Tokyo Electron Limited (8035)

FUGAKU AI ANALYSIS

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Module: Yamabiko (Earnings Intelligence)

Earnings Analytics Report | FY2025 Guidance Assessment

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1. Sandbagging Profile

65

Sandbagging Index: 65 / 100

Above average conservatism. Moderate but consistent upward bias in guidance.

Metric	Value	TSE Prime Median
Initial Guidance Beat Rate (10yr)	**7 / 10 years (70%)**	6 / 10 (60%)
Average Beat Magnitude (OP)	**+14.8%**	+6.8%
Average Beat Magnitude (Revenue)	**+7.2%**	+3.2%
Mid-Year Revision Frequency	7 / 10 years	5 / 10
Revision Direction Bias	**86% upward**	62% upward

Sandbagging Pattern: "Cycle-Aware Conservative"

TEL's guidance conservatism is cycle-dependent. In up-cycles (AI/HPC demand surges, node transitions), TEL sandbangs aggressively — initial guidance understates actual results by 15-25%. In flat or transitional periods, guidance accuracy improves to within 5%. The current cycle (2nm transition + AI/HPC capex boom) matches the conditions that historically produce TEL's largest positive surprises. Yamabiko classifies FY2025 as a "high-sandbag probability" year.

2. Guidance vs Actual History

FY	Initial Rev Guidance	Actual Revenue	Beat	Initial OP Guidance	Actual OP	Beat
FY2025	¥2,050B	**TBD (tracking ¥2,280B+)**	**~+11%**	¥555B	**TBD (tracking ¥645B+)**	**~+16%**
FY2024	¥1,850B	¥2,091B	**+13.0%**	¥480B	¥585B	**+21.9%**

FY2023	¥1,750B	¥1,832B	+4.7%	¥430B	¥461B	+7.2%
FY2022	¥1,600B	¥1,748B	+9.3%	¥390B	¥468B	+20.0%
FY2021	¥1,380B	¥1,534B	+11.2%	¥320B	¥396B	+23.8%
FY2020	¥1,320B	¥1,285B	-2.7%	¥310B	¥293B	-5.5%

Signal: Current Cycle Matches FY2021-2024 Pattern

TEL's three misses in the last decade all occurred during semiconductor inventory corrections (FY2019, FY2020, early FY2023). The current cycle — driven by 2nm transition capex and AI/HPC accelerator demand — mirrors the FY2021-2024 upcycle where TEL beat initial OP guidance by an average of +18.2%. With TSMC, Samsung, and Intel all expanding leading-edge capacity, Yamabiko assigns a high probability to TEL's current guidance being similarly understated.

3. Current FY2025 Guidance Assessment

Metric	Mgmt Guidance	Yamabiko Implied Range	Confidence
Revenue	¥2,050B	**¥2,220B – ¥2,340B**	**High**
Operating Profit	¥555B	**¥620B – ¥670B**	**High**
OP Margin	27.1%	**27.9% – 28.6%**	**Moderate**
Net Income	¥410B	**¥460B – ¥500B**	**High**

TEL's margin expansion potential is more constrained than DISCO's due to product mix (etch, deposition, and coating have different margin profiles). Revenue upside is the primary driver of the OP beat — margin improvement is a secondary contributor. FX assumption of ¥145/USD provides additional buffer if yen weakens further.

4. KPI Trend Analysis

KPI	Q1	Q2	Q3	Q3 QoQ	Signal
New Equipment Orders	¥528B	¥562B	¥601B	**+6.9%**	**Accelerating**
SPE Backlog	¥1,420B	¥1,510B	¥1,580B	**+4.6%**	**Record High**
Field Solutions Revenue	¥145B	¥148B	¥152B	**+2.7%**	**Steady Growth**
China Revenue Share	42%	39%	36%	**-3pp**	**Diversifying**

5. Fugaku Assessment

Confidence Level: HIGH

TEL's Sandbagging Index of 65 is moderate, but the current upcycle context pushes this into high-conviction territory. Historical pattern analysis shows TEL sandbangs most aggressively during node transitions — and the 2nm cycle is the largest transition since EUV adoption. Q3 KPIs are uniformly positive: orders accelerating, backlog at record highs, and China concentration declining (reducing geopolitical risk). The key differentiator vs. consensus: sell-side models anchor to management guidance and adjust incrementally. Yamabiko's pattern-based approach identifies a structural 12-16% upside gap that consensus has not fully captured. TEL is a strong upside surprise candidate for FY2025.