INDIVIDUAL COMPANY DEEP DIVE / SELECTED ENGLISH EXCERPTS

SEIKOH GIKEN 6834

Equipment-first.
Components-next.

How AI data-center demand becomes equipment orders, qualified output and recurring revenue.

Seikoh Giken sells both optical components and the production equipment used to make them. That dual position creates different revenue units, different timing and different competitive risks. The full report models those differences instead of applying one optical-market growth rate to the entire business. In FY25 (year ended March 31, 2026), optical products accounted for approximately 67% of group revenue. [S1][S5]

THE INVESTMENT QUESTION
Can recurring connectors and MT fiber arrays take over as growth drivers before customer equipment CAPEX normalizes?

This preview	The full report
One worked polisher case, from physical throughput to a revenue bridge and competitive falsification tests.	Thirteen chapters; product-level competitive durability; eleven revenue buckets; FY27 Bear/Base/Bull scenarios; an approximate FY28 analytical Base case; 21 revenue-focused IR questions.

Core research: 11 September 2026
Additional competitive-durability research: 17 September 2026
English edition: 20 September 2026

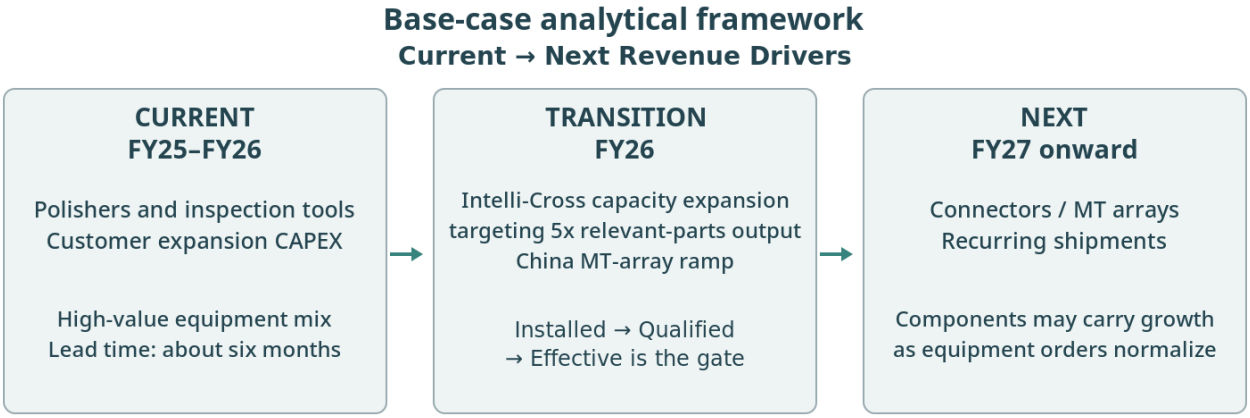
Selected and adapted from the full report. Facts, claims, estimates, inferences and unknowns remain distinct. Company fiscal-year convention: FY25 is the year ended March 31, 2026; subsequent FY labels follow the same basis. Scope: revenue modelling; no valuation or target price.

01 / COMPANY ECONOMICS

Two key optical revenue clocks.

The main driver of current optical revenue growth is customer capacity-expansion CAPEX. Polishers and end-face inspection / geometry-measurement systems are ordered before the connectors and modules made on those lines enter volume shipment. [S2][S4]

In our Base case, qualified recurring output from Intelli-Cross connectors and MT fiber arrays becomes the next growth driver. Installed equipment is not the same as customer-approved, yield-adjusted output. Consumables follow a separate installed-base recurring clock: installed base × utilization × attach.



The full report, Figure 1; see Executive Summary and §§3.3, 8 and 11.1.

Equipment clock	Connector / MT-array clock
Customer line expansion → equipment order → delivery / acceptance.	Installed capacity → customer qualification → effective output → recurring shipment.
Key risk: new-line orders normalize before expected.	Key risk: qualification, yield or customer allocation delays the ramp.

The gap matters more than the headline

The central downside is a break in the sequence: equipment orders peak while qualified component shipments have not yet accelerated. An expanding AI market alone does not rule out that gap.

02 / MODEL ARCHITECTURE

Start with the unit that actually earns revenue.

The full report separates reported segments into eleven economic forecast buckets. Each bucket has its own direct unit, parent demand and commercial gate. The list below is a map of the method, not company-reported product-level revenue disclosure.

Economic bucket	Direct unit	Parent driver / gate
P1 Existing precision molding	Molded part	Vehicle / end-system units; program qualification
P2 MG molding	Molded part	Customer programs; production shipment
P3 Molds / tooling	Mold or tool set	New programs / refresh; order and acceptance
P4 Other precision	Various	Residual precision activities
O1 Polishers / automation	Tool or system	Customer line expansion; PO and acceptance
O2 Metrology	Inspection station	Line output × inspection; integration
O3 Consumables / service	Film, pad or service event	Installed base × utilization × attach
O4a Intelli-Cross	Connector end	Optical links; qualification and allocation
O4b Other connectors	Connector end	Telecom / DC links; qualification and allocation
O5 MT fiber arrays	Fiber-array unit	Transceiver / engine units; design and qualification
O6 Other optical	Various	Residual optical activities

WHY THE DISTINCTION IS NECESSARY

A polisher follows a customer factory expansion; an MT array follows a transceiver / optical-engine unit. A film or pad follows the use of an installed polisher. These are not interchangeable demand measures.

Adapted from the full report, §§5.1 and 7.1. The full report supplies the bounded FY25 allocation, forecast factors and cross-checks against the reported segments.

03 / WORKED CASE: O1 POLISHERS

A polisher forecast starts in a factory.

SFP-560A is a benchtop polisher for optical-connector ferrule end faces. The company specifies support for up to 72 terminals and MT / mini-MT / fiber-array applications. Its direct demand driver is added connector production-line capacity—not optical-module shipments on their own. [S8]

REFERENCE QUANTITY EQUATION
Annual polisher demand ≈ incremental customer connector-end output ÷ effective output per polisher × redundancy / line-layout factor.

One disclosed process example

For a 24-position MT holder, the cited example has five polishing steps totaling 310 seconds: 30 + 10 + 60 + 60 + 150 seconds. Using polishing time alone gives the following theoretical throughput. [S18]

24 ferrules ÷ 310 seconds × 3,600 ≈ 279 ferrules per hour

What this establishes	What it does not establish
A polishing-time-only theoretical reference for the cited 24-position process.	Actual good output per hour on a customer line or annual shipments of Seikoh polishers.
A physical starting point for an IR question about effective throughput.	A revenue forecast derived directly from 279 ferrules per hour.

The effective-output variable remains unknown

Loading / unloading, film changes, cleaning, inspection, rework, changeovers and utilization reduce effective throughput. Our model does not use 279 directly in the revenue forecast. We use it to ask for q_eff: good MT24 ferrules per hour, and polishers required per customer line.

The full report, §§3.3 and 5.2. The 72-terminal machine specification and the 24-position process example describe different operating configurations; they should not be multiplied together.

04 / WORKED CASE: O1 REVENUE BRIDGE

An explicit model— not a hidden growth rate.

Because public unit and ASP data are incomplete, the full report uses a bounded FY25 allocation and explicit scenario factors. The physical-throughput example is a cross-checking framework, not a claim that the model already knows customer line-level quantities.

O1 Polishers / automation	Model treatment	Revenue (JPY bn)
FY25 baseline Year ended Mar 31, 2026	Our Estimate; bounded range 5.8–7.0	6.40
FY26 model Year ending Mar 31, 2027	1.50x the FY25 baseline	9.60
FY27 Base Year ending Mar 31, 2028	Approximately 1.10x FY26	10.56

What sits behind the FY27 multiplier?

Driver	Factor	What must hold
Customer line CAPEX	1.10	Customers continue expanding manufacturing lines.
Share / capacity	1.05	Seikoh converts competitive position and capacity into orders.
Timing	0.95	Some demand-to-shipment slippage is allowed for.
ASP / mix	1.00	No incremental contribution from the mix factor here.

1.10 × 1.05 × 0.95 × 1.00 ≈ 1.10

Our model applies an approximately 1.10x multiplier. The factor product is not evidence that the inputs are independently observed line-level facts.

THE COMPETITIVE VARIABLE TO MONITOR

If customer CAPEX continues but Seikoh loses new-line tool share or repeat orders, the share / capacity assumption is threatened—even with strong end demand.

The full report, §§7.1–7.4 and 6.5.1; calculation inputs in Appendix E. All O1 revenues are our model estimates, not company product-level disclosure or guidance. Model totals use unrounded inputs; displayed rounded rows may not sum to those totals.

05 / WORKED CASE: COMPETITIVE DURABILITY

Can competitors take the next order?

The report does not treat Seikoh's advantage as one company-wide moat. For polishers, the relevant question is whether an installed process ecosystem protects repeat orders when alternative equipment is available.

Evidence category	Evidence and limits
Company specifications / claims	SFP-550 holder compatibility, recipes, pressure control and multi-fiber capability support reuse of process assets. New systems can integrate with customer automation. [S8][S26][S27]
Competitor claims	Domaille offers MT/MPO tooling and states that AbraSave can reduce polishing time by up to 50% and extend film life by up to 90%. Krell's Scepter X2 supports up to 58 components and offers multi-fiber / in-line inspection features. [S31][S32]
Our Inference	Switching may require revalidation of holders, recipes, films, pressure / time, end-face geometry, yield and operating interfaces—not only a machine purchase.
Unknown	Customer-by-customer installed share, second-source qualification, holder reuse rates and the actual equipment-plus-recipe qualification boundary are not publicly established.

Leadership is not exclusivity

The company describes itself as a market-share leader. An investor's question used approximately 50%, but the company did not reconfirm that numerical share. The report therefore does not treat 50% as a fact. [S2][S9]

A falsifiable test

Watch for competing tools becoming qualified on the same customer lines, a narrowing yield / throughput gap, and weaker Seikoh new-line share despite continuing customer CAPEX. The model variable at risk is repeat-order share—not an assumed monopoly.

Adapted from the full report, §§6.1 and 6.5.1. Competitive claims are attributed claims, not independently benchmarked test results.

06 / BEYOND THIS WORKED CASE

What the full report adds

This preview follows one analytical chain. The full report applies product-level reasoning across equipment, metrology, consumables, connectors, MT arrays and precision products, and reconnects those models to group revenue.

Chapters	Coverage
1–3 · Company / revenue / products	The two revenue boundaries; current revenue drivers; product visuals and physical supply-chain maps.
4–5 · End demand / quantities	AI/DC demand, architecture changes and direct-unit equations—not a single market CAGR.
6 · Competition, including §6.5	Customer-versus-competitor relationships, product-level durability, replication paths, switching friction and unknowns.
7–9 · Revenue / capacity / transition	Eleven buckets; FY26 bridge; FY27 Bear/Base/Bull; approximate FY28 analytical Base; capacity conversion; cannibalization.
10–11 · KPIs / thesis	Leading indicators in evidence-arrival order; revenue-related hard and soft falsification triggers.
12–13 · IR questions / final model	21 revenue-focused questions; a final set of product-level revenue equations.
Appendix	47 source entries; modelling assumptions, calculation inputs and rounding notes.

The next questions differ by product

For metrology, test workflow retention. For consumables, test genuine film / pad attach. For Intelli-Cross, distinguish installed capacity from qualified customer allocation. For MT arrays, ask about qualified yield and next-format design wins. These variables cannot be inferred from the same market-growth headline.

SCOPE BOUNDARY
Revenue modelling, product-level competition and operating drivers only. No valuation, target price or buy / sell recommendation. The later-year analytical Base case is explicitly distinguished from the reconstructed revenue calculations.

07 / SOURCE TRAIL AND SCOPE

Selected sources

Reference numbers follow the full report, allowing this worked case to be traced to the underlying evidence. The selected sources below cover the polisher case; the whole-company revenue context uses [S1] and [S5] in the full report.

[S2] Seikoh Giken, FY25 Earnings Presentation Q&A, 22 May 2026
https://www.seikoh-giken.co.jp/irinfo/pdf/gyo_2026_8.pdf

[S4] Seikoh Giken, Optical Segment Capacity Investment, 14 May 2026
https://www.seikoh-giken.co.jp/irinfo/pdf/pre_2026_4.pdf

[S8] Seikoh Giken, Optical connector polishing machines
https://www.seikoh-giken.co.jp/products/grinder.html

[S9] Seikoh Giken, Optical manufacturing equipment / de facto standard
https://www.seikoh-giken.co.jp/products/opt_manufacturing_index.html

[S18] Seikoh Giken, MT-24 polishing-holder / process data sheet
https://www.seikoh-giken.co.jp/products/pdf/PH55-MT-24SQ1-B%28Ver3.3%29.pdf

[S26] Seikoh Giken, Polishing Holder product page
https://www.seikoh-giken.co.jp/en/products/holder.html

[S27] Seikoh Giken, Products under development — SFPS-V1 / SFP-560A3C-FA
https://www.seikoh-giken.co.jp/en/products/Products_under_development.html

[S31] Domaille Engineering, AbraSave Fixtures
https://www.domailleengineering.com/fixtures/abrasave-fixtures/

[S32] KrellTech, Connector Polishers / Scepter X2
https://krelltech.com/polishers/connector-polishers/

Reading this preview

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