

December 12, 2011

To whom it may concern

Information about business capital tie-up with Edifier Technology Co. Ltd

Dear Sir,

We are pleased to announce our business capital tie-up with Edifier Technology Co. Ltd. Although our company is performing manufacture and sale of an electrostatic type earspeaker since foundation, we have groped for a partner both in order to continue our enterprise for a long period of time and to establish expansion and constant surplus constitution of sales.

Our new business partner, Edifier, is a company that is mainly manufacturing and selling the multimedia speaker, the earphone, and the audio equipment for cars in China. We are convinced that the management know-how of Edifier will greatly contribute to the management improvement of our company through this partnership, while Edifier thinks highly of the brand name of our company. We at both companies are planning to develop products in collaboration with each other in the future.

However, please feel easy about the production of our so-called earspeaker and driver unit since we will produce them in Japan as before and will also maintain quality as before. Moreover, we will also provide after-sales service as before.

From the first, our company has high notability overseas, and this business capital tie-up would overcome severe market environment, and we think that it would greatly contribute to strengthening of a financial standing, the reform of management, and the complement of credit capability, not only for future enterprise continuation but also for the further development. Also, it is completely as before regarding the future dealings with the customer.

Your further assistance hereafter would be very much appreciated.

Sincerely yours,

Youzo Meguro,
Representative director president,
Stax Ltd.