

Social & Environmental

Sustainability Report

2009

2009

Corporate Vision

“Realize the unconventional (Katayaburi wo katachi ni)”

● Course of Action

“Perpetual reform centered on each and every individual”

We determined this corporate vision to include concepts held in common in JVC’s Brand Statement, “The Perfect Experience,” and in Kenwood’s corporate vision, “Reaching out to discover, inspire and enhance the enjoyment of life.” Moreover, we determined the course of action as a code of behavior for sharing and realizing the corporate vision by all of the employees of the Group.

Under the corporate vision and course of action, we will create new and unconventional added-value and evolve into a corporate group that provides customers with incomparable experiences they have never before experienced.

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About this report

This report was produced to introduce to all our stakeholders that the JVC Kenwood Group defines social responsibility as “providing feeling and warmth in products that are an integral part of our lives.” We’ve spent considerable time crafting this document, using many pictures and adjusting the styles, sizes, and colors of fonts to make it easier to read and more visually appealing.

● Structure of this report

The “Economic report,” “Social report,” and “Environmental report” are derived from the Kenwood Group’s corporate vision and are the pillars of our broad range of activities.

Detailed information on our financial status is available in our Annual Report.

● Scope of this report

This report is published by JVC KENWOOD Holdings, and describes the activities of group and affiliated companies both in Japan and abroad.

The activities of J&K Car Electronics Corp (formerly J&K Technologies*) includes a description of the activities of both companies.

● Period covered by this report

Reports focus on activities during fiscal 2008 (April 1, 2008 to March 31, 2009); including some details of fiscal 2009.

● Published

August 2009 (next publication scheduled for August 2010).

● Reference materials

GRI Sustainability Reporting Guidelines 2006

Environmental Reporting Guidelines from the Japanese Ministry of the Environment (2007)

Note: From June 24, 2009, J&K Technologies Corp. changed its name to J&K Car Electronics Corp.

Overview of JVC Kenwood Group

Current as of end of June 2009

Joint Holding Company

JVC KENWOOD Holdings (Head office: Yokohama, Kanagawa Prefecture)

Manages the car electronics business, home and mobile electronics business, office systems business, and entertainment business; and manages the business activities of the relevant companies by holding shares in or partial ownership of the companies that manage those activities.

Operating Companies

Victor Company of Japan, Limited (JVC)

(Head office: Yokohama, Kanagawa Prefecture)

The research, development, design, production, sales, and related business for home and office audio-visual, computer devices, and disks, among other products.

J&K Car Electronics Corporation (Head office: Hachioji, Tokyo)

The research, development, design, production, and related business of audio devices, visual devices, and electrical and electronic devices in the car electronics field.

Kenwood Corporation (Head office: Yokohama, Kanagawa Prefecture)

The research, development, design, production, and sales of communications devices, and the sale and related business for car electronics and home electronics devices.

Affiliated Sales Companies

■ Europe

JVC Europe Ltd.
JVC (UK)
JVC Professional Europe Ltd.
JVC France S.A.S.
JVC Deutschland GmbH
JVC Professional Europe Ltd. Frankfurt Branch
JVC Italia S.p.A.
JVC Professional Europe Ltd. Milano Branch
JVC Espana, S.A.
JVC Benelux B.V.
JVC Professional Belgium S.A. / N.V.
JVC Danmark A/S
JVC Svenska AB
JVC Norge A/S
JVC Schweiz AG
JVC International (Europe) GmbH
JVC Polska Sp. Zo. o.
JVC Czech spol. s.r.o.
OOO "JVC CIS"
Kenwood Electronics Europe B.V.

Kenwood Electronics Belgium N.V.
Kenwood Electronics UK Limited
Kenwood Electronics Deutschland GmbH
Kenwood Electronics France S.A.
Kenwood Electronics Italia S.p.A.
Kenwood Ibérica, S.A.
Kenwood Electronics C.I.S. Limited Liability Company

■ Americas

JVC Americas Corp.
JVC U.S.A.
JVC Canada Inc.
JVC Professional Products Canada Inc.
JVC Latin America, S.A.
JVC do Brasil Ltda.
Kenwood U.S.A. Corporation
Kenwood U.S.A. Corporation Communications Sector
Kenwood Electronics Canada Inc.
Kenwood Electronics Latin America S.A.
Kenwood Electronics Brasil Ltda.

■ Asia, Oceania, the Middle East, and Africa

JVC Asia Pte. Ltd.
JVC ASIA Pte. Ltd. Sales & Service Division
JVC Sales & Service (Malaysia) Sdn. Bhd.
JVC Sales & Service (Thailand) Co., Ltd.
JVC (Philippines), Inc.
JVC Vietnam Limited
JVC Taiwan Corp.
JVC Gulf FZE
Kenwood Electronics Singapore Pte Ltd.
Kenwood Electronics Australia Pty. Ltd.
Kenwood Electronics (Malaysia) Sdn. Bhd.
Kenwood Electronics (Thailand) Co., Ltd.
Kenwood Electronics Gulf Fze

■ China

JVC(China) Investment Co., Ltd.
Kenwood Electronics (Hong Kong) Ltd.
Kenwood Electronics Trading (Shanghai) Co. Ltd.

R&D Centers and Business Centers

JVC Head Office & Yokohama Plant

JVC Kurihama R&D Center

Kenwood Hachioji Business Center

Kenwood Yokohama Business Center

Manufacturing Sites and Affiliated Manufacturing Companies

■ Main Japanese Manufacturing Sites and Affiliated Manufacturing Companies

JVC Yokosuka Plant
JVC Maebashi Plant
JVC Hachioji Plant
Victor Creative Media Co., Ltd. Rinkan Plant
Victor Interior Furniture Co., Ltd.
Kenwood Yamagata Corporation (Yamagata Plant)
Kenwood Nagano Corporation (Nagano Plant) *
Kenwood Devices Corporation

■ Global Affiliated Manufacturing Companies

JVC America, Inc.
JVC Industrial de Mexico, S.A. de C.V.
JVC Electronics Singapore Pte. Ltd.*
JVC Manufacturing Malaysia Sdn. Bhd.
JVC Manufacturing (Thailand) Co., Ltd.
JVC Manufacturing (Thailand) Co., Ltd.
P.T. JVC Electronics Indonesia*
Kenwood Electronics Bretagne S.A.*
Kenwood Electronics Technologies (S) Pte. Ltd.

Kenwood Electronics Technologies (M) Sdn. Bhd.*
Shanghai Kenwood Electronics Co. Ltd.*

* J&K Car Electronics Corporation Affiliated Manufacturing Companies

Main Japanese Consolidated Affiliated Companies

Sanin Victor Sales Co., Ltd.
Okinawa Victor Sales Co., Ltd.
Victor Arcs Co., Ltd.
Victor Entertainment Inc.
Teichiku Entertainment Inc.
FlyingDog Inc.

JVC Networks, Inc.
Victor Music Arts Inc.
JVC Entertainment Inc.
Nippon Record Center Co., Ltd.
Victor Creative Media Co., Ltd.
Victor Finance Co., Ltd.

Victor Facility Management Co., Ltd.
Victor Service & Engineering Co., Ltd.
Victor Logistics Inc.
J&K Partners Corporation
Kenwood Kenex Corporation
Kenwood Geobit Corporation

Kenwood Core Corporation
Kenwood Home Electronics Corporation
Kenwood Service (Japan) Corporation
Kenwood Design Corporation
Kenwood Personnel Corporation
Kenwood Engineering Corporation

Other Main Global Affiliated Companies

JVC Logistics Europe N.V.
JVC Technical Services Europe GmbH
JVC Technology Centre Europe GmbH
JVC Industrial America, Inc.
JVC Finance of America
JVC Marketing India Private Limited

JVC Trading (Shanghai) Co., Ltd.
Beijing JVC AV Equipment Co., Ltd.
Beijing Kelin JVC Electronic System Engineering Co., Ltd.
JVC (Beijing) Research & Development Center, Ltd.
JVC Purchasing Center (H.K.), Ltd.
Zetron, Inc.

Zetron, UK Ltd.
Zetron Australasia Pty Ltd.,
Zetron Australasia Air Systems Pty Ltd.

Top Management Message

The JVC Kenwood Group is developing products that combine functionality with high environmental values according to environmental regulations in market countries.

JVC and Kenwood Corporation merged their businesses on October 1, 2008, to form “JVC KENWOOD Holdings Inc.”

JVC has been manufacturing imaging and audio equipment for 82 years and is an entertainment company focusing mainly on audio software. Kenwood has been manufacturing audio and wireless devices for 63 years.

Looking back on 2008, JVC’s LCD TV, which was launched in the European market, was highly regarded for its design and energy-saving performance. Not only did it win the “Plus X Award *1” and the “EISA Award *2,” it was also highly regarded in America as well as the model with the best energy-saving performance in each class rated by the Environmental Protection Agency (EPA).

The Digital LMR “NEXEDGE™” was highly regarded for its energy-saving performance and excellent reliability, and is used in large-scale facilities around the world, including Las Vegas hotels, and was also used as a mass-communications system by the Japanese Ministry of Foreign Affairs at the Toyako summit.

We are aware that these results are the effects of both companies working together with honest commitment in marketing and other aspects.

We will lead the industry in the future by leveraging our individual strengths to create synergy and as a business group combining our entertainment business with our imaging, audio, and wireless technologies. Our products will be valued for both high performance and compliance with international environmental laws.



Fulfilling our Corporate Responsibilities as a “Green Company”

The JVC Kenwood Group is continuously creating new added value through our business management and sense of responsibility towards the lofty goals we have raised for ourselves to meet the needs of society by fulfilling our legal, social, and environmental responsibilities. To maintain and cultivate its position of popularity, the JVC Kenwood Group is reducing the environmental burden associated with production and business activities and expanding and promoting products that are environmentally friendly. As a green corporation, the JVC Kenwood Group is promoting a wide variety of environmental activities as it takes on the responsibility to create a sustainable society in harmony with the planet’s environment.

Promoting Environmentally-Conscious Designs that Contribute to Society

The JVC Kenwood Group is promoting products designed for the environment that use less energy and are made based on the 3Rs (reduce, reuse, and recycle). We aim to cause “zero” risk to the environment through our system of environmental management. To do this, we are putting our energy into creating products that are lighter, use less energy, are an effective use of resources, and use no harmful chemicals.

Note 1: “Plus X Award”: A prize that fetes design products in the arts and crafts, sports, and fashion industries of Europe.

Note 2: “EISA Award”: An acronym for the European Imaging and Sound Association; the best model by category is chosen from among visual-related devices launched each year by a selection committee of photo, video, and audio specialist magazines from 20 European countries, making this one of the most prestigious awards in the world.

JVC LCD TV won the “EUROPEAN GREEN TV 2008-2009” award.

Satisfying Customer Expectations of Reliability

The JVC Kenwood Group is developing products, which are highly regarded around the world for their quality, performance, and design, to bring new sensations and style to our customers’ lives.

We maintain our customers’ trust by supporting the environmental regulations being established around the world, eliminating harmful chemicals, publically announcing compliance with regulations, and providing information about recycling that people need.

Further, by considering the true meaning of our involvement as a company both locally and in society, we are aiming to be corporate citizens who are trusted by local residents through our positive involvement in activities that contribute to society.

Finally, we not only thank everyone who has cooperated in the business activities of the JVC Kenwood Group, such as customers and trading partners, we also ask for your further understanding and support.



Haruo Kawahara

Chairman, President, and CEO

Environment Board Chairperson

JVC KENWOOD Holdings Inc.

Economic Report

Overview of JVC Kenwood Group Business

Through the merger of the core businesses of JVC and Kenwood, the JVC Kenwood Group provides products that become a part of our lives in our ever-changing lifestyles. We are promoting “genre-top strategies*” that are targeting a worldwide top spot in each business area.

Note: A “genre-top strategy” injects management resources to capture the top position on the planet in each business area.

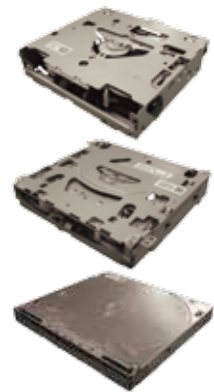
Car Electronics Business

Leading the car AV market with products that are fun and have the best sound quality for any media by maximizing the synergy created by merging business operations

- Car audio
- All-in-one navigation and entertainment systems
- On-board optical disk drive mechanisms
- Navigational developments



Car audio and AV all-in-one navigation



On-board optical disk drive mechanisms

Home and Mobile Electronics Business

Presenting a pleasant living space with high-quality audio and visual technology cultivated over many years

Digital Imaging Business

- Camcorders
- Development of Professional Camcorders
- Projectors



Camcorders



Projectors

Home Entertainment Business

- LCD TVs
- Home audio
- AV accessories



AV accessories



LCD TVs



Home audio

Professional Systems Business

Supporting customers with high reliability and service

- Digital LMR equipment
- Emergency and office broadcasting equipment
- Surveillance camera systems
- Pro HD Camcorders



Digital land mobile radio



Emergency and office broadcasting equipment



Surveillance camera systems



Pro HD Camcorders

Entertainment Business

Contributing to world culture by supplying dreams and sensations through a broad range of musical genres and numerous products

- New employee recruitment and training
- Development and sales of packaged products
- Music broadcasting
- Development of licensing business
- Creation of hits through marketing



Summer Thanksgiving Festival Live (regular version)
Southern All Stars
(DVD: VIBL-600 to 601)



SMAP 2008 super modern artistic performance tour/
SMAP
(DVD: VIBL-501 to 503)



PUZZLE (regular version)/
Kan-Johnny ∞
(CD: TECL-8008)

Company Overview (March 2009)

Company name JVC KENWOOD Holdings Inc.

Head office 3-12 Moriya-cho, Kanagawa-ku, Yokohama, Kanagawa Prefecture

Established

October 1, 2008

Capital

10 billion yen

Employees (consolidated)

19,540

Major management indicators (consolidated) (millions of yen)

	March 2005		March 2006		March 2007		March 2008		March 2009*
	JVC	Kenwood	JVC	Kenwood	JVC	Kenwood	JVC	Kenwood	JVC KENWOOD Holdings
Sales	840,591	181,112	806,900	183,616	742,686	169,194	658,449	165,262	309,771
Operating profits	10,370	7,061	△6,891	8,686	△5,657	5,617	3,262	6,259	107
Net profits	△1,858	4,836	△30,608	6,104	△7,892	1,586	△47,522	3,181	△18,795

Note: JVC KENWOOD Holdings was established as a joint stock company between both companies on October 1, 2008, concomitant with the business merger between JVC and Kenwood. Kenwood acquired the merged corporate accounts when the holding company was established. The consolidated business results for the third quarter of 2009 (April 1, 2008 to March 31, 2009) consolidated the business results for the second half of the fiscal year for JVC (October 1, 2008 to March 31, 2009) based on the consolidated business results for the relevant quarter for Kenwood, which is the acquiring business. From October 1, 2008, the JVC Kenwood Group cannot make net comparisons with the third quarter of the previous year (2008). This is due to the merger and reorganization of the core businesses of both companies, the launch of the new business group, and the change from JVC's system for calculating sales amounts to a net system (which deducts part of customer discounts from sales amounts). Detailed information is available in our separate Annual Report.

Highlight (1)

Developing Business Using Group Strength Based on a Comprehensive Strategy

JVC and Kenwood are pouring all their efforts into new businesses that “realize the unconventional” based on a comprehensive strategy that makes full use of the marketing abilities, product planning, and development skills cultivated by both companies. Working together, we are fusing our video, audio, and wireless technologies at a high level to develop new technologies and products suited to the era of digital networks. Further, in addition to evoking latent needs by stimulating people’s senses, we are also leading the AV world as a specialist manufacturer of audio and video equipment that is changing the world’s lifestyles.

JVC is the Parent of VHS

The Victor Talking Machine Company of Japan, Limited manufactured and sold phonographs and records. It was founded in 1927 and is the predecessor of JVC. JVC has been based in Yokohama for 82 years and now operates worldwide as an audio and video entertainment company.

We have changed people’s lives across the globe through the wide variety of products we have produced and sold according to our “contributing to culture, dedicated to society” business slogan.

In 1939, we successfully produced Japan’s first television receiver. In 1956, we released the first stereo record made in Japan. In 1978, we developed “VHS,” which became the global standard for home VCRs, leading to the spread of a new video culture into ordinary homes.

In 2003, we published “The Perfect Experience-truly moving experiences and total customer satisfaction” as our brand statement, and based on this ideal, developed the world’s first hard disk camcorder “Everio,” the world’s first “Wood Cone” speakers, and the “D-ILA” program, which achieved the greatest contrast in the industry. We will continue to hone audio and video technologies to provide sensations based on our comprehensive strategy.



1939: The first commercial television receiver in Japan. The Japanese katakana character “イ” was the first ever image on the CRT.



1978: Japan produces the first global VHS standard spreading the culture of video tape recording to ordinary homes.



2004: The world’s first Camcorder with built-in hard disk drive as the recording medium. Compact and lightweight, it enables long-time recording.



2003: The world’s first Wood Cone speaker, made from real wood to reverberate like a woodwind instrument.

Kenwood Has Grown with the Development of FM

Kenwood started as “Kasuga Radio Co., Ltd.” in Komagane, Nagano Prefecture, in 1946. Ever since starting production of high-performance radio parts (high-frequency coils), and based on that era’s corporate ideal of contributing to society through FM, we gave the world various high-performance devices, such as when we began selling Japan’s first FM tuner in 1957.

We now hold the second largest share of the global market because we have expanded business in the fields of audio and wireless communications. Based on high-frequency technology that we developed over many years, our high reliability in the land mobile radio business is now recognized in a wide range of business and commercial fields such as police and fire departments, hotels, and factories. Further, we are continuing to supply digital LMR systems to Vodafone McLaren Mercedes, which is a premier F1 racing team. In the field of audio, ever since launching the world’s first MP3-compatible car audio in 2000, we have been involved in actualizing seamless entertainment where hi-fidelity can be enjoyed seamlessly both in the car and in the home.

In the future, by merging the core businesses of JVC and Kenwood in the JVC Kenwood Group, we will continue to remain in touch with trends in new technology and hone our ability to understand customer needs to deliver our unique worldview of audio, radio, and video technologies.



December 1, 1946: Kasuga Radio Co., Ltd. founded.

1957: Japan’s first FM tuner enters commercial production, and we are also the first Japanese manufacturer to start exporting overseas. The scope of our technical ability at the time was acknowledged throughout the industry, and contributed greatly to the development of FM broadcasting.

High-level coil set launched.
The coil set is the deciding factor in receiver performance. Radio waves can be accurately picked up even in areas with poor reception.



2008: Land mobile radios obtain the 2nd-largest global share through high-frequency and digital radio technologies cultivated over many years.



2000: The world’s first MP3 car audio is launched, and wins overwhelming support from MP3 fans. Not only the high-frequency technology, but also the size of our technical abilities as an audio manufacturer proves appealing.

Highlight (2)

New Lifestyle Proposals Using Design Prototypes

The design departments at JVC and Kenwood are supplying a new lifestyle that enables a sense of emotion and healing through our design prototypes.

JVC has exhibited design prototypes at Tokyo Designer's Week, and Kenwood at Design Tide Tokyo respectively, to announce new proposals and let everyone who visited experience the new lifestyles.

JVC Design Department

Proposing New Lifestyles Using Design Prototypes — Exhibiting at Tokyo Designer's Week —

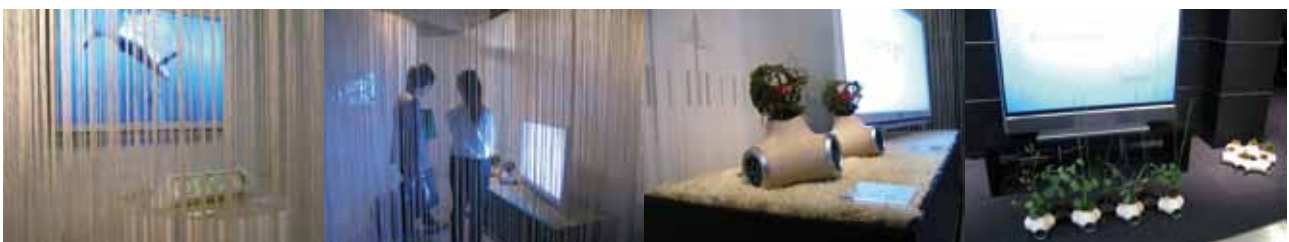
We, the design department at JVC, cite as our design philosophy the creation of a new resonance between people and products using designs that transcend expectations by anticipating the needs of our customers.

Using this design philosophy as our base, we are broadcasting to the world the creation of new values by solidifying proposals for new lifestyles and products with new forms.

Participation in Design Events and a Place to Communicate with Customers

Between October 31 and November 2, we exhibited, as a sponsor, design prototypes that used the "Sound Garden" ("sound"= "technology" and "garden"= "an eco-friendly world") as the key concept at our specially-constructed booths in the Shimbashi JVC Showroom at "Tokyo Designer's Week," Japan's biggest design event.

The objective was to communicate with many customers, from professional creators and students majoring in design to ordinary members of the public who came to visit. Supervising designers explained their ideas while exchanging aural demonstrations, and the visitors responded with surprise and voiced their opinions. We fully intend to incorporate this feedback into future production.



New Eco-Friendly Products and New Lifestyles Arising from Design

The design prototypes “kirikabu” and “komorebi” fuse ecology and the sound technology of JVC to create new

environmentally aware speakers that are making imagined life spaces a reality.

“kirikabu”

Personal speakers that manifest their organic design by using plant cuttings (“kirikabu”) as their motif. Plants can live on top of the speakers. This idea is to live in a way that listening to music and being surrounded by plants come together. Watering the living plants is also fun. These compact speakers use a circuit that consumes little power but enables hi-fidelity sound. Their cases are made using a plastic material extracted from plants known as “residue,” which makes them eco-friendly. There is a natural feeling even without painting, and no harmful substances such as dioxins are produced.



“komorebi”

We designed these surround-sound speakers to reproduce the shimmer of invisible sounds like sunlight filtering through trees. Equipped with JVC’s “near speaker surround” technology, for their small size they produce an unexpected breadth of sound with power and a sense of realism like a “private theater” and have great appeal as an interior design element.



Kenwood Design Department

Proposing Sounds and Lifestyles Felt with the Five Senses from a Global Perspective —Exhibiting at Design Tide Tokyo—

Contact with music is indispensable for a stress-free lifestyle. Kenwood's design department proposes product designs that enable us to empathize with the user centering on a lifestyle with music. We announced our

message to the world at "Design Tide Tokyo" over a five-day period from October 30 to November 3. It was a place of new experiences that communicated the multiplicity of sound sensations and enabled feelings through the five senses.



In Pursuit of Audio Quality and Design. A Challenge for Designers and Engineers.

To start, we held a workshop to consider all aspects of "Sound" where we threw out all preconceptions about the pleasure and importance of music in our lives. Designers, engineers, and sound meister, working as a team, discussed products not only for their designability, but also how to actualize the soothing and uplifting sensations obtained from music.



Further, by sharing powerful ideas we created prototypes made with a view to future lifestyles and spiritually-rich cultures.

The fusion of the uncompromising obsessions of the engineers and designers breathed life into these products, which move people emotionally.



Expression through Collaboration. Development Models Incorporating a Message to Society.

The three prototypes created for a future spiritually-rich culture and lifestyle are all products with different concepts. On this occasion, our first experiment was the joint development with Claudio Colucci, who is active worldwide as an interior product designer. The exchange of ideas with a designer from a different environment was extremely stimulating, and was an opportunity to build

trust with a partner.

Further, Kenwood designs also include original development models that imagine a new scene in touch with music. This proposal incorporates the message of our new worldview regarding the essential relationship between people and music.



“squeezeophone360°”

The joint development with Claudio Colucci is a translucent anthropomorphic silhouette speaker system. The translucent case, which changes depending on the layers of the top lamp, is a mystical expression like the permeation of skin and cells, and evokes a feeling of the life-force. This product uses Kenwood technology to fuse sound such as is enveloped by nature and the light that Claudio Colucci expresses.

“nuvola”

This is a speaker system that creates a free and liberating space through which sounds blow like overhead winds. Tranquil and mild changes create a relaxing time. This product is suited to various spaces, from personal spaces to public spaces such as art galleries where many people gather.



“HUG”

This speaker system enables the listener to experience music not just with their ears, but with their body. You can listen with your entire body through direct contact with your arms, chest, stomach, and face. This product enables you to learn the pleasure of music from even the slightest sound vibrations, as well as to experience the soaring emotions of music transmitted from the body for people who are physically disabled.

The JVC and Kenwood design departments exchange information through workshops to jointly propose lifestyles with great environmental merits and designs with mutual respect of each other’s skills.

Corporate Governance

The management at JVC KENWOOD Holdings believes that increasing the efficiency and transparency of decision making through enhanced corporate governance is a crucial part of improving corporate value. To achieve this it is fundamental to strengthen and expand corporate governance by implementing a group-wide internal control system. To improve our internal safeguards, we divided the policymaking and management functions, employed outside directors and corporate auditors, and established an Internal Auditing Division.

Conditions for Establishing Company Functions, Internal Control Systems, and Offices for Risk Management

Internal Functions

The board of directors makes fundamental and strategic decisions, and they are responsible for supervising the execution of operations. They meet once a month, or more in special cases, to deliberate and vote on the basic policy of management and other important matters, and monitor and supervise the state of corporate affairs. The members of the board are given one year terms, which keeps responsibility clear and management agile. Clarity in decision making is achieved through the proactive appointment of outside board members.

JVC KENWOOD Holdings has introduced a new executive officer system. The executive business function has been divided and the responsibility for management and operations has been clarified. From June 2009, there have been nine members on the board (two of whom are external) and seven executive officers (four of whom are also on the board). Furthermore, with the introduction of a system of executive officers holding managerial duties, managerial duties will be removed from directors. In addition, the presidents of each company will be made board members to promote the integration of group management.

Auditors will work on their own initiative as well as attend board meetings. They will monitor the audits done by the Internal Auditing Office for the operations of the entire group, and meet with the Internal Auditing Office to share and check information.

Auditors will hold meetings of the Board of Corporate Auditors, supervise directors, monitor the execution of operations of the entire group, handle accounting, and function as an internal auditing office. In addition, they will receive accounting reports from the accounting auditors in periodic Board of Corporate Auditors meetings and will work to improve their effectiveness by linking the various audits.

The five auditors (three of whom are external) will assume these duties starting June 2009 and the Board of Corporate Auditors will meet once a month or as necessary.

Conditions for Establishing Internal Control Systems and Offices for Risk Management

The following systems have been established to ensure that the group business practices of JVC KENWOOD Holdings are appropriate.

1. A system to assure that the execution of the duties of the board of directors complies with the law and company bylaws.
2. A system to keep and control information related to execution of the duties of the board of directors.
3. A system or regulations and rules to control the exposure to loss.
4. A system to assure the effective execution of the duties of the board of directors.
5. A system to assure that the execution of the duties of employees complies with the law and company bylaws.
6. A system to assure the appropriateness of JVC Kenwood Group business.
7. A system for employees that assist with the duties of auditors and rules that keep these employees independent from the board of directors.
8. A system for the board of directors and employees to report to auditors and a format for the reports.
9. A system to assure that the audits of the auditors are done effectively.
10. A system to assure that tax reports are correct.

Conditions for Internal Audits and Auditing the Auditors

JVC KENWOOD Holdings internally audits all normal business operations throughout the group. Six auditors are assigned to an Internal Auditing Office to carry out internal audits and report to the board of directors. Because they are auditing the entire group, the Internal Auditing Office created a "risk assessment chart" and uses it to select subjects to audit and to create an auditing plan that is highly effective.

Auditing the auditors is done according to the auditing plan. Besides auditing the entire group, they also check internal documents and monitor the directors and executive officers. They expand the auditing of the auditors by, among other things, accompanying the auditors in auditing the Internal Auditing Office.

Thorough Compliance

JVC KENWOOD Holdings does not think that compliance is merely “obeying the law.” Compliance means “responding to the needs of society.” That is to say, the objective is not just to obey the law for its own sake. By obeying the laws we respond to the needs of society, which is the underlying purpose of the law, and is the goal of compliance as we understand it. Therefore, we created our compliance committee on January 1, 2009 to promote compliance activities with this in mind.

Specific Promotion System

Compliance supervision was established under the legal and intellectual property departments to promote a unified compliance system throughout the group. Legal affairs supervisors and subcontract legal affairs supervisors are assigned to business departments and companies under the group’s umbrella. The legal affairs supervisor implements daily compliance activities and undergoes periodic high-level training focusing on core educational activities and actual contracts related to legal compliance in each department. The subcontract legal affairs supervisor monitors their own departments to make sure there are no transactions abusing preferred positions with business partners, and constantly safeguards legalities.

than just listening to lectures. The students actively voice their opinions, using the case method to examine actual situations. These methods are being tried in the latest JVC Kenwood Group employee training. Further, “Safety assurance export management” is implemented using e-learning methods.



Compliance training

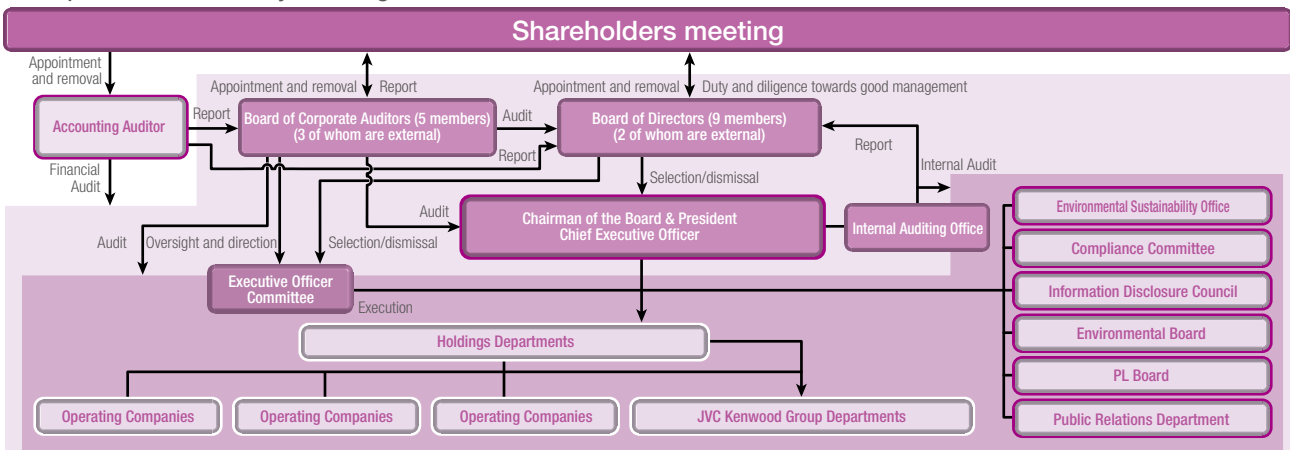
Specific Promotion System

A “compliance guidebook,” “information security guide,” and “personal information guidebook” have been distributed to all departments and all employees under the group umbrella. Employee training, such as new employee training seminars, information security seminars for major departments, subcontract law conformance seminars, and contract affairs seminars are held as necessary. The seminars produce good results as students learn by interacting with instructors using a Socratic method, rather

FY 2009 Compliance Activities Targets

The idea that compliance equals legal conformity originated from an increasing severity of in-house corporate regulations. As a result, people just stopped thinking and thought they could just follow the form of the law and strictly follow in-house rules. With this perspective in mind, in 2009 we are giving top priority to creating a system for educating staff in the skills to correctly obey the laws while being sensitive to the “needs of society” which is the intent of the laws and regulations.

Corporate Governance System Diagram



Social Report

The JVC Kenwood Group is communicating with stakeholders to continue to maintain high customer satisfaction and provide products and services as responsible members of society.

Stakeholders



Working with Our Customers

Connecting with customers

Being a global company, the JVC Kenwood Group holds various events in each country to interact with many stakeholders.

Interacting with Customers in Showrooms

Showrooms are not just a place to explain our products. They are important venues where we can listen to what customers want and show them first hand how to use our products.



Interacting with Customers at Trade Shows around the World

The JVC Kenwood Group provides a booth at trade shows in various countries such as CES and IWCE in the U.S. to meet many customers while introducing our products.



CES in January 2009 in the U.S.



IWCE in March 2009 in the U.S.



IFA in August 2008 in Germany.



CEATEC in September 2008 in Japan.

Interacting with Customers at Product Study Meetings

When a new product comes out, product study meetings are held in each country for retailers and dealers. Besides teaching about the features and functions of the new product, we also listen to their wants and deepen their understanding of the product.



Car electronics product study meeting in S. Africa.



Seminar for designers in Japan.



Everio camcorder study meeting in Egypt.

Interacting with Customers Through Sports PR

We give excitement and inspiration to customers in various countries by promoting sports. We support a NASCAR racing team in the U.S. and we are the main sponsor for beach soccer and other events. We also support sporting events by providing audio and visual equipment.



Bicycling in Spain.



Beach soccer in Italy.



Curling in Canada.



NASCAR racing in the U.S.

Giving our Customers Peace of Mind

The JVC Kenwood Group is going the extra mile to improve the quality of products throughout their entire lifecycle, from planning, to production, shipping, sales, use, and disposal, all to provide products that people will love and can use worry-free for many years.

Assuring Product Quality

To obtain maximum customer satisfaction, the JVC Kenwood Group works with all of its employees to offer high-quality products and services. Our vision is to provide our customers with a pleasant surprise and lasting impression with our products and services.

Also, to offer the same high product quality to the customer regardless of where the product was

manufactured, all of our operation bases in Japan and overseas have received ISO 9001 certification for product quality management systems. Our car electronics operation also has TS16949 certification.

All new products undergo a myriad of reviews after the product design



Product review and product connection evaluation.



Parts certification using an electron microscope.

and evaluation and before it goes into production. The product is inspected from the customer's point of view, for operation, safety and servicing ease, and for any problems which occurred before.

Product quality also hinges on the product's parts. A system to approve and standardize the quality of parts is also in place. Parts which passed quality evaluations are registered as standard parts and incorporated in the design to improve product quality.

Also, by collecting product repair data from all countries, we can analyze the statistics and promptly identify signs of product-quality problems. This feedback is then given to the product development department. With this product quality data analysis system, we can prevent the problem from occurring again.

Products Reflecting Customer Feedback

To earn maximum customer satisfaction with our products and services, it is important to reflect more customer feedback into products and services. This is to establish a quick and close relationship of trust with the customer. To help reflect customer feedback into products, we implement product development centering on the customer, based on the concept of "Human-Centered Design Process."

Among various product development processes, besides using everyday feedback from customers, we also conduct surveys with customers or monitors inside and outside the company. We also



User tests.

conduct usability evaluations with prototype products. After understanding how users actually use the product and understanding their wants and needs, we plan, design, and evaluate the product.

Improving Customer Satisfaction

Complete Customer Support

The customer relations department responds to customers with the motto, “Be correct, kind, and prompt.”

To handle the increasing number of customer inquiries and technical questions about digital equipment, we are improving our knowledge database and training personnel to attain a higher level of digital equipment expertise and customer support skills. In addition, for new products, we maintain a close link with the relevant departments so we can promptly inform them about any signs of problems concerning product safety or quality as discovered by customer feedback.

We also use a customer feedback information system to sort and analyze customer questions and demands. Then we forward the information to the relevant departments. This feedback is used to improve products and services.



Customer relations department (Germany on the left and Japan on the right.)

Improved Product Service System

Our service division provides training for customer support and servicing skills. This lets our employees provide quick and precise service to increase customer satisfaction, trust, and peace of mind.

We also provide support to retailers by supplying parts and providing technical guidance.

In addition, the large amounts of service information in the market is quickly circulated within the company to improve the quality of products.

The JVC Kenwood Group is actively working to save the environment based upon our corporate environmental guidelines. Our business is environmentally conscious

and conforms to ISO 14001. We instituted the use of lead-free solder in early efforts to protect the environment. Outside Japan, the local sales and product-servicing companies faithfully carry out sales and servicing in their respective areas.



Service center.

Being in the Customer's Shoes

• Award system

Once a year, the “Product Creation Exhibition” is held for employees. In the “Customer's Viewpoint” category, an award is given to products which contributed to the company's business and satisfied users reflecting customer feedback in the product's development.

• Encouraging official certification

To nurture personnel who put the customer first, we annually produce employees who obtain certification as a consumer-living advisor, consumer electronics advisor, or engineer.

• Customer feedback experience

All employees, including technical staff, undergo the experience and training of directly hearing the customer's voice at the customer support center. This is to help them realize the importance of customer service. The top executives also have dedicated customer support desks so they can directly hear customer feedback themselves.

The technical staff also trains and works at the service department to help them design better products.



Experiencing the customer support center.

Providing Enticing Products through Our Core Business

We contribute to society through our work by providing inspiration and happiness with the products people use in their daily lives. This is the JVC Kenwood Group's responsibility to society. Ever since our founding, we have refined audio, visual, and wireless technologies to create products that satisfy our customers.

Professional Equipment at Work Around the World

There are many people working everyday to maintain the safe living environment in our communities that we take for granted. For example, large shopping malls, schools, police stations, fire departments, and rescue teams are supported 24 hours a day by public-address systems, security cameras, wireless communications, and more.

Public-address and Security System for Safe Schools

To provide a safe learning environment for students, many schools are using the Emergency Communication PA System that incorporates a security recording system developed by JVC and an FM transceiver developed by Kenwood. The security system monitors and records all areas of the school with a clear picture day and night. During emergencies, the FM transceiver can be used to make school-wide announcements or to order evacuations. The FM transceiver can also be used for ordinary communications between the school office and school grounds to support a safe school environment.

JVC: Security monitoring/recording system



Kenwood: Emergency school PA system

Surveillance Camera and Digital LMR System Used at the Hokkaido Toyako G8 Summit

At the G8 Summit held at Lake Toya, Hokkaido during July 7-9, 2008, the TK-S686-series surveillance camera developed by JVC and the NEXEDGE™ digital LMR system developed by Kenwood helped to support the operation of the summit meeting.

The surveillance camera was highly rated by the Ministry of Foreign Affairs for its almost unnoticeable silent and

smooth operation and clear picture. The Ministry also highly favored the Digital LMR for its high reliability, private communications function, and low noise. This is why the system was chosen for the summit.



"VoIP Radio Dispatch System" Wireless Transmitting Via the Internet

Zetron, a Kenwood Group company producing wireless systems in the USA, developed the "VoIP radio dispatch system." This system connects wirelessly to an IP network by using VoIP technology on LAN and WAN to transmit voice data between a base unit radio and a PC. By just installing an application in a normal personal computer it is possible to make operations more efficient and to reduce labor and costs for system configuration, eliminate areas where transmission is not possible, increase the area customers need to communicate, and control transmitters in remote areas.



"VoIP radio dispatch system" developed by Zetron

Radio Equipment for the Police, Fire Department, and Other Public Agencies

Since its founding, Kenwood has been developing radio communications equipment using high-frequency technologies. It now ranks second in the global market (centering on the U.S.) for public safety communications equipment used mainly by the police and fire departments.

Also, by conforming radio equipment closely to the respective country's radio-wave regulations, we can offer safety communication tools

to developing countries to suit various needs including satellite communications.



Kenwood TK-5210/5310 conforms to the P25 standard for digital public safety radio communications used by police and fire departments and other public agencies in the U.S.

24/7 Emergency and In-house Address System at Large Shopping Malls, etc.

Marketed in April 2008 by JVC, the EM-A842D/A822D is the industry's first digital power amp to work with emergency public-address equipment. Compared to an analog amp, the digital power amp consumes about 60% less power and occupies about 80% less space. Public-address systems, which have been increasing in scale in buildings, can now be made more compact.



It helps to create a pleasant and reliable sound environment.



JVC Digital Power Amp for Emergency and Office Broadcasting EM-A842D/A822D

Optimum Wireless System for Communications in Schools, Shops, and Offices

JVC's diverse lineup of professional, wireless microphones can suit a variety of needs:

- Portable wireless system for a compact and lightweight public-address system.
- 800 MHz wireless system compatible with the existing system.
- Optical wireless system resistant to eavesdropping and signal noise.
- Wireless intercom system for two-way communications.



JVC Optical Wireless System WT-PH50

Highly-reliable, Professional Camcorder Featuring High Image Quality and Easy Handling

Professional camcorders need to be quicker, more versatile, and have higher performance and image quality than consumer camcorders.



In 2009, JVC marketed the GY-HM100/700 memory card camcorder compatible with Apple's QuickTime file format and MP4 format. These file formats are widely used in professional, non-linear editing systems. This camcorder greatly improves usability throughout the entire workflow from shooting to editing. It is a global product meeting the needs of video production.



JVC Memory Card Pro HD Camcorder GY-HM700

All-in-one Navigation and Entertainment System for Safe, Enjoyable, and Ecological Car Life

Today's car navigation systems have become essential information terminals as they provide the latest road information, local news, digital terrestrial broadcasting, and more.

J&K Car Electronics has developed a multi-function, AV-integrated car navigation system with a touch-panel user interface that is easy to use even for beginners. You can search the large database for local restaurants, interface with ETC*, talk hands-free*, watch 1seg terrestrial digital TV*, and play CDs and DVDs. It enables a safe, enjoyable, and ecological car life.

*In Japan only.



Commercially available all-in-one navigation and entertainment systems



All-in-one car navigation and entertainment system for auto makers.

Integrating Digital Media for Seamless, High-quality Sound Systems, Anywhere and Anytime

J&K Car Electronics is working on "seamless entertainment," integrating iPods and other DAPs (Digital Audio Players) and digital media like USB. You can enjoy high-fidelity music seamlessly whether you are in the car or at home.

We are providing products that customers can use stress-free yet that support the new values and needs that are emerging from the advancement of technology, media, and information services.



Swing Journal Magazine's Jazz Component Award for High Audio Quality

In January 2009, Kenwood's Prodigino digital amp and speaker system and JVC's SX-M3 and SX-M7 speaker systems were awarded the prestigious Jazz Component Award by Swing Journal magazine, Japan's leading jazz magazine. We hope to keep offering products to delight jazz fans and audiophiles.



Awards ceremony.



The Best Coordinate System Award to Kenwood Digital Amp and Speaker System Prodigino "CORE-A55"



The Best Speaker Award Over 100,000 yen JVC Speaker System SX-M7 Below 100,000 yen JVC Speaker System SX-M3 (Pictured is the SX-M7)

Everio Camcorder, Well-received Around the World

JVC's Everio camcorder was the world's first to have a large-capacity hard disk. JVC's video technologies have been developed over many years. The camcorder can record long, high-quality videos at Full HD (1920 x 1080) while being compact enough to fit in a woman's hand. The camcorder is highly favored for family use.



It is also the world's first camcorder that can easily upload videos to YouTube™. Customers are very happy with our camcorders.



Everio camcorder

Videos can be easily uploaded to YouTube™.



Speaker System Jointly Developed with a Lighting Maker

Together with ODELIC Co., Ltd., a maker of lighting fixtures, Kenwood has developed a speaker system for high-fidelity sound based on the concept of "Reproducing the Original Sound." Designed to suit the space and interior of the home or shop, attractive lighting and quality speakers make for a relaxing space.



A wireless system mounted on lighting rails can be configured in various ways.

XIVIEW, the World's Lightest Super Thin LCD TV Offers a New Lifestyle

JVC has been a step ahead in video technology with the industry's first 100/120 Hz Clear Motion Drive and real 36-bit video processing. It also has developed XIVIEW (sɪvjuː), the next-generation, super thin LCD TV which is the world's lightest. The 32" LCD TV is 6.4 mm thick and weighs only 5 kg, making it the world's lightest. It is also more environmentally friendly. The thin and lightweight LCD TV can be hung on a wall or hung from the ceiling, enabling interior layouts which were before this impossible. A new lifestyle is possible as the customer enjoys a beautiful picture.



World's lightest (5 kg) 32" next-generation LCD TV only 6.4 mm thick.

High-Level Mastering Technology for Top Sound Quality Combined with Top-Quality CD Materials

On April 22, 2009, as part of JVC's 80th anniversary of its audio division, three titles manufactured with the "K2HD MASTERING + CRYSTAL" top-quality CD made of glass and pure gold were marketed. They were limited editions for customers who pre-ordered.

The glass CD was jointly developed by Victor Studio and Memory-Tech Corporation, which possesses glass-CD manufacturing technology.

This top-quality glass CD, seen nowhere else in the world, garnered much attention among audiophiles.



Logo for Victor Entertainment's 80th anniversary.



Made of glass and pure gold, the "K2HDMastering + Crystal" top-quality CD is nicely framed.

Universal-Design Products Make Life Better

Universal design aims to make products and services easy to use by everyone, regardless of their age and whether or not they have disabilities. As the population ages, the desire for stress-free products which can impress and comfort the elderly is becoming greater.

While listening to customer feedback and having the cooperation of welfare agencies and nursing homes, we are developing products which anyone can easily use and enjoy.



International home care and rehabilitation exhibition Talking to customers directly to find out what they want and reflecting it in products.



Everio camcorder designed to be easy-to-use by all.



Simple remote control with large buttons and markings for people of all ages.



Headphones have a small bump on the right side so even visually-impaired people can distinguish the right headphone. This is an international standard.



Radio designed for easy operation and easier listening for the elderly.

Working with Our Employees

The JVC Kenwood Group is striving to create various training systems and worksite environments to forge vibrant workplaces overflowing with energy and a sense of unity. These workspaces foster growth through the personal achievements of each and every individual, and in them the course of action is “Perpetual reform centered on each and every individual” which leads us to our corporate vision to “Realize the unconventional.”

The Results of Involving all Employees as a Team

Receiving the “Innovation Excellence Award”

In October 2008, the Kenwood Singapore plant was awarded the Innovation Excellence Award, which is the departmental award of the Singapore Quality Award of the Singapore government. It acknowledges the quality of business management that supplies excellent goods and services. This award is modeled on the Malcolm Baldrige National Quality Award, which was awarded for contributing



Singapore plant chairman speaks of his delight at receiving the award

to US economic growth in the 1980s, and it is a prestigious award to which equally rigorous standards of examination are applied. This award is evidence of reaching internationally high standards as a result of innovative activities by all employees as a team, and of reforming management, and improving quality and development skills, and of engagement with environmental problems.



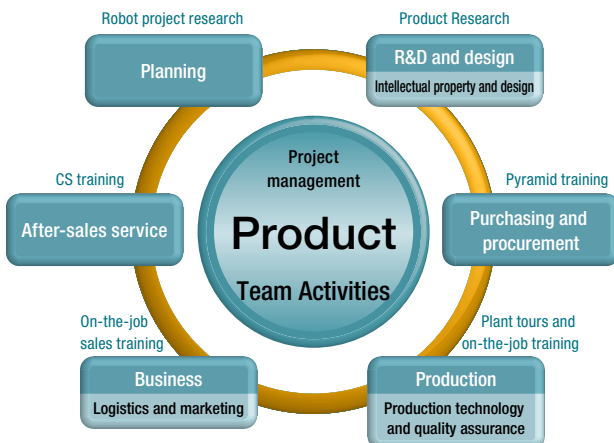
Conclusion of the award ceremony

Unique New Personnel Training that Fosters a Spirit of Craftsmanship

New employee training throughout the group is implemented over four months before assignment, and introduces a unique program while aiming to correctly impart the “basics of being a member of society,” “basics of the job,” and “basics of the company.” Training proceeds based on the keyword “experience” to impart an awareness of the business cycle of production and sales.



Research cycle “Experiencing the manufacturing operation cycle”



Research schedule

	JVC	Kenwood	4-month project activities	
April	Entry ceremony/introductory camp		Team activities: Planning and proposals for new products and services	
	Project management			
“Learn”, “see”, and “touch” the company, office, and products				
Pyramid training (plant management)				
May	Training by occupation (Technical, clerical, or manufacturing)	On-the-job plant training	Team activities: Planning and proposals for new products and services	
	Robot training (manufacturing flow)			
June	On-the-job sales training	On-the-job sales training		Team activities: Planning and proposals for new products and services
	On-the-job sales training	On-the-job manufacturing training (FMEA, VE)		
July	On-the-job sales training	Pre-assignment training	Team activities: Planning and proposals for new products and services	
	Training review, culmination, and assignment (corporate figures, business manager, etc.)			

Main research

Introduction Camp

The camp for all new employees is held with the aim of enabling everyone to be aware that there are no gaps between the companies, and to act on one's own ideas with the awareness of each individual's involvement. Experiential learning programs, done mostly outdoors, aimed to have everyone work together while cooperating and sharing ideas in mixed teams.



Introduction camp

Product Research

Product research analyzes products from all angles such as using audio products, which are strengths of both JVC and Kenwood, performance and design, ease of use, and user manual comprehension. Each group freely operated, listened to, or disassembled the product, and then in the end announced their research findings that "having these products would be fun."



Announcing the research conclusion that "having these products would be fun."



Detailed product research while listening to advice from senior employees

Pyramid Production Simulation

Pyramid production simulation research lets people experience and be aware of the importance of the teamwork of each employee in the organization by understanding the way a manufacturing company is operated.

Each group plays the role of a factory. Within their factory groups, they decide on which jobs each person does based on the leadership of the plant boss. Then they create a specified pyramid (product) on paper and deliver it on time with zero defects. This lets them experience first hand the importance of QCD (quality, cost, and delivery) as they learn how to create a profit and loss (P/L) sheet and the basics of our business cycle.



Pyramid Production Simulation

Project Management Research and Robot Research

Both researches are covered by the basic work "PDCA," and so the importance, enjoyment, and difficulties of teamwork during project activities are learned by using the systematized "PMBOK (Guide to the Project Management Body of Knowledge)" as the basic teaching material. The objective is to deepen understanding by experiencing part of the manufacturing process.



Discussing ideas for commercializing robots



Robots being test driven after software upload

Team Activities

Team activities let each team plan and propose new "unconventional" goods and services that are part of the corporate vision. Each team trains for four months considering both customer needs and technical seeds while imagining unique products and services that have never been seen before. This is the culmination of their training, and presentations are given to each division at the end of July when the training ends.



Planning and proposing new goods and services during team activities

Health and Safety

Health and Safety at Work

The JVC Kenwood Group creates a culture of health and safety by focusing on human dignity and doing business based on the stance of observing the law, creating a workplace to grow abilities, and managing risks.

Amidst the concerns of falling productivity as the workforce ages and seasoned employees retire, the JVC Kenwood Group is aiming to establish a corporate atmosphere



Safety and health training

that prioritizes the health and safety of the workers. To prevent workplace accidents, the JVC Kenwood Group is promoting risk assessment to reduce health risks from chemicals and physical injury from machinery and equipment. Our hope is to go from zero accidents to zero risk.

Risk assessment

Risk assessment is the procedure to evaluate risks by defining the danger and harm in the workplace and to prioritize and take countermeasures to reduce risk.



Risk assessment training

Using input from workers, we study each worksite to assess the risks in order to achieve a level of “zero risks” because it is necessary to create more applicable measures to prevent injury.

Mental Health Care Training

With the increased concern about mental health measures in the workplace, we need to show greater concern for changes in those around us and be aware of the correct way to handle mental health issues.

To enable the management to correctly understand mental health,



Mental health care training

each employee is trained to be aware of and correctly understand stress. Newly appointed executives are trained through line-care centered training, and new employees are trained in self-care during orientation.

Countermeasures against Overwork

Doctors specializing in labor and industry monitor the health of workers by providing consultations and checking on workloads. Countermeasures such as shortening the work hours are implemented based on their evaluations and judgments, as we strive to prevent damage to health due to overwork.



To shorten work hours and reduce overtime, emails are sent to employees and public announcements are made on certain days telling employees to go home on time.

Working with Our Suppliers

The JVC Kenwood Group is promoting environmentally-friendly product development and the development of a sustainable economy through the creation and strengthening of environmental management systems as an overall supply chain including our trading partners as well as to fulfill our social responsibilities as a “green company.”

Promotion of Green Procurement

To reduce the environmental impact of its business as well as throughout the life cycles of the products it manufactures and sells, the JVC Kenwood Group considers it important to give priority to materials and products that have the least environmental impact. Further, the social responsibilities and demands of corporate activities in global environmental preservation, such as strengthening laws starting with REACH, are growing in importance.



When JVC and Kenwood merged in October 2008, they established a new unified JVC Kenwood Group, “Green Procurement Guidelines.” These guidelines are the basis for working with our trading partners to lower environmental impact by actively promoting the green procurement of materials, parts, and products in compliance with regulations in countries around the world.



Partnership with Suppliers

Partnership with our trading partners is indispensable to promote environmentally-friendly green procurement, and so we share information through Green Procurement Guidelines explanation meetings with our suppliers. As part of our pursuit of environmental preservation in the JVC Kenwood Group, we require all our suppliers to have a certified environmental management system that meets ISO 14001 standards. Through our environmental

management system and management of pollutants, we are actively working with our partners to help preserve the environment.



Meeting explaining the Green Procurement Guidelines in Japan in November 2008



Meetings explaining the Green Procurement Guidelines throughout Asia in November and December 2008; from the left: Singapore, Hong Kong, Malaysia, Shenzhen

Acting Locally

The JVC Kenwood Group aims to be a good corporate citizen in local areas where we operate, so we hold various activities to deepen our relationship with the local communities.

In Japan

Participating in the “Children’s learning plaza” as part of local communication

The Kenwood Yamagata plant made candles from waste cooking oil as part of our staff participation in the “Children’s learning plaza,” which was sponsored by TOHOKU EPSON CORP. in August 2008. During the introduction of activities like the family water quality survey and the Akagawa river mouth cleanup (monitoring survey), people learned that the waste oil flushed from their homes also pollutes the oceans, and they made candles from waste cooking oil.



Children making candles from waste cooking oil

Visiting JVC Clean Center

In December 2008, 63 people from the South Office of the Yokohama Resource Recycling Bureau paid a study visit to the recycling facilities (clean center) at the JVC head office plant. These facilities separate, disassemble, and process resources with the objective of zero waste emissions, and we are involved in recycling 100% of the waste created at the head office plant. This was a learning opportunity to deepen understanding of the municipal environmental promotion committee as a cutting-edge facility for recycling activities and reducing waste, which is promoted by the city of Yokohama. Further, the JVC head office and plant, together with the Kenwood Yokohama Business Center, was designated a FY2008 Yokohama Environmental Action Award “Excellent (Three-Star) Garbage Separation Office” by the city of Yokohama.*See Page 34.



Green center at JVC's head office and plant (top) and visitors inside

Yamagata Prefectural Environmental Preservation Committee Tour

In January 2009, the Kenwood Yamagata plant welcomed a group of approximately 40 and people from 23 companies, including members of the Yamagata Prefectural Environmental Preservation Committee. This study visit is held every year to exchange information, learn about cutting-edge methods to protect the environment that are used at companies that have won the Yamagata Governor's Environmental Preservation Promotion Award*

Participants were very interested in techniques for improving efficiency in production in relation to the aging of the workforce as well as methods to control temperature and humidity.

*See Page 34.



Visitors observing environmental protection in action

Volunteering for the “Children’s science and engineering workshop”

In June 2008, Kenwood Nagano plant technical staff participated as volunteer engineering coaches in the “Children’s science and engineering workshop: making a wrestling robot.” The event was planned by the Nagano Techno Foundation Ina Techno Valley Regional Center with the objective of awakening interest in manufacturing and science in children. We would like to maintain the children’s ongoing interest in manufacturing.



Nagano plant engineers coaching children to build robots



Children playing with wrestling robots they built

Contributing to Biodiversity

The JVC Kenwood Group is involved in protecting nature and biodiversity.

● JVC Head Office

Since 2003, we have been operating "Dragonfly Pond" as a biotope in support of the "Keihin forest building project" sponsored by Yokohama.



Biotope "Dragonfly pond"

● Kenwood Yamagata Plant

We are actively involved in sharing information and in beachfront cleanup activities and participate in the "beautiful Yamagata ocean platform" with government, citizen, industry, and academic groups trying to solve the increasing problem of garbage washing up on our shores. The Akagawa river mouth cleanup celebrates its third year as an alliance of Shonai (government) branch office, (civilian) Sakata NPO, and local business, and the forth year of the employee parent-and-child water quality survey.



Akagawa river mouth cleanup

● JVC Labor Union

Since 1994, we have been involved in greening the Chinese deserts, and in 2008 we planted trees in the Horchin Desert alongside local NGO staff. To date, we have planted 17,100 trees and contributed to greening 38,000 m².



Greening the Horchin Desert

Participation in Local Green Activities

All plants and offices participate in volunteer activities suited to the local region. We picked up discarded cigarette butts and empty cans hidden in the bushes along busy local roads and on the way from the station to work. We also participate in local environmental beautification activities such as raising seasonal plants in flower beds along the roadside.



JVC clean activities; left: Yamato plant, right: Yokosuka plant

Supporting Project KDES 2008 Activities through JARL, Special Amateur Radio Stations, and 8J1AX

"Project KDES 2008 (Katsuura Dish Experimental Station)**" tests a variety of amateur radio communications, such as bouncing EME transmissions off the Moon's surface using a parabola antenna with an 18-m diameter. This antenna was built at Katsuura Tracking and Communication Station by the Japan Aerospace Exploration Agency (JAXA) in April 2008, and Kenwood loaned them a TS-2000SX amateur radio, which uses high-frequency technology developed by Kenwood over many years.



**This project uses the special JARL amateur radio station continuously, and is active from April 1, 2008 to March 31, 2010, for the purposes of "youth education activities," "improving the technology of Japanese amateur radio stations," and "expanding the base of the amateur radio world."

Kenwood Abroad

Supporting Youth Soccer Tournaments through Volunteer Activities



Malaysia

In May 2008, union volunteer staff from Japan and employees from the Kenwood Malaysia plant fully supported the "KEGU FRIENDSHIP CUP" Johor regional youth soccer tournament, which is sponsored every year by the Kenwood Group Union (KEGU).

Ten junior high teams selected from throughout the state participated in the tournament. They cooperated with the Ministry of Youth and Sports, Malaysia aiming to help the children become stronger in mind and body.



Employee volunteer staff



Winning penalty kick

Implementing Social Welfare Activities during Environment Month



Malaysia

In Malaysia, "environment month" is held in September every year.

The JVC Malaysia plant created a plan to have the departments compete over the amount of waste paper they recovered, and awarded the department that collected the most waste paper.

The funds obtained from these waste paper recycling activities were donated to the "Monfort boy's town," an education support group for disadvantaged children in Kuala Lumpur, to provide the children a technical education.



Disaster Relief Activities after the Sichuan, China, Earthquake



China

The Kenwood Shanghai plant was not directly affected by the Sichuan, China, earthquake, but approximately 100 employees were born in the City of Chongqing in Sichuan Province, and were concerned about the status of the disaster locally.

We collected funds as called for by the employees, which are being used in disaster relief activities through the Red Cross Society of China. Further, the Kenwood Group in Japan also pledged to reconstruct the disaster areas as quickly as possible, and donated LMRs to the authorities in Sichuan Province, and provided financial aid together with the union.



Shanghai plant employees donating money

Hosting Plant Tours



In September 2008, the Kitakyushu National College of Technology, TEMASEK POLYTECHNIC, which is a junior college in Singapore, and Kumamoto National College of Technology, which both schools have signed an exchange agreement with, visited the Kenwood Singapore plant. They enthusiastically studied the innovative production activities and processes at the plant from design to production, and asked many questions. We will continue to strive to be a company where all students would like to work.



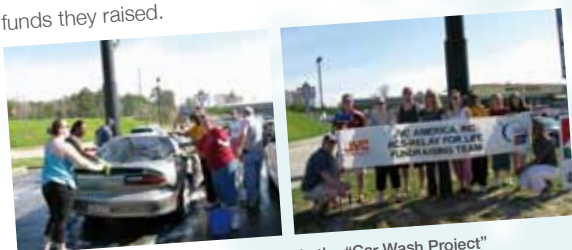
Students enthusiastically listening to explanations

Donating "Relay for Life" Car Wash Service Funds



America

For the past 17 years, the JVC America plant has supported the "Relay For Life" fundraising campaign, which supports the sick and their families who are battling cancer, and is sponsored by the American Cancer Society (ACS). In March 2009, they planned the "Car Wash Project," and donated the funds they raised.



JVC America employees participating in the "Car Wash Project"

Participating in the Sakura Festival



America

In March 2009, the 23rd "Sakura festival" was held in Tuscaloosa in Alabama. The JVC America plant introduced many people to Japanese culture by providing traditional Japanese snacks such as "Osenbei" and "Ame."



Providing traditional Japanese snacks

Blood Drive Participation



America

The JVC America plant cooperates in blood donations every quarter. The collected blood is donated to a medical center in Tuscaloosa, Alabama, through the "United Blood Services," which supplies blood to hospitals throughout the United States.

JVC Latin America sales companies also participated in world blood donor day, and cooperated in blood donations sponsored by JICA and the Panama Ministry of Health.



JVC America employees donating blood

Participating in Social Day



Mexico

In July 2008, the local Social Security Office in Tijuana hosted "Social Day," as they do every year. The JVC Mexico plant provided family planning support and infection-testing services to support an increase in the quality of life and health of local residents.



Tijuana residents receiving haircuts and infection-testing services

Participation in Tijuana Beach-Cleaning Activities



Mexico

Aiming to root the company more firmly in the local community, the JVC Mexico plant launched a cleanup of Tijuana's beaches in July 2008. Employees and their families participated so that local residents and tourists can enjoy the coast, and two tons of garbage were collected.



Cleaning up Tijuana beaches

Environmental Report

JVC KENWOOD Holdings Basic Environmental Policy

Environmental Philosophy

JVC KENWOOD Holdings is totally involved in the global environment through all the group companies' business activities, and is contributing to achieving a society where sustainable development is possible by fulfilling social responsibilities as a green company.

Environmental Policies

1. To be thoroughly aware of the environmental impact of the actions, products, and services of the entire group, and to promote all possible technical and economic environmental protection activities.
2. To always consider the environmental impact of our business activities, and to consistently reduce our environmental burden.
3. To conform to all laws, business standards, and local agreements regarding environmental activities.
4. To use the Earth's limited resources effectively with the aim of becoming a recycling society.
5. To reduce the burden on the Earth's environment through product manufacturing.
6. To implement business activities that can contribute to the reduction of greenhouse gasses to prevent global warming.

Outline of JVC Kenwood Group Environmental Activities Self-Awareness as Corporate Citizens of the Earth

We think the greatest problem confronting humankind at the beginning of the 21st century is to continue the sustainable development of human civilization and culture while protecting the Earth's environment. The JVC Kenwood Group, a manufacturing company, has some effect, no matter how slight, at all levels from the planning and design stages of manufacturing to the procurement of raw materials, manufacturing, sales, and services. As stated in our environmental philosophy and policies, we are aware of the responsibility to carefully determine the burden we have on the environment and systematically work to reduce it through a wide variety of methods. We consider the reduction of greenhouse gasses to prevent global warming to be a major obligation that the corporation must fulfill, and so are involved in the ongoing reduction of energy use in all our business activities. Specifically the reduction of the energy that the products themselves use. Our research departments are putting great efforts into developing new technologies and we have committees working laterally throughout the company promoting various activities.

We are developing procedures based on reducing, recycling, and reusing materials in response to the depletion of resources worldwide. We receive parts and raw materials that are compatible with the environment by publishing our Green Procurement Guidelines, so as to confirm at purchase that there are no harmful pollutants in any of the parts or raw materials and reduce the problem of global environmental pollution.

As a responsible corporate citizen, the JVC Kenwood Group is fully aware of the global environment, and will continue to strive to make improvements.

JVC KENWOOD Holdings Environmental Management Director

Kiyoshi Osaki

Environmental Management

Environmental Management System for the JVC Kenwood Group

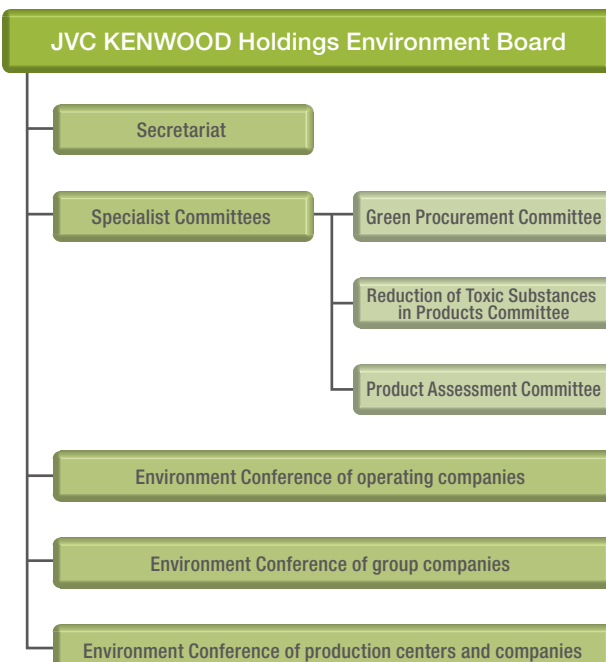
The JVC KENWOOD Holdings Environment Board is part of our top leadership and is headed by the president of the holding company. This board promotes environmental management throughout the JVC Kenwood Group. Each operating company, production center, and production company sends environment conference members that have the responsibility for environmental affairs as well as specialized committee members from throughout the companies.

The policies and measures decided by the JVC KENWOOD Holdings Environment Board are implemented through environment conferences throughout the group. In addition, specialized committees develop specific activities according to a theme for all the companies.



JVC KENWOOD Holdings Environment Board

JVC KENWOOD Holdings Environment Board Organizational System



JVC Kenwood Group Overall ISO 14001 Certification

The JVC KENWOOD Holdings Environment Board aims for an all-encompassing environmental management system that will certify all group companies for the international environmental standard ISO 14001 by 2010. Until now, each company in the group has promoted environmental activities and been certified for ISO 14001 independently. Now, by integrating all companies in one group, we can move from partial optimization to total optimization of environmental management. Management can effectively express policies to the entire group so we can coordinate efforts and achieve positive results. Further, prompt sharing of information will enable prompt compliance, and is a direct safeguard against environmental risks.

ISO 14001: Awarded for 10 Years in a Row

JVC and Kenwood have been certified for ISO management systems by the Japan Audit and Certification Organization for Environment and Quality (JACO) for each of the last 10 years and were awarded the 10-year Prize for the ongoing improvements that are a result of their environmental management.

These efforts will continue throughout the entire group to contribute to our society by further reducing our burden on the environment and work to stop global warming.



JVC

Kenwood

ISO 14001 10-continuous years award

Results of Environmental Management

We are involved in various activities as a result of our environmental management policies that are establishing us as a good corporate citizen with local commitments that deepen connections and interactions.

Certification from Yokohama as an Excellent Garbage Separation Office for the Yokohama Environmental Action Award

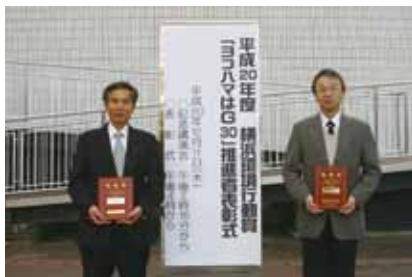
On December 10, 2008, the JVC head office plant and Kenwood Yokohama office were designated for the second consecutive year “Excellent (Three-Star) Garbage Separation Offices” for the Yokohama Environmental Action Awards.

This award has been presented since 2005 to offices that satisfy all three of the following standards: (1) Suitable garbage separation, (2) Thorough garbage separation, and (3) Recycling everything that is recyclable. It is for the approximately 2,600 large-scale offices within the city as a part of the “Yokohama G30” waste reduction and recycling activities that Yokohama has been promoting since 2004.

Continuing from last year, our commitment to “3R” activities has been recognized, and we were selected as a three-star site.



Excellent (Three-Star) Garbage Separation Offices



JVC General Affairs Manager (left) and Kenwood Yokohama Office Personnel Manager (right)

Compilation of Environmental Activities Exhibited at “Eco Products 2008”

From December 11 to 13, 2008, we exhibited as the holding company for the first time at “Eco Products 2008.” This was the first foray into the market since the merger.

Not only was our main exhibit products designed with environmental awareness of JVC and Kenwood’s energy saving and the 3Rs, but we also



JVC Kenwood booth

exhibited JVC’s surveillance camera and Kenwood’s Digital LMR system, which supported the “Hokkaido Lake



Teachers being interviewed by visiting elementary school students

Toyako Summit,” in July 2008,

whose main discussion was environmental problems. At the booth, we also hosted a quiz rally for visiting elementary, junior high, and high school children as part of our social education, and were able to communicate with many visitors.

Recipients of the FY2008 Yamagata Prefecture Environmental Protection Promotion Governor’s Award

As a result of our involvement in local environmental activities being highly regarded, the Kenwood Yamagata plant was awarded the FY2008 Yamagata Prefecture Environmental Protection Promotion Governor’s Award. What enabled us to win on this occasion was receiving the understanding and cooperation of many people, including the employees and their families who had participated in environmental activities, as well as local businesses who had

allowed us to engage in environmental activities, NPO Partnership Office Sakada, and the Shonai Environmental Management Research Group. We shall continue with these environmental activities in future in gratitude for the natural blessings of Shonai, as a Shonai company.



Yamagata Prefecture Environmental Protection Promotion Governor’s Award



Kenwood Yamagata plant president (right) receiving the award.

Environmental Education and Internal Audits

Environmental Training

As a group of companies that develop, produce, and sell environmentally conscience products, the JVC Kenwood Group understands how important it is that all our employees are aware of the effect their work has on the environment and to take positive steps everyday to reduce that effect. Every year, we train our employees according to detailed plans. This training includes general training courses, ranked training courses, courses for specialists, courses for internal auditors of environment management systems, and training to prepare for emergencies.

General Training

Based on laws for increasing the desire for environmental protection and for conducting environmental education, all our employees (including new employees, temps, and part-timers) receive environmental education. They learn about the importance and current condition of the global environment, the role and responsibility of each individual, workplace activities and other information for achieving our environmental policies. Further, we have introduced an e-learning system on our intranet, and have created a learning environment so that all employees can learn without place or time restrictions.



General Training

Hierarchy-based training

Training teaches on-site managers how to understand the environmental management systems at their sites. The training also builds an awareness of the responsibilities carried by leaders to promote environmental activities according to the environmental training for new management.

Specialist Training

Specialized training is given to employees who work in fields (legal regulations, measurements, equipment, and environmental design) that have a large impact on the environment and in which they are required to have these skills. All employees that need these skills are provided specialized training. This training also is useful for overall environmental compliance.

Internal Auditor Training

To act as internal auditors, it is necessary not only to understand the laws and regulations of the environmental management system and the internal auditing procedures, but also to improve auditing performance through audit training. To achieve this, training is implemented to improve the knowledge and skills of internal auditors. Further, to train key audit personnel, we are also increasing the number of qualified environmental management system examiners using environmental examiner training through external teaching organizations.



Internal Auditor Training

Internal Audits

Internal audits are implemented to check the effectiveness and results of our environmental management systems. Each site implements an internal audit annually to find and correct problems in the system and in operations to improve their management of the environment. To be fair and objective, the audits are done by our internal auditors who come from outside the department being audited. The success of environmental management is evaluated according to compliance with environmental laws and regulations and the environmental standards of the JVC Kenwood Group. Our goal is to never stop improving.



Internal Audit

Promoting a Voluntary Environmental Action Plan

Environmental Targets and Results

JVC outline

JVC established the “Green Plan 2010” (GP2010) voluntary action plan in 2001, and has been involved in reducing its environmental burden ever since.

This plan promotes the creation of green products (GP) that conform to global environmental regulations to conserve energy, use resources effectively, and do not use harmful substances according to policies to prevent global warming and eliminate the environmental impact of harmful substances. In addition, in clean factories (CF) it helps to reduce shipping and the flushing of VOCs and PRTR chemicals into the environment by strengthening chemical management, reducing waste and lowering greenhouse gasses.

Although our business configuration changed in FY2008, we were able to meet our targets in all areas.

FY2008 Results for Green Plan 2010, and Targets Until 2010

Activity	FY2008 targets/results	Evaluation of results	Reference page	FY2009 targets	FY2010 targets
Product-related (green products)					
1. GP development products	GP development rate: Over 82%/89%			GP development rate: Over 86%	GP development rate: Over 90%
(1) Energy-saving products	Warming prevention factor x1.72 (compared to FY2000)	○	38	Warming prevention factor x1.86 (compared to FY2000)	Warming prevention factor x2.0 (compared to FY2000)
(2) Resource reduction and recyclability (3Rs)	Resource factor x1.62 (compared to FY2000)	○		Resource factor x1.66 (compared to FY2000)	Resource factor x1.7 (compared to FY2000)
2. Replacement of harmful unused PVCs	PVC-free wiring in the camcorder Phthalate ester-free HP cable	○	42	Elimination from internal wiring and AC adapter cables	Elimination of PVC and brominated flame retardant
3. LCA introduction	Main LCA model/100% implementation	○		EU LCA model 100% implementation	All LCA models 100% implementation
4. Green procurement	Examination of introduction of REACH-compatible system/Easy system introduction completed	○		Introduction of REACH-compatible IT system	Complete database of materials and substances
Plant-related (clean factories)					
	CF certification rate over 80%/87% (Global)			CF certification rate over 85% (Global)	CF certification rate over over 90% (Global)
1. Energy savings	Emissions reduced over 1% annually; over 8% compared to FY2000/65%	○		Over 9% (compared to FY2000) [Worksites achieving GP2010 maintain energy-saving activities to reduce energy consumption by 3.5% compared to previous year.]	Over 10% (compared to FY2000)
2. Chemicals				Over 8% (based on FY2005)	Over 10% (based on FY2005)
(1) Main chemicals to reduce (global)	Reduction of emissions and transfer (compared to 2005) over 6%/89.7%	○	43	Over 4% (based on FY2005)	Over 5% (based on FY2005)
(2) Controlled chemicals (global)	Reduction of emissions and transfer (compared to 2005) over 3%/82.1%	○		Over 4% (based on FY2005) [Worksites achieving GP2010 maintain energy-saving activities to reduce emissions and transfer amounts by 2% compared to previous year.]	Over 5% (based on FY2005)
3. Waste reduction				18% reduction (based on FY2000)	20% reduction (based on FY2000)
(1) Total waste reduction (global)	Waste creation reduction rate (compared to FY2000) 16% reduction/72.6%	○	47	Over 99%	Over 99%
(2) Zero emissions (Japan)	Recycling rate over 99%/99.7%	○		Over 99% [Worksites achieving GP2010 maintain energy-saving activities to reduce waste by 2% compared to previous year.]	Over 99%
4. Environmental risks	Aquifer, PCB, and asbestos surveys/No leaks discovered	○		Reexamination of closed factories. Implement suitable measures if pollution is verified.	Verify 100% safety in storage plants and offices. Complete survey of all offices.
Environmental activities					
1. ISO 14001	Reinforcement of global promotion system Software companies certified	○	32 }	JVC group unified within Japan by FY2009 examination	JVC KENWOOD Holdings comprehensive certification
2. Environmental accounting	Reinforcement of environmental accounting system	—	46 }	Ongoing data management	Improve accuracy and reflect in environmental management

Kenwood Outline

Kenwood is involved in reducing its environmental burden by creating three-year plans for “green product promotion activities” and “environmental preservation promotion activities.” We achieved our goals for FY2008 for almost all business areas.

1. Low-energy, compact products

In the home electronics business, we are involved in reducing standby energy consumption to reach the highest industrial standards (i.e., be the top runner) as an energy conservation activity since 1998. Further, we have been involved in energy conservation through more compact on-board products in the car electronics business since FY2002.

In the communications business, we have been reducing the standby current for radio devices since FY2003, which has greatly increased the operating time that is possible from a single charge.

We achieved our goals for FY2008 for almost all business areas.

2. FY2008 targets were met for LCA method trials, creation of design standards, supply of environmentally-friendly products (reducing harmful substances), and green procurement.

■ FY2008 Results for “Green Product Promotion Activities” and “Environmental Preservation Promotion Activities,” and Targets Until 2010

Activity	FY2008 targets/results	Evaluation of results	Reference page	FY2009 targets	FY2010 targets
Green product promotion activities					
1. Low-energy, lightweight products		○	38	(1) Reduce power consumption	(1) Reduce power consumption
• Car electronics business Lower weight of newly-designed models	Lightweight target (commercial): 4% compared to base models/ <u>Achieved</u>			(2) Energy saving through lighter weights 2% reduction compared to previous model	(2) Energy saving through lighter weights 2% reduction compared to previous model
• Home electronics business Reduced standby power consumption and power consumption during use for newly-designed models	• Standby power consumption target 0.1w max./ <u>Not achieved</u> • Reduction in power consumption during use 5%/ <u>Achieved</u>	△		Energy saving of power consumption during use	Plan created at end of 2009
• Communications business New onboard designs standby Current reduction	Standby current target: 25% compared to base models/ <u>Achieved</u>	○		Same or less than base models Reduction of standby current for specified new design models	Reduction of standby current for specified new design models
2. LCA method trial Evaluations from each sales office	Achieved	○		} Reorganization for FY2010 ISO 14001 comprehensive certification	---
3. Formulation of design standards Implement environmental design evaluation method to all product types	Targets achieved as planned	○	42 Reorganization for FY2010 ISO 14001 comprehensive certification	---	
4. Environmentally-friendly products supplied (Reduction of toxic substances) Database management Maintenance of a self-analysis system	Achieved	○	Reorganization for FY2010 ISO 14001 comprehensive certification	---	
5. Green procurement Monitoring of suppliers	Targets achieved as planned	○	Periodic environmental audits	Periodic environmental audits	
Environmental protection activities					
1. Reduction in energy-saving CO ₂ emissions	CO ₂ reduction 6,051 tons/5,523 tons (compared to 1997: 33.0%/38.4%)	○	43	CO ₂ reduction target 5,454 tons or less (39.1% reduction compared to 1997)	CO ₂ reduction target 5,340 tons or less (39.7% reduction compared to 1997)
2. Waste Reduction of final disposal amount	Final disposal amount 0.93 tons/0.78 tons	○	} 47	Final disposal amount maintained at less than 0.78 tons	Final disposal amount maintained at less than 0.78 tons
3. Waste Recycle rate	Zero emissions maintained (99.7%/99.8%)	○		Zero emission base 99.5% or more	Zero emission base 99.5% or more

Evaluation standards: ○ Target achieved; △ Target partially unachieved; × target not achieved
FY2008 indicates the period from April 1, 2008 to March 31, 2009, FY2009 is from April 1, 2009 to March 31, 2010.

Making Products Environmentally Friendly

Green Products

Joint Concept in the Design Process

The JVC Kenwood Group maintains the following environmental concepts for all products.

1. Active promotion of energy-saving activities to minimize greenhouse gas emissions
2. Involvement in resource conservation and recycling activities as the world's resources are limited
3. Active promotion of reduction and prohibition of environmental pollutants in cooperation with trading partners to prevent chemical pollution
4. Strict observance of environmental laws and other requirements

FY2008 Activities Highlights

The memory card-type camcorders GZ-MS100/120 launched by JVC in July 2008 consume approximately 70% to 80% of the energy of existing hard disk types.



JVC Camcorder GZ-MS120

Further, JVC LCD TVs such as LT-42P789 occupy the number one spot after designs were quickly changed to comply with new U.S. Energy Star power reduction standards.



JVC LCD TV LT-42P789

Kenwood achieved 54% energy savings by incorporating a digital amp into the R-K1000 premium amp in 2007, and its sound quality is also highly regarded, but in FY2008, the new Prodino digital amp KAF-A55 also succeeded in reducing operating power consumption by 77%. (See Page 39.)



Kenwood Prodino digital amp KAF-A55

We will continue our efforts to create products that support the future of our global environment.

Environmental Green Logo Concept

The environmental green logo is used to identify excellent environmentally-friendly products and to encourage environmental action. This logo shows that the product is particularly environmentally friendly among all the JVC and Kenwood products. It shows products that conform to all

the environmental standards. Further, the logo is also used for environmental activities such as ISO 14001.



Material Balance (CO₂ Emissions)

The JVC Kenwood Group implements life cycle assessments (LCA) on typical products.

The table below shows the amount of CO₂ emissions

discharged at each stage from production to discarding of a typical model.

CO₂ Emissions for Typical Models According to LCA Evaluation

Unit: kg-CO₂/device

	Camcorder	LCD TVs	Professional camcorder	AV amp	Car electronics for outside Japan	Amateur radio
	GZ-MD300 JVC	LT-42P300 JVC	GY-HM700 JVC	KRF-9300 Kenwood	DDX714 Kenwood	TM-V71 Kenwood
Material	3.07	227	32.29	1.97	26.38	8.18
Manufacturer ¹⁾	0.79	57.5	76.68	19.05	2.33	2.18
Logistics ¹⁾	0.19	5.0	1.77	4.29	1.42	0.51
Use ²⁾	1.25	637	23.55	346.33	58.16	58.16
Waste	0.005	0.8	0.01	0.19	0.04	0.02
Total emissions ³⁾	5.31	927	134.35	371.83	88.33	69.05

¹⁾ manufactured by JVC Kenwood Group production companies outside Japan, and presumably shipped to a typical sales company outside Japan.

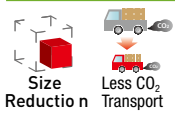
²⁾ The annual use time is determined for each product, and the power consumption for the presumed service life is calculated as the amount of CO₂ emissions.

³⁾ The amount of CO₂ emissions is calculated using the JVC Kenwood Group LCA standards.

Environmentally-Friendly Product Development

Camcorder GZ-MS120

JVC We have reduced the cardboard used by 12% by making the individual packing containers 30% smaller. This also contributes to CO₂ reduction during transport.



GZ-MS120

Energy Saving The memory card-type camcorder GZ-MS120 reduces power consumption to 78% that of other hard disk types. This reduces the amount of CO₂ by 15 tons annually.

EM-A842D Digital Power Amp for Emergency and Office Broadcasting

JVC This amp uses digitization to cut power consumption and uses at least 60% less power than conventional amps but has the same powerful output. It has been attracting attention since its launch at "Eco Product in 2008."



EM-A842D

LCD TV LT-42SL89

JVC This LCD TV, which won the EU green award in 2008, is now also available in the USA. As a result of excellent energy conservation and energy-saving design concepts due to its wafer-thin compactness, it can reduce CO₂ emissions by 20% compared to existing models. The expected amount of CO₂ reduction over the life cycle is 3,400 tons.



LT-42SL89

Mini Components for Outside Japan: NX-G9/G7

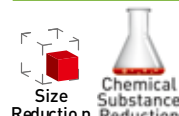
JVC This system reduces standby power consumption by 20% (from 15 W to 12 W) compared to the FY2007 DX-J11 model by using a hybrid power supply and a digital amp, and setting to ECO mode achieves reductions of 93% (from 15 W to 1 W). Further, power consumption during operation has also been reduced by 26% (from 95 W to 70 W) while increasing output by 20% (from 100 W x 2 to 120 W x 2).



NX-G9/G7

On-Board Optical DVD Pickup: OPTIMA-2060

JVC Harmful chemicals were reduced by eliminating lead and chromium (VI). Also, by using a built-in hologram device and reducing the number of parts, we made it lighter and reduced the amount of resources used.



Digital LMR NX-200/300

KENWOOD Standby current has been reduced 33% compared to the 2002 model, making this an industry top-class model. According to CO₂ calculations, further improvements accounting for 111 more tons have been made on top of the 119 tons from last year for a total reduction of 230 tons of CO₂.



NX-200/300

On-Board Devices

KENWOOD The XR-1S digital amp is 25.1% more compact than the previous model, and the XR-4S digital amp is 17% more compact than the previous model (see photo on right). Both amps are intended for the non-Japanese market. The 2DIN DVD-Receiver DDX8024BT for the non-Japanese market (see photo on left) is 4.5% more compact than the previous model. According to CO₂ calculations, the three models reduce CO₂ by a total of 59 tons annually. From FY2008, we have been involved in reducing operating power consumption, including the increases of the future eco-car, and so are contributing to preventing global warming.



DDX8024BT



XR-1S, XR-4S

Digital Amp KAF-A55 (Prodino)

KENWOOD Reduces operating power consumption by 77% compared to the 2007 analog amp model. This reduces the amount of CO₂ by 66.6 tons annually. Further, the analog amp model UD-E77WSD (see photo on right) also achieves reductions of approx. 5.5% compared to the FY2007 UD-A77 model for operating power consumption, so CO₂ is reduced by approx. 10.5 tons annually.



KAF-A55



UD-E77WSD

Promotion of Global Chemicals Management

Conformity to REACH Regulations*1

New regulations concerning chemical management came into effect in Europe in 2007. To conform to these regulations, the JVC Kenwood Group published its "JVC Kenwood Group Green Procurement Guidelines Version 1" in October 2008, which is used at meetings to instruct trading partners how to conform to REACH standards. The REACH regulations were enacted to disclose the chemicals that impact the environment that are present in products and materials and to require manufacturers to report to the European authorities and inform consumers and customers about designated chemicals that are present in their products.

Creating Communication Systems in the Supply Chain and Sharing Information

With the REACH regulations, the number of chemicals subject to control has greatly increased compared to the RoHS directive*2, and full management and information transmission on chemicals will become even more

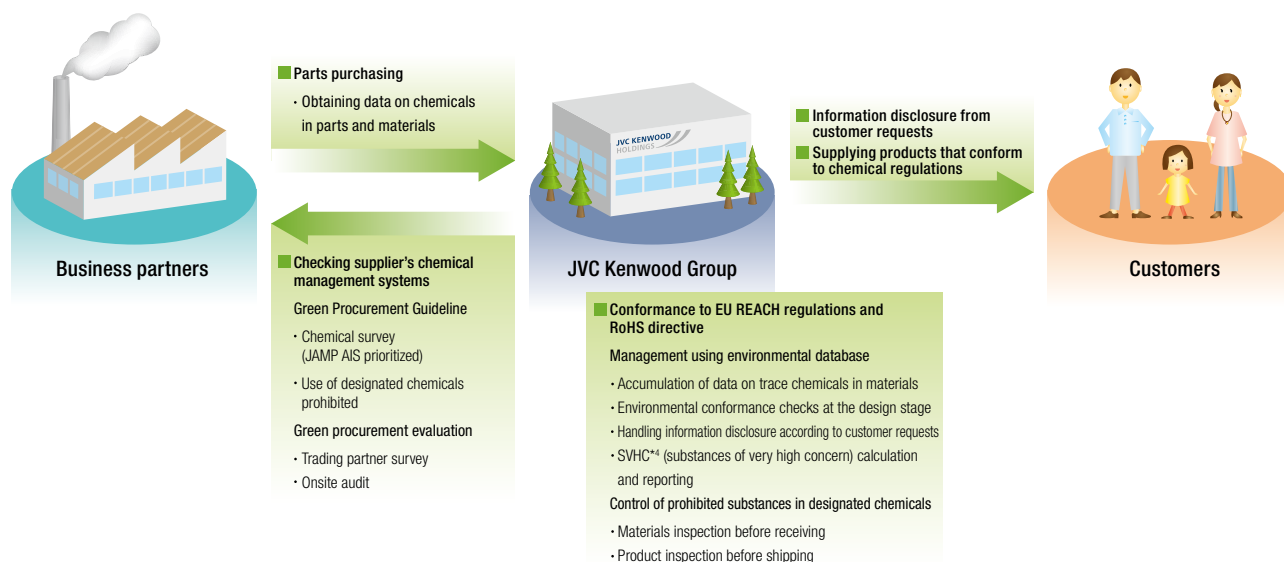
important throughout the entire supply chain. Here, the JVC Kenwood Group is involved in activities to promote the notification of chemical information within the supply chain by participating in JAMP*3.

Further, in the belief that promoting conformance to REACH regulations together with trading partners in a spirit of mutual dependence and prosperity is indispensable, we periodically check the trading partners' chemical management systems and conduct audits as necessary.

Global Chemical Management

To fully comply with the regulations for chemicals in various different countries, such as the REACH regulations, it is necessary to know exactly which chemicals are in the parts and materials that are used in our products. To do this, we have created a new environmental database to check all the chemicals that are used from design to delivery.

In this way, we can continue to supply products that the customer can use safely.



*1 REACH regulations Registration Evaluation Authorization and Restriction of Chemicals Law for controlling chemicals in the EU determined by EC regulation No. 1907/2007.

*2 RoHS directive: Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Restrictions in harmful substances implemented by the European Union (EU) to limit the use of six substances: lead, mercury, cadmium, chromium (VI), PBB (polybrominated biphenyl), and PBDE (polybrominated diphenyl ethers) used in consumer electrical and electronic products effective July 2006

*3 JAMP : Joint Article Management Promotion-consortium A conference that aims to spread specific mechanisms for the smooth disclosure and transmission within the supply chain of the suitable management of chemical information, contained in articles.

*4 SVHC; (Substances of Very High Concern) Substances of very high concern include CMR (carcinogenic, mutagenic, or toxic to reproduction), PBT (persistent, bioaccumulative, and toxic), vPvB (very persistent and very bioaccumulative), and endocrine disrupting chemicals (environmental hormones).

Product Recycling (in Japan)

Japanese Recycling Activities

The JVC Kenwood Group is actively promoting recycling based on the home appliance recycling laws, which target JVC Kenwood products in Japan, the container and packaging recycling laws, and the laws that promote the effective use of resources.

Japanese Home Appliance Recycling Laws

We participate in Group A as part of the recycling system scheme. Based on our relationship with consumers, retailers (local government), and manufacturers, we are able to protect the Earth's limited resources by reusing them. The FY2008 results for the numbers of televisions reprocessed into products increased 1.7 times that of FY2001.



The reprocessing rate under the law was 55%, but due to the increase in plastic recycling, we were able to recover 84% of the total collected weight in materials.

Container and Packaging Recycling

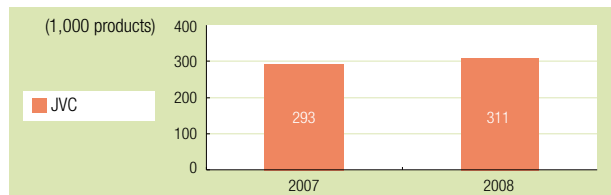
The container and packaging recycling law was enacted in April 2000, and the JVC Kenwood Group calculates the prospective plastic, container and packaging waste used in Japan as a designated business, and signs a "reuse contract" every year with the Japan Containers and Packaging Recycling Association. To reduce excess emissions, we are using 3R designs to reduce the size and weight of packaging materials.

Compact Rechargeable Battery Recycling

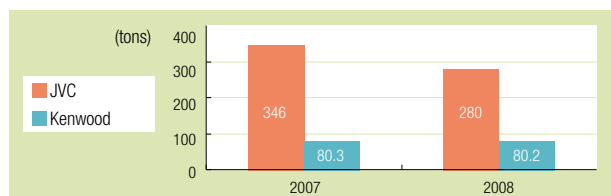
The JVC Kenwood Group has signed a contract with a limited liability intermediary, JBRC, which was established by the Battery Association of Japan based on the "Law for Promotion of Effective Utilization of Resources," which was enacted in 2001. We are now promoting the recovery and recycling of used compact rechargeable batteries for which reuse is obligated by law as a designated resource product. The legally-designated recycling rates are NiCad 60%, NiMH 55%, lithium ion 30%, and compact sealed lead 50%, and these were all cleared.



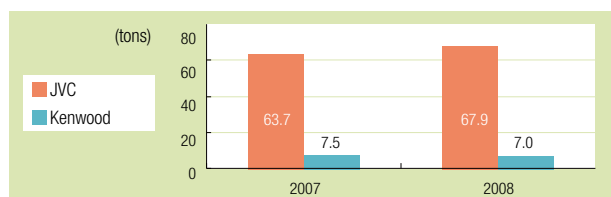
Japanese Television Recycling Results: No. of Recycled JVC TVs



Japanese Container and Packaging Recycling Results



Japanese Rechargeable Battery Recycling Results



3R Design

Lowering the overall weight of products, reducing volume, and eliminating the number of parts does more than just save resources, it also reduces the CO₂ needed for shipping. The JVC Kenwood Group is using 3R designs to focus on reducing the number of parts, materials used, and weight.

We have reduced the number of parts in JVC LCD TVs by 45% and the materials used by 18% by weight. This reduces CO₂ produced during shipping by 32%.

Results of Using 3R Designs for JVC LCD TVs

	Main unit weight	LCD panel	Plastic	Metal parts	Number of parts
Existing LCD TVs	28.6 kg	11.5 kg	5.8 kg	5.4 kg	3528 parts
JVC LCD TVs	23.5 kg	12.0 kg	3.5 kg	2.1 kg	1952 parts
Reduction Rate	△18%	+4%	△40%	△61%	△45%

Product Recycling (Outside Japan)

EU and USA Recycling Activities

In addition to recycling efforts in Japan, the JVC Kenwood Group is recycling according to the Waste Electrical and Electronic Equipment directive (WEEE) in Europe, and laws for disposal of waste home appliances which are spreading throughout the USA. TVs and AV equipment, which are JVC Kenwood Group products subject to these laws, are designed based on the 3Rs to reduce the number of parts comprising the product and make recycling easier.

We are applying 3R designs for a total optimization that takes into account environmental risks and recycling costs as well as the recycling and recovery rates established by the WEEE directive and other laws.

European WEEE Recycling Conformance



JVC National Recycling Scheme

- France: Echo-Logic
- UK: REPIC
- Italy: Consorzio Re.media
- Germany: e-back

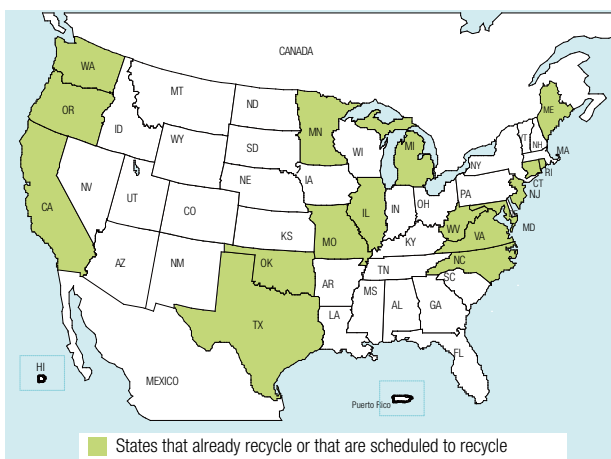
Kenwood National Recycling Scheme

- France: Echo-Logic
- UK: Transform
- Italy: Consorzio Re.media
- Germany: Ecology Net Europe

Outline of the WEEE (Waste Electrical and Electronic Equipment) Directive

- Enforced since August 13, 2005
- Applies to 10 large and small home electrical appliances, etc.
- Recycle rate: 65% min.
- Recovery rate: 75% min.

US Recycling Conformance by State



Note: Recycling laws had been established in approx. 8 states and 1 city by the end of 2008 (Source: Japan Machinery Center for Trade and Investment survey)

Involvement in Waste Home Appliance Laws by State

JVC currently supports recycling in several states as a member of MRM* which is expanding nationwide.

Note: MRM is the Electronics Manufacturers Recycling Management Company, and is a company founded by Panasonic, Sharp, and Toshiba.

Kenwood conforms to the recycling laws in California and other states.

Involvement in Mercury Regulation

We report to IMERC (Interstate Mercury Education & Reduction Clearinghouse), and label products and packaging, etc.

Making Our Offices Green

Global Warming Countermeasures

The JVC Kenwood Group is actively involved in preventing global warming to fulfill our social responsibilities as a “green company.” Each and every one of our employees is busy reducing greenhouse gasses in small ways, such as turning off lights at lunch, turning off computer monitors when away from desks, and using our building management systems. We are also continuing to work on “Team Minus 6%” as part of these activities.



Participation in the Light Down Campaign

On the evening of July 7 we invited our employees and their families to turn off their lights and join in the “Tanabata Lights Down” campaign. We turned off all our office billboard lights for two hours from 8:00 to 10:00 pm to help stop global warming.



Families of Employees who Participated in the “Tanabata Light Down”

CoolBiz and WarmBiz

“Cool biz” in the summer and “warm biz” in the winter have been rolled out at Japanese production centers and offices as seasonal activities to prevent global warming. A temperature manager is assigned to adjust the air conditioners, keeping them at 28°C in the summer and 20°C in the winter. All employees are urged to take part through our intranet and posters, suggesting “no neckties” and to use “natural air conditioning” in the summer, and to wear “suitably warm clothing” in the winter.



“Cool biz” poster on display in a factory

Energy-Saving Patrols

We participate in a system of energy-saving patrols that were created with local businesses. By visiting the facilities of nearby companies we can learn about and apply their good points. We are focusing on finding waste at facilities that use large amounts of electricity so we can reduce CO₂ emissions.

Introducing Building Management Systems

Our building management system makes the amount of power used by employees visible, which raises their awareness of consumption and the reduction of CO₂ emissions. Central air conditioning systems control individual AC units throughout the building and monitor detailed power usage on each floor in real time using a 24-hour power monitoring system that supplies the optimum amount of power to each floor. (Techno Wing Building)



Power monitoring system



Eco Cute hot water supply

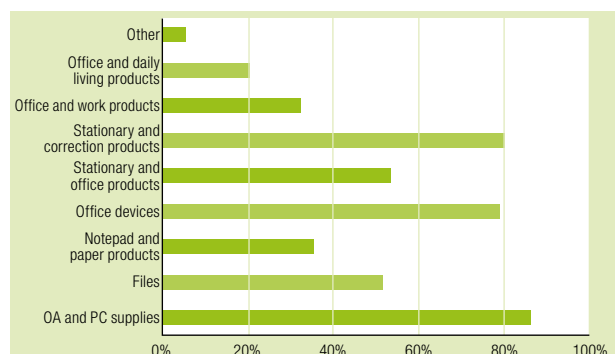


Intensive air condition control system

Green Procurement of Office Supplies

In our offices, we are proactively “buying green” by purchasing environmentally-friendly stationery, office supplies, office equipment, and other supplies. Staff in charge of procurement use the office supply purchasing system on the Internet and order and purchase products designated as ecologically or environmentally friendly. These include products with the Eco or Green Marks, or those designated as complying with the Law on Promoting Green Purchasing. Also, we send reports on the status of green purchasing to the staff in charge of procurement to increase our rate of usage.

Green Purchasing Status



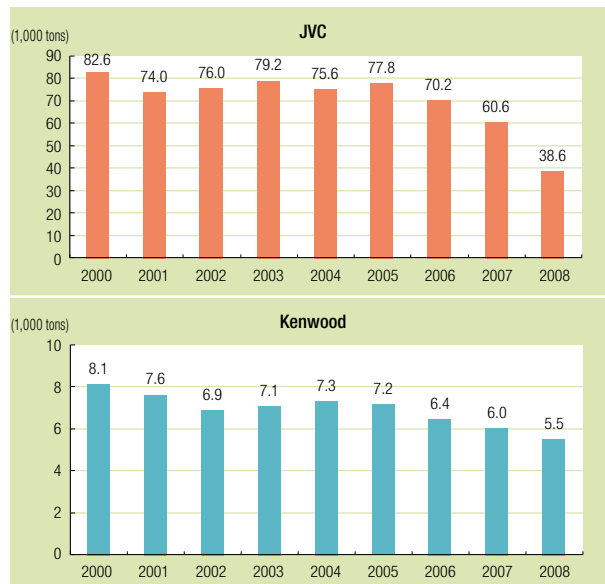
CO₂ Reduction Activities

Energy-Saving Activities

The JVC Kenwood Group is continuing to reduce greenhouse gasses based on a voluntary environmental protection plan. We reduced CO₂ emissions in Japanese production sites and manufacturing companies in FY2008 to 48.6% compared to FY2000. This is due in great part to the changes in our business style, but it is also due to the efforts of each plant and office.

The JVC Kenwood Group is not saving energy just to reduce CO₂, we are implementing measures to continue reducing other greenhouse gasses as well.

CO₂ Emission Trends in Production Sites and Companies in Japan



Involvement in Green Logistics

Minimizing Product Packaging

Protective packaging materials have fixed standards to protect the product against vibration and the shock of falling that may occur during shipping. We are using common sense to minimize packaging while maintaining these standards. Minimizing packaging not only saves resources and creates compactness. It also improves palletizing, and improves shipping efficiency, which is effective in reducing CO₂ emissions.



Studying Efficient Logistics

Products shipped from manufacturers outside Japan are controlled to reduce the number of containers by streamlining container loading which helps to reduce CO₂. The JVC Kenwood Group is improving logistics efficiency by increasing loading efficiency and shipping efficiency.



Efficiently-loaded container

Protection and Effective Use of Resources

Reducing Waste through "Zero Emissions"

Many of the production sites, companies, and offices within the JVC Kenwood Group have achieved zero waste emissions.* We will continue in the future with zero emissions through the thorough separation and recycling of waste materials.

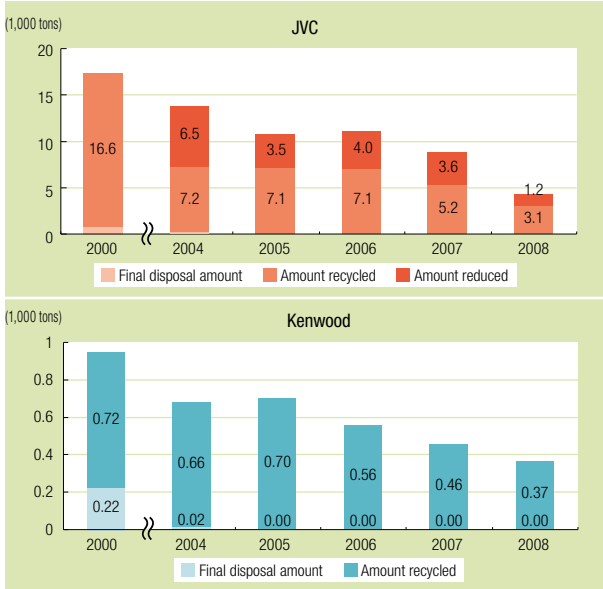
* Zero emissions: An idea proposed by the United Nations University in 1994, to "minimize the impact of humans on the natural environment, and to use the Earth's limited resources completely and efficiently"; the JVC Kenwood Group is involved in defining the final amount of waste materials as 1.0% maximum of the total generated.

Waste Reduction Activities

Production sites and companies in Japan reduced waste by an incredible 54% compared to the previous year. This is 27.2% of the waste produced in 2000. The reduction of waste over the past five years has been very successful. This is mainly because operations that produce large amounts of waste acids and alkalis were reduced in the reorganization of operations. While the drop in production in Japan has contributed to this, all the plants have reduced the amount of waste that is produced. As a result of waste reduction activities throughout the year, we have maintained a recycling rate of 99.8% and continue with zero emissions. We have succeeded overseas in the same way over the last five years by reducing the number of

plants and lower production volumes.

Annual Trends in Waste Generated by Production Sites and Companies in Japan



Note: Kenwood's Japanese production companies do not have any production processes that require reduction.

Breakdown and Composition of Waste (in Japan)

Paper and plastic accounts for a large proportion of the waste produced by the JVC Kenwood Group because its main business is manufacturing electric products. These two types of waste are being recycled.

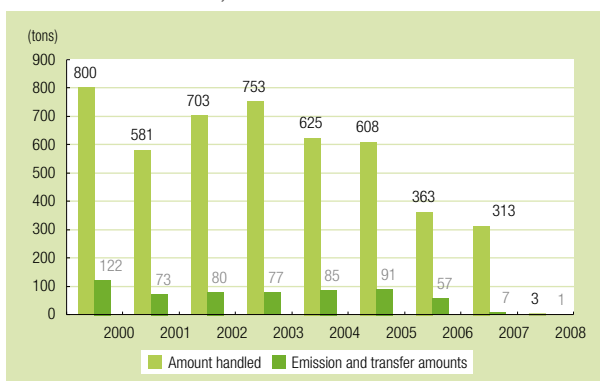
FY2008 Waste classification	JVC		Kenwood	
	Amount created(tons)	Composition ratio(%)	Amount created(tons)	Composition ratio(%)
Dirt (inorganic, organic, mixed)	557	13.1	0	0.0
Paper and wood waste	1,932	45.4	156	42.8
Waste plastic	1,169	27.5	76	20.8
Waste liquids (waste oils, acids, and alkalis)	177	4.2	1	0.1
Metal filings (ferrous and non-ferrous)	329	7.7	64	17.6
Other (animal and vegetable residue, etc.)	91	2.1	68	18.5
Total	4,256	100.0	365	100.0

Reducing Materials That Impact the Environment

Managing PRTR Chemicals

The amount of Pollutant Release and Transfer Register (PRTR) chemicals handled by the JVC Kenwood Group has continued to fall since 2003. The amount handled in FY2008 was greatly reduced by 0.9% compared to the previous year, and the discharged and transferred amounts by 12.9%. The Japanese production sites and companies that handle more than a ton of these materials have been reduced to one site, and the only material handled is nickel. This is because the JVC Kenwood Group gave up control of production of printed boards and blank media when business operations were revamped.

JVC Kenwood Group: Total Amounts, and Emission and Transmission Amounts, of PRTR Chemicals

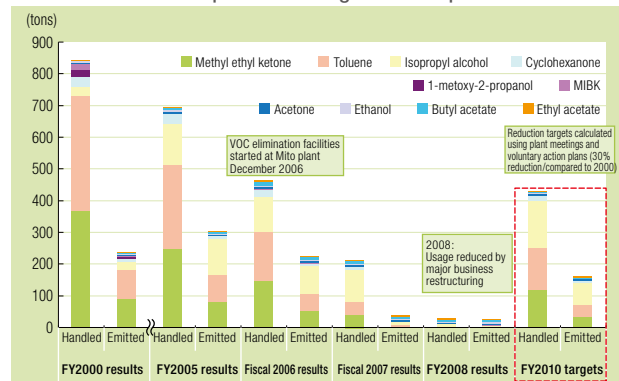


Plans for Suppressing VOC Emissions into the Atmosphere

To reduce emissions of VOC into the atmosphere, the JVC Kenwood Group is participating with electric and electronic industrial organizations in voluntary activities to suppress the emission of VOCs.

The table shows the results since FY2005, using FY2000 as a baseline, and the reduction targets for FY2010. The amount of VOCs handled and emitted into the atmosphere is extremely small because we limited their use to trace amounts for testing and experiments. Similar to PRTR chemicals, VOCs are used for blank media operations, which no longer appears in the totals. However, the total is still lower than last year, even if they are added to the totals.

JVC Kenwood Group VOC Handling and Atmospheric Emissions



Reducing Environmental Risks

Cleaning Ground Pollutants

In FY2008, JVC surveyed the pollution of the aquifers at 11 sites under factories and offices owned by the company. As a result of the investigation, perchloroethylene and fluorine pollution was confirmed at one site. As well as reporting this fact to the Yokohama Environment Agency, we implemented a cleanup with administrative involvement under instructions regarding cleanup countermeasures. The cleanup results were reported, as well as being verified by Yokohama city. The photo shows the cleanup of the perchloroethylene and fluorine.



Ground pollutant cleanup

airborne asbestos. Further, we are involved in the removal of building materials containing non-spatter type asbestos as conforms to the laws applying to disassembly and removal. The photo shows sampling being done for airborne materials in a JVC Hachioji plant shed. Testing showed no asbestos was detected.



Asbestos examination

PCB Management and Countermeasures

To avoid environmental risk, electrical devices containing PCBs are collected and managed at four sites: JVC Head Office, Yamato plants, Kenwood Hachioji office and Kenwood Devices (Yorii). Specialist storage rooms have been configured to prevent PCB leaks to the outside. Electrical devices containing PCBs continue to be managed carefully until safely processed by the Tokyo facility of the Japan Environmental Safety Corporation (JESCO).



PCB storage shed

Asbestos Reexamination and Countermeasures

A company-wide survey and implementation of countermeasures had already been completed regarding airborne asbestos, but due to the revision of the law strengthening the key concentrations in 2006, eight plants and company buildings were reexamined. No asbestos was found during the second examination. We will continue with further examinations for and countermeasures to

Environmental Accounting

The JVC Kenwood Group is making its management practices more transparent by publishing information and by introducing environmental accounting in line with the Environment Ministry's guidelines. Correctly identifying environmental maintenance costs and evaluating their effects is important when considering how to manage the environment and to make decisions about the future more precise.

Analyzing Environmental Maintenance Costs

Worldwide investment for environmental protection by the JVC Kenwood Group in FY 2008 totaled 53 million yen in new plants and equipment and 1,605 million yen in expenditures. This is a major reduction in capital investment compared to the previous year and it resulted in a 50% drop in effectiveness. A reduction in profits from recovering valuable materials from waste also shrunk the effectiveness. Total environmental protection costs have continued to shrink since 2007. This is due to the elimination and consolidation of production sites both in Japan and overseas. However, it is difficult to evaluate the cost/benefit ratio compared to last year because our business operations have changed dramatically. We will continue in the future to reduce our burden on the environment through appropriate management of costs to protect the environment.

Environmental maintenance costs:equipment investment and costs for environmental maintenance activities (Unit: Million yen)				JVC Kenwood Group	
Activity	Explanation	Equipment investment	Expenses	Total	
Business area costs	Pollution prevention	Costs and investment required to prevent air and water pollution	1.36	128.73	130.09
	Global environmental costs	Global warming prevention and ozone layer protection costs	29.09	59.53	88.62
	Resource cycle	Waste material reduction, recycling, and reuse costs, etc.	20.50	94.11	114.61
	Subtotal		50.95	282.36	333.31
Upstream and downstream costs	Eco product and green purchasing costs, waste home appliance countermeasures, and packaging and container recycling, etc.	2.30	446.31	448.61	
Management activities costs	Environmental management costs, ISO certification, maintenance, training, and staff costs	0.00	378.70	378.70	
R&D costs	Eco product development, energy conservation, and harmful chemicals replacement technology development costs	0.00	22.40	22.40	
Social activities costs	Amenities, contribution and support costs, and information publication, environmental advertising, and environmental exhibition costs	-	0.10	0.10	
Environmental damage costs	Soil pollution correction costs, reparations, fines, and other costs	0.00	474.68	474.68	
	Total		53.25	1,604.55	1,657.80

Reduction of electricity used and waste processing costs through environmental maintenance activities			
Classification		Sum (Unit: Million yen)	
		FY2008	Past cumulative total
Reduction	Energy conservation at plants	100.77	216.24
	Reduction of waste processing costs	0.53	7.80
	Reduction of water and sewer service costs	7.43	8.60
	Reduction of packing materials and logistics costs	1.00	1.00
Income	Profits from sales of recycled plant waste	133.33	
	Profits from sales of recycled products	0.02	
Total		243.08	366.99

Environmental accounting scope	
Period	April 1, 2008 to March 31, 2009
Total scope	JVC Kenwood Group Japanese production centers and companies (11 plants + 1 research center) Kenwood Hachioji Business Center, Kenwood Yokohama Business Center, JVC head office (Yokohama) Plant, JVC Yokosuka Plant, JVC Maebashi Plant, JVC Hachioji Plant, JVC Yamato Plant, Victor Creative Media Co., Ltd. Rinkan Plant, Victor Interior Furniture Co., Ltd., Kenwood Yamagata Corporation (Yamagata Plant), Kenwood Nagano Corporation (Nagano Plant), JVC Kurihama Technology Center
	Global Affiliated Manufacturing Companies (9 companies) JVC America Plant, JVC Mexico Plant, JVC Singapore Plant, JVC Malaysia Plant, JVC Thailand Plant, JVC Indonesia Plant, JVC Optical Components (Thailand), JVC Beijing Plant, JVC Vietnam

Reference guidelines: Ministry of the Environment "Environmental Accounting Guidelines, ver. 2005"

History of Environmental Activities

	JVC	Kenwood
1991	<ul style="list-style-type: none"> Environmental management section established 1st "Environment Board Meeting" held 	
1992	<ul style="list-style-type: none"> Product assessment activities started Basic environmental policy charter created JVC environmental logo created 	<ul style="list-style-type: none"> 1st "Environmental Task Committee" convened Environmentally-friendly "pulp mold" used in packing materials (First portable CD player in the industry)
1993	<ul style="list-style-type: none"> Phase I environmental voluntary plan created, and in-house environmental auditing started 	<ul style="list-style-type: none"> Involvement in NiCad battery recycling started
1994	<ul style="list-style-type: none"> Designated fluorine, etc., completely removed from production processes 	<ul style="list-style-type: none"> Ozone layer-destroying materials (designated fluorine) completely removed from plants
1995	<ul style="list-style-type: none"> In-house environmental audits (Japan) 	
1996	<ul style="list-style-type: none"> Basic environmental policy created (charter revised) Phase II environmental voluntary plan created 	
1997	<ul style="list-style-type: none"> Hachioji region ISO 14001 certification obtained (first in Japan) Dichloromethane in-house use completely abolished JIM (Mexico) ISO 14001 certification obtained (first outside Japan) 	<ul style="list-style-type: none"> Environmental management system promotional office established at the head office management headquarters
1998	<ul style="list-style-type: none"> Environmental headquarters established Product recycling project launched Green procurement guidelines created 	<ul style="list-style-type: none"> Two major Japanese offices, Hachioji and Yokohama, obtained ISO 14001 certification Nagano Plant obtained ISO 14001 certification
1999	<ul style="list-style-type: none"> 14 offices in Japan obtained ISO 14001 certification "Environmental report" published 	<ul style="list-style-type: none"> Malaysia Plant (KETM) obtained ISO 14001 certification Singapore Plant (KETS) obtained ISO 14001 certification Yamagata Plant obtained ISO 14001 certification
2000	<ul style="list-style-type: none"> Recycling promotion office established JVC Green Award system started Product assessment policies started 	<ul style="list-style-type: none"> Registered with the Japan Containers and Packaging Recycling Association as a business entity "Environmental Report 2000" published Kenwood environmental logo created Use of lead-free solder started with portable MD player and LMRs
2001	<ul style="list-style-type: none"> Recovery and recycling of used TVs started ISO 14001 certification obtained by Japanese business and service centers ISO 14001 certification of all production centers worldwide completed Registration of products conforming to green purchasing methods Project to promote the introduction of lead-free solder established Participation in the compact rechargeable battery recovery and reuse program 	<ul style="list-style-type: none"> Shanghai Plant (SKE) obtains ISO 14001 certification Registered with the Japan Portable Rechargeable Battery Recycling Center as a business entity Green procurement guidelines created
2002	<ul style="list-style-type: none"> Eco-Products 2002 exhibition 	<ul style="list-style-type: none"> Nagano Plant "zero emissions" achieved
2003	<ul style="list-style-type: none"> Green procurement standards created and explanatory meeting held Name changed to Environmental Business Report, and English version published Eco-Products 2003 exhibition 	<ul style="list-style-type: none"> Environmental promotion department established in the comprehensive business department "Environmental countermeasures conference" changed to "Kenwood environmental conference", and green product promotion conferences and environmental protection promotion conferences held Study begins for compliance with European environmental regulations (WEEE & RoHS)
2004	<ul style="list-style-type: none"> Awarded the 12th Yokohama environmental protection activities award Eco-Products 2004 exhibition Eco-Products international exhibition (Malaysia) 	<ul style="list-style-type: none"> "Environmental report 2004" transferred from paper medium to WWW.
2005	<ul style="list-style-type: none"> Basic environmental policies revised Eco-Products 2005 exhibition Eco-Products international exhibition (Thailand) 	<ul style="list-style-type: none"> France Plant (KEB) obtained ISO 14001 certification WEEE products recovery and recycling contract signed with Panasonic EU subsidiary ENE, and registered with the central WEEE registration body in Germany Lead-free solder is incorporated at all plants by end of October 2005 Preparation completed for compliance with European RoHS directive
2006	<ul style="list-style-type: none"> Eco-Products 2006 exhibition Eco-Products international exhibition (Singapore) 	<ul style="list-style-type: none"> Registered with "Team Minus 6%" Original poster created to develop "cool biz" activities company-wide All four Kenwood offices and plants in Japan attain "Zero Waste Emissions." This is reported in and outside the company.
2007	<ul style="list-style-type: none"> Left Panasonic Group Head Office Plant recognized with Yokohama Environmental Action Award "Excellent (Three-Star) Garbage Separation Office" 	<ul style="list-style-type: none"> Name changed from the Environmental Promotion Dept. to the Environmental & Social Contribution Department Revised Environmental Philosophy and Policies. Issued Environmental Action Plan, 1st edition "Social and Environmental Report" published Successfully renewed ISO 14001 certification for the third time Yokohama office recognized with Yokohama Environmental Action Award "Excellent (Three-Star) Garbage Separation Office"
2008	<ul style="list-style-type: none"> October: Business merger as JVC KENWOOD Holdings December: Eco-Products 2008 exhibition JVC Head Office Plant and Kenwood Yokohama Office recognized for the second consecutive year as "Excellent (Three-Star) Garbage Separation Office" for the Yokohama Environmental Action Award. 	



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