

Earnings Calendar

6th – 17th November announcements

Earnings Preview

We summarize our views for operating results to be announced on 6th – 17th Nov

Earnings calendar

6th – 10th November

Monday 6 th November	Tuesday 7 th November	Wednesday 8 th November	Thursday 9 th November	Friday 10 th November
Obayashi Corporation (1802)* JFE Holdings (5411) WORKMAN (7564)* Katitas (8919)* Nippon Yusen (9101)* NTT DATA (9613)*	Shimizu Corporation (1803)* Kakaku.com (2371)* Tokyu Fudosan Holdings (3289)* Asahi Kasei (3407) Oji Holdings (3861) Nippon Shokubai (4114) Eisai (4523)* Tokai Carbon (5301) Rakuten Bank (5838)* Daikin Industries (6367)* Taiyo Yuden (6976) SBI Sumishin Net Bank (7163)* Mazda Motor (7261) Suzuki Motor (7269) Yamaha Motor (7272) BANDAI NAMCO Holdings (7832)* Nintendo (7974)* GOLDWIN (8111)* DESCENTE (8114)* NTT (9432)* SQUARE ENIX HOLDINGS (9684)*	Toray (3402) SUMCO (3436) Nippon Soda (4041) Denka (4061) Mitsubishi Gas Chemical (4182) Mitsui Chemicals (4183) ENEOS Holdings (5020) Sumitomo Metal Mining (5713) Fujikura (5803) Recruit Holdings (6098)* Kubota Corp (6326)* Daifuku (6383)* Sharp (6753) Sysmex (6869)* UNITED ARROWS (7606)* Mitsui Fudosan (8801)* SoftBank Corp. (9434)*	NEXON (3659)* Resonac Holdings (4004) Kureha (4023) Air Water (4088) Kaneka (4118) Kansai Paint (4613) Trend Micro (4704)* Rakuten Group (4755)* Digital Garage (4819)* Mitsubishi Materials (5711) Furukawa Electric (5801) Sony Group Corporation (6758) Amvis Holdings (7071)* Nissan Motor (7201) Honda Motor (7267) Olympus Corp. (7733)* Iwatani Corporation (8088) Chiba Bank (8331)* Suruga Bank (8358)* Mitsubishi Estate (8802)* Tokyo Tatemono (8804)* MEITEC (9744)* SoftBank Group (9984)*	Haseko Corporation (1808)* Daiwa House Industry (1925)* Nissan Chemical (4021) Tokyo Ohka Kogyo (4186) ADEKA (4401) Sosei (4565)* Sawai Group Holdings (4887)* Toyo Gosei (4970) Yokohama Rubber (5101)* Bridgestone (5108) Sumitomo Rubber Industries (5110) Mitsui Mining & Smelting (5706) Dowa Holdings (5714) Shizuoka Financial Group (5831)* CKD (6407)* THK (6481)* PHC Holdings (6523)* JEOL (6951) Concordia Financial Group (7186)* Isuzu Motors (7202) Pan Pacific International HD (7532)* Tokyo Electron (8035) Credit Saison (8253)* Resona Holdings (8308)* Seven Bank (8410)* Sumitomo Realty & Development (8830)* TBS Holdings (9401)* TV Asahi Holdings (9409)* Nitori Holdings (9843)*

Note: Company comments are not included in this report

Source: BofA Global Research, company data. Consensus estimates in this report are provided by IFS and Bloomberg.

BofA GLOBAL RESEARCH

02 November 2023

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[Electronics: Deep dive: Japan electronics comeback on DX, GX, asset-based business](#)

[Semiconductor/Semi Capital Equipment: Jul-Sep results preview: Highlight Tokyo Electron](#)

[Japan Capital Goods: 3Q23 preview: Decline in FA orders, but cycle trough narrative to remain intact](#)

[Electronic materials: Preview: ADEKA risk of large guidance cut; Fujimi could rise on end of negatives](#)

[Transportation - Japan: Japan transport – 2Q earnings preview](#)

[Japan Bank Industry: End of NIRP: 13% upside seen for Buy names; how to handle rally nearing peak](#)

[Japan Financial Sector: Prefer banks, life insurers, brokerages, and P&C: Time for a reversal among stocks](#)

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Refer to important disclosures on page 35 to 39. Price Objective Basis/Risk on page 21.

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Earnings calendar13th – 17th November

Monday 13 th November	Tuesday 14 th November	Wednesday 15 th November	Thursday 16 th November	Friday 17 th November
Taisei Corporation (1801)* Kajima Corporation (1812)* UT Group (2146)* Hakuhodo DY Holdings (2433)* GMO Payment Gateway (3769)* GMO GlobalSign Holdings (3788)* RAKUS (3923)* Mercari (4385)* Kyoto Financial Group (5844)* Japan Post HD (6178)* Japan Post Insurance (7181)* Japan Post Bank (7182)* Snow Peak (7816)* Aozora Bank (8304)* Fukuoka Financial Group (8354)* Mizuho Financial Group (8411)* Skymark Airlines (9204)*	MatsukiyoCocokara & Co (3088)* Dentsu Group Inc. (4324)* freee (4478)* Medley (4480)* Terumo (4543)* Nippon Paint Holdings (4612)* Idemitsu Kosan (5019)* Toyo Tire (5105)* SMC (6273)* Asahi Intecc (7747)* Mitsubishi UFJ Financial Group (8306)* Sumitomo Mitsui Trust Holdings (8309)* Sumitomo Mitsui Financial Group (8316)* Dai-ichi Life Holdings (8750)* T&D Holdings (8795)* TRYT (9164)* GMO Internet Group (9449)* Sundrug (9989)*	LIFENET INSURANCE (7157)*	-	Sompo Holdings (8630)* MS&AD Holdings (8725)* Tokio Marine Holdings (8766)*

Note: Company comments are not included in this report

Source: BofA Global Research, company data. Consensus estimates in this report are provided by IFS and Bloomberg.

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November 6**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
1802	Obayashi Corporation*	UNDERPERFORM	B-3-7	3:00 PM	1,331	11/7	10:30 AM
5411	JFE Holdings	BUY	B-1-7	3:00 PM	2,127	11/6	5:00 PM
7564	WORKMAN*	UNDERPERFORM	B-3-7	3:00 PM	3,960	11/6	3:30 PM
8919	Katitas*	BUY	B-1-7	3:00 PM	2,039	11/6	4:00 PM
9101	Nippon Yusen*	UNDERPERFORM	B-3-8	12:00 PM	3,813	11/6	3:00 PM
9613	NTT DATA*	NEUTRAL	B-2-7	3:00 PM	1,862	11/6	5:00 PM

Source: BofA Global Research

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November 7**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
1803	Shimizu Corporation*	UNDERPERFORM	B-3-7	1:00 PM	1,106	TBA	-
2371	Kakaku.com*	BUY	B-1-7	11:40 AM	1,438	11/7	3:30 PM
3289	Tokyu Fudosan Holdings*	BUY	B-1-7	3:00 PM	879	11/14	3:30 PM
3407	Asahi Kasei	UNDERPERFORM	B-3-7	12:30 PM	939	11/7	3:00 PM
3861	Oji Holdings	NEUTRAL	B-2-7	1:00 PM	651	11/7	3:00 PM
4114	Nippon Shokubai	BUY	B-1-7	3:00 PM	5,601	11/9	1:30 PM
4523	Eisai*	BUY	B-1-7	12:30 PM	8,083	11/7	3:00 PM
5301	Tokai Carbon	NEUTRAL	B-2-7	3:00 PM	1,182	11/8	10:00 AM
5838	Rakuten Bank*	NEUTRAL	C-2-9	3:30 PM	2,570	11/7	4:00 PM
6367	Daikin Industries*	NEUTRAL	B-2-7	3:20 PM	22,275 / 14.37	11/8	12:30 PM
6976	Taiyo Yuden	NEUTRAL	B-2-7	3:00 PM	3,537	11/7	4:15 PM
7163	SBI Sumishin Net Bank*	BUY	C-1-7	3:00 PM	1,627	11/9	11:00 AM
7261	Mazda Motor	BUY	B-1-7	3:00 PM	1,498	11/7	5:00 PM
7269	Suzuki Motor	BUY	B-1-7	3:00 PM	5,951	11/7	6:15 PM
7272	Yamaha Motor	UNDERPERFORM	B-3-7	3:05 PM	3,724	11/7	4:00 PM
7832	BANDAI NAMCO Holdings*	UNDERPERFORM	C-3-7	3:00 PM	3,124	11/7	4:30 PM
7974	Nintendo*	BUY	B-1-8	3:30 PM	6,310	11/8	10:00 AM
8111	GOLDWIN*	BUY	B-1-7	10:00 AM	9,610	11/7	11:00 AM
8114	DESCENTE*	BUY	C-1-7	11:00 AM	4,120	11/8	1:00 PM
9432	NTT*	BUY	C-1-7	2:00 PM	178 / 29.64	11/7	4:00 PM
9684	SQUARE ENIX HOLDINGS*	BUY	B-1-8	5:00 PM	5,013	11/7	6:30 PM

Source: BofA Global Research

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November 8**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
3402	Toray	UNDERPERFORM	B-3-7	12:30 PM	741	11/8	3:00 PM
3436	SUMCO	BUY	B-1-8	3:00 PM	1,979	11/8	NA
4041	Nippon Soda	NEUTRAL	C-2-7	3:00 PM	5,470	11/21	10:30 AM
4061	Denka	UNDERPERFORM	B-3-7	11:00 AM	2,752	11/8	1:30 PM
4182	Mitsubishi Gas Chemical	UNDERPERFORM	B-3-7	3:00 PM	2,069	11/10	11:00 AM
4183	Mitsui Chemicals	UNDERPERFORM	B-3-7	1:00 PM	3,840	11/8	4:00 PM
5020	ENEOS Holdings	BUY	B-1-7	1:00 PM	569	11/8	4:00 PM
5713	Sumitomo Metal Mining	BUY	B-1-8	3:00 PM	4,301	11/8	5:30 PM
5803	Fujikura	BUY	B-1-7	3:00 PM	1,104	11/8	3:30 PM



November 8**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
6098	Recruit Holdings*	NEUTRAL	B-2-7	3:00 PM	4,476	11/8	4:00 PM
6326	Kubota Corp*	NEUTRAL	B-2-7	3:00 PM	2,063 / 66.33	11/8	4:00 PM
6383	Daifuku*	BUY	C-1-7	4:00 PM	2,501	11/9	1:30 PM
6753	Sharp	UNDERPERFORM	B-3-9	3:00 PM	951	11/8	3:30 PM
6869	Sysmex*	UNDERPERFORM	B-3-7	3:00 PM	7,308	11/9	10:00 AM
7606	UNITED ARROWS*	BUY	B-1-7	3:00 PM	1,923	11/9	10:00 AM
8801	Mitsui Fudosan*	BUY	B-1-7	3:00 PM	3,345	11/8	6:00 PM
9434	SoftBank Corp.*	NEUTRAL	A-2-7	3:00 PM	1,708	11/8	4:00 PM

Source: BofA Global Research

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November 9**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
3659	NEXON*	BUY	B-1-7	3:00 PM	2,815	11/9	5:00 PM
4004	Resonac Holdings	UNDERPERFORM	B-3-7	3:00 PM	2,484	11/9	NA
4023	Kureha	NEUTRAL	B-2-7	3:00 PM	9,070	11/10	10:00 AM
4088	Air Water	BUY	B-1-7	3:00 PM	1,932	11/9	7:00 PM
4118	Kaneka	NEUTRAL	C-2-7	4:00 PM	3,771	11/9	6:00 PM
4613	Kansai Paint	BUY	B-1-7	3:00 PM	2,225	11/9	NA
4704	Trend Micro*	UNDERPERFORM	B-3-8	3:00 PM	5,732 / 37.96	11/9	4:00 PM
4755	Rakuten Group*	BUY	B-1-7	3:00 PM	551	11/9	3:15 PM
4819	Digital Garage*	BUY	B-1-7	3:30 PM	2,976	11/9	3:30 PM
5711	Mitsubishi Materials	BUY	B-1-7	3:00 PM	2,450	11/9	4:30 PM
5801	Furukawa Electric	UNDERPERFORM	B-3-8	3:00 PM	2,280	11/9	5:30 PM
6758	Sony Group Corporation	BUY	B-1-7	3:00 PM	12,795 / 83.05	11/9	4:00 PM
7071	Amvis Holdings*	BUY	C-1-7	4:00 PM	2,471	11/13	4:00 PM
7201	Nissan Motor	BUY	B-1-7	4:25 PM	597 / 7.69	11/9	6:30 PM
7267	Honda Motor	BUY	B-1-7	3:00 PM	1,569 / 30.75	11/9	5:00 PM
7733	Olympus Corp.*	BUY	B-1-7	3:00 PM	2,042	11/9	6:00 PM
8088	Iwatani Corporation	BUY	B-1-7	2:30 PM	7,325	11/17	10:30 AM
8331	Chiba Bank*	NEUTRAL	B-2-7	3:00 PM	1,149	11/21	10:00 AM
8358	Suruga Bank*	UNDERPERFORM	B-3-7	3:00 PM	662	11/22	3:00 PM
8802	Mitsubishi Estate*	NEUTRAL	A-2-7	3:00 PM	1,954	11/13	1:00 PM
8804	Tokyo Tatemono*	NEUTRAL	B-2-7	3:00 PM	2,009	11/9	4:00 PM
9744	MEITEC*	NEUTRAL	B-2-7	11:30 AM	2,696	11/9	4:00 PM
9984	SoftBank Group*	NEUTRAL	B-2-7	3:00 PM	6,187	11/9	4:30 PM

Source: BofA Global Research

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November 10**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
1808	Haseko Corporation*	NEUTRAL	B-2-7	3:00 PM	1,906	11/10	5:00 PM
1925	Daiwa House Industry*	BUY	A-1-7	2:00 PM	4,229	11/10	4:00PM
4021	Nissan Chemical	UNDERPERFORM	B-3-7	3:00 PM	6,244	11/10	4:00 PM
4186	Tokyo Ohka Kogyo	BUY	B-1-7	3:00 PM	8,630	-	-
4401	ADEKA	BUY	B-1-7	1:00 PM	2,538	11/27	10:00 AM

November 10**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
4565	Sosei*	BUY	C-1-9	3:30 PM	1,398	n.a.	-
4887	Sawai Group Holdings*	BUY	B-1-7	3:00 PM	4,868	11/13	3:00 PM
4970	Toyo Gosei	NEUTRAL	C-2-7	3:00 PM	6,230	11/20	3:30 PM
5101	Yokohama Rubber*	NEUTRAL	B-2-7	-	2,810	11/10	-
5108	Bridgestone	NEUTRAL	A-2-7	2:30 PM	5,814 / 18.96	11/10	TBA
5110	Sumitomo Rubber Industries	UNDERPERFORM	B-3-7	4:30 PM	1,560	11/10	6:15 PM
5706	Mitsui Mining & Smelting	NEUTRAL	B-2-7	3:00 PM	3,879	11/10	5:00 PM
5714	Dowa Holdings	NEUTRAL	B-2-8	3:00 PM	4,691	11/10	4:00 PM
5831	Shizuoka Financial Group*	NEUTRAL	B-2-7	3:30 PM	1,304	11/20	3:30 PM
6407	CKD*	UNDERPERFORM	B-3-7	3:00 PM	1,944	TBC	TBC
6481	THK*	UNDERPERFORM	B-3-8	3:00 PM	2,752	—	—
6523	PHC Holdings*	NEUTRAL	B-2-7	3:00 PM	1,423	11/10	4:00 PM
6951	JEOL	BUY	C-1-7	3:00 PM	4,829 / 35.06	-	-
7186	Concordia Financial Group*	BUY	B-1-7	3:00 PM	716	11/20	10:30 AM
7202	Isuzu Motors	BUY	B-1-7	3:00 PM	1,702	11/10	5:00 PM
7532	Pan Pacific International HD*	NEUTRAL	B-2-7	3:00 PM	2,955	11/10	5:00 PM
8035	Tokyo Electron	BUY	C-1-8	3:00 PM	20,390	11/10	5:30 PM
8253	Credit Saison*	UNDERPERFORM	B-3-7	3:00 PM	2,293	11/10	5:30 PM
8308	Resona Holdings*	NEUTRAL	B-2-7	4:00 PM	832	11/10	6:00 PM
						11/17	1:30 PM
8410	Seven Bank*	UNDERPERFORM	A-3-7	1:00 PM	307	11/13	2:00 PM
8830	Sumitomo Realty & Development*	NEUTRAL	B-2-7	3:00 PM	3,879	11/16	1:30 PM
9401	TBS Holdings*	BUY	B-1-7	3:00 PM	2,511	11/13	10:30 AM
9409	TV Asahi Holdings*	BUY	A-1-7	4:00 PM	1,643	11/15	1:00 PM
9843	Nitori Holdings*	BUY	B-1-7	3:00 PM	16,635	11/10	4:00 PM

Source: BofA Global Research

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November 13**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
1801	Taisei Corporation*	UNDERPERFORM	B-3-7	2:00 PM	5,301	11/14	2:30 PM
1812	Kajima Corporation*	BUY	B-1-7	12:00 PM	2,570	11/13	3:00 PM
2146	UT Group*	BUY	C-1-7	4:30 PM	1,887	11/14	1:30 PM
2433	Hakuhodo DY Holdings*	UNDERPERFORM	B-3-7	4:00 PM	1,250	11/14	2:00 PM
3769	GMO Payment Gateway*	NEUTRAL	B-2-7	3:31 PM	6,247	11/14	2:00 PM
3788	GMO GlobalSign Holdings*	BUY	C-1-7	3:31 PM	2,537	11/13	5:00 PM
3923	RAKUS*	UNDERPERFORM	C-3-7	3:30 PM	1,842	11/14	10:00 AM
4385	Mercari*	UNDERPERFORM	C-3-9	3:00 PM	2,997	-	-
5844	Kyoto Financial Group*	NEUTRAL	B-2-7	3:00 PM	8,762	12/4	1:00 PM
6178	Japan Post HD*	BUY	A-1-7	3:00 PM	1,353	11/13	6:30 PM
						11/15	9:30 AM
7181	Japan Post Insurance*	BUY	B-1-7	3:00 PM	2,962	11/13	5:45 PM
						11/30	2:00 PM
7182	Japan Post Bank*	BUY	A-1-7	3:00 PM	1,415	11/13	5:00 PM
						11/16	3:30 PM
7816	Snow Peak*	UNDERPERFORM	C-3-7	3:30 PM	1,011	11/17	5:00 PM
8304	Aozora Bank*	UNDERPERFORM	B-3-7	4:15 PM	3,107	11/13	6:45 PM
						11/20	1:30 PM
8354	Fukuoka Financial Group*	BUY	C-1-7	3:00 PM	4,098	11/29	1:30 PM
8411	Mizuho Financial Group*	BUY	C-1-7	15:00 台	2,640 / 3.44	11/13	6:00 PM
						11/16	1:30 PM
9204	Skymark Airlines*	BUY	C-1-7	3:00 PM	992	11/13	4:00 PM

Source: BofA Global Research

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November 14**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
3088	MatsukiyoCocokara & Co*	BUY	B-1-7	3:00 PM	2,627	11/17	3:00 PM
4324	Dentsu Group Inc.*	BUY	B-1-7	3:30 PM	4,389	11/14	7:00 PM
4478	Freee*	NEUTRAL	C-2-9	3:00 PM	2,571	11/14	5:00 PM
4480	Medley*	BUY	C-1-9	3:00 PM	4,285	11/14	4:30 PM
4543	Terumo*	BUY	B-1-7	3:00 PM	4,179	11/14	5:00 PM
4612	Nippon Paint Holdings*	BUY	C-1-7	3:30 PM	1,006	11/14	4:30 PM
5019	Idemitsu Kosan*	BUY	B-1-8	3:00 PM	3,462	11/14	4:30 PM
5105	Toyo Tire*	BUY	B-1-7	3:30 PM	2,276	11/14	4:30 PM
6273	SMC*	BUY	B-1-7	3:00 PM	71,640 / 23.19	11/15	10:00 AM
7747	Asahi Intecc*	BUY	B-1-7	3:30 PM	2,531	11/15	4:00 PM
8306	Mitsubishi UFJ Financial Group*	BUY	B-1-7	Evening	1,293 / 8.4	11/14	7:00 PM
						11/16	10:00 AM
8309	Sumitomo Mitsui Trust Holdings*	BUY	B-1-7	4:00 PM	5,721	11/14	6:00 PM
						11/17	3:30 PM
8316	Sumitomo Mitsui Financial Group*	NEUTRAL	B-2-7	5:30 PM	7,449 / 9.67	11/15	3:00 PM
8750	Dai-ichi Life Holdings*	NEUTRAL	B-2-7	2:30 PM	3,268	11/14	4:55 PM
						11/28	10:00 AM
8795	T&D Holdings*	BUY	B-1-7	3:00 PM	2,709	11/14	4:00 PM
						11/27	1:00 PM
9164	TRYT*	BUY	C-1-9	TBD	673	11/14	4:00 PM
9449	GMO Internet Group*	BUY	B-1-7	3:31 PM	2,219	11/14	4:00 PM
9989	Sundrug*	BUY	B-1-7	3:00 PM	4,081	11/14	3:15 PM

Source: BofA Global Research

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November 15**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
7157	LIFENET INSURANCE*	BUY	C-1-9	3:30 PM	939	11/15	5:00 PM

Source: BofA Global Research

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November 17**Earnings results announcement time / Analyst briefing meeting date and time**

TSE	Company	Rating	QRQ	Time	Price/ADR (11/1)	Analyst Briefing Meetings (Including Webcasts and Conference calls)	
						Date	Time
8630	Sompo Holdings*	BUY	A-1-7	3:00 PM	6,596	11/17	5:00 PM
8725	MS&AD Holdings*	BUY	A-1-7	3:30 PM	5,624	11/17	6:00 PM
						11/24	4:00 PM
8766	Tokio Marine Holdings*	UNDERPERFORM	B-3-7	2:45 PM	3,420 / 22.39	11/17	7:00 PM
						11/22	3:00 PM

Source: BofA Global Research

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Note: * Company comments are not included in this report.

Analyst Briefing Meeting includes webcasts, live streaming, and conference calls.

Source: BofA Global Research, company data. Consensus estimates in this report are provided by IFIS and Bloomberg



Overseas results schedule and related Japanese stocks

6th November – 17th November announcements

Ticker	Name	Result date (JST)	Result release time (JST)	Estimated /Confirmed	Related stock's ticker	Related stock's name	Comment	Analyst
CE US	CELANESE CORP	2023/11/06	Aft-mkt*	Confirmed	4202 JP	DAICEL CORP	Acetate tow competitor	Enomoto Takashi
2049 TT	HIWIN TECHNOLOGIES CORP	<u>2023/11/07</u>	<u>NA</u>	Estimated	Machinery overall	Machinery overall	China automation demand	Hotta Kenjin
EVK GY	EVONIK INDUSTRIES AG	2023/11/07	15:00	Confirmed	4005 JP	SUMITOMO CHEMICAL CO LTD	Competitor of methionine, SAP and MMA monomer	Enomoto Takashi
EVK GY	EVONIK INDUSTRIES AG	2023/11/07	15:00	Confirmed	4114 JP	NIPPON SHOKUBAI CO LTD	Competitor of methionine, SAP and MMA monomer	Enomoto Takashi
EVK GY	EVONIK INDUSTRIES AG	2023/11/07	15:00	Confirmed	4188 JP	DAICEL CORP	Competitor of methionine, SAP and MMA monomer	Enomoto Takashi
GILD US	GILEAD SCIENCES INC	2023/11/07	Aft-mkt*	Confirmed	4507 JP	SHIONOGI & CO LTD	HIV drugs compete with Gilead's drugs	Mamegano Koichi
PETRO	ABRABIGH REFINING AND PETROCHE	<u>2023/11/07</u>	<u>NA</u>	Estimated	4005 JP	SUMITOMO CHEMICAL CO LTD	Equity-method affiliate	Enomoto Takashi
RYAM US	RAYONIER ADVANCED MATERIALS	2023/11/07	Aft-mkt*	Confirmed	4202 JP	DAICEL CORP	Raw material (pulp) supplier	Enomoto Takashi
2354 TT	FOXCONN TECHNOLOGY CO LTD	<u>2023/11/08</u>	<u>NA</u>	Estimated	6807 JP	JAPAN AVIATION ELECTRONICS	iPhone trend, competes in connector and USB type-C	Kubota Masashi
BAYN GR	BAYER AG-REG	2023/11/08	15:30	Confirmed	Pharma overall	Pharma overall	Pharma overall	Watanabe Ritsuo
BIIB US	BIOGEN INC	2023/11/08	Bef-mkt*	Confirmed	4523 JP	EISAI CO LTD	Co-development of AD drugs (BAN2401 and elenbecestat)	Watanabe Ritsuo
2474 TT	CATCHER TECHNOLOGY CO LTD	<u>2023/11/09</u>	<u>NA</u>	Estimated	6954 JP	FANUC CORP	Potential read across smartphones	Hotta Kenjin
AZN LN	ASTRAZENECA PLC	2023/11/09	16:00	Confirmed	4151 JP	KYOWA KIRIN CO LTD	Fasenra license out to AZN	Watanabe Ritsuo
NIKL PM	NICKEL ASIA CORP	<u>2023/11/10</u>	<u>NA</u>	Estimated	5713 JP	SUMITOMO METAL MINING CO LTD	Equity-method affiliate	Enomoto Takashi
2317 TT	HON HAI PRECISION INDUSTRY	2023/11/14	NA	Tentative	6954 JP	FANUC CORP	Potential read across smartphones	Hotta Kenjin
2317 TT	HON HAI PRECISION INDUSTRY	2023/11/14	NA	Tentative	6981 JP	MURATA MANUFACTURING CO LTD	iPhone trend	Kubota Masashi
2317 TT	HON HAI PRECISION INDUSTRY	2023/11/14	NA	Tentative	6976 JP	TAIYO YUDEN CO LTD	iPhone trend	Kubota Masashi
2317 TT	HON HAI PRECISION INDUSTRY	2023/11/14	NA	Tentative	6770 JP	ALPS ALPINE CO LTD	iPhone trend	Kubota Masashi
2317 TT	HON HAI PRECISION INDUSTRY	2023/11/14	NA	Tentative	6988 JP	NITTO DENKO CORP	iPhone trend	Kubota Masashi
2317 TT	HON HAI PRECISION INDUSTRY	2023/11/14	NA	Tentative	6807 JP	JAPAN AVIATION ELECTRONICS	iPhone trend	Kubota Masashi
2317 TT	HON HAI PRECISION INDUSTRY	2023/11/14	NA	Tentative	4062 JP	IBIDEN CO LTD	iPhone trend	Kubota Masashi
2317 TT	HON HAI PRECISION INDUSTRY	2023/11/14	NA	Tentative	6762 JP	TDK CORP	iPhone trend	Kubota Masashi
4938 TT	PEGATRON CORP	2023/11/14	NA	Tentative	6954 JP	FANUC CORP	Potential read across smartphones	Hotta Kenjin
IFX GR	INFINEON TECHNOLOGIES AG	2023/11/15	Bef-mkt*	Confirmed	6723 JP	RENESAS ELECTRONICS CORP	Direct peer, industry trend	Hirakawa Mikio
AMAT US	APPLIED MATERIALS INC	2023/11/16	Aft-mkt*	Tentative	8035 JP	TOKYO ELECTRON LTD	Global peer, SPE demand outlook	Hirakawa Mikio
AMAT US	APPLIED MATERIALS INC	2023/11/16	Aft-mkt*	Tentative	6857 JP	ADVANTEST CORP	Global peer, SPE demand outlook	Hirakawa Mikio
AMAT US	APPLIED MATERIALS INC	2023/11/16	Aft-mkt*	Tentative	7735 JP	SCREEN HOLDINGS CO LTD	Global peer, SPE demand outlook	Hirakawa Mikio
KGH PW	KGHM POLSKA MIEDZ SA	2023/11/16	01:15	Confirmed	5713 JP	SUMITOMO METAL MINING CO LTD	JV partner of copper mine	Enomoto Takashi
SIE GR	SIEMENS AG-REG	2023/11/16	NA	Confirmed	Machinery overall	Machinery overall	Key global industrial company	Hotta Kenjin
VK FP	VALLOUREC SA	2023/11/16	15:30	Confirmed	5401 JP	NIPPON STEEL CORP	Seamless pipe competitor	Enomoto Takashi

Note: "Bef-mkt" and "Aft-mkt" are in the exchange time zone, not Japan Standard Time (date also local time). Underlined dates/times are Bloomberg estimates, and are subject to change.

Source: Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

11/06/2023

JFE Holdings (5411)

Earnings Summary

JFE Holdings (5411) Takashi Enomoto >>	BUY +81 3 6225 8362	Japan - Cyclical Materials takashi.enomoto@bofa.com	Results Period: 2Q FY3/24 Results Date/Time: 11/06, 3:00 PM	Analyst Meeting: 11/06, 5:00 PM					
We estimate 2Q business profit at ¥47.7bn, in line with guidance of ¥40.2bn. We do not expect full-year business profit guidance (currently ¥290bn) to change. We look for improvements in inventory valuation gains/losses to compensate for low export prices. We do not expect the share price to react negatively, even if actual steel margins appear weak.									
(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	1,310,735	24.4	71,256	-35.5	-	-	39,411	-50.0	68.0
2Q FY3/24 BofA forecasts	1,446,205	10.3	47,675	-33.1	-	-	36,396	-7.7	-
2Q FY3/24 Consensus forecasts	1,327,554	1.3	46,350	-35.0	-	-	33,200	-15.8	-
FY3/24 Co forecasts	5,380,000	2.1	-	-	-	-	190,000	16.8	327.1
FY3/24 BofA forecasts	5,654,790	7.3	295,000	57.4	-	-	205,000	26.1	328.8
FY3/24 Consensus forecasts	5,357,453	1.7	277,372	48.0	-	-	187,782	15.5	316.6
FY3/25 BofA forecasts	5,524,500	-2.3	310,000	5.1	-	-	248,500	21.2	373.0
FY3/25 Consensus forecasts	5,224,832	-2.5	279,305	0.7	-	-	200,791	6.9	332.6

Source: BofA Global Research

BofA GLOBAL RESEARCH

11/07/2023

Asahi Kasei (3407)

Earnings Summary

Asahi Kasei (3407) Takashi Enomoto >>	UNDERPERFORM +81 3 6225 8362	Japan - Cyclical Materials takashi.enomoto@bofa.com	Results Period: 2Q FY3/24 Results Date/Time: 11/07, 12:30 PM			Analyst Meeting: 11/07, 3:00 PM			
We estimate 2Q OP at ¥24.2bn, in line with the consensus estimate of ¥25.3bn. Despite yen depreciation, we expect the company to revise down initial guidance due to downturns in the materials and healthcare businesses, and newly forecast OP of around ¥125bn (current guidance ¥160bn). This would be around the consensus level of ¥130.8bn, so we do not expect any surprises. We think the DPS forecast will remain unchanged. The key point in the briefing will likely be business restructuring centered on petrochemicals.									
(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	680,790	13.9	36,447	-30.8	34,859	-35.5	21,889	-51.2	15.8
2Q FY3/24 BofA forecasts	696,161	2.3	24,209	-33.6	24,121	-30.8	11,909	-45.6	-
2Q FY3/24 Consensus forecasts	689,937	1.3	25,301	-30.6	22,706	-34.9	12,302	-43.8	11.6
FY3/24 Co forecasts	2,865,000	5.1	160,000	24.7	165,000	35.8	100,000	-	72.2
FY3/24 BofA forecasts	2,813,200	3.2	125,000	-2.6	130,000	7.0	85,000	-	61.3
FY3/24 Consensus forecasts	2,782,040	2.0	130,830	1.9	131,922	8.5	88,720	-	63.2
FY3/25 BofA forecasts	2,905,000	3.3	150,000	20.0	156,000	20.0	103,500	21.8	74.7
FY3/25 Consensus forecasts	2,898,630	4.2	161,020	23.1	163,411	23.9	112,030	26.3	81.5

Source: BofA Global Research

BofA GLOBAL RESEARCH

Oji Holdings (3861)

Earnings Summary

Oji Holdings (3861) Kyoji Chiba >>	NEUTRAL +81 3 6225 7189	Japan - Cyclical Materials kyoji.chiba@bofa.com	Results Period: 2Q FY3/24 Results Date/Time: 11/07, 1:00 PM			Analyst Meeting: 11/07, 3:00 PM			
We estimate 2Q OP was ¥28.5bn, slightly higher than the consensus estimate of ¥22.5bn. We think profit benefitted from price hikes in Japan, lower costs for coal and other raw materials, and the weak yen. We expect management to leave its full-year guidance unchanged at ¥100bn. We do not anticipate any surprises.									
(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	438,325	19.8	24,817	-30.3	27,240	-20.5	14,642	-41.4	14.8
2Q FY3/24 BofA forecasts	451,900	3.1	28,500	14.8	29,400	7.9	18,213	24.4	-
2Q FY3/24 Consensus forecasts	437,877	-0.1	22,530	-9.2	26,426	-3.0	16,257	11.0	-
FY3/24 Co forecasts	1,800,000	5.5	100,000	17.9	100,000	5.3	65,000	15.1	65.6
FY3/24 BofA forecasts	1,784,817	4.6	100,875	18.9	107,749	13.4	66,428	17.6	67.0
FY3/24 Consensus forecasts	1,779,460	4.3	102,480	20.8	108,692	14.4	70,218	24.3	69.4
FY3/25 BofA forecasts	1,831,400	2.6	110,500	9.5	111,500	3.5	72,787	9.6	73.5
FY3/25 Consensus forecasts	1,821,020	2.3	120,620	17.7	123,234	13.4	80,754	15.0	77.6

Source: BofA Global Research

BofA GLOBAL RESEARCH

Nippon Shokubai (4114)

Earnings Summary

Nippon Shokubai (4114) **BUY** **Japan - Cyclical Materials** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/09, 1:30 PM**
Takashi Enomoto >> **+81 3 6225 8362** **takashi.enomoto@bofa.com** **Results Date/Time: 11/07, 3:00 PM**

We estimate 2Q OP at ¥3.3bn, in line with the consensus estimate of ¥3.6bn. We expect full-year OP guidance of ¥18bn to be intact. Despite the benefit of the yen weakening against the euro, we think high naphtha prices will have an impact. Although OP guidance is below the consensus estimate of ¥19.7bn, we do not expect any surprises.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	108,163	24.4	8,313	-2.4	-	-	6,478	-3.4	162.5
2Q FY3/24 BofA forecasts	98,437	-9.0	3,278	-60.6	-	-	1,475	-77.2	-
2Q FY3/24 Consensus forecasts	97,920	-9.5	3,580	-56.9	-	-	2,767	-57.3	-
FY3/24 Co forecasts	420,000	0.1	18,000	-23.5	-	-	14,500	-25.2	368.8
FY3/24 BofA forecasts	404,100	-3.7	20,500	-12.9	-	-	14,500	-25.2	368.8
FY3/24 Consensus forecasts	400,120	-4.6	19,680	-16.4	-	-	14,950	-22.9	384.1
FY3/25 BofA forecasts	422,100	4.5	26,500	29.3	-	-	18,500	27.6	470.6
FY3/25 Consensus forecasts	415,780	3.9	24,740	25.7	-	-	18,950	26.8	486.4

Source: BofA Global Research

BofA GLOBAL RESEARCH

Tokai Carbon (5301)

Earnings Summary

Tokai Carbon (5301) **NEUTRAL** **Japan - Cyclical Materials** **Results Period: 3Q FY12/23** **Analyst Meeting: 11/08, 10:00 AM**
Takashi Enomoto >> **+81 3 6225 8362** **takashi.enomoto@bofa.com** **Results Date/Time: 11/07, 3:00 PM**

We estimate 3Q OP at ¥8.8bn, in line with the consensus estimate of ¥9.1bn. We think the company might revise down OP guidance from the current ¥45bn to around ¥38bn (consensus estimate ¥39.3bn). We think a downturn in artificial graphite electrodes, fine carbon for silicon semiconductors, and industrial furnaces will have had an impact. The shares might react negatively. At the briefing, we will focus on price trends for artificial graphite electrodes and carbon black in the US ahead of 2024.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
3Q FY12/22 Actual	89,262	31.8	11,298	68.0	12,684	83.8	6,868	78.3	32.2
3Q FY12/23 BofA forecasts	90,500	1.4	8,800	-22.1	7,865	-38.0	4,365	-36.4	-
3Q FY12/23 Consensus forecasts	96,362	8.0	9,060	-19.8	9,150	-27.9	5,450	-20.6	-
FY12/23 Co forecasts	410,000	20.5	45,000	10.9	45,000	5.8	26,000	16.0	122.0
FY12/23 BofA forecasts	366,500	7.7	38,000	-6.4	39,000	-8.3	24,000	7.1	112.6
FY12/23 Consensus forecasts	363,000	6.6	39,275	-3.2	41,675	-2.0	24,950	11.3	118.9
FY12/24 BofA forecasts	393,300	7.3	47,500	25.0	48,500	24.4	29,500	22.9	138.4
FY12/24 Consensus forecasts	385,000	6.1	44,450	13.2	45,550	9.3	26,375	5.7	118.8

Source: BofA Global Research

BofA GLOBAL RESEARCH

Taiyo Yuden (6976)

Earnings Summary

Taiyo Yuden (6976) **NEUTRAL** **Japan - Technology Hardware** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/07, 4:15 PM**
Masashi Kubota >> **+81 3 6225 7138** **masashi.kubota@bofa.com** **Results Date/Time: 11/07, 3:00 PM**

2Q OP is likely to improve QoQ on a rise in capacity utilization from progress in inventory adjustment. A positive short-term share price reaction to results is possible. But we believe share price upside is limited, given concerns about the risk of dilution from convertible bond issuance, and weak end demand.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	86,273	-2.9	16,476	-15.5	18,355	-9.9	12,644	-18.3	101.5
2Q FY3/24 BofA forecasts	80,300	-6.9	5,100	-69.0	5,200	-71.7	3,800	-69.9	29.2
2Q FY3/24 Consensus forecasts	80,695	-6.5	4,314	-73.8	4,203	-77.1	3,448	-72.7	16.0
FY3/24 Co forecasts	322,000	0.8	15,000	-53.1	14,000	-59.8	8,000	-65.5	64.2
FY3/24 BofA forecasts	322,900	1.1	20,100	-37.1	22,200	-36.3	16,492	-29.0	126.7
FY3/24 Consensus forecasts	321,615	0.7	19,350	-39.5	20,412	-41.4	14,263	-38.6	113.8
FY3/25 BofA forecasts	366,900	13.6	44,500	121.4	46,800	110.8	35,100	112.8	269.6
FY3/25 Consensus forecasts	361,330	12.3	41,871	116.4	43,128	111.3	31,529	121.1	251.3

Source: BofA Global Research

BofA GLOBAL RESEARCH



Mazda Motor (7261)

Earnings Summary

Mazda Motor (7261)
Kei Nihonyanagi >>**BUY**
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kei.nihonyanagi@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/07, 3:00 PM**Analyst Meeting: 11/07, 5:00 PM**

We estimate 2Q OP at ¥78.1bn (+4% YoY). This is a 2.6x QoQ jump, driven mainly by production and shipments (sales bookings) pushed back from 1Q, as in 2Q FY3/23. Monthly retail sales suggest that 2Q shipments likely made up for 1Q delays, in line with the assumption Mazda stated at 1Q results. In underlying terms, we focus on CX-60/CX-90 sales growth and an increase in CX-50 production.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	1,025,283	48.1	74,769	448.4	89,629	1,115.3	70,862	467.9	112.5
2Q FY3/24 BofA forecasts	1,175,609	14.7	78,075	4.4	43,878	-51.0	42,158	-40.5	n/a
2Q FY3/24 Consensus forecasts	1,164,135	13.5	73,259	-2.0	62,676	-30.1	50,443	-28.8	111.0
FY3/24 Co forecasts	4,500,000	17.6	180,000	26.8	172,000	-7.5	130,000	-9.0	206.3
FY3/24 BofA forecasts	4,846,300	26.6	260,700	83.6	266,600	43.4	197,000	37.9	312.7
FY3/24 Consensus forecasts	4,586,469	19.9	231,092	62.8	253,475	36.3	176,442	23.5	269.7
FY3/25 BofA forecasts	5,469,400	12.9	312,800	20.0	340,100	27.6	244,400	24.1	388.0
FY3/25 Consensus forecasts	4,853,758	5.8	253,567	9.7	267,591	5.6	187,227	6.1	291.7

Source: BofA Global Research

BofA GLOBAL RESEARCH

Suzuki Motor (7269)

Earnings Summary

Suzuki Motor (7269)
Kei Nihonyanagi >>**BUY**
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Results Date/Time: 11/07, 3:00 PM**Analyst Meeting: 11/07, 6:15 PM**

We estimate Suzuki's 2Q OP at ¥107.4bn (+20% YoY). We think rebounding sales, new model launches, and a more favorable mix (particularly in India) continued to drive profit growth. At the 2Q release, we look for a positive message from management that balances long-term growth with better capital efficiency.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	1,154,146	39.3	89,829	101.2	102,517	174.1	56,824	260.2	117.0
2Q FY3/24 BofA forecasts	1,330,504	15.3	107,398	19.6	107,004	4.4	61,842	8.8	n/a
2Q FY3/24 Consensus forecasts	1,289,586	11.7	105,711	17.7	111,801	9.1	65,177	14.7	145.5
FY3/24 Co forecasts	5,000,000	7.7	360,000	2.7	370,000	-3.3	210,000	-5.0	434.4
FY3/24 BofA forecasts	5,291,600	14.0	433,500	23.7	481,600	25.8	294,300	33.1	608.3
FY3/24 Consensus forecasts	5,149,460	10.9	413,733	18.0	450,071	17.6	261,260	18.2	530.3
FY3/25 BofA forecasts	5,655,700	6.9	469,200	8.2	518,800	7.7	317,300	7.8	658.9
FY3/25 Consensus forecasts	5,461,643	6.1	450,279	8.8	488,592	8.6	283,614	8.6	581.3

Source: BofA Global Research

BofA GLOBAL RESEARCH

Yamaha Motor (7272)

Earnings Summary

Yamaha Motor (7272)
Kei Nihonyanagi >>**UNDERPERFORM**
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kei.nihonyanagi@bofa.com**Results Period: 3Q FY12/23**
Results Date/Time: 11/07, 3:05 PM**Analyst Meeting: 11/07, 4:00 PM**

We forecast 3Q OP of ¥62.1bn (-14 YoY) at Yamaha Motor. We think both the robotics and the marine segments (particularly outboard motors) have hit a period of falling sales/destocking at a time of favorable exchange rates, and we estimate that 3Q FY2023 OP fell for the first time in six quarters with the high baseline in 3Q FY2022 also a factor. Outboard motor shipments from Shimizu Port continued to decline sharply in June–August, and we believe Yamaha's 3–4Q sales are likely to slide. EM (emerging market) motorcycle sales growth (including inventory restocking) will likely be a rare positive factor in 3Q. At the 3Q briefing an update about outboard motor and EM motorcycle demand prospects will be a point to watch for the near term.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
3Q FY12/22 Actual	608,200	37.4	71,766	57.8	74,513	63.7	50,095	14.0	148.1
3Q FY12/23 BofA forecasts	622,500	2.4	62,100	-13.5	62,100	-16.7	41,600	-17.0	n/a
3Q FY12/23 Consensus forecasts	637,140	4.8	66,300	-7.6	67,560	-9.3	44,640	-10.9	n/a
FY12/23 Co forecasts	2,500,000	11.2	250,000	11.2	250,000	4.5	180,000	3.2	535.4
FY12/23 BofA forecasts	2,450,100	9.0	262,900	16.9	270,900	13.2	182,800	4.8	540.5
FY12/23 Consensus forecasts	2,471,633	9.9	257,517	14.5	262,391	9.7	180,009	3.2	533.7
FY12/24 BofA forecasts	2,400,400	-2.0	228,600	-13.0	236,200	-12.8	159,400	-12.8	471.3
FY12/24 Consensus forecasts	2,514,882	1.7	247,309	-4.0	251,000	-4.3	171,250	-4.9	517.4

Source: BofA Global Research

BofA GLOBAL RESEARCH

11/08/2023

Toray (3402)

Earnings Summary

Toray (3402) **UNDERPERFORM** **Japan - Cyclical Materials** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/08, 3:00 PM**
Takashi Enomoto >> **+81 3 6225 8362** **takashi.enomoto@bofa.com** **Results Date/Time: 11/08, 12:30 PM**

We estimate 2Q OP at ¥24.2bn, below the consensus estimate of ¥29.3bn. We expect Toray to revise down full-year business profit guidance, to around ¥100bn (current guidance ¥120bn). We look for an impact from the weakness of clothing textiles, petrochemicals, electronic materials, and carbon fibers for uses other than aerospace applications. We expect the share price to react negatively.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	655,925	19.4	22,914	-30.7	-	-	19,191	-38.5	12.0
2Q FY3/24 BofA forecasts	610,643	-6.9	24,206	5.6	-	-	15,054	-21.6	-
2Q FY3/24 Consensus forecasts	638,043	-2.7	29,325	28.0	-	-	17,950	-6.5	14.1
FY3/24 Co forecasts	2,560,000	2.8	-	-	-	-	76,000	4.4	47.5
FY3/24 BofA forecasts	2,439,900	-2.0	100,000	-8.3	-	-	72,000	-1.1	44.6
FY3/24 Consensus forecasts	2,547,767	2.3	113,682	4.3	-	-	79,548	9.2	50.4
FY3/25 BofA forecasts	2,513,200	3.0	110,000	10.0	-	-	87,000	20.8	53.9
FY3/25 Consensus forecasts	2,685,592	5.4	143,018	25.8	-	-	102,548	28.9	65.5

Source: BofA Global Research

BofA GLOBAL RESEARCH

SUMCO (3436)

Earnings Summary

SUMCO (3436) **BUY** **Japan - Cyclical Materials** **Results Period: 3Q FY12/23** **Analyst Meeting: 11/08, 4:00 PM**
Takashi Enomoto >> **+81 3 6225 8362** **takashi.enomoto@bofa.com** **Results Date/Time: 11/08, 3:00 PM**

We estimate 3Q OP at ¥11bn, in line with guidance, but below the consensus estimate of ¥12.2bn. Guidance is normally conservative, but we believe earnings will be affected by a slowdown in the semiconductor market that started in September. We see 4Q OP guidance at around ¥7bn. Volume declines are having a major impact. The share price might react negatively if OP falls short of the consensus of ¥9.2bn. We reiterate our Buy rating due to its strong earnings growth on the back of improvement in the silicon wafer market.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
3Q FY12/22 Actual	116,246	34.1	30,180	103.7	32,483	128.4	20,470	93.0	58.5
3Q FY12/23 BofA forecasts	102,200	-12.1	11,000	-63.6	11,000	-66.1	6,900	-66.3	-
3Q FY12/23 Consensus forecasts	103,649	-10.8	12,210	-59.5	12,034	-63.0	7,591	-62.9	23.7
FY12/23 Co forecasts	-	-	-	-	-	-	-	-	-
FY12/23 BofA forecasts	421,500	-4.4	66,000	-39.8	67,000	-39.8	68,000	-3.1	194.2
FY12/23 Consensus forecasts	426,738	-3.3	67,931	-38.1	70,950	-36.3	62,025	-11.7	176.7
FY12/24 BofA forecasts	470,100	11.5	72,500	9.8	74,500	11.2	48,000	-29.4	137.1
FY12/24 Consensus forecasts	483,238	13.2	73,446	8.1	73,800	4.0	45,983	-25.9	137.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

Nippon Soda (4041)

Earnings Summary

Nippon Soda (4041) **NEUTRAL** **Japan - Cyclical Materials** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/21, 10:30 AM**
Kyoji Chiba >> **+81 3 6225 7189** **kyoji.chiba@bofa.com** **Results Date/Time: 11/08, 3:00 PM**

We estimate 2Q OP was ¥1.7bn, slightly lower than the consensus estimate of ¥2.1bn. Some agrichemicals were shipped ahead of schedule in 1Q instead of 2Q, so earnings might be on the weak side in 2Q. Management will probably keep its guidance intact. We do not anticipate any surprises.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	40,301	23.6	3,137	173.0	5,283	130.1	3,038	115.0	109.0
2Q FY3/24 BofA forecasts	34,900	-13.4	1,700	-45.8	1,950	-63.1	1,641	-46.0	-
2Q FY3/24 Consensus forecasts	36,504	-9.4	2,090	-33.4	1,950	-63.1	1,641	-46.0	-
FY3/24 Co forecasts	164,000	-5.1	14,700	-13.0	19,500	-26.3	15,500	-7.1	555.9
FY3/24 BofA forecasts	166,992	-3.4	15,221	-9.9	20,827	-21.3	15,842	-5.1	568.3
FY3/24 Consensus forecasts	165,331	-4.3	15,907	-5.8	20,842	-21.2	16,181	-3.1	583.5
FY3/25 BofA forecasts	175,800	5.3	15,800	3.8	21,751	4.4	16,308	2.9	585.0
FY3/25 Consensus forecasts	171,767	3.9	17,000	6.9	22,350	7.2	16,303	0.8	591.9

Source: BofA Global Research

BofA GLOBAL RESEARCH



Denka (4061)

Earnings Summary

Denka (4061) **UNDERPERFORM** **Japan - Cyclical Materials** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/08, 1:30 PM**
Takashi Enomoto >> **+81 3 6225 8362** **takashi.enomoto@bofa.com** **Results Date/Time: 11/08, 11:00 AM**

We estimate 2Q OP at ¥5.7bn, below the consensus estimate of ¥6.8bn. We expect the company to revise down guidance despite yen depreciation because of sluggish demand for electronic materials, sluggish prices for chloroprene rubber, and weak volumes of primary plastics. We expect current OP guidance of ¥33bn to be revised down to ¥24-26bn (consensus estimate ¥26.3bn). We also think the company will cut the DPS forecast from ¥120 to ¥100. Since guidance tends to be optimistic, the shares might react negatively to OP guidance on par with the consensus. Neither is a dividend cut likely to be well received.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	108,559	4.0	13,406	-23.3	11,872	-26.4	9,990	-16.0	115.9
2Q FY3/24 BofA forecasts	98,071	-9.7	5,704	-57.5	4,115	-65.3	3,323	-66.7	-
2Q FY3/24 Consensus forecasts	99,912	-8.0	6,772	-49.5	5,105	-57.0	3,568	-64.3	-
FY3/24 Co forecasts	430,000	5.5	33,000	2.1	29,000	3.5	22,000	72.3	255.1
FY3/24 BofA forecasts	388,900	-4.6	22,000	-31.9	18,000	-35.8	14,000	9.6	162.4
FY3/24 Consensus forecasts	406,071	-0.4	26,329	-18.5	23,350	-16.7	17,086	33.8	202.7
FY3/25 BofA forecasts	395,100	1.6	28,000	27.3	24,500	36.1	17,000	21.4	197.2
FY3/25 Consensus forecasts	426,029	4.9	33,057	25.6	30,683	31.4	21,729	27.2	261.4

Source: BofA Global Research

BofA GLOBAL RESEARCH

Mitsubishi Gas (4182)

Earnings Summary

Mitsubishi Gas (4182) **UNDERPERFORM** **Japan - Cyclical Materials** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/10, 11:00 AM**
Takashi Enomoto >> **+81 3 6225 8362** **takashi.enomoto@bofa.com** **Results Date/Time: 11/08, 3:00 PM**

We estimate 2Q OP at ¥7bn, below the consensus estimate of ¥9.5bn. We expect the company to lower OP guidance to around ¥35bn (current guidance ¥46bn). Although demand for smartphone lens materials is picking up, we look for an impact from a slowdown in BT materials (semiconductor package substrate materials) and sluggish prices for petrochemicals such as polyacetal and polycarbonate. We expect the share price to react negatively. However, we expect the DPS forecast of ¥80 to remain unchanged, and the dividend yield should support the share price to a certain extent.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	200,927	14.3	14,680	-4.8	25,044	23.6	18,156	31.2	88.7
2Q FY3/24 BofA forecasts	197,800	-1.6	7,000	-52.3	7,975	-68.2	5,654	-68.9	-
2Q FY3/24 Consensus forecasts	198,214	-1.4	9,471	-35.5	10,333	-58.7	3,400	-81.3	48.5
FY3/24 Co forecasts	840,000	7.5	46,000	-6.2	49,000	-29.8	47,000	-4.2	229.7
FY3/24 BofA forecasts	816,800	4.6	34,000	-30.7	37,000	-47.0	42,000	-14.4	204.6
FY3/24 Consensus forecasts	822,356	5.3	41,533	-15.3	46,456	-33.4	45,544	-7.2	226.7
FY3/25 BofA forecasts	875,900	7.2	42,000	23.5	45,000	21.6	27,500	-34.5	134.0
FY3/25 Consensus forecasts	874,078	6.3	52,978	27.6	62,500	34.5	41,767	-8.3	213.3

Source: BofA Global Research

BofA GLOBAL RESEARCH

Mitsui Chemicals (4183)

Earnings Summary

Mitsui Chemicals (4183) **UNDERPERFORM** **Japan - Cyclical Materials** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/08, 4:00 PM**
Takashi Enomoto >> **+81 3 6225 8362** **takashi.enomoto@bofa.com** **Results Date/Time: 11/08, 1:00 PM**

We estimate 2Q OP at ¥19.4bn, below the consensus estimate of ¥22.6bn. We expect core OP guidance to be revised down to around ¥90-100bn (currently ¥125bn). Despite the benefit of yen depreciation, we think slow petrochemicals, weak recovery in electronic materials, a slowdown in auto parts in some regions, and weak agrochemicals will have an impact. We expect the share price to react negatively. But, we expect the DPS forecast to stay the same, and dividend yield should support the share price to a certain extent.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	474,964	27.4	29,559	-28.4	-	-	16,361	-47.8	84.6
2Q FY3/24 BofA forecasts	444,475	-6.4	19,413	-34.3	-	-	12,709	-22.3	-
2Q FY3/24 Consensus forecasts	444,175	-6.5	22,619	-23.5	-	-	13,303	-18.7	65.3
FY3/24 Co forecasts	1,850,000	-1.6	115,000	7.2	-	-	84,000	1.3	442.0
FY3/24 BofA forecasts	1,830,000	-2.6	75,000	-30.1	-	-	51,000	-38.5	265.1
FY3/24 Consensus forecasts	1,802,375	-4.1	106,091	-1.1	-	-	74,542	-10.1	404.0
FY3/25 BofA forecasts	1,905,200	4.1	95,000	26.7	-	-	60,000	17.6	311.9
FY3/25 Consensus forecasts	1,869,517	3.7	134,873	27.1	-	-	90,858	21.9	494.2

Source: BofA Global Research

BofA GLOBAL RESEARCH

ENEOS (5020)

Earnings Summary

ENEOS (5020)
Takashi Enomoto >>**BUY**
+81 3 6225 8362**Japan - Cyclical Materials**
takashi.enomoto@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/08, 1:00 PM**Analyst Meeting: 11/08, 4:00 PM**

We estimate 2Q OP of ¥169bn, below the consensus of ¥181.3bn. We expect the company to significantly hike full-year guidance at the OP stage (big impact from inventory valuation), and we would expect OP guidance excluding inventory impact to be around ¥370-380bn. Shareholder returns are a possibility, such as an announcement on share buybacks, based on the total return ratio of about 50% (of NP excluding inventory impact). We expect a positive reaction in the share price.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	3,838,928	53.1	69,401	-60.5	65,695	-61.6	27,401	-75.9	8.8
2Q FY3/24 BofA forecasts	3,561,680	-7.2	168,995	143.5	-	-	126,698	362.4	-
2Q FY3/24 Consensus forecasts	3,460,200	-9.9	181,300	161.2	-	-	104,510	281.4	36.4
FY3/24 Co forecasts	13,400,000	-10.8	340,000	75.5	-	-	180,000	25.2	59.7
FY3/24 BofA forecasts	15,194,000	1.2	413,000	113.2	-	-	230,000	60.0	75.8
FY3/24 Consensus forecasts	13,782,517	-8.2	435,933	125.0	-	-	254,000	76.7	79.8
FY3/25 BofA forecasts	14,338,000	-5.6	392,000	-5.1	-	-	270,000	17.4	89.0
FY3/25 Consensus forecasts	13,904,417	0.9	396,517	-9.0	-	-	211,383	-16.8	70.4

Source: BofA Global Research

BofA GLOBAL RESEARCH

SMM (5713)

Earnings Summary

SMM (5713)
Takashi Enomoto >>**BUY**
+81 3 6225 8362**Japan - Cyclical Materials**
takashi.enomoto@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/08, 3:00 PM**Analyst Meeting: 11/08, 5:30 PM**

We estimate 2Q pretax profit of ¥23.9bn, in line with the consensus. We expect the company to generally maintain FY3/24 guidance. Despite a decline in copper and nickel prices, we look for a profit boost from a weaker yen and contribution from improvement in valuation gains/losses. We do not expect any particular surprises.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	352,968	16.3	-	-	65,065	5.4	42,600	-39.8	155.0
2Q FY3/24 BofA forecasts	364,310	3.2	-	-	23,867	-63.3	12,468	-70.7	-
2Q FY3/24 Consensus forecasts	353,633	0.2	-	-	24,050	-63.0	15,133	-64.5	-
FY3/24 Co forecasts	1,403,000	-1.4	-	-	84,000	-63.5	53,000	-67.0	192.9
FY3/24 BofA forecasts	1,365,000	-4.1	-	-	84,500	-63.2	55,500	-65.4	202.0
FY3/24 Consensus forecasts	1,421,644	-0.1	-	-	90,283	-60.7	61,173	-61.9	228.7
FY3/25 BofA forecasts	1,409,000	3.2	-	-	161,000	90.5	130,000	134.2	473.1
FY3/25 Consensus forecasts	1,471,884	3.5	-	-	147,023	62.8	109,891	79.6	400.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

Fujikura (5803)

Earnings Summary

Fujikura (5803)
Takashi Enomoto >>**BUY**
+81 3 6225 8362**Japan - Cyclical Materials**
takashi.enomoto@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/08, 3:00 PM**Analyst Meeting: 11/08, 3:30 PM**

We estimate 2Q OP at ¥15.8bn, in line with the consensus estimate. We expect guidance will be left intact. Despite yen depreciation and strong shipments of components for the iPhone, we look for an impact from slowdowns in optical cable and optical components and the weakness of wire harnesses. We do not expect any surprises.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	218,161	31.9	23,967	168.8	26,053	251.1	23,530	121.6	85.3
2Q FY3/24 BofA forecasts	182,393	-16.4	15,828	-34.0	14,757	-43.4	4,488	-80.9	-
2Q FY3/24 Consensus forecasts	195,746	-10.3	15,454	-35.5	14,686	-43.6	8,966	-61.9	39.8
FY3/24 Co forecasts	770,000	-4.5	60,000	-14.5	55,000	-19.0	41,000	0.3	148.7
FY3/24 BofA forecasts	780,400	-3.2	63,000	-10.2	64,000	-5.7	44,500	8.8	161.4
FY3/24 Consensus forecasts	783,514	-2.8	62,738	-10.6	61,514	-9.4	42,643	4.3	154.8
FY3/25 BofA forecasts	795,500	1.9	74,000	17.5	69,500	8.6	46,000	3.4	166.8
FY3/25 Consensus forecasts	806,329	2.9	70,227	11.9	67,386	9.5	44,643	4.7	160.8

Source: BofA Global Research

BofA GLOBAL RESEARCH



Sharp (6753)

Earnings Summary

Sharp (6753) **UNDERPERFORM** Japan - Technology Hardware **Results Period: 2Q FY3/24** **Analyst Meeting: 11/08, 3:30 PM**
Mikio Hirakawa >> **+81 3 6225 7989** **mikio.hirakawa@bofa.com** **Results Date/Time: 11/08, 3:00 PM**

Since profits at the Sakai Plant are likely to improve thanks to increases in panel prices and utilization, we think the company will be profitable again at the operating level in 2Q, at ¥13.5bn (VA consensus estimate is ¥7.1bn). The company lost ¥3.7bn in 2Q FY3/23 and had operating losses of ¥7.1bn in 1Q FY3/24.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	695,822	14.7	-3,684	NM	-7,252	NM	-16,586	NM	-25.5
2Q FY3/24 BofA forecasts	670,539	-3.6	13,479	NM	13,512	NM	10,880	NM	16.8
2Q FY3/24 Consensus forecasts	668,367	-3.9	6,425	NM	-4,300	40.7	3,800	NM	14.6
FY3/24 Co forecasts	2,560,000	0.5	40,000	NM	39,000	NM	10,000	NM	15.4
FY3/24 BofA forecasts	2,532,446	-0.6	30,636	NM	37,255	NM	12,944	NM	19.9
FY3/24 Consensus forecasts	2,513,759	-1.3	25,967	NM	25,275	NM	15,263	NM	18.9
FY3/25 BofA forecasts	2,561,189	1.1	40,667	32.7	40,801	9.5	32,657	152.3	50.3
FY3/25 Consensus forecasts	2,525,783	0.5	47,005	81.0	51,550	104.0	33,136	117.1	42.6

Source: BofA Global Research

BofA GLOBAL RESEARCH

11/09/2023

Resonac Holdings (4004)

Earnings Summary

Resonac Holdings (4004) **UNDERPERFORM** Japan - Cyclical Materials **Results Period: 3Q FY12/23** **Analyst Meeting: 11/09, 5:00 PM**
Takashi Enomoto >> **+81 3 6225 8362** **takashi.enomoto@bofa.com** **Results Date/Time: 11/09, 3:00 PM**

We estimate 3Q OP at -¥2bn. Although sales of copper-clad laminates and other products are strong, we think sluggish sales of hard disk media, a slowdown in semiconductor materials, and sluggish sales of petrochemicals and graphite electrodes will have left their mark. We think the company will stick with full-year OP guidance of -¥20bn. At the briefing, we think management will mention the weak business environment in 4Q, and we believe the full-year consensus OP estimate of -¥15.1bn will be seen as optimistic. We expect the share price to react negatively.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
3Q FY12/22 Actual	378,119	5.5	16,454	-32.5	17,280	-25.1	3,724	20.8	20.6
3Q FY12/23 BofA forecasts	336,407	-11.0	-2,000	-	-3,000	-	-6,700	-	-
3Q FY12/23 Consensus forecasts	333,750	-11.7	-840	-	-3,867	-	-4,400	-	-
FY12/23 Co forecasts	1,270,000	-8.8	-20,000	-	-26,000	-	-37,000	-	-204.3
FY12/23 BofA forecasts	1,283,700	-7.8	-19,000	-	-23,000	-	-35,000	-	-193.3
FY12/23 Consensus forecasts	1,290,888	-7.3	-15,075	-	-20,275	-	-34,763	-	-190.9
FY12/24 BofA forecasts	1,363,200	6.2	20,000	-	15,000	-	-5,000	85.7	-27.6
FY12/24 Consensus forecasts	1,378,500	6.8	32,538	-	24,263	-	11,388	-	75.8

Source: BofA Global Research

BofA GLOBAL RESEARCH

Kureha (4023)

Earnings Summary

Kureha (4023) **NEUTRAL** Japan - Cyclical Materials **Results Period: 2Q FY3/24** **Analyst Meeting: 11/10, 10:00 AM**
Niima Komura >> **+81 3 6225 7725** **niima.komura@bofa.com** **Results Date/Time: 11/09, 3:00 PM**

We estimate 2Q OP at ¥4.3bn, slightly below the consensus of ¥4.6bn. Specialty plastics profits rose sharply in 1Q on cost reductions for packaging materials and forex benefits, but we think costs could return in 2Q. We do not expect a full profit recovery for PVDF given that selling prices have not risen while raw material prices are weak. We expect losses to continue in the PGA business. Kureha needs more than 2.5 years to increase capacity for EV battery binders, which are a core product. We have concerns that it is unlikely to benefit from growth in EV demand because production capacity could remain limited for some time.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	52,475	27.3	8,592	20.8	8,857	24.9	6,729	33.9	344.8
2Q FY3/24 BofA forecasts	47,241	-10.0	4,263	-50.4	4,263	-51.9	4,311	-35.9	-
2Q FY3/24 Consensus forecasts	47,394	-9.7	4,607	-46.4	4,031	-54.5	3,587	-46.7	-
FY3/24 Co forecasts	190,000	-0.7	22,000	4.6	22,000	-4.3	15,500	-8.1	819.4
FY3/24 BofA forecasts	187,600	-1.9	22,800	8.4	23,500	2.2	17,500	3.7	896.6
FY3/24 Consensus forecasts	188,380	-1.5	22,580	7.4	22,820	-0.7	16,140	-4.3	838.2
FY3/25 BofA forecasts	197,400	5.2	24,300	6.6	25,000	6.4	18,600	6.3	953.0
FY3/25 Consensus forecasts	196,800	4.5	24,360	7.9	24,500	7.4	17,440	8.1	914.3

Source: BofA Global Research

BofA GLOBAL RESEARCH

Air Water (4088)

Earnings Summary

Air Water (4088)
Takashi Enomoto >>**BUY**
+81 3 6225 8362**Japan - Cyclical Materials**
takashi.enomoto@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/09, 3:00 PM**Analyst Meeting: 11/09, 7:00 PM**

We estimate 2Q OP at ¥13.3bn, below the consensus estimate of ¥15bn. We expect full-year OP guidance of ¥72bn to be revised down to around ¥65bn (consensus estimate ¥65.2bn) due to the adverse impact of yen depreciation and weak demand for chemical products and electronic materials. We do not expect any surprises.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	238,945	12.1	12,941	-16.6	-	-	8,247	-17.0	36.4
2Q FY3/24 BofA forecasts	263,061	10.1	13,337	3.1	-	-	9,359	13.5	-
2Q FY3/24 Consensus forecasts	254,275	6.4	15,000	15.9	-	-	9,400	14.0	-
FY3/24 Co forecasts	1,080,000	7.5	72,000	20.6	-	-	44,000	9.6	193.3
FY3/24 BofA forecasts	1,066,000	6.1	61,000	2.2	-	-	40,800	1.7	179.6
FY3/24 Consensus forecasts	1,047,200	4.2	65,240	9.3	-	-	42,340	5.5	187.9
FY3/25 BofA forecasts	1,098,000	3.0	68,000	11.5	-	-	44,600	9.3	196.3
FY3/25 Consensus forecasts	1,103,180	5.3	72,820	11.6	-	-	47,400	12.0	211.5

Source: BofA Global Research

BofA GLOBAL RESEARCH

Kaneka (4118)

Earnings Summary

Kaneka (4118)
Kyoji Chiba >>**NEUTRAL**
+81 3 6225 7189**Japan - Cyclical Materials**
kyoji.chiba@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/09, 4:00 PM**Analyst Meeting: 11/09, 6:00 PM**

We estimate 2Q OP was ¥9.5bn, in line with the consensus estimate of ¥9.3bn. We expect the company to lower its full-year operating profit guidance from ¥42bn to about ¥38bn. Although benefitting from the weak yen, we anticipate weakness in PVC and caustic soda in Asia, housing-related products in Europe and the US, and electronic materials for smartphones. We think the share price might react negatively to results. Reiterate Neutral on the medium-to-long term growth outlook for the CDMO business.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	187,863	13.1	8,601	-23.0	7,762	-23.3	6,050	-13.7	91.8
2Q FY3/24 BofA forecasts	192,600	2.5	9,500	10.5	8,850	14.0	6,222	2.8	-
2Q FY3/24 Consensus forecasts	191,867	2.1	9,269	7.8	9,228	18.9	6,569	8.6	-
FY3/24 Co forecasts	800,000	5.8	42,000	19.7	38,500	18.8	27,000	17.4	416.1
FY3/24 BofA forecasts	773,500	2.3	38,800	10.6	37,724	16.4	26,069	13.3	403.1
FY3/24 Consensus forecasts	773,500	2.3	37,225	6.1	35,131	8.4	24,377	6.0	414.0
FY3/25 BofA forecasts	797,900	3.2	41,900	8.0	39,300	4.2	27,582	5.8	426.5
FY3/25 Consensus forecasts	803,505	3.9	41,708	12.0	38,358	9.2	26,903	10.4	417.4

Source: BofA Global Research

BofA GLOBAL RESEARCH

Kansai Paint (4613)

Earnings Summary

Kansai Paint (4613)
Takashi Enomoto >>**BUY**
+81 3 6225 8362**Japan - Cyclical Materials**
takashi.enomoto@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/09, 3:00 PM**Analyst Meeting: 11/09, 5:00 PM**

We estimate 2Q OP at ¥10.7bn, in line with the consensus estimate of ¥10.9bn. We think the company will either leave full-year OP guidance unchanged at ¥42bn or revise it up slightly. We look for contributions from an increase in automotive paints due to a recovery in automobile production and a recovery in decorative paint demand in India. Nevertheless, the company might maintain its cautious stance, given high crude oil prices. The shares might react positively, if the company raises guidance. We do not expect shareholder returns at this point since the African business has not yet been sold.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	130,252	23.4	7,275	-10.2	7,844	-14.5	5,921	-3.6	24.5
2Q FY3/24 BofA forecasts	142,764	9.6	10,695	47.0	11,835	50.9	6,390	7.9	-
2Q FY3/24 Consensus forecasts	139,388	7.0	10,898	49.8	11,800	50.4	6,746	13.9	-
FY3/24 Co forecasts	550,000	8.0	42,000	30.9	45,000	11.9	55,000	118.3	242.5
FY3/24 BofA forecasts	560,100	10.0	46,000	43.4	54,000	34.3	59,000	134.2	255.9
FY3/24 Consensus forecasts	553,480	8.7	43,660	36.1	49,175	22.3	52,200	107.2	215.7
FY3/25 BofA forecasts	586,400	4.7	49,000	6.5	55,000	1.9	34,500	-41.5	149.6
FY3/25 Consensus forecasts	551,320	-0.4	46,300	6.0	52,525	6.8	30,860	-40.9	131.1

Source: BofA Global Research

BofA GLOBAL RESEARCH

Mitsubishi Materials (5711)

Earnings Summary

Mitsubishi Materials (5711)**Takashi Enomoto >>****BUY****+81 3 6225 8362****Japan - Cyclical Materials****takashi.enomoto@bofa.com****Results Period: 2Q FY3/24****Results Date/Time: 11/09, 3:00 PM****Analyst Meeting: 11/09, 4:30 PM**

We estimate 2Q RP of ¥10.9bn, slightly below the consensus of ¥12.6bn. We expect the company to lower FY3/24 RP guidance (currently ¥58bn) to a level close to our estimate as result of a weak performance for electronic materials, weak volume for cement, and margin deterioration for copper smelting. We also expect it to lower dividend guidance (our estimate ¥80). We believe the share price could react negatively. However, we reiterate Buy due to attractive share-price valuations and outlook for growth driven by higher copper prices.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	409,353	-5.3	15,636	10.3	5,930	-54.7	-511	-	-3.9
2Q FY3/24 BofA forecasts	388,640	-5.1	9,109	-41.7	10,900	83.8	7,682	-	-
2Q FY3/24 Consensus forecasts	402,600	-1.6	8,750	-44.0	12,580	112.1	7,967	-	-
FY3/24 Co forecasts	1,670,000	2.7	50,000	-0.2	58,000	129.2	41,000	101.7	313.9
FY3/24 BofA forecasts	1,519,900	-6.5	34,000	-32.1	44,000	73.9	30,500	50.0	233.4
FY3/24 Consensus forecasts	1,599,711	-1.6	39,514	-21.1	50,356	99.0	34,956	71.9	272.5
FY3/25 BofA forecasts	1,641,400	8.0	41,000	20.6	62,000	40.9	42,000	37.7	321.5
FY3/25 Consensus forecasts	1,631,084	2.0	44,471	12.5	59,539	18.2	39,575	13.2	301.9

Source: BofA Global Research

BofA GLOBAL RESEARCH

Furukawa Elec (5801)

Earnings Summary

Furukawa Elec (5801)**Takashi Enomoto >>****UNDERPERFORM****+81 3 6225 8362****Japan - Cyclical Materials****takashi.enomoto@bofa.com****Results Period: 2Q FY3/24****Results Date/Time: 11/09, 3:00 PM****Analyst Meeting: 11/09, 5:30 PM**

We estimate 2Q OP at ¥1.6bn, slightly below consensus of ¥2.3bn. We expect full-year guidance to be lowered, with OP guidance reduced to around ¥13-15bn from current ¥24bn. We think the weakness of optical cable and electronic materials will have an impact. We expect the share price to react negatively if full-year guidance falls below the consensus estimate of ¥16.3bn.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	264,234	15.7	3,521	1.9	5,688	15.0	2,188	-26.3	31.1
2Q FY3/24 BofA forecasts	255,170	-3.4	1,593	-54.8	1,616	-71.6	421	-80.8	-
2Q FY3/24 Consensus forecasts	256,897	-2.8	2,300	-34.7	67	-98.8	579	-73.5	34.3
FY3/24 Co forecasts	1,100,000	3.2	24,000	55.4	23,000	17.1	13,000	-27.4	184.7
FY3/24 BofA forecasts	1,072,000	0.5	13,000	-15.8	13,000	-33.8	9,500	-47.0	135.0
FY3/24 Consensus forecasts	1,066,471	0.0	16,269	5.4	16,800	-14.5	10,600	-40.8	151.9
FY3/25 BofA forecasts	1,117,200	4.2	21,500	65.4	25,500	96.2	16,500	73.7	234.4
FY3/25 Consensus forecasts	1,111,957	4.3	23,575	44.9	25,929	54.3	15,957	50.5	225.1

Source: BofA Global Research

BofA GLOBAL RESEARCH

Sony Group Corp (6758)

Earnings Summary

Sony Group Corp (6758)**Mikio Hirakawa >>****BUY****+81 3 6225 7989****Japan - Technology Hardware****mikio.hirakawa@bofa.com****Results Period: 2Q FY3/24****Results Date/Time: 11/09, 3:00 PM****Analyst Meeting: 11/09, 4:00 PM**

We estimate Sony's 2Q OP declined 19% YoY to ¥275bn (Visible Alpha (VA) consensus ¥305.9bn). I&SS and pictures profit levels appear to have been weak following 1Q, but we think the market has generally recognized that.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	2,751,879	16.1	338,112	9.0	345,756	22.1	263,963	23.9	213.4
2Q FY3/24 BofA forecasts	2,810,237	2.1	275,019	-18.7	270,019	-21.9	190,514	-27.8	153.8
2Q FY3/24 Consensus forecasts	2,926,065	6.3	307,900	-8.9	303,950	-12.1	223,941	-15.2	172.6
FY3/24 Co forecasts	12,200,000	5.7	1,170,000	-1.2	1,140,000	-3.4	860,000	-8.2	NM
FY3/24 BofA forecasts	12,339,937	6.9	1,230,221	3.9	1,228,213	4.1	895,679	-4.4	723.3
FY3/24 Consensus forecasts	12,154,453	5.3	1,235,790	4.4	1,204,876	2.1	908,542	-3.1	741.9
FY3/25 BofA forecasts	12,068,037	-2.2	1,403,291	14.1	1,373,291	11.8	981,968	9.6	793.0
FY3/25 Consensus forecasts	12,399,163	2.0	1,399,690	13.3	1,356,435	12.6	1,020,197	12.3	842.7

Source: BofA Global Research

BofA GLOBAL RESEARCH

Nissan Motor (7201)

Earnings Summary

Nissan Motor (7201) **BUY** **APR - Autos** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/09, 6:30 PM**
Kei Nihonyanagi >> **+81 3 6225 7642** **kei.nihonyanagi@bofa.com** **Results Date/Time: 11/09, 4:25 PM**

We forecast 2Q OP of ¥133.2bn, up 45% YoY. In addition to production recovery and price hikes at the operating level, forex rates are a tailwind for earnings, which should top guidance released with 1Q results. We forecast 2Q retail sales of 800k units (+7% YoY), supported by a steady recovery in the US (220k units, +41%). There are concerns about rising incentives in the US, but we expect them to be in line with guidance. Nissan's sales in China fell 36% YoY to just 190k units in Jul-Sep (reflected in 3Q consolidated results), suggesting sales have slowed further from its 1Q assumptions.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	2,524,939	30.2	91,703	44.5	92,887	-1.4	17,363	-67.9	4.4
2Q FY3/24 BofA forecasts	2,942,540	16.5	133,205	45.3	144,021	55.0	90,225	419.6	n/a
2Q FY3/24 Consensus forecasts	3,077,049	21.9	152,823	66.6	171,524	84.7	93,204	436.8	19.2
FY3/24 Co forecasts	12,600,000	18.9	550,000	45.8	n/a	-	340,000	53.2	86.8
FY3/24 BofA forecasts	13,422,900	26.7	633,500	68.0	717,700	39.2	466,600	110.3	119.1
FY3/24 Consensus forecasts	12,658,813	19.5	583,660	54.8	691,706	34.2	375,869	69.4	93.0
FY3/25 BofA forecasts	13,916,300	3.7	702,600	10.9	767,300	6.9	470,600	0.9	120.1
FY3/25 Consensus forecasts	13,317,586	5.2	601,457	3.0	730,807	5.7	427,030	13.6	108.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

Honda Motor (7267)

Earnings Summary

Honda Motor (7267) **BUY** **APR - Autos** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/09, 5:00 PM**
Kei Nihonyanagi >> **+81 3 6225 7642** **kei.nihonyanagi@bofa.com** **Results Date/Time: 11/09, 3:00 PM**

We forecast 2Q OP of ¥330.1bn (+43% YoY) for Honda. We envisage automobile group sales of 1.06mn units (+9% YoY), with the US (340k units, +53%) partially offsetting continued weakness in China (300k units, -19%) to leave only a slight shortfall to the company plan. We think earnings can remain above initial guidance even excluding the positive impact of exchange rates, as the benefits of price hikes and a better mix are compounded by continued curbs across a range of expense categories.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
2Q FY3/23 Actual	4,255,754	25.0	231,236	16.2	278,427	11.8	189,295	13.6	37.0
2Q FY3/24 BofA forecasts	5,489,704	29.0	330,053	42.7	283,776	1.9	187,631	-0.9	n/a
2Q FY3/24 Consensus forecasts	5,008,951	17.7	353,561	52.9	393,129	41.2	255,772	35.1	58.2
FY3/24 Co forecasts	18,200,000	7.6	1,000,000	28.1	1,185,000	34.7	800,000	22.8	163.1
FY3/24 BofA forecasts	21,348,800	26.3	1,414,400	81.2	1,559,600	77.3	1,050,300	61.2	215.3
FY3/24 Consensus forecasts	19,636,799	16.1	1,276,179	63.5	1,477,093	67.9	994,751	52.7	198.2
FY3/25 BofA forecasts	21,969,900	2.9	1,514,600	7.1	1,683,300	7.9	1,050,400	0.0	215.4
FY3/25 Consensus forecasts	20,540,121	4.6	1,338,689	4.9	1,518,485	2.8	1,014,421	2.0	204.7

Source: BofA Global Research

BofA GLOBAL RESEARCH

Iwatani Corporation (8088)

Earnings Summary

Iwatani Corporation (8088) **BUY** **Japan - Cyclical Materials** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/17, 10:30 AM**
Takashi Enomoto >> **+81 3 6225 8362** **takashi.enomoto@bofa.com** **Results Date/Time: 11/09, 2:30 PM**

We estimate 2Q OP at ¥6.7bn (¥8.1bn excluding LPG price factors), slightly below the consensus estimate of ¥8.4bn. We expect profit to have landed below the consensus, mainly due to one-off market price factors owing to stagnant LPG prices. We expect full-year guidance to remain intact. Although we forecast a drop in zircon sand prices and a slight softening of the helium supply-demand environment, we expect higher industrial gas prices and improved profitability in LPG retail sales. We do not see any surprises.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	209,415	38.2	5,584	-4.4	7,068	-2.2	4,558	6.5	79.2
2Q FY3/24 BofA forecasts	211,491	1.0	6,688	19.8	7,286	3.1	4,927	8.1	-
2Q FY3/24 Consensus forecasts	205,750	-1.8	8,350	49.5	9,400	33.0	6,350	39.3	-
FY3/24 Co forecasts	907,000	0.1	45,000	12.4	50,300	7.0	33,500	4.6	582.4
FY3/24 BofA forecasts	930,600	2.7	44,100	10.2	49,500	5.3	36,240	13.2	578.9
FY3/24 Consensus forecasts	919,467	1.5	45,033	12.5	50,367	7.1	33,667	5.1	588.4
FY3/25 BofA forecasts	948,100	1.9	52,500	19.0	57,900	17.0	37,880	4.5	678.0
FY3/25 Consensus forecasts	938,233	2.0	48,633	8.0	54,033	7.3	36,600	8.7	615.4

Source: BofA Global Research

BofA GLOBAL RESEARCH



11/10/2023

Nissan Chemical (4021)

Earnings Summary

Nissan Chemical (4021) **UNDERPERFORM** **Japan - Cyclical Materials** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/10, 4:00 PM**
Takashi Enomoto >> **+81 3 6225 8362** **takashi.enomoto@bofa.com** **Results Date/Time: 11/10, 3:00 PM**

We estimate 2Q OP at ¥11.8bn, in line with the consensus estimate of ¥11.9bn. We expect the company to revise down full-year OP guidance to ¥51-52bn (current guidance ¥54.7bn) because of a slowdown in semiconductor materials and liquid crystal materials and weakness in agrochemicals. The shares will possibly react negatively.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	51,241	13.1	10,893	15.3	12,494	25.7	9,815	31.9	69.6
2Q FY3/24 BofA forecasts	52,562	2.6	11,803	8.4	11,054	-11.5	8,764	-10.7	-
2Q FY3/24 Consensus forecasts	53,253	3.9	11,900	9.2	11,867	-5.0	8,867	-9.7	60.9
FY3/24 Co forecasts	237,300	4.0	54,700	4.6	55,500	-0.5	41,500	1.0	297.6
FY3/24 BofA forecasts	228,200	0.1	50,500	-3.4	52,300	-6.3	38,800	-5.6	276.6
FY3/24 Consensus forecasts	235,654	3.3	55,027	5.2	57,018	2.2	42,236	2.8	307.1
FY3/25 BofA forecasts	239,000	4.7	54,000	6.9	54,800	4.8	39,000	0.5	280.7
FY3/25 Consensus forecasts	247,709	5.1	58,982	7.2	60,455	6.0	44,370	5.1	327.2

Source: BofA Global Research

BofA GLOBAL RESEARCH

Tokyo Ohka Kogyo (4186)

Earnings Summary

Tokyo Ohka Kogyo (4186) **BUY** **Japan - Cyclical Materials** **Results Period: 3Q FY12/23** **Analyst Meeting: NA**
Niima Komura >> **+81 3 6225 7725** **niima.komura@bofa.com** **Results Date/Time: 10/10, 3:00 PM**

Memory applications lack strength, but based on Taiwan chipmaker 3Q results, we expect higher demand for advanced logic photoresists (eg, 3-5nm, generative AI, and new smartphone applications) and back-end process materials (CoWoS/InFO package photoresists). We estimate 3Q OP at ¥5.8bn (IFIS consensus ¥6.1bn), expecting QoQ growth to continue. We reiterate our Buy rating.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
3Q FY12/22 Actual	45,752	28.1	7,855	42.5	8,219	45.6	5,492	38.9	136.4
3Q FY12/23 BofA forecasts	40,300	-11.9	5,800	-26.2	5,649	-31.3	3,851	-29.9	-
3Q FY12/23 Consensus forecasts	41,123	-10.1	6,071	-22.7	6,260	-23.8	4,057	-26.1	-
FY12/23 Co forecasts	164,000	-6.5	23,500	-22.1	25,000	-19.3	13,500	-31.4	334.7
FY12/23 BofA forecasts	160,700	-8.4	24,300	-19.5	24,900	-19.6	15,500	-21.3	385.3
FY12/23 Consensus forecasts	161,891	-7.7	23,474	-22.2	24,644	-20.4	14,448	-26.6	358.7
FY12/24 BofA forecasts	183,400	14.1	32,000	31.7	32,300	29.7	20,900	34.8	519.6
FY12/24 Consensus forecasts	182,030	12.4	30,482	29.9	31,454	27.6	19,892	37.7	474.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

ADEKA (4401)

Earnings Summary

ADEKA (4401) **BUY** **Japan - Cyclical Materials** **Results Period: 2Q FY3/24** **Analyst Meeting: 11/27, 10:00 AM**
Niima Komura >> **+81 3 6225 7725** **niima.komura@bofa.com** **Results Date/Time: 11/10, 1:00 PM**

ADEKA's supply of high-k materials to a major Korean memory maker showed no signs slowing as of 1Q, but we believe a slowdown could come as soon as 2Q. ADEKA guides for record-high 2H sales and profits for polymer additives and functional chemicals. We expect shortfalls due to a slow recovery for materials used in housing, infrastructure, cosmetics, and automotive applications. We believe the share price could react negatively as a result of downward revisions of guidance to well below the consensus. We estimate 2Q OP at ¥6.3bn, in line with the consensus of ¥6.2bn. Reiterate Buy on outlook for growth to outstrip that of advanced electronic materials when the semiconductor market recovers.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	94,761	12.9	6,052	-11.9	5,994	-13.5	3,843	-19.0	37.4
2Q FY3/24 BofA forecasts	91,311	-3.6	6,278	3.7	5,950	-0.7	3,953	2.9	-
2Q FY3/24 Consensus forecasts	94,405	-0.4	6,234	3.0	5,750	-4.1	3,517	-8.5	-
FY3/24 Co forecasts	426,000	5.6	36,000	11.2	35,500	9.0	21,000	25.2	204.8
FY3/24 BofA forecasts	417,124	3.4	31,300	-3.3	32,000	-1.8	20,400	21.6	196.6
FY3/24 Consensus forecasts	412,365	2.2	34,580	6.8	34,696	6.5	20,880	24.4	204.8
FY3/25 BofA forecasts	441,830	5.9	38,300	22.4	39,000	21.9	25,600	25.5	246.7
FY3/25 Consensus forecasts	433,726	5.2	40,120	16.0	40,100	15.6	24,820	18.9	240.9

Source: BofA Global Research

BofA GLOBAL RESEARCH



Toyo Gosei (4970)

Earnings Summary

Toyo Gosei (4970)
Niima Komura >>**NEUTRAL**
+81 3 6225 7725**Japan - Cyclical Materials**
niima.komura@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/10, 3:00 PM**Analyst Meeting: 11/20, 3:30 PM**

We estimate 2Q OP at ¥566mn, in line with the consensus of ¥627mn. We think 2Q profits are likely to decline QoQ due to an increase from 1Q in fixed costs related to capacity expansion at the Chiba plant. We think photosensitive material shipments for logic applications are close to recovering, but reiterate our Neutral rating because we think a recovery for memory applications could take time.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	8,321	12.4	1,386	58.2	1,491	68.5	948	56.7	128.3
2Q FY3/24 BofA forecasts	7,889	-5.2	566	-59.2	480	-67.8	48	-94.9	-
2Q FY3/24 Consensus forecasts	8,081	-2.9	627	-54.8	508	-65.9	187	-80.3	-
FY3/24 Co forecasts	34,500	1.0	2,600	-47.7	2,500	-51.2	1,600	-58.2	201.6
FY3/24 BofA forecasts	32,400	-5.1	3,100	-37.6	2,900	-43.4	1,950	-49.0	239.5
FY3/24 Consensus forecasts	32,733	-4.2	3,253	-34.5	3,148	-38.5	2,174	-43.2	243.6
FY3/25 BofA forecasts	36,100	11.4	4,200	35.5	4,000	37.9	2,750	41.0	337.7
FY3/25 Consensus forecasts	38,017	16.1	4,733	45.5	4,637	47.3	3,318	52.6	389.3

Source: BofA Global Research

BofA GLOBAL RESEARCH

Bridgestone (5108)

Earnings Summary

Bridgestone (5108)
Kei Nihonyanagi >>**NEUTRAL**
+81 3 6225 7642**APR - Autos**
kei.nihonyanagi@bofa.com**Results Period: 3Q FY12/23**
Results Date/Time: 11/10, 2:30 PM**Analyst Meeting: 11/10, 4:00 PM**

We forecast 3Q adjusted OP of ¥127.0bn (-5% YoY) predicated on North American replacement tire supply-demand bottoming in 2Q and ongoing improvement in sales conditions. However, based on comments from tire makers and other factors we assume only gradual improvement. As of 2Q results Bridgestone was cautious on near-term tire market conditions and we focus on any update with 3Q results.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	Pretax-P	YoY	NP	YoY	EPS
3Q FY12/22 Actual	1,090,583	35.1	133,237	33.0	124,141	25.2	95,806	35.8	138.3
3Q FY12/23 BofA forecasts	1,147,700	5.2	127,000	-4.7	124,000	-0.1	88,800	-7.3	n/a
3Q FY12/23 Consensus forecasts	1,109,100	1.7	136,917	2.8	128,875	3.8	92,525	-3.4	138.4
FY12/23 Co forecasts	4,150,000	1.0	n/a	-	n/a	-	335,000	11.5	489.5
FY12/23 BofA forecasts	4,302,600	4.7	551,700	25.0	547,900	29.4	393,500	31.0	575.0
FY12/23 Consensus forecasts	4,351,738	5.9	532,240	20.6	527,111	24.5	368,124	22.6	537.5
FY12/24 BofA forecasts	4,482,100	4.2	545,800	-1.1	546,100	-0.3	391,600	-0.5	572.2
FY12/24 Consensus forecasts	4,513,592	3.7	571,830	7.4	554,940	5.3	386,648	5.0	570.2

Source: BofA Global Research

BofA GLOBAL RESEARCH

Sumitomo Rubber (5110)

Earnings Summary

Sumitomo Rubber (5110)
Kei Nihonyanagi >>**UNDERPERFORM**
+81 3 6225 7642**APR - Autos**
kei.nihonyanagi@bofa.com**Results Period: 3Q FY12/23**
Results Date/Time: 11/10, 4:30 PM**Analyst Meeting: 11/10, 6:15 PM**

We forecast 3Q business profit of ¥15.5bn. Although sales conditions are still tough in Europe, we see an overall recovery on the assumption that impact from inventory adjustments in North America has dropped out in SRI's case. We assume that earnings impact from the plans for liquidating loss-making businesses announced with 2Q results feeds through around FY12/25 and we still expect a small decline in profit in FY12/24 on growth in costs.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
3Q FY12/22 Actual	269,400	24.2	-2,736	NM	-2,572	NM	-2,815	NM	-10.7
3Q FY12/23 BofA forecasts	297,100	10.3	14,000	NM	14,100	NM	9,400	NM	n/a
3Q FY12/23 Consensus forecasts	289,720	7.5	11,280	NM	10,975	NM	7,400	NM	n/a
FY12/23 Co forecasts	1,170,000	6.5	41,000	173.6	n/a	-	23,000	144.3	87.5
FY12/23 BofA forecasts	1,176,900	7.1	52,300	248.9	48,700	116.1	30,000	218.6	114.1
FY12/23 Consensus forecasts	1,171,406	6.6	46,801	212.3	46,514	106.4	28,529	203.0	104.2
FY12/24 BofA forecasts	1,206,200	2.5	53,900	3.1	55,500	14.0	37,000	23.3	140.7
FY12/24 Consensus forecasts	1,203,180	2.7	51,540	10.1	51,215	10.1	34,976	22.6	150.9

Source: BofA Global Research

BofA GLOBAL RESEARCH



Mitsui Mining (5706)

Earnings Summary

Mitsui Mining (5706)
Takashi Enomoto >>**NEUTRAL**
+81 3 6225 8362**Japan - Cyclical Materials**
takashi.enomoto@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/10, 3:00 PM**Analyst Meeting: 11/10, 5:00 PM**

We estimate 2Q OP at ¥1.6bn, in line with guidance and the consensus estimate. We believe the company could raise FY3/24 guidance slightly as a result of a larger impact from inventory valuation due to yen depreciation and other factors. However, we believe the results could be viewed negatively owing to weak copper foil shipments and other factors.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	177,322	12.1	5,072	-67.6	8,573	-47.5	6,211	-50.7	108.7
2Q FY3/24 BofA forecasts	154,997	-12.6	1,563	-69.2	-997	-	-1,155	-	-
2Q FY3/24 Consensus forecasts	146,875	-17.2	1,650	-67.5	-875	-	-1,333	-	-
FY3/24 Co forecasts	605,000	-7.2	11,000	-12.2	20,000	0.6	9,500	11.6	166.3
FY3/24 BofA forecasts	624,900	-4.2	12,500	-0.2	21,500	8.1	10,100	18.7	176.8
FY3/24 Consensus forecasts	613,028	-6.0	11,587	-7.5	20,088	1.0	10,575	24.3	189.7
FY3/25 BofA forecasts	626,100	0.2	25,000	100.0	29,000	34.9	18,000	78.2	315.1
FY3/25 Consensus forecasts	634,300	3.5	30,724	165.2	33,616	67.3	22,041	108.4	412.2

Source: BofA Global Research

BofA GLOBAL RESEARCH

Dowa Holdings (5714)

Earnings Summary

Dowa Holdings (5714)
Takashi Enomoto >>**NEUTRAL**
+81 3 6225 8362**Japan - Cyclical Materials**
takashi.enomoto@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/10, 3:00 PM**Analyst Meeting: 11/10, 4:00 PM**

We estimate 2Q RP of ¥4.8bn, slightly below the consensus of ¥5.6bn. Despite weak zinc prices, we believe the company could revise FY3/24 guidance up slightly owing to a weaker yen and other factors. However, we do not expect any particular surprises given that consensus profit estimates are already above guidance.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	191,893	-10.9	10,724	-41.4	13,654	-29.0	9,673	-23.5	162.5
2Q FY3/24 BofA forecasts	164,741	-14.1	4,054	-62.2	4,783	-65.0	1,217	-87.4	-
2Q FY3/24 Consensus forecasts	171,475	-10.6	4,075	-62.0	5,575	-59.2	2,867	-70.4	-
FY3/24 Co forecasts	680,000	-12.8	23,000	-48.4	30,000	-45.9	20,000	-20.1	336.0
FY3/24 BofA forecasts	694,700	-10.9	25,000	-44.0	34,500	-37.8	21,200	-15.3	356.3
FY3/24 Consensus forecasts	693,834	-11.1	24,612	-44.8	33,940	-38.8	21,429	-14.4	355.1
FY3/25 BofA forecasts	701,200	0.9	33,500	34.0	42,500	23.2	26,600	25.5	447.0
FY3/25 Consensus forecasts	709,361	2.2	31,765	29.1	40,438	19.1	26,284	22.7	447.2

Source: BofA Global Research

BofA GLOBAL RESEARCH

JEOL (6951)

Earnings Summary

JEOL (6951)
Mayako Ouchi >>**BUY**
+81 3 6225 6434**Japan - Technology Hardware**
mayako.ouchi@bofa.com**Results Period: 2Q FY3/24**
Results Date/Time: 11/10, 3:00 PM**Analyst Meeting: 11/24, 3:00 PM**

Expect 2Q to be in line with the updated company guidance on Oct.31st. Focus on company's comment on order/sales of new multi beam mask writers.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	35,887	21.3	4,995	78.1	5,536	51.4	4,014	38.3	78.6
2Q FY3/24 BofA forecasts	35,961	0.2	3,204	-35.9	3,260	-41.1	2,406	-40.1	47.1
2Q FY3/24 Consensus forecasts	35,979	0.3	3,740	-25.1	3,713	-32.9	2,584	-35.6	53.9
FY3/24 Co forecasts	167,000	2.6	21,000	-13.1	21,500	-8.5	15,500	-13.1	303.7
FY3/24 BofA forecasts	161,334	-0.8	16,494	-31.7	18,274	-22.2	13,423	-24.7	262.9
FY3/24 Consensus forecasts	165,050	1.5	21,150	-12.4	21,960	-6.6	16,165	-9.3	316.9
FY3/25 BofA forecasts	178,979	10.9	23,582	43.0	23,842	30.5	18,013	34.2	352.9
FY3/25 Consensus forecasts	178,322	8.0	25,917	22.5	26,040	18.6	19,328	19.6	378.5

Source: BofA Global Research

BofA GLOBAL RESEARCH

Isuzu Motors (7202)

Earnings Summary

Isuzu Motors (7202)
Kei Nihonyanagi >>**BUY****+81 3 6225 7642****APR - Autos****kei.nihonyanagi@bofa.com****Results Period: 2Q FY3/24****Results Date/Time: 11/10, 3:00 PM****Analyst Meeting: 11/10, 5:00 PM**

We forecast 2Q operating profit (OP) of ¥62.7bn (+9% YoY). We think OP will fall QoQ owing to the usual seasonality, but still be above initial guidance. Although Thai pick-up truck sales remain stagnant, the company revised down volume assumptions sharply at 1Q. On the other hand, sales are strong for pick-up trucks in Australia and Europe and for CVs in Japan, where new light- and medium-duty models should have an impact, and we envision solid earnings. Other points to watch at 2Q will be how far the company hikes guidance for the near term, and an update on the decarbonization strategy for the medium to long term.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	805,131	30.8	57,423	51.3	66,684	50.1	36,945	49.5	47.7
2Q FY3/24 BofA forecasts	915,034	13.7	62,694	9.2	60,314	-9.6	28,459	-23.0	n/a
2Q FY3/24 Consensus forecasts	839,547	4.3	62,782	9.3	64,579	-3.2	34,852	-5.7	45.0
FY3/24 Co forecasts	3,300,000	3.3	260,000	2.5	275,000	1.9	155,000	2.1	200.0
FY3/24 BofA forecasts	3,676,700	15.1	307,000	21.1	323,500	19.9	187,300	23.4	241.6
FY3/24 Consensus forecasts	3,409,650	6.7	283,170	11.7	302,188	12.0	169,589	11.8	218.6
FY3/25 BofA forecasts	3,703,700	0.7	337,000	9.8	354,400	9.6	205,000	9.5	264.5
FY3/25 Consensus forecasts	3,562,360	4.5	309,000	9.1	325,988	7.9	184,506	8.8	240.0

Source: BofA Global Research

BofA GLOBAL RESEARCH

Tokyo Electron (8035)

Earnings Summary

Tokyo Electron (8035)
Mikio Hirakawa >>**BUY****+81 3 6225 7989****Japan - Technology Hardware****mikio.hirakawa@bofa.com****Results Period: 2Q FY3/24****Results Date/Time: 11/10, 3:00 PM****Analyst Meeting: 11/10, 5:30 PM**

We forecast 2Q OP of ¥85.2bn, which is roughly in line with the market consensus (VA consensus at ¥91.9bn). Similar to Screen Holdings, we look for China demand to offset delayed demand from Taiwanese chipmakers. As such, we expect FY3/24 guidance to remain intact.

(Unit: ¥mn, %)	Sales	YoY	OP	YoY	RP	YoY	NP	YoY	EPS
2Q FY3/23 Actual	709,243	47.6	232,646	75.1	235,627	74.4	179,251	79.5	383.1
2Q FY3/24 BofA forecasts	401,726	-43.4	85,156	-63.4	85,156	-63.9	64,293	-64.1	137.4
2Q FY3/24 Consensus forecasts	420,117	-40.8	99,155	-57.4	100,764	-57.2	75,635	-57.8	155.6
FY3/24 Co forecasts	1,700,000	-23.0	393,000	-36.4	395,000	-36.8	300,000	-36.4	642.2
FY3/24 BofA forecasts	1,708,829	-22.6	411,741	-33.3	412,354	-34.0	312,939	-33.6	668.4
FY3/24 Consensus forecasts	1,742,314	-21.1	406,043	-34.3	407,608	-34.8	307,671	-34.8	664.5
FY3/25 BofA forecasts	2,157,275	26.2	642,120	56.0	642,120	55.7	484,801	54.9	1,036.2
FY3/25 Consensus forecasts	1,996,800	14.6	533,936	31.5	535,985	31.5	403,057	31.0	873.1

Source: BofA Global Research

BofA GLOBAL RESEARCH

Price objective basis & risk**Toray (3402 / TRYIF)**

Our PO for Toray is ¥650, based on a P/E of 12x on our FY3/25 EPS estimate. We use the low range of P/E in its previous cycle (11-26x) due to significant deterioration in the earnings growth.

Upside risks to our price objective are (1) sharp yen depreciation against the US dollar (¥1 depreciation against US\$ boosts annual OP by ¥1bn), (2) sharp increase in demand for wide-body aircraft such as B787 and A350, (3) rapid expansion in Asian apparel sales, and 4) a substantial decline in raw material costs such as acrylonitrile prices. Downside risks are (1) steep yen appreciation against the US dollar, (2) further cut in production of wide-body aircraft such as B787 and A350, (3) rapid decline in Asian apparel sales, and (4) steep hike in raw material costs such as acrylonitrile.

Asahi Kasei (3407 / AHKSF)

Our PO for Asahi Kasei is ¥900, based on a sum-of-the-parts method with EV/EBITDA multiples on our FY3/24E implying an EV/EBITDA multiple of 7.5x. Our EBITDA multiples



by segment are: 6.5x for materials (referencing peers), 7x for homes (referencing peers), and 8.5x for healthcare (a valuation toward the low end of the Japanese pharmaceutical companies in our coverage).

Upside risks to our PO are (1) a large upturn in demand for petrochemicals, electronics, or homes, (2) rapid growth of pharmaceuticals/medical device markets relevant to the company, and (3) substantial yen depreciation (each ¥1 depreciation boosts annual OP by ¥1.1bn against the dollar and by ¥0.4bn against the euro). Downside risks are (1) depressed petrochemicals prices, (2) deterioration of automotive/electronics markets, (3) declines in housing orders, (4) slower growth of pharmaceuticals/medical device markets relevant to the company, and (5) substantial yen appreciation.

SUMCO (3436 / SUMCF)

Our price objective is JPY2,200, based on a P/E of 16.0x our FY12/24 EPS estimate. This multiple is 10% below the average of the 10-23x range when prices are increasing. We took into account the weakening in profit growth potential from 2024, as the rise in prices comes to a halt and depreciation increases. Downside risk factors are (1) sharp yen appreciation (1JPY/US\$ appreciation reduces annual OP by JPY1.5bn), and (2) an abrupt slowdown in the semiconductor market.

Oji Holdings (3861 / OJIPF)

Our ¥660 PO is based on a P/E of 9x our FY3/25 EPS estimate. We apply a premium of around 10% to the five-year average P/E to account for a rise in pulp prices.

Upside risks to our PO are (1) a sharp rise in pulp prices, (2) a sharp decline in the cost of inputs such as coal, (3) progress on domestic paper industry consolidation, (4) rapid yen depreciation, and (5) enhanced shareholder returns. Downside risks are (1) a sharp decline in pulp prices, (2) a sharp rise in input costs, (3) greater-than-expected decline in domestic demand, (4) rapid yen appreciation, and (5) deterioration in shareholder returns.

Resonac Holdings (4004 / SHWDF)

Our PO of ¥2,030 is based on a P/B of 0.75x on our end-FY12/23 BPS estimate. Since valuation based on P/E is difficult amidst EPS deterioration, we base our PO on P/B. We use the level near to the lowest of Resonac's P/B range since it acquired Hitachi Chemical (2020).

Upside risks to our PO are (1) sharp yen depreciation (we estimate every ¥1 decrease vs. the US dollar increases annual OP by ¥1bn), (2) improvement in artificial graphite electrode supply/demand due to recovery in steel production, and (3) rapid growth in demand for the company's electronic materials on rising demand for electronics. Downside risks are (1) sharp yen appreciation, (2) a steep decline in steel production, (3) a rapid drop in electronics demand, (4) equity financing, and (5) significant write-downs related to the Hitachi Chemical acquisition.

Nissan Chemical (4021 / NNCHF)

Our PO of ¥5,800 is based on a P/E of 23x our FY3/24 EPS estimate. This is below the median of the range of 19-29x over the past five years (excluding the low period of Mar-Apr 2020 caused by the shock of the COVID-19 pandemic). We think this level is appropriate in light of weaker growth potential in earnings.

Upside risks: (1) stronger growth in sales of veterinary pharma substances than we expect due to favorable market conditions, (2) stronger-than-expected demand for alignment films and semiconductor materials, (3) prospects taking shape for the early release of a combination drug with Bravecto to counter the competing product Simparica Trio, and (4) unexpectedly strong improvement in shareholder returns.

Downside risks: (1) weak sales of alignment films owing to technological change in the display industry (such as growth in OLED and micro LED markets), (2) greater-than-

expected deterioration in sales of Fluralaner owing to the impact of competing product Simparica Trio, and (3) slowdown in the semiconductor market.

Nissan Chemical is not very affected by FX (each ¥1 appreciation versus USD reduces OP by ¥340mn annually) and raw material prices (each US\$1/bbl appreciation of crude oil price reduces OP by ¥50-60mn annually).

Kureha (4023 / KURCF)

We derive our PO of ¥9,500 from sum-of-the-parts owing to the varied nature of Kureha's businesses, which we believe warrants individual valuations. Our PO corresponds to a P/E of 9.9x on our FY3/25 EPS estimate, close to the average of its historical trading range (8-16x). For the advanced materials segment, we use an EBITDA multiple of 4.0x, for specialty chemicals 5.0x, for specialty plastics 6.0x, and for construction & other services 5.0x, all based on peer valuations.

Upside risks to our PO are (1) rapid demand growth for PVDF used in LiB binders, (2) earlier PVDF capacity expansion than we expect, and (3) either swift improvement in PGA resin earnings on the back of a new sales strategy or withdrawal from this area altogether.

Downside risks are (1) softening supply/demand owing to factors such as new market entrants in PVDF resin for LiB binders, (2) slower PVDF capacity expansion than we expect, (3) stagnating automobile production, and (4) worsening PGA resin earnings owing to stalled shale extraction activity.

Nippon Soda (4041 / NSDFF)

Our PO of ¥5,600 is based on a P/E of 9.5x our FY3/25 EPS estimate. Our P/E multiple of 9.5x represents a roughly 5% discount to the past five-year average. We apply a discount mainly to reflect slower growth in grain prices and a lack of expectations for heightened overall profit levels over the longer term. We believe the stock is not particularly undervalued.

Upside risks are (1) greater-than-expected growth in end-demand for electronic materials and/or pharmaceutical additives, (2) a further rise in grain prices, (3) sharp yen depreciation, (4) an increase in shareholder returns, and (5) progress on restructuring.

Downside risks are (1) a greater-than-expected decline in end-demand for electronic materials and/or pharmaceutical excipients, (2) a significant decline in grain prices, (3) rapid yen appreciation, (4) a decline in shareholder returns, and (5) stalled restructuring

Denka (4061 / DENKF)

We base our price objective of ¥2,450 on a P/E of 12.5x our FY3/25 EPS estimate. The shares have traded on a historical range of 7-18x (except for in 2022 when there was impairment risk), and we apply a P/E of 12.5x, the historical range median of 12.5x, to reflect sluggish profit growth. Semiconductor materials and LiB materials (mainly for automobiles in developed countries) have high growth potential, but we expect an overall slowdown in earnings in other businesses to have an impact.

Downside risks to our PO are (1) a sharp slowdown in the market for LiBs, (2) a sudden fall in the price and resulting margin deterioration on chloroprene rubber and large compensation payments related to a lawsuit in the US, and (3) sharp slowdown in demand for COVID-19 test kits and influenza vaccines. Upside risks are (1) sharp expansion in the market for LiBs, (2) a sudden increase in the price of chloroprene rubber, and (3) sharp expansion in demand for COVID-19 test kits and influenza vaccines. We estimate that depreciation of ¥1 against the US dollar boosts Denka's annual OP by just under ¥100mn.

Air Water (4088 / AWTRF)

Our price objective for Air Water is ¥2,050, based on a P/E of 10.5x to our FY3/25 EPS estimate. We use the upper-end of its P/E cycle from 2021, given stronger earnings growth.

Upside risks are (1) a sharp improvement in industrial production in Japan, (2) higher-than-expected increases in domestic industrial gas prices, (3) a sharp decline in fuel costs. Downside risks are (1) a sharp decline in industrial production in Japan, (2) declines in domestic industrial gas prices, (3) a sharp rise in fuel costs, (4) increased financial risk owing to rising interest rates, and (5) a potential equity finance.

Nippon Shokubai (4114 / NSHKF)

We base our PO of ¥5,900 on a P/E of 12.5x and our FY3/25 EPS estimate. We use near the lower end of the range for 2017-18, when SAP supply-demand conditions were favorable.

Our possible upside risks are (1) sharply higher petrochemicals prices and (2) a spike in demand for diapers. We see sharply higher petrochemicals prices (mainly acrylic acid and acrylic ester) improving earnings and expect a spike in diaper demand to result in a shortage of superabsorbent resin. Our potential downside risks are (1) sharply higher input costs, (2) steep drops in petrochemicals prices, and (3) a sharp slowdown in diaper demand. Sharp price growth for naphtha and other inputs significantly affects profitability for superabsorbent resin as pass-through is difficult in the near term, steep dips in petrochemicals prices (mainly acrylic acid and acrylic ester) can worsen earnings considerably, and a sharply slower diaper demand can cause a supply glut for superabsorbent resin. Although yen movement against the US dollar has only a modest impact, we calculate that each ¥1 depreciation against the euro adds ¥200mn to annual OP.

Kaneka (4118 / KANKF)

Our PO of ¥4,050 is based on our FY3/25 EPS estimate and a P/E of 9.5x, which represents a roughly 10% discount from the company's average P/E over the past five years. This discount takes into account the lack of prospects for higher profit levels over the longer term and the recent lower outlook for profits beginning to reflect (1) the softening in PVC and VCM prices, and (2) concerns in the demand outlook for building construction in Europe and the US, due to interest rates as a macro factor.

Upside risks to our price objective are (1) higher-than-expected PVC prices and volume growth, (2) upside for sales growth in the biopharmaceutical CDMO business, (3) an early earnings contribution from biodegradable plastics, (4) improved disclosure of information, such as earnings announcements for the health care solutions business divided into medical and pharma businesses, and (5) improved shareholder returns. Downside risks are (1) lower-than-expected PVC price increases and volume growth, (2) increased competition in the biopharmaceutical CDMO business, (3) delays in the monetization of the biodegradable plastics business, (4) adverse moves on disclosure, and (5) deterioration in shareholder returns.

Mitsubishi Gas Chemical (4182 / MBGCF)

Our PO for Mitsubishi Gas Chemical is ¥1,600, based on a P/E of 12.0x on our FY3/25 EPS estimate. The stock has traded in a P/E range of 5.5-13x since 2014, and we apply near the average P/E in that range based on the outlook for earnings to weaken in FY3/23.

Downside risks to our PO are: (1) sharp declines in methanol prices (each \$10/ton decline erodes annual NP by around ¥0.9bn), (2) Saudi Arabia country risk, and (3) sharp yen appreciation (we estimate each ¥1 appreciation against the dollar erodes annual RP by ¥0.6bn). Upside risks are: (1) sharp increases in methanol prices, and (2) yen depreciation.

Mitsui Chemicals (4183 / MITUF)

Our PO for Mitsui Chemicals of ¥2,950 is based on P/E of 9.5x using our FY3/25 estimates. P/E of 9.5x is the median of past 5 year, based on its slower earnings growth

estimates.

Upside risks to our PO are (1) sharp decline in raw material prices, and (2) brisker petrochemical demand in Japan and elsewhere in Asia. Downside risks are (1) a sharp rise in raw material prices, and (2) deterioration in domestic and Asian petrochemical demand. ¥1/USD depreciation may push up its annual OP by ¥1bn.

Tokyo Ohka Kogyo (4186 / TOKCF)

We base our ¥10,400 PO on a P/E of 19x and our FY12/24 EPS estimate. A multiple of 19x is the average from March 2020, when demand for photoresists expanded after COVID-19 outbreak. We expect earnings expansion in semiconductor materials starting with photoresists, in line with the growth of the semiconductor market and progress on miniaturization/adding more layers.

Downside risks are 1) Longer than expected cooling demand in the semiconductor market, 2) customers failing to adopt Tokyo Ohka Kogyo's products for use in production lines for cutting-edge devices, 3) trend change of semiconductor market caused by US-China trade friction, and 4) sharp yen appreciation (FX sensitivity of OP: ¥0.2bn).

ADEKA (4401 / ADKCF)

Our PO of ¥3,200 is calculated based on a SOTP approach because it is necessary to calculate the value of each segment given their different characteristics. Our PO is equivalent to P/E of 13x based on our FY3/25 EPS estimate, upper range of the past 8-14x. Referencing competitors, we apply EV/EBITDA of 5x for the chemicals segment, 5x for the food products segment, and 5x for the life science segment.

Upside risks are (1) faster-than-expected acceleration of DRAM miniaturization, (2) early market share gains for EUV photoresist PAGs, and (3) early recovery of the semiconductor market.

Downside risks are (1) a protracted downturn in DRAM market prices, (2) slow recovery of automobile production, (3) the food products segment remaining in the red for a prolonged period due to further increases in raw material prices, (4) a slowdown in shipments of EUV photoresist PAGs due to quality requirements of photoresist manufacturers, and (5) sharp yen appreciation (a ¥1 rise vs. the US dollar reduces OP by ¥120mn).

Kansai Paint (4613 / KSAHF)

Our SOTP-based PO of ¥2,950 is based on EBITDA multiples for each geographic business segment. Referencing valuations at peers, we use 6.5x EV/EBITDA for Japan, 17.5x for India, 7x for Europe, 7x for Asia, 8x for Africa, and 7x for others. Our PO corresponds to an EV/EBITDA of 9.8x in FY3/25.

Upside risks to our PO are (1) a rapid upturn in emerging market economies (particularly India, China, Africa, East Europe, Thailand, and Indonesia) and a weakening in their currencies, (2) strong improvement in auto production, and (3) steep declines in input prices. Downside risks are (1) a sharp slowdown in developing market economies and a weakening in their currencies, (2) a rapid slowdown in auto production, (3) a sharp rise in input prices, and (4) intensifying competition in decorative paint in India.

Toyo Gosei (4970 / TYGIF)

Our PO of ¥8,200 is based on an EV/EBITDA of 12x on our FY3/25 EBITDA estimate. We use EV/EBITDA valuation to factor in the effects of Toyo Gosei's large investments in PAG. A multiple of 13x is average from March 2020 when demand for photosensitive materials expanded after COVID-19 outbreak. We expect Toyo Gosei to be affected by a memory market downturn in the short term, but look for longer term earnings growth driven by PAG, a raw material for EUV photoresists for which Toyo Gosei has a near monopoly on supply. With photoresist raw materials accounting for over 80% of sales,

we expect Toyo Gosei to achieve stable earnings growth as miniaturization advances in the semiconductor market.

Downside risks are (1) a rapid cooling of demand in the semiconductor market, and (2) a reduction in major semiconductor companies' investments in production processes.

ENEOS Holdings (5020 / JXHGF)

Our 12-month PO of ¥680 is derived from our FY3/25 EPS estimate of ¥75.8 (adjusted to exclude inventory valuation effects) and a P/E of 9.5x. Our fair-value multiple is the average P/E since April 2020 based on EPS excluding inventory valuation effects, from a range of 6-18x. We use average P/E in view of the outlook for stronger earnings driven by improvement in copper and crude oil prices and refining and paraxylene margins. We think the earnings foundation is stronger than in the past, as there already has been considerable consolidation among domestic oil refiners, paving the way for stable margins. We accordingly expect support for the share price from the high dividend yield and generous shareholder returns.

Upside risks are (1) sharp increases in price for crude oil, copper, and other commodities, (2) substantial improvement in refining margins, (3) significantly improved margins on paraxylene, propylene, and other petrochemicals, and (4) a positive investor reaction to the listing of JX Nippon Mining & Metals.

Downside risks are (1) steep declines in price for crude oil, copper, and other commodities, (2) dramatic shrinkage in refining margins, (3) sharply lower margins for paraxylene, propylene, and other petrochemicals, and (4) a lackluster investor reaction to the listing of JX Nippon Mining & Metals.

Bridgestone (5108 / BRDCF / BRDCY)

Our 12-month PO for Bridgestone is ¥6,500 (ADR US\$21.51). We calculate a fair-value EV/EBITDA multiple of 5.0x by taking the FY12/15-12/19 average EV/EBITDA of 4.7x and applying a 15% decarbonization premium and +5% for potential action in response to share price weakness, as well as a 15% top-line visibility discount (net +5%). Applying this to 12-month forward EBITDA of ¥846bn we calculate fair-value EV of ¥4.2tn and fair-value market cap of ¥4.5tn. Upside risks are greater-than-expected recognition of positive earnings impact of shift to electric vehicles and a sharp decline in raw material costs. Downside risks are an increase in raw material costs including a rise in crude oil prices and tougher competition in the US.

Sumitomo Rubber Industries (5110 / SMTUF)

Our 12-month PO for Sumitomo Rubber Industries is ¥1,400. We calculate a fair-value EV/EBITDA multiple of 4.6x by taking the FY3/17-3/19 average EV/EBITDA of 4.8x and applying a 5% decarbonization premium and +5% for potential action in response to share price weakness, as well as a 15% top-line visibility discount (net -5%). Applying this to 12-month forward EBITDA of ¥131.4bn we calculate fair-value EV of ¥599bn and fair-value market cap of ¥347bn. Upside risks are a sharp decline in raw material costs and a faster-than-expected improvement in containership shortages. Downside risks are an increase in raw material costs including a rise in crude oil prices, a rise in marine freight costs owing to containership shortages, and oversupply and consequent price declines. North American inflows of low-price products are also a risk.

Tokai Carbon (5301 / TKCBF)

Our ¥1,180 PO is based on a P/E of 8.5x our FY12/24 EPS estimate. Our multiple is at the low end of the range since 2017 (4-27x), as we anticipate sluggish demand for carbon black and graphite electrodes.

Upside risks are (1) volume growth and improving supply-demand for graphite electrodes due to rising steel production and (2) strong production of tires, semiconductors and aluminum. Downside risks are (1) large declines in volumes and prices for graphite electrodes, (2) a narrowing quality gap with graphite electrodes

produced by emerging companies in China, India and other countries, (3) sharp declines in semiconductor and aluminum production, (4) a rapid rebound in carbon black production in Russia, and (5) an early resolution to graphite electrode production issues at a rival. We estimate annual OP increases ¥260mn for every ¥1 drop versus the dollar, and ¥50mn for every ¥1 drop versus the euro

JFE Holdings (5411 / JFEF)

We derive our ¥2,600 price objective from a FY3/25 P/E of 8.0x (EPS ¥325.7 excluding the impact of ¥45bn in gains on land sales). We use a slight premium to the average 6.5x P/E in FY3/19, a period of improving earnings.

Downside risks to our investment rating are (1) dramatic deterioration in overseas steel markets, (2) falling domestic steel market volumes and prices owing to a major influx of steel imports, (3) a higher interest burden resulting mainly from increased interest rates, and (4) an unexpectedly sharp rise in decarbonization costs. Upside risks are (1) dramatically improved overseas steel market prices, (2) sharply higher domestic steel market demand, and (3) reduced decarbonization costs and the creation of technology to help decarbonize steelmaking.

Mitsui Mining & Smelting (5706 / XZJCF)

Our price objective for Mitsui Mining & Smelting is JPY3,800, based on a P/E of 12x and our FY3/25 EPS estimate. We use nearly the upper level of the P/E range of 6-13x during past growth periods (2005-07 and 2010-14), on the back of major earning recovery in FY3/25.

Downside risks to our PO are (1) a sharp appreciation of the yen (each JPY1 strengthening of the yen against the dollar has a negative recurring profit impact of JPY100mn), (2) a sharp decline in zinc and rhodium prices, and (3) rivals having major success with the mass production of ultrathin foil. Upside risks are (1) yen depreciation, (2) a sharp increase in zinc and rhodium prices, and (3) substantial growth in adoption of HDI substrates, which use MicroThin copper foil.

Mitsubishi Materials (5711 / MIMTF)

Our ¥2,600 PO is based on a P/E of 8x our FY3/25 estimate. We use a multiple below the average for the time-series range (6-18x) as we expect commodities businesses to account for a growing share of profits. Commodities businesses are increasingly attracting low P/E valuations due to high earnings volatility.

Downside risks to our price objective are (1) a steep decline in copper and/or palladium prices, and (2) a sharp fall in profit from copper mines due to country risk in Chile and Peru. Upside risks are (1) a steep rise in copper and/or palladium prices, (2) sharp growth in copper smelting margins (Treatment Charge/Refining Charge), and (3) reduction of country risk. For FY3/22, a 10 cent/lb increase in the price of copper boosts annual OP by ¥500mn and annual RP by ¥1.7bn. For FY3/22, a ¥1 decline vs the USD and EUR boosts annual OP by ¥800mn and ¥200mn, respectively.

Sumitomo Metal Mining (5713 / STMNF)

Our ¥4,950 price objective is based on a P/E of 10.5x our FY3/25 EPS estimate. Our multiple is lower the median of its 2010 onward P/E range (6-17x). Downside risks to our price objective are (1) a sharp drop in nickel, copper, or gold prices, (2) stronger JPY (each ¥1 stronger JPY vs USD lowers annual PTP by ¥1.2bn), and (3) a sharp drop in nickel prices following factors such as smooth progress in HPAL ramp-up by Chinese makers in Indonesia. Upside risks to our price objective are (1) a steep rise in nickel, copper, or gold prices and (2) weaker JPY.

Dowa Holdings (5714 / DWMNF)

Our price objective is ¥4,700, which we base on a P/E of 10.5x our FY3/25 EPS estimate, lower than the average P/E. The average P/E was 12x during the 2011-15 growth period with the actual P/E ranging from 8.3x to 22.1x. However, we do not think a high P/E is

warranted given the expected slowing in earnings growth from FY3/23. Upside risks to our PO are (1) sharp yen depreciation, with substantial rises in metal prices (zinc, platinum, palladium, rhodium and silver, etc.), and (2) a sharp rise in auto production. Downside risks are (1) sharp yen appreciation (annual OP forex sensitivity ¥600mn per ¥1 swing vs the US\$), with substantial shifts in metal prices (zinc, platinum, palladium, rhodium and silver, etc.), (2) a sharp drop in automotive production, and (3) drastically weaker electronic material demand.

Furukawa Electric (5801 / FUWAF)

Our price objective for Furukawa Electric is ¥2,350, based on a P/E of 10x applied to our FY3/25 forecasts. We use a level close to the low-point in the P/E range (9-18x) during the 2016-17 growth phase.

Upside risks to our price objective are (1) stronger-than-expected communications, automotive component and electronic materials demand, and (2) rapid yen depreciation (¥1 fall vs. US\$ adds ¥300-400mn to annual OP). Downside risks are steeply falling communications, automotive component and electronic materials demand and (2) rapid yen appreciation.

Fujikura (5803 / FKURF)

Our PO of ¥1,280 is based on SOTP analysis using segment EBITDA multiples referencing peer multiples. We use multiples of 5x for power & telecommunication systems, 3.0x for electronics, 3.5x for automotive products, and 13x for real estate. Our PO corresponds to EV/EBITDA of 5.0x on our FY3/24 estimates.

Downside risks to our PO are (1) rapid yen appreciation (¥1 rise vs USD depresses annual OP by ¥1bn), (2) a sharp decline in optical communications demand, and (3) a swift slowdown in the smartphone and/or PC market.

Upside risks are (1) rapid yen depreciation, (2) sharp growth in optical communications demand, and (3) stronger-than-expected smartphone, PC market, and other IT-related demand.

Sharp (6753 / SHCAF)

Our PO for Sharp is ¥650 based on P/B of 2x, referring adjusted ROE-P/B correlation for Japan's electronics sector in FY3/24.

Upside risks for the share price are (1) early supply/demand improvement in the LCD panel market, (2) greater-than-expected overseas sales growth and profitability improvement in the smart life segment (white goods), and (3) further profitability improvement from cooperating with the Hon Hai Precision Industry Group. Downside risks are (1) further deterioration in the LCD panel market that contributes to asset impairments, (2) weak sales in brand businesses due to an economic downturn, and (3) low profitability resulting from intensifying competition.

Sony Group Corporation (6758 / SNEJF / SONY)

We base our ¥16,500 PO (\$117.86/ADR) on a SOTP approach using peer-based segment EV/EBITDA multiples and our FY3/24 EBITDA forecasts for each segment. Our game business multiple of 13x adds a roughly 1pt premium to a competitor. Our music multiple of 18x is in line with a competitor. Our pictures multiple of 14x applies a discount of around 2pt versus a peer to reflect IP competitiveness. Our ET&S multiple of 6x adds a 1-2pt premium to competitors, taking a positive view of Sony's competitiveness in mirrorless cameras. Our I&SS multiple of 7x adds a 1pt premium to a competitor, considering Sony's competitiveness in large sensors.

Downside risks to our PO are (1) a slowdown in the CMOS image sensors (CIS) business owing to weak smartphone demand, (2) price decline in the TV and smartphone owing to tough competition, (3) a strengthening of the dollar against the euro, and (4) worse-than-expected impact of the COVID-19 outbreak. Upside risks are (1) a rapid increase in

the use of multiple rear-camera lenses on smartphones contributing to earnings from CIS, (2) an earlier-than-expected launch of the market for on-board automotive CIS raising Sony's share of that market, and (3) greater-than-expected growth in the delivery of content over networks.

JEOL (6951 / XJEOF / JELLF)

PO is ¥5,900, based on SOTP method using EV/EBITDA over FY3/25 earnings estimates. In the industrial equipment segment, we use a multiple of 10.5x, at a 40% discount of EUV related stocks and in line with non-EUV related stocks. In the scientific and metrology instruments segment, we use a multiple of 10.5x, which is 1-7pt below major competitors, considering business scale, technological complexity of products, and level of exposure to drug development. In the medical equipment segment, given the high reliance on earnings at OEM customers, we use a multiple of 10.0x, which is 2-3pt below those companies.

Upside risks are 1) a larger-than-expected earnings contribution from the MBMW-301, a new 2nm multi-beam mask writer, and development progress for MBMW-401/501 to follow the MBMW-301, 2) progress for EUV lithography systems at <2nm and resulting growth in advanced node capex at foundries, and 3) greater-than-expected earnings growth from the customer targeting strategy in the scientific and metrology instruments segment.

Downside risks are 1) a share decline in the multi-beam writer market, 2) capex delays at main foundries, 3) a decline in the required number of exposures as a result of High-NA technology enabling broader use of single patterning, 4) an end of the alliance with IMS for multi-beam mask writers, and 5) a slowdown in development investment demand at main customers in the scientific and metrology instruments segment.

Taiyo Yuden (6976 / TYOYF)

Our price objective of ¥3,900 is based on our FY3/25 estimate and a P/E of 14.5x, which is about 10% below Taiyo Yuden's average multiple over the past 10 years, in light of the risk of dilution from the issuance of convertible bonds. With earnings set to improve after bottoming in FY3/23 2H, we refer to its historical average multiple. Downside risks to our price objective are (1) the MLCC supply-demand balance worsening more than we expect on slower growth in smartphones and other key applications, (2) a further worsening of earnings in its integrated modules & devices business, particularly in the Chinese smartphone market, and (3) the yen appreciating more than we expect. Upside risks are (1) acceleration of growth in automotive MLCCs and (2) the earlier-than-anticipated launches of new applications such as AI servers.

Nissan Motor (7201 / NSANF / NSANY)

Our 12-month PO for Nissan from is ¥770 (ADR: \$10.42). We apply a PO basis EV/EBITDA (ex finance business) of 1.5x, derived from the average EV/EBITDA of 1.9X for FY3/18-19, a decarbonization premium of 10%, and a topline visibility discount of 30%, to our 12-month forward EBITDA (ex finco) estimate of ¥797.1bn, and then add back the finco's equity capital of ¥1.8tn discounted by 30% (thus ¥1.1tn). Downside risks are a change in alliance relations with a major European alliance partner, a prolonged semiconductor shortage, an increase in material costs, and sharp foreign exchange fluctuations.

Isuzu Motors (7202 / ISUZF)

Our 12-month PO for Isuzu Motors is ¥2,100. We calculate a PO basis EV/EBITDA multiple of 3.7x for Isuzu by taking the FY3/17-3/20 average EV/EBITDA of 3.7x and applying a 5% discount for top-line visibility and 5% for potential action in response to share price weakness (net 0%). Applying this to 12-month forward EBITDA of ¥415.4bn we calculate an EV of ¥1.54trn and a market cap of ¥1.64trn. Downside risks are macro trends in Thailand, changes in various environmental regulations, fluctuations in stock market expectations for electrification technologies.

Mazda Motor (7261 / MZDAF)

Our 12-month PO for Mazda Motor is ¥2,100. We calculate a PO basis EV/EBITDA multiple of 2.3x by taking the average FY3/17-3/19 EV/EBITDA of 3.6x and applying discounts of 5% for decarbonization and 20% for top-line visibility. Applying this to 12-month forward EBITDA of ¥413.1bn we calculate an EV of ¥1.1tn and a market cap of ¥1.3tn. Downside risks are forex swings, disruption in semiconductor procurement, and higher material costs.

Honda Motor (7267 / HNDAF / HMC)

Our 12-month PO for Honda Motor is ¥2,000 (ADR US\$39.48). We derive a PO basis EV/EBITDA multiple of 1.3x by taking the average FY3/18-3/20 EV/EBITDA (ex finco) of 1.3x, applying a 10% decarbonization premium and 10% for potential from action in response to share price weakness, as well as a top-line visibility adjustment discount of 10% (net +10%). We calculate a market cap (ex finco) by applying this to 12-month forward EBITDA of ¥1.80tn (ex finco). We add back financial services shareholders' equity of ¥3.0tn less a 30% discount (¥2.1tn) to derive all-company market cap. Downside risks are the speed of US recovery in demand, forex fluctuations, a prolonged semiconductor shortage, an increase in material costs, and changes in expectation for its aggressive BEV shift.

Suzuki Motor (7269 / SZKMF)

Our 12-month PO for Suzuki is ¥7,200. We use sum-of-the-parts with a P/E of 27x (FY3/25-26 average) for Maruti Suzuki (MSIL). For the non-MSIL part we apply an EV/EBITDA multiple of 1.1x derived from the 1.8x average for FY3/19-20, a decarbonization discount of 10%, a topline visibility discount of 5%, and a 5% premium for potential to address the low share price (net -10%). Applying our multiple to non-MSIL FY3/24E, we obtain a market cap of ¥721.8bn. We discount the two-company aggregate market cap 20% in light of historical share price movement. Downside risks are trends in India equity markets, sharp forex movements and lockdowns in India.

Yamaha Motor (7272 / YAMHF)

Our 12-month PO for Yamaha Motor is ¥3,200. We calculate a PO basis EV/EBITDA multiple of 4.2x by taking the average FY12/17-12/19 EV/EBITDA of 6.0x, applying discounts of 5% for decarbonization and 30% for top-line visibility, and adding 5% for potential action in response to share price weakness (net -30%). Applying this to 12-month forward EBITDA of ¥292bn we calculate an EV of ¥1.2tn and a market cap of ¥1.1tn. Upside risk is demand remaining strong for motorcycles in ASEAN and for recreational vehicles and marine products. Downside risks are a sharp decline in the US stock market, deterioration in macro trends in the ASEAN region, rising costs for materials and logistics and prolonged risks to semiconductor procurement, as well as a growing view in the market that US leisure demand has peaked out.

Tokyo Electron (8035 / TOELF)

Our price objective for Tokyo Electron is ¥22,000 based on FY3/25 P/E of 21x, the peak of the historical range because we expect earnings to grow through FY3/26. Possible downsides to our price objective include (1) a further strengthening of US sanctions on China's semiconductor industry, (2) a decline in semiconductor demand resulting from retaliatory measures from China or other geopolitical risks, and (3) a greater-than-expected downswing in memory and logic chips. Possible upsides include (1) greater-than-expected growth in demand for SPE driven by miniaturization and use of more advanced technologies, (2) growth in its share of the etcher and scrubber markets, and (3) improvement in profit margins on increases in operational efficiency.

Iwatani Corporation (8088 / IWTNF)

Our PO of JPY9,300 is based on a P/E of 14x our FY3/25 EPS estimate. We apply the average P/E for peer industrial gas companies owing to the longer-term growth potential of Iwatani's hydrogen business.

Downside risks to our PO are 1) significant changes in the roadmap for the realization of a hydrogen-based society, such as hydrogen prices not falling by as much as expected, and forecasts for growth in demand for hydrogen shifting downward to a level far below the government targets, 2) major change in the main way of distributing hydrogen from liquid form to other means (such as organic hydride method and ammonia) in which Iwatani is not involved, 3) earnings deterioration in industrial gas and machinery owing to a rapid slowdown in the electronics industry, and 4) large-scale equity financing owing to heavy capex in the hydrogen business.

Upside risks are 1) prospects of a hydrogen-based society being realized earlier than expected, such as the cost of hydrogen falling faster than government forecasts, and demand volumes for hydrogen exceeding expectations, 2) the main means of distributing hydrogen being liquid form, which is Iwatani's strength, and Iwatani having high market share in hydrogen distribution, and 3) earnings improvement in the industrial gas and machinery business thanks to rapid improvement in the electronics industry.

Special Disclosures

BofA Securities is currently acting as financial advisor to Nissan Motor Co., Ltd. ("Nissan") in connection with the proposed alliance renewal among Nissan, Renault Group and Mitsubishi Motors Corporation, which was announced on July 26, 2023 and February 6, 2023.

Japan - Cyclical Materials Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	ADEKA	ADKCF	4401 JP	Niima Komura
	AGC Inc	ASGLF	5201 JP	Kyoji Chiba
	Air Water	AWTRF	4088 JP	Takashi Enomoto
	Daicel Corp	DACHF	4202 JP	Takashi Enomoto
	ENEOS Holdings	JXHGF	5020 JP	Takashi Enomoto
	Fujikura	FKURF	5803 JP	Takashi Enomoto
	Fujimi Incorporated	FUJXF	5384 JP	Niima Komura
	Idemitsu Kosan	IDKOF	5019 JP	Takashi Enomoto
	Iwatani Corporation	IWTNF	8088 JP	Takashi Enomoto
	JFE Holdings	JFEF	5411 JP	Takashi Enomoto
	Kansai Paint	KSANF	4613 JP	Takashi Enomoto
	Kumiai Chemical Industry	XHEXL	4996 JP	Kyoji Chiba
	Mitsubishi Corp.	MSBHF	8058 JP	Takashi Enomoto
	Mitsubishi Materials	MIMTF	5711 JP	Takashi Enomoto
	Mitsui & Co.	MITSF	8031 JP	Takashi Enomoto
	Mitsui & Co.	MITSY	MITSY US	Takashi Enomoto
	Nippon Paint Holdings	NPCPF	4612 JP	Takashi Enomoto
	Nippon Sanso Holdings	XCIDF	4091 JP	Takashi Enomoto
	Nippon Shokubai	NSHKF	4114 JP	Takashi Enomoto
	Nittobo	NBCLF	3110 JP	Takashi Enomoto
	NOF	NOFCF	4403 JP	Takashi Enomoto
	Sekisui Chemical	SKSUF	4204 JP	Takashi Enomoto
	Shin-Etsu Chem	SHECF	4063 JP	Takashi Enomoto
	SUMCO	SUMCF	3436 JP	Takashi Enomoto
	Sumitomo Electric Industries	SMTOF	5802 JP	Takashi Enomoto
	Sumitomo Metal Mining	STMNF	5713 JP	Takashi Enomoto
	Tokyo Ohka Kogyo	TOKCF	4186 JP	Niima Komura
	Tosoh Corporation	TOSCF	4042 JP	Takashi Enomoto
	Toyota Tsusho	TYHOF	8015 JP	Takashi Enomoto
NEUTRAL				
	Dowa Holdings	DWMNF	5714 JP	Takashi Enomoto
	Fuso Chemical	XQRDF	4368 JP	Niima Komura
	Kaneka	KANKF	4118 JP	Kyoji Chiba
	Kureha	KURCF	4023 JP	Niima Komura
	Marubeni	MARUF	8002 JP	Takashi Enomoto
	Marubeni	MARUY	MARUY US	Takashi Enomoto
	Mitsui Mining & Smelting	XZJCF	5706 JP	Takashi Enomoto
	Nippon Soda	NSDFF	4041 JP	Kyoji Chiba
	Nippon Steel	NISTF	5401 JP	Takashi Enomoto
	Oji Holdings	OJIPF	3861 JP	Kyoji Chiba
	Osaka Organic Chemical	XAPKF	4187 JP	Niima Komura
	Sumitomo Chem.	SOMMF	4005 JP	Takashi Enomoto
	Tokai Carbon	TKCBF	5301 JP	Takashi Enomoto
	Toyo Gosei	TYGIF	4970 JP	Niima Komura
	Tri Chemical Laboratories	XWURF	4369 JP	Niima Komura
UNDERPERFORM				
	Asahi Kasei	AHKSF	3407 JP	Takashi Enomoto
	Denka	DENKF	4061 JP	Takashi Enomoto
	Furukawa Electric	FUWAF	5801 JP	Takashi Enomoto
	Mitsubishi Chemical Group	MTLHF	4188 JP	Takashi Enomoto
	Mitsubishi Gas Chemical	MBGCF	4182 JP	Takashi Enomoto
	Mitsui Chemicals	MITUF	4183 JP	Takashi Enomoto
	NGK Insulators	NGKIF	5333 JP	Kyoji Chiba
	Nissan Chemical	NNCHF	4021 JP	Takashi Enomoto
	Resonac Holdings	SHWDF	4004 JP	Takashi Enomoto
	Sumitomo Corp.	SSUMF	8053 JP	Takashi Enomoto
	Sumitomo Corp.	SSUMY	SSUMY US	Takashi Enomoto
	Toray	TRYIF	3402 JP	Takashi Enomoto
	Zeon	ZEOOF	4205 JP	Niima Komura

Japan - Technology Hardware Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Advantest	ADTTF	6857 JP	Mikio Hirakawa
	BayCurrent Consulting	BYCRF	6532 JP	Yuki Kaneko
	Fujitsu	FJTSF	6702 JP	Yuki Kaneko
	Hirose Electric	HRSEF	6806 JP	Masashi Kubota
	Hitachi	HTHIF	6501 JP	Mikio Hirakawa
	Hitachi	HTHIY	HTHIY US	Mikio Hirakawa
	HOYA	HOCPF	7741 JP	Masashi Kubota
	HOYA	HOCPY	HOCPY US	Masashi Kubota
	Ibiden	IBIDF	4062 JP	Masashi Kubota
	Iriso Electronics	IREEF	6908 JP	Masashi Kubota
	JEOL	XJEOF	6951 JP	Mayako Ouchi
	JEOL	JELLF	JELLF US	Mayako Ouchi
	Kyocera	KYOCF	6971 JP	Masashi Kubota
	Kyocera	KYOCY	KYOCY US	Masashi Kubota
	Lasertec	LSRCF	6920 JP	Mikio Hirakawa
	MinebeaMitsumi	MNBEF	6479 JP	Masashi Kubota
	Mitsubishi Electric	MIELF	6503 JP	Mikio Hirakawa
	NEC	NIPNF	6701 JP	Yuki Kaneko
	Net One Systems	NONEF	7518 JP	Yuki Kaneko
	Nidec	NNDNF	6594 JP	Masashi Kubota
	NIDEC	NJDCY	NJDCY US	Masashi Kubota
	NRI	NURAF	4307 JP	Yuki Kaneko
	Obic Business Consultants	OBIBF	4733 JP	Yuki Kaneko
	Oracle Japan	OCLCF	4716 JP	Yuki Kaneko
	Panasonic	PCRFY	6752 JP	Mikio Hirakawa
	Panasonic	PCRFY	PCRFY US	Mikio Hirakawa
	Renesas Electronics	RNECF	6723 JP	Mikio Hirakawa
	Rohm	ROHCF	6963 JP	Masashi Kubota
	SHIFT	SFTTF	3697 JP	Yuki Kaneko
	Shinko Electric Industries	SHEGF	6967 JP	Masashi Kubota
	Sony Group Corporation	SONY	SONY US	Mikio Hirakawa
	Sony Group Corporation	SNEJF	6758 JP	Mikio Hirakawa
	TDK	TTDKY	TTDKY US	Masashi Kubota
	TDK	TTDKF	6762 JP	Masashi Kubota
	TIS	TISNF	3626 JP	Yuki Kaneko
	Tokyo Electron	TOELF	8035 JP	Mikio Hirakawa
NEUTRAL				
	DISCO	DISPF	6146 JP	Mikio Hirakawa
	Fuji Electric	FELTF	6504 JP	Mikio Hirakawa
	Murata Mfg	MRAAF	6981 JP	Masashi Kubota
	Niterra	NGKSF	5334 JP	Masashi Kubota
	NTT DATA	NTTDF	9613 JP	Yuki Kaneko
	Otsuka Corporation	OSUKF	4768 JP	Yuki Kaneko
	SCREEN Holdings	DINRF	7735 JP	Mikio Hirakawa
	Taiyo Yuden	TYOYF	6976 JP	Masashi Kubota
UNDERPERFORM				
	Alps Alpine	APELF	6770 JP	Masashi Kubota
	Alps Alpine	APELY	APELY US	Masashi Kubota
	Anritsu	AITUF	6754 JP	Mikio Hirakawa
	Japan Aviation	JPAVF	6807 JP	Masashi Kubota
	Mabuchi Motor	MBUMF	6592 JP	Masashi Kubota
	Nitto Denko	NDEKF	6988 JP	Masashi Kubota
	Obic	OBIIF	4684 JP	Yuki Kaneko
	Sharp	SHCAF	6753 JP	Mikio Hirakawa
	Trend Micro	TMICF	4704 JP	Yuki Kaneko
	Trend Micro	TMICY	TMICY US	Yuki Kaneko
RVW				
	Toshiba	TOSBF	6502 JP	Mikio Hirakawa

APR - Autos Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY	Aima Technology	XIHF	603529 CH	Joey Yang, CFA
	Ashok Leyland	XDBVF	AL IN	Gunjan Prithyani
	Bajaj Auto	XBJBF	BJAUT IN	Gunjan Prithyani
	BYD	BYDDF	1211 HK	Ming Hsun Lee, CFA
	BYD	XYMPF	002594 CH	Ming Hsun Lee, CFA
	BYD	BYDDY	BYDDY US	Ming Hsun Lee, CFA
	CATL	XMOQF	300750 CH	Ming Hsun Lee, CFA
	DENSO	DNZOF	6902 JP	Kei Nihonyanagi
	Desay SV	XGDF	002920 CH	Jessie Lo
	Eicher Motors	XEIMF	EIM IN	Gunjan Prithyani
	EVE	XEVF	300014 CH	Ming Hsun Lee, CFA
	GAC	GNZUF	2238 HK	Ming Hsun Lee, CFA
	Great Wall Motor	GWLLF	2333 HK	Ming Hsun Lee, CFA
	Hankook Tire	XHTRF	161390 KS	KJ Hwang
	Hesai	HSI	HSI US	Jessie Lo
	HL Mando	XMAF	204320 KS	KJ Hwang
	Honda Motor	HMC	HMC US	Kei Nihonyanagi
	Honda Motor	HNDAF	7267 JP	Kei Nihonyanagi
	Huayu	XHASF	600741 CH	Jessie Lo
	Hyundai Motor	HYMLF	005380 KS	KJ Hwang
	Isuzu Motors	ISUF	7202 JP	Kei Nihonyanagi
	Leapmotor	XZSSF	9863 HK	Ming Hsun Lee, CFA
	Li Auto	LI	LI US	Ming Hsun Lee, CFA
	Li Auto	LAAOF	2015 HK	Ming Hsun Lee, CFA
	Maruti	MUDGF	MSIL IN	Gunjan Prithyani
	Mazda Motor	MZDAF	7261 JP	Kei Nihonyanagi
	Minth	MNTHF	425 HK	Jessie Lo
	NIO	NIO	NIO US	Ming Hsun Lee, CFA
	NIO	NIOF	9866 HK	Ming Hsun Lee, CFA
	NIO	XLTF	NIO SP	Ming Hsun Lee, CFA
	Nissan Motor	NSANF	7201 JP	Kei Nihonyanagi
	Nissan Motor	NSANY	NSANY US	Kei Nihonyanagi
	PARK24	PKCOF	4666 JP	Kei Nihonyanagi
	SAMIL (Motherson International)	XMSUF	MOTHERSO IN	Gunjan Prithyani
	Shenzhen Kedali	XWCSF	002850 CH	Jessie Lo
	Shuanghuan Driveline	XZSHF	002472 CH	Jessie Lo
	Suzuki Motor	SZKMF	7269 JP	Kei Nihonyanagi
	Tata Motors	XTTSF	TTMT IN	Gunjan Prithyani
	Tinci Materials	XCVHF	002709 CH	Miriam Chan, CFA
	Toyo Tire	TOTTF	5105 JP	Kentaro Hosoda
	Toyota Motor	TOYOF	7203 JP	Kei Nihonyanagi
	Toyota Motor	TM	TM US	Kei Nihonyanagi
	TVS Motors	XFKMF	TVSL IN	Gunjan Prithyani
	Wuxi Lead	XZSRF	300450 CH	Ming Hsun Lee, CFA
	XPeng Inc	XPEV	XPEV US	Ming Hsun Lee, CFA
	XPeng Inc.	XPNGF	9868 HK	Ming Hsun Lee, CFA
	Yadea	YADGF	1585 HK	Joey Yang, CFA
	Yongda	CYYHF	3669 HK	Joey Yang, CFA
	Yunnan Energy	XLGFF	002812 CH	Jessie Lo
	Zhejiang Sanhua	XZSIF	002050 CH	Jessie Lo
	Zhongsheng Auto	ZHSF	881 HK	Joey Yang, CFA
NEUTRAL	Aisin	ASEKF	7259 JP	Kei Nihonyanagi
	Bridgestone	BRDCF	5108 JP	Kei Nihonyanagi
	Bridgestone	BRDCY	BRDCY US	Kei Nihonyanagi
	CALB	XLCSF	3931 HK	Ming Hsun Lee, CFA
	Dong Feng	DNFGF	489 HK	Ming Hsun Lee, CFA
	Hino Motors	HINOF	7205 JP	Kei Nihonyanagi
	Hyundai Mobis	HYPLF	012330 KS	KJ Hwang
	Kia Corp	KIMTF	000270 KS	KJ Hwang
	Mahindra & Mahindra (M&M)	XKQRF	MM IN	Gunjan Prithyani
	MeiDong Auto	CMEIF	1268 HK	Joey Yang, CFA
	Mitsubishi Motors	MMTOF	7211 JP	Kei Nihonyanagi

APR - Autos Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Motherson Sumi Wiring	XMWDF	MSUMI IN	Gunjan Prithyani
	Shenzhen Senior	XHYRF	300568 CH	Jessie Lo
	Sona Comstar	XBNXF	SONACOMS IN	Gunjan Prithyani
	Subaru Corp	FUJHF	7270 JP	Kei Nihonyanagi
	Subaru Corp	FUJHY	FUJHY US	Kei Nihonyanagi
	Toyota Industries Corporation	TYIDF	6201 JP	Kentaro Hosoda
	Toyota Industries Corporation	TYIDY	TYIDY US	Kentaro Hosoda
	Wencan	XSCDF	603348 CH	Joey Yang, CFA
	Yokohama Rubber	YORUF	5101 JP	Kentaro Hosoda

UNDERPERFORM

	Astra International	PTAIF	ASII IJ	Paul Dewberry
	BAIC Motor	BMCLF	1958 HK	Ming Hsun Lee, CFA
	Bharat Forge	XUUVF	BHFC IN	Gunjan Prithyani
	China Grand Auto	XMURF	600297 CH	Joey Yang, CFA
	Escorts Kubota	XSCOF	ESCORTS IN	Gunjan Prithyani
	Fuyao Glass	XFGIF	600660 CH	Edward Leung, CFA
	Fuyao Glass	XFUYF	3606 HK	Edward Leung, CFA
	GAC	XGNHF	601238 CH	Ming Hsun Lee, CFA
	Great Wall Motor	XGWMF	601633 CH	Ming Hsun Lee, CFA
	Hero Motocorp	HRHDF	HMCL IN	Gunjan Prithyani
	Hyundai Wia	XWHYF	011210 KS	KJ Hwang
	Joyson	XQMWF	600699 CH	Jessie Lo
	Nexteer	NTXVF	1316 HK	Jessie Lo
	Putailai	XVHGF	603659 CH	Jessie Lo
	SAIC Motor	XZNFJ	600104 CH	Ming Hsun Lee, CFA
	Sumitomo Rubber Industries	SMTUF	5110 JP	Kei Nihonyanagi
	Yamaha Motor	YAMHF	7272 JP	Kei Nihonyanagi

RVW

	Geely	GELYF	175 HK	Ming Hsun Lee, CFA
	Nextage	XIOIF	3186 JP	Kentaro Hosoda

Disclosures

Important Disclosures

Equity Investment Rating Distribution: Autos Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	64	53.78%	Buy	37	57.81%
Hold	31	26.05%	Hold	16	51.61%
Sell	24	20.17%	Sell	11	45.83%

Equity Investment Rating Distribution: Banks Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	98	50.78%	Buy	81	82.65%
Hold	47	24.35%	Hold	35	74.47%
Sell	48	24.87%	Sell	36	75.00%

Equity Investment Rating Distribution: Chemicals Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	67	48.55%	Buy	33	49.25%
Hold	35	25.36%	Hold	18	51.43%
Sell	36	26.09%	Sell	20	55.56%

Equity Investment Rating Distribution: Electrical Equipment Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	15	55.56%	Buy	11	73.33%
Hold	5	18.52%	Hold	3	60.00%
Sell	7	25.93%	Sell	1	14.29%



Equity Investment Rating Distribution: Electronics Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	33	57.89%	Buy	14	42.42%
Hold	11	19.30%	Hold	3	27.27%
Sell	13	22.81%	Sell	3	23.08%

Equity Investment Rating Distribution: Energy Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	78	58.21%	Buy	59	75.64%
Hold	33	24.63%	Hold	25	75.76%
Sell	23	17.16%	Sell	14	60.87%

Equity Investment Rating Distribution: Industrials/Multi-Industry Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	43	48.86%	Buy	22	51.16%
Hold	26	29.55%	Hold	17	65.38%
Sell	19	21.59%	Sell	10	52.63%

Equity Investment Rating Distribution: Non-Ferrous Metals/Mining & Minerals Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	58	54.72%	Buy	27	46.55%
Hold	21	19.81%	Hold	10	47.62%
Sell	27	25.47%	Sell	14	51.85%

Equity Investment Rating Distribution: Paper/Forest Products Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	8	42.11%	Buy	7	87.50%
Hold	3	15.79%	Hold	2	66.67%
Sell	8	42.11%	Sell	5	62.50%

Equity Investment Rating Distribution: Steel Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	13	41.94%	Buy	9	69.23%
Hold	12	38.71%	Hold	6	50.00%
Sell	6	19.35%	Sell	4	66.67%

Equity Investment Rating Distribution: Technology Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	204	51.52%	Buy	104	50.98%
Hold	95	23.99%	Hold	45	47.37%
Sell	97	24.49%	Sell	27	27.84%

Equity Investment Rating Distribution: Global Group (as of 30 Sep 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1869	53.48%	Buy	1046	55.97%
Hold	828	23.69%	Hold	461	55.68%
Sell	798	22.83%	Sell	370	46.37%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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