

JVCKENWOOD Acquires ESChat to Strengthen Broadband Push-to-Talk (PTT) Business Focusing on the North American Public Safety Market

Integrating the ESChat PTT communications service certified by the U.S. Federal Government (FedRAMP Authorized) into our product and service lineup

JVCKENWOOD Corporation (“JVCKENWOOD”) has entered into a share transfer agreement to acquire 100% of the shares in San Luis Aviation, Inc. d/b/a ESChat (“ESChat”). ESChat is a California-based company engaged in the broadband PTT*1 business in North America, and to make ESChat a wholly owned subsidiary (the “share acquisition”) by the end of March 2026 (planned*2).

Through the share acquisition, JVCKENWOOD will expand its wireless product portfolio by integrating the ESChat secure broadband PTT service—which uses wireless broadband communication networks such as 4G, 5G, satellite and Wi-Fi—into the group’s products and service lineup. By strengthening its presence in broadband PTT communications, focusing on the key North American public safety sector, JVCKENWOOD will accelerate medium- to long-term growth in the Safety & Security (S&S) Sector.

*For further details, please refer to “Accelerating Growth in the Communications Systems Business by Strengthening the Broadband PTT Service” described below.

*Note 1: “Broadband PTT” or “Push-To-Talk over Cellular”, provides communication similar to two-way radios. This technology enables one-to-one, and one-to-many calls via wireless broadband communication networks such as 4G, 5G, satellite, and Wi-Fi, which are also used in devices like smartphones.

*2 Note: The share acquisition date may change depending on the review status of the application to the Committee on Foreign Investment in the United States (CFIUS) .



A broadband Push-to-Talk (PTT) ESChat, and KENWOOD wireless products (far right)

1. Background and purpose of the share acquisition

Under its medium-term management plan VISION 2025, JVCKENWOOD positions the Communications Systems Business in the S&S Sector as a growth driver, and aims to achieve JPY 120 billion in revenue by 2030. In this business, leveraging approximately 80 years of expertise in radio technology, the company provides highly-reliable professional digital radio systems. Its key markets are the public safety sector (particularly in North America), including police, fire, and ambulance services, as well as the enterprise market, such as schools, transportation, electricity, water, and gas utilities.

Demand for professional radio market is growing as a means of communication for global crisis management, Business Continuity Planning (BCP), and business efficiency improvement. In particular, the PTTtoC market is expanding, driven by the ability to leverage wide-area wireless broadband communication networks such as 4G, 5G, satellite and Wi-Fi, which offer enhanced user convenience through various applications.

The ESChat Broadband PTT service supports Android and iOS smartphones and tablets, IoT devices and Windows PC's – providing secure PTT communication to the public safety sector, with major customers that include U.S. federal, state, and local government agencies. The service has over 700,000 users globally and has secured a high share of the broadband PTT market.

JVCKENWOOD has previously collaborated with ESChat on multiple system projects. By making ESChat a wholly-owned subsidiary, JVCKENWOOD will incorporate ESChat technology into its product lineup alongside its existing wireless devices and systems, strengthening the ability to deliver one-stop solutions. This subsidiary acquisition is one of the key initiatives in the future growth strategy, aiming to expand orders in the North American public safety sector and contribute to building safe and secure communities by ensuring communication across various environments.

2. Features of ESChat broadband PTT communication service

ESChat is designed to support essential communications directly linked to mission-support and mission-critical operations for public safety, such as law enforcement, emergency medical response, disaster response, mutual aid and emergency communications. Such communications services must be dependable and available, anywhere and anytime, and must deliver extremely high reliability and information security. On August 1, 2025, ESChat achieved the “Authorized” designation at the “Moderate Impact Level”^{*3} from the Federal Risk and Authorization Management Program (FedRAMP). FedRAMP is a cybersecurity framework established by the U.S. federal government. The U.S. Drug Enforcement Administration, an ESChat customer, acted as the sponsor for the company's FedRAMP initiative. FedRAMP Authorization is required for a U.S. federal agency to use a Cloud Service Offering (CSO) such as ESChat. ESChat is the only FedRAMP authorized broadband Push-to-Talk service offering available in the market today.

In addition to Push-to-Talk voice communication, ESChat also includes group multimedia messaging and location tracking & mapping. ESChat works globally, across all major mobile carriers, except where expressly prohibited by U.S. encryption export regulations. ESChat interconnects with LMR based PTT communications systems such as P25 and DMR, as well as traditional dispatch and logging recorder solutions. ESChat licenses its Software Development Kits (SDK's) to partners and strategically aligned businesses so they can integrate a broad range of third-party clients and solutions into the ESChat ecosystem.

*Note 3: One of the impact levels in FedRAMP, the security standard for cloud services established by the U.S. government. This level applies to federal information systems where the loss of confidentiality, integrity, and availability would result in serious adverse effects on agency operations, assets or individuals. To obtain this certification, strict security control measures must be implemented in accordance with NIST SP 800-53, the U.S. National Institute of Standards and Technology (NIST) guidelines for information security.

3. Comments from the two companies

Comment from Shoichiro Eguchi, Representative Director of the Board, President and CEO, JVCKENWOOD Corporation

It is our great pleasure to welcome SLA as a new member of the JVCKENWOOD Group. This share acquisition represents one of the key initiatives to further accelerate our Communications Systems Business, a core driver of the company's growth. We will strengthen our broadband PTT service,

focused on the North American public safety market, and contribute to creating safe and secure communities by responding to the diverse needs of our customers. Through this share acquisition, we will accelerate our growth toward realizing our corporate philosophy of “Creating excitement and peace of mind for people of the world,” while continuing to strive to maximize corporate value.

Comment from Josh Lober, President and CEO of ESChat

“ESChat and JVCKENWOOD have long shared a strong business relationship. Together, we have partnered to create effective communication solutions. Separately, our companies have developed highly synergistic products and services, thus making the decision for ESChat to join the JVCKENWOOD family an easy one,” said Josh Lober, President and CEO of ESChat. “Together with the JVCKENWOOD team, we will continue to raise the bar for mission critical broadband and hybrid LMR PTT solutions, and expand our customer base both domestically and abroad. The entire leadership team at ESChat is committed to ensuring a successful transition, and is looking forward to continuing our tenure with the company”.

4. Outline of the subsidiary to be transferred

(1) Company name	San Luis Aviation, Inc.	
(2) Address	81 Higuera Street, Suite 280, San Luis Obispo, California 93401	
(3) Name and title of representative	Josh Lober	
(4) Principal business	PTToC application development and service provision	
(5) Capital (As of the end of the December 2024 fiscal year)	11,377 USD (1,799,613 yen) * Converted at the rate of 158.18 yen = 1 USD (the exchange rate as at the end of December 2024).	
(6) Date of establishment	March 14, 2002	
(7) Major shareholders and shareholding ratio	All shares are owned by Josh Lober (Representative of SLA) and five other officers and employees of the company.	
(8) Relationship between JVCKENWOOD and the company concerned (SLA)	Capital relationship	There is no capital relationship to be noted between JVCKENWOOD and SLA. In addition, there is no capital relationship worthy of special mention between the related parties and affiliated companies of JVCKENWOOD and the related parties and affiliated companies of SLA.
	Personnel relationship	There is no personnel relationship to be noted between JVCKENWOOD and SLA. In addition, there is no personnel relationship worthy of special mention between the related parties and affiliated companies of JVCKENWOOD and the related parties and affiliated companies of SLA.
	Business relationship	There are transactions, such as the provision of services, from SLA to affiliated companies of JVCKENWOOD.
(9) Consolidated operating results and consolidated financial position of SLA for the last three years		

*Converted at the rate of 158.18 yen = 1 USD (the exchange rate as at the end of December 2024).			
Fiscal year-ended	FYE 12/2022	FYE 12/2023	FYE 12/2024
Net assets	553 million yen	438 million yen	451 million yen
Total assets	575 million yen	417 million yen	430 million yen
Net assets per share	1,774 thousand yen	1,405 thousand yen	1,448 thousand yen
Net sales	1,453 million yen	1,077 million yen	1,126 million yen
Operating profit	591 million yen	133 million yen	172 million yen

5. Overview of the counterparty in the share acquisition

(1) Name	Josh Lober (Representative of SLA) and five other individual shareholders
(2) Address	Not disclosed as the shareholders are individuals
(3) Relationship between the listed company and the individuals	There are no capital, personnel, or transactional relationships, nor any matters applicable to related parties

6. Number of shares acquired and status of shares held before and after acquisition

(1) Number of shares held before the transfer	0 shares (Number of voting rights: 0) (Ownership ratio: 0%)
(2) Number of shares acquired	Common stock: 312 shares (Number of voting rights: 312) (Ownership ratio: 100.00%)
(3) Number of shares holding after the transfer	Common stock: 312 shares (Number of voting rights: 312) (Ownership ratio: 100.00%)

7. Key dates

By the end of March 2026 (planned) : Planned implementation of the share transfer

Note: The date of the share transfer (and the subsidiary acquisition) may change depending on the review status of the Committee on Foreign Investment in the United States (CFIUS) application.

8. Future outlook

As stated in Section 7. Schedule, the acquisition of all shares of SLA from Josh Lober (Representative of SLA) and five other individual shareholders is scheduled to be completed by the end of March 2026. The impact of this transaction on our consolidated financial results for the current fiscal year is expected to be immaterial.

Trademark Information

- “ESChat” is a trademark or registered trademark of San Luis Aviation, Inc. in the United States.
- “FedRAMP” is a trademark or registered trademark of United States General Services Administration in the United States.
- “Wi-Fi” is a trademark or registered trademark of Wi-Fi Alliance.
- “Android” is a trademark or registered trademark of Google LLC.
- “iOS” is a trademark or registered trademark of Cisco in the United States and other countries.
- “Windows” is a trademark or registered trademark of Microsoft Corporation in the United States and other countries.
- Other company names and product names mentioned herein are trademarks or registered trademarks of their respective owners.

The content of this document is based on information available at the time of its publication and may be different from the latest information.

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Accelerating Growth in the Communications Systems Business by Strengthening the broadband PTT service

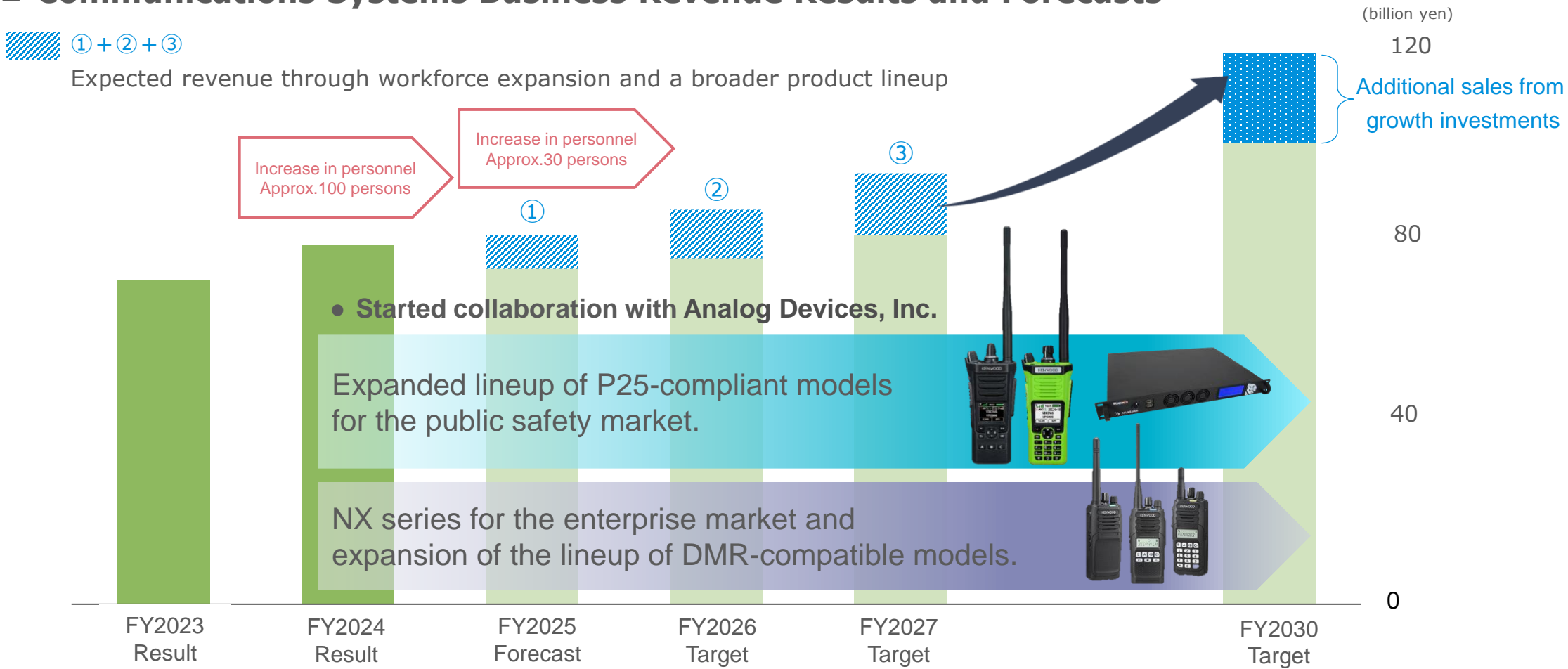
JVCKENWOOD Corporation

October 8, 2025

Current Status of the Communications Systems Business

Accelerating growth through workforce expansion and a broader product lineup.

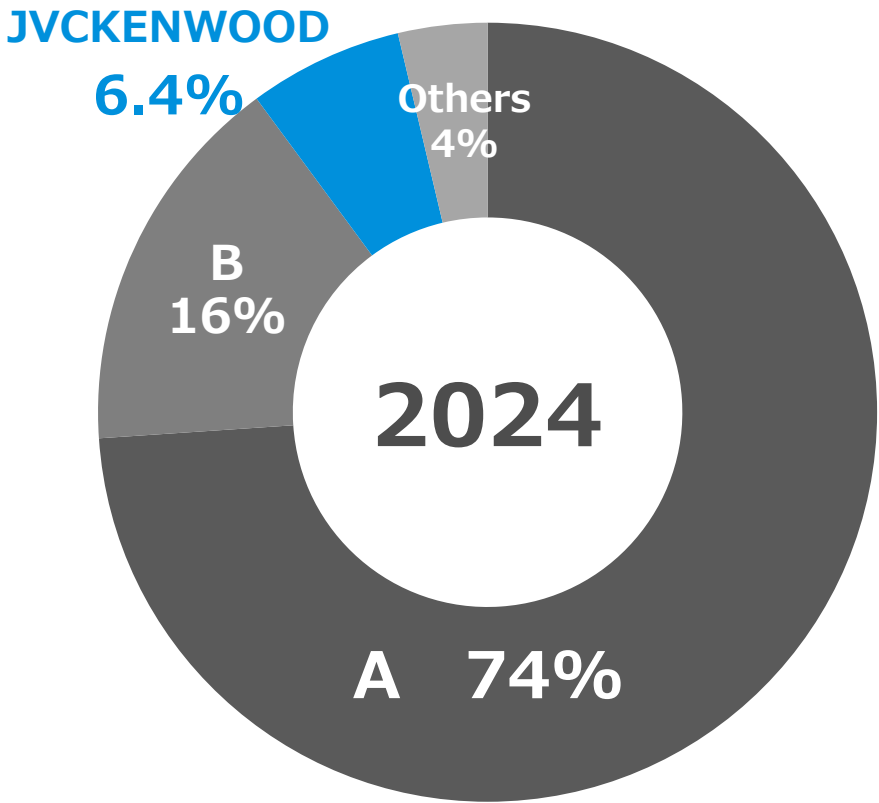
■ Communications Systems Business Revenue Results and Forecasts



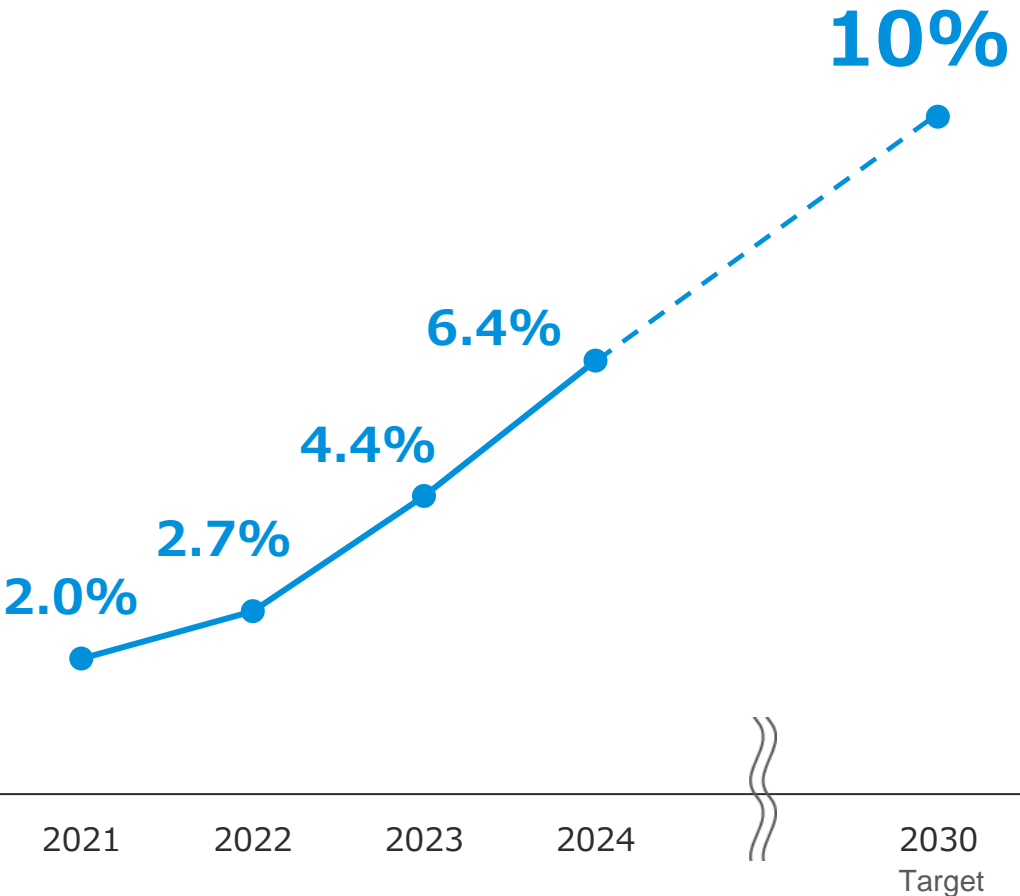
Our Market Share in the North American Public Safety Market

Accelerating growth to achieve a 10% market share by 2030.

■ 2024 North American public safety (P25)
Market share



■ Market Share Trends and FY2030 Target



Source: Our estimates based on OMDIA reports "Licensed Mobile Radio Report 2024" and "LMR Infrastructure and Systems Integration Report 2024".
The graph on the right is also based on our estimates from annual data.

Strengthening Broadband Push-to-Talk (PTT)* Services through the Subsidiary Acquisition of San Luis Aviation, Inc.

Plans to make San Luis Aviation, Inc. a wholly-owned subsidiary by the end of March 2026

Headquarters: California, United States

Main Business: Provision of broadband PTT services under the “ESChat” brand

Established: March 2002



Android for PTT

Android Standard

iPhone

Android D-Pad

Professional radio

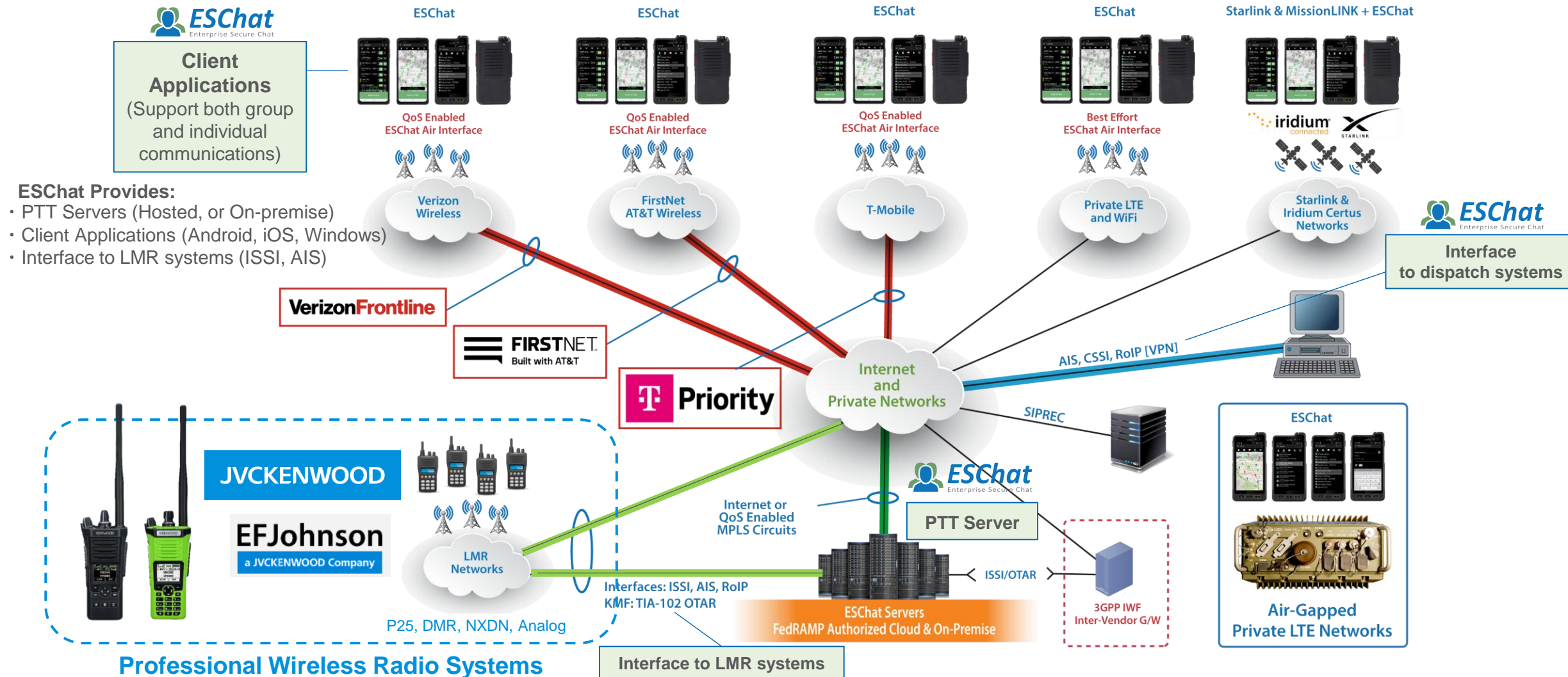
* Broadband Push-to-Talk (PTT) provides communication capabilities similar to two-way radios, enabling both one-to-one and one-to-many calls over wireless broadband networks such as 4G, 5G, satellite, and Wi-Fi, as well as on devices like smartphones.



- ESChat primarily delivers broadband PTT services to the public safety market, including U.S. federal, state, and local government agencies.
- ESChat is the only broadband PTT service to have achieved FedRAMP® Authorization, the cloud service certification established by the U.S. federal government.
- The service boasts over 700,000 users worldwide and holds a leading share in the global broadband PTT market.
- ESChat has established partnerships with major mobile carriers globally, enabling carrier-agnostic service provision.
- The service's interoperability with professional radio systems ensures seamless two-way communication and high compatibility, with our radio products.

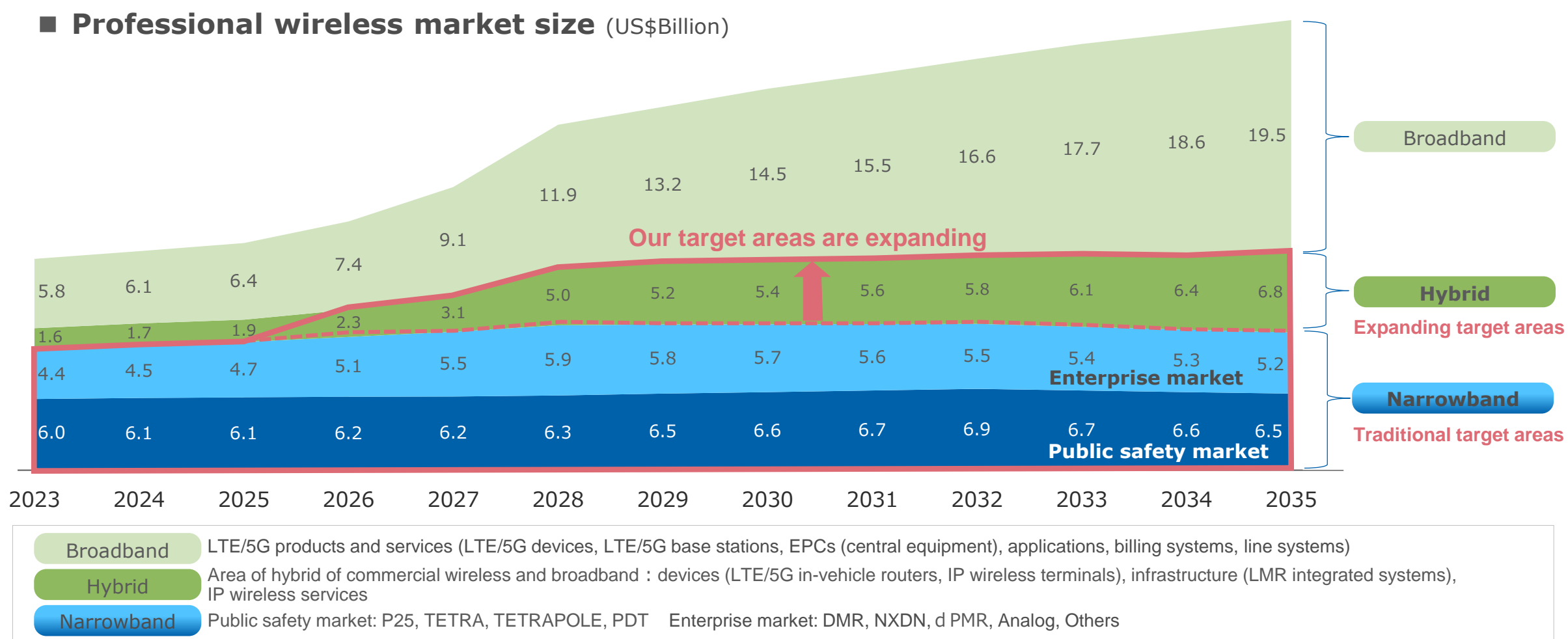
Integration of LMR Systems with ESChat

Integrating LMR Systems with ESChat enables seamless communication across both radio networks and wireless broadband networks, significantly extending coverage and interoperability. This integration also supports specific data communications such as text messaging and location information.



Market Environment of the Communications Systems Business

The core market is expanding from narrowband to a hybrid of narrowband and broadband.

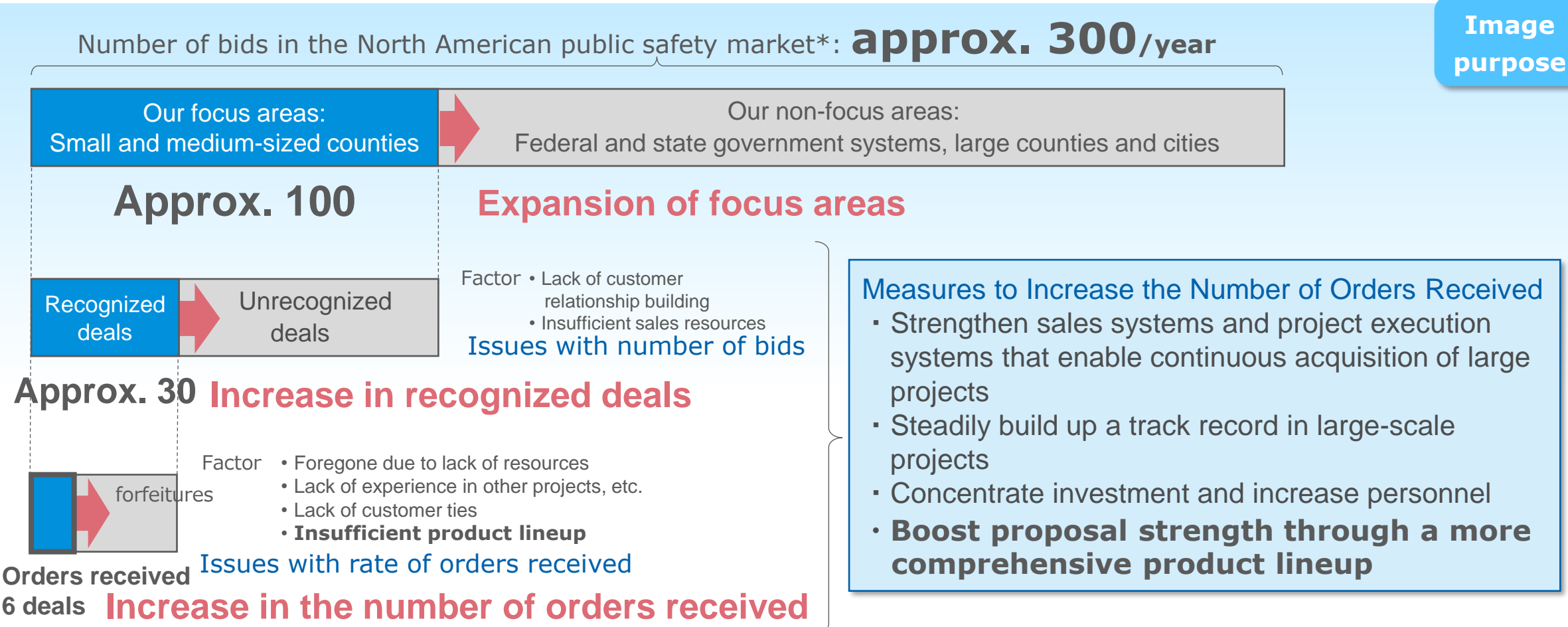


Source: Our estimates based on OMDIA reports “Licensed Mobile Radio Report 2024”, “LMR Infrastructure and Systems Integration Report 2024” and “Critical Communications Broadband Report 2024”.

Strengthening Orders Received in the North American Public Safety Market

Boost proposal strength to win more large-scale projects, including broadband PTT.

Image
purpose



Double the Number of Orders Received:
Expanding Focus Areas, Increasing Bids, and Raising Win Rates

Expanding Our Presence in the North American Public Safety Market with ESChat



New Channel Expansion

Federal Government Business

By leveraging ESChat's strong relationships and brand recognition within the U.S. federal government, we are expanding our reach into federal government markets. This initiative aims to enhance sales of our wireless products and systems, driving sales growth.

[Example customer]
United States Drug Enforcement
Administration(DEA)

Sales Growth through Existing Channels

System Project Business

We are increasing the number of bids for wireless system projects that include broadband PTT, which have seen growing demand in recent years. By offering comprehensive one-stop solutions, we aim to improve our order success rate.

Wireless Terminal Business

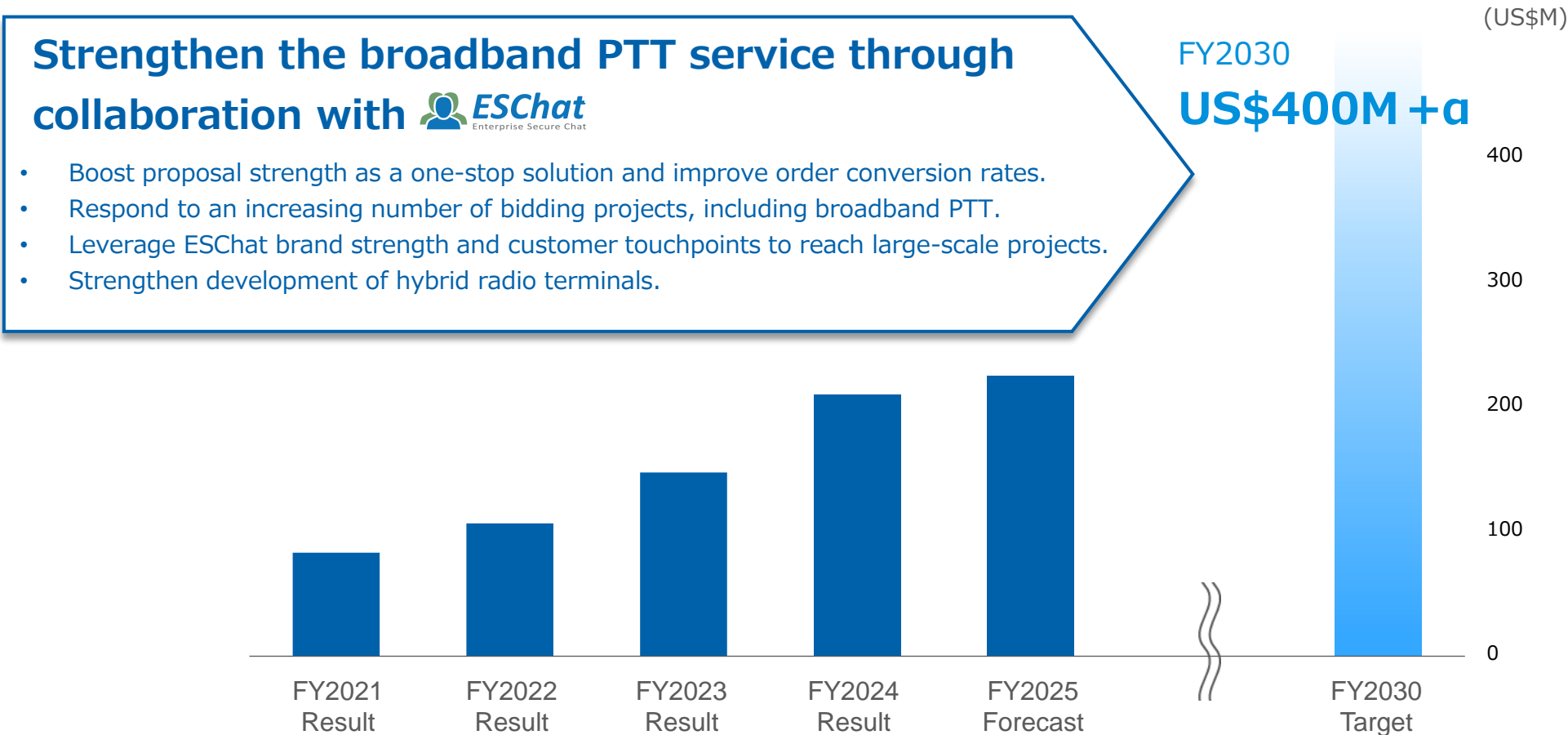
By integrating the broadband PTT business in-house, we are strengthening the development and full-scale deployment of hybrid radio terminals.



Communications Systems Business : Medium-Term Growth Outlook

Acquire assets to enhance competitiveness and aim to maximize growth opportunities.

■ Revenue Trends and Forecasts in the North American Public Safety Market





The expressions contained in this presentation referring to the Company's future plans, intentions and expectations are categorized as future forecast statements. Such statements reflect management expectations of future events, and accordingly, are inherently susceptible to risk, uncertainty and other factors, whether known or unknown, and may be significantly different from future performance. These statements represent management's targets as of the time of issuance of these presentation materials, and the Company is under no obligation, and expressly disclaims any such obligation, to update, alter or publicize its future forecast statements in the event there are changes in the economic climate and market conditions affecting the performance of the Company. Risk factors and other uncertainty which may affect the Company's actual performance include: (1) violent fluctuations in economic circumstances and supply and demand systems in major markets (Japan, the U.S, the EU and Asia); (2) restrictions including trade regulations applicable to major markets including Japan and other foreign countries; (3) sharp fluctuations in the exchange rate of the U.S. dollar, euro, and such like against the yen; (4) market price fluctuations in capital markets; and (5) changes in social infrastructure due to short-term changes in technology and such like. Please note, however, that the above is not a comprehensive list of all the factors that may exert a significant influence on the Company's performance.