

Company Profile Section

JVCKENWOOD Report 2015

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Corporate Vision / Business Composition

Creating excitement and peace of mind for the people of the world.



[Disclaimer] Forward-looking statements and graphs contained in our documents are based on currently available information and therefore actual results may significantly differ from projected figures depending on various factors. Please do not make any material judgments based on the projections contained herein alone. Our core businesses deal with the rapidly changing electronics sector, and factors including technology, demand, price, competitive environment, changes in economic environment, exchange rate fluctuations and many other factors may adversely impact management results or the financial condition of the Company.

Overview of the JVCKENWOOD Group

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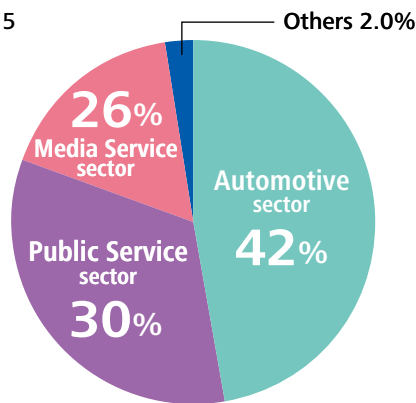
Management policy

- 1 Create excitement and peace of mind as a global manufacturer specializing in electronic and entertainment products.
- 2 Realize profitable growth by concentrating on strong business.
- 3 Be a company widely trusted by society.

Conduct guide

Every individual to take charge and strive for never ending reform.

■ Sales Composition for FYE 3/15



Production and Sales Structure

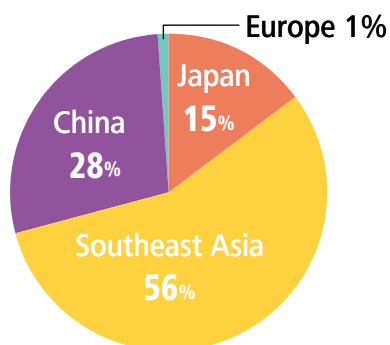
Production sites

8 sites in Japan, 6 sites in global
 The global production ratio is **85%**

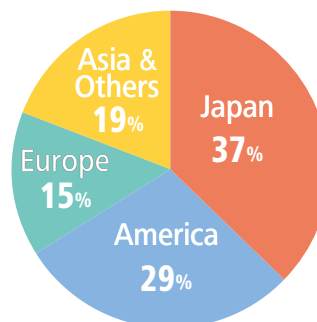
Overseas sales sites

20 sites
 The global sales ratio is **63%**

■ Production Composition by region (FYE 3/15)



■ Sales Composition by region (FYE 3/15)

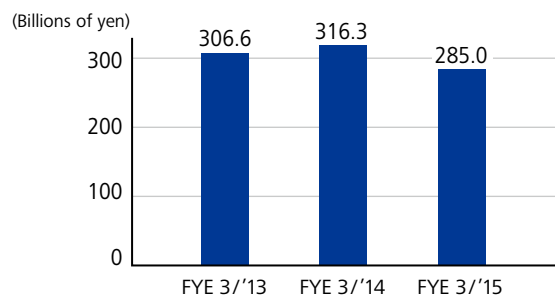


* Production sites, global sales sites as of July 1, 2015 * Global production ratio and sales ratio are based on FYE 3/15.

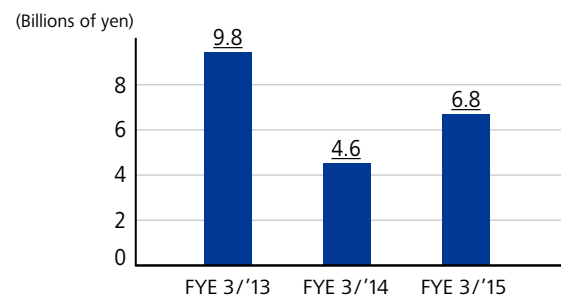
Financial Highlights

JVC KENWOOD Corporation and Consolidated Subsidiaries
Fiscal year ended March 31 2015

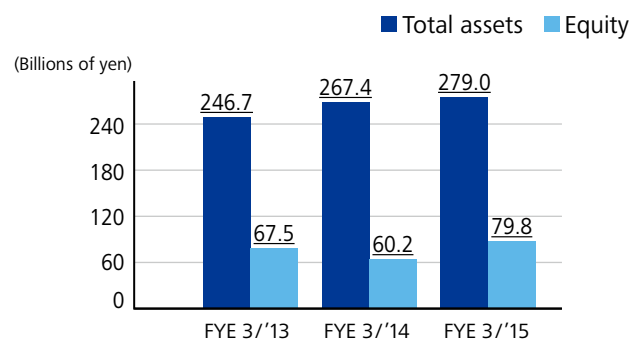
Net sales



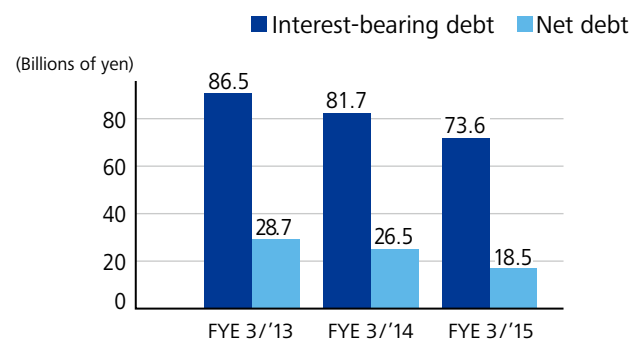
Operating income



Total assets / Equity



Interest-bearing debt / Net debt



	FYE 3/'13	FYE 3/'14	FYE 3/'15
Net sales	306,581	316,343	285,010
Operating income	9,761	4,592	6,757
Ordinary income (loss)	3,263	100	3,362
Net income (loss)	1,243	(6,450)	4,795
Total assets	246,735	267,380	279,041
Equity	67,518	60,224	79,762
Equity per share (yen)	475.19	375.89	521.57
Capital adequacy ratio (%) ^{*1}	26.6	19.4	25.8
Retained earnings	24,687	17,422	22,181
Interest-bearing debt	86,467	81,663	73,619
Net debt	28,706	26,473	18,542
Cash flows from operating activities	9,772	14,944	8,575
Cash flows from investing activities	(13,357)	(10,658)	(3,857)
Cash flows from financing activities	(8,609)	(9,582)	(7,515)
Number of employees	12,781	19,791	17,668 ^{*2}

*1 (Equity – Minority interests) ÷ Total assets

*2 The numbers of employees are decreased by 2,123 from the end of the previous fiscal year. This is due to employee reduction of overseas subsidiary factory.

Creating excitement and peace of mind for the people of the world.

As a global company group creating excitement and peace of mind for its customers, the JVCKENWOOD Group is working towards profitable growth and aiming to become a group trusted widely by society.

During the fiscal year ended March 2014, we faced difficulties, such as further weakening of the yen and shrinking of the home electronics market. To respond to such situations, we took measures, such as overall cost reform to counteract the effects of the weaker yen, revitalization of our mainstay overseas businesses and expansion of professional systems businesses through M&A and other means. Such efforts brought about positive results in the fiscal year ended March 2015, and we were able to resume dividend payments.

In view of the recent rapid weakening of the yen, shrinking of the consumer electronics market as a result of the rise of smartphones and changes in the external environment, such as innovation of digital and optical technologies, JVCKENWOOD developed "Vision 2020," a new mid- to long-term business plan with an eye towards the fiscal year ending March 2021, and started taking measures in accordance with the plan.

Under the "Vision 2020," the JVCKENWOOD Group has set return on equity (ROE) as its principal management indicator and is promoting reform of management by shifting its focus to fields where it can capitalize on its strengths. At the same time, we will integrate its technological assets and go from being a traditional manufacturing and sales company which develops, manufactures and sells products, to being a company that creates customer value by providing solutions to problems of its customers. In order to achieve it, JVCKENWOOD changed its organizational structure according to the customers' industry, aiming to significantly drive the growth of the automotive sector, which forms "growth-leading businesses," supported by cash flows generated by the public services sector and the media services sector, which form "profit-base businesses." We thus established new "shape of the company" under the new management team approved by the 7th General Meeting of Shareholders.

Under the new approach of the Company, we are determined to carry out various measures and boldly execute new growth strategy, such as commercialization of next-generation businesses, to take a great leap forward in the future.

We aim to become a corporate group that is widely trusted by society

We believe that it is critical for a company to meet the expectations of various stakeholders, earn the trust of society, and continue contributing to society in order to achieve sustainable growth in society.

As well as targeting profitable growth, the JVCKENWOOD Group contributes to communities by improving the quality of all corporate activities related to our products and services, strengthening competitiveness, and conducting business activities that leverage our strengths, in order to become a corporation trusted by all stakeholders, including consumers and corporate clients.

At the same time, we will promote community-based social contribution activities and environmental protection activities for the coming generations.

The JVCKENWOOD Group will further enhance its crisis management system, drawing on experience of the Great East Japan Earthquakes and floods in Thailand, and reinforce measures against various risks and organization-wide initiatives for business continuity.

Thank you for your understanding and support.

July 2015

Takao Tsuji
President and COO



Haruo Kawahara
Chairman and CEO

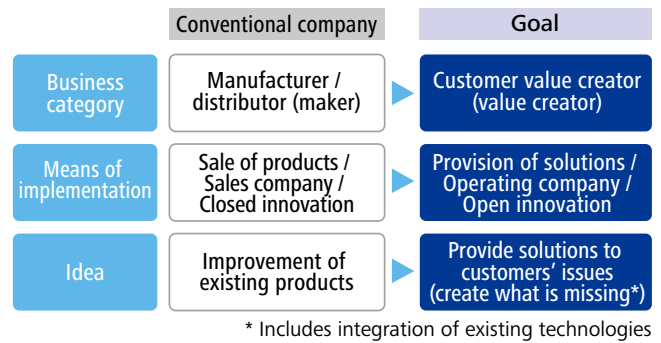


“Vision 2020,” Mid- to Long-term Business Plan

There have been structural changes in the external environment, such as the rapid depreciation of the yen; a shrinking consumer electronics market due to the widespread use of smartphones; and innovations in digital and optical technologies such as clouds and big data. In view of these, JVCKENWOOD has renovated the mid-term business plan up to fiscal year 2015, which was announced on November 30, 2012, and developed a new mid- to long-term business plan, “Vision 2020,” focusing on fiscal year 2020

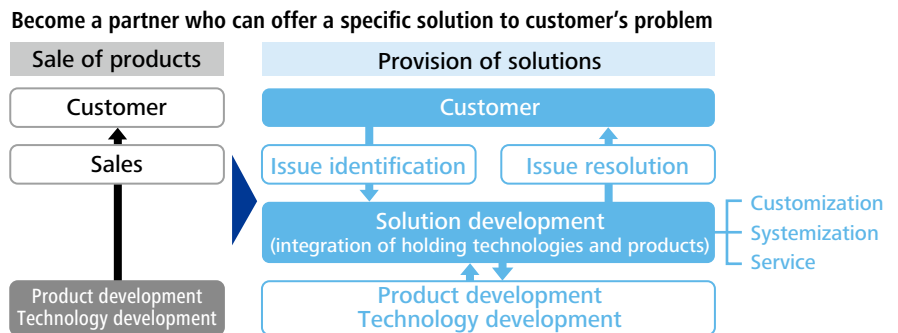
Evolution into a company capable of creating customer value ~ Long-term vision for 2020 ~

JVCKENWOOD is to take a step forward and go from being a traditional manufacturing and sales company to being a company that creates customer value by providing solutions to their problems through focusing on the following initiatives.



From a product vendor to a solution provider

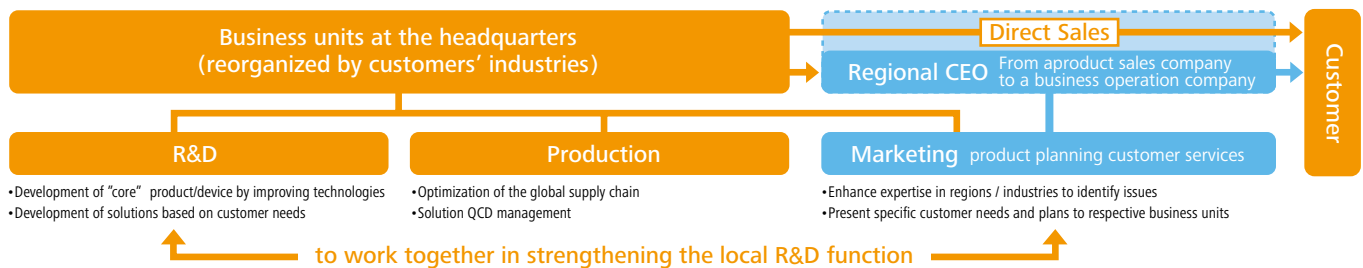
JVCKENWOOD will revise existing business operations focusing on product development under an operating unit system. Instead, it aims to become a partner for individual customers, an organization which can deeply understand their problems and provide individual and specific solutions by employing management methods led by the market and customers, and which can also respond to expansion of B-to-B businesses.



From product sales companies to business operation companies

Direct sales businesses are expanding based on dialogues between business units at the headquarters and customers in growing businesses such as those with factory-installed option products in the automotive sector and system business for industrial wireless communication. In response to such a trend, JVCKENWOOD will

restructure the business units at the headquarters according to the customers' industry and will broaden the roles of individual regional CEOs and sales companies to be able to provide functions for product planning and marketing, and support for customer services in the direct sales businesses.

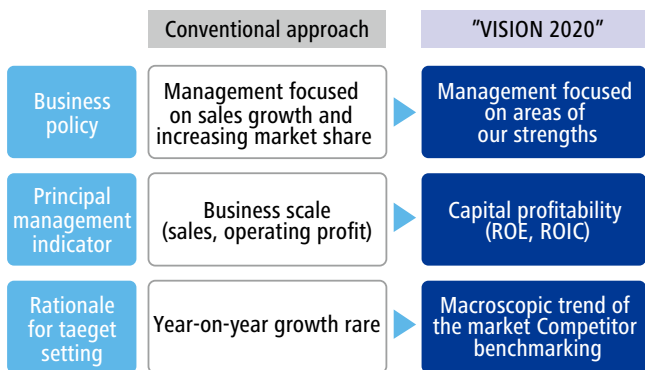


From closed innovation to open innovation

For prompt commercialization of the next-generation businesses currently under development, JVCKENWOOD will use its internal resources for intensive investments in areas such as digital cockpits

and B-to-B broadband wireless, while closely cooperating with outside partners that include venture companies to accelerate development of a solution-oriented model.

Management Policy ~ Toward management that focuses on areas of our strengths ~

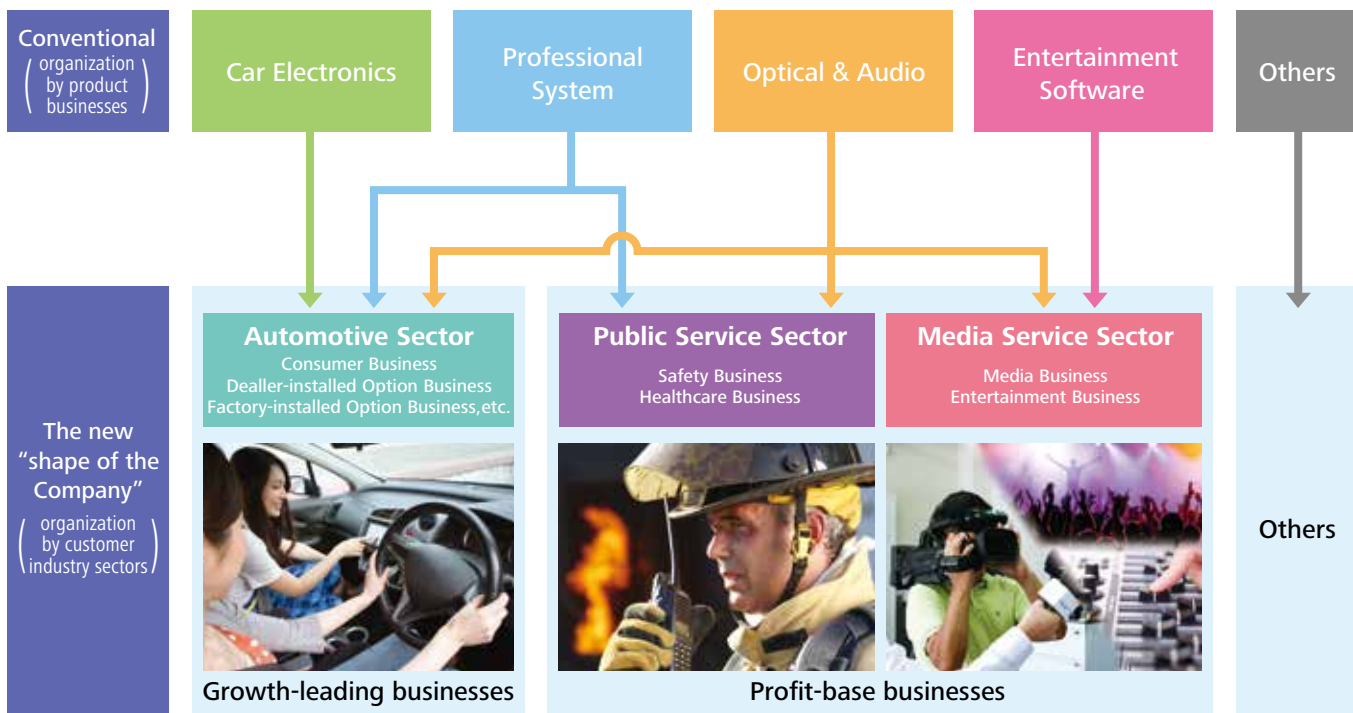


Under "Vision 2020" JVCKENWOOD is promoting its businesses, spotlighting fields where it can capitalize its strengths, by carrying out performance evaluations and business portfolio management using return on equity (ROE*1) as a major business indicator and return on invested capital (ROIC*2) as an internal management indicator.

*1 Return On Equity *2 Return On Invested Capital

New "Shape of the company" ~Reorganization~

In order to build a new "shape of the company," the previous four business segments—Car Electronics, Professional Systems, Optical and Audio, and Software & Entertainment—will be reorganized into three sectors based on customers' industries—Automotive sector, as "growth-leading businesses," and Public Services and Media Services sectors, as "profit-base businesses."

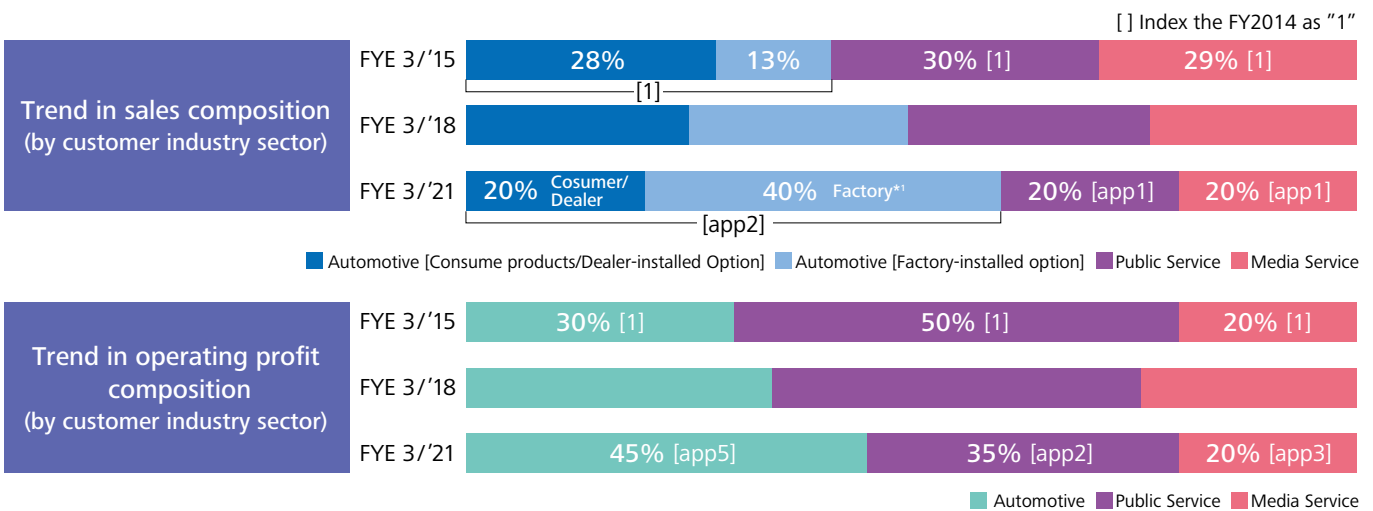


To achieve the high ROE ~Business portfolio~

Business portfolio

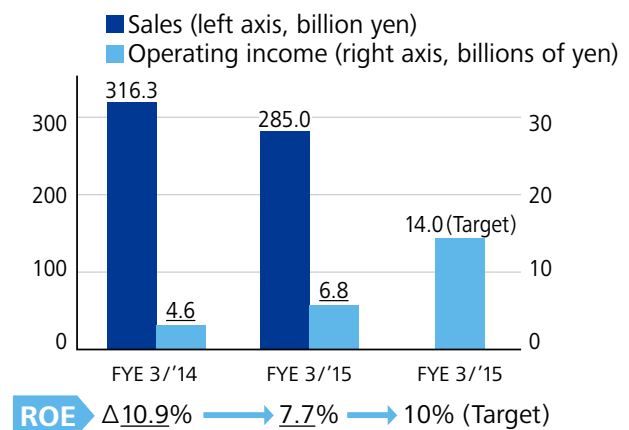
Stable profit generated by “profit-base businesses,” such as Public Services and Media Services sectors, will support investments for growth in “growth-leading businesses,” Automotive sector.

As a result, in the long-term, Automotive sector will contribute approximately half of the profit, supported by Public Services and Media Services sectors, thereby transforming into a business structure which will enable JVCKENWOOD to realize significant profit growth.



Mid-term targets for fiscal year 2017 (FYE 3/'18)

- Consolidated operating income is to achieve 14 billion yen. ROE ratio is to achieve 10%.
- Aim to achieve this figure by turning businesses necessary to improve their profitability into profitable and commercializing next-generation businesses, supported by “profit-base businesses.”



Investment and financial strategy

Investment will be overweighed in the Automotive sector as a “growth-leading business.” Also an optimal capital structure will be pursued to improve capital profitability, keeping in mind the need for a balance between reducing net interest-bearing debt and investing in “growth-leading businesses.” For dividends,

a target dividend payout ratio on a consolidated basis will be 30%, considering the balance between a stable shareholder return and the need to ensure investment funds for “growth-leading businesses.”

Mid-term strategy toward fiscal year 2017 ~Fundamental policies for each market and business~

Market strategy

Looking toward fiscal year 2017, based on the above-mentioned long-term vision and management policy, JVCKENWOOD will re-focus on developed countries and pursue an aggressive approach to growth in emerging economies. It will do this because it recognizes that there is still a lot of room to create customer value in both developed countries and emerging economies. At the same time, it will integrate its strengths in order to create new demand in next-generation business areas as a further step in the business strategy.

Regarding markets in developed countries, JVCKENWOOD will rebuild the industry structure as a solution provider of the automotive sector and develop potential demand in Public Services and Media Services sectors.

Regarding markets in emerging economies, JVCKENWOOD aims to break away from low-price competition and continue to develop markets in collaboration with customers, based on firm relationships with them that have been established in developed countries.

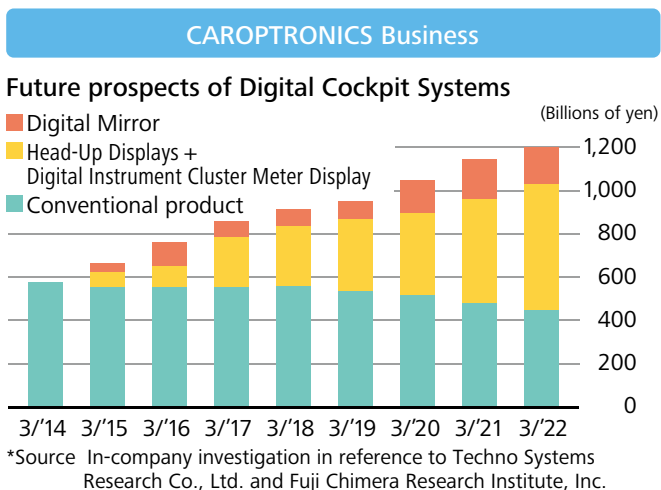
Business strategy

Aim to achieve this figure by turning businesses necessary to improve their profitability and commercializing next-generation businesses, supported by "profit-base businesses."

JVCKENWOOD considers Automotive sector as one containing "growth-leading businesses," and will work to expand market shares of consumer business and accelerate growth in the dealer-installed option business. Regarding Public Services and Media Services sectors as "profit-leading businesses," JVCKENWOOD will get involved in the total professional radio system business centering on professional digital radio equipment. In addition, JVCKENWOOD will make a full-scale entry into the pathology market in healthcare area and the next-generation content creation (professional camera)

and imaging device business, expand into the entertainment business for professional purposes, and thus diversify its profit-generation model.

At the same time, JVCKENWOOD needs to manage businesses necessary to improve their profitability, such as radio system business in the US, factory-installed option business, and imaging device business. It is also making an advance investment in the next-generation businesses, such as CAROPTRONICS systems, professional broadband radio system, and healthcare business. JVCKENWOOD aims to achieve the mid-term target by turning the businesses into profitable and commercializing the next-generation businesses.



[CES2015]



Show car(based on McLaren 650S Spider)



Digital Cockpit Systems



Business Highlights

Creation of solutions in the Automotive Sector: Digital Cockpit System

From Car Electronics to CAROPTRONICS*1

At JVCKENWOOD, we have created a new business area called CAROPTRONICS, which combines our technological advantages in Car Electronics and Optronics. It enjoys a major share of the Car Electronics market in Europe and the United States, with its car navigation, car audio, and in-car camera products, etc. JVCKENWOOD has led the Optronics market for a long time with its video cameras, while its high-definition projectors are also highly evaluated in the professional market. In July 2013, we set up the Commercialization Task Force for i-ADAS*2. Through this Task Force, JVCKENWOOD provides a consistent DiCI (Digital Cluster Information) system that processes incoming information for transmission to drivers, including sensing devices such as cameras and sensors, ECUs (electronic control units) that integrate and control the operation of sensing devices, and driver interfaces such as high-definition head-up displays (HUDs) that process information to drivers to facilitate driver safety and safe driving, electronic mirrors and electronic meters. JVCKENWOOD has positioned DiCI systems as its next-generation growth area, and is making proposals to automakers and parts makers and conducting joint technical development in this area.

*1 Named by JVCKENWOOD for in-car devices using opto-electronics technologies.

*2 i-ADAS is a trademark of JVCKENWOOD and means an innovative Advanced Driver Assistance System.



Showcased a show car equipped with advanced Digital Cockpit System at electronics shows in Europe and the United States

JVCKENWOOD showcased a concept vehicle with Digital Cockpit System specially designed for McLaren 650S Spider luxury sports car in collaboration with McLaren Automotive in the U.K. at 2015 International CES, held in Las Vegas, U.S. in January 2015 and IFA2015, held in Berlin, Germany in September 2015. The show car enabled visitors to experience our critical technologies in the actual driver's seat, such as high-definition HUD, electronic mirrors and electronic meters and camera system that provides clear visibility of 360° surrounding the vehicle from a bird's eye view.

With the completion of the concept model of the Digital Cockpit System installed in the McLaren 650S Spider, commercialization of innovative driver assistance systems has come closer to reality through a combination of this concept model and JVCKENWOOD's Infotainment Systems, including car navigation systems for which JVCKENWOOD is famous around the world. With the diffusion of these innovative driver assistance systems among road vehicles manufactured by various automakers, JVCKENWOOD aims to achieve a motorized society characterized by safety and peace of mind.

Future initiatives

The market for CAROPTRONICS devices is forecast to grow to exceed 1 trillion yen in 2020. In this market, JVCKENWOOD will fully leverage its strengths as a specialized manufacturer that owns various core technologies comprehensively and seek

further promotion of development and early commercialization of such technologies to build its third pillar of CAROPTRONICS products following car audio and car navigation systems.

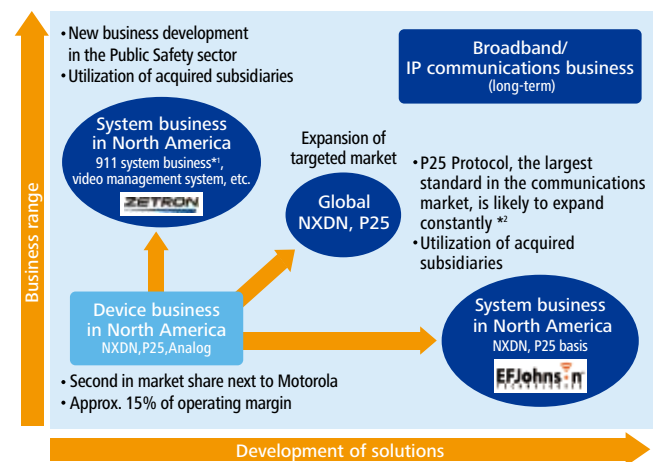
Developing solutions for the Public Service Sector : Professional digital radio systems

Shifting from a terminal business to a system business

By capturing the market trend from analogue to digital, JVCKENWOOD is developing and selling professional digital radio devices and systems compatible with various digital radio standards in the world. For the business and industry market where customers mainly require small and medium-sized digital radio systems, we launched the NEXEDGE® series of professional digital radio systems and achieved a good track record and high evaluation. In addition, we launched new network solutions at the end of 2014 and advanced the NEXEDGE® network system significantly.

The public safety segment accounts for the largest portion of JVCKENWOOD's sales in North America, the world's largest market for the communication systems business. Here, we proposed digital radio devices compatible with P25 protocol for the U.S. public safety market of EF Johnson Technologies, Inc., which became our subsidiary in March 2014, as well as infrastructure systems including base stations as total systems. In addition, we released the NX-5000 series that feature NEXEDGE® and P25 in a single platform in September 2014. With these, we are strengthening our presence in the public safety market.

Further, JVCKENWOOD is accelerating business expansion by increasing sales of communication systems that use the network system offered by Zetron, Inc., which became its subsidiary in May 2007.



*1 Annual growth rate: 6% (from 2014 to 2018)

*2 Communications system for emergency communication with police, fire department and local government

Changing needs in professional land mobile radio systems

With demand for faster and more accurate transmission of information, there has been an increasing need for a professional broadband radio system in recent years. This is because such a system enables the transmission of images and video through 3G or 4G (LTE) lines of broadband connections, replacing conventional narrowband devices centered on those for voice communications.

With a professional broadband radio system, firefighters at a fire department will become able to promptly send images of a fire and speed up firefighting activities. Meanwhile, emergency medical staff at an emergency site will be able to send images of a patient's condition and biological information to a hospital in advance to facilitate smooth acceptance of patients. The system will also be able to help police accurately transmit information on criminals being tracked and on license plates of vehicles being monitored.

JVCKENWOOD's solid performance in broadband systems

In the development of broadband professional radio systems, JVCKENWOOD concluded a business alliance contract regarding joint development with AIRBUS DEFENCE AND SPACE (headquartered in France) of the AIRBUS Group, a major aerospace company, and launched the Broadband Taskforce in August 2013, in order to promote product development that meets digital radio standards.

JVCKENWOOD will also work to develop the IP communications systems market, mainly targeting taxis, buses and disaster-prevention radio systems, with an eye on expanding the market for IP communication systems that use commercial broadband (LTE) connections.

Outline of Business

Automotive Sector

Business sales ratio **42%**

Consumer Business



"Saisoku" AV Navigation for Japan



Display Audio Systems for global market "except JPN"



Audio receivers



Dashboard Camera



Custom Fit Speakers

Public Service Sector

Business sales ratio **30%**

Safety Business

Healthcare Business



Digital Radio for professional use



VoIP Radio Dispatch System



Amateur Radio



License-Free Transceivers



Security Video Camera



Medical Display Monitor Solutions



Digital Wireless Microphone System



Emergency Broadcasting Equipments

Dealer-installed Option Business



Memory Navigation Systems for Automobile Dealers

Factory-installed Option Business

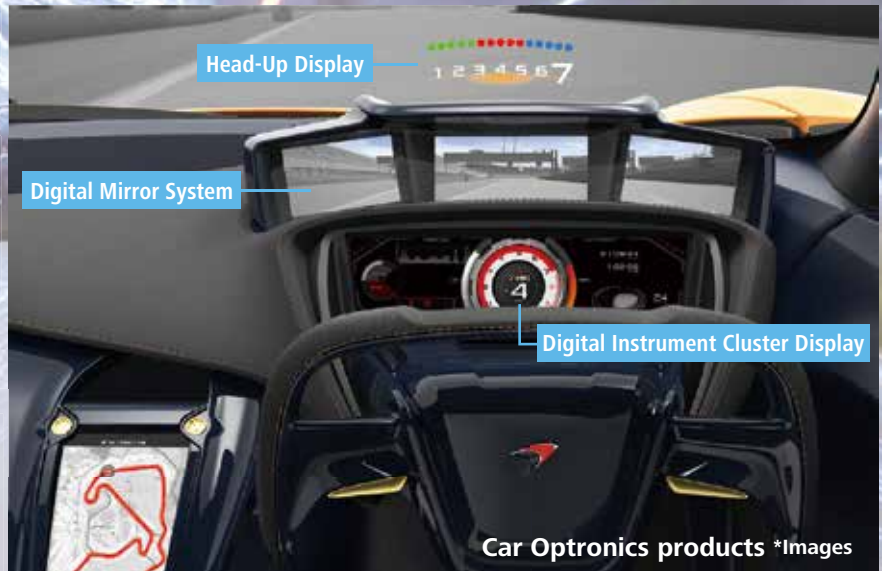


CD/DVD Mechanisms



Speakers

Factory-installed Option Business



Head-Up Display

Digital Mirror System

Digital Instrument Cluster Display

Car Optronics products *Images

Media Service Sector

Business sales ratio **26%**

Media Business



Studio Camera System



4K Super 35mm camcorder



All-weather HD Camcorder



Headphones

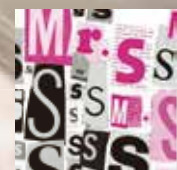


"D-ILA" 8K Projector for professional use

Entertainment Business



Southern All Stars



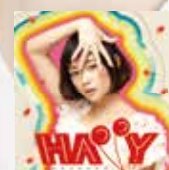
SMAP



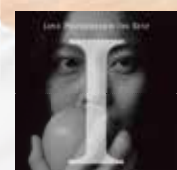
Leo Ieiri



Gen Hoshino



Sakurako Ohara



LOVE PSYCHEDELICO

Automotive Sector



The Automotive Sector, centering on car navigation systems and car audio systems, is comprised of the Consumer Business, in which we provide products to customers via volume retailers and distributors, the Dealer-installed Option Business, in which we provide products via automobile dealers, and the Factory-installed Option Business, in which our products are installed in automobiles and distributed by automobile manufacturers.

■ Consumer Business ●JPN: Strengthen "Saisoku-NAVI" and "Dashbord Camera" ●Global: "DVD Entertainment System" for smartphone adopted

In the Consumer Business, the JVCKENWOOD Group has gained an industry-leading market share both in car navigation systems and car audio systems in Europe and the U.S. by launching marketing and sales strategies that leverage the "JVC" and "KENWOOD" brands with different characteristics. In the Japanese market, where the focus of demand is on car navigation systems unlike in overseas markets, the JVCKENWOOD Group has successfully expanded both its sales volume and market share despite the declining market. This is owing to the hit of the Saisoku-Navi series of car navigation systems developed by integrating the technologies of the two companies, for which the Group has released the first high-resolution audio model in the industry. In addition, dashboard camera, which we developed by leveraging our camera technology and launched in 2014, have received a very high evaluation.

In the Japanese market, the JVCKENWOOD Group will continue to seek sales expansion and improve the cost competitiveness by further enhancing the product appeal of the Saisoku-Navi series and stepping up efforts for cost reduction. In addition, we will launch products that accommodate changes in market needs, such as car-mounted cameras. In overseas markets, where demand for car audio systems, our key products, is expected to continue declining gradually, we will work to enhance the lineup and expand sales of smartphone-compatible Apple CarPlay products and Android Auto-enabled DVD Entertainment system. Furthermore, we will seek to expand into emerging markets.

■ Dealer-installed Option Business

Winning new order for large-lot projects by leveraging its track record in the consumer business

Our customers in the Dealer-installed Option Business are automobile manufacturers and Tier 1 suppliers that provide parts to automobile manufacturers. In relation to them, JVCKENWOOD is seeking increases in new order intake of car navigation systems and DVD Entertainment systems by leveraging its strength in the consumer market and cooperating with partner companies. In the Japanese market, notably, we are winning new orders for large-lot projects thanks to the high evaluation of the Saisoku-Navi series, which we deploy in the Consumer Business.

JVCKENWOOD will continue to aim at winning new orders for large-lot projects in the Japanese market by leveraging its track record in the Consumer Business and expand sales in overseas markets, centering on Asia.

We will also reinforce the internal system in order to meet requirements, such as performance, quality and cost, of our customer automobile manufacturers and Tier 1 suppliers.



■ Factory-installed Option Business ● Ready for growth by acquisition of ASK ● Concentrate commercialization of CAROPTRONICS

In the Factory-installed Option Business, the JVCKENWOOD Group is working on developing, mass producing, and acquiring new orders for, dedicated design infotainment, car navigation systems and DVD Entertainment systems. In CD/DVD mechanisms for car AV equipment, JVCKENWOOD is striving to further expand the mass production of newly developed optical pickups and win new customers through a collaboration with Shinwa International Holdings Limited, which became its subsidiary in June 2013. In addition, we will seek to expand and strengthen business in emerging markets, notably in China and Asian markets that have great potential for growth. Furthermore, we will leverage the strong partnerships with leading automotive manufacturers and extensive distribution channels owned mainly in Europe by ASK Industries, which became the Group's subsidiary in April 2015, in order to expand factory-installed option business by offering an integrated system combining both companies' products.

The JVCKENWOOD Group will step up the above-mentioned initiatives in the future. In addition, we will further focus efforts on the development of CAROPTRONICS devices (digital cockpit systems) that have the highest growth potential, such as car-mounted cameras, high-brilliance head-up displays, e-meters and e-mirrors. JVCKENWOOD launched a task force for commercializing its innovative Advanced Driver Assistance System (i-ADAS) in July 2013 and has since been advancing the development of CAROPTRONICS devices. Various key technologies essential for their development, such as technologies in car electronics, audio, image/optical and sensing, were developed by combining the elemental technologies cultivated by the former Victor Company of Japan and the former KENWOOD over the years. There are only a limited number of specialized manufacturers, including JVCKENWOOD, which have those technologies in their groups, and we will take full advantage of this merit and further promote the development of CAROPTRONICS devices to expand the Factory-installed Option Business.

Public Service Sector



■ Safety Business ● Communication: Aim to total solution business ● Security Camera: "Safety" and "Security" with advanced imaging technology

The Communications System Business boasts the world's second largest market share in its mainstay area of land mobile radio equipment. The business achieved this share by combining radio technologies, which have been cultivated over many years since the era of amateur radio equipment, with cutting-edge digital and network technologies. Featuring a high overseas sales ratio and strong profitability, this business supplies highly reliable professional radio devices and systems to the public safety sector (police and fire departments), the public service sector (electricity, water, and gas), and the private sector (railways, buses, hotels, and plants) around the world.

Under Vision 2020, its mid- to long-term business plan, JVCKENWOOD positions the Professional Communications Systems Business as its biggest source of operating profit and aims to achieve profitable and stable growth. It will realize this by stepping up its efforts notably in the public safety market that has prospects for continuous expansion of the market size. In addition, JVCKENWOOD will aim to provide total solutions of communication systems centering on digital land mobile radio equipment conforming to the NXDN standard and Project 25 (P25), a digital radio format for the public safety market in North America, through cooperation with Zetron, Inc. and EF Johnson Technologies, Inc., its communications system subsidiaries in the U.S.

The Professional Systems Business provides highly reliable, professional-use video and audio equipment, developed based on advanced image shooting, display, and acoustic technologies, to such markets as electrical facilities, education and the public sector, private corporations and amusement facilities. While boasting high market shares in the domestic electrical and amusement facility markets, JVCKENWOOD's security cameras are highly rated for their features. These include sharp image quality at night, ease of operability and outdoor installation as security cameras that are deemed to be among the most effective in preventing crimes and ensuring people remain safe and secure.

To expand this Business, we will position IP security cameras as core products to strengthen the Solution Business including system design and implementation, and integrate strategic products for emerging markets, radio communication technologies and video technologies, while ensuring enhanced compatibility with smartphones, etc.



The Public Service Sector consists of the Safety Business and the Healthcare Business. The Safety Business is comprised of the Communications Systems Business, which deals with land mobile radio systems, license-free transceivers and amateur radio sets; and the Professional Systems Business, which handles security camera systems and professional audio systems.

The Healthcare Business primarily handles medical display monitor solutions.

Healthcare Business Aim into the pathology market with consistent system from the camera to the monitor

With regard to the Healthcare Business, we are putting forward medical monitor display solutions by focusing on the five-million-pixel color display for mammography, developed by combining the radiographic medical image display technologies and high-definition color image display technologies, as well as image wireless intercoms, security systems, and other proposals for in-hospital communication.

We will further work on the commercialization of products in the remote medical field by leveraging the elemental technologies of imaging, cameras and radios that JVCKENWOOD has developed. In addition, we will strive to integrate the technologies possessed by JVCKENWOOD, with the aim of making a full-scale entry into the pathology market by offering an integrated system from cameras to monitors and achieve a transition from an equipment business to solution business.

Task Force Aim to commercialize "Broadband " and "Medical Camera"

JVCKENWOOD launched a task force named Broadband Task Force to focus on stepping up the activities toward the development and commercialization of wireless broadband systems in August 2013. Under the task force, we have been promoting the development and commercialization of professional multimedia radio systems, including moving images and large-capacity data communications services, such as systems for firefighting, medical treatment and emergencies. We have done so by accelerating initiatives for the development and commercialization of public safety wireless broadband systems, jointly with Airbus Defence and Space Inc. (headquartered in France), with which we formed an alliance in January 2014.

Push to Talk over Cellular (PoC), which uses the IP network of cellular phones, has recently been growing rapidly all around the world, and JVCKENWOOD will actively promote the PoC business. Under the Medical Camera Development Task Force, launched in April 2015 with the aim of promoting the commercialization of next-generation businesses, we will work toward the development of medical cameras, such as 8K/4K endoscope systems and surgical microscope systems.

Media Service Sector




Media Business

●Professional Camera: high-value-added products to maintain a high presence ●Imaging: pioneering and worked high-definition "8K / 4K" technology

In the professional camera business, which handles products such as professional video cameras, JVCKENWOOD has succeeded in maintaining a strong presence in major markets around the world. We have achieved this by developing high-value-added products that meet the needs of professional and niche markets, including camcorders compatible with the 4K/2K imaging infrastructure and hybrid cameras. Drastic changes in market needs are taking place following the diversification of the broadcasting form, starting with the rise of Internet broadcasting, and advancement of high-quality video technologies, such as 8K/4K imaging technologies. Amid such changes, JVCKENWOOD is promoting the transformation to a solution business that has both systemization and customization functions, in addition to providing equipment, in order to flexibly respond to the changing market needs.

In the AV Accessory Business, which handles products such as headphones, JVCKENWOOD will strive to improve its presence in the principal markets around the world by strengthening the lineup of high-value-added products, such as high-resolution audio model that leverage the Group's unique advanced acoustic technologies, and special-purpose products, such as headphones for sports and kids, and by providing new products that meet a variety of needs.

The Imaging Business deals with projectors and imaging devices. Here, we have made the most of our advanced video, cutting-edge image processing and 3D technologies to develop and sell full-fledged home projectors based on our unique D-ILA device, as well as professional projectors for wide-ranging uses in which super-high-resolution is required, including planetariums, museums, flight simulators and CAD design and the projector corresponding to the HDR (high dynamic range) required by the optical analysis and design, and educational and medical applications. In addition to 3D projectors, we are working on expanding the next-generation of image devices such as HUD by launching the full-scale production of Pico devices, and releasing projectors compatible with 4K/2K and 8K/4K in order to expand our businesses in global markets. From a medium- to long-term viewpoint, we will aim to achieve full-scale deliveries in the imaging device business through cooperation with AltaSense, Inc., a subsidiary handling CMOS sensors.



The Media Services Sector consists of the Media Business, which deals with video cameras, headphones, projectors and imaging devices, and the Entertainment Business, which handles the software business and the OEM business. We will accelerate the transformation of our consumer technologies to development and production of products for professional, semi-professional and industrial use, and expand the sales channels and improve our market presence in order to transform the drivers of growth from consumer businesses to professional systems.

■ Entertainment Business Aim to “Comprehensive entertainment business” appeal music and an artist

The Entertainment Business consists of the Content Business, which has as its core Victor Entertainment, Corp. and the OEM Business that specializes mainly in the production of packaged software such as CDs, DVDs, and Blu-ray.

Victor Entertainment is the second-oldest record company in Japan and has continued to deliver excitement to people through artists and music for over 85 years.

The Content Business is endeavoring to enhance its core Music Business in two ways: by responding to changes in the entertainment industry environment, such as the diversification of user preferences and the popularization of the Internet and mobile phone distribution as a result of improved infrastructure; and by making enterprising investments in talented new artists to discover and foster such artists and promote a partnership strategy to create hits. Also, in anticipation of the popularization of the online music distribution market featuring high sound quality, we set up a high-resolution audio online music distribution site in February 2014. Further, we will aim to make an entry into new music distribution services, such as flat-rate services. The OEM Business fully supports customers and meets their requests, from the production of content to the creation of package media.

In December 2012, JVCKENWOOD entered the Space Sound Production Business on a full-scale basis by launching its KooNe™ Space Sound Design Solution, which uses a high-resolution audio sound system. We have introduced the system to many locations, such as corporate offices, commercial and entertainment facilities, libraries, and residential facilities. We will continue to push forward with initiatives with corporations and organizations that seek the creation of a functional space that matches the respective purposes, including healing, spatial presentations and the improvement of productivity of corporations, while strengthening cooperation with the JVCKENWOOD Group companies.

JVCKENWOOD will aim to make a transition to the total entertainment business, including the management business, live concert/event business, and merchandising business, by connecting the appeals of artists and music to various businesses in a range of fields. In addition, we will enhance comprehensive capabilities of the Group through expansion of new B to B domains by making the most of music and video technologies and know-how.

Global Brand Strategy

The JVCKENWOOD Group has many businesses and product brands under JVCKENWOOD, its Corporate Brand. We have been promoting the global brand strategy of maximizing the corporate value of the entire Group by clarifying the trust and value accumulated in each product brand and making the most of its strengths.

Corporate Brand

JVCKENWOOD is the Corporate Brand of the parent company JVCKENWOOD Corporation and JVCKENWOOD Group.



The JVCKENWOOD Group aims to achieve profitable growth as a global manufacturer creating excitement and peace of mind for customers and become a company widely trusted by society.

Business/product brand portfolio

The following are JVCKENWOOD’s business/product brands that have strengths in each sector.

JVCKENWOOD

Flagship brand by carrying out Factory-installed Option Business in the automotive sector and Solution Business in the Professional Systems Business.

JVC

Conducts business and provides products that maximize on its strengths in video technologies, including video cameras, projectors and other fields.

KENWOOD

Conducts business and provides products such as car navigation systems and Professional Communications Systems that maximize on its strengths in Communications and Telematics

	Provides medical image displays in Healthcare Business employing high-definition display technology.
	Delivers wireless systems in a wide range of fields including police, firefighters, emergency medical services and provides professional radio systems specialized to the P25 standard.
	Provides a broad range of business in professional radio communications, command-and-control systems and radio communications network systems.
	Carries out comprehensive entertainment businesses, ranging from music/video production to event hosting.
	Development and design of high-quality CMOS image sensor that expect to be incorporated in professional video cameras and automotive cameras.
	Designs, produces and distributes speakers and amps as well as antenna systems for automobile manufacturers.
	Involved in the production of in-car AV mechanisms and equipment, components (decorative plastic parts) and other products, and contract manufacturing services.

Global brand presence through motorsports

Motorsports events are dramatic ones in which cutting-edge technologies are mobilized to enable racing teams to push their limits in heated competition.

In sympathy with the concept of creating excitement through the use of technologies, JVCKENWOOD conducts sponsorship activities for motorsports to boost brand exposure and visibility based on its corporate vision "Creating excitement and peace of mind for the people of the world".

KENWOOD provides the radio system to McLaren-Honda F1 Team as an Official Supplier.



Having signed an official supplier contract with McLaren in 1991, KENWOOD has been supplying wireless radio communication systems and providing extensive technical support through its professional staff. The partnership is the longest McLaren has had with a Japanese company.

The partnership between KENWOOD and the McLaren-Honda F1 Team is the relation of colleagues fighting together for victory in the battlefields of a Grand Prix, beyond the relation of Racing team and Sponsor.

The U.S. Grand Prix held in Texas, U.S.A. on November 2, 2014 was McLaren's 400th race since KENWOOD first provided radio systems to the Team more than 20 years ago.



JVCKENWOOD is an Official Series Partner of WTCC.



WTCC (World Touring Car Championship) is a world championship of touring cars (remodeled stock cars) sanctioned by the FIA (Fédération Internationale de l'Automobile).

JVCKENWOOD is aiming to increase the visibility of JVCKENWOOD brand by supporting the global championship that races worldwide.



Corporate Social Responsibility (CSR)

About Our Environmental Activities

Environmental Policies

To preserve the global environment and resources and prevent pollution, we will manage our business activities, our product development, and our services by making ongoing improvements with a full awareness of our environmental impact.

1 CO₂ reduction

Prevent global warming by promoting the reduction of CO₂ emissions throughout the product lifecycle, including our business activities, by developing technologies and products that reduce environmental impact.

2 Resource usage reduction

Use the limited global resources effectively to create a sustainable society by reducing the resources we use within a framework of 3R* activities and progressively using eco-friendly materials.

*3R: Reduce, Reuse, Recycle

3 Chemical usage reduction

Manage chemicals that affect the world's environment and biosphere, continue to reduce their consumption, and switch to eco-safe materials.

4 Symbiosis with the natural environment

Recognize the effect on biodiversity of all business activities, product development and services and comprehensively reduce our environmental impact in harmony with the natural environment.

5 Compliance with environmental laws

Comply with environmental legislation and other requirements with which we agree.

6 Training for employee

Educate employees on the environment to cultivate greater environmental awareness.

Dragonfly Pond

We jointly work with the Tombo Forum, an environmental protection group conducting activities mainly in the Keihin Waterfront Area in Yokohama City, to regularly cut waterweed in the Dragonfly Pond on the premises of JVC KENWOOD Head Office & Yokohama Business Center. The aim is to improve the environment and conserve the ecosystem of the pond. In addition, we are making a contribution to research on changes in the natural environment of surrounding areas through cooperation with inhabitation research.

We check the ecological distribution of dragonflies twice: at their aquatic larvae stage and at their adult stage. Checking the findings against the results of inhabitation research in the surrounding areas helps identify the extent of habitat of dragonflies.

As part of biological research on dragonflies, we check their travel range by conducting stationary observation of dragonflies whose wings are marked with identification numbers. We also check the arrival of rare species during the stationary observation.

Why do research on dragonflies?

Dragonflies grow underwater in their larval stage and live on the land in the adult stage. Therefore, dragonflies are affected by both the aquatic environment and terrestrial environment, which makes their presence a comprehensive barometer of the natural environment.



Artwork class in the forest

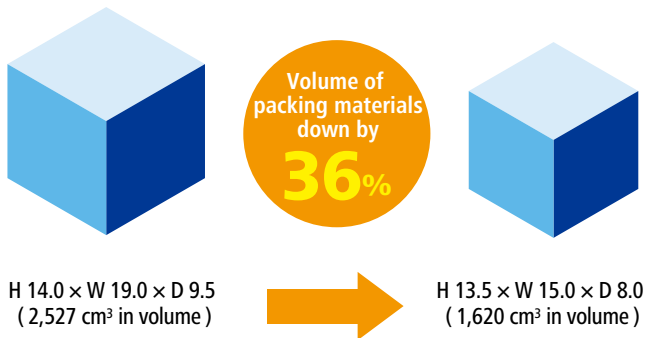
We held a summer artwork class at "Laforet Shuzenji" in collaboration with Mori Trust Hotels & Resorts Co., Ltd. After learning about the importance of forests and trees, students formed their own images of forests while listening to forest sounds from "Forest Notes" (a wireless active speaker). Then they drew pictures of the forest, and created their own art frames by mainly using materials available in the woods.

Everyone was able to get a hands-on experience of the blessings of the forest, while getting in touch with the forest, feeling its scent and listening to its sounds.



Environment-friendly camcorders — reducing the volume of packing materials by 36% compared to before

Adopting enhanced features, such as dust proofing, drip proofing, resistance to impact and adaptation to a cold climate, and using a built-in battery to reduce the number of accessories, we have been able to cut down the volume of packing materials by more than 30%.



Energy saving of in-vehicle communications systems and supporting idle reduction



NX-5700/5800

VHF/UHF DIGITAL TRANSCEIVER

- Reduction of dark current by 92% (compared to JVC KENWOOD's previous models)
- Supporting idle reduction (avoiding temporary blackout at the start of engine)
- Addition of many control functions for power failure

Together with employees

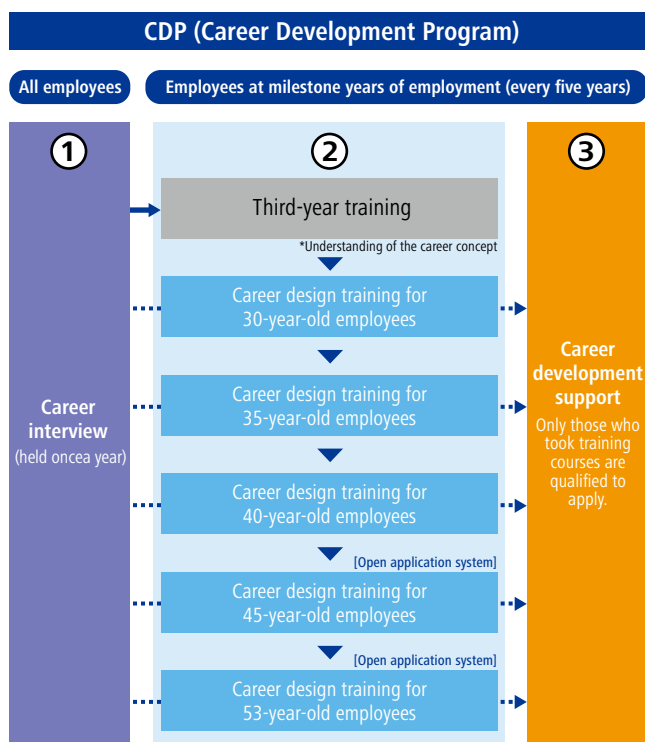
Our Company is making efforts to create workplaces that are safe and pleasant, and to provide each employee with support in their growth through education and training systems.

Supporting career and skill development

Our Company has systematized and implemented training to improve the skills employees need to perform their roles, and given them training so they can utilize those skills within the organization.

We also implement a career development program to help employees realize their career vision that has been formed based on their background and experience.

The Career Development Program is comprised of the following: 1) career interview, 2) career design training and 3) career development support.



Career interview

Employees meet with their superiors once a year to discuss their career vision (what they want to be) and career development themes to integrate individual motivations and company expectations. This is the most fundamental of the three pillars.

Career design training

In these training sessions, employees review their current work practices while planning what they want to attain in the future (career vision). By considering the actions necessary to attain their goals, the employees gain awareness of various points. Further, this is an opportunity for participants to consider in a comprehensive manner the balance between their work and private life, such as the personal development needed to reach future goals and connections with family and the local community, while discussing their career visions.

Career development support system

This system provides employees with support in terms of both time and money to take on further challenges by applying what they have learned from their new self-awareness. This system is used by employees for various purposes to achieve their career visions, such as by going on distance learning courses, participating in outside seminars, and obtaining qualifications. It is effective not only for personal development but also for internal revitalization.



Multi-level training

Our Company has also established a training system for fostering diversified human resources by providing multi-level training, such as "training of promoted employees" for employees promoted to a higher job grade and "training of newly appointed executives" for employees who have been promoted to management-level positions. We also encourage them to participate in external seminars and business schools. By providing such a training system, we are working to meet the employees' aspirations for career growth.

Helping support harmony between work and family life

Our Company is steadily enhancing its efforts to support employees to have a good balance between their work and family life (work-life balance: WLB), with an aim to accept the diverse lifestyles and ways of working of employees.

Supporting childcare and nursing

We have established a variety of ways to support our employees both at work and at various occasions in their lives, for example in childcare and nursing,. The coverage period applicable to the childcare-related support system is "until the first March 31 after the child reaches 12 years of age" which is until the graduation from elementary school.

Reduction in overtime work

We have continuously been making efforts to reduce overtime work every day as a way to promote WLB.

Specifically, we are conducting activities to encourage our employees to work with an awareness of time under their own initiatives. For example, each business center has designated one day a week as its own "no overtime day." On this day, we urge employees to go home on time via in-company broadcasting, asking them to adjust work schedules so they can go home at the end of the regular work hours. We are posting the performance of each department's efforts on our in-house portal site to raise awareness about overtime work.

As a result of these activities, the number of overtime work hours per person has steadily been decreasing from 24.8 hours as a monthly average in FY2011 to 18.5 hours in FY2012 and 11.0 hours in FY2013. Although overtime work hours per person increased slightly to 17.1 hours in FY2014, the total actual working hours remained below 2,000 hours for three years in a row from FY2012, indicating that our efforts have borne fruit constantly.

Encouraging employees to take annual holidays

In addition to the activities to reduce overtime work, we are encouraging employees to use their annual holidays. Promotion of the use of annual holidays among employees is the theme we are working on jointly with the labor unions. We are conducting activities, such as setting targets for a number of annual holidays to be taken during a proposed month for individual workplaces. Last year, we conducted a survey on the taking of annual holidays and target-setting more elaborately to ensure that all employees can take their annual holidays appropriately.

These activities have been effective in increasing the number of annual holidays taken by employees. The total paid leave taken per year increased from 13.9 days (the rate of taking paid leave: 60%) in FY2010 to 16.7 days (the rate of taking paid leave: 67%) in FY2014.

Name	Explanation	Status of usage of each system in 2014
Childcare leave	Employees are entitled to take leave until the end of April following the child's first birthday or the end of the month in which the child reaches 18 months	Used by 12 people
Reduced working hours for childcare	Employees are entitled to reduce work time up to two hours per day, separately as provided by law, for childrearing until the first March 31 after the child reaches 12 years of age.	Currently being used by 28 people
Pregnancy leave for spouses	Employees are entitled to take three days' leave to stay with their spouses during delivery.	59 people overall, 150 days taken
Sick/injured childcare leave	Employees are entitled to take five days' leave per year to look after sick/injured children (10 days if there are two or more children) until the first March 31 after the child reaches 12 years of age.	—
Nursing leave	Employees are entitled to take a cumulative maximum of one year of leave per family member who requires nursing care.	Used by one person
Reduced working hours for nursing	Employees are entitled to reduce work time by up to two hours per day for a cumulative total of one year, combined with nursing leave.	—
Nursing days off	Employees are entitled to take five days' leave to look after a family member who requires nursing care (10 days if there are two or more such family members).	—
Limitation of overtime work and night work	Employees will be exempt from overtime work of more than 24 hours per month or 150 hours per year and from late-night work if so requested by employees raising children who have not reached the first March 31 after becoming 12 years of age or those taking care of family members who require nursing care.	—
System to register retirees for reemployment	Employees who left the company because of pregnancy, childbirth, childcare, nursing care, or a spouse being transferred can be registered for reemployment.	3 people have registered

Health and Safety

Helping people to return to work after long absences

We have continuously been providing seminars on mental health issues so that all of us are aware of and understand the reality of mental health issues, so we can treat our colleagues with thoughtfulness and prevent such issues in the workplace.

We have also established a return-to-work support system to allow people to return to work without stress when returning to the job after long absences.

This system is, in principle, a three-month program that introduces work responsibilities on a trial basis, increasing the workload and working time in stages, to a state of normal full-time work after a return from a long absence or period of not working.

When employees are returning to full-time work after finishing the trial work stage, a return-to-work evaluation meeting is held with those people involved, such as the industrial physician, medical staff, and supervisors, where everyone involved confirms items to be considered and the support system when employees return to work.



Training on mental health issues

Measures to prevent overwork

Long working hours lead to overwork, and this is an important social problem that could lead to health problems and even death from overwork.

We are striving to prevent damage to the health of people and reduce long working hours. We do this by having workers doing long hours of overtime receive face-to-face guidance and a medical interview by industrial physicians.

Further, we have established days when people leave work on time, and the Safety and Health Committee is working to reduce work hours as part of our proactive efforts.



Industrial physician having an interview with a worker doing long hours of overtime

Health and safety at work

The JVCKENWOOD Group is conducting activities to promote health and safety at work, led by the Safety and Health Committee held monthly, based on the idea of "zero industrial accidents" and "ensuring health and safety of workers".

We are focusing our efforts on safety and health measures to establish a corporate culture that gives top priority to the health and safety of our employees. Regarding safety, we aim to go from zero accidents to zero risks by introducing risk assessment as a tool for finding potential risks in the workplace promptly and eliminating them, in order to prevent accidents at production bases, as well as offices. As for health, we are supporting employee healthcare by implementing measures to prevent mental health issues and promoting the creation of comfortable work environments.



Safety and Health Committee

Corporate Governance

Corporate Governance Structure

JVCKENWOOD believes that one of its most important management issues is to increase the transparency and efficiency of its managerial decision-making process and improve corporate value by strengthening corporate governance. To this end, we make it a basic policy to enhance corporate governance through the establishment of a structure that includes checks and balances. That policy calls for separating management from the execution of operations, recruiting external directors and auditors, improving the function of acting as a check by establishing internal audit sections, and thereby strengthening the Company's internal control system on a Group-wide basis.

■ Corporate Organizations

1. Matters concerning the Board of Directors and Directors

in accordance with the Company's Articles of Incorporation to enable the formulation of flexible capital and dividend policies unless otherwise specified in law, including dividends from surplus, are determined by resolutions of the Board of Directors — instead of shareholder resolutions.

The Board of Directors, regarded as an organization that makes fundamental and strategic decisions while overseeing business execution, to deliberate and decide on basic management policies and important matters as well as monitor and oversee the status of business execution. Directors' terms of office are one year in order to make their responsibilities clear and to make management decision-making processes quicker. In addition, we proactively recruit external directors in order to increase the transparency of decision-making and lead innovation and governance.

To ensure the effectiveness of the management supervisory function based on experience, achievements, professional viewpoints, insights, and other attributes, as well as independence having no potential conflicts of interest with general shareholders, JVCKENWOOD elects candidates for external directors, in principle, by confirming their business backgrounds based on its independence standards and policies.

2. Matters concerning Executive Officer System

JVCKENWOOD adopts an executive officer system.

The Board of Directors which leads corporate transformation and establishment of corporate governance makes decisions through discussions between external directors as independent directors and directors serving concurrently as executive officers, and delegate authority for business execution to executive officers. In addition, the Chairman and the Representative Director of the Board serves as the Chief Executive Officer (CEO), while President and the Representative Director of the Board serves as the Chief Operating Officer (COO). They are responsible for both management supervision and business execution. According to the decisions at meetings of the Board of Directors, the CEO chairs the Board of Executive Officers' meetings, and the COO executes business operations with responsibility.

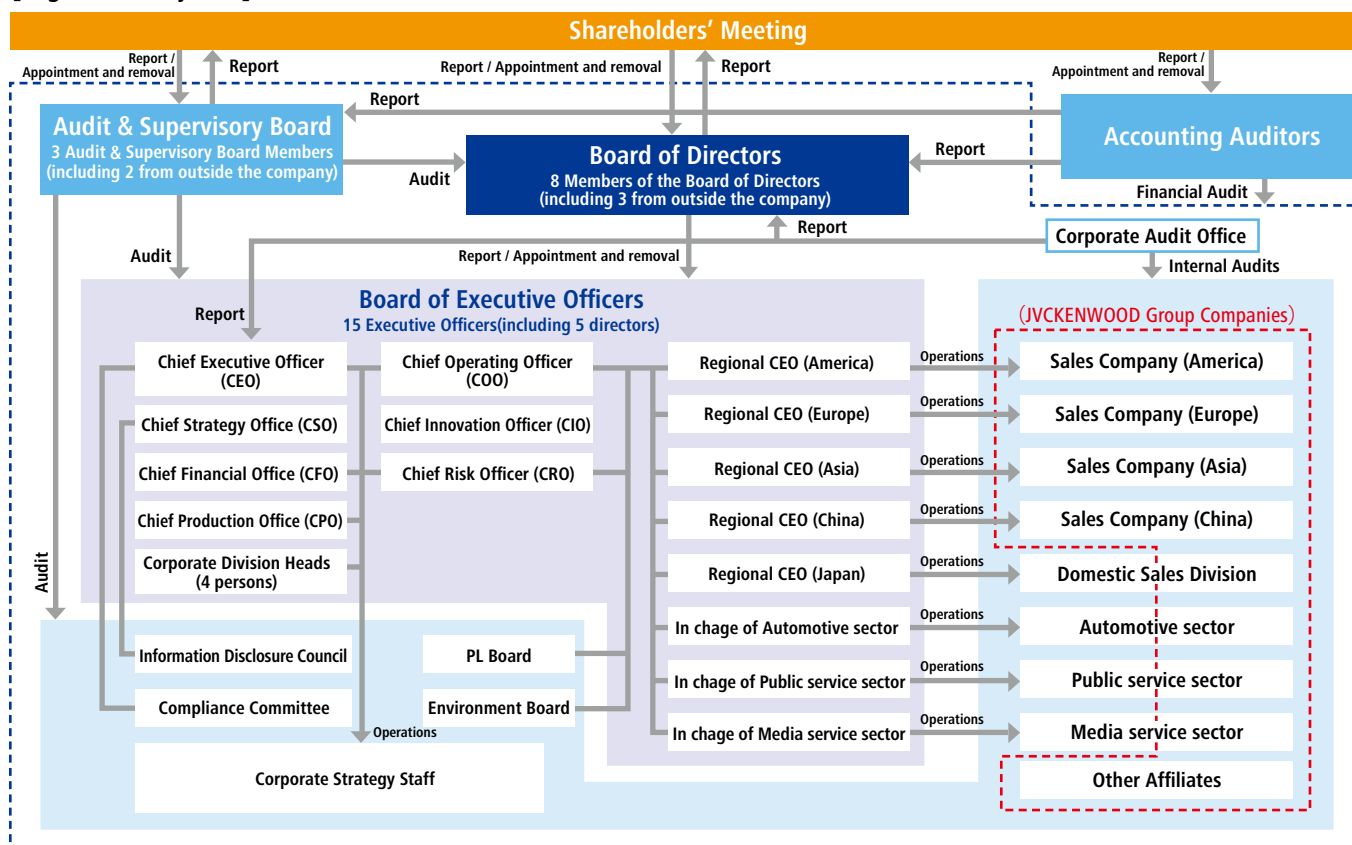
3. Matters concerning Audit & Supervisory Board and Audit & Supervisory Board Members

JVCKENWOOD is a company with Audit & Supervisory Board. Audit & Supervisory Board Members are responsible for the corporate audit function and their duties include attending Board of Directors' meetings and other important meetings, as well as holding Audit & Supervisory Board meetings, auditing execution of Directors' duties, business execution of the entire Group, and corporate accounting.

To ensure the effectiveness of the management supervisory function based on experience, achievements, professional viewpoints, insights, and other attributes, as well as independence, having no potential conflicts of interest with general shareholders, JVCKENWOOD nominates candidates for external Audit & Supervisory board members in principle after confirming their business backgrounds (i.e. confirming they have not been major shareholders of JVCKENWOOD or engaged in the execution of operations of any of JVCKENWOOD's main business partners) based on its independence standards and policies, with the approval of the Board of Auditors.

[Organization System]

As of July 1, 2015



Internal Audit, Audit by Audit & Supervisory Board Members and Accounting Audit Systems

JVCKENWOOD positions the Corporate Audit Office which conducts internal audit on the overall business execution of the entire Group and reports the audit results to the Board of Directors that serves as an oversight organization.

It also improves the quality of audits by having external experts evaluate the quality of internal audits of JVCKENWOOD.

Audit by Audit & Supervisory Board Members implements audits according to the audit schedule, audits the entire Group's operations, and checks in-house approval documents based on the monitoring of

directors and executive officers. Audit & Supervisory Board Members also accompany audits performed by the Corporate Audit Office, thereby broadening the scope of audit by Audit & Supervisory Board Members.

During the fiscal year ended March 2015, three certificated public accountants, Yasunari Kunii, Yasuhiko Haga, and Nobuo Son, performed accounting audits of JVCKENWOOD and the Group. They are limited liability partners and managing partners of Deloitte Touche Tohmatsu Limited.

Coordination among Internal Audit, Audit by Audit & Supervisory Board Members, and Accounting Audit

All the Audit & Supervisory Board Members including external audit & supervisory board members perform management audit by themselves, attend Board of Directors' meetings, obtain the results of internal audit performed by the Corporate Audit Office in relation to the Group's overall business operations, and exchange and confirm relevant information by holding meetings with the Corporate Audit Office whenever necessary. If there is a sign of fraud or other misdeeds

committed by management, the Corporate Audit Office is required to report it to Audit & Supervisory Board Members in accordance with the internal rules.

At the Audit & Supervisory Board meeting, the results of accounting audits performed by independent accounting auditors are regularly reported to Audit & Supervisory Board Members. As a result, the validity of mutual coordination between audits has been improved.

Internal control system

JVCKENWOOD set up the Internal Governance Office developing "systems necessary to ensure the properness of operations of a Stock Company" through promotion activities of internal control systems. The Internal Governance Office promotes the development of the internal control environment by carrying out the following operations.

- Operations for proper development and operation of internal control systems
- Operations for enforcing and ensuring compliance
- Internal control operations over financial reporting (operations to ensure J-SOX compliance)
- Operations for preventing/curbing fraudulent accounting practices

Enterprise Risk Management Activities

Key Philosophy and Activities

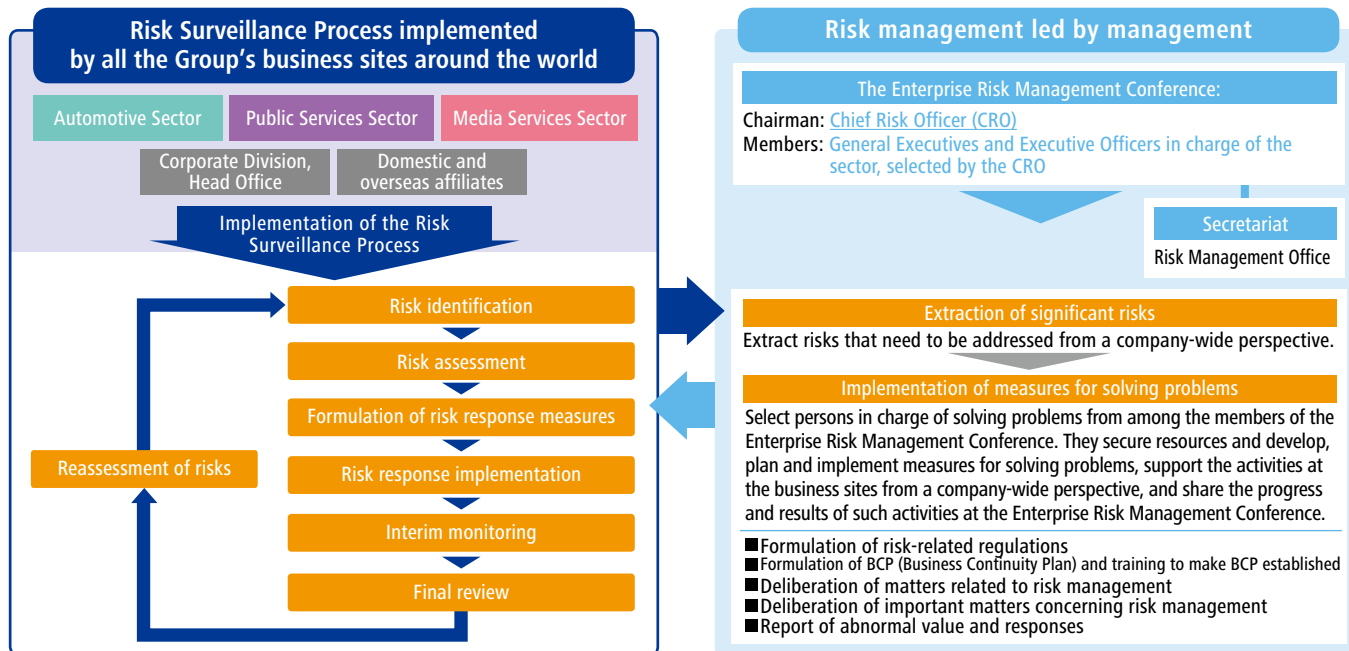
The JVCKENWOOD Group regards risks as “factors that are mutually linked, affecting one another to inhibit the achievement of business plans.” The Group regularly identifies risks faced by all its business sites around the world in order to recognize them clearly. Also, the Group’s business sites around the world identify issues to tackle in order to prevent the occurrence of the identified risks and minimize their impact or damage. They conduct activities to resolve these issues systematically by applying imagination and creativity. In the meantime, some of

the identified risks could affect the entire Company and thus require problem solution activities on a company-wide scale from a company-wide perspective. Management takes the initiative in implementing measures to resolve such problems. We consider that the most effective corporate response to risks is to identify them correctly in the course of our day-to-day corporate activities, understand the problems in reducing risks, and have all our business sites around the world collaborate with management to resolve those problems.

Risk Management Organization

JVCKENWOOD implements the risk surveillance process shown in the diagram below at all its business sites around the world every year. The purpose is to ensure the risk management activities are conducted through collaboration between its business sites and management. In the risk surveillance process implemented throughout the year, we quantitatively assess the significance of risks identified by the business sites, examine problems in reducing risks of high significance, and work on resolving those problems and confirm the effect. The Enterprise Risk Management Conference, which is comprised of members chosen from company executives and chaired by the CRO (Chief Risk Officer), keeps track of the progress and results of such activities. If risks that need

to be addressed on a company-wide scale and from a company-wide perspective are identified, company executives in charge selected from among the members of the Enterprise Risk Management Conference prepare resources and a mechanism for solving problems and provide support to activities at business sites systematically. The progress and results of such activities are shared at the Enterprise Risk Management Conference, and the CRO evaluates the performance and gives appropriate directions. The Enterprise Risk Management Conference also develops risk management regulations to enable the framework of risk management activities to function effectively and holds various deliberations for risk management.



Business Continuity Plan

Facing various risks, in particular emergency situations including natural disasters, epidemics, and terrorism, the JVCKENWOOD Group recognizes that its social responsibility to stakeholders including customers is to put the utmost priority on preserving human life and secondly to fulfill its responsibilities to deliver our products and services. To fulfill this responsibility, the Group has defined the basic principle of the Business Continuity Plan (BCP) as “contributing to social security and safety through continuing business by swiftly reinitiating business operations after the occurrence of an emergency situation.”

Based on this policy, and beginning with the development of systems for confirming the safety of employees and their families, disaster

prevention, and emergency stockpiles, the JVCKENWOOD Group has been working progressively on BCP measures in all its business divisions relevant to its value chain, from design and development bases, the Corporate Division of the Head Office, and sales bases to affiliates. It has done so by leveraging its accumulated BCP expertise to build in stages a mechanism of alternative production in preparation for events in which it would be difficult to restore its production bases in a short period of time. The Group also carries out various types of simulation training to gain initial response experience, while improving rules and manuals based on the results and findings of such training, aiming to make BCP become solidly established.

Stakeholder Engagement

Customers

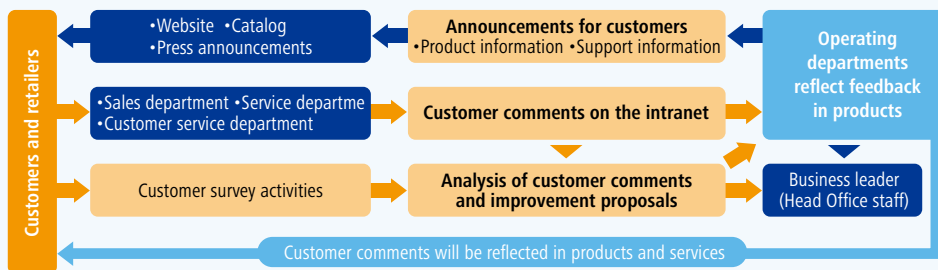
- In order to provide safety and peace of mind to customers, the JVCKENWOOD Group established its basic policy on product safety and conducts product development and safety management based on this policy.
- We have posted Using Products Safely on our website. This information is easy-to-understand and explains how customers can use our products safely and with confidence.
- Every day we sort out and categorize the opinions of customers sent to our customer support center to use the customer feedback to improve our products and services.



customer support center



Engagement with sales agency



Shareholders/Investors

- JVCKENWOOD has a separate page for investor relations information on the company website and makes timely and detailed disclosure of information.
- At general meetings of shareholders, we have discussions with our shareholders to reflect their intentions in corporate management and provide explanations on the direction of corporate management to promote their understanding. Further we hold dialogues with our shareholders on a daily basis over the telephone and via letters.
- We hold a financial results briefing on a quarterly basis to explain an overview of management to our investors and exchange opinions with them so that they can have a better understanding of our management policy. In addition, we conduct IR activities proactively, both domestically and internationally, to meet with our investors directly and help them have a deep understanding about JVCKENWOOD.



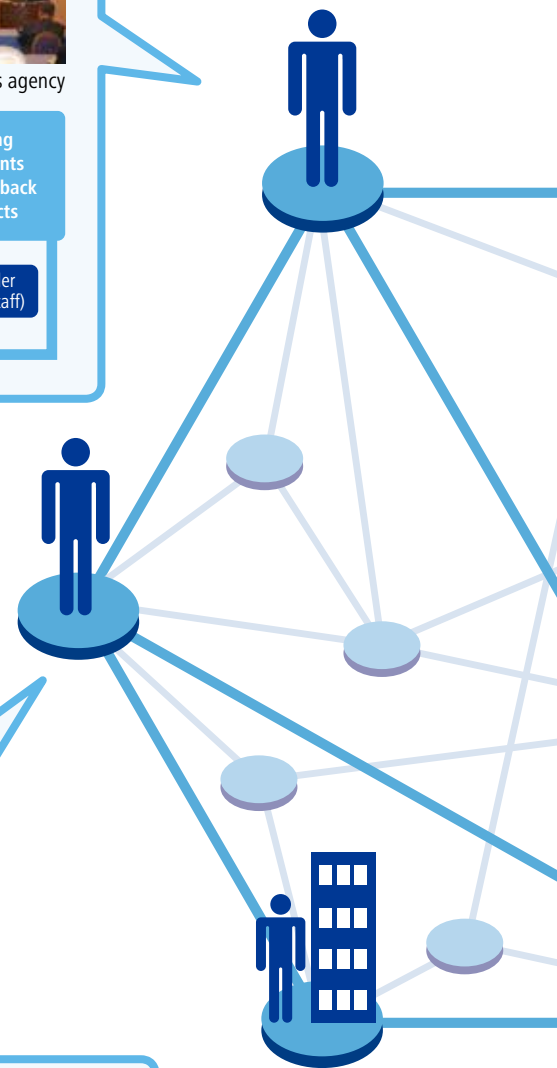
Briefing for institutional investor

Business partners

- We are maintaining a smooth business relationship with procurement partners for parts, materials and finished products by conducting supplier meetings and individual business negotiations and checking annual evaluations by customers.
- By conducting constant improvement activities, including audit activities, we will achieve proper quality and delivery periods, as well as costs, in an effort to continue with business transactions that are beneficial for both business partners and JVCKENWOOD.



Supplier meeting in China



Society

- We conduct cleaning volunteer activities in the areas surrounding our business centers to keep harmonious relationships with people living in the local communities.
- We participate in events carried out by the City of Yokohama where the Head Office is located to help promote regional culture.
- We are contributing to the development of the electronics industry by developing proper and smooth relationships with the relevant ministries and agencies as well as industry associations through public relations activities.



Employees

- We create opportunities for us to explain the medium- and long-term management plan to all the employees directly, so that we can exchange opinions and share our awareness of it with everybody.
- We share the actual conditions of management and recent efforts of the company with employees through management meetings that are held regularly.
- We promote improvement of mutual internal communication by utilizing an in-house web-based newsletter to report on the activities of top management and introduce employees' active involvement in activities related to their work and their personal lives, and post the employees' responses.
- We have established the JVCKENWOOD Group Compliance Activity Standards and Internal Whistleblower Regulations to create an open workplace environment.



JVCKENWOOD will enhance mutual communication with various stakeholders to achieve sustainable growth

JVCKENWOOD considers that the achievement of sustainable growth and fulfilment of social responsibility are closely connected. Accordingly, we promote sound business activities by strengthening risk management and compliance, as well as improving the corporate value by addressing social and environmental issues (through CSR activities). To this end, we will endeavor to operate business by leveraging our strengths and communicate information, with the constant awareness of challenges to be addressed, by listening to the opinions of all the stakeholders, including customers, employees, business partners, local society and shareholders/investors.



General Executive, Corporate Communication Division

Shinichiro Nishishita

Corporate History

JVCKENWOOD Corporation

JVCKENWOOD

2007	Jul.	Victor Company of Japan, Limited (JVC) and Kenwood Corporation (Kenwood) entered into an agreement on a capital and business alliance to cooperate in their Car Electronics and Home Audio Businesses and integrate their management
	Aug.	JVC increased its capital through a third-party allocation of new shares of a total of 35 billion yen to Kenwood and multiple investment funds managed by SPARX International (Hong Kong), Ltd.
	Oct.	JVC and Kenwood established the technology development joint venture J&K Technologies Corp. (J&K Technologies)
2008	May.	JVC and Kenwood signed an agreement to integrate their management through the establishment of a joint holding company (stock transfer)
	Oct.	JVC and Kenwood established the joint holding company JVC KENWOOD Holdings, Inc. (JVCKENWOOD) through a stock transfer (JVCKENWOOD's shares were listed on the First Section of the Tokyo Stock Exchange)
	Oct.	Development and production functions of the Car Electronics Business of JVC and Kenwood were taken over by J&K Technologies through a company split (simplified absorption-type split)
2009	Jun.	J&K Technologies renamed J&K Car Electronics Corporation (J&K Car Electronics), making J&K Car Electronics a virtually independent company engaged in the Car Electronics Business
	Dec.	Launched the first car navigation system MDV-313 that adopts the same platform JVC and Kenwood (Photo ①)
2010	Mar.	Implemented adjustments to earnings results of JVC for the period between the fiscal year ended March 31, 2005 and the second quarter of the fiscal year ended March 31, 2010 (including consolidated financial statements as a consolidated subsidiary of JVCKENWOOD), and to those of JVCKENWOOD for the period from its establishment on October 1, 2008 to the second quarter of the fiscal year ended March 31, 2010
	Dec.	Undertook steps to relocate the Company's head office and realign business divisions to promote Group management integration, enhance operating efficiency and maximize integration effects
2011	Aug.	JVC KENWOOD Holdings, Inc. changed its name to JVCKENWOOD Corporation
	Oct.	Completed an absorption-type merger of its three subsidiaries Victor Company of Japan, Limited, Kenwood Corporation, and J&K Car Electronics Corporation
2012	Apr.	Acquired a total of 45.0% of the outstanding shares of Shinwa International Holdings Limited, a large-scale Hong Kong-based manufacturer and sellers of CD/DVD mechanisms for car AV equipment (in-car CD/DVD mechanisms), making it into an equity-method company
	Jun.	Distributed dividends (¥5/share) for the first time since established JVCKENWOOD
	Nov.	Formulated a new "Mid-term Business Plan," which covers the period through to the fiscal year ended March 31, 2016
2013	Mar.	Launched DLA-VS4800, the world's first mass-production model of the professional-use D-ILA projector, which features an 8K high-definition display
	Jun.	Converted Shinwa International Holdings Limited into a consolidated subsidiary
	Jul.	Took over all of the shares of TOTOKU Nagaoka Corporation through an absorption-type corporate split from TOTOKU Electric Co., Ltd., and changed the corporate name from TOTOKU Nagaoka to JVCKENWOOD Nagaoka Corporation
2014	Jan.	Invested in WiL FUND I, L.P. to accelerate growth strategy partnership with domestic and international venture companies
	Mar.	Signed with AIRBUS DEFENCE AND SPACE an alliance to develop and commercialise public safety wireless broadband systems
	Mar.	Obtained 100% ownership of EFJohnson Technologies, Inc., a company focused on delivering mission-critical, digital P25 communications solutions to the North American market
	Sep.	The JVCKENWOOD Group launched NX-5000 series, NEXEDGE series of multi-mode digital radio systems that complied with the P25 standard (Photo ②)
2015	Mar.	Launched GY-LS300, professional 4K memory card camera recorder (Photo ③)
	Apr.	Converted ASK Industries S.p.A., the European In-vehicle Component Company, into a consolidated subsidiary
	May.	Renovated the mid-term business plan which announced on fiscal year 2012, and set up a new mid- to long-term business plan, "Vision 2020," focusing on fiscal year 2020



① Integrated car navigation system "MDV-313" manufactured by Kenwood and JVC



② NEXEDGE series of multi-mode digital radiosystems that are compliant with the P25 standard "NX-5000 series"



③ Professional 4K memory card camera recorder "GY-LS300"

Former Victor Company of Japan, Limited

- 1927 Established Victor Talking Machine Company of Japan, Limited
- 1939 **Produced the first TV receiver in Japan (Photo ④)**
- 1956 Developed 45/45 stereo record format
- 1963 Introduced KV-200, the world's smallest 2-head professional VCR
- 1976 **Introduced HR-3300, the world's first VHS recorder (Photo ⑤)**
- 1986 Introduced GR-C7, the world's smallest and lightest VHS-C video camera
- 1991 Introduced AV-36W1, the first 16:9 TV in the industry
- 1995 Introduced GR-DV1, the world's first pocket-sized digital camcorder
- 2003 Introduced GR-HD1, high-definition digital camcorder
Introduced EX-A1, compact home stereo component system
- 2005 JVC co-developed high-quality audio compression technology "net K2" with Victor Entertainment, Inc.
- 2006 JVC awarded the prestigious IEEE Milestone for the development of VHS
- 2007 **Introduced Everio GZ-HD7, the world's first full HD hard disk camcorder for consumers (Photo ⑥)**
- 2009 Introduced the JVC global brand throughout Japan
Introduced the GD-463D10, full HD 3D LCD monitor for professional use
- 2010 JVC LSI enables high-speed image processing in HD camcorders
- 2011 Merged into JVCKENWOOD Corporation



④The first TV receiver in Japan



⑤The world's first VHS home video recorder "HR-3300"



⑥Full HD hard disk camcorder "GZ-HD7"

Former Kenwood Corporation

- 1946 Established Kasuga Radio Co., Ltd.
- 1957 **Began exporting FM-100 the FM tuner for the first time as a Japanese manufacturer (Photo ⑦)**
- 1960 Renamed Trio Electronics, Inc.
- 1962 Launched TW-30, the industry's first transistor amplifier
- 1966 Introduced fully transistorized audio products for the first time in the industry
- 1978 Entered the professional radio equipment field in Japan
- 1980 **Entered the car audio field in the U.S., launched the KENWOOD brand car audio in Japan.(Photo ⑧)**
- 1983 Entered the business & industry sector of professional radio field in the U.S.
- 1986 Renamed Kenwood Corporation
- 1991 Official supplier contract with McLaren F1 Team
Developed and began to supply wireless radio systems for the Team as exclusive use
- 1992 Entered the car navigation system field, launching KNV-100, the industry's first 1DIN-size GPS car navigation system
- 1997 Supplied "the Real Focus Sound System" for "Forester" and "Legacy" the car of Subaru, establishing a base for the OEM Business
- 2004 Acquired the wireless radio business from Toyo Communication Equipment Co., Ltd.
- 2005 Technical and capital alliance with Icom Inc. to jointly research the standardization of technical specifications for digital wireless radio equipment
- 2007 Converted Zetron, Inc., a U.S. systems-based communication company into a subsidiary
Exclusive sales agreement with Garmin the largest PND maker in the U.S. for AV-integrated navigation systems in the consumer market (Photo ⑨)
- 2008 Launched a voluntary organization jointly to contribute to the development of land mobile radios in the Americas
- 2010 Launched land mobile radio equipment for emerging markets TK-U100, TK-2000/3000
- 2011 Merged into JVC KENWOOD Corporation



⑦FM tuner "FM-100"



⑧Representative model of the car audio first series line-up "KXC-757"



⑨A model of AV-integrated navigation system featuring Garmin navigation software "DNX7100"

Network (Global)

As of October 1, 2015

Global Affiliated Manufacturing Companies

Name	Location	Main Products
JVCKENWOOD Electronics France S.A.S.	Janze, France	Car electronics equipment
JVCKENWOOD Electronics Malaysia Sdn. Bhd.	Johor, Malaysia	Car electronics and telecommunications equipment
JVCKENWOOD Electronics (Thailand) Co., Ltd.	Pathumthani, Thailand	Professional products
JVC Optical Components (Thailand) Co., Ltd.	Nakhon Ratchasima, Thailand	Electronic components (for optical pickups)
PT. JVC Electronics Indonesia	West Java, Indonesia	Car electronics equipment
Shanghai Kenwood Electronics Co., Ltd.	Shanghai, China	Car electronics and telecommunications equipment

Europe : Affiliated Sales Companies

Name	Location
JVCKENWOOD U.K. Ltd.	The United Kingdom
JVCKENWOOD France S.A.S.	France
JVCKENWOOD Italia S.p.A.	Italy
JVCKENWOOD Iberica, S.A.	Spain
JVCKENWOOD Deutschland GmbH	Germany
JVCKENWOOD Belgium N.V.	Belgium
JVCKENWOOD Nederland B.V.	Netherlands
LLC "JVCKENWOOD RUS"	Russia

Americas : Affiliated Sales Companies

Name	Location
JVCKENWOOD USA Corporation	U.S.A.
JVCKENWOOD Canada Inc.	Canada
JVCKENWOOD Latin America, S.A.	Panama
JVCKENWOOD do Brasil Comércio de Eletrônicos Ltda.	Brazil

Asia, Oceania, the Middle East, and Africa : Affiliated Sales Companies

Name	Location
JVCKENWOOD Singapore Pte. Ltd.	Singapore
JVCKENWOOD Malaysia Sdn. Bhd.	Malaysia
JVCKENWOOD Thailand Co., Ltd.	Thailand
JVCKENWOOD Gulf Fze	U.A.E.
PT. JVCKENWOOD Indonesia	Indonesia
JVCKENWOOD Australia Pty. Ltd.	Australia

China : Affiliated Sales Companies

Name	Location
JVC (China) Investment Co., Ltd.	China
JVCKENWOOD Hong Kong Ltd.	China

Other Main Global Affiliated Companies

Name	Location
Zetron, Inc.	U.S.A.
AltaSens, Inc.	U.S.A.
Shinwa International Holdings Ltd.	China
EFJohnson Technologies, Inc.	U.S.A.
ASK Industries S.p.A.	Italy
JVCKENWOOD Technologies Singapore Pte. Ltd.	Singapore

Network (Japan)

As of October 1, 2015

Business Centers

Name	Location	Main R & D Products
Head Office & Yokohama Business Center	Yokohama, Kanagawa	Video cameras, Displays, Home audio, etc.
Kurihama Business Center	Yokosuka, Kanagawa	Projectors, D-ILA devices, Laser diodes, etc.
Hachioji Business Center	Hachioji, Tokyo	Car electronics
Hakusan Business Center	Yokohama, Kanagawa	Communications, Security cameras, etc.

Main Japanese Manufacturing Sites and Affiliated Manufacturing Companies

Name	Location	Main Products
Head Office & Yokohama Business Center	Yokohama, Kanagawa	Electronic components (for optical pickups)
Kurihama Business Center	Yokosuka, Kanagawa	Electronic components (D-ILA devices, Laser diodes)
Yokosuka Business Center	Yokosuka, Kanagawa	Projectors, etc.
JVCKENWOOD Devices Corporation	Osato-gun, Saitama	Components
JVCKENWOOD Yamagata Corporation	Tsuruoka, Yamagata	Professional products
JVCKENWOOD Creative Media Corporation	Yamato, Kanagawa	CD and DVD discs (prerecorded)
JVCKENWOOD Nagaoka Corporation	Nagaoka, Niigata	Electronic devices such as Medical Display Monitor Solution, On-vehicle Substrates
JVCKENWOOD Interior Furniture Corporation	Fukuroi, Shizuoka	Home furniture

Main Japanese Consolidated Affiliated Companies

Name	Location	Main Business
JVCKENWOOD Victor Entertainment Corporation	Shibuya-ku, Tokyo	Planning, production, and sales of audio and video, software, etc.
J&K Business Solutions Co., Ltd.	Yokohama, Kanagawa	Sales, installation, maintenance and repair of professional audio, imaging and telecommunications equipment
JVCKENWOOD Arcs Corporation	Minato-ku, Tokyo	Sales of professional audio and visual equipment
JVCKENWOOD Video Tech Corporation	Shibuya-ku, Tokyo	Video production, editing and sales, and studio operations
JVCKENWOOD Kenex Corporation	Hachioji, Tokyo	Sales and other operations relating to audio and communications equipment, etc.
Kenwood Home Electronics Corporation	Yokohama, Kanagawa	Sales of home electronics products, etc.
JVCKENWOOD Optical Components Corporation	Yokohama, Kanagawa	Sales of electronic components (optical pickups, etc.)
JVCKENWOOD Nagano Corporation	Ina, Nagano	Sales and manufactures of Car electronics, etc.
Victor Service & Engineering Co., Ltd.	Yokosuka, Kanagawa	After-sales services of audio, imaging equipment
JVCKENWOOD Service (Japan) Corporation	Yokosuka, Kanagawa	After-sales services and other operations relating to audio, communications and other equipment
JVCKENWOOD Partners Corporation	Hachioji, Tokyo	Undertaking of welfare program, general, personnel, accounting and other affairs
JVCKENWOOD Engineering Corporation	Yokohama, Kanagawa	Development and design of hardware and software
JVCKENWOOD Design Corporation	Meguro-ku, Tokyo	Planning and production of industrial designs for audio, communications and other equipment

Management Team

As of October 1, 2015

Directors of the Board



Haruo Kawahara



Kazuhiro Aigami



Junichi Hikita



Takayoshi Sakamoto



Shoichiro Eguchi



Naokazu Kurihara



Masatoshi Miyamoto



Hirohito Kamiyama



Takao Tsuji



Seiichi Tamura



Masanori Yoshikai



Akihiko Washida



Masaaki Saito



Masaki Imai



Akira Suzuki



Yasuyuki Tanida



Yasuyuki Abe



Shojiro Asai



Satoshi Fujita



Toshiaki Matsuzawa



Kazuki Oi

Audit & Supervisory Board Members

Executive Officers

Directors of the Board

Haruo Kawahara

Chairman, Representative Director of the Board

Takao Tsuji

President, Representative Director of the Board

Kazuhiro Aigami

Director of the Board

Seiichi Tamura

Director of the Board

Yasuyuki Tanida

Director of the Board

Junichi Hikita

Director of the Board (External)*¹

Masanori Yoshikai

Director of the Board (External)*¹

Yasuyuki Abe

Director of the Board (External)*¹*¹ External Director specified in Item 15, Article 2 of the Corporate Law

Audit & Supervisory Board Members

Takayoshi Sakamoto

Audit & Supervisory Board Member

Akihiko Washida

Audit & Supervisory Board Member (External) *²

Shojiro Asai

Audit & Supervisory Board Member (External) *²*² Audit & Supervisory Board Member (External) specified in Item 16, Article 2 of the Corporate Law

Executive Officers

Haruo Kawahara

Chief Executive Officer (CEO)

Takao Tsuji

Chief Operating Officer (COO),
In charge of Public Services Sector

Seiichi Tamura

Chief Strategy Officer (CSO),
General Executive of Corporate Strategy Division

Shoichiro Eguchi

CEO Europe

Kazuhiro Aigami

CEO Americas

President of JVCKENWOOD USA Corporation

Masaaki Saito

Deputy President & Executive Officer, Assistant to COO (Media Services Sector),
President and Representative Director of JVCKENWOOD Victor Entertainment,
Corporation

Satoshi Fujita

Chief Financial Officer (CFO)

Yasuyuki Tanida

Chief Innovation Officer (CIO),
Assistant to COO (Automotive Sector)

Naokazu Kurihara

CEO Japan

Masaki Imai

Chief Risk Officer (CRO),
In charge of Corporate Management Division
& Corporate Audit Office

Toshiaki Matsuzawa

Chief Production Officer (CPO)

Masatoshi Miyamoto

Senior Vice President & Executive Officer,
General Manager of Finance & Accounting Division

Akira Suzuki

Senior Vice President & Executive Officer,
Assistant to COO (Communications Systems Business)

Kazuki Oi

CEO Asia

Senior Executive, Public Service Sector, Asia

Hirohito Kamiyama

CEO China

President of JVC (China) Investment Co., Ltd.,
President of Shinwa International Holdings Limited

● Concurrently serving as Director of the Board

Corporate Profile / Stock Information

Corporate Data

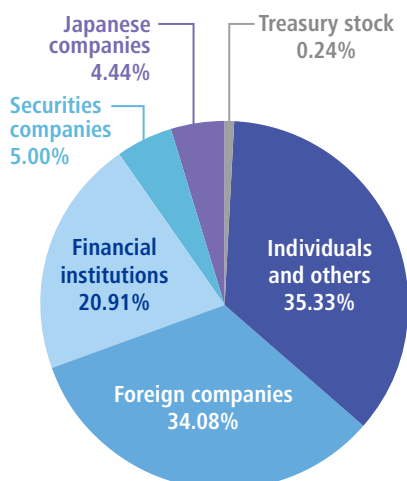
Company Name	JVC KENWOOD Corporation
Business Segments	Controlling and managing the business activities by operating the Automotive sector, Public Service sector, Media Service sector and owning shares and interest in the companies which run those businesses
Representative Director	Haruo Kawahara, Chairman, Representative Director of the Board Takao Tsuji, President, Representative Director of the Board
Date of Incorporation	October 1, 2008
Capital	¥10 billion
Number of Employees	17,668 (as of March 31, 2015)
Equity	¥79,762 million (as of March 31, 2015)
Total Assets	¥279,041 million (as of March 31, 2015)
Fiscal Year-End	March 31
Head Office	3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa 221-0022

Stock Information

Ordinary General Meeting of Shareholders	In June each year
Record Date	[Ordinary General Meeting of Shareholders] March 31 each year. [Year-end dividend] March 31 each year. [Mid-year dividend] September 30 each year * Besides the above record dates, a dividend of surplus may be paid through specifying a record date separately.
Stock Exchange Listing	Listed on the first section of the Tokyo Stock Exchange.
Security Code	6632
Trading Unit	100 shares
Total Number of Shares Issued	139,000,201 shares (including 340,031 treasury shares) (as of March 31, 2015)
Total Number of Shareholders	52,629 (as of March 31, 2015)
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
Place for the Registration	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Shareholder Composition

As of March 31, 2015



Major Shareholders (Top 10)

As of March 31, 2015

Name	Number of stocks held (thousands)	Ratio of shareholding (%)
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	7,244	5.22
Japan Trustee Services Bank, Ltd. (trust account)	4,897	3.53
Japan Trustee Services Bank, Ltd. (trust account 9)	4,202	3.03
DENSO CORPORATION	4,171	3.01
The Master Trust Bank of Japan, Ltd. (trust account)	3,761	2.71
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	3,339	2.41
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	3,133	2.26
GOLDMAN SACHS INTERNATIONAL	2,434	1.76
The Dai-ichi Life Insurance Company, Limited	1,852	1.34
JAPAN SECURITIES FINANCE CO., LTD.	1,774	1.28



JVCKENWOOD

creates excitement & peace of mind

● For further information, please contact:

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