

Creating Future Businesses

For sustainable growth, it is crucial to effectively expand new business areas that leverage OKI's strengths. Expanding only within existing business domains has its limits, so it is necessary to take on new challenges and establish a clear path to growth in the global market. Therefore, this path must be driven with strong determination.

At present, our focus in the global market is on advancing the commercialization of CFB*, but we will continue to clearly define areas with future market potential that align with OKI's strengths, aiming to establish a global business pillar by 2031.

* Crystal film bonding (CFB): OKI's unique technology that bonds dissimilar semiconductor materials using only intermolecular forces, dramatically improving the performance of electronic devices

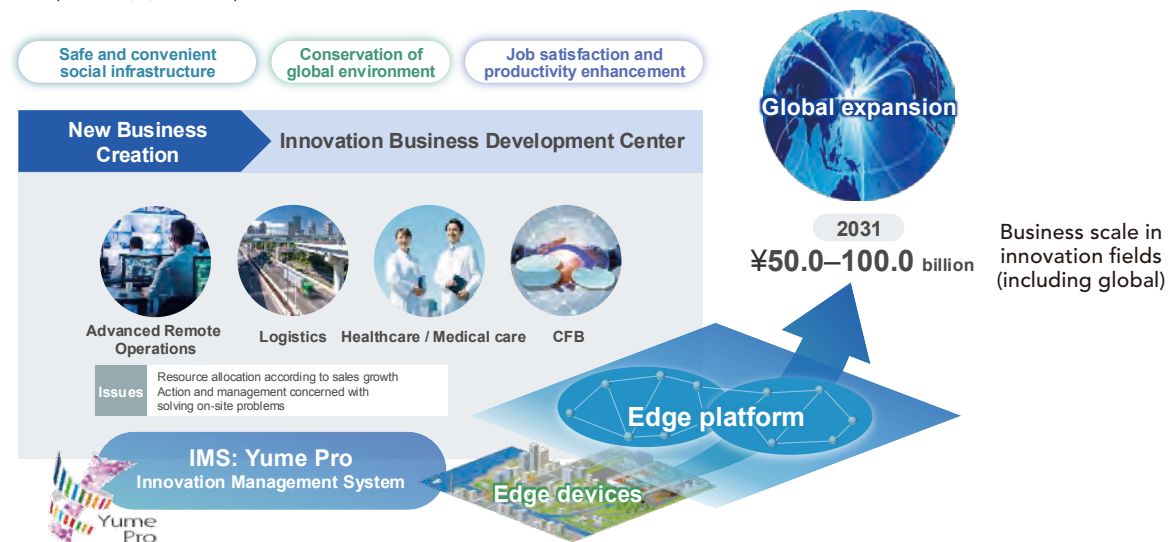
Initiatives for Creating New Businesses

In line with the Medium-Term Business Plan 2025, we announced the Innovation Strategy 2025 in November 2023. We have identified four focus areas for innovation: "Logistics," "Healthcare, Medical Care," "Advanced Remote Operations," and "CFB." From the first year, we have set key performance indicators (KPIs) based on sales and the number of paid proof of concepts (PoCs) within these areas. Although these markets are still immature, they are expected to scale to trillions of yen, and OKI aims to leverage its strength in high-quality networks and real-time interaction through its "Edge platform" to enter these markets through co-creation with various partners.

In the "Logistics" area, we launched the AI-driven delivery planning optimization services "LocoMoses" in May 2023, and the number of users has been steadily increasing.

In the "Healthcare, Medical Care" area, we unveiled the behavioral change platform "Wellbit" in April 2024. Meanwhile, in the "Advanced Remote Operations" area, paid PoCs have already begun with a view toward commercialization. Following the "Yume Pro process," our Innovation Management System (IMS), we are actively engaging with these sectors to refine our value hypotheses. In fiscal year 2024, we aim to verify the value, with a goal of commercializing these innovations by fiscal year 2025.

By the time of OKI's 150th anniversary in 2031, we are targeting the creation of businesses generating over 50 billion yen, while also pursuing global expansion to further increase sales.



As one of the key focus businesses for CFB, we aim to create new businesses by providing materials or technology for power semiconductors, a market expected to expand significantly in the future. In collaboration with Shin-Etsu Chemical Co., Ltd., we are utilizing their QST substrates to lift off only the gallium nitride (GaN) functional layer and bond it onto dissimilar material substrates using CFB, enabling vertical conduction of GaN, which is highly promising for next-generation power semiconductors. Currently, we are building an ecosystem by adding device manufacturers, expanding an 8-inch pilot line at the OKI Nishiyokote Plant, and strengthening our marketing system with global talent. This business is set to begin mass production in fiscal year 2028, with plans for global expansion as a game-changer in the power semiconductor industry and eventually growing into OKI's core business.

Additionally, we are promoting the commercialization of other business areas (logistics, healthcare and medical care, advanced remote operations) by utilizing the Global Innovation Hub.*

* The Global Innovation Hub is a combination of global teams (such as the Global Marketing Center) and innovation teams (such as the Innovation Business Development Center).

Aiming to Become a Game-Changer in the Power Semiconductor Industry



Please refer to our website for details.

Press Release: Formulation of the Innovation Strategy 2025 for the Creation of Future Businesses and Corporate Culture Reform
<https://www.oki.com/jp/press/2023/11/z23057.html> (in Japanese only)

Press Release: Launch of AI-Driven Delivery Planning Optimization Services "LocoMoses"
<https://www.oki.com/jp/press/2023/03/z22083.html> (in Japanese only)

Press Release: Development of the Behavioral Change Platform "Wellbit" to Support Healthy Habits
<https://www.oki.com/jp/press/2024/04/z24006.html> (in Japanese only)