Morgan Stanley | RESEARCH

IDEA

July 12, 2026 08:06 PM GMT

Nanya Technology Corp. | Asia Pacific

Niche DRAM Upcycle May Extend to 2028; OW

WHAT'S CHANGED

Nanya Technology Corp. (2408.TW)	From	To
Price Target	NT$550.00	**NT$580.00**

Reaction to earnings

Unchanged	**— In-line**	**Modest revision higher**
Impact to our thesis	Financial results versus consensus	Direction of next 12-month consensus EPS

Source: Company data, Morgan Stanley Research

2Q26 beat on pricing-led margin expansion, with AI demand and memory shortages supporting further upside into 2H. We expect 3Q revenue to be up at least 25% Q/Q; US$16bn capex adds to 2027-29 capacity and shipment growth.

2Q26 results in-line (Exhibit 8): EPS came in at NT$14.66, +81% Q/Q and 15% above consensus. Revenue grew +68% Q/Q and +684% Y/Y, beating MSe/Street by 4%/18%, on a 60%+ Q/Q ASP increase while shipments were flat Q/Q. AI infrastructure and server-related sales contributed 20-30% of 2Q revenue. Gross margin rose 12ppt Q/Q to 79.5%, 1.7ppt/3.7ppt above MSe/Street, due to price hikes.

Pricing trending up into 2H; not worried about oversupply even into 2028: 3Q26 pricing and profitability should trend up, and 4Q might follow a similar pattern. We expect at least +25% Q/Q revenue in 3Q. Management remains optimistic that a structural shift is intensifying memory shortages and fostering diverse AI innovations (i.e., agentic AI, edge AI, physical AI). Beyond GPUs, CPUs and ASICs driving robust demand for HBM, LPDDR5 and DDR5, AI infrastructure is accelerating adoption of higher-content, higher-performance DRAM in eSSDs, SmartNICs and BMCs. For non-AI demand, management sees continued shipment impact from memory capacity constraints, skewing the mix toward high-end models.

Announcing US$16bn capex spend for 45kwpm capacity expansion during 2027-29: NTC will finish new fab construction this year, start equipment pull in in 1Q27, and build capacity steadily through 2029. Of capex, 80% will be WFE. EUV will be implemented in 2028, potentially for 1C/1D/1E, depending on final arrangements. Besides DDR4/DDR5 and LP products, customized AI/WoW products and AI infrastructure solutions are included in the new fab plan.

Stay OW; raise price target to NT$580: We factor 2027-28e capacity planning into our model and raise NTC's price target to reflect added shipment upside. This implies 5.1x 2027e P/E, which we view as justifiable vs. global peers now trading at 5.1x (Exhibit 7), as we see DDR4 remaining in severe shortage and NTC having LTAs to support future growth. Valuation has returned to an attractive 3.9x 2027e EPS vs. a 2025-28e EPS CAGR of 216%.

MORGAN STANLEY TAIWAN LIMITED+

Charlie Chan
Equity Analyst
Charlie.Chan@morganstanley.com +886 2 2730-1725

Daniel Yen, CFA
Equity Analyst
Daniel.Yen@morganstanley.com +886 2 2730-2863

Tiffany Yeh
Equity Analyst
Tiffany.Yeh@morganstanley.com +886 2 7712-3032

Nanya Technology Corp. (2408.TW, 2408 TT)

Greater China Technology Semiconductors | Taiwan

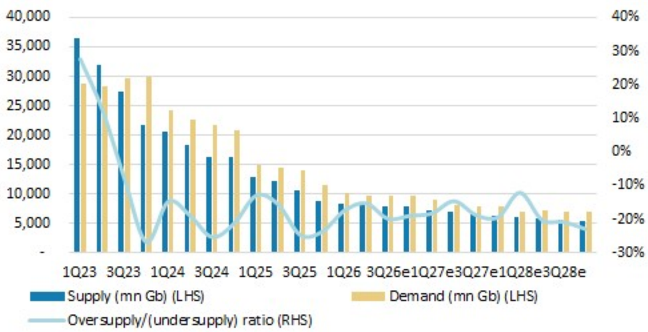
Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	NT$580.00
Up/downside to price target (%)	33
Shr price, close (Jul 9, 2026)	NT$435.50
52-Week Range	NT$505.00-40.20
Sh out, dil, curr (mn)	3,082
Mkt cap, curr (mn)	NT$1,342,253
EV, curr (mn)	NT$1,297,802
Avg daily trading value (mn)	NT$22,400

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	2.36	62.13	112.32	74.33
Prior EPS (NT$)**	-	65.56	93.08	50.89
EPS (NT$)§	1.95	54.17	74.74	66.30
Revenue, net (NT$ mn)	66,587	348,048	638,966	518,763
EBITDA (NT$ mn)	20,285	267,364	496,607	335,402
ModelWare net inc (NT $ mn)	7,373	209,579	384,461	254,439
P/BV	3.5	3.5	1.7	1.3
RNOA (%)	4.3	168.1	68.8	34.8
ROE (%)	4.5	123.0	102.1	33.4
EV/EBITDA	26.9	5.7	2.7	2.7
Div yld (%)	0.0	0.0	0.0	0.0
FCF yld ratio (%)**	2.4	(16.5)	14.3	28.6
Leverage (EOP) (%)	(26.2)	51.6	(2.6)	(44.0)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

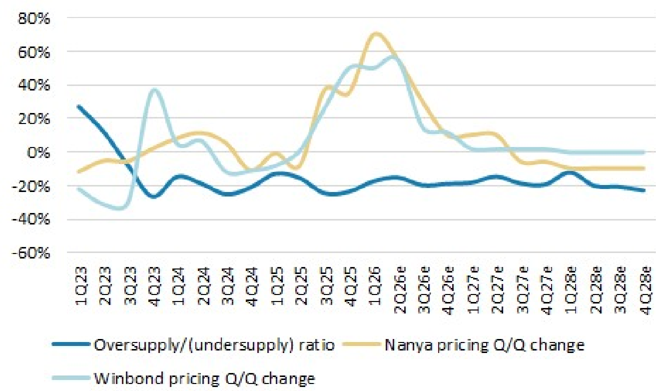
Key Charts and Exhibits

Exhibit 1: DDR4 quarterly supply and demand summary



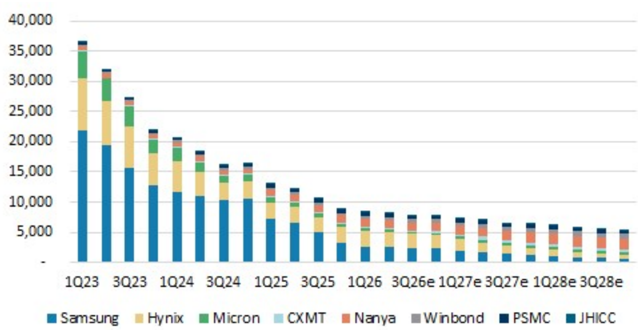
Source: Company data, IDC, Morgan Stanley Research (e) estimates

Exhibit 2: Quarterly oversupply/undersupply ratio vs. Nanya and Winbond pricing Q/Q change



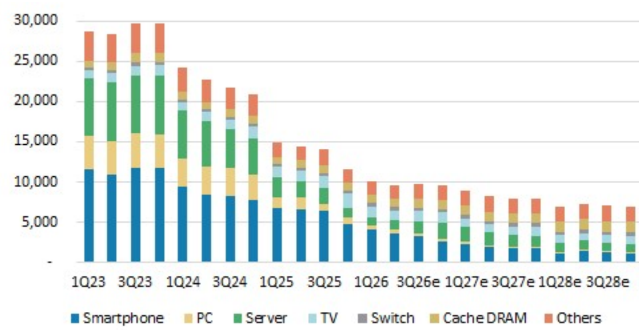
Source: Company data, IDC, Morgan Stanley Research (e) estimates

Exhibit 3: Quarterly supply breakdown (mn Gb)



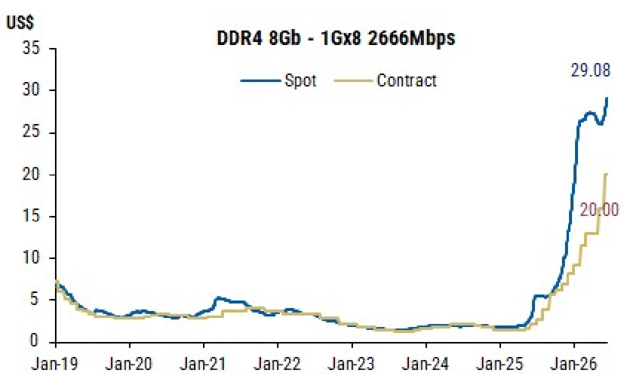
Source: Company data, Morgan Stanley Research (e) estimates

Exhibit 4: Quarterly demand breakdown by product (mn Gb)



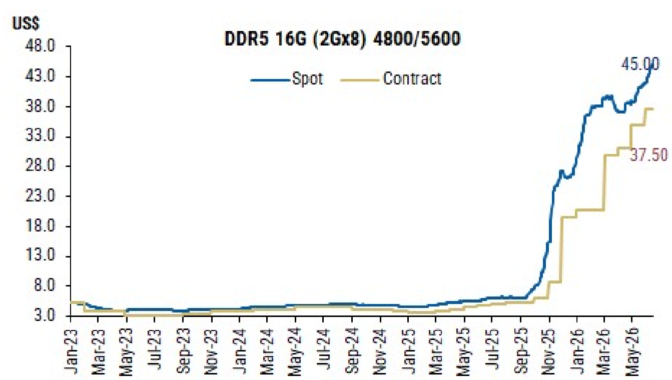
Source: IDC, Morgan Stanley Research (e) estimates

Exhibit 5: DDR4 8Gb (1Gx8) pricing chart



Source: DRAMeXchange, Morgan Stanley Research. Data as of Jun 2026.

Exhibit 6: DDR5 16Gb (2Gx8) pricing chart



Source: DRAMeXchange, Morgan Stanley Research. Data as of Jun 2026.

Exhibit 7:

Global DRAM Valuation Comp Table

Ticker	Company	Rating	Price Target (LC)	Market Cap (US$mn)	EPS (Local Dollar) 2025	EPS (Local Dollar) 2026e	EPS (Local Dollar) 2027e	EPS (Local Dollar) 2028e	P/E (X) 2025e	P/E (X) 2026e	P/E (X) 2027e	P/E (X) 2028e
2408.TW	Nanya Tech	O	580.0	46,656	2.4	62.1	112.3	74.3	184.5	7.0	3.9	5.9
Global/Greater China IDM Player												
000660.KS	SK Hynix	O	2,600,000.00	1,028,078	59,982.2	323,067.9	474,207.7	507,063.6	36.4	6.8	4.6	4.3
005930.KS	Samsung Electronics	O	381,000.00	1,201,299	6,605.0	46,484.6	65,584.2	66,110.0	42.1	6.0	4.2	4.2
MU.O	Micron	O	1,200.00	1,119,948	8.3	73.0	152.8	166.5	119.6	13.6	6.5	6.0
2344.TW	Winbond	O	288.00	24,662	0.9	20.9	35.9	44.7	200.6	8.4	4.9	3.9
Average									**99.7**	**8.7**	**5.1**	**4.6**
Greater China DRAM Player												
603986.SS	GigaDevice	O	888.00	68,476	2.5	9.7	12.5	14.0	268.6	68.5	53.0	47.3
6770.TW	PSMC	O	111.00	10,296	- 1.9	5.5	4.9	7.4	NM	12.9	14.6	9.5
6531.TW	AP Memory	O	1,555.00	4,662	7.7	17.8	28.0	52.9	119.4	51.8	32.9	17.4
Average									**194.0**	**44.4**	**33.5**	**24.7**

Source: Company data, Factset, Morgan Stanley Research estimates

2Q26 Results and 3Q26 Preview

2Q results review:

- Bit shipment flat Q/Q
- ASP up over 60% Q/Q
- NTD/USD flat Q/Q

Exhibit 8: 2Q results review

NT$ mn	Actual 2Q26	Q/Q	Y/Y	Old 2Q26e	Diff.	Consensus	Diff.
Net sales	82,549	68%	684%	79,416	4%	69,688	18%
Gross profit	65,619	97%		61,781	6%	52,841	24%
Operating profit	60,826	102%		57,794	5%	50,309	21%
Pretax Income	62,329	97%		58,813	6%	47,757	31%
Net income	50,191	93%		47,302	6%	40,481	24%
EPS (NT$)	**14.66**			**14.67**	**0%**	**12.71**	**15%**
Margins							
Gross margin	79.5%			77.8%		75.8%	
Operating margin	73.7%			72.8%		72.2%	
Pretax margin	75.5%			74.1%		68.5%	
Net margin	60.8%			59.6%		58.1%	

Source: Company data, Bloomberg, Morgan Stanley Research estimates

Exhibit 9: 3Q results preview

NT$ mn	New 3Q26e	Q/Q	Y/Y	Old 3Q26e	Diff.	Consensus	Diff.
Net sales	103,012	25%	449%	105,308	-2%	75,513	36%
Gross profit	84,167	28%		85,708	-2%	57,907	45%
Operating profit	78,173	29%		80,927	-3%	55,646	40%
Pretax Income	79,193	27%		81,947	-3%	51,930	52%
Net income	61,201	22%		63,329	-3%	44,363	38%
EPS (NT$)	**17.88**			**19.64**		**13.77**	
Margins							
Gross margin	81.7%			81.4%		76.7%	
Operating margin	75.9%			76.8%		73.7%	
Pretax margin	76.9%			77.8%		68.8%	
Net margin	59.4%			60.1%		58.7%	

Source: Company data, Bloomberg, Morgan Stanley Research estimates

Estimate Revisions and Quarterly Financials

We slightly cut our 2026e EPS by 5% and raise our EPS estimates by 21% for 2027 and 46% for 2028. The decrease in 2026 EPS was mainly from new share issuance and higher R&D investment. DDR4 pricing is likely to remain elevated into 1H27, as the supply-demand gap will be difficult to close by then. We factor 2027–28e capacity planning into the model, which is around 30kwpm of capacity.

Exhibit 10: Nanya Tech: Estimate revisions

NT$ mn	New '26E	Old '26E	Diff.	New '27E	Old '27E	Diff.	New '28E	Old '28E	Diff.
Net sales	348,048	349,737	0%	638,966	524,965	22%	518,763	369,398	40%
Gross profit	275,802	275,271	0%	520,060	411,790	26%	360,346	231,930	55%
Operating profit	255,102	257,966	-1%	473,137	368,367	28%	310,712	198,868	56%
Pretax Income	260,265	262,646	-1%	477,413	372,644	28%	315,001	203,156	55%
Net income	209,579	211,423	-1%	384,461	300,154	28%	254,439	164,103	55%
EPS (NT$)	**62.13**	**65.56**	**-5%**	**112.32**	**93.08**	**21%**	**74.33**	**50.89**	**46%**
Margins									
Gross margin	79.2%	78.7%		81.4%	78.4%		69.5%	62.8%	
Operating margin	73.3%	73.8%		74.0%	70.2%		59.9%	53.8%	
Pretax margin	74.8%	75.1%		74.7%	71.0%		60.7%	55.0%	
Net margin	60.2%	60.5%		60.2%	57.2%		49.0%	44.4%	

Source: Morgan Stanley Research (E) estimates

Exhibit 11: Nanya Tech: Quarterly financials

YE Dec 31 *NT$ in million*	1Q26	2Q26	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2024	2025	2026e	2027e	2028e
Total Revenues	**49,087**	**82,549**	**103,012**	**113,400**	**144,906**	**169,573**	**168,978**	**155,509**	**34,132**	**66,587**	**348,048**	**638,966**	**518,763**
Sequential Change	*63.1%*	*68.2%*	*24.8%*	*10.1%*	*27.8%*	*17.0%*	*-0.4%*	*-8.0%*					
Change vs Year Ago	*582.9%*	*684.2%*	*448.6%*	*276.8%*	*195.2%*	*105.4%*	*64.0%*	*37.1%*	*14.2%*	*95.1%*	*422.7%*	*83.6%*	*-18.8%*
Cost of Sales	(15,771)	(16,930)	(18,845)	(20,700)	(22,758)	(25,334)	(28,034)	(42,779)	(32,292)	(50,841)	(72,245)	(118,906)	(158,416)
Percent of Revenues	*32.1%*	*20.5%*	*18.3%*	*18.3%*	*15.7%*	*14.9%*	*16.6%*	*27.5%*	*94.6%*	*76.4%*	*20.8%*	*18.6%*	*30.5%*
Variable costs	(12,874)	(13,926)	(15,779)	(17,404)	(19,877)	(22,453)	(25,153)	(27,953)	(18,408)	(37,321)	(59,984)	(95,436)	(133,726)
as a % of revenue	*26.2%*	*16.9%*	*15.3%*	*15.3%*	*13.7%*	*13.2%*	*14.9%*	*18.0%*	*53.9%*	*56.0%*	*17.2%*	*14.9%*	*25.8%*
Dep. & Amort. expense	(2,897)	(3,004)	(3,065)	(3,295)	(2,882)	(2,882)	(2,882)	(14,825)	(13,883)	(13,520)	(12,262)	(23,470)	(24,690)
as a % of COGS	*18.4%*	*17.7%*	*16.3%*	*15.9%*	*12.7%*	*11.4%*	*10.3%*	*34.7%*	*43.0%*	*26.6%*	*17.0%*	*19.7%*	*15.6%*
as a % of revenue	*5.9%*	*3.6%*	*3.0%*	*2.9%*	*2.0%*	*1.7%*	*1.7%*	*9.5%*	*40.7%*	*20.3%*	*3.5%*	*3.7%*	*4.8%*
Gross Margin	**33,316**	**65,619**	**84,167**	**92,700**	**122,148**	**144,238**	**140,944**	**112,730**	**1,840**	**15,745**	**275,802**	**520,060**	**360,346**
Percent of Revenues	*67.9%*	*79.5%*	*81.7%*	*81.7%*	*84.3%*	*85.1%*	*83.4%*	*72.5%*	*5.4%*	*23.6%*	*79.2%*	*81.4%*	*69.5%*
Total Opex	(3,205)	(4,793)	(5,994)	(6,709)	(10,296)	(11,733)	(12,373)	(12,521)	(10,134)	(9,741)	(20,700)	(46,923)	(49,634)
Percent of Revenues	*6.5%*	*5.8%*	*5.8%*	*5.9%*	*7.1%*	*6.9%*	*7.3%*	*8.1%*	*29.7%*	*14.6%*	*5.9%*	*7.3%*	*9.6%*
R&D	(2,109)	(3,230)	(3,941)	(4,335)	(4,500)	(4,950)	(5,445)	(5,990)	(7,685)	(7,041)	(13,614)	(20,885)	(27,846)
Percent of Revenues	*4.3%*	*3.9%*	*3.8%*	*3.8%*	*3.1%*	*2.9%*	*3.2%*	*3.9%*	*22.5%*	*10.6%*	*3.9%*	*3.3%*	*5.4%*
Sales and Marketing	(347)	(304)	(380)	(418)	(1,449)	(1,696)	(1,690)	(1,555)	(665)	(832)	(1,449)	(6,390)	(6,225)
Percent of Revenues	*0.7%*	*0.4%*	*0.4%*	*0.4%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.9%*	*1.2%*	*0.4%*	*1.0%*	*1.2%*
General and Admin	(748)	(1,259)	(1,674)	(1,956)	(4,347)	(5,087)	(5,238)	(4,976)	(1,784)	(1,868)	(5,637)	(19,649)	(15,563)
Percent of Revenues	*1.5%*	*1.5%*	*1.6%*	*1.7%*	*3.0%*	*3.0%*	*3.1%*	*3.2%*	*5.2%*	*2.8%*	*1.6%*	*3.1%*	*3.0%*
Operating Income	**30,111**	**60,826**	**78,173**	**85,992**	**111,851**	**132,505**	**128,571**	**100,209**	**(8,294)**	**6,004**	**255,102**	**473,137**	**310,712**
Percent of Revenues	*61.3%*	*73.7%*	*75.9%*	*75.8%*	*77.2%*	*78.1%*	*76.1%*	*64.4%*	*-24.3%*	*9.0%*	*73.3%*	*74.0%*	*59.9%*
EBITDA	33,008	63,830	81,238	89,287	114,733	135,387	131,452	115,035	5,589	19,524	267,364	496,607	335,402
EBITDA margin	*67%*	*77%*	*79%*	*79%*	*79%*	*80%*	*78%*	*74%*	*16%*	*29%*	*77%*	*78%*	*65%*
Non-operating Income(Loss)	**1,607**	**1,503**	**1,020**	**1,034**	**1,070**	**1,070**	**1,070**	**1,067**	**3,998**	**2,639**	**5,163**	**4,277**	**4,288**
Profit Before Taxes	**31,718**	**62,329**	**79,193**	**87,025**	**112,921**	**133,575**	**129,641**	**101,276**	**(4,297)**	**8,643**	**260,265**	**477,413**	**315,001**
Percent of Revenues	*64.6%*	*75.5%*	*76.9%*	*76.7%*	*77.9%*	*78.8%*	*76.7%*	*65.1%*	*-12.6%*	*13.0%*	*74.8%*	*74.7%*	*60.7%*
Taxes	(5,660)	(12,138)	(17,992)	(14,896)	(20,150)	(26,013)	(29,454)	(17,336)	1,474	(1,269)	(50,686)	(92,952)	(60,562)
Tax Rate	*17.8%*	*19.5%*	*22.7%*	*17.1%*	*17.8%*	*19.5%*	*22.7%*	*17.1%*	*34.3%*	*14.7%*	*19.5%*	*19.5%*	*19.2%*
Reported Income (TW GAAP)	**26,058**	**50,191**	**61,201**	**72,129**	**92,771**	**107,563**	**100,187**	**83,941**	**(2,823)**	**7,373**	**209,579**	**384,461**	**254,439**
Percent of Revenues	*53.1%*	*60.8%*	*59.4%*	*63.6%*	*64.0%*	*63.4%*	*59.3%*	*54.0%*	*-8.3%*	*11.1%*	*60.2%*	*60.2%*	*49.0%*
Change vs Year Ago	*-1443%*	*-1324%*	*3815%*	*550%*	*256%*	*114%*	*64%*	*16%*	*-59%*	*-361%*	*2742%*	*83%*	*-34%*
Reported EPS (NT$, TW GAAP)	**8.08**	**14.66**	**17.88**	**21.07**	**27.10**	**31.42**	**29.27**	**24.52**	**(0.91)**	**2.36**	**62.13**	**112.32**	**74.33**
Sequential Change	*129%*	*81%*	*22%*	*18%*	*29%*	*16%*	*-7%*	*-16%*	*-59%*	*-359%*	*2531%*	*81%*	*-34%*
Book value per share									**53.3**	**54.6**	**111.6**	**222.3**	**296.7**

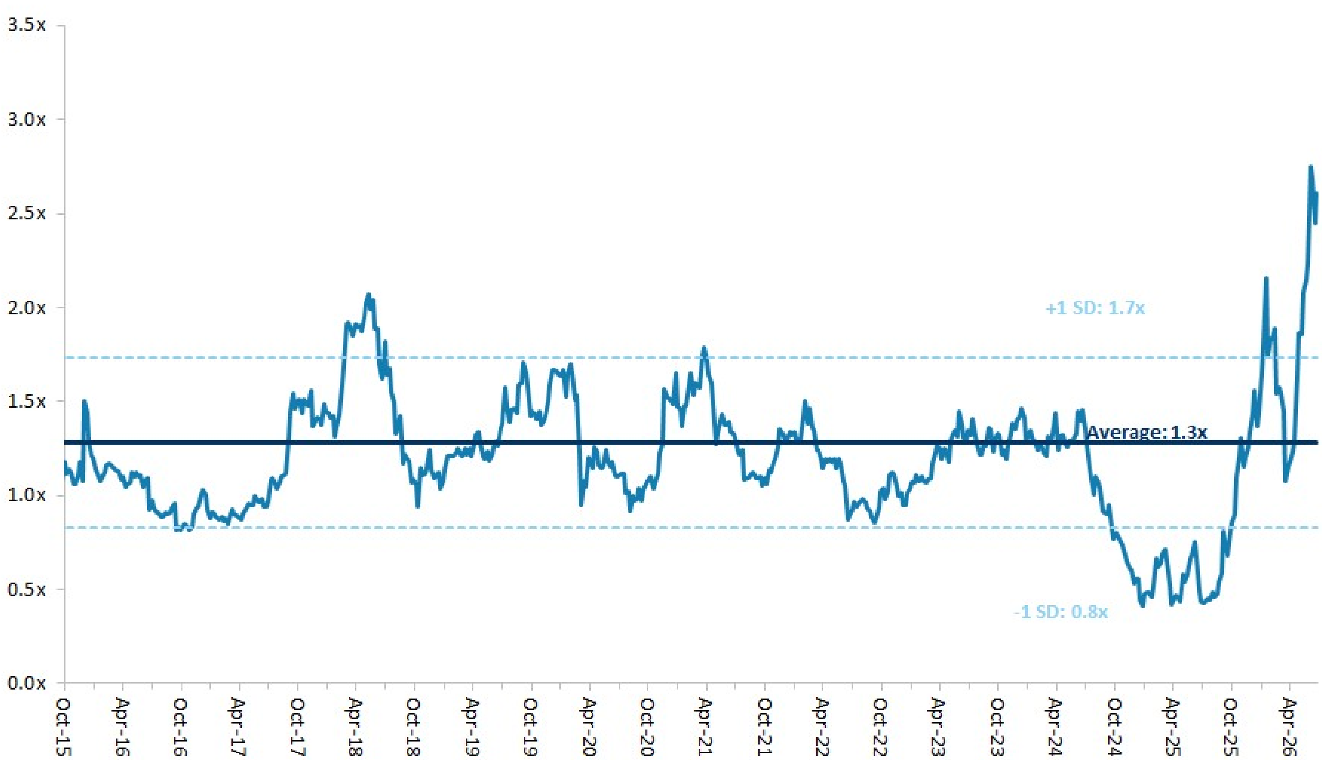
Source: Company data, Morgan Stanley Research (E) estimates

Valuation Methodology

We raise our price target (base-case scenario value) from NT$550.00 to NT$580.00: Our price target reflects BVPS multiples of 4.77x for 2026 and 2.36x for 2027 vs. ROE of 77% for 2026 and 68% for 2027. Looking at P/E level, this implies 5.1x 2027e P/E, which we view as justifiable vs. global peers now trading at 5.1x, as we see DDR4 remaining in severe shortage and NTC has LTAs to support future growth. Valuation has returned to an attractive 3.9x 2027e EPS vs. a 2025-28e EPS CAGR of 216%. We expect DDR4 pricing strength and LTAs to drive a re-rating.

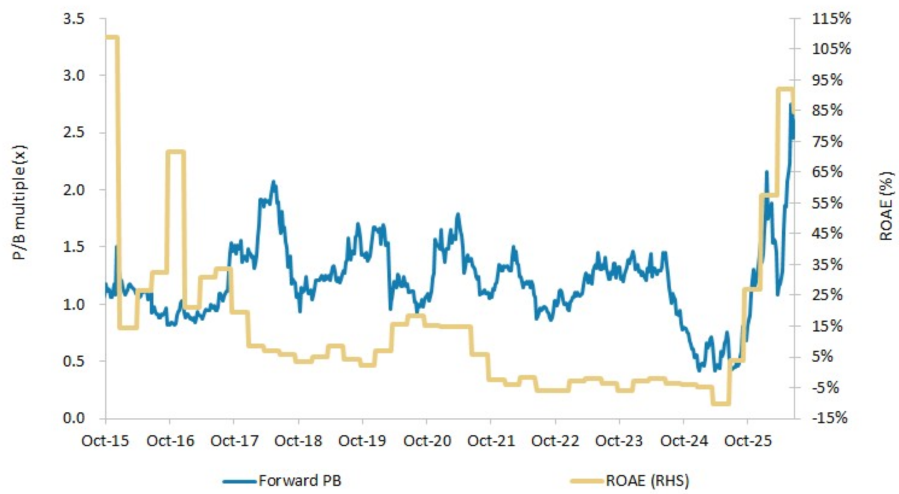
We raise our bull- and bear-case values from NT$1,160.00 and NT$305.00 to NT $1,230.00 and NT$320.00, respectively, implying 5.01x 2026e and 1.30x 2027e BVPS and 10.95x 2026e and 2.85x 2027e EPS.

Exhibit 12: Nanya Tech – Historical P/B band



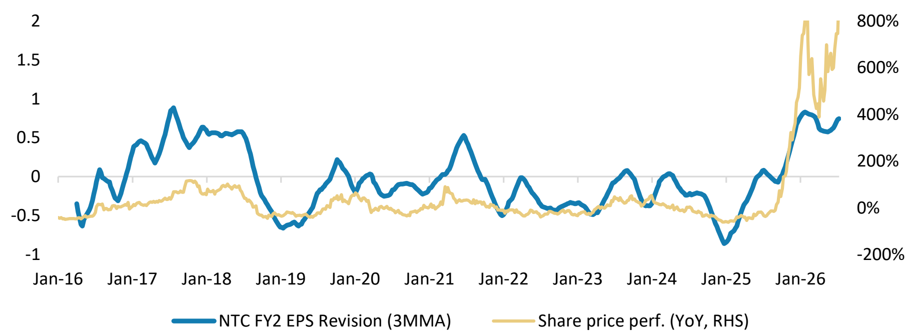
Source: Company data, Morgan Stanley Research estimates

Exhibit 13: Nanya Tech: Historical forward P/B vs ROE



Source: Company data, Morgan Stanley Research estimates

Exhibit 14: Nanya Tech: Earnings estimate revision breadth



Source: Company data, Morgan Stanley Research estimates

Risk Reward – Nanya Technology Corp. (2408.TW)

DDR4 S/D becoming more favorable; OW

PRICE TARGET NT$580.00

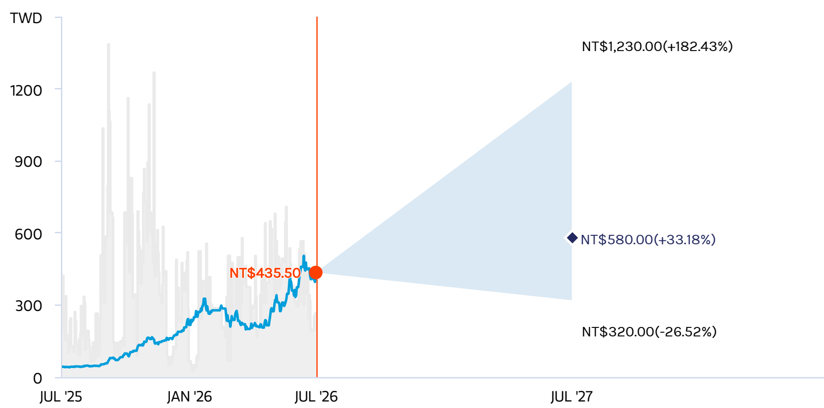
Base case, P/B. We expect the stock to trade at 4.77x for 2026 and 2.36x for 2027, and 1.77x 2028 BVPS, above its average since 2015. We think NTC will benefit from a supply-driven up-cycle as major memory players are exiting the DDR4 market. That should help NTC more than offset the competitive impact from CXMT in the near term.

Consensus Price Target Distribution

NT$150.00  NT$720.00

Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- Major memory suppliers are gradually exiting the DDR4 market, benefiting existing Taiwanese players, including Nanya Tech.
- We expect DDR4 shortage into 2H26 to help NTC more than offset the competitive impact from CXMT in 2026. The supply shortage appears set to widen into 2H26.
- Our price target reflects BVPS of 4.77x for 2026e and 2.36x for 2027e, and 1.77x 2028e BVPS.

Consensus Rating Distribution

●	87%	Overweight
	7%	Equal-weight
	7%	Underweight

● MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Pricing Power: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE NT$1,230.00

10.95x 2026e BVPS

DRAM prices strong; faster-than-expected 1a/1b nm ramp; competition from Korea and China is a non-factor: DRAM pricing becomes very strong in 2026 thanks to production cuts and relief of inventory pressure. NTC's utilization rate returns to the 100% level. Korean and Chinese competitors all exit the consumer DRAM market.

BASE CASE NT$580.00

5.01x 2026e BVPS

Strong DRAM cycle: Major DRAM players now plan to exit the DDR4 market, which positions Taiwanese players to benefit. We expect price-hike momentum to continue through 2026, with widened supply shortage into 2H26.

BEAR CASE NT$320.00

2.85x 2026e BVPS

Specialty DRAM demand becomes weak in 2026 with intensifying Chinese competition: Nanya Tech could face more pressure from pricing and technological competition amid a weak cycle. Inventory remains at historical peak levels. SK hynix and Chinese DRAM competitors take all the market share in China. Nanya Tech's utilization rate falls to the 40% level.

Risk Reward – Nanya Technology Corp. (2408.TW)

KEY EARNINGS INPUTS

Drivers	2025	2026e	2027e	2028e
12" Wafers Out per quarter (000s)	825.0	820.0	932.5	1,112.5
Average Wafer Yield (%)	81.8	102.8	106.2	95.0
Total Die shipments - 2 gb equivalent (mn)	2,368.0	2,975.7	3,604.0	3,985.1

INVESTMENT DRIVERS

- Specialty DRAM pricing
- Monthly sales momentum
- Industry outlook reported by industry peers

GLOBAL REVENUE EXPOSURE

- 0-10% Europe ex UK
- 0-10% Japan
- 0-10% North America
- 40-50% APAC, ex Japan, Mainland China and India
- 40-50% Mainland China

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

1/5 MOST | 3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Sustained DRAM prices from more disciplined supply and stronger demand
- Stronger pricing environment, enabling revenue guidance to be beaten
- Faster-than-expected 1a/1b nm ramp-up progress

RISKS TO DOWNSIDE

- Slower-than-expected 1a/1b nm ramp-up
- Less demand for specialty DRAM from 4K2K TVs and smart set-top boxes

OWNERSHIP POSITIONING

Inst. Owners, % Active 51.9%

Source: Refinitiv, Morgan Stanley Research

MS ESTIMATES VS. CONSENSUS

FY Dec 2026e

	Low	Mean	Morgan Stanley Estimates	High
Sales / Revenue (NT$, mn)	216,963	310,536	348,048	349,737
EBITDA (NT$, mn)	149,603	238,155	267,364	270,152
Net income (NT$, mn)	118,803	185,930	209,579	211,423
EPS (NT$)	38.34	54.17	62.13	65.56

◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Nanya Tech: Financial Summary

Income Statement

NT$mn (Years End Dec)	2025	2026E	2027E	2028E
Net sales	66,587	348,048	638,966	518,763
COGS	(50,841)	(72,245)	(118,906)	(158,416)
Depreciation Expense	(13,520)	(12,262)	(23,470)	(24,690)
Variable Cost	(37,321)	(59,984)	(95,436)	(133,726)
Gross profit	15,745	275,802	520,060	360,346
Operating expenses	(9,741)	(20,700)	(46,923)	(49,634)
Operating income	**6,004**	**255,102**	**473,137**	**310,712**
Non-operating income	2,639	5,163	4,277	4,288
Pre-tax income	8,643	260,265	477,413	315,001
Income tax	(1,269)	(50,686)	(92,952)	(60,562)
Reported net Income	**7,373**	**209,579**	**384,461**	**254,439**
Adj.wtd.avg.shrs(m)	3,123	3,373	3,423	3,423
Reported EPS (NT$)	**2.36**	**62.13**	**112.32**	**74.33**
EPS for consensus (NT$)	**2.36**	**62.13**	**112.32**	**74.33**

Balance Sheet

NT$mn (Years End Dec)	2025	2026E	2027E	2028E
Cash	58,074	55,953	274,107	680,529
Mkt Securities	0	0	0	0
AR/NR	16,558	57,885	79,380	57,264
Inventory	27,288	393,853	540,103	389,625
Other	6,621	17,730	22,658	17,587
Current Assets	108,541	525,421	916,249	1,145,034
Long-term investments	5,904	7,583	8,538	9,492
Fixed assets	85,031	127,176	133,706	139,016
Other assets	8,977	5,145	5,145	5,145
Total Assets	**208,453**	**665,325**	**1,063,637**	**1,298,687**
S/T borrowings	5,060	240,000	245,000	225,000
AP/NP	6,481	8,272	17,095	17,704
Other ST liabilities	7,480	17,771	17,800	17,802
LT debt	14,196	17,796	17,796	17,796
Other LT liabilities	4,698	4,927	4,927	4,927
Total Liabilities	**37,914**	**288,767**	**302,619**	**283,230**
Common stocks	30,986	30,986	30,986	30,986
Preferred stocks	0	0	0	0
Capital Researve	33,081	33,168	33,168	33,168
Retained earning	106,333	312,267	696,727	951,166
Other shareholders' equity	0	0	0	0
Total Equity	170,538	376,558	761,018	1,015,457
Total Liab. & Shrhldr's Equity	**208,453**	**665,325**	**1,063,637**	**1,298,687**
BVPS	**54.61**	**111.62**	**222.32**	**296.66**

Cash Flow Statement

NT$mn (Years End	2025	2026E	2027E	2028E
Cashflow from C	**18,568**	**(189,589)**	**243,156**	**456,450**
Net profits	7,373	209,579	384,461	254,439
Depreciation	14,034	12,262	23,470	24,690
Working Capital (	5,697	(406,101)	(158,921)	173,202
Other adjustment	(8,536)	(5,328)	(5,855)	4,118
Cashflow from Ir	**(14,110)**	**(52,005)**	**(30,000)**	**(30,000)**
Capex	(13,441)	(52,000)	(30,000)	(30,000)
Change of LT Inv	(612)	0	0	0
Change of ST Inv	0	0	0	0
Other adjustment	(57)	(5)	0	0
Cashflow from fi	**(6,317)**	**238,453**	**4,999**	**(20,028)**
Increase in L/T de	(6,750)	3,600	0	0
Increase in S/T de	(9,477)	234,941	5,000	(20,000)
Cash Dividend Pa	0	0	(1)	(28)
Dir& Emp Bonus	(7,000)	0	0	0
Proceed fmNewIs	0	0	0	0
Other adjustment	16,909	(87)	0	0
Exchange rate ad	(1,970)	1,019	(0)	0
Net change in ca	**-3,829**	**-2,121**	**218,155**	**406,422**

Financial Ratios

	2025	2026E	2027E	2028E
Growth(%)				
Turnover	95.1	422.7	83.6	-18.8
Margins (%)				
Gross Margin	23.6	79.2	81.4	69.5
Operating Margin	9.0	73.3	74.0	59.9
EBITA Margin	-11.3	69.8	70.4	55.1
Pretax Margin	13.0	74.8	74.7	60.7
Net Profit	11.1	60.2	60.2	49.0
Return (%)				
ROAE	4.4	76.6	67.6	28.6
ROAA	3.6	48.0	44.5	21.5
Gearing (%)				
Net Debt/Equity	(22.7)	53.6	(1.5)	(43.1)
Liabilities/Equity	22.2	76.7	39.8	27.9
Ratios (X)				
Current ratio	5.7	2.0	3.3	4.4
Quick ratio	3.9	0.4	1.3	2.8
Others				
AR/NR Turnover	50	57	39	39
Inventory Turnove	337	172	221	267
AP Turnover (day	59	47	42	52
Cash Conversion	328	182	218	253

Source: Company data, TEJ, Morgan Stanley ResearchE= Morgan Stanley Research Estimates

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

Disclosure Section

The information and opinions in Morgan Stanley Research were prepared or are disseminated by Morgan Stanley Asia Limited (which accepts the responsibility for its contents) and/or Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z) and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H), regulated by the Monetary Authority of Singapore (which accepts legal responsibility for its contents and should be contacted with respect to any matters arising from, or in connection with, Morgan Stanley Research), and/or Morgan Stanley Taiwan Limited and/or Morgan Stanley & Co International plc, Seoul Branch, and/or Morgan Stanley Australia Limited (A.B.N. 67 003 734 576, holder of Australian financial services license No. 233742, which accepts responsibility for its contents), and/or Morgan Stanley Wealth Management Australia Pty Ltd (A.B.N. 19 009 145 555, holder of Australian financial services license No. 240813, which accepts responsibility for its contents), and/or Morgan Stanley India Company Private Limited having Corporate Identification No (CIN) U22990MH1998PTC115305, regulated by the Securities and Exchange Board of India ("SEBI") and holder of licenses as a Research Analyst (SEBI Registration No. INH000001105); Stock Broker (SEBI Stock Broker Registration No. INZ000244438), Merchant Banker (SEBI Registration No. INM000011203), and depository participant with National Securities Depository Limited (SEBI Registration No. IN-DP-NSDL-567-2021) having registered office at Altimus, Level 39 & 40, Pandurang Budhkar Marg, Worli, Mumbai 400018, India; Telephone no. +91-22-61181000; Compliance Officer Details: Mr. Tejarshi Hardas, Tel. No.: +91-22-61181000 or Email: tejarshi.hardas@morganstanley.com; Grievance officer details: Mr. Tejarshi Hardas, Tel. No.: +91-22-61181000 or Email: msic-compliance@morganstanley.com which accepts the responsibility for its contents and should be contacted with respect to any matters arising from, or in connection with, Morgan Stanley Research, and their affiliates (collectively, "Morgan Stanley"). Morgan Stanley India Company Private Limited (MSICPL) may use AI tools in providing research services. All recommendations contained herein are made by the duly qualified research analysts.

For important disclosures, stock price charts and equity rating histories regarding companies that are the subject of this report, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/eqr/disclosures/webapp/generalresearch, or contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Research Management), New York, NY, 10036 USA.

For valuation methodology and risks associated with any recommendation, rating or price target referenced in this research report, please contact the Client Support Team as follows: US/Canada +1 800 303-2495; Hong Kong +852 2848-5999; Latin America +1 718 754-5444 (U.S.); London +44 (0)20-7425-8169; Singapore +65 6834-6860; Sydney +61 (0)2-9770-1505; Tokyo +81 (0)3-6836-9000. Alternatively you may contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Research Management), New York, NY 10036 USA.

Analyst Certification

The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Charlie Chan; Daisy Dai, CFA; Tiffany Yeh; Daniel Yen, CFA.

.

Global Research Conflict Management Policy

Morgan Stanley Research has been published in accordance with our conflict management policy, which is available at www.morganstanley.com/institutional/research/conflictpolicies. A Portuguese version of the policy can be found at www.morganstanley.com.br

Important Regulatory Disclosures on Subject Companies

The analyst or strategist (or a household member) identified below owns the following securities (or related derivatives): Ethan Jia - Samsung Electronics(common or preferred stock).

As of June 30, 2026, Morgan Stanley beneficially owned 1% or more of a class of common equity securities of the following companies covered in Morgan Stanley Research: ACM Research Inc, Advanced Micro-Fabrication Equipment Inc, Advanced Wireless Semiconductor Co, Alchip Technologies Ltd, AllRing Tech Co., AP Memory Technology Corp, ASE Technology Holding Co. Ltd., ASMPT Ltd, Cambricon Technology Corporation, Dosilicon Co Ltd, FOCI Fiber Optic Communications Inc, GigaDevice Semiconductor Beijing Inc, GlobalWafers Co Ltd, Gudeng Precision, Hangzhou Silan Microelectronics Co. Ltd., King Yuan Electronics Co Ltd, Macronix International Co Ltd, MediaTek, Montage Technology Co Ltd, Parade Technologies Ltd, Phison Electronics Corp, Powerchip Semiconductor Manufacturing Co, SG Micro Corp., Shanghai Fudan Microelectronics, Silergy Corp., Silicon Motion, SK hynix, TSMC, UMC, Unigroup Guoxin Microelectronics Co Ltd, Vanguard International Semiconductor, WIN Semiconductors Corp, Winbond Electronics Corp, WPG Holdings, WT Microelectronics Co. Ltd..

Within the last 12 months, Morgan Stanley managed or co-managed a public offering (or 144A offering) of securities of Alchip Technologies Ltd, Montage Technology Co Ltd, Powerchip Semiconductor Manufacturing Co, Samsung Electronics, SK hynix.

Within the last 12 months, Morgan Stanley has received compensation for investment banking services from ASMPT Ltd, Montage Technology Co Ltd, Powerchip Semiconductor Manufacturing Co, Samsung Electronics, SK hynix.

In the next 3 months, Morgan Stanley expects to receive or intends to seek compensation for investment banking services from Advanced Micro-Fabrication Equipment Inc, Alchip Technologies Ltd, AP Memory Technology Corp, ASE Technology Holding Co. Ltd., ASMedia Technology Inc, ASMPT Ltd, Aspeed Technology, Espressif Systems, GigaDevice Semiconductor Beijing Inc, GlobalWafers Co Ltd, Gudeng Precision, Himax Technologies Inc, Hua Hong Semiconductor Ltd, Iluvatar CoreX Semiconductor Co., Ltd., Innoscience, King Yuan Electronics Co Ltd, Macronix International Co Ltd, MediaTek, MetaX Integrated Circuits, Montage Technology Co Ltd, Novatek, Phison Electronics Corp, Powerchip Semiconductor Manufacturing Co, Realtek Semiconductor, Samsung Electronics, SG Micro Corp., Shenzhen Longsys Electronics Co Ltd, SICC Co Ltd, Silergy Corp., Silicon Motion, SK hynix, TSMC, UMC, Universal Scientific Ind. (Shanghai), Vanguard International Semiconductor, Winbond Electronics Corp, WinWay Technology Co Ltd, WPG Holdings, WT Microelectronics Co. Ltd..

Within the last 12 months, Morgan Stanley has received compensation for products and services other than investment banking services from ASE Technology Holding Co. Ltd., King Yuan Electronics Co Ltd, MediaTek, **Nanya Technology Corp.**, Novatek, Nuvoton Technology Corporation, Realtek Semiconductor, Samsung Electronics, Silicon Motion, SMIC, TSMC, UMC, Universal Scientific Ind. (Shanghai), Winbond Electronics Corp, WT Microelectronics Co. Ltd..

Within the last 12 months, Morgan Stanley has provided or is providing investment banking services to, or has an investment banking client relationship with, the following company: Advanced Micro-Fabrication Equipment Inc, Alchip Technologies Ltd, AP Memory Technology Corp, ASE Technology Holding Co. Ltd., ASMedia Technology Inc, ASMPT Ltd, Aspeed Technology, Espressif Systems, GigaDevice Semiconductor Beijing Inc, GlobalWafers Co Ltd, Gudeng Precision, Himax Technologies Inc, Hua Hong Semiconductor Ltd, Iluvatar CoreX Semiconductor Co., Ltd., Innoscience, King Yuan Electronics Co Ltd, Macronix International Co Ltd, MediaTek, MetaX Integrated Circuits, Montage Technology Co Ltd, Novatek, Phison Electronics Corp, Powerchip Semiconductor Manufacturing Co, Realtek Semiconductor, Samsung Electronics, SG Micro Corp., Shenzhen Longsys Electronics Co Ltd, SICC Co Ltd, Silergy Corp., Silicon Motion, SK hynix, TSMC, UMC, Universal Scientific Ind. (Shanghai), Vanguard International Semiconductor, Winbond Electronics Corp, WinWay Technology Co Ltd, WPG Holdings, WT Microelectronics Co. Ltd..

Within the last 12 months, Morgan Stanley has either provided or is providing non-investment banking, securities-related services to and/or in the past has entered into an agreement to provide services or has a client relationship with the following company: ASE Technology Holding Co. Ltd., King Yuan Electronics Co Ltd, MediaTek, Montage Technology Co Ltd, **Nanya Technology Corp.**, Novatek, Nuvoton Technology Corporation, Realtek Semiconductor, Samsung Electronics, Silicon Motion, SK hynix, SMIC, TSMC, UMC, Universal Scientific Ind. (Shanghai), Winbond Electronics Corp, WT Microelectronics Co. Ltd..

Morgan Stanley & Co. LLC makes a market in the securities of ACM Research Inc, Himax Technologies Inc, Silicon Motion.

The equity research analysts or strategists principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors, firm revenues and overall investment banking revenues. Equity Research analysts' or strategists' compensation is not linked to investment banking or capital markets transactions performed by Morgan Stanley or the profitability or revenues of particular trading desks.

Morgan Stanley and its affiliates do business that relates to companies/instruments covered in Morgan Stanley Research, including market making, providing liquidity, fund management, commercial banking, extension of credit, investment services and investment banking. Morgan Stanley sells to and buys from customers the securities/instruments of companies covered in Morgan Stanley Research on a principal basis. Morgan Stanley may have a position in the debt of the Company or instruments discussed in this report. Morgan Stanley trades or may trade as principal in the debt securities (or in related derivatives) that are the subject of the debt research report.

Certain disclosures listed above are also for compliance with applicable regulations in non-US jurisdictions.

STOCK RATINGS

Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight, Not-Rated or Underweight (see definitions below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold and sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's views, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the rating alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Global Stock Ratings Distribution

(as of June 30, 2026)

The Stock Ratings described below apply to Morgan Stanley's Fundamental Equity Research and do not apply to Debt Research produced by the Firm.

For disclosure purposes only (in accordance with FINRA requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight, Not-Rated and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight and Not-Rated to hold and Underweight to sell recommendations, respectively.

	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1544	42%	453	49%	29%	757	44%
Equal-weight/Hold	1577	43%	390	42%	25%	769	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	544	15%	89	10%	16%	204	12%
Total	3,668		933			1731	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

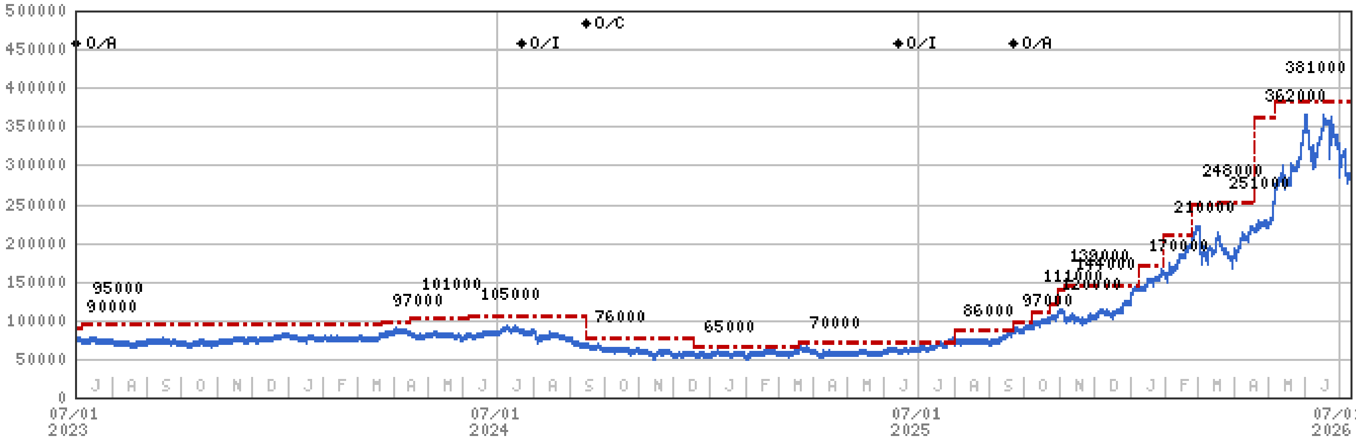
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Stock Price, Price Target and Rating History (See Rating Definitions)

Samsung Electronics (005930.KS) - As of 07/11/26 GMT in KRW
Industry : S. Korea Technology



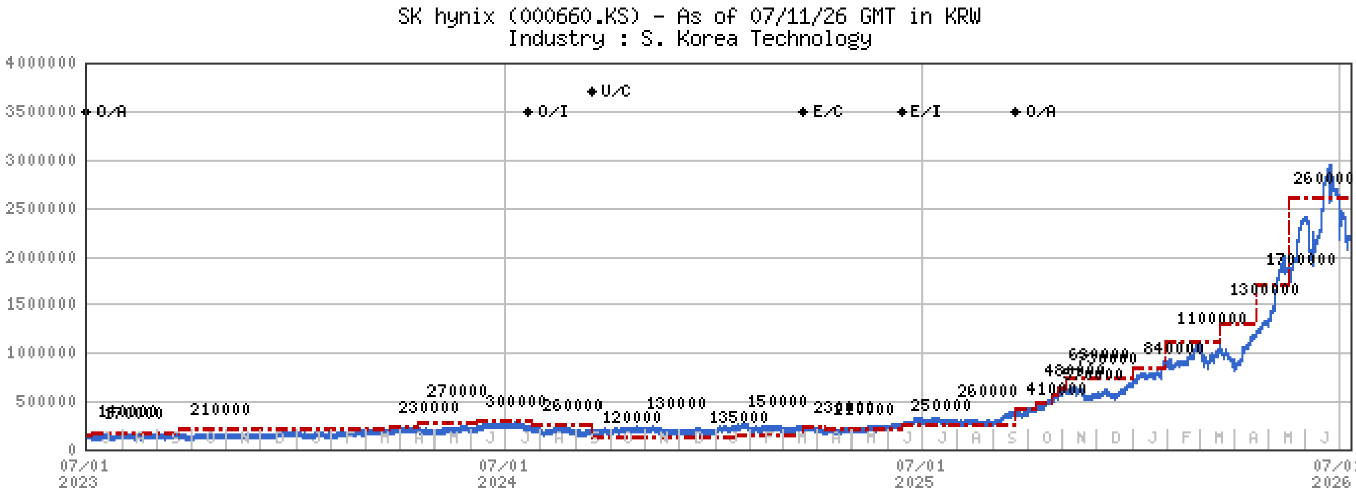
Stock Rating History: 7/1/21 : 0/A; 7/19/21 : 0/I; 8/12/21 : 0/C; 10/4/22 : 0/A; 7/21/24 : 0/I; 9/15/24 : 0/C; 6/13/25 : 0/I; 9/21/25 : 0/A

Price Target History: 6/8/21 : 98000; 8/12/21 : 89000; 9/15/21 : 95000; 12/3/21 : 97000; 3/18/22 : 95000; 4/28/22 : 85000; 6/10/22 : 80000; 7/5/22 : 75000; 7/22/22 : 70000; 9/17/22 : 68000; 3/21/23 : 70000; 5/30/23 : 90000; 7/7/23 : 95000; 3/22/24 : 97000; 4/16/24 : 101000; 6/6/24 : 105000; 9/15/24 : 76000; 12/18/24 : 65000; 3/19/25 : 70000; 8/1/25 : 86000; 9/21/25 : 97000; 10/8/25 : 111000; 10/23/25 : 120000; 10/30/25 : 139000; 11/5/25 : 144000; 1/8/26 : 170000; 1/30/26 : 210000; 2/24/26 : 248000; 3/18/26 : 251000; 4/19/26 : 362000; 5/6/26 : 381000

Source: Morgan Stanley Research   Date Format : MM/DD/YY   Price Target   No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst)   Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.



Stock Rating History: 7/1/21 : O/A; 7/19/21 : O/I; 8/12/21 : U/C; 12/3/21 : E/C; 2/11/22 : O/C; 7/22/22 : E/C; 10/4/22 : O/A; 7/21/24 : O/I; 9/15/24 : U/C; 3/19/25 : E/C; 6/13/25 : E/I; 9/21/25 : O/A

Price Target History: 6/8/21 : 156000; 8/12/21 : 80000; 9/15/21 : 88000; 12/3/21 : 110000; 12/23/21 : 125000; 1/24/22 : 130000; 1/28/22 : 136000; 2/11/22 : 155000; 3/18/22 : 150000; 4/27/22 : 130000; 6/10/22 : 120000; 7/5/22 : 110000; 7/22/22 : 105000; 10/4/22 : 130000; 12/7/22 : 120000; 3/21/23 : 110000; 5/30/23 : 140000; 7/7/23 : 170000; 9/21/23 : 210000; 3/22/24 : 230000; 4/16/24 : 270000; 6/6/24 : 300000; 7/25/24 : 260000; 9/15/24 : 120000; 10/24/24 : 130000; 12/18/24 : 135000; 1/20/25 : 150000; 3/19/25 : 230000; 4/7/25 : 210000; 6/13/25 : 250000; 7/24/25 : 260000; 9/21/25 : 410000; 10/8/25 : 480000; 10/23/25 : 570000; 10/29/25 : 630000; 11/5/25 : 730000; 1/2/26 : 840000; 1/30/26 : 1100000; 3/18/26 : 1300000; 4/19/26 : 1700000; 5/18/26 : 2600000

Source: Morgan Stanley Research   Date Format : MM/DD/YY   Price Target -·   No Price Target Assigned (NA)

Stock Price (Not Covered by Current Analyst)   Stock Price (Covered by Current Analyst)

Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View

Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)

Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Important Disclosures for Morgan Stanley Smith Barney LLC Customers

Important disclosures regarding any material conflict of interest that can reasonably be expected to have influenced Morgan Stanley Smith Barney LLC's choice of a third-party research provider or the subject company of a third-party research report, are available on the Morgan Stanley Wealth Management disclosure website at www.morganstanley.com/online/researchdisclosures.
For Morgan Stanley specific disclosures, you may refer to https://www.morganstanley.com/eqr/disclosures/webapp/generalresearch.

Each Morgan Stanley research report is reviewed and approved on behalf of Morgan Stanley Smith Barney LLC. This review and approval is conducted by the same person who reviews the research report on behalf of Morgan Stanley. This could create a conflict of interest.

Other Important Disclosures

Morgan Stanley Research policy is to update research reports as and when the Research Analyst and Research Management deem appropriate, based on developments with the issuer, the sector, or the market that may have a material impact on the research views or opinions stated therein. In addition, certain Research publications are intended to be updated on a regular periodic basis (weekly/monthly/quarterly/annual) and will ordinarily be updated with that frequency, unless the Research Analyst and Research Management determine that a different publication schedule is appropriate based on current conditions.

Morgan Stanley is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Morgan Stanley produces an equity research product called a "Tactical Idea." Views contained in a "Tactical Idea" on a particular stock may be contrary to the recommendations or views expressed in research on the same stock. This may be the result of differing time horizons, methodologies, market events, or other factors. For all research available on a particular stock, please contact your sales representative or go to Matrix at http://www.morganstanley.com/matrix.

Morgan Stanley Research is provided to our clients through our proprietary research portal on Matrix and also distributed electronically by Morgan Stanley to clients. Certain, but not all, Morgan Stanley Research products are also made available to clients through third-party vendors or redistributed to clients through alternate electronic means as a convenience. For access to all available Morgan Stanley Research, please contact your sales representative or go to Matrix at http://www.morganstanley.com/matrix.

Any access and/or use of Morgan Stanley Research is subject to Morgan Stanley's Terms of Use (http://www.morganstanley.com/terms.html). By accessing and/or using Morgan Stanley Research, you are indicating that you have read and agree to be bound by our Terms of Use (http://www.morganstanley.com/terms.html). In addition you consent to Morgan Stanley processing your personal data and using cookies in accordance with our Privacy Policy and our Global Cookies Policy (http://www.morganstanley.com/privacy_pledge.html), including for the purposes of setting your preferences and to collect readership data so that we can deliver better and more personalized service and products to you. To find out more information about how Morgan Stanley processes personal data, how we use cookies and how to reject cookies see our Privacy Policy and our Global Cookies Policy (http://www.morganstanley.com/privacy_pledge.html). Please use the provided link to review the Terms and Conditions and Most Important Terms and Conditions for Morgan Stanley India Company Private Limited (https://www.morganstanley.com/assets/pdfs/about-us-global-offices/india/Terms_and_conditions.pdf) and the following link to review the audit report (https://ny.matrix.ms.com/eqr/research/webapp/researchdocs/

MSICPL_Morgan_Stanley_Research_Audit_Report.pdf).

If you do not agree to our Terms of Use and/or if you do not wish to provide your consent to Morgan Stanley processing your personal data or using cookies please do not access our research.

Morgan Stanley Research does not provide individually tailored investment advice. Morgan Stanley Research has been prepared without regard to the circumstances and objectives of those who receive it. Morgan Stanley recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a financial adviser. The appropriateness of an investment or strategy will depend on an investor's circumstances and objectives. The securities, instruments, or strategies discussed in Morgan Stanley Research may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them. Morgan Stanley Research is not an offer to buy or sell or the solicitation of an offer to buy or sell any security/instrument or to participate in any particular trading strategy. The value of and income from your investments may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. If provided, and unless otherwise stated, the closing price on the cover page is that of the primary exchange for the subject company's securities/instruments.

The fixed income research analysts, strategists or economists principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues (which include fixed income trading and capital markets profitability or revenues), client feedback and competitive factors. Fixed Income Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed by Morgan Stanley or the profitability or revenues of particular trading desks.

The "Important Regulatory Disclosures on Subject Companies" section in Morgan Stanley Research lists all companies mentioned where Morgan Stanley owns 1% or more of a class of common equity securities of the companies. For all other companies mentioned in Morgan Stanley Research, Morgan Stanley may have an investment of less than 1% in securities/instruments or derivatives of securities/instruments of companies and may trade them in ways different from those discussed in Morgan Stanley Research. Employees of Morgan Stanley not involved in the preparation of Morgan Stanley Research may have investments in securities/instruments or derivatives of securities/instruments of companies mentioned and may trade them in ways different from those discussed in Morgan Stanley Research. Derivatives may be issued by Morgan Stanley or associated persons.

With the exception of information regarding Morgan Stanley, Morgan Stanley Research is based on public information. Morgan Stanley makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. We have no obligation to tell you when opinions or information in Morgan Stanley Research change apart from when we intend to discontinue equity research coverage of a subject company. Facts and views presented in Morgan Stanley Research have not been reviewed by, and may not reflect information known to, professionals in other Morgan Stanley business areas, including investment banking personnel.

Morgan Stanley Research personnel may participate in company events such as site visits and are generally prohibited from accepting payment by the company of associated expenses unless pre-approved by authorized members of Research management.

Morgan Stanley may make investment decisions that are inconsistent with the recommendations or views in this report.

To our readers based in Taiwan or trading in Taiwan securities/instruments: Information on securities/instruments that trade in Taiwan is distributed by Morgan Stanley Taiwan Limited ("MSTL"). Such information is for your reference only. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions. Morgan Stanley Research may not be distributed to the public media or quoted or used by the public media without the express written consent of Morgan Stanley. Any non-customer reader within the scope of Article 7-1 of the Taiwan Stock Exchange Recommendation Regulations accessing and/or receiving Morgan Stanley Research is not permitted to provide Morgan Stanley Research to any third party (including but not limited to related parties, affiliated companies and any other third parties) or engage in any activities regarding Morgan Stanley Research which may create or give the appearance of creating a conflict of interest. Information on securities/instruments that do not trade in Taiwan is for informational purposes only and is not to be construed as a recommendation or a solicitation to trade in such securities/instruments. MSTL may not execute transactions for clients in these securities/instruments.

Certain information in Morgan Stanley Research was sourced by employees of the Shanghai Representative Office of Morgan Stanley Asia Limited for the use of Morgan Stanley Asia Limited. Morgan Stanley is not incorporated under PRC law and the research in relation to this report is conducted outside the PRC. Morgan Stanley Research does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. PRC investors shall have the relevant qualifications to invest in such securities and shall be responsible for obtaining all relevant approvals, licenses, verifications and/or registrations from the relevant governmental authorities themselves. Neither this report nor any part of it is intended as, or shall constitute, provision of any consultancy or advisory service of securities investment as defined under PRC law. Such information is provided for your reference only.

Morgan Stanley Research is disseminated in Brazil by Morgan Stanley C.T.V.M. S.A. located at Av. Brigadeiro Faria Lima, 3600, 6th floor, São Paulo - SP, Brazil; and is regulated by the Comissão de Valores Mobiliários; in Mexico by Morgan Stanley México, Casa de Bolsa, S.A. de C.V which is regulated by Comision Nacional Bancaria y de Valores. Paseo de los Tamarindos 90, Torre 1, Col. Bosques de las Lomas Floor 29, 05120 Mexico City; in Japan by Morgan Stanley MUFG Securities Co., Ltd. and, for Commodities related research reports only, Morgan Stanley Capital Group Japan Co., Ltd; in Hong Kong by Morgan Stanley Asia Limited (which accepts responsibility for its contents) and by Morgan Stanley Bank Asia Limited; in Singapore by Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z) and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H), regulated by the Monetary Authority of Singapore (which accepts legal responsibility for its contents and should be contacted with respect to any matters arising from, or in connection with, Morgan Stanley Research) and by Morgan Stanley Bank Asia Limited, Singapore Branch (Registration number T14FC0118J); in Australia to "wholesale clients" within the meaning of the Australian Corporations Act by Morgan Stanley Australia Limited A.B.N. 67 003 734 576, holder of Australian financial services license No. 233742, which accepts responsibility for its contents; in Australia to "wholesale clients" and "retail clients" within the meaning of the Australian Corporations Act by Morgan Stanley Wealth Management Australia Pty Ltd (A.B.N. 19 009 145 555, holder of Australian financial services license No. 240813, which accepts responsibility for its contents; in Korea by Morgan Stanley & Co International plc, Seoul Branch; in India by Morgan Stanley India Company Private Limited having Corporate Identification No (CIN) U22990MH1998PTC115305, regulated by the Securities and Exchange Board of India ("SEBI") and holder of licenses as a Research Analyst (SEBI Registration No. INH000001105); Stock Broker (SEBI Stock Broker Registration No. INZ000244438), Merchant Banker (SEBI Registration No. INM000011203), and depository participant with National Securities Depository Limited (SEBI Registration No. IN-DP-NSDL-567-2021) having registered office at Altimus, Level 39 & 40, Pandurang Budhkar Marg, Worli, Mumbai 400018, India; Telephone no. +91-22-61181000; Compliance Officer Details: Mr. Tejarshi Hardas, Tel. No.: +91-22-61181000 or Email: tejarshi.hardas@morganstanley.com; Grievance officer details: Mr. Tejarshi Hardas, Tel. No.: +91-22-61181000 or Email: msic-compliance@morganstanley.com. Morgan Stanley India Company Private Limited (MSICPL) may use AI tools in providing research services. All recommendations contained herein are made by the duly qualified research analysts; in Canada by Morgan Stanley Canada Limited; in Germany and the European Economic Area where required by Morgan Stanley Europe S.E., authorised and regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin) under the reference number 149169; in the US by Morgan Stanley & Co. LLC, which accepts responsibility for its contents. Morgan Stanley & Co. International plc, authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, disseminates in the UK research that it has prepared, and research which has been prepared by any of its affiliates, only to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"); (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended) may otherwise lawfully be communicated or caused to be communicated. RMB Morgan Stanley Proprietary Limited is a member

INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/10/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$103.00
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb434.51
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$136.00
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$4,210.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$677.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,400.00
Global Unichip Corp (3443.TW)	O (06/24/2026)	NT$4,340.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$1,350.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$496.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$185.50
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$482.20
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$308.50
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb94.69
MediaTek (2454.TW)	O (11/28/2025)	NT$3,925.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb909.35
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$435.50
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb801.00
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb103.21
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$2,220.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb124.25
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$523.00
SMIC (0981.HK)	O (10/21/2025)	HK$79.65
TSMC (2330.TW)	O (02/07/2022)	NT$2,415.00

UMC (2303.TW)	O (05/19/2026)	NT$156.00
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT$173.00
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$406.00
Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$187.90
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb79.10
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb112.40
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb44.51
Hygon Information Technology Co., Ltd. (688041.SS)	O (07/03/2026)	Rmb353.00
Innoscience (2577.HK)	E (10/13/2025)	HK$52.75
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb101.11
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$31.64
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb141.78
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb123.81
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb85.83
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb30.36
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb118.67
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$922.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,480.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$13,665.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$110.50
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$183.50
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb123.77
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb612.00
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$143.50
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$350.40
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb268.06
Novatek (3034.TW)	U (02/04/2026)	NT$542.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$162.50
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT$655.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$71.10
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$840.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb58.50
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT$176.50
WPG Holdings (3702.TW)	O (03/16/2026)	NT$106.50
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$211.50
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb164.00
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb587.60
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$1,050.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$608.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$15.23
Hon Precision (7769.TW)	O (04/17/2026)	NT$6,660.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$7,080.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US$326.35
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT$7,765.00

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.