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UPDATE

May 26, 2026 02:40 PM GMT

Greater China Technology Hardware | Asia Pacific

# Automation – Read-across from JMTBA April 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 2% MoM and grew 45% YoY in April 2026 (vs. +32% MoM/+28% YoY in March 2026), to ¥189bn.**

- Domestic orders -2% MoM/+43% YoY (vs. +36% MoM/+2% YoY in March), to ¥49bn.
- Overseas orders -2% MoM/+46% YoY (vs. +30% MoM/+40% in March), to ¥140bn.
- By region:
  - China: +4% MoM/+57% YoY, to ¥53bn
  - Europe: -9% MoM/+47% YoY, to ¥20bn
  - North America: -5% MoM/+28% YoY, to ¥41bn

**Our view:**

- Orders from all three regions continue to post strong growth on a YoY basis, consistent with the solid manufacturing PMIs, i.e., China, Europe, and North America at 50.3, 52.2, and 52.7 in April, vs. 50.4, 51.6, and 52.7 in March.
- The impressive order growth continues 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 the incremental contribution from linear guides.
  - Hiwin (2049.TW, OW) should show margin expansions in the coming quarters, supported by higher utilization and price hikes.

MORGAN STANLEY TAIWAN LIMITED+

Derrick Yang
Equity Analyst
Derrick.Yang@morganstanley.com +886 2 2730-2862

Vivi Huang
Research Associate
Vivi.Huang@morganstanley.com +886 2 2730-2860

Sharon Shih
Equity Analyst
Sharon.Shih@morganstanley.com +886 2 2730-2865

**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 | | | |
| Final JMTBA April 2026 orders | 26 May 2026 | Unchanged | \| In-line |
| **Hiwin Technologies Corp.** 2049.TW | | | |
| Final JMTBA April 2026 orders | 26 May 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 April 30, 2026)
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| | 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 | 1546 | 42% | 467 | 51% | 30% | 709 | 44% |
| Equal-weight/Hold | 1568 | 43% | 358 | 39% | 23% | 715 | 44% |
| Not-Rated/Hold | 4 | 0% | 0 | 0% | 0% | 1 | 0% |
| Underweight/Sell | 555 | 15% | 84 | 9% | 15% | 202 | 12% |
| Total | 3,673 | | 909 | | | 1627 | |

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.

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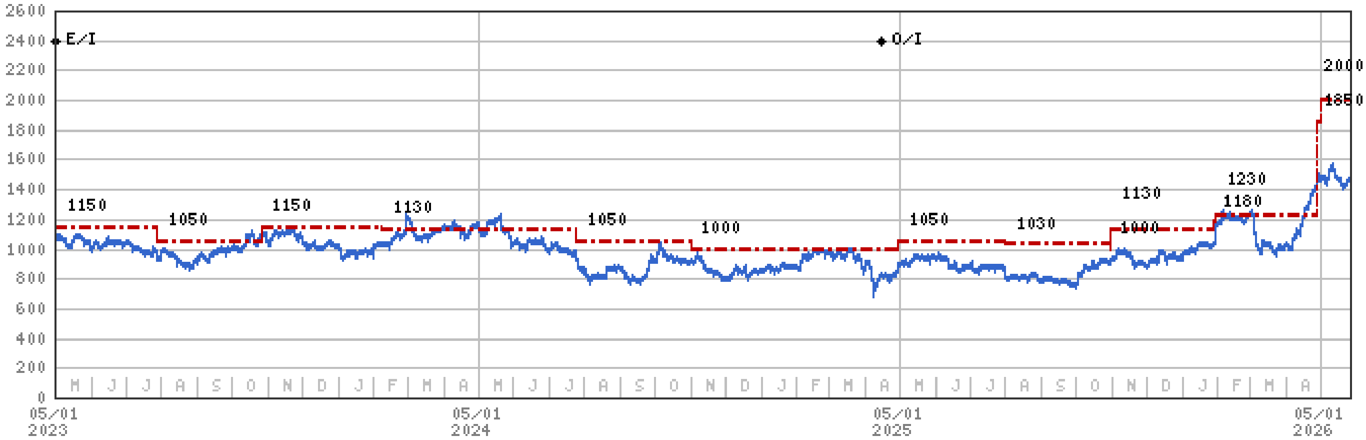
### Stock Price, Price Target and Rating History (See Rating Definitions)

AirTAC International (1590.TW) - As of 05/26/26 GMT in TWD
Industry : Greater China Technology Hardware




Stock Rating History: 5/1/21 : 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)
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Hiwin Technologies Corp. (2049.TW) - As of 05/26/26 GMT in TWD
Industry : Greater China Technology Hardware


Stock Rating History: 5/1/21 : 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

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
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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)
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## INDUSTRY COVERAGE: Greater China Technology Hardware

| COMPANY (TICKER) | RATING (AS OF) | PRICE* (05/26/2026) |
|---|---|---|

| | | |
|---|---|---|
| **Andy Meng, CFA** | | |
| AAC Technologies Holdings (2018.HK) | O (01/29/2024) | HK$44.36 |
| Accelink Technologies Co. Ltd. (002281.SZ) | U (05/12/2022) | Rmb206.72 |
| BYD Electronics (0285.HK) | O (04/28/2023) | HK$28.08 |
| China TransInfo Technology Co Ltd (002373.SZ) | E (07/18/2023) | Rmb8.56 |
| Dahua Technology Co. Ltd. (002236.SZ) | E (12/12/2024) | Rmb17.79 |
| Eoptolink Technology Inc Ltd (300502.SZ) | O (02/27/2026) | Rmb700.00 |
| Genius Electronic Optical Co. Ltd. (3406.TW) | E (04/23/2025) | NT$588.00 |
| Gosuncn Technology Group Co Ltd (300098.SZ) | U (11/07/2022) | Rmb5.70 |
| HIKVision Digital Technology (002415.SZ) | E (12/12/2024) | Rmb32.00 |
| Largan Precision (3008.TW) | E (10/17/2025) | NT$3,665.00 |
| LianChuang Electronic Technology Co Ltd (002036.SZ) | U (06/12/2024) | Rmb10.78 |
| OFILM Group Co Ltd (002456.SZ) | U (06/12/2024) | Rmb9.27 |
| Q Technology (Group) Company Ltd (1478.HK) | U (03/23/2026) | HK$9.34 |
| Quectel Wireless Solutions Co Ltd (603236.SS) | E (10/09/2024) | Rmb77.30 |
| Shanghai Conant Optical Co Ltd (2276.HK) | O (04/10/2026) | HK$45.98 |
| Shenzhen Transsion Holdings Co Ltd (688036.SS) | E (03/23/2026) | Rmb62.90 |
| Sunny Optical (2382.HK) | E (03/23/2026) | HK$73.95 |
| Suzhou TFC Optical Communication Co Ltd. (300394.SZ) | E (11/06/2025) | Rmb406.76 |
| Wingtech Technology Co Ltd (600745.SS) | U (05/18/2026) | Rmb17.86 |
| Xiaomi Corp (1810.HK) | O (04/14/2021) | HK$29.76 |
| Yangtze Optical Fibre and Cable JSC Ltd (601869.SS) | U (10/13/2021) | Rmb363.93 |
| Yangtze Optical Fibre and Cable JSC Ltd (6869.HK) | E (04/20/2023) | HK$213.60 |
| Yongxin Optics Co Ltd (603297.SS) | E (11/15/2022) | Rmb141.01 |
| Zhejiang Crystal-Optech Co Ltd (002273.SZ) | O (11/15/2022) | Rmb39.30 |
| Zhongji Innolight Co Ltd (300308.SZ) | ++ | Rmb1,103.00 |
| ZTE Corporation (0763.HK) | E (03/11/2024) | HK$24.92 |
| ZTE Corporation (000063.SZ) | U (07/02/2021) | Rmb35.54 |
| **Derrick Yang** | | |
| Accton Technology Corporation (2345.TW) | O (06/06/2024) | NT$2,620.00 |
| Advantech (2395.TW) | O (01/20/2021) | NT$510.00 |
| AirTAC International (1590.TW) | O (04/16/2025) | NT$1,465.00 |
| AU Optronics (2409.TW) | E (02/10/2026) | NT$22.00 |
| Bizlink (3665.TW) | O (03/10/2025) | NT$2,265.00 |
| BOE Technology (000725.SZ) | O (09/06/2019) | Rmb5.77 |
| Chenbro (8210.TW) | O (07/23/2025) | NT$1,440.00 |
| Chroma Ate Inc. (2360.TW) | O (10/05/2021) | NT$2,500.00 |
| E Ink Holdings Inc. (8069.TWO) | O (05/11/2026) | NT$235.00 |
| Ennostar Inc (3714.TW) | U (09/23/2022) | NT$79.40 |
| Hiwin Technologies Corp. (2049.TW) | O (03/30/2026) | NT$409.50 |
| Innolux (3481.TW) | E (04/07/2025) | NT$45.70 |
| King Slide Works Co. Ltd. (2059.TW) | O (11/08/2023) | NT$5,035.00 |
| Lens Technology (300433.SZ) | E (07/22/2020) | Rmb38.48 |
| Radiant Opto-Electronics Corporation (6176.TW) | E (03/01/2024) | NT$105.00 |
| Sanan Optoelectronics (600703.SS) | U (08/21/2023) | Rmb15.85 |
| TCL Corp. (000100.SZ) | E (04/07/2025) | Rmb4.65 |
| Tianma Microelectronics (000050.SZ) | U (01/24/2018) | Rmb8.27 |
| Wuhan Jingce Electronic Group Co Ltd (300567.SZ) | E (11/26/2021) | Rmb218.01 |
| **Howard Kao** | | |
| Acer Inc. (2353.TW) | U (04/23/2025) | NT$31.90 |
| Asustek Computer Inc. (2357.TW) | U (11/16/2025) | NT$699.00 |
| Compal Electronics (2324.TW) | U (04/23/2025) | NT$33.60 |
| FIT Hon Teng Ltd (6088.HK) | O (11/03/2025) | HK$8.67 |
| Giga-Byte Technology Co. Ltd. (2376.TW) | E (11/16/2025) | NT$336.00 |
| Gold Circuit Electronics Ltd. (2368.TW) | O (10/06/2022) | NT$1,445.00 |

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| Inspur Electronic Information (000977.SZ) | E (08/28/2023) | Rmb67.30 |
| Lenovo (0992.HK) | E (11/16/2025) | HK$18.19 |
| Lotes Co. Ltd. (3533.TW) | E (05/12/2025) | NT$2,640.00 |
| Nan Ya PCB (8046.TW) | O (02/23/2026) | NT$922.00 |
| Pegatron Corporation (4938.TW) | E (03/25/2026) | NT$81.40 |
| Quanta Computer Inc. (2382.TW) | O (05/01/2023) | NT$316.50 |
| Shengyi Technology Co Ltd. (600183.SS) | E (05/26/2022) | Rmb128.17 |
| Shennan Circuits Co Ltd (002916.SZ) | E (08/24/2023) | Rmb419.50 |
| Unimicron (3037.TW) | O (02/23/2026) | NT$1,085.00 |
| Wistron Corporation (3231.TW) | O (07/12/2023) | NT$146.00 |
| Wiwynn Corp (6669.TW) | O (11/10/2025) | NT$5,280.00 |
| Yageo Corp. (2327.TW) | O (10/28/2025) | NT$661.00 |
| Zhen Ding (4958.TW) | O (05/18/2026) | NT$540.00 |
| **Sharon Shih** | | |
| Asia Vital Components Co. Ltd. (3017.TW) | O (07/30/2024) | NT$2,725.00 |
| Auras Technology Co Ltd (3324.TWO) | E (05/04/2023) | NT$1,040.00 |
| Catcher Technology (2474.TW) | U (11/17/2025) | NT$195.00 |
| Delta Electronics Inc. (2308.TW) | O (07/13/2017) | NT$2,350.00 |
| Fositek Corp (6805.TW) | O (06/25/2025) | NT$1,785.00 |
| Foxconn Industrial Internet Co. Ltd. (601138.SS) | O (07/10/2019) | Rmb69.98 |
| Foxconn Technology (2354.TW) | U (04/23/2025) | NT$60.50 |
| GoerTek Inc (002241.SZ) | U (04/23/2025) | Rmb27.30 |
| Hon Hai Precision (2317.TW) | O (03/15/2024) | NT$259.00 |
| LandMark Optoelectronics Corporation (3081.TWO) | E (03/26/2026) | NT$3,160.00 |
| Lingyi Itech Guangdong Co (002600.SZ) | U (04/23/2025) | Rmb15.82 |
| Lite-On Technology (2301.TW) | E (01/15/2025) | NT$239.50 |
| Luxshare Precision Industry Co., Ltd. (002475.SZ) | O (10/24/2016) | Rmb72.45 |
| Sunonwealth Electric Machine Industry Co (2421.TW) | E (02/23/2024) | NT$165.00 |
| Tong Hsing (6271.TW) | E (03/18/2019) | NT$260.50 |
| Visual Photonics Epitaxy Co Ltd (2455.TW) | E (09/11/2023) | NT$423.50 |

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