

# EMS



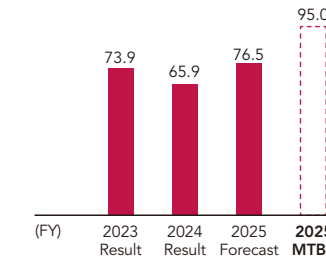
Kurato Maeno  
Executive Officer,  
Head of EMS Division

## Message from Head of the Division

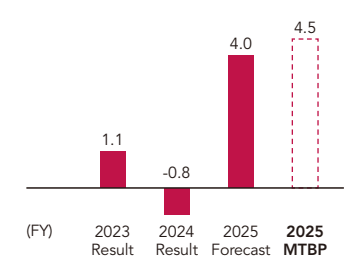
In diverse fields that support society—including medical mechatronics, aerospace, semiconductors, industrial equipment, and information and communications—the EMS Group provides its technological expertise and Mono-zukuri (manufacturing) capabilities to help customers create high-end products.

In today's rapidly changing market environment, customers are facing complex management challenges such as asset-light management and a reshoring of domestic production. OKI works in co-creation with customers, supporting them in addressing these challenges through a structure that comprehensively covers the entire value chain of high-quality, highly reliable Mono-zukuri. Furthermore, we are strengthening global competitiveness, particularly in growth areas such as AI and aerospace, aiming for sustainable development.

Net Sales  
(Billions of yen)



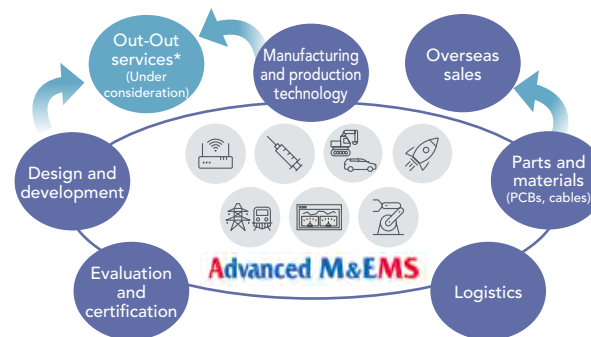
Operating Income (Loss)  
(Billions of yen)



## Business Overview

We provide one-stop solutions for Mono-zukuri (manufacturing) that accommodate variable-mix variable-volume, high quality, and high added value. Our business is primarily composed of EMS/DMS business, components business, and engineering business. Through collaboration within the EMS Group, we provide a wide range of services covering every process from upstream to downstream manufacturing, leveraging the technology and expertise OKI has developed over many years of production.

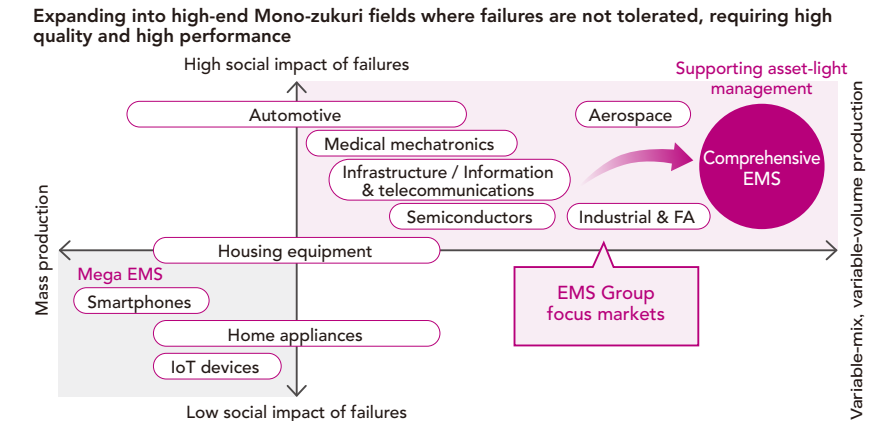
### Comprehensive Mono-zukuri (Manufacturing) Service



## Business Policy

We aim to become a manufacturing platform provider that supports customers in addressing their challenges from a production perspective. By offering design and manufacturing processes filled with accumulated know-how and standardized products as components or modules as platform-based products and services, we will contribute to solving our customers' social challenges through OKI's manufacturing expertise.

### EMS Business Field



## Understanding the Business Environment

Opportunities	<ul style="list-style-type: none"> <li>Return to domestic production due to increasing country risk</li> <li>Expansion of production outsourcing driven by labor shortages</li> <li>Global growth in markets such as AI-related semiconductors, factory automation (FA) robots, and aerospace</li> </ul>
Threats	<ul style="list-style-type: none"> <li>Unstable customer demand caused by international geopolitical risks</li> <li>Rising costs from higher raw material and energy prices, as well as increased personnel and logistics expenses</li> </ul>

## Business Strengths and Possible Issues/Challenges

Strengths	<ul style="list-style-type: none"> <li>High-quality, highly reliable Mono-zukuri, including variable-mix, variable-volume production and efficiency gains through system utilization</li> <li>Ongoing advancement of technologies such as ultra-multilayer circuit boards and high-flexibility technologies that enable high-end products</li> <li>Provision of evaluation and certification support services tailored to customer needs</li> </ul>
How to address possible issues/challenges	<ul style="list-style-type: none"> <li>Addressing production capacity shortages caused by labor constraints through labor-saving measures such as the introduction of automated transport robots</li> <li>Enhancing cost competitiveness by reducing costs through value engineering* and automation</li> </ul> <p>* Value engineering: A way of reducing production costs without lowering the functional performance of products, such as quality and reliability</p>

## EMS

### Progress of the Medium-Term Business Plan 2025 and Future Outlook

We have been working on key initiatives of the Medium-Term Business Plan 2025, including a business model shift from EMS to DMS and growth investments in the highly profitable components and engineering businesses. Results are beginning to emerge, such as winning Comprehensive EMS projects, securing new component projects through the development of new technologies, and launching new evaluation services.

Looking ahead, we will work to achieve business growth by expanding EMS/DMS business in line with the reshoring of domestic production, driving global sales expansion in fields such as AI and aerospace, and providing new evaluation services closely aligned with customer needs. At the same time, we will strengthen profitability through optimization of production locations and investment.

#### Key Initiatives

1. Business model shift from EMS to DMS
  - Expand the DMS sales ratio and aim to acquire new large-scale, high-value-added projects
2. Expansion of components and engineering businesses
  - Invest in expanding production capacity to keep pace with the growth of the semiconductor, machine tool, and FA robotics markets
3. Expansion of overseas sales
  - Strengthen co-creation relationships with key customers in the components business
  - In the EMS/DMS business, pursue Out-Out business\* opportunities

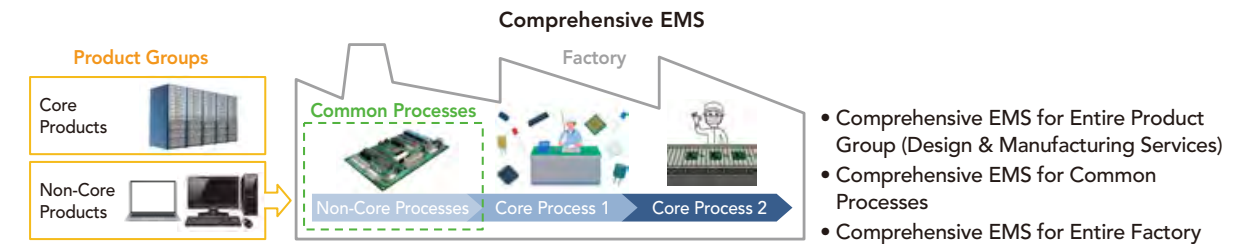
\* Out-Out business: Service in which customers' products for overseas markets are manufactured on contract at OKI's overseas sites

#### Progress

1. In response to country risk and demand for reshoring of domestic production, we launched new Comprehensive EMS services. Orders already received have completed their initial phase and moved into mass production. In addition, we are promoting the creation of high-value-added solutions through technology partnerships with ARM and Efinix.
2. In the components business, we are focusing on technology development aimed at expanding into areas such as AI semiconductors and aerospace (see TOPICS). In the engineering business, we are creating new customer-oriented services, such as calibration tie-ups with manufacturers.
3. Leveraging our strength in advanced, high-quality, high-performance technologies in the components business, we have reinforced our overseas sales structure, resulting in steady inquiries for new projects, including AI servers, aerospace, and defense applications.

#### ■ Launch of Comprehensive EMS Services

We have launched Comprehensive EMS services, which support companies' asset-light management in the manufacturing field by providing the entire process from product planning through development and production. This service enables customers to both reduce investment in their own factories and leverage the latest production facilities and technologies, allowing them to focus management resources on growth areas and core businesses. It also reduces factory operation risks by making it easier to respond to demand fluctuations, switch product lines, and even shift or withdraw from businesses, thereby contributing to improvements in various management indicators.

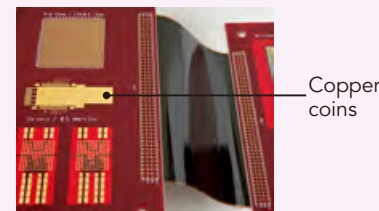


#### ■ Strengthening Co-Creation with Customers through DMS Services

We are expanding our On-Site DMS service, in which our engineers work directly at customers' development sites to co-create design and development. By seamlessly linking flexible, highly confidential on-site development with EMS contract manufacturing, we provide solid support for customers' new product launches.

#### TOPICS Value Creation Material Issues | Safe and Convenient Social Infrastructure / Job Satisfaction and Productivity Enhancement

We have developed substrates and flexible printed circuit boards (FPCs) with high heat dissipation and reduced thickness for use in the space field, which is gaining increasing importance in next-generation disaster prevention, infrastructure maintenance, and telecommunications infrastructure. By enabling high-performance modules to be made smaller and lighter, these modules can be mounted on satellites and other equipment, contributing to the advancement of social infrastructure.

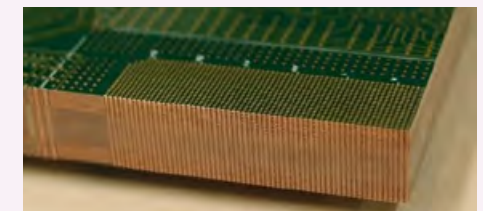


Launched rigid-flex PCBs with embedded copper coins featuring improved heat dissipation for space equipment applications



Launched small-lot custom long FPCs for the New Space industry

With the expanding use of large-scale AI, AI is becoming a critical part of social infrastructure. In response, AI-related semiconductors are becoming increasingly integrated and faster. Through ongoing technology development, OKI is contributing to further improvements in productivity.



Developed 124-layer PCB technology for next-generation AI semiconductor testing equipment