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Greater China Technology Hardware | Asia Pacific

Automation – Read-across from JMTBA May 2026 Orders

In this report, we focus on final JMTBA orders, which we believe could be one of the catalysts for Airtac's and Hiwin's share prices.

Per the Japan Machine Tool Builders' Association (JMTBA), headline orders dropped 6% MoM and grew 38% YoY in May 2026 (vs. -2% MoM/+45% YoY in April 2026), to ¥177bn.

- Domestic orders -8% MoM/+37% YoY (vs. -2% MoM/+43% YoY in April), to ¥45bn.
- Overseas orders -6% MoM/+38% YoY (vs. -2% MoM/+46% YoY in April), to ¥132bn.
- By region:
 - China: -4% MoM/+66% YoY, to ¥51bn
 - Europe: -17% MoM/+6% YoY, to ¥17bn
 - North America: -9% MoM/+14% YoY, to ¥37bn

Our view:

- Order growth for all three regions continues to be robust on a YoY basis, consistent with the solid manufacturing PMIs, i.e., China, Europe, and North America at 50.0, 51.6, and 54.0 in May, vs. 50.3, 52.2, and 52.7 in April.
- We see order growth continuing to point to an upcycle scenario for all three major regions.
- On top of the overall segment recovery within automation:
 - Airtac (1590.TW, OW) should benefit from its own share gains and incremental contribution from linear guides. Valuation appears undemanding at 21x 2027e P/E (vs. 25x average since 2020).
 - Hiwin (2049.TW, OW) should show margin expansions in the coming quarters, supported by higher utilization and price hikes. We see potential share price upside as the stock now trades at 31x 2027e P/E (vs. peak cycle valuation of 35-40x).

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**GREATER CHINA TECHNOLOGY HARDWARE**

Asia Pacific

Industry View

In-Line

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Catalyst Event Reaction

Company / Catalyst	Date	Impact to thesis	Catalyst versus expectation
AirTAC International 1590.TW			
JMTBA May 2026 Orders	25 Jun 2026	Unchanged	In-line
Hiwin Technologies Corp. 2049.TW			
JMTBA May 2026 Orders	25 Jun 2026	Unchanged	In-line

Source:Company data, Morgan Stanley Research

Valuation Methodology and Risks

AirTAC International (1590.TW)

Base case, 30x 2027e P/E. We believe this methodology better captures earnings growth momentum for industrial automation component plays (market sentiment moves along with business cycles). As the industry enters an upcycle, we think applying a peak cycle valuation of 30x P/E is reasonable given the stronger business outlook.

Risks to Upside

- Stronger macroeconomic climate in China
- Stronger-than-expected demand from industrial automation

Risks to Downside

- Sharper economic downturn in China
- Miniature linear guideway business development taking more time
- Larger-than-expected investment in new products but weaker-than-expected demand

Hiwin Technologies Corp. (2049.TW)

Base case, P/E. We think this valuation methodology better captures Hiwin's earnings growth momentum, as its valuation tends to move with the business cycle. We apply a target multiple of 37x to our 2027 EPS estimate. We view this multiple as justified by the 44% operating profit CAGR we project for 2025-28.

Risks to Upside

- Stronger industrial automation demand pickup.
- Market share gains.
- Earlier-than-expected revenue contribution from humanoids.

Risks to Downside

- Weaker industrial automation demand.
- More pricing pressure.
- Market share loss.
- More broad-based impact on the global economy from geopolitical risks.

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(as of May 31, 2026)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1542	42%	465	51%	30%	707	43%
Equal-weight/Hold	1571	43%	369	40%	23%	723	44%
Not-Rated/Hold	3	0%	0	0%	0%	1	0%
Underweight/Sell	551	15%	86	9%	16%	201	12%
Total	3,667		920			1632	

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

AirTAC International (1590.TW) - As of 06/25/26 GMT in TWD
Industry : Greater China Technology Hardware



Stock Rating History: 6/1/21 : O/I; 11/8/21 : E/I; 1/11/22 : O/I; 8/4/22 : E/I; 4/16/25 : O/I

Price Target History: 4/29/21 : 1567.27; 8/5/21 : 1379.98; 10/4/21 : 1300; 11/8/21 : 870; 1/11/22 : 1250; 3/24/22 : 1150; 8/4/22 : 850; 10/27/22 : 600; 1/16/23 : 1050; 2/8/23 : 1100; 4/26/23 : 1150; 7/28/23 : 1050; 10/26/23 : 1150; 2/7/24 : 1130; 7/25/24 : 1050; 11/1/24 : 1000; 4/30/25 : 1050; 8/1/25 : 1030; 10/30/25 : 1000; 10/31/25 : 1130; 1/27/26 : 1180; 1/30/26 : 1230; 4/28/26 : 1850; 4/30/26 : 2000

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)

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Hiwin Technologies Corp. (2049.TW) - As of 06/25/26 GMT in TWD
Industry : Greater China Technology Hardware



Stock Rating History: 6/1/21 : O/I; 8/11/22 : E/I; 2/21/23 : O/I; 8/11/23 : E/I; 5/12/25 : U/I; 2/27/26 : E/I; 3/30/26 : O/I

Price Target History: 1/20/21 : 556.84; 8/5/21 : 480.04; 10/5/21 : 479.6; 2/28/22 : 341.16; 3/24/22 : 301.61; 7/20/22 : 295; 8/11/22 : 230; 11/21/22 : 200; 2/21/23 : 295; 2/27/23 : 283; 5/10/23 : 280; 8/11/23 : 205; 11/13/23 : 220; 2/27/24 : 210; 8/13/24 : 205; 11/12/24 : 225; 2/27/25 : 310; 5/12/25 : 160; 2/27/26 : 210; 3/30/26 : 300; 4/28/26 : 380; 5/11/26 : 400

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

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INDUSTRY COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/25/2026)
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Andy Meng, CFA

AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK\$45.70
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb261.46
BYD Electronics (0285.HK)	O (04/28/2023)	HK\$21.82
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.46
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.67
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb610.49
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT\$759.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb4.68
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb34.44
Largan Precision (3008.TW)	E (10/17/2025)	NT\$5,165.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb7.38
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb8.75
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK\$7.20
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb49.55
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK\$32.96
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb55.55
Sunny Optical (2382.HK)	E (03/23/2026)	HK\$67.00
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb341.97
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb16.07
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK\$22.30
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb575.00
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK\$287.60
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb131.30
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb36.41
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,323.40
ZTE Corporation (0763.HK)	O (06/04/2026)	HK\$24.94
ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb38.44

Derrick Yang

Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT\$2,380.00
Advantech (2395.TW)	O (01/20/2021)	NT\$480.00
AirTAC International (1590.TW)	O (04/16/2025)	NT\$1,390.00
AU Optronics (2409.TW)	E (02/10/2026)	NT\$30.40
Bizlink (3665.TW)	O (03/10/2025)	NT\$1,920.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb7.52
Chenbro (8210.TW)	O (07/23/2025)	NT\$1,285.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT\$2,185.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT\$196.50
Ennostar Inc (3714.TW)	U (09/23/2022)	NT\$67.50
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT\$334.50
Innolux (3481.TW)	E (04/07/2025)	NT\$70.90
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT\$7,315.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb55.72
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT\$90.70
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb21.67
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb5.34
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb10.38
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb263.00

Howard Kao

Acer Inc. (2353.TW)	U (04/23/2025)	NT\$33.80
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT\$748.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT\$36.85
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK\$7.57
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT\$334.00
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT\$1,240.00

Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb68.57
Lenovo (0992.HK)	E (11/16/2025)	HK\$23.98
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT\$2,225.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT\$1,045.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT\$86.00
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT\$366.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb187.20
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb455.00
Unimicron (3037.TW)	O (02/23/2026)	NT\$1,020.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT\$160.00
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT\$4,545.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT\$1,125.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT\$602.00
Sharon Shih		
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT\$2,505.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT\$1,010.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT\$205.50
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT\$1,980.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT\$1,750.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb76.99
Foxconn Technology (2354.TW)	U (04/23/2025)	NT\$57.40
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb23.85
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT\$257.50
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT\$2,120.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb17.88
Lite-On Technology (2301.TW)	E (01/15/2025)	NT\$215.00
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb74.42
Sunonwealth Electric Machine Industry Co (2421.TW)	E (02/23/2024)	NT\$145.50
Tong Hsing (6271.TW)	E (03/18/2019)	NT\$271.50
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT\$388.50

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* Historical prices are not split adjusted.