

October 14, 2021

News Release

KAGA FEI Co., Ltd.
KAGA ELECTRONICS CO., LTD.

KAGA FEI to Make Full-scale Entry into the Small Wireless Module Business
- Transfer of the *Bluetooth*[®] and Wireless LAN module business from TAIYO YUDEN -

KAGA FEI Co., Ltd. (Headquarters: Yokohama, Kanagawa Prefecture; President and Representative Director Junji Ogihara; hereinafter, "KAGA FEI"), a consolidated subsidiary of KAGA ELECTRONICS Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President & COO Ryoichi Kado), has acquired the commercial rights, development and manufacturing technologies, and intellectual property rights pertaining to *Bluetooth*^{®(Note1)} and Wireless LAN modules from TAIYO YUDEN Co., Ltd. (hereinafter, "TAIYO YUDEN"), and will start its small wireless module business from January 2022.

1. Aim of this business transfer

With the arrival of the IoT era in which all objects connect to the Internet, wireless modules are a growth market that can expect a sustainable increase in demand. In particular, the small and low power consumption Bluetooth and Wireless LAN modules that KAGA FEI will acquire from TAIYO YUDEN are promising products for major worldwide customers engaged in productizing IoT products in the communication equipment and consumer electronics fields.

KAGA FEI has possessed its own internal engineering department as the core trading company within the Fujitsu Group since the days of its predecessor Fujitsu Electronics Inc. and conducted contract development and manufacturing of LSI and other customer products. In addition, regarding the wireless business, the company has an extensive development track record involving both software and hardware such as the development of specified low-power wireless modules using mesh networking technology. In addition to applying such knowledge to offer key devices, the company aims to expand its IoT solutions business through a broad ability to make proposals ranging from its previous network/cloud, software development, and Radio Type Approvals to also include EMS^(Note2) services.

(Note 1) The *Bluetooth*[®] word mark and logos are owned by Bluetooth SIG, Inc. and the use of such marks by KAGA FEI Co., Ltd. is under license.

(Note 2) EMS : an abbreviation of Electronics Manufacturing Service. Service for contracting out the development and production of electronic equipment.

Since KAGA FEI was added to the KAGA ELECTRONICS Group in January 2019, it has proactively advanced the rearrangement of the business portfolio to include new vendor acquisition and the proposal of EMS services based on the recognition of improving profitability as an important management issue. This recent acquisition of the wireless module business is also a part of that initiative.

Moreover, the addition of TAIYO YUDEN's small, high-density mounting technology to the KAGA ELECTRONICS Group's EMS business through this business acquisition has enabled a broad range of proposals to customers. The Group aims to further improve the competitiveness and added value of the business by incorporating the production of newly developed products into the Group in the future.

2. Wireless modules which are part of the business transfer

The small wireless modules that KAGA FEI will acquire under this agreement possess the following advantages.

- 1) World's smallest ultra-small Bluetooth Low Energy modules
An antenna is built-in, and they are suited to wearable and other devices that require a small size.
- 2) Software embedding
Software can be embedded into some Bluetooth modules.
- 3) Extensive lineup
The lineup includes various packages with Bluetooth/Bluetooth Low Energy/Wireless LAN/Wireless LAN+Bluetooth features.
A broad range of products has been prepared to meet diversifying customer needs.

3. Company overview of TAIYO YUDEN

- 1) Company name : TAIYO YUDEN Co., Ltd. (<http://www.ty-top.com/>)
- 2) Representative : President and Chief Executive Officer Shoichi Tosaka
- 3) Head office location : Kyobashi East Bldg., 2-7-19, Kyobashi, Chuo-ku, Tokyo 104-0031
- 4) Established : March 23, 1950
- 5) Business activities : Development, production and sales of electronic components

4. Schedule

- 1) Signing of the business transfer agreement : October 13, 2021
- 2) Date of the business transfer enactment : January 1, 2022 (scheduled)

5. Impact on performance

The corresponding wireless module business is scheduled to start from January 2022 and will have a limited impact on the results for the fiscal year ending in March 2022.

■ Business-related inquiries

KAGA FEI Co., Ltd.

(URL : <https://www.kagafei.com/jp/eng/>)

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