

October 29, 2012

Joint Announcement

JVCKENWOOD and SYNDIANT form a strategic alliance for the development and production of Pico LCOS products

JVC KENWOOD Corporation (JVCKENWOOD), a global manufacturer specializing in electronics products, and SYNDIANT, Inc. (SYNDIANT), a leading US manufacturer of Pico Liquid Crystal On Silicon (LCOS) devices, are pleased to announce that two companies have formed a partnership to promote the development and production of LCOS*¹ products.

1. Background and purpose

Since JVCKENWOOD released its first multimedia projector using the LCOS device, which is a kind of reflective liquid crystal device, in 1997, it has gained widespread recognition for projectors that achieve higher levels of brightness, resolution, contrast, and color reproducibility than conventional projectors. Its current lineup based on full high-definition (HD) includes 3D-enabled 4K2K models and 3D-enabled 8K4K models for professional use.

JVCKENWOOD has been developing head-up displays (HUDs), which help make driving a car safer, taking advantage of LCOS technology accumulated over many years. In January 2012, it exhibited a prototype HUD at the 2012 International CES, held in Las Vegas, U.S. In October 2012, it completed development of a first-generation HUD, started shipments, and launched full-scale marketing activities.

SYNDIANT's breakthrough patented all-digital LCOS technology is well suited for ultra-small projection applications. SYNDIANT's innovative architecture enables crystal clear high definition images with low power in a very small form-factor.

JVCKENWOOD and SYNDIANT have decided to form a strategic partnership to obtain the greatest benefits for the development and production of Pico LCOS device products. SYNDIANT's current consumer Pico business will be improved by teaming with JVCKENWOOD and JVCKENWOOD will benefit as they extend into new product categories such as the use of projection in vehicles. The two companies bring highly complementary strengths to the relationship which will enable the development and commercialization of innovative solutions that will accelerate the market growth of ultra-small projection displays.

2. Outline of business alliance

JVCKENWOOD has subscribed to preferred shares issued by SYNDIANT, and the two companies have signed a manufacturing agreement and a supply agreement for LCOS. Through the business alliance, SYNDIANT will supply wafers for Pico LCOS devices to JVCKENWOOD, while JVCKENWOOD will enhance cost competitiveness by in-house mass production of SYNDIANT based Pico LCOS modules and will integrate these modules to significantly enhance HUD product, Pico projector, etc. capabilities.

JVCKENWOOD and SYNDIANT will utilize this partnership to expand both businesses by tackling Pico LCOS related markets based on anticipation of significant market growth in applications such as various displays in a vehicle (in addition to HUD) and embedding in mobile consumer electronics like Pico projectors, smartphones, tablets, and head-mounted or near-to-eye devices.

About JVCKENWOOD

JVCKENWOOD is a global manufacturer specializing in electronics and entertainment products. It was reborn in October 2011 through the merger of Victor Company of Japan, Limited (JVC) and Kenwood Corporation (Kenwood) three years after management integration. JVCKENWOOD operates four business segments, Car Electronics, Professional Systems, Home & Mobile Electronics, and Entertainment with image, sound, and radio technologies, as well as audio and visual software. JVCKENWOOD creates excitement and peace of mind, while aiming to achieve profitable growth and become a business group that is widely trusted by society. www.jvckenwood.co.jp/en

About SYNDIANT, Inc.

SYNDIANT manufactures high resolution light modulating chips used in pico projectors small enough to

embed in a cell phone. SYNDIANT's patented all digital technology provides a large screen experience in handheld electronics. The company has offices in Dallas, Taiwan and Hong Kong. www.syndiant.com.

* 1. LCOS (Liquid Crystal On Silicon) is a generic term for a reflective liquid crystal element. In a reflective liquid crystal chip, the circuit that activates the pixels is small and placed on the back surface of the pixels. Therefore, as compared with a transmissive liquid crystal chip, a high-resolution, bright, and seamless display is possible.

* 2 HUD is a type of in-car display device, which displays routes on car navigation systems and information such as vehicle speed/distance between cars at locations using such as a front windshield and combiner. A HUD enables drivers to drive without turning their eyes to an in-car navigation system, which contributes to safety when driving.

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