

JVCKENWOOD

Company Profile Section

JVCKENWOOD Report 2016



JVCKENWOOD Corporation

JVCKENWOOD Report 2016 Company Profile Section

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

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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.

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.
- All company names, brand names and product names contained in our documents are registered trademarks or trade names of their respective holders.

Evolving into a company capable of creating customer value

Making the most of its collective audio, video and wireless communications technologies, the JVCKENWOOD Group will evolve into a company capable of creating new value for customers in three business sectors.



JVC



KENWOOD



**VICTOR
ENTERTAINMENT
GROUP**



ASK
Automotive Industries Group

JVCKENWOOD



ALTASENS



shinwa



EFJohnson
TECHNOLOGIES



ZETRON



Automotive sector



Public Service sector



Media Service sector

Stay

Passionate, Positive, Persistent

The JVCKENWOOD Group's employees are actively engaged in businesses around the world. They work with pride and responsibility, and always stay passionate, positive and persistent as they build better relationships with customers around the world and become partners to deliver solutions.



Headquarters



Production



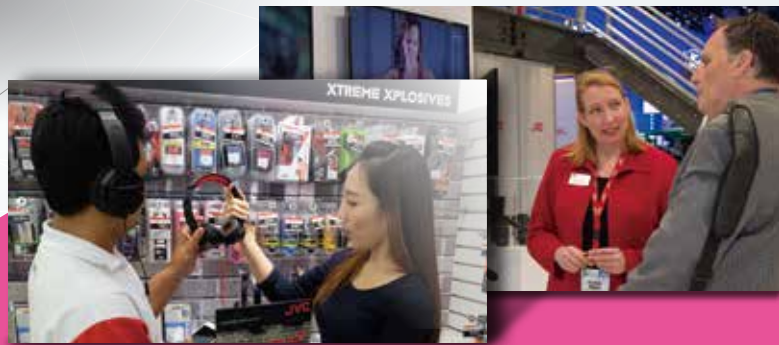
R&D



Planning



R&D

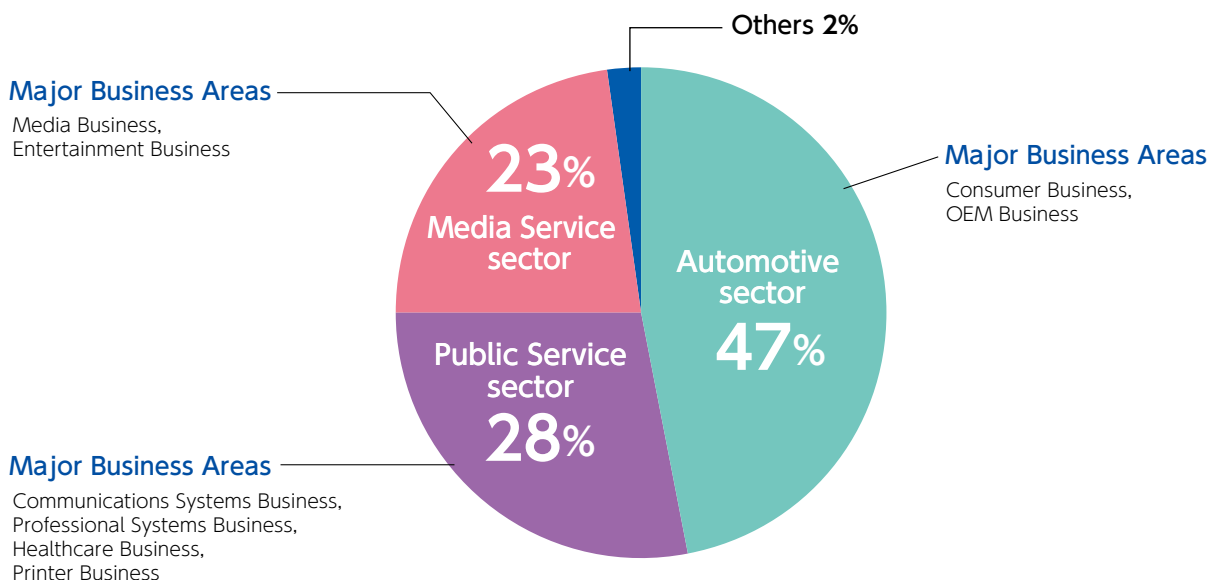


Sales

-  Headquarters
-  Business Operation Companies
-  Affiliated Manufacturing Companies

Overview of the JVCKENWOOD Group

◆ Sales Composition for FYE 3/'16

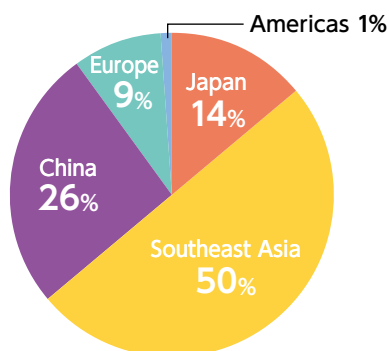


Production and Sales Structure

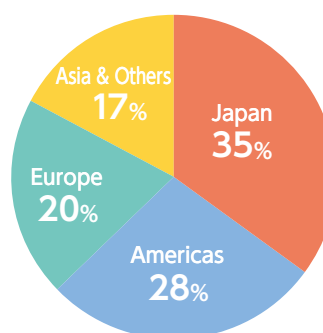
Production companies 9 companies in Japan, 6 overseas companies
 The overseas production ratio is **86%** of the total

Overseas business operation companies 20 companies
 The overseas sales ratio is **65%** of the total

◆ Production Composition by Region (FYE 3/'16)



◆ Sales Composition by Region (FYE 3/'16)

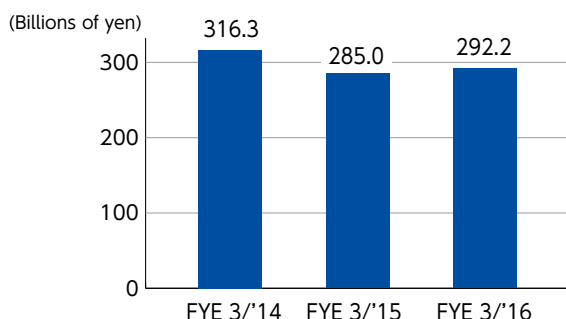


※Production companies, overseas business operation companies as of April 30, 2016.

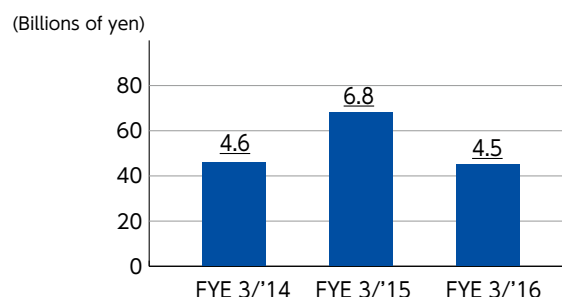
※Production Composition by Region and Sales Composition by Region are based on FYE 3/'16.

JVCKENWOOD Corporation and Consolidated Subsidiaries
Fiscal year ended March 31, 2016

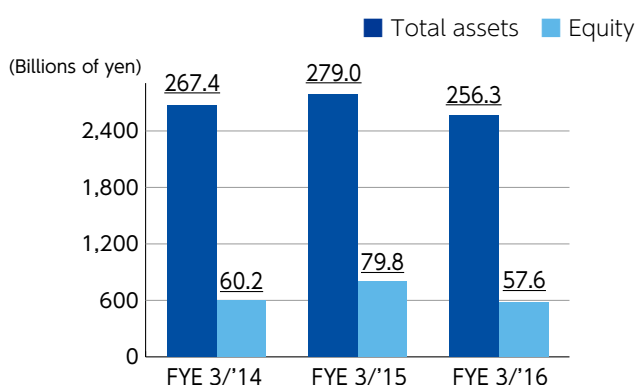
Net sales



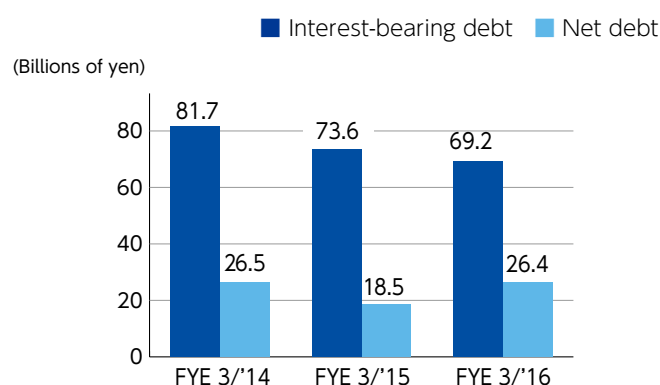
Operating income



Total assets / Equity



Interest-bearing debt / Net debt



(Millions of yen)

	FYE 3/'14	FYE 3/'15	FYE 3/'16
Net sales	316,343	285,010	292,195
Operating income	4,592	6,757	4,494
Ordinary income (loss)	100	3,362	1,291
Net Income (loss) Attributable to Owners of Parent	(6,450)	4,795	3,401
Total assets	267,380	279,041	256,334
Equity	60,224	79,762	57,565
Equity per share (yen)	375.89	521.57	376.57
Stockholders' equity ratio (%) ^{*1}	19.5	25.9	20.4
Retained earnings	17,421	22,181	24,682
Interest-bearing debt	81,663	73,618	69,202
Net debt	26,472	18,541	26,437
Cash flows from operating activities	14,943	8,575	12,258
Cash flows from investing activities	(10,658)	(3,857)	(8,395)
Cash flows from financing activities	(9,581)	(7,514)	(14,967)
Number of employees	19,791	17,668 ^{*2}	17,884

*1 (Equity - Minority interests) ÷ Total assets

*2 The numbers of employees decreased by 2,123 from the end of the previous fiscal year. This was due to employee reduction at an overseas subsidiary factory and other factors.

Creating value for our customers

Making the most of JVC and KENWOOD technologies and know-how to become a partner who creates new value while delivering outstanding solutions.

This fiscal year marks the second year of JVCKENWOOD Group's "Vision 2020" Medium- to Long-Term Business Plan, which was launched in May 2015. Under Vision 2020, we have chosen ROE as our principal management indicator; we have also implemented performance evaluation and business portfolio management by making ROIC an internal management indicator. As the result of these changes, we are now in a position to shift our management focus to our strengths and embark on the process that will see us evolve from a manufacturer/distributor into a company capable of creating customer value by providing solutions to issues confronting our customers.

To realize this vision, management of our business portfolio will be based on factors such as alignment with our long-term vision and capital profitability. We will divide our businesses into three categories: growth-leading businesses, profit-base businesses, and others, allocating management resources and conducting strategic M&A tailored to the characteristics of each business category. We intend to conduct growth investment in the growth-leading automotive sector, backed by stable income from the profit-base public service and media service sectors. As we transition our business structure to one that can achieve strong profit growth over the long term, the public service and media service sectors will function as the foundation and the automotive sector will generate approximately one-half of our profits.

◆ Fiscal Year Performance

For the fiscal year ended March 31, 2016, our sales and operating profits fell short of our initial expectations – an outcome that was due to factors including the sharp drop in oil prices, which led to a decline in sales of professional radio devices to the US rail industry, as well as the higher than anticipated advanced R&D costs to accommodate large new orders in the automotive sector (dealer option). That said, the global structural reforms implemented through the end of last year have been bearing fruit. Specifically, the conversion of our business from analog consumer electronics to digital solutions, the development of next-generation businesses, and M&A have allowed us to achieve an annual net profit for two consecutive years while simultaneously laying the foundation for future growth.

◆ Achieving Our Vision for 2020

The JVCKENWOOD Group will be managed via a matrix of five regions and three business sectors in accordance with the new management structure approved by the 8th Ordinary General Meeting of Shareholders. To ensure that management is agile, each business sector as well as each of the five regions will be led by a chief operating officer (COO) responsible for operations in their respective areas. Under this new management structure, we will continue to strive to grow our existing businesses while applying our collective audio, video and communications technologies and know-how to promising and socially significant sectors such as automotive and health care. We will boldly advance our new growth strategy and proactively work to anticipate customers' issues, playing the role of a valuable partner offering cutting-edge solutions.

◆ Earning the Trust of Society

We believe that a company seeking to achieve sustainable growth must first meet the expectations of its stakeholders and then, through unflagging efforts, earn the trust of society.

JVCKENWOOD Group endeavors to be a company that has earned the trust of its many stakeholder groups, including consumers and corporate clients. We will achieve this goal by working as a single, unified team and leveraging our strengths to improve the quality of all corporate activities, products and services; raise our competitiveness; and contribute to society. Simultaneous with these efforts, we will demonstrate our commitment to future generations by enhancing our community-based social contribution and environmental conservation activities.

Drawing on the experience of the Great East Japan Earthquake, we will further reinforce our crisis management system, as well as strengthen organization-wide initiatives for business continuity and measures to address significant risks to management.

We are confident that the complementary strengths of our respective technological assets and experiences will allow JVCKENWOOD to become a partner creating new value and expert solutions for our customers.

Thank you for your continued understanding and support.

June 2016

Takao Tsuji
President and CEO



“Vision 2020,” Medium- to Long-Term Business Plan

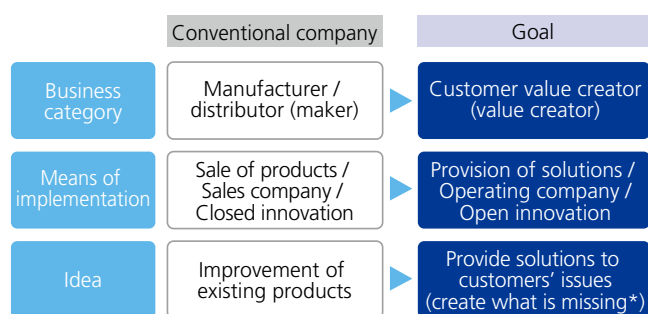
There have been structural changes in the external environment, such as the rapid depreciation of the yen, a shrinking consumer electronics market due to the widespread use of smartphones, and innovations in digital and optical technologies such as cloud computing and big data. In view of these, JVCKENWOOD launched a new medium- to long-term business plan, “Vision 2020,” focusing on fiscal year 2020 in May 2015, and is taking steps based on the Vision.

Evolution into a company capable of creating customer value ~Long-Term Vision for 2020~

From a product vendor to a solutions provider

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.

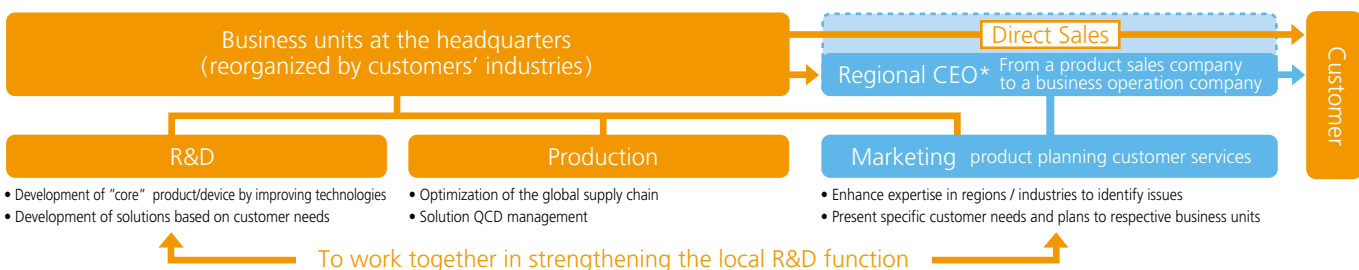
JVCKENWOOD will change existing business operations oriented to product development under an operating unit system. Instead, it aims to become a partner for individual customers, an organization able to fully understand their problems, and provide specific solutions by employing business operations oriented to the markets and customers.



* Includes integration of existing technologies

New “shape of the company”

Direct sales businesses are expanding based on dialogues between business units at the headquarters and customers in such businesses as the factory-installed equipment business in the Automotive sector and systems business for industrial wireless communication. In response to such a trend, JVCKENWOOD has restructured the business units at the headquarters into three organizations by customer industry sectors — the Automotive sector, which contains growth-leading businesses; and the Public Service and Media Service sectors, which are profit-base businesses. At the same time, it has also established the new “shape of the company.” In addition, the roles of individual regional CEOs* and sales companies have been broadened to be able to provide functions for product planning and marketing, and support for customer services in the direct sales businesses.



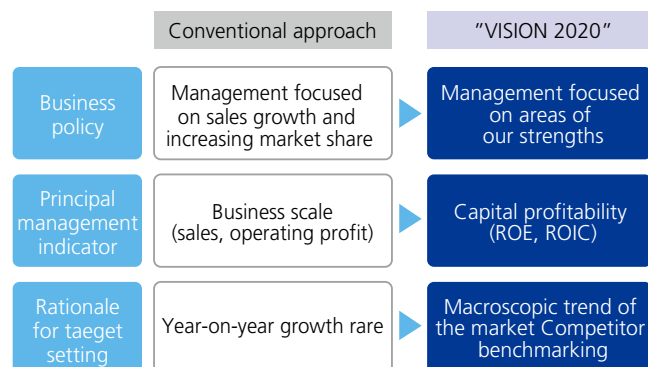
*JVCKENWOOD established the position of Chief Operating Officer (COO) for executives who assume the responsibility for the overall operation of all the businesses in the Americas, EMEA (Europe, Middle East and Africa), Asia Oceania, and China in changing the title from Regional CEO effective June 24, 2016.

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 solutions-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

To achieve high ROE ~ Business portfolio ~

Business portfolio

JVCKENWOOD will promote management that no longer puts emphasis on business scale, such as expansion of sales or market share, but on areas where its strengths will resonate. Specifically, JVCKENWOOD will perform achievement evaluations and business portfolio management based on ROE as a publicized indicator as well as ROIC as an internal management indicator.

With regard to business portfolio management, JVCKENWOOD will allocate managerial resources and perform strategic M&As according to the characteristics of respective businesses, considering their consistency with the long term vision and capital profitability. By doing so, JVCKENWOOD aims to establish a business structure in which the stable income from the Public Service and Media Service sectors, the profit-base businesses, supports the investment for future growth of the Automotive sector, the growth-leading business.

Investment and financial strategy

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

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

Market strategy

Looking toward fiscal year 2017, based on the abovementioned long-term vision and management policy, JVCKENWOOD will re-focus on developed countries and pursue an aggressive approach to growth in emerging economies. This is based on its recognition 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.

Business strategy

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

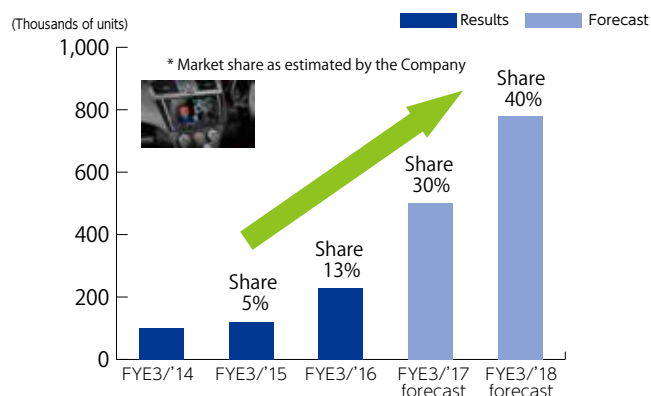
JVCKENWOOD considers the Automotive sector as one containing the growth-leading businesses and will work to expand market shares of consumer business and accelerate growth in the dealer-installed option business. Regarding the Public Service and Media Service sectors as profit-leading businesses, JVCKENWOOD 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 the 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. Regarding markets in developed countries, JVCKENWOOD will rebuild the industry structure as a solutions provider of the Automotive sector and develop potential demand in the Public Service and Media Service 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.

At the same time, JVCKENWOOD needs to manage businesses necessary to improve their profitability, such as the radio system business in the US, factory-installed equipment 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 medium-term target by turning the businesses into profitability and commercializing the next-generation businesses.

Automotive Business

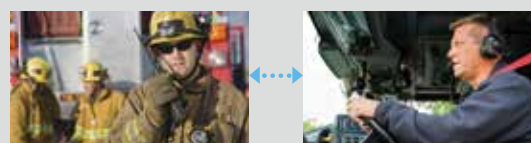
The dealer-installed option business continued to carry out activities to win orders backed by the favorable performance of “Saisoku” Navigation in the Consumer Business. It aims to secure a market share of 40% in the fiscal year ending March 2018.

Dealer-installed navigation device products: Results and forecast (Domestic market)

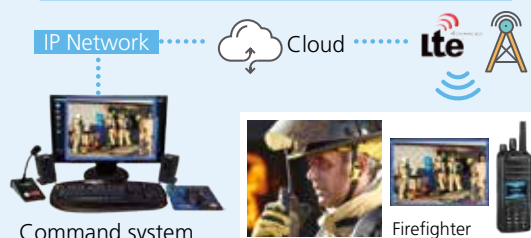


Next-generation professional radio system

Traditional voice communication (Narrowband)



Transmission of video and image (Broadband)



Special Features: Initiatives for the Realization of “Vision 2020”

Creation of solutions in the Automotive sector: Digital Cockpit System

From Car Electronics to CAROPTRONICS*1

At JVCKENWOOD, we are paving the way for a new business area called CAROPTRONICS, which combines our technological advantages in Car Electronics and Optronics. JVCKENWOOD enjoys a major share of the Car Electronics market in the world, with its car navigation, car audio, in-car camera, and other products. 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 a Task Force for the commercialization of i-ADAS*2. Through this Task Force, JVCKENWOOD provides a consistent DiCI (Digital Cluster Information) system that processes incoming information for transmission to drivers. This type of system includes sensing devices, such as cameras and sensors, ECUs (electronics 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 improve driver safety and facilitate safe driving, e-mirrors and e-meters. JVCKENWOOD has positioned DiCI systems as its next-generation growth area and is making proposals to automakers and parts makers as well as 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 the world’s largest electronics show

JVCKENWOOD showcased a show car equipped with a pre-mass production development model of the advanced Digital Cockpit System (McLaren 675LT luxury sports car in collaboration with McLaren Automotive of the U.K.) at the 2016 International CES held in Las Vegas, U.S., in January 2016. The show car enabled visitors to experience our critical technologies, such as the All-in-One Head-up Display that projects a conventional instrument cluster onto the windshield, digital rear-view mirror, and HD in-car camera, in an actual driver’s seat.

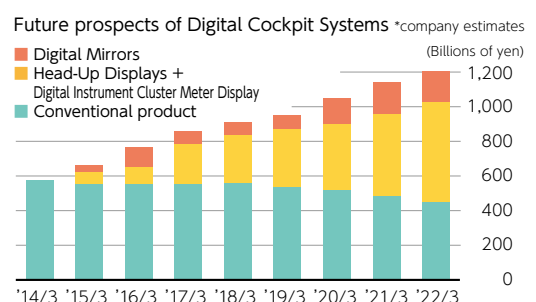


McLaren 675LT model base show car

With the completion of the concept model of the Digital Cockpit System installed in the McLaren 675LT, commercialization of innovative driver assistance systems has come closer to reality through a combination of this concept model and JVCKENWOOD’s Infotainment Systems, including the car navigation systems for which JVCKENWOOD is famous around the world. We have currently entered a phase of verification testing that is conducted using this vehicle on road courses in cooperation with various automakers. With the spread of these innovative driver assistance systems among road vehicles, JVCKENWOOD aims to achieve a motorized society characterized by safety and peace of mind.

Market size of digital cockpit systems

The market for digital cockpit systems 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 and seek to further conduct development and early commercialization of such technologies to build its third pillar of products, following car audio and car navigation systems.



Towards the expansion of Professional Systems Business: Setting up JVCKENWOOD Public & Industrial Systems Corporation

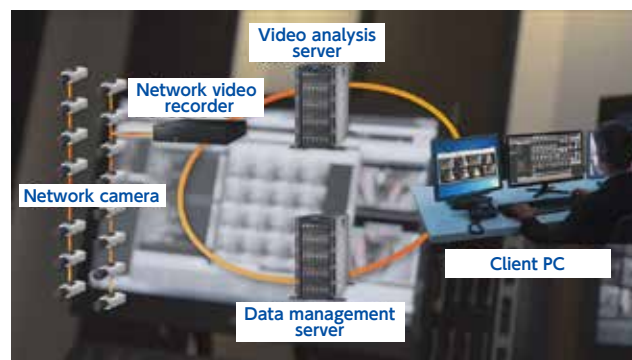
Creation of unconventional new business models

To evolve into a company creating customer value in the Professional Systems Business, JVCKENWOOD newly set up JVCKENWOOD Public & Industrial Systems Corporation (JKPI) on April 1, 2016.

To strengthen its Professional Systems Business, JVCKENWOOD has reorganized its Security Business (security systems such as monitoring cameras and storage devices), Professional Audio Business (audio systems such as broadcast audio equipment), and Business Solution Business (proposal, design, implementation, maintenance, and management of professional systems, which have been conducted by J&K Business Solutions Corporation, a group company). By setting up JKPI, JVCKENWOOD aims to conduct these business activities consistently as one-stop services.

Through this business reorganization, JKPI will be able to provide total solutions for the Professional Systems Business, ranging from the manufacture and sale of equipment to the proposal, design, implementation, maintenance, and management of systems, meeting a variety of customer

needs more accurately, flexibly and promptly. JVCKENWOOD also aims to create unconventional new business models by promoting cooperation with other companies, such as multiple solutions offered based on the combined resources of JKPI and such other companies.



IVA (Intelligent Video Analysis System), a new monitoring system that reduces the human resources needed to analyze images from monitoring cameras

Provision of novel solutions using original technological assets

Epoch-making laboratory diagnosis technology using optical disk technology (DVD/Blu-ray)

Supported by the JST-SENTAN program, promoted by the Japan Science and Technology Agency (JST), JVCKENWOOD is pursuing equipment technology development enabling the detection and measurement of exosomes*³ useful for cancer screening. This is being done through the application of its original optical disk-related technology and research results*⁴ of Keio University School of Medicine, Tokyo Medical University, and School of Life Science and Technology of Tokyo Institute of Technology.

In March 2016, JVCKENWOOD agreed with Sysmex Corporation (hereinafter "Sysmex"), a manufacturer of diagnostic instruments and reagents, on the joint development of unconventional, unique, high-performance

exosome diagnostic equipment based on a combination of the technological strengths and experience of both companies.

In this joint development, JVCKENWOOD develops equipment for detecting and measuring exosomes within the blood using its optical disk-related technology, and Sysmex develops equipment for measuring encapsulated substances of exosomes using its high-sensitivity measurement technology applicable to genes, proteins, and other substances.

After conducting clinical research, JVCKENWOOD aims to develop equipment enabling early detection of cancer by performing blood tests so that physical burdens can be reduced.

*³ An exosome is a vesicular granule (50–100 nm in size) secreted from many types of cells and exists in biological fluids such as blood, saliva and urine. An exosome contains a variety of substances such as protein, mRNA, and microRNA. In recent years, there have been increasing expectations that it will become a biomarker for various diseases, including cancer.

*⁴ Research results of Tokyo Medical University (Specially Appointed Professor Hiroshi Handa), Keio University School of Medicine (Full-time Lecturer Yasuaki Kabe), and School of Life Science and Technology of Tokyo Institute of Technology (Assistant Professor Satoshi Sakamoto).

Gazefinder, a social development evaluation device, equipped with gaze detection technology

JVCKENWOOD has been developing Gazefinder, a social development evaluation device, using gaze detection technology in collaboration with the Graduate School of Osaka University and United Graduate School of Child Development (Osaka University, Kanazawa University, Hamamatsu University School of Medicine, Chiba University and University of Fukui).

Gazefinder is a new solution that JVCKENWOOD has created using its imaging technology cultivated over many years. It consists of a stereo camera, monitor and exclusive imaging content and is able to quantitatively evaluate social development trends by detecting the point of gaze of the subject of an experiment who views a video. This technology can also be used to detect at an early stage developmental disorders such as autism spectrum disorder.

Not only aiming to commercialize Gazefinder, JVCKENWOOD is developing a system to comprehensively support people with developmental disorders.



We create and deliver new value for customers

The Media Services sector consists of the Media Business covering imaging equipment, such as consumer/professional video cameras, the projector corresponding to the HDR (high dynamic range), headphones corresponding to high-resolution audio, and imaging devices, and the Entertainment Business including the Content Business, which has as its core Victor Entertainment, Corp. and the OEM business.



Media Service sector

Media Business
Entertainment Business



Business
as of July 1,

Public Service sector

Communications Systems Business
Professional Systems Business
Healthcare Business
Printer Business (OEM)

The Public Service sector consists of the Communications Systems Business covering Professional Wireless Systems, license-free transceivers and amateur radio sets, the Professional Systems Business including security camera systems and professional audio systems, the Healthcare Business which primarily provides medical display monitor solutions, and the Printer Business which provides ID card printers for high-precision color printing as an OEM supplier.



Automotive sector

Consumer Business
OEM Business

The Automotive sector centers on car navigation systems and car audio systems. In the Consumer Business, we provide products to customers through mass retailers and distributors. The OEM Business includes the Dealer-Installed Option Business, in which we provide products through car dealers, and the Factory-Installed Option Business, in which our products are installed in automobiles and distributed by automakers.

Composition
2016



Automotive sector



Consumer Business

Overseas markets

In the consumer business, the JVCKENWOOD Group has gained an industry-leading market share both in car navigation systems and car audio systems especially in Europe and the U.S. by launching marketing and sales strategies that leverage the JVC and KENWOOD brands with different characteristics in overseas markets.

In 2016, JVCKENWOOD marks the 10th anniversary of its collaboration with Garmin, a U.S. corporation and the industry leader in the field of car navigation systems. By combining the strengths of both companies, we have long maintained the largest market share exceeding 50% in North America and will continue to strengthen our competitive advantages mainly in that market.



Japanese market

In Japan, 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 a declining market. This is owing to the popularity of the Saisoku-Navi series of car navigation systems developed by integrating the technologies of JVC and KENWOOD, for which the Group has released the first high-resolution audio model in the industry.

In addition, dashcams launched in 2014 have received a very high evaluation. We have developed them by fully leveraging our know-how accumulated through video camera development, realizing an industry-leading full HD high-quality video recording ability, and also loading driver assistance and other systems.



Future outlook

In the Japanese market, the JVCKENWOOD Group will continue working to expand sales and improve its 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 dashcams and 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 the Android Auto™-enabled DVD Entertainment System. Furthermore, driven by strong domestic sales of dashcams, we will seek to enter the relevant overseas markets. In addition, expansion into emerging markets is being scheduled.



OEM Business

Dealer-Installed Option Business

Our customers in the dealer-installed option business are automobile manufacturers and Tier 1 suppliers that provide parts to automobile manufacturers. JVCKENWOOD is seeking to increase the amount of new orders from them for car navigation systems, DVD entertainment systems, dashcams, and other products by leveraging its achievements and strengths in the consumer market and cooperating with partner companies.

In the Japanese market, notably, we are winning new orders for large-lot projects from leading Japanese automobile manufacturers thanks to the high evaluation of the Saisoku-Navi series and dashcams, which we deploy in the consumer business.



Basic Internavi for Honda Access

Navigation available exclusively for Suzuki Wagon R as a dealer-installed option

Factory-Installed Equipment Business

In the factory-installed equipment business, the JVCKENWOOD Group is working on developing, mass producing, and acquiring new orders for dedicated design infotainment, car navigation systems, DVD entertainment systems, ADAS* products (e.g., VGA cameras), etc.

As for in-car CD/DVD mechanisms, JVCKENWOOD is striving to 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 built mainly in Europe by ASK Industries S.p.A. (hereinafter "ASK Industries"), which became JVCKENWOOD's subsidiary in April 2015, in order to expand the factory-installed equipment business by offering integrated systems combining both companies' products as well as the ASK products.

*ADAS is an abbreviation of Advanced Driving Assistant System.



Shinwa's in-car CD/DVD mechanism

ASK's speaker and amplifier for automotive manufacturers

Future outlook

In the dealer-installed option 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. To deal with the increases in development costs incurred for new orders received, JVCKENWOOD will also focus more on cost reduction measures and strive to strengthen competitiveness and reduce costs by reviewing the development structure and building a common platform for operations, including the consumer business.

In the factory-installed equipment business, JVCKENWOOD will further focus efforts on the development of CAROPTRONICS devices (digital cockpit systems) that have the highest growth potential, such as car-mounted cameras, head-up displays, e-mirrors and e-meters (i.e., ADAS products). JVCKENWOOD is one of a few specialized manufacturers that have the various core technologies essential for the development of CAROPTRONICS devices within its Group, such as technologies related to car electronics, audio, image/optical and sensing. We will take full advantage of this merit and further promote the development of CAROPTRONICS devices to expand the factory-installed equipment business.



Advanced digital cockpit system such as All-in-One Head-up Display



Showcased a show car equipped with Digital Cockpit System (McLaren Automotive's McLaren 675LT luxury sports car) at 2016 International CES, one of the world's largest electronics shows

Public Service sector



Communications Systems Business

The Communications Systems Business, which boasts the world's second-largest market share in its mainstay area of land mobile radio equipment, maintains high sales and strong profitability. To make it possible, JVCKENWOOD develops products that combine radio technologies, which it has cultivated over many years through amateur radio equipment, with cutting-edge digital and network technologies.

Having a high proportion of overseas sales as a feature, we deliver 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. Going forward, JVCKENWOOD will particularly step up its efforts in the U.S. public safety market, which is expected to continuously expand, by setting up an Integrated System Business Division in Dallas through strengthened cooperation with Zetron, Inc. and EF Johnson Technologies, Inc., its local communication system subsidiaries. In addition, it will strive to develop integrated communications systems with the aim of providing total solutions in this area, centering on professional digital radio systems conforming to the NXDN standard and Project 25 (P25), a digital radio format for the public safety market in North America.

The Broadband Task Force, which was set up to focus on stepping up activities toward the development and commercialization of wireless broadband systems, is working to develop a next-generation IP radio system with the Push To Talk over Cellular (PoC) using the IP network of a mobile phone that allows for large capacity data communication. To strengthen the efforts to PoC, which is expected to be adopted rapidly in the whole world, JVCKENWOOD will aim to commercialize such business by launching products in the commercial market and eventually in the public safety market, which will require investment in infrastructure on a medium- to long-term basis.



Digital land mobile radio equipment

Professional Systems Business

The Professional Systems Business made a new start as JVC KENWOOD Public & Industrial Systems Corporation through a merger between JVCKENWOOD's Professional Systems Business and the former J&K Business Solutions Corporation. The aim is to expand the solutions business. It is engaged in production and sales of highly reliable security camera systems and professional audio systems developed based on advanced image display and acoustic technologies to such markets as education, the public sector, distribution, social infrastructure and amusement facilities. In addition, JVCKENWOOD is stepping up efforts to expand sales by providing one-stop total solutions, such as the proposal and design of systems to solve customers' issues, high-quality construction, and maintenance and operation services that ensure safe use over a long period.



Security video camera

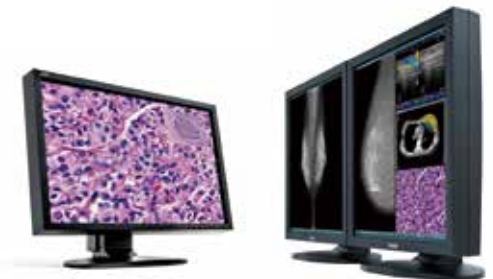
JVCKENWOOD will strive to become a solutions provider that helps its customers to solve their issues while also contributing to the development of a safe, secure and comfortable society. In doing so, we will actively promote alliances with external organizations and offer a wide range of solutions based on outside-the-box ideas. These include an intelligence security system that enables IVA (Intelligent Video Analytics) of multiple security camera images in real time, as well as the KooNe Space Sound Design Solution that produces a comfortable space.



Healthcare Business

The Healthcare Business mainly handles mammography displays and other radiographic medical image displays that realize the highest levels of display performance and stability that medical imaging demands. This is achieved with JVCKENWOOD's unique display technologies developed over the years. Also, we are promoting introduction of pathological image displays using our unique color management technology that can reproduce colors in high definition. JVCKENWOOD will strive to strengthen its medical image diagnosis solutions business via products such as accuracy control software that works with cloud computing, which realizes maintenance and management of luminance, an indispensable aspect of medical imaging displays for in-hospital image diagnosis systems. In addition to its current medical image diagnosis solutions, JVCKENWOOD will propose systems to provide various surgical support using high-definition 8K/4K cameras and monitors for endoscopes and operating microscopes.

Under the Medical System Development Task Force that will promote the expansion of the Healthcare Business, JVCKENWOOD will aim for business growth by developing advanced and innovative testing/diagnostic systems. These include GazeFinder, a piece of social development evaluation equipment that uses our proprietary gaze point sensing technology and that can identify developmental disorders at an early stage, and an early detection system for cancer to which our disk technology is applied.



Medical imaging displays

Printer Business (OEM)

As an OEM supplier in the printer business, JVCKENWOOD is providing ID card printers for high-precision color printing to the printer manufacturers all over the world, by making maximum use of its mechatronics technology cultivated in VHS development in the past.

In this Business, starting from the color printer for prepress applications, we have developed plastic card-dedicated printers for business purposes for 20 years. We adopted an optimal re-transfer system for smart cards (IC cards), which are increasingly in demand and used for governmental ID cards, corporate employee ID cards, and other various purposes.

In response to a global demand for enhanced security, which is expected to increase in the future, JVCKENWOOD aims to further expand the business.



Sublimation re-transfer card printer

Media Service sector



Media Business

With the aim of enhancing the capacity to provide solutions, JVCKENWOOD has implemented an organizational change effective April 1, 2016. The organization has been realigned into departments by business models to promote the three areas of Solutions Business, Products Business, and Imaging Devices Business, from the conventional organization that was segmented vertically by product category.

Solutions Business

In the content creation area, we carry out development and sales of high-value-added products, including 4K/2K video cameras, high-definition monitors, professional Blu-ray recorders and industrial image systems that meet the needs of the professional sectors, such as broadcasting, video production, education and sports.

In the projector area, we are engaged in the development and sales of projectors based on our unique D-ILA LCOS (Liquid Crystal On Silicon) devices optimized with high contrast, such as full-fledged home projectors, high-resolution projectors for professional use such as flight simulators as well as projectors corresponding to the HDR (high dynamic range) that are used for automobile design.

Customer needs are rapidly changing, as an effect of the diversification of broadcasting and business forms due to the Internet of Things (IoT) and the advancement of high-quality video technologies such as 8K/4K imaging technologies. In order to respond to such needs flexibly, in addition to providing equipment, at JVCKENWOOD we are promoting a transformation to a solutions business that enables us to promptly respond to customer needs through systemization and customization.

Products Business

While the video camera market continues to contract on a global basis, our imaging area maintains a strong presence in the market owing to such efforts as promoting a shift to a proposal-based and high-value-added product lineup, including long playback models and all-weather models.

In the AV Accessory area, 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 models 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.



Flight Simulator

D-ILA 4K Projector for professional use

4K Memorycard Camera Recorder



All-weather HD Video Camera

Inner-Ear Headphones

High-Resolution Stereo Headphones

Imaging Device Business

JVCKENWOOD is striving to expand its businesses in global markets by expanding external sales of its proprietary LCOS devices, achieving full-scale production of Pico devices, launching next-generation image devices such as HUD and releasing projectors compatible with 4K/2K and 8K/4K. In addition, we will aim to achieve full-scale deliveries in the imaging device business through cooperation with AltaSens, Inc., a subsidiary handling CMOS sensors.

Future Outlook

In order to shift our focus for growth onto the professional business from the consumer business as a profit-base business, we will accelerate the change from technology and product deployment for industrial use while also promoting transformation to the solution business by growing out of standalone sales.



LCOS



Entertainment Business

Content Business

The Content Business, which has as its core Victor Entertainment, Corp., is endeavoring to enhance its core Music Business in two ways. The first is 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. The second is by making enterprising investments in talented new artists to discover and foster such artists and promote a partnership strategy to create hits. 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. Also, in anticipation of the popularization of the online music distribution market featuring high sound quality, we set up VICTOR STUDIO HD-Music, 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. 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.



Keisuke Kuwata



Gen Hoshino



Mariko Takahashi



Leo Ieiri



Sakurako Ohara



Sakura Fujiwara

OEM Business

In the OEM Business that specializes mainly in the production of packaged software, such as CDs, DVDs and Blu-ray products, we fully support customers and meet their requests, from the production of content to the creation of package media. In 2016, we will relocate the Rinkan Business Center (Yamato City, Kanagawa Prefecture) of JVCKENWOOD Creative Media Corporation, a subsidiary engaged in the contract manufacturing of packages, to the Yokosuka Plant to enhance the corporate value of the entire Group. Going forward, we will aim at strengthening and improving the efficiency of marketing/sales activities by concentrating the Group's capabilities.

Future Outlook

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 appeal of artists and music to various businesses in a range of fields. In addition, we will enhance the comprehensive capabilities of the Group by expanding new B-to-B domains and making the most of our music, video technologies and know-how.



KooNe Space Sound Design Solution



Production of CDs, DVDs, BDs

Diversity

Diversity & Inclusion

JVCKENWOOD positions diversity promotion as one of its important strategies and considers that it can generate innovative ideas and meet a variety of customer needs around the globe by making people with diverse backgrounds and opinions gather and inspire one another. For this purpose, in-house awareness programs, measures for promoting the recruitment and appointment of diverse personnel, and other activities have been implemented mainly by the Diversity Promotion Office.



Action Plan

To realize its “2020 Vision,” JVCKENWOOD has set up the following action plan to promote diversity. In Phase 1 that lasts until 2017, JVCKENWOOD aims to ensure diversity as a well-established corporate culture by offering awareness programs, conducting employee training, and such like on diversity promotion activities. As part of initiatives to promote women’s active participation, JVCKENWOOD also aims to boost the ratio of female managers to 5.0% by April 2020, and takes various relevant measures such as offering follow-up training and senior personnel training, and support for balancing work with child or nursing care.



Recruitment and Appointment of Diverse Personnel

To prevail in global societies that are changing constantly and significantly, we need to come up with new, unconventional ideas. From this point of view, JVCKENWOOD is conducting diversity-based recruitment activities disregarding gender differences, nationalities, physical disabilities, etc. In the case of new graduate recruitment, women have accounted for about 30% of new hires on average since the business integration. JVCKENWOOD hires some foreign employees every year. In addition, under the new management structure that started in June 2016, diversity-based personnel appointment has been promoted (e.g., two foreign employees and one female employee have been promoted to executive officers).



Becoming a bridge between Japan and Malaysia in future through manufacturing

I belong to the car navigation system design and development section and am currently in charge of designing and evaluating parts of car navigation systems.

As I am a Muslim, I have to fast for one month. However, during that period, my fellow workers care about my physical condition and health and help me out with my work. I am truly glad to be able to work for a company that understands other countries' cultures. I think JVCKENWOOD's open office environment is also attractive to employees. The section I work for has also created a workplace with a positive atmosphere. Accordingly, we can express our ideas and opinions freely regardless of the length of the employment period or nationality. In addition, as everyone is working in an honest manner in such an environment, I can get to know people who have various new ideas and values. I am currently in the midst of learning technologies in Japan, but I hope I will be able to produce things that can make people around the world, as well as the people of Malaysia (my home country), happy. I also hope I will be able to contribute to the development of Malaysia in future.

Ahmad Azrie, Technology Group II, Engineering Department, Option Business Department, Automotive OEM Business Division



Overseas assignment in Canada where I was able to improve my business-oriented mindset

I belong to the overseas sales section of the Communications System Division and am in charge of sales and marketing support operations for overseas sales facilities. I have always wanted to get involved in international business since I was a student, and JVCKENWOOD's global business operations have been attractive to me. As the section I work for has created a culture of cultivating global personnel by letting them gain experience in business overseas as early as possible, I think younger employees can have many good chances.

I had a chance to work overseas, and was assigned to the sales company in Canada for three and a half years from the seventh year of my employment. It was not easy to establish my position in a different country where people speak a different language, but it was a very important experience for me. I tried to fulfill my role to become aware of the circumstances in Japan and improve collaboration between the Japanese and Canadian offices. I also strove to get rid of barriers created by differences in business cultures and markets as early as possible and worked to gain the trust of local employees and customers so that I could contribute to local business development as a member of the sales company. Through these experiences in Canada, I was able to improve my mental strength. This is how my current confidence level has been built up. I will continuously challenge myself from a global viewpoint based on my past experiences.

Reiko Okano, Marketing & Sales Planning Group, Global Marketing Department, Business Management Department, Communications Systems Division



Aiming to build an organization allowing employees to play active roles in various environments

JVCKENWOOD's Diversity Promotion Office is currently conducting its activities by focusing on empowering women. From a medium- to long-term perspective, however, we aim to build an organization that allows all employees to play active roles in various environments regardless of their gender. Through a variety of activities such as group-wide events and workshops, we will strive to create an environment and systems enabling all employees to deepen their understanding of diversity and put it into practice.

We will also strive to help employees achieve a better work-life balance and to expand our systems and support activities to enable them to juggle their jobs and homework (e.g., support for juggling jobs and child and nursing care).

Finally, our diversity promotion activities go beyond women's active participation and include the recruitment of more foreign employees and the empowerment of people with disabilities.

Hitomi Kajitani, Head of Diversity Promotion Office, Corporate Management Division



Human Resource Management

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 backgrounds and experience.

The Career Development Program is comprised of the following: career interview; career design training; and 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 part of the Career Development Program.

● Career design training / Career development support

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 an awareness of various points. Further, this is an opportunity for them to comprehensively consider 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. We have introduced a career development support system which provides employees with assistance in terms of both time and money to take on further challenges by applying what they have learned from their new self-awareness.

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

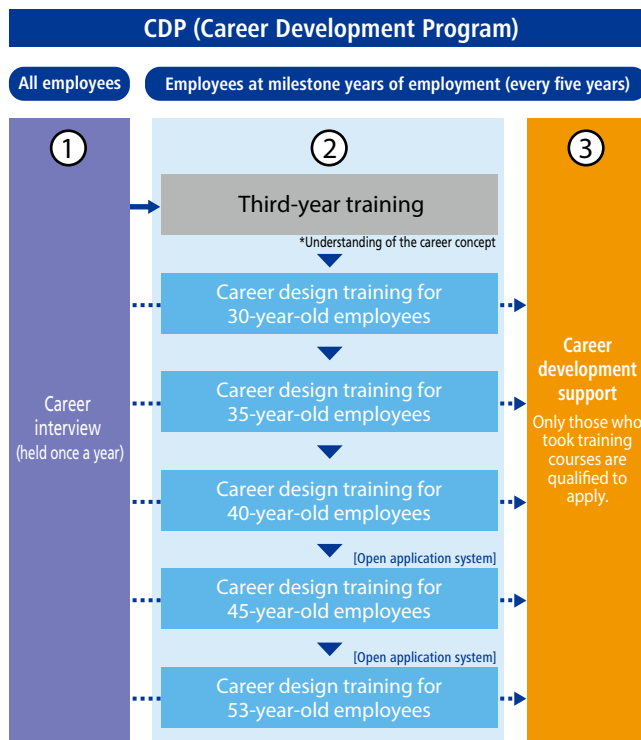
We have continuously been making efforts to reduce overtime work every day as a way to promote a good work–life balance (WLB).

We are conducting activities to encourage our employees to work with an awareness of time under their own initiative. 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 an in-company broadcast two hours before the end of business hours, asking them to adjust their work schedules so they can go home at the end of the regular work hours.

As a result of these activities, the total actual working hours has remained below 2,000 hours for four years in a row since 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 making efforts to encourage employees to use their annual paid holidays based on the targets for number of annual holidays to be taken, set between labor and management. As a result of such efforts, the total paid leave taken per year has increased from 13.9 days (rate of taking paid leave: 60%) in FY2010 to 17.06 days (rate of taking paid leave: 68%) in FY2015.



Name	Explanation	Status of usage of each system in 2015
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 11 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 34 people
Pregnancy leave for spouses	Employees are entitled to take three days' leave to stay with their spouses during delivery.	41 people overall, 111 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

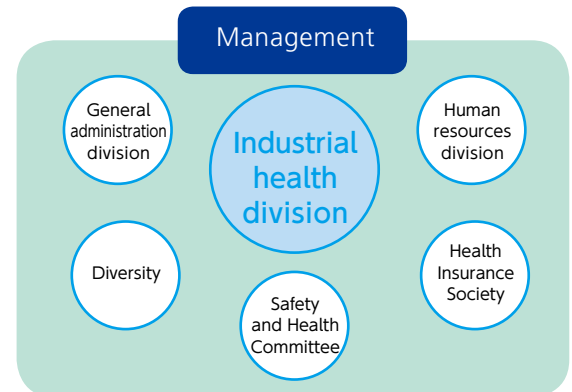
Promoting the health of employees

Health management

One of the critical factors for JVCKENWOOD to continue to grow into the future is to ensure that its employees stay healthy and motivated at work.

We consider the health of our employees as one of the most important management themes, and are promoting wellness through the collaborative efforts of management and the relevant divisions, such as the industrial health, human resources and general administration divisions as well as the Health Insurance Society.

JVCKENWOOD strives to create a workplace environment that enables its employees to stay healthy and motivated at work to achieve its corporate vision: "Creating excitement and peace of mind for the people of the world."



Measures for mental health care

As mental healthcare measure, JVCKENWOOD will introduce a stress check-up system in FY2016. In this way, we will work to enhance the employees' awareness about mental health and the need to prevent mental health disorders, and to improve the workplace environment.

We have also established a return-to-work support system for when employees go back to work after an absence due to mental health disorders. This system is designed to prevent relapses by introducing work responsibilities on a trial basis, increasing the workload and working time in stages, to allow people to go back to work without stress.

Measures to prevent overwork

JVCKENWOOD considers long working hours to be an important social problem that could lead to health problems and even death from overwork for employees.

We are striving to prevent damage to the health of people. We do this by having workers doing long hours of overtime receive face-to-face guidance and a medical interview by industrial physicians, while management personnel make efforts to reduce employees' overtime working hours. Further, we have been proactively working to reduce long working hours by taking measures, such as establishing days when people leave work on time and promoting the use of annual paid leave.



An industrial physician having an interview with a worker doing long hours of overtime.

Safety and Health Committee

We have established a safety and health management system in accordance with the Industrial Safety and Health Act, and we have the Safety and Health Committee in place at workplaces with 50 or more employees.

The Safety and Health Committee consists of a chairman and committee members, comprising employee and management representatives in equal numbers, and is held once a month. The committee is working to improve the workplace environment by conducting reviews of industrial accidents that have occurred and the actual conditions of overwork and mental health problems, based on reports of survey results issued by the Secretariat.



Safety and Health Committee

Environmental Initiatives

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** 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** 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.
- 3** Manage chemicals that affect the world's environment and biosphere, continue to reduce their consumption, and switch to eco-safe materials.
- 4** 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** Comply with environmental legislation and other requirements with which we agree.
- 6** Educate employees on the environment to cultivate greater environmental awareness.

Visiting environmental lecture program

JVCKENWOOD has been providing a visiting environmental lecture by using its Forest Notes, an Internet service that with the aid of a wooden wireless active speaker transmits sounds of the forest in real time, at Sugekari Elementary School in Meguro-ku, Tokyo, every year since 2012.

At the lecture conducted in 2015, we listened to the local live forest sounds, while watching videos taken at Morotsuka Village in Miyazaki Prefecture, Hida-Takayama in Gifu Prefecture, Umaji Village in Kochi Prefecture, Shirakami-Sanchi in Aomori Prefecture, and a reservoir area in Yamanashi Prefecture, and learned the importance of forests. After receiving a short lecture on onomatopoeia, students expressed the sounds of forests they heard through Forest Notes with letters by using the technique of onomatopoeia and tried sharing their feelings with others.



Yokohama Ecology School Project

In support of the Yokohama Ecology School Project, held in the Minato Mirai area in Yokohama and sponsored by Yokohama Environmental Planning Bureau, JVCKENWOOD conducted a workshop providing a visiting ecological lecture by using twigs and acorns.

It was our third time to participate in this program since 2012, and it was part of our cooperative activities under the comprehensive regional vitalization partnership agreement concluded with Yokohama City in August 2014.

While listening to forest sounds through Forest Notes, participants created their own original and unique craftwork by using twigs, acorns and Japanese cypress nuts collected by JVCKENWOOD's employees and beads and other commercially available decorative parts.



Making an art frame in a forest-like environment

In collaboration with Mori Trust Hotels & Resorts Co., Ltd., JVCKENWOOD has held a free-form research project and handcraft workshop for children in summer every year since 2013 at Laforet Shuzenji in Izu City, Shizuoka Prefecture.

This year, the participating children listened to forest sounds through Forest Notes to help them form images. Then they moved to Laforet Forest and drew pictures and made art frames by using nuts, twigs and other materials in the forest, which softens the sunlight and keeps the air cool. Through this workshop, children learn from the forest and feel excitement as well as a sense of achievement from making items by hand.



Green procurement

JVCKENWOOD creates its products using various materials and believes that substances that may have adverse effects on the Earth and people must not be used for products sold to customers. In addition, we carefully consider what will happen to products that are disposed of after becoming obsolete.

The JVCKENWOOD Group places importance on equality and balance from a global point of view, according to the laws and ethics of society. And it is working with many parts procurement partners and sales partners in the supply chain to build mutually beneficial relationships through shared trust and transparency in accordance with laws, regulations and social norms.

We have increasingly been procuring parts from overseas parts procurement partners, and are pursuing green procurement in cooperation with companies in the supply chain.

Through this activity, JVCKENWOOD can receive reports on substances, including the volumes contained in each product, and check whether these substances may have adverse effects.

Since the parts that make up products are provided by suppliers, JVCKENWOOD checks their parts production processes, conducting activities to protect the Earth and people in cooperation with its suppliers.



▼ For the green procurement guidelines, please visit our website.

<http://www.jvckenwood.com/en/corporate/csr/activity/green/>

Information disclosure initiatives related to mineral production in conflict areas

In the Democratic Republic of the Congo and neighboring countries, antigovernment forces have been involved in sales of minerals (conflict minerals) mined by brutal and inhuman means to fund their activities in recent years. This problem was pointed out by the United Nations and has become a serious social issue in the supply chain.

The United Nations is also concerned about this problem as it has further led to a vicious cycle in other areas, and the United States has become the first country in the world to enact new rules on mineral purchases from conflict areas.

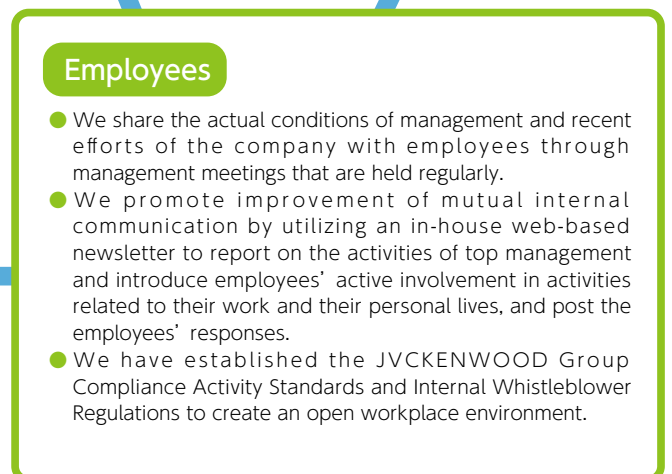
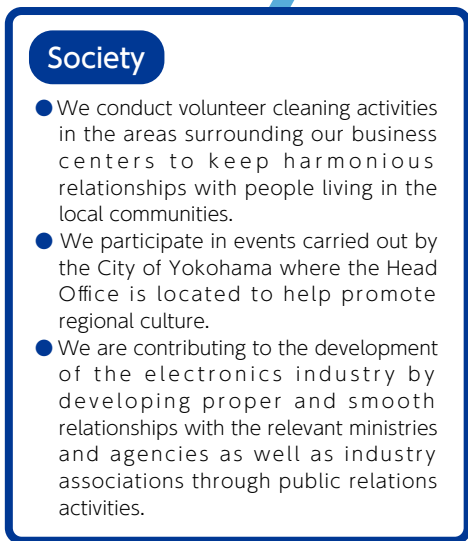
JVCKENWOOD is not directly subject to these rules, but agrees to their concept as a company promoting CSR procurement in the global supply chain. Based on the corporate policy of not using product parts containing tin, tantalum, tungsten or gold unjustly produced and refined in the Democratic Republic of the Congo and neighboring countries, which are defined as conflict minerals, JVCKENWOOD continues to establish a solid supply chain and promote responsible mineral procurement activities.



In addition, at JVCKENWOOD we participate in the inquiry briefings of the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA) as an explainer, and carry out due diligence by using the CFSI Reporting Template (CMRT) developed by Conflict-Free Sourcing Initiatives (CFSI) to gather information from our parts procurement partners on whether their products contain conflict minerals.



JVCKENWOOD will enhance mutual communication with various stakeholders to achieve sustainable growth. JVCKENWOOD considers that the achievement of sustainable growth and the fulfilment of social responsibility are closely connected. Accordingly, we promote sound business activities by strengthening risk management and compliance, while improving 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 our stakeholders, including customers, employees, business partners, local society and shareholders/investors.



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.

JVCKENWOOD has formulated the JVCKENWOOD Corporate Governance Policy, which sets out its basic approach and key policies regarding corporate governance based on each principle of the Corporate Governance Code. The JVCKENWOOD Corporate Governance Policy is available on the Company website.

(<http://www.jvckenwood.com/corporate/governance/>)

Corporate Organizations

1. The Board of Directors and Directors

The Board of Directors, regarded as an organization that makes fundamental and strategic decisions while overseeing business execution, holds regular meetings once a month and extraordinary meetings when necessary 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 taking such procedures as 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.

JVCKENWOOD has nine directors (of which three are external directors), who were appointed at the 8th Ordinary General Meeting of Shareholders held on June 24, 2016.

JVCKENWOOD also established the Nomination and Remuneration Advisory Committee, for which all of its three external directors serve as committee members, effective December 1, 2015. The Nomination and Remuneration Advisory Committee has since proposed JVCKENWOOD Representative Director candidates to the Board of Directors, reviewed the appropriateness of director candidates and proposed directors' compensation plans. The Board of Directors has determined director candidates and directors' compensation, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee.

Since the meeting of the Board of Directors held following the Ordinary General Meeting of Shareholders on June 24, 2016, Yasuyuki Abe, who serves as independent external

director independent from and neutral to management of the Company, has been serving as the Chairman of the Board of Directors.

2. Executive Officer System

JVCKENWOOD has adopted an executive officer system, differentiating its business execution function to clarify management responsibility and business execution responsibility. Since June 24, 2016, fifteen executive officers (five concurrently holding positions as directors) have been performing their duties.

The Board of Directors, chaired by an external director, makes decisions through discussions between external directors as independent directors and directors serving concurrently as executive officers, and delegates authority for business execution to executive officers. In addition, the President and the Representative Director of the Board serves as the Chief Executive Officer (CEO) and is 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 each executive officer executes business operations with responsibility.

JVCKENWOOD, effective June 24, 2016, established the position of General Manager or Representative for executives who assume the responsibility for the overall operation of all the businesses in the Americas, EMEA (Europe, Middle East and Africa), Asia Oceania, and China, as well as the position of sector Chief Operating Officer (COO) in the Automotive sector, Public Service sector and Media Service sector. In addition, we established the positions of Chief Financial Officer (CFO), Chief Strategy Officer (CSO), Chief Technology Officer (CTO), and Chief Administration Officer (CAO) for officers who oversee corporate divisions, and appointed executive officers to those positions. In this way, we have shifted to a new execution system under which the appointed executive officers support the CEO, towards the achievement of Vision 2020, the Medium- to Long-Term Business Plan released in May 2015.

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

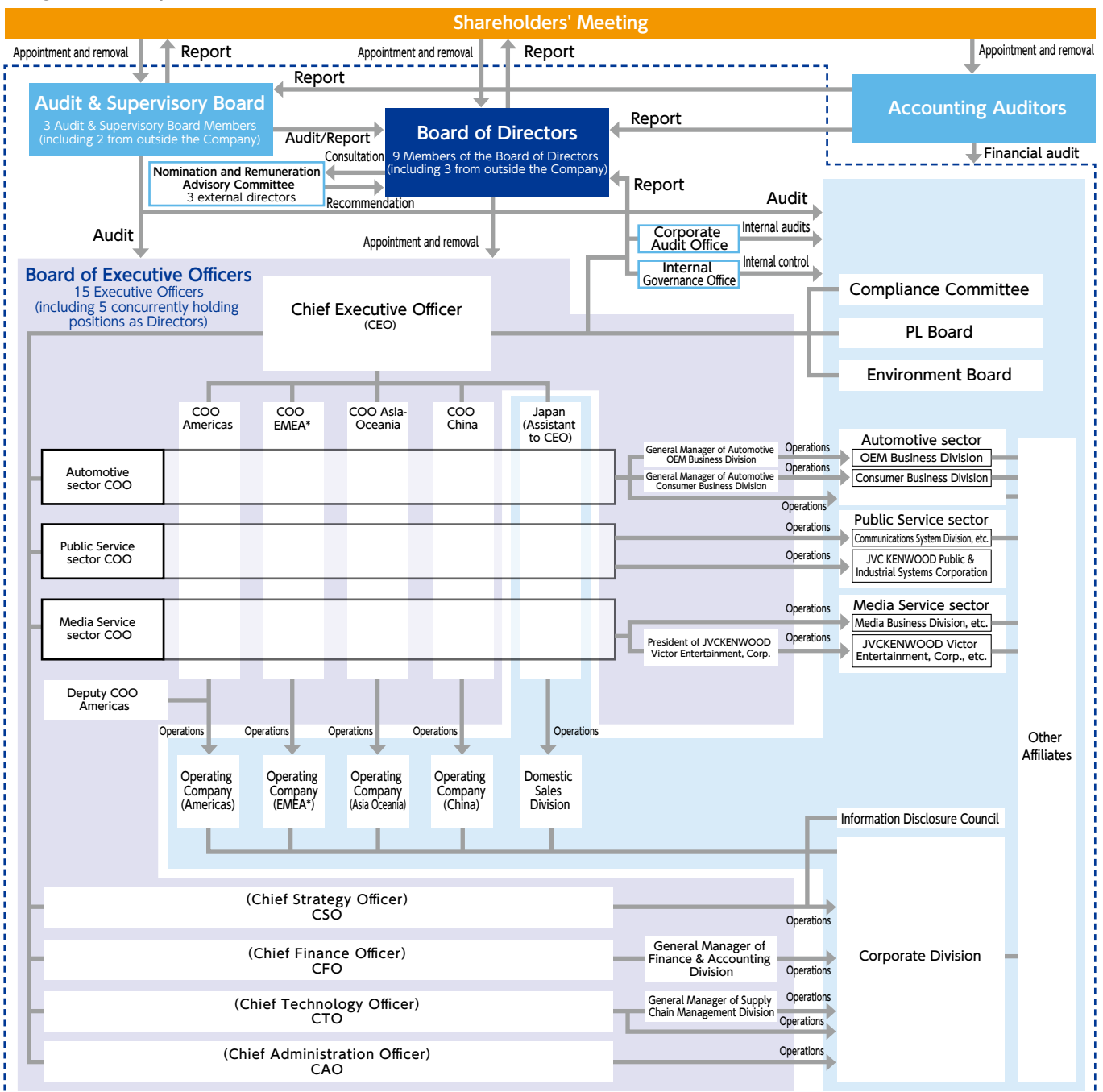
JVCKENWOOD is a company with an Audit & Supervisory Board. Audit & Supervisory Board Members are responsible for the corporate audit function and their duties include attending Board of Directors' meetings and other important meetings, as well as holding Audit & Supervisory Board meetings, and auditing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

Since June 24, 2016, three Audit & Supervisory Board Members (including two external audit & supervisory board members) have been performing their roles and responsibilities.

JVCKENWOOD works to ensure the effectiveness of the management supervisory function based on experience, achievements, professional viewpoints, insights, and other attributes, as well as independence with no potential conflicts of interest with general shareholders. To this end, it nominates candidates for external audit & supervisory board members in principle after confirming the 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 Audit & Supervisory Board.

[Organization System]

As of June 24, 2016



Note* EMEA: Europe the Middle East and Africa

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

At JVCKENWOOD, the Corporate Audit Office conducts internal audits 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. The Corporate Audit Office consists of four staff members engaged in operational audits and internal control audits.

Audit & Supervisory Board Members implement audits according to the audit schedule, audit the entire Group's operations, and check 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 audits by Audit & Supervisory Board Members.

During the fiscal year ended March 2016, accounting audits of JVCKENWOOD and the Group were performed by certified public accountants who are limited liability partners and managing partners of Deloitte Touche Tohmatsu Limited.

All the Audit & Supervisory Board Members including external audit & supervisory board members perform

management audits by themselves, attend Board of Directors' meetings, obtain the results of internal audits 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 any sign of fraud, etc. committed by management, there is a reporting route in place requiring the Corporate Audit Office to report it to Audit & Supervisory Members.

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.

JVCKENWOOD has established its internal audit system so that it can strengthen monitoring functions by performing audits for each compliance theme in collaboration with the Compliance Committee, and by other means.

Internal Control

JVCKENWOOD set up the Internal Governance Office developing "systems necessary to ensure the properness of operations of a Stock Company" through promoting activities of internal control systems.

The Internal Governance Office promotes the development of an internal control environment by carrying out the operations shown to the right.

- 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

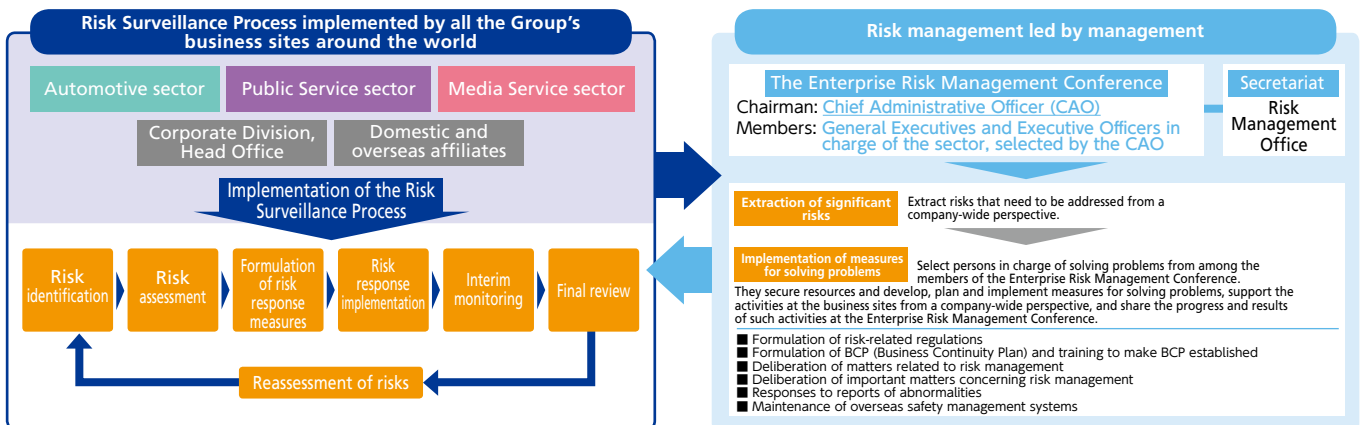
The JVCKENWOOD Group regards risks as "factors that are mutually linked, affecting one another to inhibit the achievement of business plans." The Group regularly identifies risks faced by all its business sites around the world in order to recognize them clearly. Also, the Group's business sites around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

of the identified risks could affect the entire Company and thus require problem-solving activities 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 System

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 Chief Administration Officer (CAO), 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 for activities at business sites systematically. The progress and results of such activities are shared at the Enterprise Risk Management Conference, and the CAO 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 Management (BCM)

Facing various risks, in particular emergency situations including natural disasters, epidemics, and terrorism represented by Islamic State expanding globally, the JVCKENWOOD Group recognizes that its first social responsibility to stakeholders including customers is to put the utmost priority on preserving human life, and its second is to deliver products and services. To fulfill these responsibilities, 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 conducting BCP activities at all its business divisions relevant to its value chain, from production bases, 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 experience in initial responses, while improving rules and manuals based on the results and findings of such training, aiming to enhance the quality of BCM.

Global branding campaign through motorsport

Motorsport is on the cutting-edge of technology and is regarded as a dramatic event requiring racing teams to push their limits in intense competition.

Sharing a commitment to create excitement for millions through the use of technologies, JVKENWOOD conducts sponsorship activities for motorsport to boost its brand exposure and visibility based on its corporate vision of “creating excitement and peace of mind for the people of the world.”

WTCC (FIA World Touring Car Championship)



WTCC, which started in 2005, is the world’s top championship for touring cars (remodeled stock cars) organized by the FIA (Fédération Internationale de l’Automobile). Its predecessor was the ETCC (Europe Touring Car Championship). Together with the FIA Formula One Championship (F1), FIA World Rally Championship (WRC) and FIA World Endurance Championship (WEC), WTCC is one of the four major world championships that can truly claim the title “World Championship.”

JVKENWOOD started to partner the WTCC in 2009 and stepped up its commitment in 2013 to become an Official Series Partner of the WTCC in all racing series throughout the year.

WTCC is a championship which tours the world and matches the business activities of JVKENWOOD, which are also expanding globally. In addition, since WTCC is based on remodeled stock cars, it parallels JVKENWOOD, which is strengthening its operations in areas centering on the car electronics businesses, including land mobile radio equipment and professional cameras. In addition, WTCC events are broadcast in 188 countries around the world, leading to a strong media impact. Hence this sponsorship is expected to contribute significantly to JVKENWOOD’s branding and business expansion.



Official Supplier of McLaren Honda-F1 Team



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, going beyond the relationship of racing team and sponsor.

October 2016 will mark the 25th anniversary since KENWOOD started supplying wireless radio communication systems to the McLaren-Honda F1 Team.



Super GT



Super GT is Japan's premier international series of motor racing for touring cars (remodeled stock cars) authorized by the FIA (Fédération Internationale de l'Automobile). With major Japanese automobile manufacturers competing proactively in this championship, Super GT features a mixed-class racing competition combining GT500 and GT300 classes, a rare style of racing, allowing fans to enjoy intense racing with frequent overtaking.

JVCKENWOOD has been supporting GT-Association, the organizer of the racing series, and supplies official on-board cameras for television broadcasting in 22 racing cars, including all GT 500 class cars.

Contracted Racing Drivers/Team Director (KENWOOD)

KENWOOD has appointed popular racing drivers and a team director who are top-level players in Super GT, Japan's premier motorsports racing, as its brand ambassadors.



Juichi Wakisaka, Team Director
(LEXUS TEAM LE MANS WAKO'S #6)
Juichi Wakisaka is a high-profile PR ambassador of Super GT who retired from driving after conclusion of 2015 Super GT Series season and assumed the Team Director position from 2016 season.



Masataka Yanagida, Racing Driver
(KONDO RACING #24)
The Super GT Series Champion in 2011 and 2012



Takuya Izawa, Racing Driver
(RAYBRIG TEAM KUNIMITSU #100)
A talented ace driver who is gaining in popularity while also improving his driving technique.

Corporate History

JVCKENWOOD Corporation

JVCKENWOOD

2007	July	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.
2008	Oct.	JVC and Kenwood established the technology development joint venture J&K Technologies Corp. (J&K Technologies)
	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)
2009	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)
	June	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 MDV-313, the first car navigation system for which the same JVC and Kenwood platform was adopted (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 seller of CD/DVD mechanisms for car AV equipment (in-car CD/DVD mechanisms), making it into an equity-method company
	June	Distributed dividends (¥5/share) for the first time since established JVCKENWOOD
2013	Nov.	Formulated a new "Medium-Term Business Plan," which covered the period through to the fiscal year ended March 31, 2016
	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
	June	Converted Shinwa International Holdings Limited into a consolidated subsidiary
2014	July	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
	Jan.	Invested in WIL FUND I, L.P. to accelerate growth strategy partnership with domestic and international venture companies
	Mar.	Signed an alliance with AIRBUS DEFENCE AND SPACE 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
2015	Sept.	The JVCKENWOOD Group launched NX-5000 series, NEXEDGE series of multi-mode digital radio systems that complied with the P25 standard (Photo ②)
	Mar.	Launched GY-LS300CH, 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
2016	May	Reviewed the medium-term business plan announced in fiscal 2012 and formulated Vision 2020, the new medium- to Long-Term Business Plan that looks ahead to fiscal 2020
	Apr.	Established JVCKENWOOD Public & Industrial Systems Corporation, aiming to expand the Professional Systems Business



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



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



③ GY-LS300CH professional 4K memory card camera recorder

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

④ The first TV receiver in Japan



⑤ HR-3300, the world's first VHS home video recorder



⑥ GZ-HD7 full HD hard disk camcorder

Former Kenwood Corporation

- 1946 Established as Kasuga Radio Co., Ltd.
- 1957 Began exporting the FM-100 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 McLaren F1 Team's 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 Subaru Forester and Legacy cars, establishing a base for the OEM Business
- 2004 Acquired the wireless radio business of 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 JVCKENWOOD Corporation

⑦ FM-100 FM tuner



⑧ The KXC-757, a representative model of the first car audio series lineup



⑨ DNX7100, an AV-integrated navigation system model featuring Garmin navigation software

As of April 30, 2016

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, media equipment
JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.	Nakhonratchasima, Thailand	Car electronics and media equipment
P.T. JVC Electronics Indonesia	Jawa Barat, Indonesia	Car electronics equipment
Shanghai Kenwood Electronics Co., Ltd.	Shanghai, China	Car electronics and telecommunications equipment

Americas: Business Operation 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

Europe: Business Operation 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
JVCKENWOOD RUS LLC	Russia

Asia, Oceania, the Middle East, and Africa: Business Operation 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: Business Operation Companies

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

Other Principal Affiliated Companies

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

As of April 30, 2016

Business Centers and R&D Bases

Name	Location	Main R&D Products
Head Office & Yokohama Business Center	Yokohama, Kanagawa	Video cameras, AV accessories, etc.
Hachioji Business Center	Hachioji, Tokyo	Car electronics equipment, home audio, etc.
Hakusan Business Center	Yokohama, Kanagawa	Communications, video surveillance equipment, etc.
Kurihama Business Center	Yokosuka, Kanagawa	Projectors, D-ILA devices, laser diodes, etc.

Principal Manufacturing Sites and 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 Yamagata Corporation	Tsuruoka, Yamagata	Telecommunications equipment, professional products
JVCKENWOOD Nagano Corporation	Ina, Nagano	Car electronics equipment
JVCKENWOOD Nagaoka Corporation	Nagaoka, Niigata	Medical display monitor solutions, in-vehicle substrates
JVCKENWOOD Devices Corporation	Osato-gun, Saitama	Electronic components (telecommunications equipment)
JVCKENWOOD Creative Media Corporation	Yamato, Kanagawa	CD and DVD discs (prerecorded)
JVCKENWOOD Interior Furniture Corporation	Fukuroi, Shizuoka	Home furniture

Other Principal Affiliated Companies

Name	Location	Main Business
JVCKENWOOD Victor Entertainment Corporation	Shibuya-ku, Tokyo	Planning, production, and sales of audio and video, software, etc.
JVCKENWOOD Public & Industrial Systems Corporation	Yokohama, Kanagawa	Sales, manufacture, 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	Production, editing and sales of video, and studio operations
JVCKENWOOD Kenex Corporation	Hachioji, Tokyo	Sales and other operations relating to audio and communications equipment, etc.
JVCKENWOOD Home Electronics Corporation	Yokohama, Kanagawa	Sales and manufacture of audio and imaging equipment, communications, etc.
Victor Service & Engineering Co., Ltd.	Yokosuka, Kanagawa	After-sales services of audio and imaging equipment
JVCKENWOOD Service (Japan) Corporation	Yokosuka, Kanagawa	After-sales services of audio and imaging equipment
JVCKENWOOD Engineering Corporation	Yokohama, Kanagawa	Development and design of hardware and software
JVCKENWOOD Design Corporation	Meguro-ku, Tokyo	Planning and production of industrial designs
JVCKENWOOD Partners Corporation	Hachioji, Tokyo	Undertaking of welfare program, general, personnel, accounting and other affairs

As of July 1, 2016

Board Members

Audit & Supervisory Board Members

Senior Executive Officers



Board Members

Yasuyuki Abe

Director of the Board (External)*1, Chairman of the Board

Takao Tsuji

President, Representative Director of the Board

Shoichiro Eguchi

Representative Director of the Board

Kazuhiro Aigami

Representative Director of the Board

Seiichi Tamura

Representative 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

Haruo Kawahara

Director of the Board, Adviser

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

Audit & Supervisory Board Members

Takayoshi Sakamoto

Audit & Supervisory Board Member

Shojiro Asai

Audit & Supervisory Board Member (External)*2

Nagaaki Ohyama

Audit & Supervisory Board Member (External)*2

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

Senior Executive Officers

● Takao Tsuji

Chief Executive Officer (CEO)

● Shoichiro Eguchi

Executive Vice President
Chief Operating Officer (COO) - Automotive sector
COO EMEA (Europe, Middle East and Africa)

● Kazuhiro Aigami

Executive Vice President,
COO - Public Service sector,
COO Americas

● Seiichi Tamura

Executive Vice President, Chief Strategy Officer (CSO),
COO - Media Service sector,
General Manager of Corporate Strategy Division

Masaaki Saito

Executive Vice President,
President of JVCKENWOOD Victor Entertainment Corp.

Masaki Imai

Senior Managing Executive Officer,
Chief Administration Officer (CAO),
General Manager of Corporate Management Division

Satoshi Fujita

Senior Managing Executive Officer,
Chief Financial Officer (CFO)

● Yasuyuki Tanida

Managing Executive Officer,
Chief Technology Officer (CTO)
General Manager of Technology & Manufacturing
Strategy Division

Hirohito Kamiyama

Managing Executive Officer,
COO China

Kazuki Oi

Managing Executive Officer,
COO Asia Oceania

Masatoshi Miyamoto

Managing Executive Officer,
General Manager of Finance & Accounting Division

Akira Suzuki

Managing Executive Officer,
Deputy COO Americas (Public Service sector)

Kazuhiko Iizuka

Managing Executive Officer,
General Manager of Automotive OEM Business Division,
General Manager of i-ADAS Business Department,
General Manager of Business Planning Office

Shigeru Onda

Managing Executive Officer,
General Manager of SCM Division,
General Manager of Procurement Department SCM Division

Takuya Arai

Managing Executive Officer,
General Manager of Automotive Consumer Business Division

● Concurrently serving as Director of the Board.

Corporate Profile

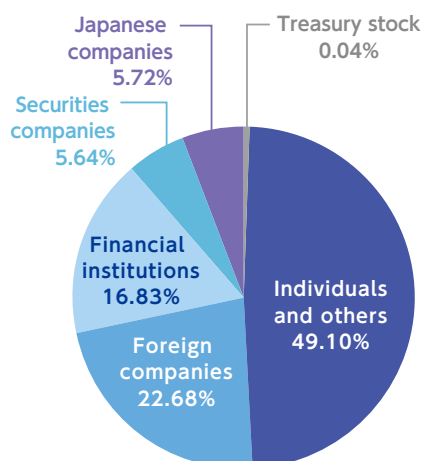
Company Name	JVCKENWOOD Corporation
Business Segments	Controlling and managing the business activities by operating the Automotive sector, Public Service sector, Media Service sector and owning shares and interest in the companies which run those businesses
Representative Director	Takao Tsuji, President, Representative Director of the Board Shoichiro Eguchi, Representative Director of the Board Kazuhiro Aigami, Representative Director of the Board Seiichi Tamura, Representative Director of the Board
Date of Incorporation	October 1, 2008
Capital	¥10 billion
Number of Employees	17,884 (as of March 31, 2016)
Equity	¥57,565 million (as of March 31, 2016)
Total Assets	¥256,334 million (as of March 31, 2016)
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 50,032 treasury shares) (as of March 31, 2016)
Total Number of Shareholders	60,555 (as of March 31, 2016)
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Place of 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, 2016



Major Shareholders (Top 10)

As of March 31, 2016

Name	Number of stocks held (thousands)	Ratio of shareholding (%)
Japan Trustee Services Bank, Ltd. (trust account)	5,294	3.81
DENSO CORPORATION	4,171	3.00
J.P. MORGAN WHITEFRIARS INC. LONDON BRANCH	3,045	2.19
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS SEC LENDING	2,340	1.68
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TEREATY-PB	2,287	1.65
Japan Trustee Services Bank, Ltd. (trust account 9)	2,052	1.48
The Master Trust Bank of Japan, Ltd. (trust account)	2,008	1.44
The Dai-ichi Life Insurance Company, Limited	1,852	1.33
Japan Trustee Services Bank, Ltd. (trust account 1)	1,618	1.16
Japan Trustee Services Bank, Ltd. (trust account 6)	1,504	1.08

JVCKENWOOD

JVCKENWOOD Corporation

● For further information, please contact:

**Public, Investor and Shareholder Relations Department
Corporate Communication Division**

3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-0022, Japan

Tel: +81-45-444-5232 Fax: +81-45-444-5239

E-mail: prir@jvckenwood.com