics	146,755	58,066	200,000	290,000	260,000	350,000	280,000	18,773	13,170	10,944	15,179	50,000	50,000	50,000	50,000	65,000	65,000	80,000	80,000	65,000	65,000	65,000	65,000
as a % of sales	39.72%	13.95%	37.42%	44.90%	34.66%	35.39%	24.57%	19.26%	13.44%	10.61%	12.91%	42.53%	39.64%	35.00%	33.82%	43.21%	43.47%	46.29%	46.20%	37.37%	37.57%	32.27%	32.22%
Ceramic	7,104	1,758	2,000	2,000	2,000	2,000	2,000	503	516	434	305	500	500	500	500	500	500	500	500	500	500	500	500
as a % of sales	1.92%	0.42%	0.37%	0.31%	0.27%	0.20%	0.18%	0.52%	0.53%	0.42%	0.26%	0.43%	0.40%	0.35%	0.34%	0.33%	0.33%	0.29%	0.29%	0.29%	0.29%	0.25%	0.25%
Others	3,445	4,453	8,000	8,000	8,000	8,000	8,000	1,160	688	1,158	1,447	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
as a % of sales	0.93%	1.07%	1.50%	1.24%	1.07%	0.81%	0.70%	1.19%	0.70%	1.12%	1.23%	1.70%	1.59%	1.40%	1.35%	1.33%	1.34%	1.16%	1.16%	1.15%	1.16%	0.99%	0.99%
EBITDA	101,826	128,263	196,422	254,317	316,441	438,852	522,030	29,303	28,699	31,019	39,242	39,479	45,264	53,894	57,784	56,424	55,324	70,734	71,834	71,231	71,331	86,389	87,489
yoy % chg.	8.79%	25.96%	53.14%	29.47%	24.43%	38.68%	18.95%	36.34%	-4.08%	43.45%	36.30%	34.73%	57.72%	73.75%	47.25%	42.92%	22.23%	31.25%	24.31%	26.24%	28.93%	22.13%	21.79%
qoq % chg.	-	-	-	-	-	-	-	1.78%	-2.06%	8.08%	26.51%	0.60%	14.65%	19.07%	7.22%	-2.35%	-1.95%	27.85%	1.56%	-0.84%	0.14%	21.11%	1.27%
as a % of sales	27.56%	30.82%	36.76%	39.37%	42.19%	44.38%	45.81%	30.07%	29.28%	30.08%	33.37%	33.58%	35.89%	37.72%	39.08%	37.51%	37.00%	40.93%	41.48%	40.96%	41.23%	42.89%	43.37%
Cashflow	87,909	129,949	161,112	206,689	253,056	342,756	404,101	24,395	23,103	27,996	54,455	32,160	37,173	44,281	47,497	45,662	44,735	57,839	58,452	57,497	57,410	68,767	69,381
yoy % chg.	13.40%	47.82%	23.98%	28.29%	22.43%	35.45%	17.90%	28.30%	-5.37%	43.19%	118.43%	31.83%	60.90%	58.17%	-12.78%	41.98%	20.34%	30.62%	23.06%	25.92%	28.33%	18.89%	18.70%
qoq % chg.	-	-	-	-	-	-	-	-2.15%	-5.30%	21.18%	94.51%	-40.94%	15.59%	19.12%	7.26%	-3.86%	-2.03%	29.29%	1.06%	-1.63%	-0.15%	19.78%	0.89%
as a % of sales	23.80%	31.22%	30.15%	32.00%	33.74%	34.66%	35.46%	25.03%	23.57%	27.14%	46.31%	27.36%	29.47%	30.99%	32.12%	30.35%	29.92%	33.47%	33.76%	33.06%	33.18%	34.15%	34.39%
Free Cashflow	-69,395	65,672	-48,888	-93,311	-16,944	-17,244	114,101	3,959	8,729	15,460	37,524	-20,340	-15,327	-8,219	-5,003	-21,838	-22,765	-24,661	-24,048	-10,003	-10,090	1,267	1,881
yoy % chg.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
qoq % chg.	-	-	-	-	-	-	-	-	120.48%	77.11%	142.72%	-	-	-	-	-	-	-	-	-	-	-	48.40%
as a % of sales	-18.78%	15.78%	-9.15%	-14.45%	-2.26%	-1.74%	10.01%	4.06%	8.91%	14.99%	31.91%	-17.30%	-12.15%	-5.75%	-3.38%	-14.52%	-15.23%	-14.27%	-13.89%	-5.75%	-5.83%	0.63%	0.93%

Source: Company data, J.P. Morgan estimates.

Adam Chen report

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto AC
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

J.P.Morgan

Figure 9: Balance Sheet

FY	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026	FY3/2027E	FY3/2028E	FY3/2029E	FY3/2030E	FY3/2031E	FY3/2025				FY3/2026			
JPY mn														1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Assets																					
Cash and Cash Equivalents	113,492	175,151	126,884	185,592	302,419	443,583	390,656	295,681	308,575	382,211	502,627	564,242	758,743	425,295	374,233	358,431	390,656	374,228	325,476	340,725	295,681
Accounts Receivable	60,180	68,877	89,687	91,989	79,446	65,330	68,131	81,810	105,045	126,967	147,437	194,393	223,996	65,792	60,301	68,694	68,131	64,831	68,316	72,064	81,810
Inventories	48,769	45,279	57,023	74,566	79,194	65,318	67,175	70,962	85,490	101,509	112,886	143,430	161,344	68,054	69,201	73,136	67,175	67,552	68,446	73,426	70,962
Other Current Assets	6,531	10,937	11,770	11,123	15,766	26,579	23,618	17,088	17,088	17,088	17,088	17,088	17,088	31,038	35,521	22,973	23,618	25,767	25,237	18,509	17,088
Total Current Assets	228,972	300,244	285,364	363,270	476,825	600,810	549,580	465,541	516,198	627,774	780,038	919,152	1,161,170	590,179	539,256	523,234	549,580	532,378	487,475	504,724	465,541
Tangible Fixed Assets	146,710	173,514	214,828	225,920	306,967	408,777	460,054	437,704	566,904	769,504	932,504	1,173,504	1,334,104	444,516	460,076	476,005	460,054	465,519	465,165	459,875	437,704
Investments and Other Assets	47,374	44,861	78,326	75,142	73,716	120,404	72,050	57,180	57,180	57,180	57,180	57,180	57,180	113,014	100,671	106,443	72,050	81,782	85,298	89,519	57,180
Total Investments	39,142	34,461	68,198	64,638	61,342	110,166	58,797	32,285	32,285	32,285	32,285	32,285	32,285	102,303	90,711	95,782	58,797	70,452	73,665	77,826	32,285
Deferred Tax Assets	2,915	4,463	3,488	3,951	5,533	4,253	7,159	18,331	18,331	18,331	18,331	18,331	18,331	4,342	3,916	4,125	7,159	5,271	5,240	5,316	18,331
Intangible Assets	4,162	4,486	5,392	5,448	5,179	4,590	4,349	4,418	4,418	4,418	4,418	4,418	4,418	4,754	4,404	4,666	4,349	4,269	4,617	4,529	4,418
Other non current asset	1,155	1,451	1,248	1,105	1,662	1,395	1,745	2,146	2,146	2,146	2,146	2,146	2,146	1,615	1,640	1,870	1,745	1,790	1,776	1,848	2,146
Total Non Current Assets	194,084	218,375	293,154	301,062	380,683	529,181	532,104	494,884	624,084	826,684	989,684	1,230,684	1,391,284	557,530	560,747	582,448	532,104	547,301	550,463	549,394	494,884
Total Assets	423,056	518,619	578,518	664,332	857,508	1,129,991	1,081,684	960,425	1,140,282	1,454,458	1,769,722	2,149,836	2,552,454	1,147,709	1,100,003	1,105,682	1,081,684	1,079,679	1,037,938	1,054,118	960,425
Liabilities and Equity																					
Accounts Payable	39,562	45,555	45,717	51,150	40,431	43,875	38,761	44,143	53,180	63,145	70,222	89,223	100,366	44,223	42,354	48,936	38,761	36,237	38,442	45,710	44,143
Short-term debt	45,030	30,030	35,130	40,030	65,030	90,000	90,000	15,000	15,000	15,000	15,000	15,000	15,000	90,000	70,000	60,000	90,000	90,000	65,000	65,000	15,000
Accrued Taxes	2,366	3,016	5,624	14,909	14,268	4,144	14,869	22,013	22,013	22,013	22,013	22,013	22,013	4,151	7,059	2,286	14,869	4,601	9,839	2,185	22,013
Advanced Payment	0	0	0	0	0	80,098	92,084	80,950	180,950	390,950	570,950	735,950	885,950	77,019	88,643	87,112	92,084	89,764	77,577	76,929	80,950
Other Non Current Financial Liabilities	31,124	42,135	45,428	50,071	103,592	140,245	92,003	59,539	59,539	59,539	59,539	59,539	59,539	150,589	111,070	96,065	92,003	85,294	70,962	69,403	59,539
Total Current Liabilities	118,082	120,736	131,899	156,160	223,321	358,362	327,717	221,645	330,682	550,647	737,724	921,725	1,082,868	365,982	319,126	294,399	327,717	305,896	261,820	259,227	221,645
LT Debts	25,000	120,000	115,044	130,000	205,000	253,476	252,976	177,476	177,476	177,476	177,476	177,476	177,476	253,351	273,226	283,101	252,976	252,851	237,726	237,601	177,476
Operating Lease Liabilities	43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities	1,974	1,644	7,117	5,095	825	13,433	1,015	1,284	1,284	1,284	1,284	1,284	1,284	10,991	7,745	9,130	1,015	2,749	3,621	4,859	1,284
Retirement Benefit Liabilities	671	827	1,078	578	573	751	800	633	633	633	633	633	633	817	756	860	800	808	855	932	633
Other Non Current Financial Liabilities	981	1,478	1,517	1,771	2,183	2,173	1,878	1,975	1,975	1,975	1,975	1,975	1,975	2,013	1,849	1,876	1,878	1,793	1,763	1,958	1,975
Total Non Current Liabilities	28,669	123,949	124,756	137,444	208,581	269,833	256,669	181,368	181,368	181,368	181,368	181,368	181,368	267,172	283,576	294,967	256,669	258,201	243,965	245,350	181,368
Minority Interests	5,442	5,615	5,949	6,152	6,367	6,852	6,803	7,339	7,619	7,899	8,179	8,459	8,739	6,917	6,918	6,779	6,803	6,981	7,055	7,144	7,339
Capital Stock	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152
Capital Surplus	64,579	64,579	64,433	64,494	64,494	64,494	64,565	64,565	64,565	64,565	64,565	64,565	64,565	64,494	64,494	64,600	64,565	64,565	64,565	64,565	64,565
Retained Earnings	122,144	128,578	149,379	184,612	229,804	255,698	283,807	340,525	411,065	504,996	632,902	828,736	1,069,931	261,717	273,428	274,904	283,807	293,738	303,078	307,813	340,525
Treasury Shares	-2,602	-2,575	-3,286	-3,264	-3,126	-2,983	-3,497	-3,452	-3,452	-3,452	-3,452	-3,452	-3,452	-2,873	-2,861	-3,500	-3,497	-3,453	-3,442	-3,448	-3,452
Other Equity	22,590	13,585	41,236	54,582	63,915	113,583	81,468	84,283	84,283	84,283	84,283	84,283	84,283	120,148	91,170	109,381	81,468	89,599	96,745	109,315	84,283
Shareholder's Equity	270,863	268,319	315,914	364,576	419,239	494,944	490,495	550,073	620,613	714,544	842,450	1,038,284	1,279,479	507,638	490,383	509,537	490,495	508,601	525,098	542,397	550,073
Total Liabilities and Equity	423,056	518,619	578,518	664,332	857,508	1,129,991	1,081,684	960,425	1,140,282	1,454,458	1,769,722	2,149,836	2,552,454	1,147,709	1,100,003	1,105,682	1,081,684	1,079,679	1,037,938	1,054,118	960,425

FY	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026	FY3/2027E	FY3/2028E	FY3/2029E	FY3/2030E	FY3/2031E	FY3/2025				FY3/2026			
JPY mn														1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Debt with interest	70,030	150,030	150,174	170,030	270,030	343,476	342,976	192,476	192,476	192,476	192,476	192,476	192,476	420,370	431,869	430,213	435,060	432,615	380,303	379,530	273,426
Net Debt	-43,462	-25,121	23,290	-15,562	-32,389	-20,009	44,404	-22,255	64,851	201,215	260,799	364,184	319,683	-4,925	57,636	71,782	44,404	58,387	54,827	38,805	-22,255
Net Debt (Including Investment Securities)	-82,604	-59,582	-44,908	-80,200	-93,731	-130,175	-14,393	-54,540	32,566	168,930	228,514	331,899	287,398	-107,228	-33,075	-24,000	-14,393	-12,065	-18,838	-39,021	-54,540
Consolidated Employees (Persons)	14,718	13,019	13,161	12,958	12,744	11,375	11,168	11,105	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Consolidated Employees (Persons)	3,525	3,537	3,504	3,549	3,669	3,829	3,920	4,036	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Asset Composition Ratio																					
Current Assets	54.12%	57.89%	49.33%	54.68%	55.61%	53.17%	50.81%	48.47%	45.27%	43.16%	44.08%	42.75%	45.49%	51.42%	49.02%	47.32%	50.81%	49.31%	46.97%	47.88%	48.47%
Tangible Fixed Assets	34.68%	33.46%	37.13%	34.01%	35.80%	36.18%	42.53%	45.57%	49.72%	52.91%	52.69%	54.59%	52.27%	38.73%	41.82%	43.05%	42.53%	43.12%	44.82%	43.63%	45.57%
Current Liabilities	27.91%	23.28%	22.80%	23.51%	26.04%	31.71%	30.30%	23.08%	29.00%	37.86%	41.69%	42.87%	42.42%	31.89%	29.01%	26.63%	30.30%	28.33%	25.23%	24.59%	23.08%
Shareholders' Equity	64.03%	51.74%	54.61%	54.88%	48.89%	43.80%	45.35%	57.27%	54.43%	49.13%	47.60%	48.30%	50.13%	44.23%	44.58%	46.08%	45.35%	47.11%	50.59%	51.46%	57.27%
Efficiency Analysis																					
Total Asset Turnover	0.68	0.63	0.59	0.65	0.55	0.37	0.33	0.41	0.51	0.50	0.47	0.50	0.48	0.31	0.33	0.32	0.36	0.36	0.37	0.39	0.47
Turnover Period (Months)	538.79	580.60	619.02	565.44	665.16	978.97	1,092.56	895.44	717.39	733.11	784.48	723.31	753.07	1,177.96	1,098.40	1,133.88	1,007.06	1,011.78	985.67	925.48	781.71
Tangible Fixed Asset Turnover	1.95	1.85	1.67	1.82	1.57	1.04	0.85	0.93	1.06	0.97	0.88	0.94	0.91	0.83	0.83	0.76	0.85	0.84	0.84	0.89	1.05
Turnover Period (Months)	186.82	197.44	219.11	200.52	232.91	352.55	429.20	393.66	343.07	377.59	414.12	388.64	401.59	441.30	442.05	481.21	430.96	433.28	433.20	409.22	348.29
Accounts Receivable Turnover	4.76	4.59	4.08	4.42	4.87	5.12	5.54	5.55	5.72	5.57	5.47	5.79	5.45	5.38	5.92	5.50	5.79	5.86	5.89	5.88	6.11
Turnover Period (Months)	76.68	79.57	89.46	82.65	74.93	71.31	65.93	65.75	63.81	65.55	66.77	63.08	67.00	67.81	61.62	66.31	62.99	62.24	61.97	62.10	59.71
Inventory Turnover	5.24	4.85	4.65	4.27	3.77	3.71	3.87	4.12	4.38	4.35	4.22	4.49	4.25	3.76	3.53	3.66	3.86	3.70	3.83	4.23	4.54
Turnover Period (Months)	69.60	75.33	78.44	85.44	96.75	98.39	94.41	88.60	83.30	83.85	86.44	81.34	85.98	97.20	103.32	99.68	94.50	98.52	95.20	86.23	80.44
Inventory Turnover (Sales-Based)	6.77	6.19	5.79	4.92	5.22	5.78	5.59	5.35	5.32	5.72	6.03	5.85	6.49	5.42	5.14	5.25	5.06	5.88	5.73	5.53	5.71
Turnover Period (Days)	53.94	58.96	63.07	74.24	69.95	63.16	65.26	68.24	68.60	63.86	60.57	62.36	56.24	67.35	70.98	69.56	72.13	62.03	63.66	66.04	63.87
Accounts Payable Turnover	2.96	2.68	2.61	2.90	3.17	3.18	3.10	3.43	3.52	3.50	3.39	3.61	3.41	2.84	2.80	2.85	3.09	3.33	3.49	3.57	3.65
Turnover Period (Months)	123.37	136.35	139.97	125.80	115.25	114.80	117.77	106.35	103.63	104.32	107.55	101.19	106.97	128.41	130.34	127.86	118.13	109.69	104.55	102.29	100.12
Liquidity Turnover Ratio	2.52	2.05	2.14	2.57	1.71	0.99	0.89	1.21	1.77	1.87	1.70	1.85	1.72	0.81	0.93	0.97	1.06	1.02	1.12	1.24	1.48
Turnover Period (Months)	144.97	177.96	170.41	142.16	213.30	367.45	412.11	300.95	206.35	195.17	215.29	196.88	211.88	449.36	390.71	376.64	344.88	358.06	325.69	294.71	246.95
Investment Securities Turnover	6.39	8.04	6.30	6.04	6.63	4.32	4.37	9.14	16.55	20.01	23.23	30.63	35.30	3.32	3.87	3.81	5.13	6.03	5.44	5.45	8.54
Turnover Period (Months)	57.11	45.38	57.92	60.43	55.06	84.48	83.47	39.94	22.05	18.24	15.71	11.92	10.34	109.88	94.32	95.87	71.17	60.50	67.08	67.02	42.73
ROE	1.20%	4.20%	8.80%	12.12%	13.32%	6.89%	6.84%	12.25%	13.72%	16.37%	18.76%	23.79%	23.70%								
Financial Leverage	1.56	1.93	1.83	1.82	2.05	2.28	2.21	1.75	1.84	2.04	2.10	2.07	1.99								
Debt to Asset Ratio	0.54	0.91	0.81	0.81	1.03	1.27	1.19	0.73	0.83	1.02	1.09	1.06	0.99								
Debt Ratio	0.56	0.93	0.83	0.82	1.05	1.28	1.21	0.75	0.84	1.04	1.10	1.07	0.99								
Net Debt to Equity	-0.16	-0.09	0.07	-0.04	-0.08	-0.20	-0.10	-0.19	-0.19	-0.27	-0.37	-0.36	-0.44								
Interest Coverage Ratio	-64.16	-101.47	-149.74	-252.93	-195.57	-67.00	-41.23	-45.74	-82.59	-112.08	-149.60	-319.85	-392.63								
Debt to Asset Ratio (Market Value)	0.65	0.80	0.48	0.35	0.66	0.58	0.77	0.45	0.57	0.81	1.02	1.23	1.40								
Debt Ratio (Market Value)	0.65	0.80	0.48	0.35	0.66	0.58	0.77	0.45	0.57	0.81	1.02	1.23	1.40								
Current Ratio	1.94	2.49	2.16	2.33	2.14	1.68	1.68	2.10	1.56	1.14	1.06	1.00	1.07								
Quick Ratio	1.53	2.11	1.73	1.85	1.78	1.49	1.47	1.78	1.30	0.96	0.90	0.84	0.92								
Total Asset Growth Rate	-3.06%	22.59%	11.55%	14.83%	29.08%	31.78%	-4.27%	-11.21%	18.73%	27.55%	21.68%	21.48%	18.73%								
Tangible Fixed Asset Growth Rate	-3.04%	18.27%	23.81%	5.16%	35.87%	33.17%	12.54%	-4.86%	29.52%	35.74%	21.18%	25.84%	13.69%								

Source: Company data, J.P. Morgan estimates.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto AC
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Figure 10: Cash Flow Statement

FY JPY mn	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026	FY3/2027E	FY3/2028E	FY3/2029E	FY3/2030E	FY3/2031E
Net Income	-62,848	11,583	3,306	11,329	25,698	41,232	52,187	31,490	33,704	63,713	80,312	109,289	146,056	223,756	274,701
Minority Interest	230	270	267	207	220	331	226	259	346	449	280	280	280	280	280
Depreciation	33,147	24,566	25,136	24,222	35,413	52,715	54,914	46,032	54,205	66,236	80,800	97,400	107,000	119,000	129,400
Change in Working Capital	1,123	-4,421	-6,366	786	-32,392	-14,412	-2,804	31,436	-9,772	-12,084	-28,725	-27,976	-24,770	-58,500	-36,374
Change in Other Current Assets	4,351	817	-962	7,255	5,068	14,575	48,237	95,814	-22,570	-29,924	100,000	210,000	180,000	165,000	150,000
CAPEX	-20,997	-22,409	-22,892	-57,076	-78,189	-60,615	-131,275	-146,583	-157,304	-64,277	-210,000	-300,000	-270,000	-360,000	-290,000
Change in Investments	-5,046	-7,848	12,812	4,681	-33,737	3,560	3,296	-48,824	51,369	26,512	0	0	0	0	0
Change in Intangible assets	955	524	-473	-324	-906	-56	269	589	241	-69	0	0	0	0	0
Change in Other Fixed Assets	704	-708	-3,840	-1,564	6,941	-2,588	-6,002	14,323	-15,920	-11,374	0	0	0	0	0
FCF	-48,381	2,374	6,988	-10,484	-71,884	34,742	19,048	24,536	-65,701	39,182	22,667	88,993	138,566	89,536	228,008
Change in Interest Bearing Debt	-66	-56	25	80,000	144	19,856	100,000	73,446	-500	-150,500	0	0	0	0	0
Dividends	-4,658	-4,890	-4,890	-4,891	-4,886	-5,584	-6,982	-5,588	-5,584	-6,981	-9,773	-15,357	-18,149	-27,922	-33,506
Treasury Stock	-3	15,696	7	27	-711	22	138	143	-514	45	0	0	0	0	0
CF from Other Financial Activities	-3,308	2,293	-8,758	-9,009	27,494	12,992	9,320	49,660	-32,055	2,801	0	0	0	0	0
CF	-56,416	15,417	-6,628	55,643	-49,843	62,028	121,524	142,197	-104,354	-115,453	12,894	73,636	120,416	61,614	194,501
Cash and Cash Equivalents	104,181	117,760	113,492	175,151	126,884	185,592	302,419	443,583	390,656	295,681	308,575	382,211	502,627	564,242	758,743
Key financial index															
ROE	-21.53%	4.31%	1.20%	4.20%	8.80%	12.12%	13.32%	6.89%	6.84%	12.25%	13.72%	16.37%	18.76%	23.79%	23.70%
ROA	-14.25%	2.75%	0.77%	2.41%	4.68%	6.64%	6.86%	3.17%	3.05%	6.24%	7.65%	8.42%	9.06%	11.42%	11.68%
Total Asset Turnover	0.604	0.713	0.677	0.629	0.590	0.646	0.549	0.373	0.334	0.408	0.509	0.498	0.465	0.505	0.485
Equity Ratio	63.22%	64.43%	64.03%	51.74%	54.61%	54.88%	48.89%	43.80%	45.35%	57.27%	54.43%	49.13%	47.60%	48.30%	50.13%
DuPont System															
ROE	-21.53%	4.31%	1.20%	4.20%	8.80%	12.12%	13.32%	6.89%	6.84%	12.25%	13.72%	16.37%	18.76%	23.79%	23.70%
Net Profit Margin	-23.59%	3.86%	1.14%	3.83%	7.94%	10.28%	12.50%	8.50%	9.12%	15.31%	15.03%	16.92%	19.47%	22.63%	24.11%
Total Asset Turnover	60.43%	71.34%	67.74%	62.87%	58.96%	64.55%	54.87%	37.28%	33.41%	40.76%	50.88%	49.79%	46.53%	50.46%	48.47%
Financial Leverage Ratio	1.58	1.55	1.56	1.93	1.83	1.82	2.05	2.28	2.21	1.75	1.84	2.04	2.10	2.07	1.99

Source: Company data, J.P. Morgan estimates.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Investment Thesis, Valuation and Risks

Ibiden (4062) *(Overweight; Price Target: ¥28,500)*

Investment Thesis

In addition to the company's dominant market share in substrates for GPUs for AI servers, we also expect the company to see major earnings growth in EMIB substrates for ASICs and in standard ABF substrates from growing demand for AI servers. We believe Ibiden is well-positioned to maximize benefits from the shift to larger and higher multi-layered FC-BGA substrates for AI server-use GPUs because of its strong technological abilities.

Valuation

Our December 2027 price target of ¥28,500 is based on (1) the ¥16,300 value derived from a zero-growth ROIC model (EV/IC = ROIC/WACC) using our FY2030 estimates (Rf = 2.57%, Rp = 5.15%, beta = 1.30, WACC = 5.9%) plus (2) Ibiden's 75% premium to the sector-average P/E (from August 2025 to July 2026, 12-month forward Bloomberg consensus basis), reflecting the rise in Ibiden's share price since August 2025 on expectations for earnings growth for AI server applications. Our price target is equivalent to a P/E of 31x our FY2030 EPS estimate.

ROIC Valuation

ROIC Valuation																
FY JPY mn	FY3/2016	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026	FY3/2027E	FY3/2028E	FY3/2029E	FY3/2030E	FY3/2031E
NOPAT	15,405	8,604	11,786	4,958	14,018	32,108	50,809	54,901	34,180	34,999	46,697	83,983	112,890	149,657	227,096	278,041
yoy % chg.	-	-44.15%	37.00%	-57.94%	182.76%	129.06%	58.24%	8.05%	-37.74%	2.40%	33.42%	79.85%	34.42%	32.57%	51.74%	22.43%
Invested Capital	402,441	332,668	359,036	345,394	421,145	475,666	541,902	690,928	854,452	834,130	732,841	803,661	897,872	1,026,058	1,222,172	1,463,647
yoy % chg.	-	-17.34%	7.93%	-3.80%	21.93%	12.95%	13.92%	27.50%	23.67%	-2.38%	-12.14%	9.66%	11.72%	14.28%	19.11%	19.76%
ROIC	3.83%	2.34%	3.41%	1.41%	3.66%	7.16%	9.99%	8.91%	4.42%	4.15%	5.96%	10.93%	13.27%	15.56%	20.20%	20.70%
WACC	8.00%	7.11%	7.41%	7.08%	6.66%	7.09%	4.81%	5.76%	8.34%	6.49%	11.65%	5.90%	5.90%	5.90%	5.90%	5.90%
ROIC-WACC	-4.18%	-4.77%	-4.01%	-5.68%	-3.00%	0.08%	5.18%	3.15%	-3.92%	-2.35%	-5.69%	5.04%	7.37%	9.66%	14.31%	14.81%
ROIC/WACC	0.48	0.33	0.46	0.20	0.55	1.01	2.08	1.55	0.53	0.64	0.51	1.85	2.25	2.64	3.43	3.51
EV/IC	0.41	0.35	0.43	0.42	0.59	1.04	1.39	0.82	1.12	0.89	1.15	1.16	1.19	1.10	1.01	0.81
EV	165,811	117,326	153,855	144,332	246,870	493,595	753,626	565,241	960,706	743,545	845,796	932,902	1,069,266	1,128,849	1,232,235	1,187,734
MV	242,708	195,552	253,564	226,936	306,452	538,503	833,826	658,972	1,090,881	757,938	900,336	900,336	900,336	900,336	900,336	900,336
Theoretical Enterprise Value	192,440	109,500	165,026	68,630	231,427	480,738	1,125,944	1,068,419	453,126	532,711	374,891	1,490,139	2,020,800	2,707,528	4,187,895	5,139,999
ΔTheoretical Enterprise Value	-	-82,940	55,525	-96,395	162,797	249,311	645,206	-57,525	-615,293	79,585	-157,820	1,115,248	530,660	686,728	1,480,367	952,103
ΔIC	-	-69,773	26,368	-13,642	75,751	54,521	66,236	149,026	163,524	-20,322	-101,289	70,820	94,212	128,186	196,114	241,475
ΔEVA/WACC	-	-13,167	29,157	-82,753	87,046	194,790	578,970	-206,551	-778,817	99,907	-56,531	1,044,428	436,449	558,542	1,284,253	710,629
Total	-	-82,940	55,525	-96,395	162,797	249,311	645,206	-57,525	-615,293	79,585	-157,820	1,115,248	530,660	686,728	1,480,367	952,103
Theoretical Market Capitalization	230,277	143,620	212,781	112,092	256,548	457,448	1,141,506	1,100,808	473,135	488,307	397,146	1,425,288	1,819,584	2,446,729	3,823,711	4,820,315
Valuation per share (JPY)	1,000	1,000	1,000	0	1,000	2,000	4,000	4,000	2,000	2,000	1,000	5,000	6,200	8,300	12,900	16,300
yoy % chg.	-	0.00%	0.00%	-100.00%	#DIV/0!	100.00%	100.00%	0.00%	-50.00%	0.00%	-50.00%	400.00%	24.00%	33.87%	55.42%	26.36%
Deviation from Actual Stock Price	9.66%	36.11%	10.20%	-100.00%	-8.80%	3.69%	33.94%	69.54%	-45.78%	-22.00%	-67.17%	-72.87%	-66.36%	-54.96%	-30.01%	-11.56%
Implied P/E (x)	30.58	-2.29	18.37	33.91	22.65	17.80	27.68	21.09	15.02	14.49	6.23	17.75	16.65	16.75	17.09	17.55
Implied EV/EBITDA (x)	2.89	2.72	4.00	1.95	5.27	6.49	9.11	8.39	4.84	5.23	2.92	7.59	7.95	8.56	9.54	9.85
Implied PBR (x)	0.70	0.56	0.76	0.41	0.96	1.45	3.13	2.63	0.96	1.00	0.72	2.30	2.55	2.90	3.68	3.77

Source: Company report, Bloomberg Finance L.P., J.P. Morgan estimates.
Note: Market capitalization as of July 13. Implied P/E is on a fully diluted basis.

Risks to Rating and Price Target

Upside Scenario to Target Price/Rating

- Better-than-expected profitability improvement for FC-BGA substrates for major CPU makers
- Yen depreciation
- Further market share growth for AI GPU substrates, volume upside for ASIC substrates

Downside Scenario to Target Price/Rating

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

- Inventory adjustments for AI servers, peaking-out of AI investment cycle
- Market share decline for BGA substrates for AI GPUs
- Procurement difficulties for core materials
- Roadmap delays in logic semiconductors, AI servers, etc.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Ibiden (4062): Summary of Financials

Income Statement	2026/3A	2027/3E	2028/3E	2029/3E
Revenue	**416,201.0**	**534,406.0**	**645,931.0**	**750,071.0**
COGS	(284,532)	(342,784)	(407,014)	(452,630)
Gross profit	**131,669**	**191,622**	**238,917**	**297,441**
SG&A	(69,642)	(76,000)	(82,000)	(88,000)
EBITDA	**128,263**	**196,422**	**254,317**	**316,441**
D&A	(66,236)	(80,800)	(97,400)	(107,000)
EBIT	**62,027.0**	**115,621.8**	**156,916.8**	**209,440.8**
Net Interest	2,402	2,410	2,410	2,410
PBT	**91,092**	**115,132**	**156,527**	**209,051**
Tax	(26,929)	(34,540)	(46,958)	(62,715)
Minority Interest	(449)	(280)	(280)	(280)
Net Income	**63,713**	**80,312**	**109,289**	**146,056**
Reported EPS	**215.6**	**271.7**	**369.7**	**494.1**
DPS	**25.00**	**35.00**	**55.00**	**65.00**
Payout ratio	11.6%	12.9%	14.9%	13.2%
Shares outstanding	279	279	279	279

Balance Sheet	2026/3A	2027/3E	2028/3E	2029/3E
Cash and cash equivalents	295,681.0	308,575.1	382,210.8	502,627.3
Accounts receivable	81,810	105,045	126,967	147,437
Inventories	70,962	85,490	101,509	112,886
Other current assets	169,860	207,623	245,564	277,410
Current assets	**465,541**	**516,198**	**627,774**	**780,038**
PP&E	437,704	566,904	769,504	932,504
LT investments	-	-	-	-
Other non current assets	57,180	57,180	57,180	57,180
Total assets	**960,425**	**1,140,282**	**1,454,458**	**1,769,722**
Short term borrowings	15,000	15,000	15,000	15,000
Payables	44,143	53,180	63,145	70,222
Other short term liabilities	162,502	262,502	472,502	652,502
Current liabilities	**221,645**	**330,682**	**550,647**	**737,724**
Long-term debt	177,476	177,476	177,476	177,476
Other long term liabilities	179,451	179,451	179,451	179,451
Total liabilities	**403,013**	**512,050**	**732,015**	**919,092**
Shareholders' equity	550,073.0	620,612.5	714,544.1	842,450.4
Minority interests	7,339	7,619	7,899	8,179
Total liabilities & equity	**960,425**	**1,140,282**	**1,454,458**	**1,769,722**
BVPS	**1970.0**	**2222.7**	**2559.1**	**3017.1**
y/y Growth	*12.1%*	*12.8%*	*15.1%*	*17.9%*
Net debt/(cash)	(103,205)	(116,099)	(189,735)	(310,151)

Cash Flow Statement	2026/3A	2027/3E	2028/3E	2029/3E
Cash flow from operating activities	**77,016**	**232,667**	**388,993**	**408,566**
o/w Depreciation & amortization	66,236	80,800	97,400	107,000
o/w Changes in working capital	(12,084)	(28,725)	(27,976)	(24,770)
Cash flow from investing activities	**(37,834)**	**(210,000)**	**(300,000)**	**(270,000)**
o/w Capital expenditure	(64,277)	(210,000)	(300,000)	(270,000)
as % of sales	*15.4%*	*39.3%*	*46.4%*	*36.0%*
Cash flow from financing activities	**(154,635)**	**(9,773)**	**(15,357)**	**(18,149)**
o/w Dividends paid	(6,981)	(9,773)	(15,357)	(18,149)
o/w Shares issued/(repurchased)	0	0	0	0
o/w Net debt issued/(repaid)	(150,500)	0	0	0
Net change in cash	**(115,453)**	**12,894**	**73,636**	**120,416**
Adj. Free cash flow to firm	**11,047**	**20,980**	**87,306**	**136,879**
y/y Growth	*-109.2%*	*89.9%*	*316.1%*	*56.8%*

Ratio Analysis	2026/3A	2027/3E	2028/3E	2029/3E
Gross margin	31.6%	35.9%	37.0%	39.7%
EBITDA margin	30.8%	36.8%	39.4%	42.2%
EBIT margin	14.9%	21.6%	24.3%	27.9%
Net profit margin	15.3%	15.0%	16.9%	19.5%
ROE	12.2%	13.7%	16.4%	18.8%
ROA	6.2%	7.6%	8.4%	9.1%
ROCE	5.5%	10.4%	12.8%	15.1%
SG&A/Sales	16.7%	14.2%	12.7%	11.7%
Net debt/Equity	NM	NM	NM	NM
Net debt/EBITDA	NM	NM	NM	NM
Sales/Assets (x)	0.4	0.5	0.5	0.5
Assets/Equity (x)	2.0	1.8	1.9	2.1
Interest cover (x)	NM	NM	NM	NM
Operating leverage	239.0%	304.2%	171.1%	207.6%
Tax rate	29.6%	30.0%	30.0%	30.0%
Revenue y/y Growth	12.7%	28.4%	20.9%	16.1%
EBITDA y/y Growth	26.0%	53.1%	29.5%	24.4%
EPS y/y growth	89.0%	26.1%	36.1%	33.6%

Valuation	2026/3A	2027/3E	2028/3E	2029/3E
P/E (x)	89.7	71.2	52.3	39.1
P/BV (x)	9.8	8.7	7.6	6.4
EV/EBITDA (x)	6.6	4.7	4.2	3.6
Dividend Yield	0.1%	0.2%	0.3%	0.3%

Source: Company reports and J.P. Morgan estimates.
Note: ¥ in millions (except per-share data).Fiscal year ends Mar. o/w - out of which

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto AC
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Analyst Certification: The Research Analyst(s) denoted by an "AC" on the cover of this report certifies (or, where multiple Research Analysts are primarily responsible for this report, the Research Analyst denoted by an "AC" on the cover or within the document individually certifies, with respect to each security or issuer that the Research Analyst covers in this research) that: (1) all of the views expressed in this report accurately reflect the Research Analyst's personal views about any and all of the subject securities or issuers; and (2) no part of any of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this report. For all Korea-based Research Analysts listed on the front cover, if applicable, they also certify, as per KOFIA requirements, that the Research Analyst's analysis was made in good faith and that the views reflect the Research Analyst's own opinion, without undue influence or intervention.

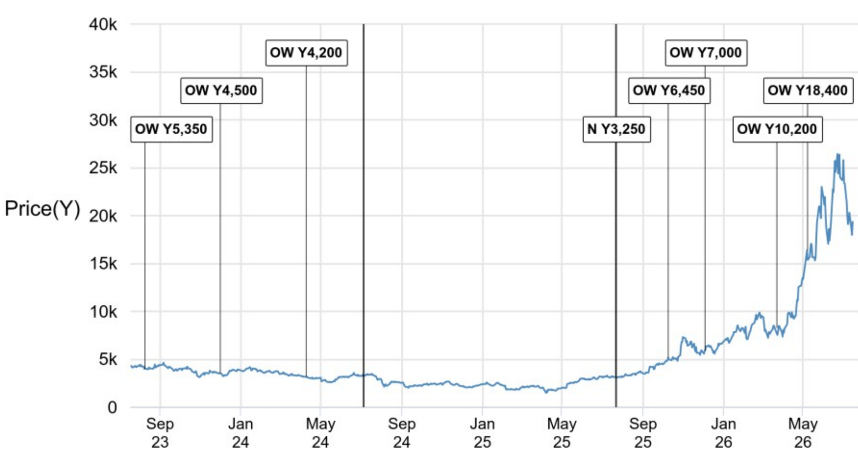
All authors named within this report are Research Analysts who produce independent research unless otherwise specified. In Europe, Sector Specialists (Sales and Trading) may be shown on this report as contacts but are not authors of the report or part of the Research Department.

Important Disclosures

- **Market Maker/ Liquidity Provider:** J.P. Morgan is a market maker and/or liquidity provider in the financial instruments of/related to Ibiden (4062) or related entities.
- **Beneficial Ownership (1% or more):** J.P. Morgan beneficially owns 1% or more of a class of common equity securities of Ibiden (4062) or related entities.
- **Client:** J.P. Morgan currently has, or had within the past 12 months, the following entity(ies) as clients: Ibiden (4062) or related entities.
- **Client/Non-Investment Banking, Securities-Related:** J.P. Morgan currently has, or had within the past 12 months, the following entity(ies) as clients, and the services provided were non-investment-banking, securities-related: Ibiden (4062) or related entities.
- **Potential Investment Banking Compensation:** J.P. Morgan expects to receive, or intends to seek, compensation for investment banking services in the next three months from Ibiden (4062) or related entities.
- **Non-Investment Banking Compensation Received:** J.P. Morgan has received compensation in the past 12 months for products or services other than investment banking from Ibiden (4062) or related entities.
- **Debt Position:** J.P. Morgan may hold a position in the debt securities of Ibiden (4062) or related entities, if any.

Company-Specific Disclosures: J.P. Morgan does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Important disclosures, including price charts and credit opinion history tables (if applicable), are available for compendium reports and all J.P. Morgan–covered companies, and certain non-covered companies, by visiting https://www.jpmm.com/research/disclosures, calling 1-800-477-0406, or e-mailing research.disclosure.inquiries@jpmorgan.com with your request.

Ibiden (4062) (4062.T, 4062 JP) Price Chart



Date	Rating	Price (Y)	Price Target (Y)
09-Aug-23	OW	3994	5,350
02-Dec-23	OW	3556	4,500
09-Apr-24	OW	3166	4,200
22-Jul-25	N	3148	3,250
10-Oct-25	OW	5168	6,450
04-Dec-25	OW	5902	7,000
23-Mar-26	OW	8268	10,200
08-May-26	OW	16375	18,400
15-Jul-26	OW	17980	28,500

Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage Nov 14, 2001. All share prices are as of market close on the previous business day.
Break in coverage Jul 04, 2024 - Jul 22, 2025.

The chart(s) show J.P. Morgan's continuing coverage of the stocks; the current analysts may or may not have covered it over the entire period.
J.P. Morgan ratings or designations: OW = Overweight, N= Neutral, UW = Underweight, NR = Not Rated

Explanation of Equity Research Ratings, Designations and Analyst(s) Coverage Universe:

J.P. Morgan uses the following rating system: Overweight (over the duration of the price target indicated in this report, we expect this stock will outperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe); Neutral (over the duration of the price target indicated in this report, we expect this stock will perform in line with the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe); and Underweight (over the duration of the price target indicated in this report, we expect this stock will underperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe. NR is Not Rated. In this case, J.P. Morgan has removed the rating and, if applicable, the price target, for this stock because of either a lack of a sufficient fundamental basis or for legal, regulatory or policy reasons. The previous rating and, if applicable, the price target, no longer should be relied upon. An NR designation is not a recommendation or a rating. Some stocks under coverage have a rating but no price target; in these cases, we expect the stock will outperform/perform in line/underperform the average total return of the stocks in the Research Analyst's, or the Research Analyst's team's, coverage universe of the relevant duration of the region. In our Asia (ex-Australia and ex-India) and U.K. small- and mid-cap Equity Research, each stock's expected total return is compared to the expected total return of a benchmark country market index, not to those Research Analysts' coverage universe. If it does not appear in the Important Disclosures section of this report, the certifying Research Analyst's coverage universe can be found on J.P. Morgan's Research website, https://www.jpmorganmarkets.com.

Coverage Universe: Kanemoto, Akinori : Alps Alpine (6770) (6770.T), Hirose Electric (6806) (6806.T), Ibiden (4062) (4062.T), Japan Aviation Electronics (6807) (6807.T), Kyocera (6971) (6971.T), MinebeaMitsumi (6479) (6479.T), Murata Manufacturing (6981) (6981.T), NISSHA (7915) (7915.T), Nichicon (6996) (6996.T), Nidec (6594) (6594.T), Nippon Chemi-Con (6997) (6997.T), Niterra (5334) (5334.T), Rohm (6963) (6963.T), TDK (6762) (6762.T), Taiyo Yuden (6976) (6976.T), Wacom (6727) (6727.T)

J.P. Morgan Equity Research Ratings Distribution, as of July 04, 2026

	Overweight (buy)	**Neutral** (hold)	**Underweight** (sell)
J.P. Morgan Global Equity Research Coverage*	53%	36%	12%
IB clients**	83%	80%	73%
JPMS Equity Research Coverage*	51%	37%	12%
IB clients**	95%	92%	87%

***Please note that the percentages may not add to 100% because of rounding.**
****Percentage of subject companies within each of the "buy," "hold" and "sell" categories for which J.P. Morgan has provided investment banking services within the previous 12 months.**
For purposes of FINRA ratings distribution rules only, our Overweight rating falls into a buy rating category; our Neutral rating falls into a hold rating category; and our Underweight rating falls into a sell rating category. Please note that stocks with an NR designation are not included in the table above. This information is current as of the end of the most recent calendar quarter.

Equity Valuation and Risks: For valuation methodology and risks associated with covered companies or price targets for covered companies, please see the most recent company-specific research report at http://www.jpmorganmarkets.com, contact the primary analyst or your J.P. Morgan representative, or email research.disclosure.inquiries@jpmorgan.com. For material information about the proprietary models used, please see the Summary of Financials in company-specific research reports and the Company Tearsheets, which are available to download on the company pages of our client website, http://www.jpmorganmarkets.com. This report also sets out within it the material underlying assumptions used.

History of Investment Recommendations:
A history of J.P. Morgan investment recommendations disseminated during the preceding 12 months can be accessed on the Research & Commentary page of http://www.jpmorganmarkets.com where you can also search by analyst name, sector or financial instrument.

Analysts' Compensation: The research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues.

Registration of non-US Analysts: Unless otherwise noted, the non-US analysts listed on the front of this report are employees of non-US affiliates of J.P. Morgan Securities LLC, may not be registered as research analysts under FINRA rules, may not be associated persons of J.P. Morgan Securities LLC, and may not be subject to FINRA Rule 2241 or 2242 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

Other Disclosures

J.P. Morgan is a marketing name for investment banking businesses of JPMorgan Chase & Co. and its subsidiaries and affiliates worldwide.

UK MIFID FICC research unbundling exemption: UK clients should refer to UK MIFID Research Unbundling exemption for details of J.P. Morgan's implementation of the FICC research exemption and guidance on relevant FICC research categorisation.

All research material made available to clients are simultaneously available on our client website, J.P. Morgan Markets, unless specifically permitted by relevant laws. Not all research content is redistributed, e-mailed or made available to third-party aggregators. For all research material available on a particular stock, please contact your sales representative.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Any long form nomenclature for references to China; Hong Kong; Taiwan; and Macau within this research material are Mainland China; Hong Kong SAR (China); Taiwan (China); and Macau SAR (China).

J.P. Morgan Research may, from time to time, write on issuers or securities targeted by economic or financial sanctions imposed or administered by the governmental authorities of the U.S., EU, UK or other relevant jurisdictions (Sanctioned Securities). Nothing in this report is intended to be read or construed as encouraging, facilitating, promoting or otherwise approving investment or dealing in such Sanctioned Securities. Clients should be aware of their own legal and compliance obligations when making investment decisions.

Any digital or crypto assets discussed in this research report are subject to a rapidly changing regulatory landscape. For relevant regulatory advisories on crypto assets, including bitcoin and ether, please see https://www.jpmorgan.com/disclosures/cryptoasset-disclosure.

The author(s) of this research report may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so.

Exchange-Traded Funds (ETFs): J.P. Morgan Securities LLC (“JPMS”) acts as authorized participant for substantially all U.S.-listed ETFs. To the extent that any ETFs are mentioned in this report, JPMS may earn commissions and transaction-based compensation in connection with the distribution of those ETF shares and may earn fees for performing other trade-related services, such as securities lending to short sellers of the ETF shares. JPMS may also perform services for the ETFs themselves, including acting as a broker or dealer to the ETFs. In addition, affiliates of JPMS may perform services for the ETFs, including trust, custodial, administration, lending, index calculation and/or maintenance and other services.

Options and Futures related research: If the information contained herein regards options- or futures-related research, such information is available only to persons who have received the proper options or futures risk disclosure documents. Please contact your J.P. Morgan Representative or visit https://www.theocc.com/components/docs/riskstoc.pdf for a copy of the Option Clearing Corporation's Characteristics and Risks of Standardized Options or https://www.finra.org/sites/default/files/2020-08/Security_Futures_Risk_Disclosure_Statement_2020.pdf for a copy of the Security Futures Risk Disclosure Statement.

Changes to Interbank Offered Rates (IBORs) and other benchmark rates: Certain interest rate benchmarks are, or may in the future become, subject to ongoing international, national and other regulatory guidance, reform and proposals for reform. For more information, please consult: https://www.jpmorgan.com/global/disclosures/interbank_offered_rates

Notification for Credit Ratings: If this material includes credit ratings, such credit ratings provided by Japan Credit Rating Agency, Ltd. (JCR) and Rating and Investment Information, Inc. (R&I), are credit ratings provided by Registered Credit Rating Agencies (credit rating agencies registered under the Financial Instruments and Exchange Law of Japan (FIEL)). With respect to credit ratings that are provided by credit rating agencies other than JCR and R&I and have no stipulation that such credit ratings are provided by Registered Credit Rating Agencies, this means that such credit ratings are Non Registered Ratings (credit ratings provided by credit rating agencies not registered under the FIEL). Among the Non Registered Ratings, with respect to those credit ratings provided by S&P Global Ratings (S&P), Moody’s Investors Service (Moody’s), or Fitch Ratings (Fitch), prior to making investment decision based on such Non Registered Ratings, please carefully read the “Explanation Letter regarding Non Registered Ratings” for the corresponding credit rating agency, which we separately have sent or will send.

Private Bank Clients: Where you are receiving research as a client of the private banking businesses offered by JPMorgan Chase & Co. and its subsidiaries (“J.P. Morgan Private Bank”), research is provided to you by J.P. Morgan Private Bank and not by any other division of J.P. Morgan, including, but not limited to, the J.P. Morgan Corporate and Investment Bank and its Global Research division.

Legal entity responsible for the production and distribution of research: The legal entity identified below the name of the Reg AC Research Analyst who authored this material is the legal entity responsible for the production of this research. Where multiple Reg AC Research Analysts authored this material with different legal entities identified below their names, these legal entities are jointly responsible for the production of this research. Where more than one legal entity is listed under an analyst’s name, the first legal entity is responsible for the production unless stated otherwise. Research Analysts from various J.P. Morgan affiliates may have contributed to the production of this material but may not be licensed to carry out regulated activities in your jurisdiction (and do not hold themselves out as being able to do so). Unless otherwise stated below in the legal entity disclosures, this material has been distributed by the legal entity responsible for production, or where more than one legal entity is listed under the analyst’s name, the first legal entity will be responsible for distribution. If you have any queries, please contact the relevant Research Analyst in your jurisdiction or the entity in your jurisdiction that has distributed this research material.

Legal Entities Disclosures and Country-/Region-Specific Disclosures:
Argentina: JPMorgan Chase Bank N.A Sucursal Buenos Aires is regulated by Banco Central de la República Argentina (“BCRA”- Central Bank of Argentina) and Comisión Nacional de Valores (“CNV”- Argentinian Securities Commission - ALYC y AN Integral N°51).

Australia: J.P. Morgan Securities Australia Limited (“JPMSAL”) (ABN 61 003 245 234/AFS Licence No: 238066) is regulated by the Australian Securities and Investments Commission and is a Market Participant of ASX Limited, a Clearing and Settlement Participant of ASX Clear Pty Limited and a Clearing Participant of ASX Clear (Futures) Pty Limited. This material is issued and distributed in Australia by or on behalf of JPMSAL only to "wholesale clients" (as defined in section 761G of the Corporations Act 2001). A list of all financial products covered can be found by visiting https://www.jpmm.com/research/disclosures. J.P. Morgan seeks to cover companies of relevance to the domestic and international investor base across all Global Industry Classification Standard (GICS) sectors, as well as across a range of market capitalisation sizes. If applicable, in the course of conducting public side due diligence on the subject company(ies), the Research Analyst team may at times perform such diligence through corporate engagements such as site visits, discussions with company representatives, management presentations, etc. Research issued by JPMSAL has been prepared in accordance with J.P. Morgan Australia's Research Independence Policy which can be found at the following link: J.P. Morgan Australia - Research Independence Policy.

Brazil: Banco J.P. Morgan S.A. is regulated by the Comissao de Valores Mobiliarios (CVM) and by the Central Bank of Brazil. Ombudsman J.P. Morgan: 0800-7700847 / 0800-7700810 (For Hearing Impaired) / ouvidoria.jp.morgan@jpmchase.com.

Canada: J.P. Morgan Securities Canada Inc. is a registered investment dealer, regulated by the Canadian Investment Regulatory Organization and the Ontario Securities Commission and is the participating member on Canadian exchanges. This material is distributed in Canada by or on behalf of J.P.Morgan Securities Canada Inc.

Chile: Inversiones J.P. Morgan Limitada is an unregulated entity incorporated in Chile.

China: J.P. Morgan Securities (China) Company Limited has been approved by CSRC to conduct the securities investment consultancy business.

Colombia: Banco J.P. Morgan Colombia S.A. is supervised by the Superintendencia Financiera de Colombia (SFC). Any reference in this material to products or services offered abroad by entities other than the Bank in Colombia is included exclusively for descriptive purposes. Such references do not constitute, and should not be construed as, promotional activity or the provision of financial products or services within Colombian territory, as defined under applicable Colombian regulation.

Dubai International Financial Centre (DIFC): JPMorgan Chase Bank, N.A., Dubai Branch is regulated by the Dubai Financial Services Authority (DFSA) and its registered address is Dubai International Financial Centre - The Gate, West Wing, Level 3 and 9 PO Box 506551, Dubai, UAE. This material has been distributed by JP Morgan Chase Bank, N.A., Dubai Branch to persons regarded as professional clients or market counterparties as defined under the DFSA rules.

European Economic Area (EEA): Unless specified to the contrary, research is distributed in the EEA by J.P. Morgan SE ("JPM SE"), which is authorised as a credit institution by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB). JPM SE is a company headquartered in Frankfurt with registered address at TaunusTurm, Taunustor 1, Frankfurt am Main, 60310, Germany. The material has been distributed in the EEA to persons regarded as professional investors (or equivalent) pursuant to Art. 4 para. 1 no. 10 and Annex II of MiFID II and its respective implementation in their home jurisdictions ("EEA professional investors"). This material must not be acted on or relied on by persons who are not EEA professional investors. Any investment or investment activity to which this material relates is only available to EEA relevant persons and will be engaged in only with EEA relevant persons.

Hong Kong: J.P. Morgan Securities (Asia Pacific) Limited (CE number AAJ321) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission in Hong Kong, and J.P. Morgan Broking (Hong Kong) Limited (CE number AAB027) is regulated by the Securities and Futures Commission in Hong Kong. JP Morgan Chase Bank, N.A., Hong Kong Branch (CE Number AAL996) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission, is organized under the laws of the United States with limited liability. Where the distribution of this material is a regulated activity in Hong Kong, the material is distributed in Hong Kong by or through J.P. Morgan Securities (Asia Pacific) Limited and/or J.P. Morgan Broking (Hong Kong) Limited.

India: J.P. Morgan India Private Limited (Corporate Identity Number - U67120MH1992FTC068724), having its registered office at J.P. Morgan Tower, Off. C.S.T. Road, Kalina, Santacruz - East, Mumbai – 400098, is registered with the Securities and Exchange Board of India (SEBI) as a 'Research Analyst' having registration number INH000001873. J.P. Morgan India Private Limited is also registered with SEBI as a member of the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited (SEBI Registration Number – INZ000239730) and as a Merchant Banker (SEBI Registration Number - MB/INM000002970). Telephone: 91-22-6157 3000, Facsimile: 91-22-6157 3990 and Website: http://www.jpmipl.com. JPMorgan Chase Bank, N.A. - Mumbai Branch is licensed by the Reserve Bank of India (RBI) (Licence No. 53/ Licence No. BY.4/94; SEBI - IN/CUS/014/ CDSL : IN-DP-CDSL-444-2008/ IN-DP-NSDL-285-2008/ INBI00000984/ INE231311239) as a Scheduled Commercial Bank in India, which is its primary license allowing it to carry on Banking business in India and other activities, which a Bank branch in India are permitted to undertake. For non-local research material, this material is not distributed in India by J.P. Morgan India Private Limited. Compliance Officer: Ashutosh Sharma; ashutosh.j.sharma@jpmchase.com; +912261575002. Grievance Officer: Ramprasadh K, jpmipl.research.feedback@jpmorgan.com; +912261573000. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Please visit Terms and Conditions and Most Important Terms and Conditions (MITC). The annual Compliance audit report is available at http://www.jpmipl.com/#research.

Indonesia: PT J.P. Morgan Sekuritas Indonesia is a member of the Indonesia Stock Exchange and is registered and supervised by the Otoritas Jasa Keuangan (OJK).

Korea: J.P. Morgan Securities (Far East) Limited, Seoul Branch, is a member of the Korea Exchange (KRX). JPMorgan Chase Bank, N.A., Seoul Branch, is licensed as a branch office of foreign bank (JPMorgan Chase Bank, N.A.) in Korea. Both entities are regulated by the Financial Services Commission (FSC) and the Financial Supervisory Service (FSS). For non-macro research material, the material is distributed in Korea by or through J.P. Morgan Securities (Far East) Limited, Seoul Branch.

Japan: JPMorgan Securities Japan Co., Ltd. and JPMorgan Chase Bank, N.A., Tokyo Branch are regulated by the Financial Services Agency in Japan.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Malaysia: This material is issued and distributed in Malaysia by JPMorgan Securities (Malaysia) Sdn Bhd (18146-X), which is a Participating Organization of Bursa Malaysia Berhad and holds a Capital Markets Services License issued by the Securities Commission in Malaysia.

Mexico: J.P. Morgan Casa de Bolsa, S.A. de C.V., J.P. Morgan Grupo Financiero is member of the Mexican Stock Exchange ("Bolsa Mexicana de Valores") and the Institutional Stock Exchange ("Bolsa Institucional de Valores"), and it is authorized to act as a broker dealer by the National Banking and Securities Exchange Commission ("Comisión Nacional Bancaria y de Valores").

New Zealand: This material is issued and distributed by JPMSAL in New Zealand only to "wholesale clients" (as defined in the Financial Markets Conduct Act 2013). JPMSAL is registered as a Financial Service Provider under the Financial Service providers (Registration and Dispute Resolution) Act of 2008.

Philippines: J.P. Morgan Securities Philippines Inc. is a Trading Participant of the Philippine Stock Exchange and a member of the Securities Clearing Corporation of the Philippines and the Securities Investor Protection Fund. It is regulated by the Securities and Exchange Commission.

Singapore: This material is issued and distributed in Singapore by or through J.P. Morgan Securities Singapore Private Limited (JPMSS) [MDDI (P) 057/08/2025 and Co. Reg. No.: 199405335R], which is a member of the Singapore Exchange Securities Trading Limited, and/or JPMorgan Chase Bank, N.A., Singapore branch (JPMCB Singapore), both of which are regulated by the Monetary Authority of Singapore. This material is issued and distributed in Singapore only to accredited investors, expert investors and institutional investors, as defined in Section 4A of the Securities and Futures Act, Cap. 289 (SFA). This material is not intended to be issued or distributed to any retail investors or any other investors that do not fall into the classes of "accredited investors," "expert investors" or "institutional investors," as defined under Section 4A of the SFA. Recipients of this material in Singapore are to contact JPMSS or JPMCB Singapore in respect of any matters arising from, or in connection with, the material.

South Africa: J.P. Morgan Equities South Africa Proprietary Limited and JPMorgan Chase Bank, N.A., Johannesburg Branch are members of the Johannesburg Securities Exchange and are regulated by the Financial Services Conduct Authority (FSCA).

Taiwan: J.P. Morgan Securities (Taiwan) Limited is a participant of the Taiwan Stock Exchange (company-type) and regulated by the Taiwan Securities and Futures Bureau. Material relating to equity securities is issued and distributed in Taiwan by J.P. Morgan Securities (Taiwan) Limited, subject to the license scope and the applicable laws and the regulations in Taiwan. **To the extent that J.P. Morgan Securities (Taiwan) Limited produces research materials on securities not listed on the Taiwan Stock Exchange or Taipei Exchange ("Non-Taiwan Listed Securities"), these materials shall not constitute securities recommendations for the purpose of applicable Taiwan regulations, and, for the avoidance of doubt, J.P. Morgan Securities (Taiwan) Limited does not act as broker for Non-Taiwan Listed Securities.** According to Paragraph 2, Article 7-1 of Operational Regulations Governing Securities Firms Recommending Trades in Securities to Customers (as amended or supplemented) and/or other applicable laws or regulations, please note that the recipient of this material is not permitted to engage in any activities in connection with the material that may give rise to conflicts of interests, unless otherwise disclosed in the "Important Disclosures" in this material.

Thailand: This material is issued and distributed in Thailand by JPMorgan Securities (Thailand) Ltd., which is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. The registered address is 548 One City Center Building, 50th Floor, Ploenchit Road, Lumphini, Pathum Wan, Bangkok 10330.

UK: Research is produced in the UK by J.P. Morgan Securities plc ("JPMS plc") which is a member of the London Stock Exchange and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority or J.P. Morgan Markets Limited ("JPMML Ltd") which is authorised and regulated by the Financial Conduct Authority. Unless specified to the contrary, this material is distributed in the UK by JPMS plc and is directed in the UK only to: (a) persons having professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (Order) 2005 ("the FPO"); (b) persons outlined in article 49 of the FPO (high net worth companies, unincorporated associations or partnerships, the trustees of high value trusts, etc.); or (c) any persons to whom this communication may otherwise lawfully be made; all such persons being referred to as "UK relevant persons". This material must not be acted on or relied on by persons who are not UK relevant persons. Any investment or investment activity to which this material relates is only available to UK relevant persons and will be engaged in only with UK relevant persons. A description of J.P. Morgan EMEA's policy for prevention and avoidance of conflicts of interest related to the production of Research can be found at the following link: J.P. Morgan EMEA - Research Independence Policy.

U.S.: J.P. Morgan Securities LLC ("JPMS") is a member of the NYSE, FINRA, SIPC, and the NFA. JPMorgan Chase Bank, N.A. is a member of the FDIC. Material published by non-U.S. affiliates is distributed in the U.S. by JPMS who accepts responsibility for its content.

General: Additional information is available upon request. The information in this material has been obtained from sources believed to be reliable. While all reasonable care has been taken to ensure that the facts stated in this material are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, JPMorgan Chase & Co. or its affiliates and/or subsidiaries (collectively J.P. Morgan) make no representations or warranties whatsoever to the completeness or accuracy of the material provided, except with respect to any disclosures relative to J.P. Morgan and the Research Analyst's involvement with the issuer that is the subject of the material. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this material. There may be certain discrepancies with data and/or limited content in this material as a result of calculations, adjustments, translations to different languages, and/or local regulatory restrictions, as applicable. These discrepancies should not impact the overall investment analysis, views and/or recommendations of the subject company(ies) that may be discussed in the material. Artificial intelligence tools may have been used in the preparation of this material, including assisting in data analysis, pattern recognition, and content drafting for research material. J.P. Morgan accepts no liability whatsoever for any loss

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

arising from any use of this material or its contents, and neither J.P. Morgan nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof, apart from the liabilities and responsibilities that may be imposed on them by the relevant regulatory authority in the jurisdiction in question, or the regulatory regime thereunder. Opinions, forecasts or projections contained in this material represent J.P. Morgan's current opinions or judgment as of the date of the material only and are therefore subject to change without notice. Periodic updates may be provided on companies/industries based on company-specific developments or announcements, market conditions or any other publicly available information. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections, which represent only one possible outcome. Furthermore, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified, and future actual results or events could differ materially. The value of, or income from, any investments referred to in this material may fluctuate and/or be affected by changes in exchange rates. All pricing is indicative as of the close of market for the securities discussed, unless otherwise stated. Past performance is not indicative of future results. Accordingly, investors may receive back less than originally invested. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies to particular clients. This material may include views on structured securities, options, futures and other derivatives. These are complex instruments, may involve a high degree of risk and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved. The recipients of this material must make their own independent decisions regarding any securities or financial instruments mentioned herein and should seek advice from such independent financial, legal, tax or other adviser as they deem necessary. J.P. Morgan may trade as a principal on the basis of the Research Analysts' views and research, and it may also engage in transactions for its own account or for its clients' accounts in a manner inconsistent with the views taken in this material, and J.P. Morgan is under no obligation to ensure that such other communication is brought to the attention of any recipient of this material. Others within J.P. Morgan, including Strategists, Sales staff and other Research Analysts, may take views that are inconsistent with those taken in this material. Employees of J.P. Morgan not involved in the preparation of this material may have investments in the securities (or derivatives of such securities) mentioned in this material and may trade them in ways different from those discussed in this material. This material is not an advertisement for or marketing of any issuer, its products or services, or its securities in any jurisdiction.

Confidentiality and Security Notice: This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. Although this transmission and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by JPMorgan Chase & Co., its subsidiaries and affiliates, as applicable, for any loss or damage arising in any way from its use. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. This message is subject to electronic monitoring: https://www.jpmorgan.com/disclosures/email

MSCI: Certain information herein ("Information") is reproduced by permission of MSCI Inc., its affiliates and information providers ("MSCI") ©2026. No reproduction or dissemination of the Information is permitted without an appropriate license. MSCI MAKES NO EXPRESS OR IMPLIED WARRANTIES (INCLUDING MERCHANTABILITY OR FITNESS) AS TO THE INFORMATION AND DISCLAIMS ALL LIABILITY TO THE EXTENT PERMITTED BY LAW. No Information constitutes investment advice, except for any applicable Information from MSCI ESG Research. Subject also to msci.com/disclaimer

Sustainalytics: Certain information, data, analyses and opinions contained herein are reproduced by permission of Sustainalytics and: (1) includes the proprietary information of Sustainalytics; (2) may not be copied or redistributed except as specifically authorized; (3) do not constitute investment advice nor an endorsement of any product or project; (4) are provided solely for informational purposes; and (5) are not warranted to be complete, accurate or timely. Sustainalytics is not responsible for any trading decisions, damages or other losses related to it or its use. The use of the data is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers. ©2026 Sustainalytics. All Rights Reserved.

"Other Disclosures" last revised July 04, 2026.

Completed 15 Jul 2026 06:32 PM JST Disseminated 15 Jul 2026 06:35 PM JST