

JVCKENWOOD Corporation

August 8, 2018

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## **Notice Regarding Acquisition of Shares and Capital and Business Alliance with Critical Communications Services Company in New Zealand**

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JVCKENWOOD Corporation (“JVCKENWOOD”) hereby announces that it has entered into an agreement for a share acquisition and a capital and business alliance with Tait International Ltd. (“Tait International”), a wholly-owned subsidiary of New Zealand-based Tait Limited (“Tait”), which is engaged in critical communications product and system businesses using LMR and LTE solutions, with the aim of expanding the digital radio solutions business.

### **1. Reasons for Share Acquisition and Capital and Business Alliance**

In the Communications Systems Business, one of the core businesses of the JVCKENWOOD Group, we provide highly reliable professional radio devices and systems to the public safety sector (police, fire departments, and emergency services), the public service sector (electricity, water, and gas), and the private sector (hotels and retailing) around the world.

In particular, JVCKENWOOD is stepping up its activities in the public safety market in North America, which is expected to continue expanding, by strengthening cooperation with its communications system subsidiaries in the US, aiming to provide total solutions for professional radio systems conforming to Project 25 (P25), a digital radio format for North America. In the private-sector market as well, JVCKENWOOD is endeavoring to expand the digital radio system business, which is expected to continue growing around the world, by taking measures such as converting Italy-based Radio Activity S.r.l., a developer and seller of digital radio relay systems that are compliant with Digital Mobile Radio (DMR) standards capable of small-scale system construction at low cost, into a subsidiary, in addition to deploying the NEXEDGE® series of professional digital radio systems around the world.

In the professional digital radio solutions market, a major transition from narrowband to broadband networks is underway with advances in digital transformation. Under these circumstances, we view the launch of the broadband solution business, as a new top priority business area to achieve medium- and long-term growth of the Communications Systems Business down the road.

Tait International, with which JVCKENWOOD has concluded an agreement for a share acquisition and a capital and business alliance, is a pioneering company in commercializing LMR and broadband solutions, and it also has strengths in developing system integration solutions and software that address customers’ needs. By integrating the technologies, know-how, and sales channels of JVCKENWOOD and Tait International, we will work to rapidly launch and expand the broadband solution business.

In addition, we can expect the share acquisition and the capital and business alliance to translate into reduced development and production costs in our existing business areas, as well as business expansion in Asia, Oceania, Brazil, and Russia by leveraging the sales channels of Tait International in those regions.

JVCKENWOOD will continue to aim at achieving growth in the digital radio solutions business, which is expected to grow further on a global scale, by providing digital radio solutions, including narrowband and broadband solutions, that are best suited to the needs of individual markets of each region.

## 2. Overview of Tait International

Company name : Tait International Ltd.  
Location : Christchurch, New Zealand  
Representative : CEO Garry Diack  
Established : 2018  
Business description : Development and sales of critical communications equipment, software, and solutions

Note: Tait International was established in 2018 with the aim of transferring all the substantive businesses operated by Tait (established in 1962).



## 3. Schedule for the Future

JVCKENWOOD plans to acquire shares of Tait International in October 2018. The effect of the share acquisition on JVCKENWOOD's business forecast of 2018 is expected to be minor.

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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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