

**Notice Regarding the Establishment of a New EMS* Company
in the United States:**
**Acceleration of global EMS strategy
to swiftly meet expanding demand in a growth market**

KAGA ELECTRONICS CO., LTD. (Head Office: Chiyoda-ku, Tokyo; Representative Director, President & COO: Ryoichi Kado; hereinafter, "the Company"), hereby announces that it has newly established an overseas affiliate in the U.S. market, where demand is expected to grow rapidly in the future, aiming at the further promotion of its global EMS strategy.

* EMS: an abbreviation of Electronics Manufacturing Service. Service for contracting out the development and production of electronic equipment.

1. Background and Purpose of the New Company Establishment

KAGA EMS AMERICA, INC. was established on July 30, 2026, through a joint investment by the Company's consolidated subsidiaries, TAXAN MEXICO S.A. DE C.V. (Headquarters: Mexico; hereinafter, "TMX") and KAGA (H.K.) ELECTRONICS LIMITED (Headquarters: Hong Kong; hereinafter, "KGHK"), and will commence operations on October 1, 2026.

TMX has primarily been manufacturing automotive-related products for the U.S. market since its establishment in 2017 as the Company's EMS production base in Mexico. Following the acquisition of a new customer for the mounting of circuit boards used in air-conditioning equipment for the U.S. market, TMX made a major capital investment in 2024 and has grown into one of the largest EMS production sites within the Group. Meanwhile, KGHK has been providing high-quality EMS since its establishment in 1992, primarily in the areas of circuit board mounting and finished product assembly, to Japanese, American, and European companies operating in the Southern China region, leveraging its Shenzhen plant as its core production base. KGHK has also been making progress in acquiring new customers serving the U.S. market and is actively working to pursue new business opportunities in collaboration with TMX.

In recent years, the U.S.-China tariff dispute has accelerated the global trend toward reducing reliance on China and the reshoring of production to North America for products destined for the U.S. market. In this period of major transformation, the Company intends to strategically leverage the advantages of manufacturing in Mexico through TMX, which is well positioned to maximize the tariff benefits available under the United States-Mexico-Canada Agreement (USMCA). At the same time, the Company will accelerate initiatives aimed at the full-scale expansion of its EMS business in the U.S. market by conducting sales and business development activities that capitalize on the strategic location of the new company in a region with a strong concentration of automotive-related industries.

2. Outline of the New Company

Company Name	KAGA EMS AMERICA, INC.
Location	Schaumburg, IL, U.S.A.
Established	July 30, 2026
Contents of Business	Business development, customer acquisition, and sales and marketing support in the North American EMS market
Capital	USD 1.0M
Capital Structure	TMX 80%, KGHK 20%



KAGA EMS AMERICA, INC.

■ Inquiries from news media

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