

JVCKENWOOD Corporation

December 19, 2017

**Notice Regarding Acquisition of Shares of Italy-based
Radio Activity to Expand the Communications Systems Business
Compliant with DMR Standards**

JVCKENWOOD Corporation (“JVCKENWOOD”) hereby announces that it has decided to acquire all the shares issued by Italy-based Radio Activity S.r.l. (“Radio Activity”), a developer and seller of digital radio relay systems that are compliant with Digital Mobile Radio (DMR) standards, which are international digital radio standards, for the purpose of expanding the Communications Systems Business in compliant with DMR standards, and convert the company into a wholly-owned subsidiary.

1. Reason for the Share Acquisition

In the Communications Systems Business, one of our core businesses, we provide highly reliable professional radio systems to the public safety sector (e.g. police, fire and emergency service), the public service sector (e.g. electricity, water, and gas), and the private sector (e.g. hotels and retailers) around the world.

As a part of such businesses, JVCKENWOOD is stepping up its efforts particularly in the North American public safety market, which is expected to expand continuously, by strengthening cooperation with communication system subsidiaries in the U.S., and is working to provide total solutions for professional radio systems conforming to Project 25 (P25), a digital radio format for the public safety market in North America. We are also deploying the NEXEDGE® series of professional digital radio systems, conforming to the NXDN™ digital protocol, around the world. In this way, we are providing digital radio solutions to resolve issues that confront a wide range of users, including those in the public service sector.

In the private sector, which has fallen far behind in the transition from analog to digital radio systems, digitization is picking up rapidly. In particular, demand is growing for professional digital radio systems that are compliant with DMR standards, which are international digital radio standards, and are capable of small-scale system construction at low cost. In these circumstances, we face an urgent need to strengthen the lineup of DMR-compliant digital radio system solutions.

JVCKENWOOD has decided to acquire all the shares issued by Radio Activity in Italy, a company engaged in developing and selling relay systems that are compatible with DMR-compliant digital radio systems and make it a wholly-owned subsidiary, for the purpose of expanding DMR-compliant digital radio system solutions down the road. Radio Activity has strengths in technological capabilities and know-how particularly in building simulcast* networks developed since the analog standard era. Making the company a subsidiary will allow JVCKENWOOD to

provide highly functional and reliable digital radio system solutions that are compliant with DMR standards.

JVCKENWOOD will provide optimal digital radio solutions that meet the needs of individual markets, such as the public safety market, public service market, and private-sector market, to promote the expansion of the digital radio system business, which is expected to continue growing around the world.

* Simulcast radio system transmits a common radio frequency simultaneously in two or more communication sites. Therefore, simulcast radio system enables construction of a radio system with wide area coverage under a license for a single frequency.

2. Overview of Radio Activity

Company name : Radio Activity S.r.l.
Location : Milan, Italy
Representative : CEO Roberto Marengon
Established : December, 2003
Business description : Development and sales of professional digital radio equipment

3. Schedule for the Future

JVCKENWOOD plans to acquire all the shares of Radio Activity in January 2018. The effect of the share acquisition on the earnings of JVCKENWOOD is expected to be insignificant.

Media Contact:

Public & Investor Relations Group

E: prir@jvckenwood.com

This document is based on the information available to the Company at the time of release and may differ from the latest information.

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