

# OKI Group Business Strategy Meeting EMS Segment

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**Vision for the Future**

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**Market Environment and Medium-Term Business Plan Progress**

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**Growth Initiatives toward the Future**

We aim to become a manufacturing platform operator,  
supporting customer products from the manufacturing front.

### Customer markets



Infrastructure



Communication



Electrification



Aerospace



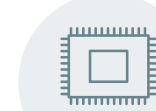
Industry/FA



Measurements



Medical care



Semiconductor



EV

### ② Growth initiatives [Businesses]

Create new products and services

Expand overseas sales

Expand production capacity and sites

Shift business model

Expand core businesses

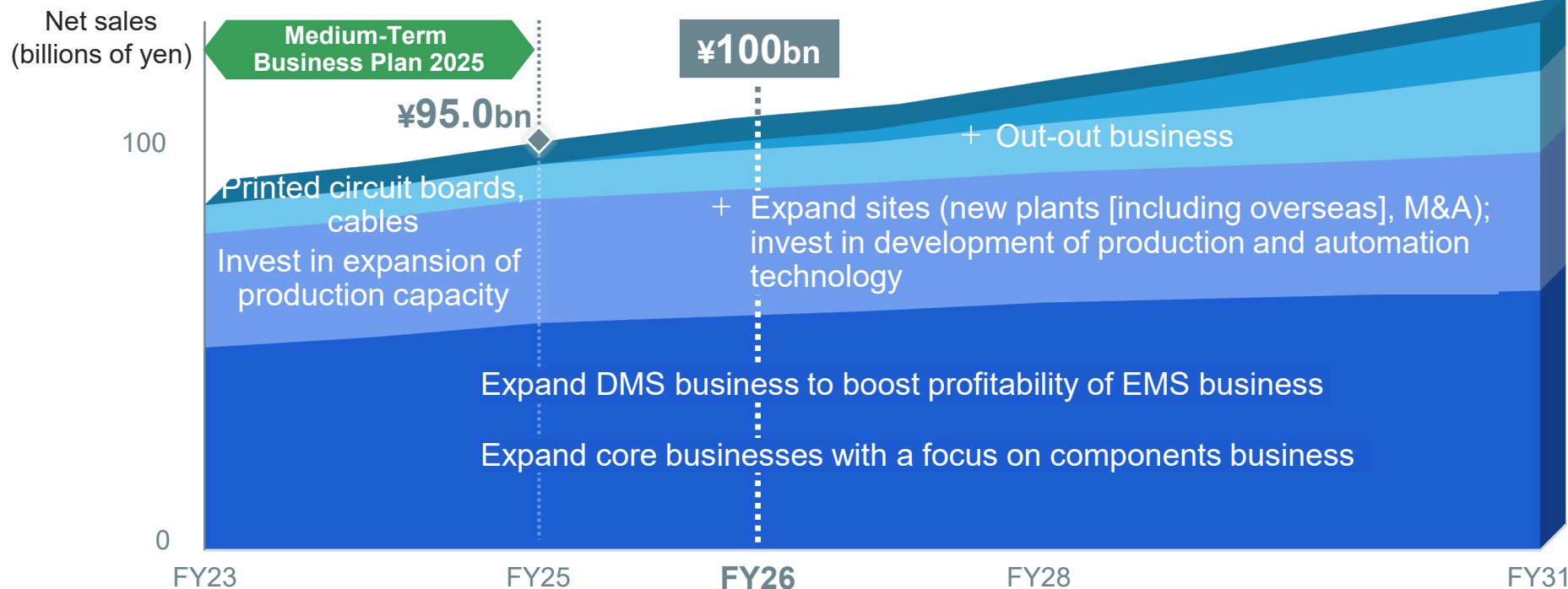
D/EMS

Engineering

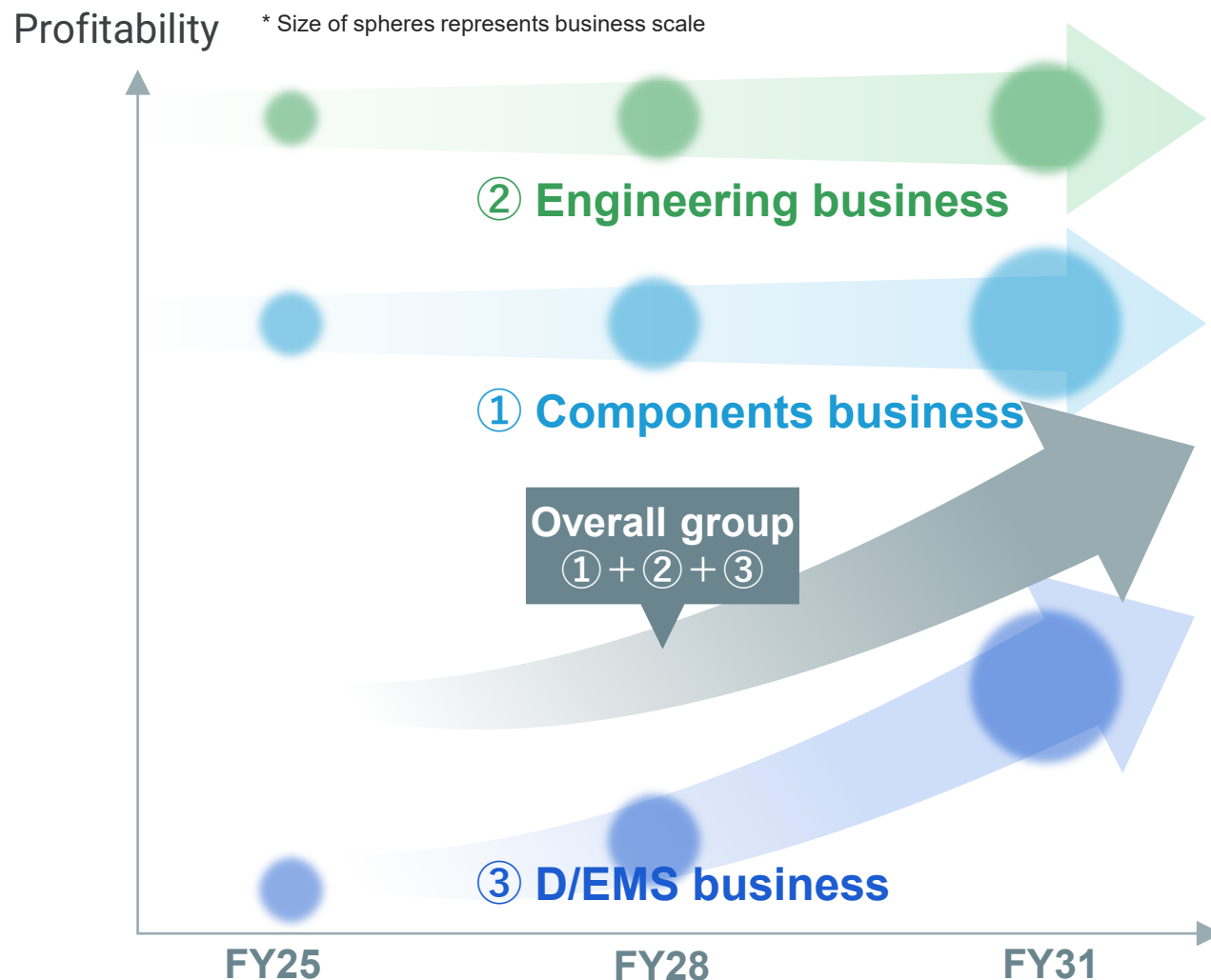
D/EMS

Components

### ① Key initiatives



We will clarify our strategies for each segment to maximize profitability.



#### Active investment into core businesses (high margin)

##### Components business

- Growth investment to expand sites, develop automation technology, etc.  
(Already secured facility capacity to clear current medium-term business plan)
- Overseas sales expansion using the OKI group channels

##### Engineering business

- Capital investment to enhance capacity and develop new evaluation services

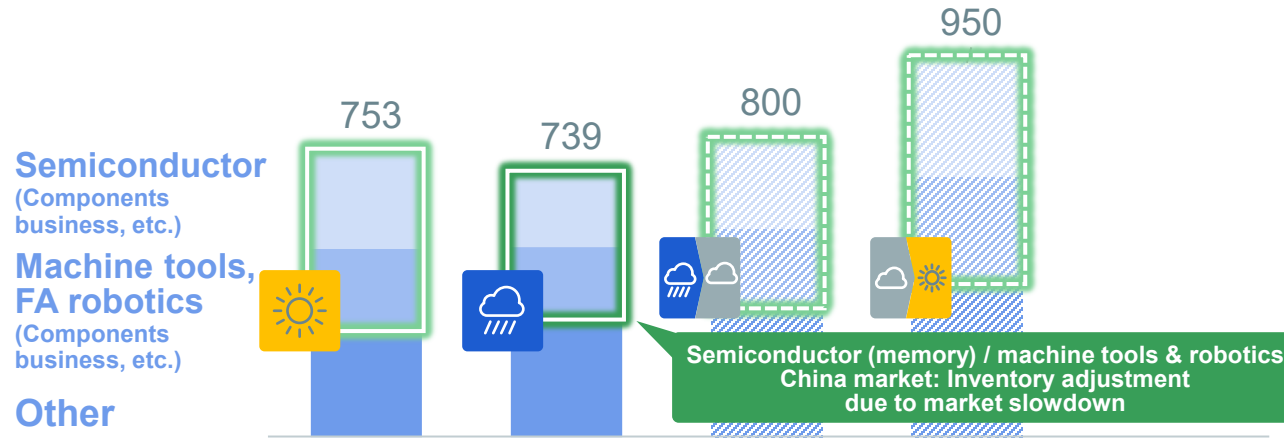
#### Boost profitability with delivering high add-value

##### D/EMS (EMS/DMS) business

- Business model shift (expansion of DMS ratio) and provision of platform products

Although certain markets were sluggish in FY23,  
we expect a recovery trend from FY24 onward.

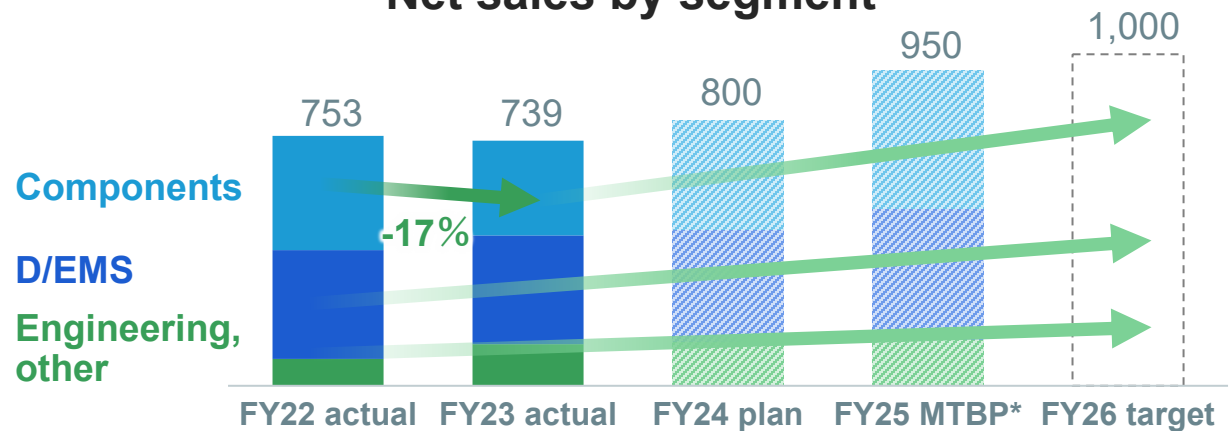
### Net sales by EMS customer market



### Market environment

<b>Components business</b>	<ul style="list-style-type: none"> <li>Sluggish in FY23 due to market slowdown</li> <li>To expand, thanks to semiconductor market recovery from 2H FY24</li> </ul>
<b>D/EMS business</b>	<ul style="list-style-type: none"> <li>Stable growth fueled by demand in strong markets (medical care, measurements, etc.) and DMS expansion, offsetting the adverse impact from some markets</li> </ul>
<b>Engineering business</b>	<ul style="list-style-type: none"> <li>Demand increase in EV and evaluation/certification services for environmental businesses</li> </ul>

### Net sales by segment



\* MTBP = Medium-Term Business Plan

### Medium-term business plan progress

<b>FY2023</b>	<ul style="list-style-type: none"> <li>Net sales declined due to slowdown of components business</li> <li>* KPI results: Vs. DMS sales: +5% YoY Overseas sales: -17% YoY</li> </ul>
<b>FY2024</b>	<ul style="list-style-type: none"> <li>Expecting net sales growth from stable expansion of D/EMS and engineering businesses and recovery of the component business</li> </ul>
<b>FY2025</b>	<ul style="list-style-type: none"> <li>Anticipating further growth driven by expected market recovery in machine tools and FA robotics</li> </ul>

**We will press on with our initiatives to achieve our goals in the Medium-Term Business Plan 2025 and realize our vision for the future.**

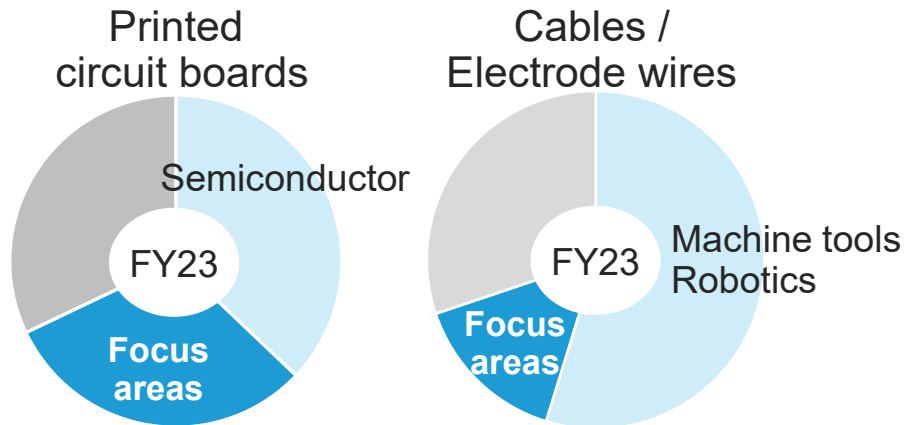
## Issues

<b>Components business</b>	Business concentration in certain markets (customers)
<b>D/EMS business</b>	Efficiency deterioration due to small project size
<b>Engineering business</b>	Project slowdown due to resource shortages

## Key initiatives

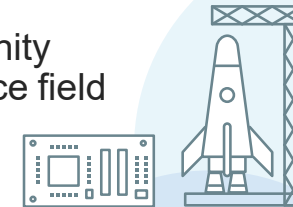
- Rebalance business portfolio and continue growth investment
- Improve profitability by building high-valued-added product capabilities
- Utilize group resources and implement labor-saving measures

### Component business: portfolio

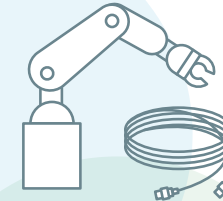


**Cross-selling with D/EMS business in focus areas (aerospace, medical care, and measurements)**

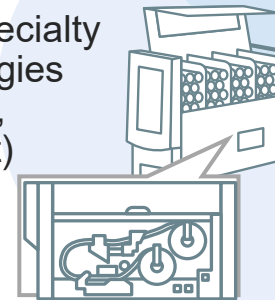
High-affinity aerospace field



Propose new products to major customers



Combine OKI's specialty technologies (sensing, transport)



Provide advanced certification and evaluation services



We will seek business expansion through growth investment, mainly in the components business, based on a solid assessment of the market conditions.

## Capital investment

### Components business

Actively continue investment into growth areas

### D/EMS business

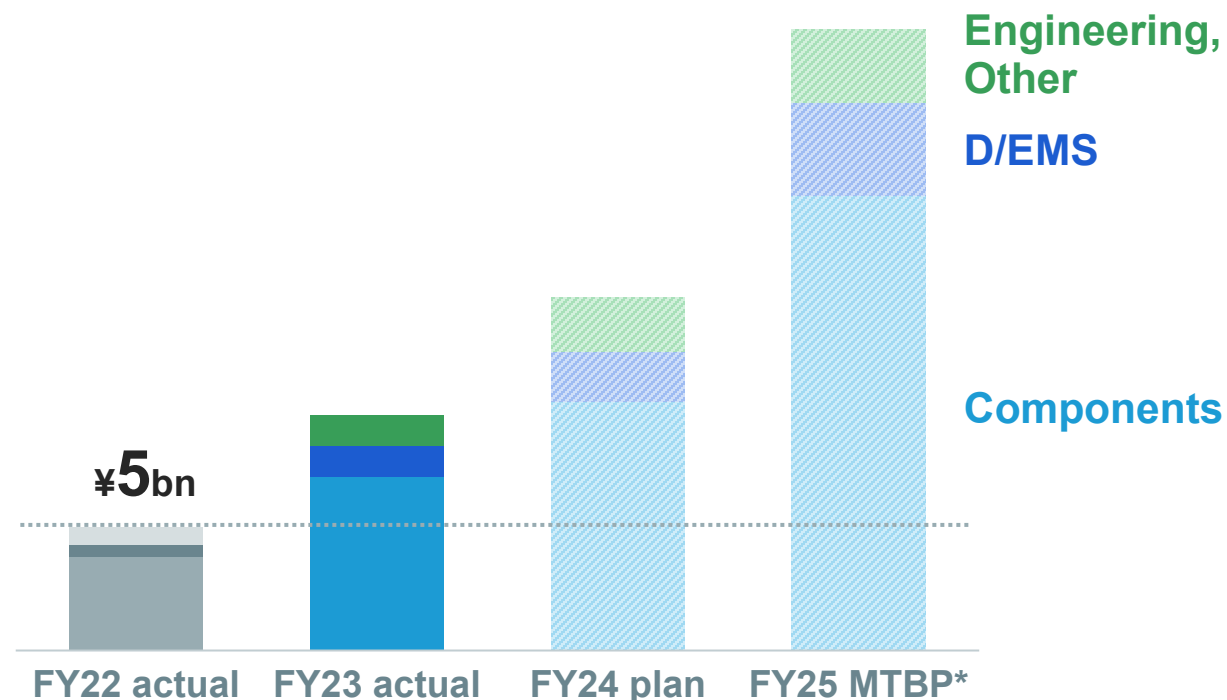
Invest in labor-saving and automation

### Engineering business

Assess market needs and invest in expanding industries

Total capital investment in the EMS segment (accumulated from FY22)

Total for Medium-Term Business Plan 2025  
¥20bn  
(FY23 - 25 total)



We plan to commercialize new products and services by combining the strengths of the EMS group. Our aim is to achieve commercialization in FY2025 and expand sales by over ¥1 bn in FY2026.

## Provide product and process platforms

### (1) Process platform

Combine processes packed with Mono-zukuri expertise and offer the platform to customers



Example

Process platform proposal to a customer in the new space field



### (2) Product platform

Provide standardized products so that customers can engage in Mono-zukuri with greater efficiency



Example

Proposal to commercialize high-efficiency inverters in the decarbonization market

OKI

Develop platform for product's non-core functions (common aspects)



Customer

Develop product's core functions in-house (differentiation)

## Provide new products and services

**D/EMS business**

Wireless/FPGA;  
Variable types and quantities

**EMS group**

M&A  
OKI group technologies

**Components business**

JAXA certification  
High durability  
Outdoor enclosure

**Engineering business**

Devices  
Evaluation/certification



Fuse the cutting-edge technologies of the EMS group.

Also use M&A to supplement missing pieces.

Currently validating the concepts of the four themes through our project activities





*Open up your dreams*

Provide one-stop comprehensive Mono-zukuri services from design to manufacturing and reliability testing. Focus on the manufacturing of high quality and high value-added products with variable types and quantities.

