

News Release

Press release

June 21, 2014

Hitachi Kokusai Electric Inc.
Comark Communications LLC.

Hitachi Kokusai Electric to Invest in Comark Communications LLC, a U.S.-based Manufacturer of Broadcasting Transmitters

Hitachi Kokusai Electric is fully entering the U.S. market where demand for replacements and upgrades is expected to grow, accelerating the increase in its global market share of broadcasting equipment

Hitachi Kokusai Electric Inc. (henceforth referred to as Hitachi Kokusai, and represented by Manabu Shinomoto, President and Chief Executive Officer) has decided to invest in Comark Communications LLC (COMARK), which develops, manufactures, and sells digital terrestrial broadcasting transmitters in the United States.

Digital terrestrial (DTV) broadcasting started in the U.S. in 1998, which is more than a decade ago. The current fleet of DTV transmitters is expected to be replaced or upgraded in the near future with newer, more efficient models. In addition, the U.S. government plans to auction and repack the UHF DTV frequency band in 2016 to secure new frequencies for wireless broadband communications. This will also increase the likelihood of a growing demand for DTV transmitter replacements and upgrades. Furthermore, broadcasting organizations in Latin America, Middle East, and Asia are expected to continue investment in equipment as digital terrestrial broadcasting spreads across these regions.

Hitachi Kokusai is accelerating efforts to increase its global market share of broadcasting equipment, aiming to be one of the world's leading providers of video and wireless network solutions. Hitachi Kokusai has established the goal of increasing the ratio of overseas sales to consolidated sales to 20% or more by FY 2015. Hitachi Kokusai has been expanding its broadcasting equipment business on a global scale, as the company acquired 100% of the shares of a Brazilian transmitter manufacturer currently known as Hitachi Kokusai Linear Equipamentos Eletrônicos S/A in 2011, and also set up an overseas subsidiary in Turkey in 2013.

COMARK has provided competitive products and been extremely successful in sales of high-power TV transmitters in the U.S. and other key international markets. The company has also been engaged in development, manufacturing, sales, maintenance support and services targeted for major broadcasting organizations in the U.S. Hitachi Kokusai has made the decision to invest in COMARK, aiming to enhance Hitachi Kokusai's transmitter product lines ranging from low power to high power, fully enter the U.S. market through the sales channels of COMARK in the U.S., and accelerate the increase in Hitachi Kokusai's global market share.

Leveraging the sales channels of COMARK, Hitachi Kokusai will engage in joint sales activities with COMARK in the U.S. market. COMARK will continue to build on this great heritage through the strategic investment and will introduce of a new range of products at NAB-2015. In addition, Hitachi Kokusai will collaboratively develop transmitters as well as conventional products and aggressively increase its market share in the U.S., Latin America, Middle East, and Asia.

Manabu Shinomoto, President and Chief Executive Officer, states “Hitachi Kokusai has concluded a contract to acquire an equity interest of COMARK. Leveraging this investment and the sales channels of COMARK, Hitachi Kokusai is fully entering the U.S. market where demand for replacing or upgrading digital terrestrial transmitters is expected to grow. Hitachi Kokusai is also enhancing its product lines by leveraging COMARK’s high-power product lines, as Hitachi Kokusai accelerates the increase in its global market share of broadcasting equipment in Latin America, Middle East, and Asia.”

Richard E. Fiore, Jr. President and CEO of Comark states “We are excited about this new relationship with Hitachi Kokusai as it gives us the strengthening business infrastructure and flexibility to achieve our common goals. With the investment received from Hitachi Kokusai, COMARK is planning to improve the company’s product portfolio, strengthen the already impressive customer service organization, and pursue non-broadcast centric RF related opportunities.”

About Comark Communications LLC

Trade name	Comark Communications LLC
Year founded	1978
Head office location	Southwick, Massachusetts, USA
Representative	CEO: Richard E. Fiore, Jr.
Description of business	Develops, manufactures, sells, and provides maintenance services for digital terrestrial broadcasting transmitters, etc.

About Hitachi Kokusai Electric

Trade name	Hitachi Kokusai Electric Inc.
Date founded	November 17, 1949
Head office location	4-14-1 Sotokanda, Chiyoda-ku, Tokyo, Japan
Representative	Manabu Shinomoto, President and Chief Executive Officer
Consolidated sales	167,365 million yen, as of March 2014
Number of employees	2,424 persons (4,976 persons on a consolidated basis), as of March 31, 2014
Description of business	Manufactures and sells electronic communication equipment, electronic application devices, electrical measurement instruments, electronic components, devices, medical devices, semiconductor manufacturing equipment, antennae, etc.

Contact information for the press

Contact persons: Sasaki and Nishino

Hitachi Kokusai Electric Inc.

Strategic Planning & Communication Center

11th floor, Akihabara UDX Bldg.

4-14-1 Sotokanda, Chiyoda-ku, Tokyo 101-8980, Japan

End