

JVCKENWOOD



Sustainability Report 2018

Summary Report

JVCKENWOOD Corporation

Contents

■ Corporate Philosophy	2
■ Top Commitment	3
■ Overview of the JVCKENWOOD Group/ Financial Highlights	5
■ Special Feature ① Transforming the Automotive Society	7
Pursuing Solution Business through Evolutionary Dashcams	
■ Special Feature ② Challenges for the Super-Aging Society	9
Cutting Medical Costs and Expanding Access to Medical Care via Advanced Research	
■ Special Feature ③ Driving the Digital Society via Information Technology	11
Providing “Glass to Glass” Solutions through Advanced Concept CONNECTED CAM™	
■ The JVCKENWOOD Group’s Sustainability	13
□ Sustainability Management System and Stakeholder Engagement	16
□ Material Issues	17
□ Contributions to SDGs	18
■ Core Business/Activity	20
□ Transform into a Customer Value Creator	21
Value Creation with Automotive Products & Services	22
Value Creation with IoT Solution Products & Services	23
Value Creation with Disaster-Prevention and Disaster-Mitigation Products & Services	24
Value Creation with Security Products & Services	25
Value Creation with Healthcare Products & Services	26
Value Creation by Contributing to Social Issues of Low Birthrate and Longevity	27
□ Evolve as a Technology Based Company	28
Promoting Innovation	29
Management & Utilization of Intellectual Property	31
□ Collaboration with External Stakeholders	32
■ Corporate Profile/Stock Information	33
■ The JVCKENWOOD Group’s Network (Global/Japan)	34



Corporate Philosophy

Corporate Vision

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

Management Principles

Transform into a customer value creator
Evolve as a technology based company
Contribute to a sustainable society through our business

Action Guidelines

Refine our senses regularly to create products and services that offer a moving experience
Provide solutions that make a real difference through innovation and collaboration
Strive for sincere, responsible corporate behavior as our commitment to compliance



Creating Excitement and Peace of Mind for the People of the World

We will contribute to the realization
of a sustainable society,
as a Customer Value Creator



JVCKENWOOD believes that sustainability is key to striking a balance between profitable growth and the solution of social issues. This October marks the 10th anniversary of the establishment of JVCKENWOOD by integrating management of Victor Company of Japan, Limited and Kenwood Corporation, and the 8th year since the merger of the three companies (Victor Company of Japan, Limited, Kenwood Corporation and J&K Car Electronics Corporation). We are now at a turning point as a Customer Value Creator under a new management structure. By promoting our mid- to long-term business plan, Vision 2020, and new sustainability strategies across the company, we will evolve as a global company that creates excitement and peace of mind for the people of the world.

Transform from a product manufacturing and sales company into a Customer Value Creator

Amid today's rapidly changing business environment, companies are increasingly expected not only to make profit but also to take part in solving social issues through their business activities. The Sustainable Development Goals (SDGs) adopted by the United Nations are one of the major guidelines companies can use to meet such expectations. The SDGs promote responses to poverty and environmental issues and innovation through cooperation with stakeholders towards 2030. Improving energy efficiency and reducing CO2 emissions are also required by the Paris Agreement adopted at COP21. Looking at Japan, the government encourages companies to pursue innovation for supporting the digital transformation into Society 5.0, Super Smart Society. Attention is also given to diversity and inclusion (including the promotion of women's participation in the workplace), health management and the reinforcement of partnerships with business partners in terms of strengthening the business foundation.

The social needs surrounding our company are also rapidly changing, as seen in the utilization of advanced digital technologies, represented by the cloud and AI, reduction of environmental impact through products such as electric vehicles, and customization to promptly respond to customer needs. Our main businesses consist of the Automotive Sector, the Public Service Sector and the Media Service Sector. We aim to transform from a product manufacturing and sales company into a Customer Value Creator to flexibly address these changes and to further grow as a technology-based company. It is our role as a Customer Value Creator not only to manufacture but also to grasp the rapidly changing market and customer needs and constantly provide the public with cutting-edge solutions. We will transform into a Customer Value Creator based on our Vision 2020 by incorporating the viewpoint of creating a sustainable society through solving social issues.

Promote Vision 2020 with sustainability strategies

In fiscal 2017, we have developed sustainability strategies to further promote our contribution to a sustainable society under our strategy of Vision 2020. We set “Technological Innovations,” “Enhancing Resilience,” “Smart Services” and “Wellness” as strategy themes and identified materiality consistent with Vision 2020. Moreover, we have established a structure to improve our business by connecting all of our operations with the sustainability strategies and we are managing the progress of operations from a sustainability perspective with KPIs linked to materiality. We will report on our annual activities and achievements under the new business structure on our website and by other means from fiscal 2018.

Solve social issues through products & services

The Automotive Sector boasts a large market share in Japan based on our technologies/know-how obtained from years of experience. For sustainable growth, further technological innovations are indispensable to meet customer needs that have diversified due to the widespread use of AI and IoT. The smart connectivity of Saisoku-Navi that was launched last year, featuring high-quality sound and visual, to car navigation-linked dashcams is a representative product example of technological innovations that are conducive to creating a safe and secure car society.

In the Public Service Sector, we are engaged to contribute to the creation of safe and comfortable communities by developing technologies for professional radio systems that help secure the safety of people's lives in public. In addition, we will further develop security systems that combine IoT technologies with video surveillance technologies and image analysis technologies as a mechanism that contributes to “Enhancing Resilience.” The Healthcare Business contributes to the provision of advanced medical services. Developing Gazefinder, a gaze tracking system that enables early diagnosis of development disorders, and providing image network solutions for operation rooms are core examples of Smart Services.

EXOFIELD developed by the Media Service Sector is a representative example of our cutting-edge solutions. It delivers new and exciting experience to users with the unique out-of-head localization sound field processing technology. The product contributes to the improvement of “Wellness,” together with the Spatialized Sound Design Solution KooNe, which creates an environment of comfort and relaxation using high resolution sound technologies.

As a Customer Value Creator, we believe that it is not only the acquisition of business opportunities that is important but also robust risk management and cooperation with our stakeholders. Our systematic approaches in business continuity management have been acknowledged in the form of the Resilience Certification, which is awarded to organizations contributing to national resilience by the National Resilience Promotion Office of Japan's Cabinet Secretariat. We have been constructing an organizational structure in which all employees can perform active roles. As a result of our efforts to promote diversity and improve work-life balance, we have received the highest-level Eruboshi Certification from the Ministry of Health, Labour and Welfare, and have been selected as a White 500 company under the 2018 Certified Health and Productivity Management Organization Recognition Program by the Ministry of Economy, Trade and Industry. Furthermore, we are striving to strengthen ties with the government and local communities while continuing to conduct social contribution activities, including holding environmental classes for children, who will lead the next generation, and environmental conservation activities.

Collect wisdom from internal and external sources for a further leap forward

In fiscal 2018, we will continuously take proactive steps to achieve Vision 2020 under the new sustainability promotion structure based on the international frameworks such as SDGs. Contributions towards a sustainable society will create business opportunities and lead to profitable growth. We aim to demonstrate our achievements through the evolution of JVCKENWOOD. With our corporate vision of “Creating excitement and peace of mind for the people of the world” in mind, we will be committed as one to meet the expectations of our stakeholders.

We appreciate your continued interest, understanding and support for our activities.

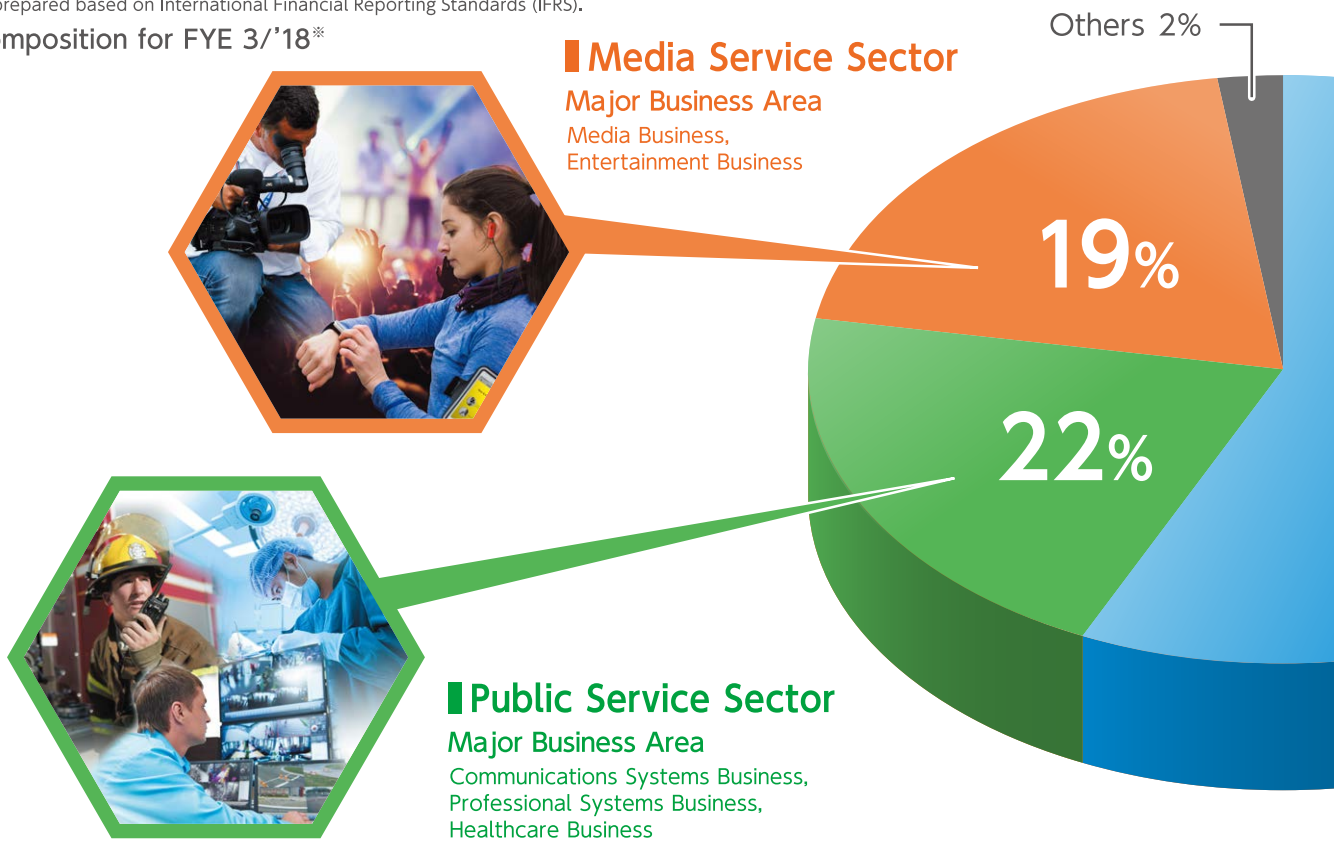
June 2018
Takao Tsuji
Chairman & CEO



Overview of the JVCKENWOOD Group

※FYE 3/'18 stand for Fiscal Year Ended March 2018.
This graph was prepared based on International Financial Reporting Standards (IFRS).

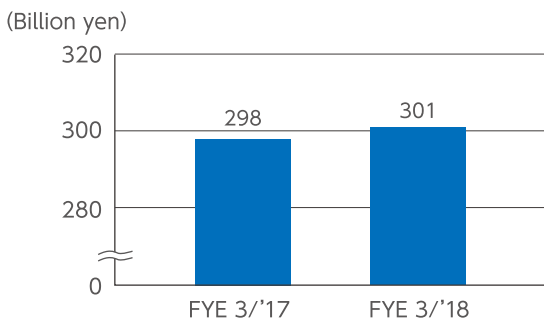
▶ Sales Composition for FYE 3/'18※



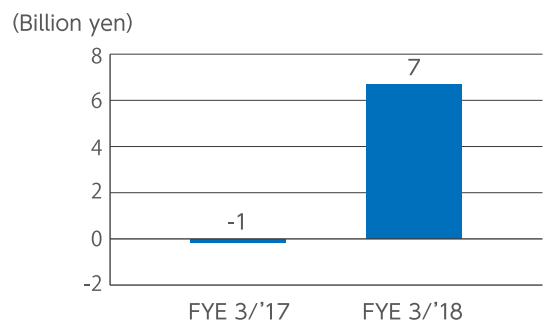
Financial Highlights

※FYE 3/'17 and FYE 3/'18 stand for Fiscal Year Ended March 2017, 2018, respectively.
These graphs were prepared based on International Financial Reporting Standards (IFRS).

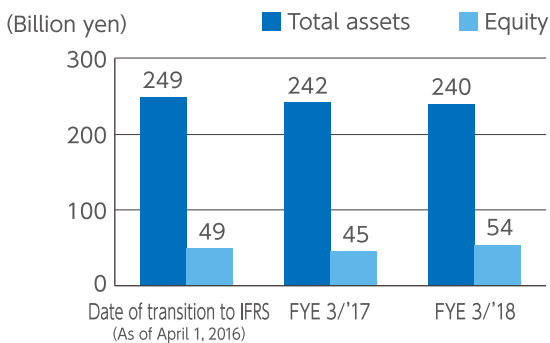
Revenue



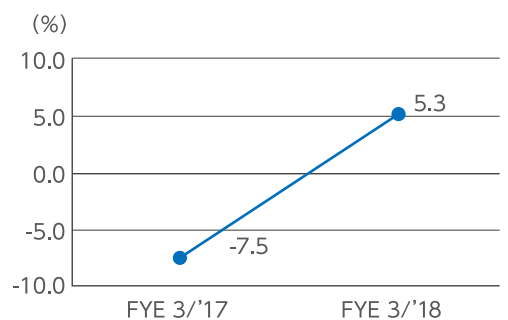
Operating Income



Total Asset & Equity



Profit (Loss) Attributable to Owners of Parent Ratio





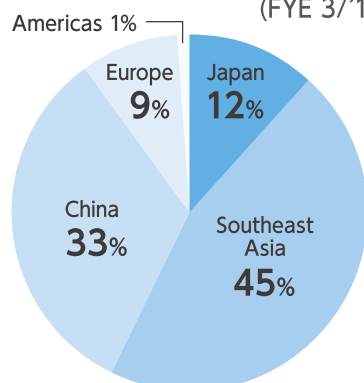
Automotive Sector

Major Business Area

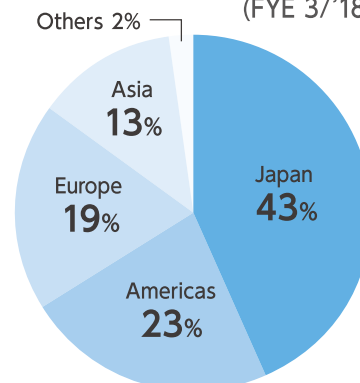
Aftermarket Business,
OEM Business

57%

► Production Composition by Region
(FYE 3/'18)



► Sales Composition by Region
(FYE 3/'18)



JVCKENWOOD Corporation and Consolidated Subsidiaries (Fiscal year ended March 31)

(Million yen)

	Date of transition to IFRS (As of April 1, 2016)	FYE 3/'17	FYE 3/'18
Revenue	—	297,890	300,687
Operating Income	—	-128	6,942
Profit before tax	—	-1,259	5,946
Profit attributable to owners of parent	—	-3,114	2,393
Total assets	249,467	241,696	239,877
Equity	49,123	45,236	53,792
Equity per share (yen)	314.32	284.65	364.45
Stockholders' equity ratio (%) ^{*1}	17.5	16.4	21.1
Basic earnings per share (yen)	—	-22.42	17.23
Profit (Loss) attributable to owners of parent ratio(%) ^{*2}	—	-7.5	5.3
Cash flows from operating activities	—	19,624	18,379
Cash flows from investing activities	—	-17,690	-14,835
Cash flows from financing activities	—	-2,052	-7,043
Number of employees	17,884	18,051	17,801

^{*1} (Equity - Noncontrolling interests) ÷ Total assets

^{*2} Profit attributable to owners of parent ÷ the average Stockholders' equity

Various attempts at bringing about a safe and convenient automotive society

The rapid changes in the external environment stemming from the use of ICT such as AI and IoT have also caused changes in the modality of automotive society. Recently, there has been a serious increase in traffic accidents caused by elderly drivers mistakenly stepping on the accelerator pedal or unintentionally driving in reverse and by tailgating, making it a pressing social issue to secure the safety of the automotive society. From the perspective of ensuring convenience in the automotive society, there are also other issues that cannot be overlooked, that is, a decline in the working population, delays in transport services due to traffic jams, insufficient means of transportation, and widening inter-regional disparities in mobility because of urban overpopulation.

In light of this background, attention has been increasingly focused on utilizing high-performance dashcams, connected cars^{*1} and other businesses to build an automotive society that is safer, more secure and convenient. Connected cars are an important approach essential for autonomous-driving, which will likely become more widespread in future, and they are expected to further penetrate markets as a means of improving user convenience.

*1 Connected cars: These vehicles have ICT terminal functions, and they are expected to offer drivers greater convenience and safety by interactive communication of information on vehicles and their surroundings via cloud.

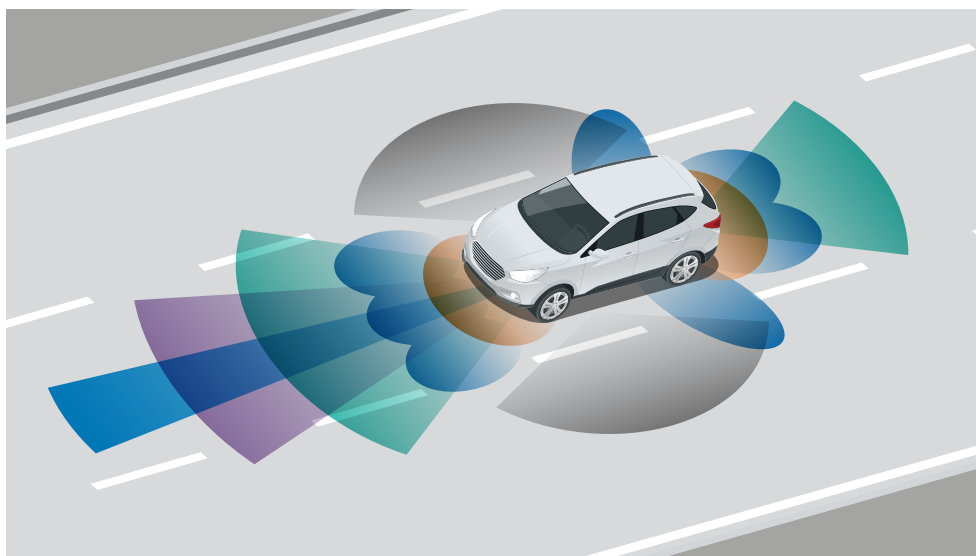
Providing solutions that dramatically enhance drivers' sense of security and safety

Given such social background and industry trends, JVCKENWOOD has developed high-performance telecommunication-type dashcams in pursuing businesses that address social issues.

These dashcams equipped with telecommunication function via LTE network allow them to transmit to call centers GPS data when accidents occur and image data when collisions are detected, enabling swift and precise initial responses and giving drivers a greater sense of security in emergencies. The driver assistance functions such as warnings for front collision and lane departure also support drivers to operate their vehicles safely. Dual-camera dashcams, which are increasingly becoming the mainstream, are expected to help prevent and rapidly resolve a variety of problems inside and outside the vehicle (e.g., car break-ins and tailgating), and meet the needs of customers as products essential for a secure and safe automotive society.

In addition, JVCKENWOOD is actively engaged in businesses seeking to improve the convenience of automotive society by radically enhancing the development of taxi call systems utilizing IoT and supporting the smooth introduction of these systems.

● Image of sensing which can be utilized in providing solutions



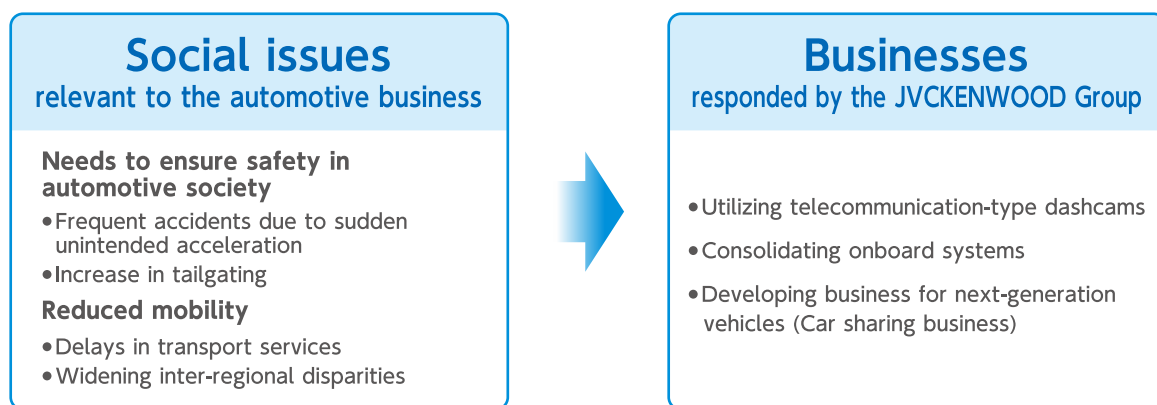
Satisfying market and customer needs with cutting-edge solutions

As the future business development, utilizing recorded images in onboard IoT devices such as mainstream dashcams to educate drivers, analyze the causes of accidents, and create mechanisms to boost the precision of autonomous driving can be expected to be of great help in preventing accident recurrences. This contribution is expected to reach a global scale while these devices will be fully deployed to Europe, Southeast Asia and other overseas markets.

The taxi industry will be developing integrated systems incorporating payment machines and taxi meters, as well as efficient dispatch systems that utilize the cloud, and working to rectify inter-regional disparities in mobility by tying up with taxi call apps. By developing and applying new sharing technologies for next-generation vehicles and utilizing our strengths in sound know-how and designing, we will be actively developing high-brand-value products that appeal to all five senses.

JVCKENWOOD's mission as a technology-based company is to quickly ascertain dramatically changing market and customer needs and meet these expectations with cutting-edge solutions derived from technological innovation. To contribute to safer and more convenient automotive society, we will be providing solutions that meet market and customer needs by developing technologies as a pioneer in the industry.

For details on our initiatives pertaining to dashcams, please refer to page 22.



Helping bring about a next-generation automotive society with continual technological innovation

The market need for dashcams to ensure safety in automotive society is steadily rising. Our dashcams make maximum use of the imagery technology developed thus far with a focus on crystal-clear video recording as a core competence. We are employing technology that transforms the light captured by video cameras into electrical energy that not only makes it possible to record clear videos even while driving at night, but that also allows us to miniaturize products for vehicle onboard use. These products are designed to limit the heat they generate to reduce as far as possible any adverse effects on automobiles and the products themselves, even enabling them to monitor vehicles while parked for extended periods. We are looking to put the features of multi-cameras to good advantage in actively marketing our dashcams worldwide as a valuable part of the social infrastructure providing security to automotive society. Despite the barriers to overseas expansion presented by laws and regulations in particular countries, we have managed in the UK, for instance, to penetrate the market by tying up with insurance companies. This initiative is also being pursued domestically with consideration to consumer convenience.

I use three keywords related to CASE^{*1} when describing the external environment surrounding automotive society undergoing rapid change: (1) connectedness, (2) GIS^{*2}, and (3) resources. With 5G (the fifth-generation mobile communication systems), whose spread will likely be given an extra boost initiating in the year of 2020, the links between automobiles and the Internet

will become even stronger. Archiving automobile geodata collected by 5G will undoubtedly offer support in terms of autonomous driving and sharing. In future, we need to look beyond existing (legacy) resources and boldly produce new products able to meet the needs of the times.

Changes in the external environment are expected to pick up in pace as early as 2023. To accurately ascertain these changes and be first to respond, our company has long been developing human resources and pursuing open innovation by accepting interns from both inside and outside Japan, increasing the number of female engineers, and collaborating with startup companies. The Automotive Engineering & Design Division will continue discovering the needs of users and producing products that meet expectations so that we can help bring about safer and more secure next-generation automotive society.



Executive Officer and General Executive of
Automotive Engineering & Design Division
Automotive Sector

Yoshio Sonoda

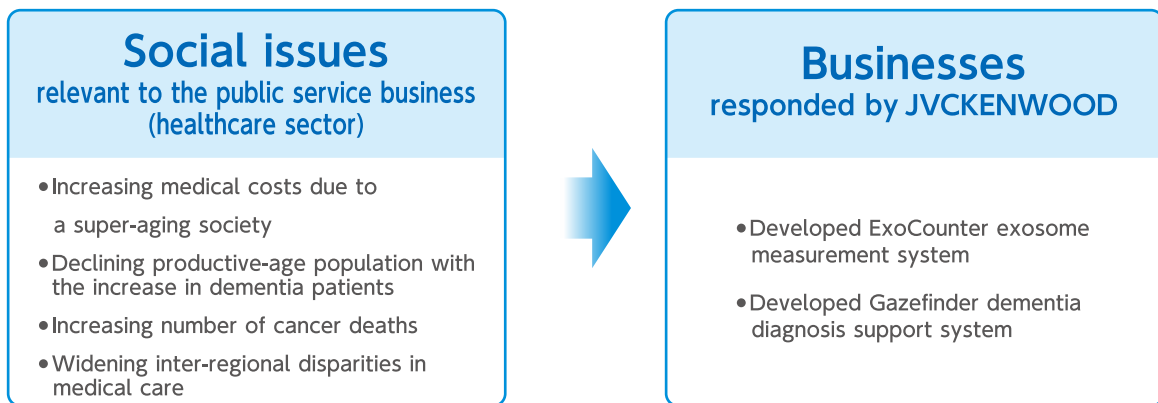
*1 CASE: Connected, Autonomous, Shared, Electric

*2 GIS: Geographic Information System

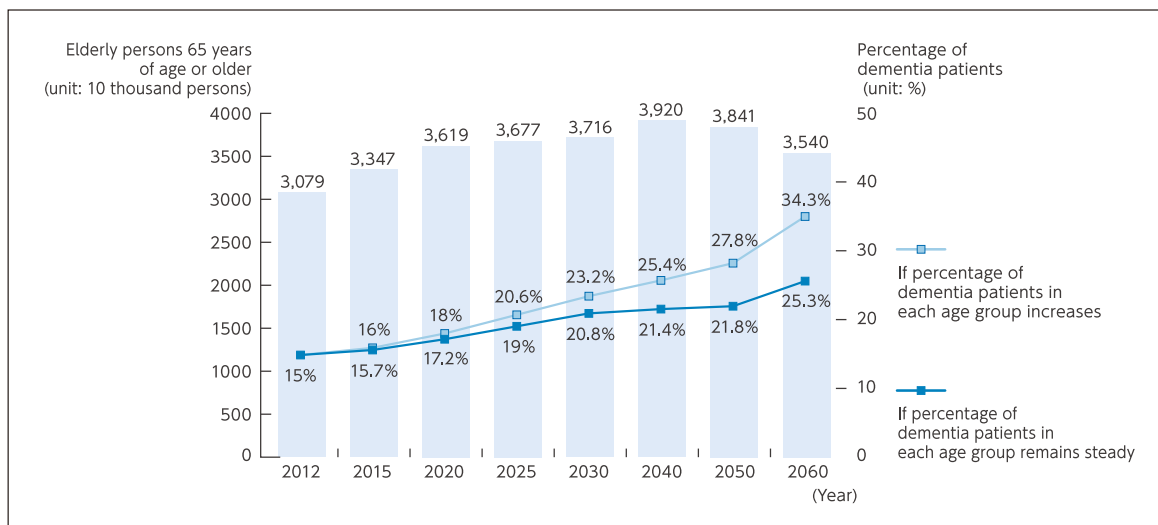
While progress in medicine contributes to extended average lifespans, rising medical costs in a super-aging society, increased deaths from cancer which is the single most common cause of death among Japanese, and widening inter-regional disparities in medical care remain serious issues for the medical field. Better pre-symptomatic diagnoses as an extension of preventive medicine and ultra-early diagnoses through cellular-/molecular-level biology testing at a disease-free stage have been garnering attention of late, and JVCKENWOOD in recent years has accelerated its efforts in the healthcare field.

More specifically, the development of ExoCounter, the exosome measurement system, which detects/measures individual antigen-specific exosomes in bodily fluids is expected to contribute to cancer treatment, while Gazefinder, the gaze tracking system, developed using the imaging/optical technology accrued heretofore is to be used as equipment for assisting the diagnosis of autism spectrum disorder, a developmental disorder. Applications of the Gazefinder in diagnosing dementia can also be anticipated. The number of dementia patients is forecasted to continue growing as societies become super-aged*, and a simple but accurate dementia diagnosis system needs to be developed. Determining the risk of dementia to minimize physical and mental impact and directing sufferers into treatment and suitable support environments will unquestionably prove helpful in resolving issues surrounding medical care for seniors by, for example, reducing burdens on patients and family members and enhancing the effectiveness of treatment. JVCKENWOOD will be striving to generate synergistic effects with our expertise and technology while collaborating with a variety of business partners to accelerate the use of research findings in commercialization. We will be stepping up its efforts to resolve issues stemming from a super-aging society by actively expanding its business ventures in the healthcare business.

* The number of dementia patients both inside and outside Japan is forecasted to remain in an uptrend. For details on our initiatives pertaining to ExoCounter, please refer to page 26. For details on our initiatives pertaining to Gazefinder, please refer to page 27.



● Aging in Japan - Present and Future



Sources:
 Data on the elderly population was prepared using the Ministry of Internal Affairs and Communications' *Population Estimates* for 2012; the Ministry of Internal Affairs and Communications' *National Census* for 2015; and the National Institute of Population and Social Security Research's *Population Projections for Japan (2017): 2016-2065*, presuming medium-level birth and death rates, for 2020 onward. (Note) The total figures for 2015 include persons of unknown age.
 The percentages of dementia patients were extracted from data in the Ministry of Health, Labour and Welfare's *Comprehensive Strategy for the Promotion of Dementia Measures (New Orange Plan)*.

- Gazefinder NP-100



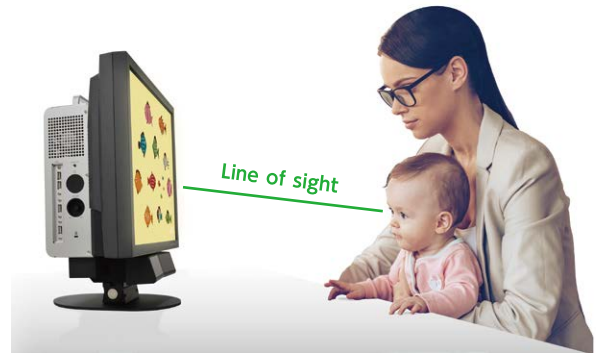
- ExoCounter prototype



- Measurement of the gaze of an elderly person



- Measurement of the gaze of an infant



Halting the decline in the productive-age population by developing eye-tracking diagnostic support devices

The Gazefinder eye-tracking device we have developed is a product likely to be utilized in early diagnosis of autism spectrum disorder, a developmental disorder, and of dementia. Proprietary technology is used to measure gaze accurately without imposing any discomfort on subjects of all ages, from infants to elderly. By creating an all-in-one product that is simple to set up and operate, we have produced a user-friendly device for physicians, public health nurses, and other persons carrying out the

measurements. Heretofore we have collaborated with universities and numerous research institutions in testing several thousand people as we developed the device, and research on the scope of its utilization has been far-ranging. While Gazefinder has already begun to be used by local governments in examining infants as a tool for objectively determining and understanding the characteristics of child development, we, as noted earlier, are undertaking R&D aimed at transforming Gazefinder into a medical instrument that assists in diagnosing autism spectrum disorder and dementia. We will be providing support via Gazefinder to enable as many people as possible to live vigorous lives, and helping to resolve the social issue of productive-age population decline confronting Japan and other countries with low birthrate and aging populations.



General Executive of Healthcare Division
Public Service Sector

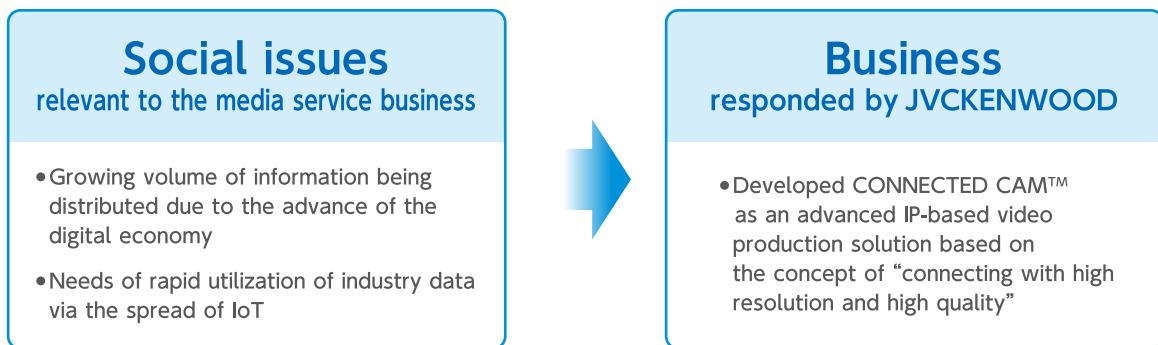
Masahiro Shimoda

The progress in economic activities utilizing digital technology and data (i.e., the digital economy) over recent years has amplified the volume of information flow on people, goods, and events, and corporate growth requires the rapid utilization of such industry data. In the area of media services as well, IP^{*2}-based broadcasts and distributions that use Internet networks to save costs, time, and labor are gaining greater traction by reflecting the changes in the external environment and through the spread of networked environments and the upgraded communication quality/performance in the video production industry. In conjunction with the sports industry expanding as the 2020 Tokyo Olympic and Paralympic Games approaches and with Osaka hosting the World Expo in 2025, asset-light broadcasts and live transmission that fuse cyber and physical resources via Internet networks are becoming more widespread.

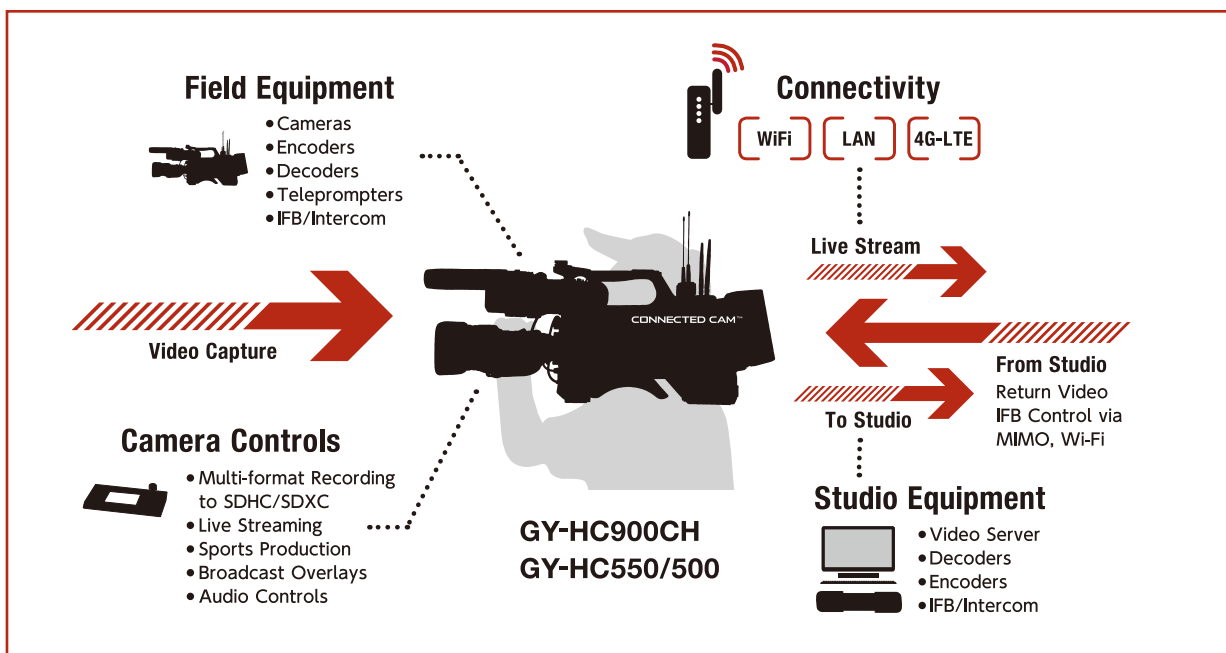
To satisfy these industry demands, JVCKENWOOD is seeking to increase the instantaneity and reliability of network connections and develop IP-based video production solutions that provide affordable high quality on par with conventional video production equipment. Thus, we proposed CONNECTED CAM[™] based on the concept of "connecting with high quality and high performance," and launched GY-HC900, a 2/3-inch HD memory card camera recorder as its first release in October 2018. We will be pursuing open innovation with our business partners from a variety of sectors to provide an IP-based "Glass to Glass" workflow from shooting to production/delivery on a one-stop approach.

*1 Glass to Glass: A neologism meaning the process from the camera lens (entry) to the display projecting the image (exit)
*2 IP: Internet Protocol

For details on our initiatives pertaining to CONNECTED CAM[™], please refer to our website.



● CONNECTED CAM[™] Image



CONNECTED CAM™ < Concept of CONNECTED CAM™ >

IP-based video systems are being increasingly adopted in the video production industry, and IP has been used to “downsize” equipment other than cameras to reduce cost and labor. The extensive introduction of networked environments and the evolution of communications quality/performance have driven the global spread of “asset-light” broadcasting and live transmissions using Internet networks.

Ahead of the industry, we launched the first IP capable camera, GY-HM650, in December 2012. We thereafter pursued the development of an IP-based video production solution for such functions as live streaming, arriving at a new solution – CONNECTED CAM™ – capable of enhancing the instantaneity and reliability of network connections while affordably providing the same high quality as conventional video production equipment. To construct an end-to-end workflow from the shooting location to the studio station, we will collaborate with our business partners in providing IP-based solutions needed for video production on a one-stop basis by ensuring secure and stable IP-based transmission infrastructure and by combining video servers, decoders, IP-based live switchers and other equipment used to manage/operate video materials.

Following up on our inaugural model GY-HC900 CONNECTED CAM™, we will be expanding the lineup of middle-range camera recorders, system components and other video production equipment “connected with high resolution and high quality”.

● GY-HC900CH



● GY-HC550/500



Expanded possibilities by IP-based video production solutions centered on CONNECTED CAM™

Responding to the need to deliver high-quality video while enabling instantaneity and lower cost for news gathering and live broadcasting, we developed CONNECTED CAM as a breakthrough product that achieves substantial “downsizing” while meeting such industry needs. It now constitutes the core of our IP-based video production solutions. News gathering and live broadcasting have traditionally required considerable equipment and personnel, but we estimate that use of the CONNECTED CAM featuring

enhanced networking functions can result in cost and labor savings of more than 80%. There will be greater demand in the sports industry in particular. This product is expected to be used across a wide scope, from coaching and analysis as well as production in the business field of professional football, baseball and other sports to the recording and Web-casting of amateur sporting events, and content development will move ahead in accordance with those customer demands. Not to mention in North America and Europe, we are focusing on capturing our customers’ needs that vary region by region in the emerging countries such as India and China. We are aiming to proactively expand our market share so that our CONNECTED CAM will impress many people all over the world, and it will be one of major solutions as a leader of the coming digital society.



Executive Officer in Charge of
Media Service Sector and General Executive of
Media Business Division

Kazuyoshi Hayashi

The JVCKENWOOD Group's Sustainability

Our concept of sustainability

The JVCKENWOOD Group believes it important to meet the expectations of all of its stakeholders through its business activities in keeping with its Corporate Vision of "Creating excitement and peace of mind for the people of the world." Continuing to be a company that is trusted by, and that contributes to, society will ensure our sustained growth. To promote corporate and social sustainability through its business, the JVCKENWOOD Group remains committed to producing products and services that resolve a variety of social issues. We will seek to improve our corporate value in a sustained manner and contribute to society by working to resolve social issues through our business while establishing a high degree of trust not only with customers but also with all other stakeholders connected with our company.

Two-pronged corporate strategy for business and sustainability

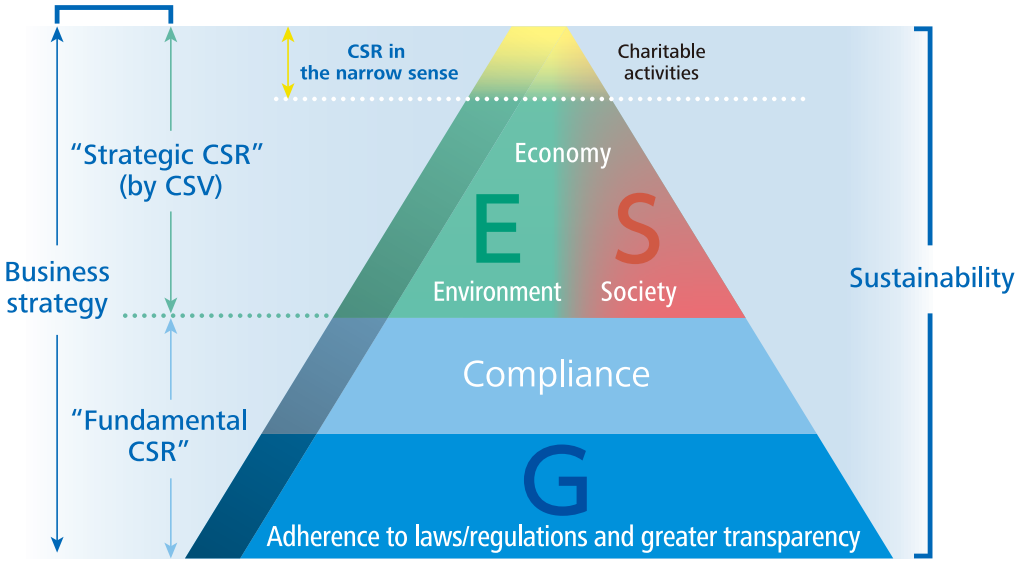
The JVCKENWOOD Group is aiming to fulfill its Mid- to Long- Term Management Plan Vision 2020 and to contribute through Society5.0^{*1} to the achievement of the UN's Sustainable Development Goals (SDGs)^{*2} by attaining profitable growth as a company while at the same time resolving social issues. To these ends, we have organized our business strategies into Fundamental CSR and Strategic CSR (including a CSV [Creating Shared Value] perspective), and we are taking a two-pronged approach focused on business and sustainability as we implement our corporate strategy by developing sustainability from CSR in the narrow sense.

^{*1} Society5.0: A term used in The 5th Science and Technology Basic Plan, approved by the Cabinet in January 2016, that refers to a super-smart society utilizing the Internet of Things (IoT) and AI.

^{*2} Sustainable Development Goals (SDGs): Goals for sustainable development adopted by the UN Sustainable Development Summit, comprising 17 goals and 169 targets with a target year of 2030; all organizations are asked to take concrete actions in accordance with these development goals to address the global issues of poverty, hunger, energy, and climate change and to build peaceful societies.

● Connections between business strategy and sustainability

Progressing from narrowly-defined CSR to sustainability, and implementing our corporate strategy by pursuing business and sustainability in parallel

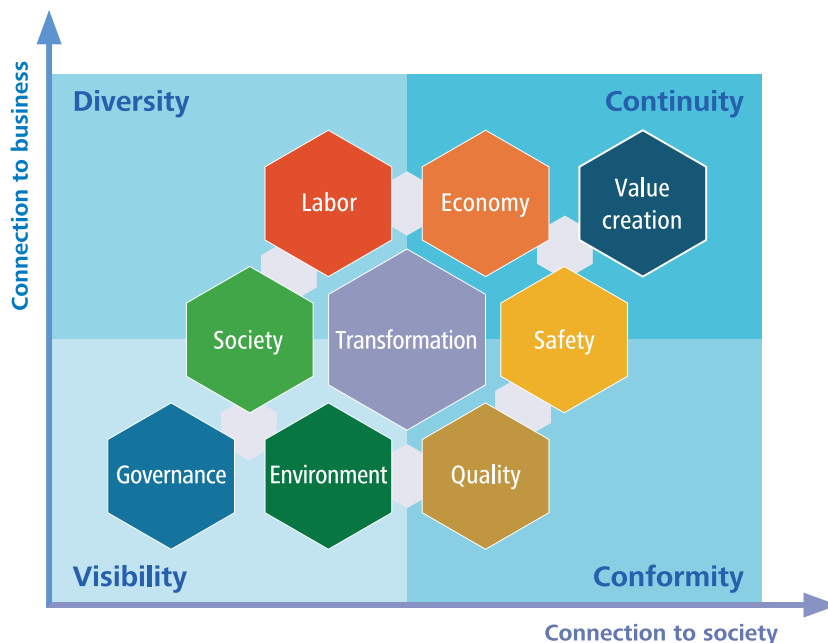


Pyramid of Company and Society

Social issues the JVCKENWOOD Group contributes to resolve

With the establishment of its new management structure in June 2016, the JVCKENWOOD Group is working to achieve new evolution as JK3.0 (the third era of JVCKENWOOD). In keeping with JK3.0, we have narrowed down the social issues the JVCKENWOOD Group will help to resolve to eight issues (1. Society, 2. Labor, 3. Environment, 4. Quality, 5. Economy, 6. Safety, 7. Governance, 8. Value Creation), plotting them into four quadrants – Conformity, Visibility, Diversity and Continuity – that reflect their connectedness to business and to society. These eight issues are explained as material issues, so please refer to **Material Issues** on page 17 for further details.

● Social issues the JVCKENWOOD Group contributes to resolve



Approach to profitable growth via sustainability strategy topics

We have determined the following five sustainability strategy topics with the aim of simultaneously promoting sustainability and achieving profitable growth. Topics 1) – 4) constitute the foundation for pursuing profitable growth as a company, to which an additional branch 5) has been attached by creating new value.

① Technological innovations

The trunk for achieving growth in strategic domains through intellectual property and technology

② Enhancing resilience

A strategic base that underpins efforts in fundamental domains (that support business) through robust, transparent, fair and inclusive mechanisms

③ Smart service

Products and services embodying the value created via 1) and 2) that enhance peace of mind, safety, comfort and trust

④ Wellness

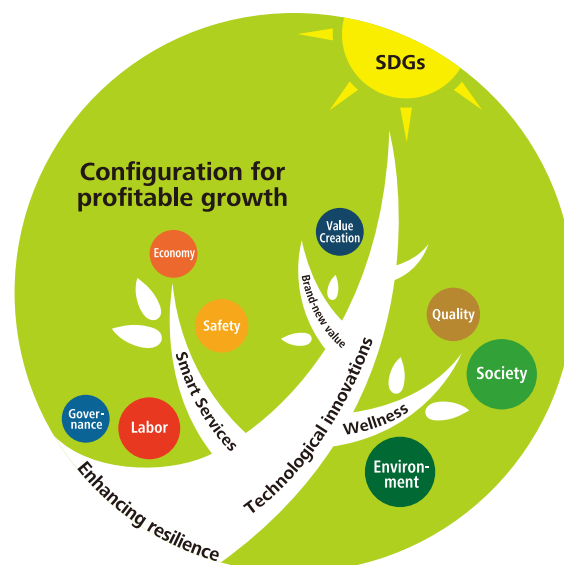
Products and services embodying the value created via 1) and 2) that contribute to environmental and social issues (QoL^{*3}, well-being^{*4}, etc.)

⑤ Brand-new value

A new branch of value grown via 1) and 2) whereby new topics are added through appropriate processes, and their growth fostered

*3 QoL: Quality of Life

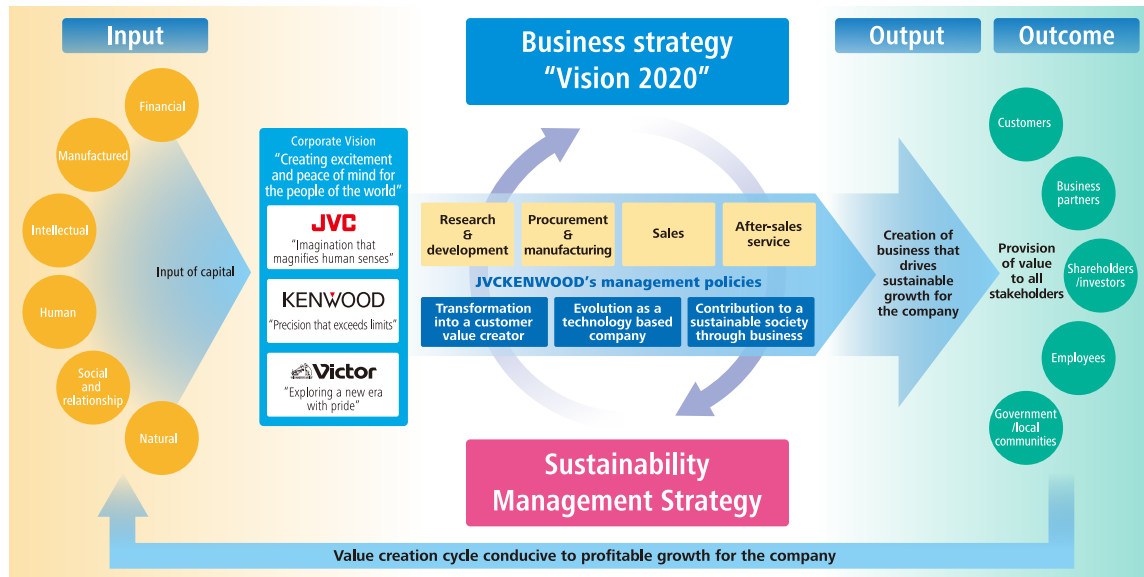
*4 Well-being: A concept that refers to being in a good state physically, mentally, and socially



Promotion of sustainability throughout the value chain

In pursuing sustainability, JVCKENWOOD is working to give greater impetus to its sustainability initiatives by sharing a corporate value creation process across the Group and throughout the value chain.

● The JVCKENWOOD Group’s corporate value creation process



Action plan for sustainability initiatives

The JVCKENWOOD Group has established the following five-point principal action plan based on its Sustainability Promotion Strategy. The Vision 2020 medium-term management plan was formulated in line with the Corporate Vision in 2014. When this Vision was revamped in 2017, we incorporated the social and environmental activities theretofore pursued as CSR activities into a Sustainability Promotion Strategy inclusive of elements of corporate governance and risk management and clarified its relevance to our Vision. FY2018 marks the start of the implementation phase for Vision 2020 and, under our new **Sustainability Management System** (please refer to page 16), we will be undertaking initiatives to promote sustainability in keeping with our material issues and KPIs (Key Performance Indicators).

- ① Top management promotes our initiatives
- ② Set KPIs and targets in accordance with Vision 2020, the Mid- to Long- Term Management Plan
- ③ Encourage the participation of all employees by linking the sustainability initiatives to all business activities
- ④ Achieve SDGs by contributing to Society5.0
- ⑤ Proactively and comprehensively disclose the initiatives to stakeholders via websites, etc.

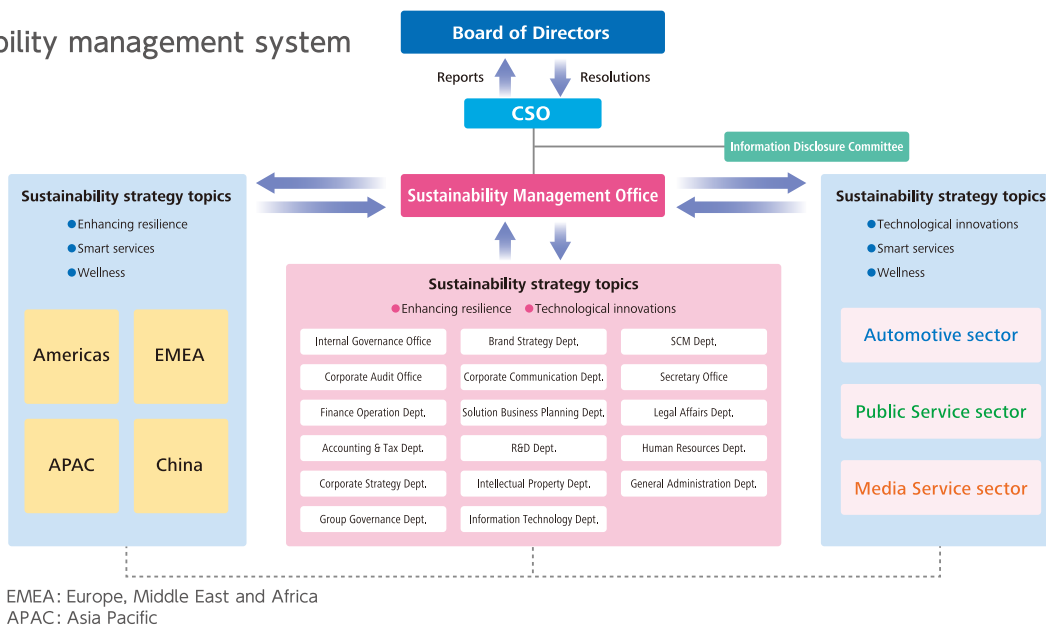
Sustainability Management System and Stakeholder Engagement

Sustainability Management System

In April 2018, JVCKENWOOD established the position of Chief Strategy Officer (CSO) as an executive in charge under the supervision of the Board of Directors, as well as a Sustainability Management Office and a system for rapidly implementing our Sustainability Management Strategy under the CSO's purview. The Sustainability Management Office is responsible for promoting the company-wide Sustainability Management Strategy and for managing progress in implementing the strategy, as well as for periodically reviewing material issues and KPIs (Key Performance Indicators) and enhancing the disclosure of sustainability-related information.

In pursuing the Sustainability Management Strategy across the company, it is essential to foster awareness of the issues faced and understanding of sustainability within the company. To those ends, the Sustainability Management Office actively communicates with the relevant departments and sections and takes the lead in efforts linking business to sustainability. The head of the Sustainability Management Office will submit regular reports on the progress made in implementing the Sustainability Management Strategy to the Board of Directors and, as necessary, present proposals for deliberations at meetings of the Board of Directors.

● Sustainability management system



Stakeholder Engagement

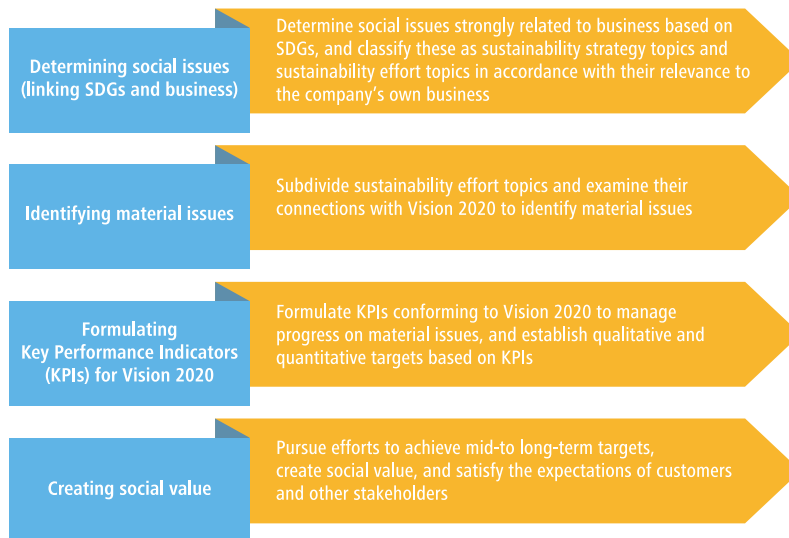
The JVCKENWOOD Group has identified important stakeholders and organized our engagements (establishment of trusting relations) with each stakeholder as shown below. Proactive and careful dialogue will be pursued with all stakeholders to advance sustainable business operations and improve corporate value.

Stakeholders	Customers	Business partners	Shareholders/investors	Employees	Government/local communities
Basic stance	<ul style="list-style-type: none"> ○ Pursue product development and manufacturing through customer-oriented processes that help resolve social issues in order to improve customer satisfaction 	<ul style="list-style-type: none"> ○ Enhance understanding of our company through sustainable procurement activities and PR/advertising/design strategies ○ Improve trust through sincere interactions 	<ul style="list-style-type: none"> ○ Accurately disseminate management information and build trusting relations ○ Improve our corporate value as an investment destination by formulating and implementing ESG-conscious management strategies/initiatives (PDCA) 	<ul style="list-style-type: none"> ○ Carry out reforms to make workplaces more comfortable environments in which individual employees can maximally demonstrate their capabilities ○ Promote diversity to make the best of a wide variety of human resources 	<ul style="list-style-type: none"> ○ Strive for co-existence with local communities through advertising and public relations efforts ○ Work together with local communities to address local issues and build good trusting relations in order to achieve sustainable business operations
Communication methods	<ul style="list-style-type: none"> ■ Websites ■ Product pamphlets ■ DVDs/CDs ■ Reports ■ Design movies ■ Television commercials 	<ul style="list-style-type: none"> ■ Websites ■ Press releases ■ Responses to press inquiries/interviews ■ Reports ■ Request forms 	<ul style="list-style-type: none"> ■ Websites ■ Press releases ■ Securities reports ■ Financial statements ■ Shareholder news letters ■ Reports 	<ul style="list-style-type: none"> ■ Intranet ■ In-house newsletters ■ Reports ■ In-house events ■ Award system ■ Movie production 	<ul style="list-style-type: none"> ■ Websites ■ Environmental education ■ Press releases ■ Responses to press inquiries/interviews ■ Welfare workshops ■ Reports
Opportunities for communication	<ul style="list-style-type: none"> ● Sales activities ● Seminars ● Exhibitions 	<ul style="list-style-type: none"> ● Newspapers ● Magazines ● Specialist journals ● Web members ● Industry groups/committees 	<ul style="list-style-type: none"> ● Disclosures to shareholders ● Financial results briefings ● IR/SR meetings 	<ul style="list-style-type: none"> ● Labor-management council meetings ● Internal financial results briefings ● Behavioral guidelines briefings ● CSR seminars ● Training sessions 	<ul style="list-style-type: none"> ● Newspapers ● Magazines ● Specialist journals ● Web members ● Factory tours ● Local events(social/environmental) ● Training seminars ● Industry groups

Material Issues

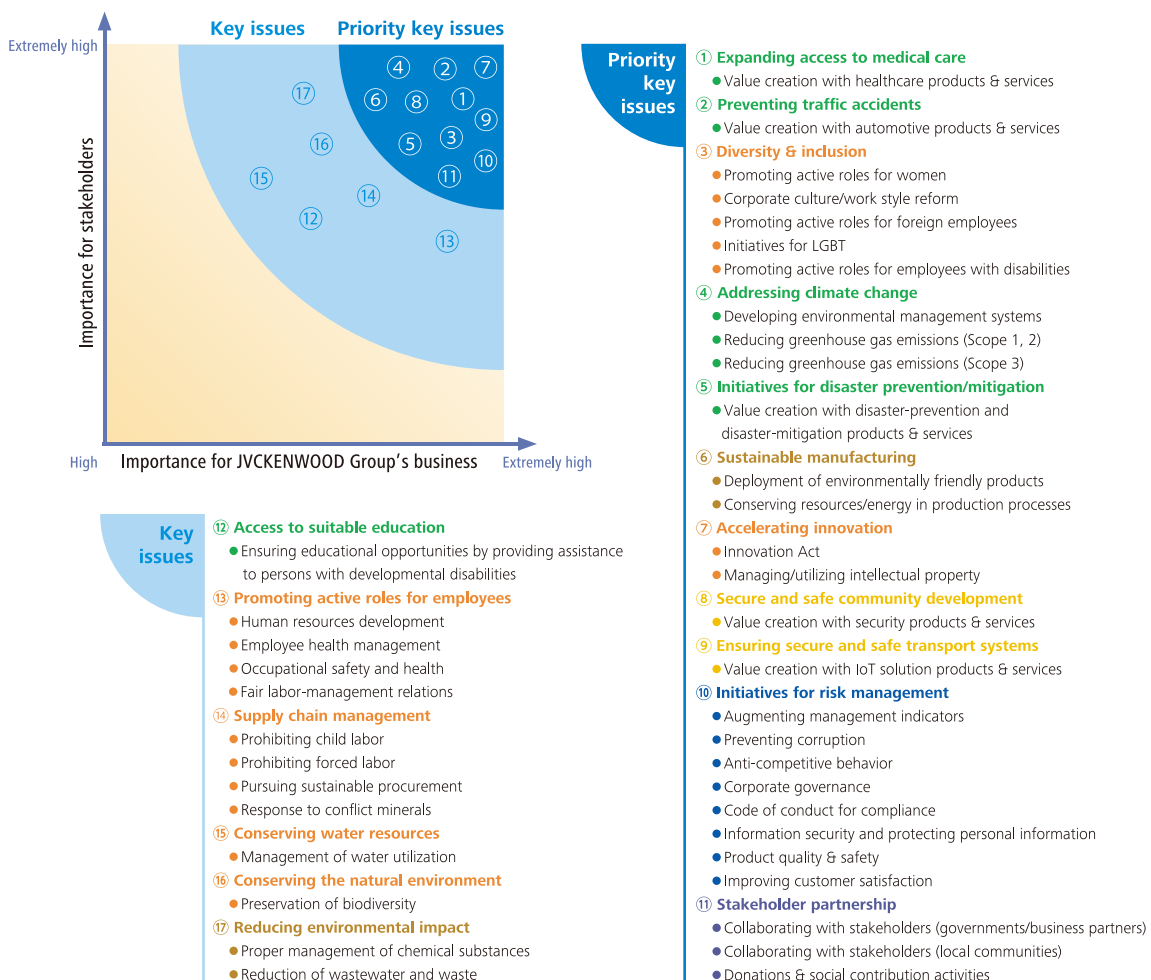
Process for identifying material issues

JVCKENWOOD has determined social issues strongly connected with its business on the basis of the Sustainable Development Goals (SDGs) and identified material issues while considering their relevance to Vision 2020. We will be reviewing these material issues as needed, and formulating Key Performance Indicators (KPIs) to manage progress as we strive to achieve our Vision 2020.



List of material issues

The JVCKENWOOD Group has identified material issues for contributing to sustainable societies through business. We will be formulating KPIs from a mid- to long- term perspective, at the same time developing mechanisms that can be managed globally.



Contributions to SDGs

The JVCKENWOOD Group recognizes that contributions by companies are essential for achieving the Sustainable Development Goals (SDGs). Accordingly, we have identified eight of the 17 SDGs connected particularly closely to our material issues as priority goals.





Connections between sustainability management icons and SDGs

The following diagram shows the connections between the Sustainability Management Icons (please refer to **The JVCKENWOOD Group's Sustainability** on page 13 for details) established in identifying issues for JK3.0 (the third era of JVCKENWOOD) and the eight goals from SDGs closely related to our business.



Contributing to SDGs through business activities

Presented below are some of the specific contributions that can be expected from our company's products and services to the respective priority goals. For further details of each business, please refer to the related pages or websites.

Eight Priority Goals from SDGs	Principal initiatives and expected contributions	
 <p>Goal 3</p>	<p>Bringing high-resolution medical imaging monitors to market</p> <p>We have developed MS55i2plus and the i3 Series (CL-S200/CL-S300) as our mainstay medical-use image display monitors. MS55i2plus contributes to improved efficiency of mammography interpretation with higher luminance and contrast than conventional medical-use monitors, while the i3 Series use our proprietary Dynamic Gamma function to achieve optimal gradation expression for both monochrome and color images and improve the efficiency of radiogram interpretation for complex diagnoses. These all support proper and rapid diagnoses in clinical settings.</p> <p>► For details, please refer to Value Creation with Healthcare Products & Services on page 26.</p>	 <p>MS55i2plus mammography/tomosynthesis image display monitor</p>
	<p>Developing ExoCounter to support very early diagnoses of illnesses</p> <p>ExoCounter is our proprietary device for digitally measuring exosomes (small vesicles found in bodily fluids) expected to serve as biomarkers for cancer and a variety of other diseases. Applying this device to joint research with university laboratories and other research organizations, pharmaceutical companies, diagnostic equipment manufacturers, etc., will help us advance development toward the very early diagnosis of diseases and treatments tailored to individual patients.</p> <p>► For details, please refer to Value Creation with Healthcare Products & Services on page 26.</p>	 <p>ExoCounter (prototype)</p>
	<p>Developing the gaze tracking system Gazefinder to contribute to social issues of low birthrate and longevity</p> <p>The gaze tracking system Gazefinder is expected to support the diagnosis of autism spectrum disorder (ASD) which is one of the developmental disorders and also to be applied to diagnosis of dementia patients. In both cases, it will reduce the burden of patients and their family by realizing proper medical treatment and care through early and accurate diagnosis. As the measures to encourage the youth to participate in the society, as well as to extend the elderly's healthy life expectancy within the society of low-birthrate and longevity, we are working to promptly develop the application of Gazefinder into medical equipment in collaboration with universities.</p> <p>► For details, please refer to Value Creation by Contributing to Social Issues of Low Birthrate and Longevity on page 27.</p>	 <p>Gazefinder gaze tracking system</p>

Eight Priority Goals from SDGs	Principal initiatives and expected contributions	
 <p>Goal 3</p>	<h3>Contributing to secure and safe driving with dashcams</h3> <p>The navigation-linked dashcams that are a mainstay product for JVCKENWOOD link up to Saisoku-Navi to enable simultaneous recording from the front and rear of vehicles and easy confirmation of recorded video. Our varied lineup meets the needs of customers and contributes to a safer and more comfortable automotive society.</p> <p>▶ For details, please refer to Value Creation with Automotive Products & Services on page 22.</p>	 <p>Navigation-linked dashcams</p>
 <p>Goal 5</p>	<h3>Promoting diversity</h3> <p>To establish diversity as an integral part of our corporate culture, we periodically conduct diversity training for all employees, including those at Group companies. We are also organizing a project team called Purejo-Bu (abbreviation for Pleasure in the job) whose purpose is to create a company in which all employees can take pleasure in their work, regardless of their race, nationality, religion, physical ability, gender, age, or sexual orientation, etc., conducting training to promote active roles for women, holding LGBT study group sessions, running childrearing and nursing care seminars, enhancing harassment consultation systems, etc. We are actively seeking to promote diversity across the company through such activities. For details, please refer to Diversity & Inclusion on our website.</p>	
 <p>Goal 9</p>	<h3>Creating an environment that produces innovation: Innovation Act</h3> <p>Innovation Act is an umbrella term for activities that lay the groundwork for uncovering ideas buried within the company and organically producing innovation, and for transforming the company into an organization that can spur on innovation. We will continue to vigorously pursue programs such as technology idea contests and business idea auditions as means of turning new technology/product ideas from employees into businesses.</p> <p>▶ For details, please refer to Promoting Innovation on page 29.</p>	 <p>Top page of Innovation Act website</p>
 <p>Goal 11</p>	<h3>Providing image analysis solutions that make public facilities more secure and safe</h3> <p>The new image analysis solutions provided by JVCKENWOOD comprise Intelligent Video Analytics (IVA) systems*, integrated-control facial recognition systems, etc. Real-time analysis of enormous volumes of surveillance camera videos and rapid recognition of specific visitors contributes to public security and safety through greater precision while also reducing the personnel/work required.</p> <p>*IVA systems: Analysis software that identifies events, attributes, and behavioral patterns through analysis of videos of a monitored environment</p> <p>▶ For details, please refer to Value Creation with Security Products & Services on page 25.</p>	
	<h3>Introducing emergency & professional-use multilingual broadcasting equipment</h3> <p>We have made use of JVCKENWOOD's audio system knowledge and technology to introduce emergency & professional-use multilingual broadcasting equipment that addresses the inbound demand by foreign visitors to Japan in recent years. We hope to help build the foundations for stimulating inbound demand by providing suitable information and evacuation guidance during emergencies to a growing number of foreign visitors.</p> <p>▶ For details, please refer to Value Creation with Disaster-Prevention and Disaster-Mitigation Products & Services on page 24.</p>	
 <p>Goal 12</p>  <p>Goal 13</p>	<h3>Reducing greenhouse gas emissions</h3> <p>We are working on company-wide initiatives to reduce greenhouse gas emissions as part of our efforts to address climate change issues. At major production sites in particular, we are making facility upgrades to highly efficient production and air conditioning equipment, actively introducing LED lighting, and working to conserve energy in production processes.</p> <p>▶ For details, please refer to Initiatives to Reduce Emission of Greenhouse Gas on our website.</p>	
	<h3>Promoting compliance</h3> <p>We are promoting compliance activities throughout the JVCKENWOOD Group with leadership from the Compliance Committee chaired by the CEO and the Internal Governance Office, maintaining and fostering keen awareness of the importance of compliance by conducting periodic compliance training and actively utilizing whistleblower systems.</p> <p>▶ For details, please refer to Compliance on our website.</p>	
 <p>Goal 17</p>	<h3>Collaborating with outside stakeholders: pursuing social implementation projects through industrial-government-academic cooperation</h3> <p>JVCKENWOOD has stressed the need to aggregate wisdom from both inside and outside the company by undertaking closer collaboration with a variety of outside stakeholders to help resolve social issues as a company. For that reason, we have been participating in innovation creation projects with motor sports organizations, the Tokyo University of the Arts, etc., as part of social implementation projects carried out through industrial-government-academic collaboration, and creating businesses that make use of our company's strengths in order to have a broader impact on society.</p> <p>▶ For details, please refer to Collaboration with External Stakeholders on page 32.</p>	

● The JVCKENWOOD Group's initiatives related to SDGs are introduced as "Good Practices" on JAPAN SDGs Action Platform, the website of Ministry of Foreign Affairs of Japan.

Core Business/Activity

The JVCKENWOOD Group seeks to continue our business in accordance with the management principles of “transforming into a customer value creator,” “evolving as a technology based company,” and “contributing to a sustainable society through our business.” To realize this, it is extremely important that we have a clear understanding of the values that our company’s products bring to society. That is, in order for us to achieve continuous growth as a sustainable company that continues to generate profit, we need to be aware of what contributions we can make toward resolving existing and potential social problems, and make use of our unique wisdom and technologies cultivated over a long period of time to create new products and services that can help resolve those issues.

Here, we provide information on new products and services in main business fields that are particularly noted for their potential to contribute to resolving the social issues. All of the products and services introduced here are scheduled to expand their market presence in the future, and will lead the growth of the JVCKENWOOD Group. In addition, explanations are given here on our measures based on the strategies regarding technologies and intellectual properties, which play a key role in evolving as a company founded on technology. We also introduce collaborative businesses that we are currently undertaking with external stakeholders to take extensive and innovative approaches toward resolving social issues.



Transform into a Customer Value Creator

Creation of products & services resolving social issues

Creating products and services that help resolve social issues and improving sales of such products and services are key to achieve both our profitable growth as a company and solution of the social problems that we face. In order to realize one of our management principles of “contributing to a sustainable society through our business,” we must remain committed to facing social challenges, not only through social contribution activities targeting local communities but also through our business. We must also increase our market presence with consideration of whether we can resolve the social issues.

The JVCKENWOOD Group has identified products and services in the following six fields of business that have a particularly strong association with social issues and is striving to develop and launch these products.

Note: Please refer to **Contributions to SDGs** on page 18 for details on “Major Products & Services” and their connections with the Sustainable Development Goals (SDGs).

Six fields of value creation and the major businesses

Business Fields of Value Creation	Major Products & Services
1 Value Creation with Automotive Products & Services (page 22)	<ul style="list-style-type: none"> • Dashcams linked to navigation system
2 Value Creation with IoT Solution Products & Services (page 23)	<ul style="list-style-type: none"> • Next-generation taxi dispatch system • Telecommunication-type dashcams for the trucking industry • Device for dementia patients to stimulate the five senses
3 Value Creation with Disaster-Prevention and Disaster-Mitigation Products & Services (page 24)	<ul style="list-style-type: none"> • Emergency & professional-use multilingual broadcasting equipment
4 Value Creation with Security Products & Services (page 25)	<ul style="list-style-type: none"> • Intelligent Video Analytics (IVA) systems • Integrated-control facial recognition systems
5 Value Creation with Healthcare Products & Services (page 26)	<ul style="list-style-type: none"> • Medical image display monitor • ExoCounter
6 Value Creation by Contributing to Social Issues of Low Birthrate and Longevity (page 27)	<ul style="list-style-type: none"> • Gazefinder

Value Creation with Automotive Products & Services

Contributing to secure and safe traffic with dashcams

In Japan today, traffic accidents occur at a rate of approximately 470,000 incidents per year, resulting in approximately 580,000 injuries or deaths*. In view of the problems of frequent accidents caused by elderly drivers and by aggressive tailgating, we are actively promoting the market deployment of dashcams, which is one of JVCKENWOOD's major products, as a product that will help prevent traffic accidents.

The linking of front and rear dashcams with the navigation system achieves high-definition simultaneous recording of both the front and back of the vehicle via smart connection to JVCKENWOOD's navigation system, Saisoku-Navi. Furthermore, installing our virtual rearview mirror makes it possible to check the surroundings at the back of the vehicle even in situations of poor visibility, thus helping to reduce the percentage of accidents that occur during parking and other such situations. We also offer a diverse range of dashcams, including a model with high-resolution WQHD that provides high-definition recording at 1.8 times the quality of full-HD recording, a model with wireless LAN to easily send the recorded footage to smartphones, and a model with enhanced monitoring and recording functions while the vehicle is parked. We support safer and more comfortable driving experiences by attentively answering customer needs, thus reducing the anxieties felt when driving, starting and parking the vehicle.

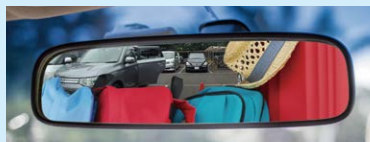
JVCKENWOOD aims to increase the percentage of vehicles equipped with dashcams and acquire the top market share both in and outside of Japan. As such, we set the goal of increasing our share in total dashcams installed in vehicles at car dealers in Japan by the end of fiscal 2020. In the future, we will expand our business from not only providing dashcams but also developing solutions that comprehensively control sensors, dashcams, etc., and thereby contribute to the development of a secure and safe automotive society.

* Traffic accidents that occurred in 2017, announced by the National Police Agency (released February 15, 2018)

●Characteristic of dashcams linked to navigation systems ①



●Characteristic of dashcams linked to navigation systems ②



Difficult to see behind the vehicle with too much luggage...



Easy to see behind the vehicle with the virtual rearview mirror, which provides a sense of security.

Value Creation with IoT Solution Products & Services

With today's rapid development in IT and telecommunications infrastructure, we are seeing an active movement to connect a variety of things to the Internet, which is known as the Internet of Things or IoT. JVCKENWOOD is utilizing our technologies in imaging, acoustics, wireless, and other assets that we have nurtured over the years with the aim of expanding the next-generation IoT solutions business, which will deliver new value to customers. As such, we are striving to expand our services to customers in various new business areas. New businesses we are currently scheduled to launch by the end of fiscal 2019 include a taxi dispatch system and a device for dementia patients to stimulate the five senses. All of these are expected to achieve growth in the future as being good examples of solutions that provide value in helping to resolve various social issues.

●Scheme of JVCKENWOOD's next-generation IoT solutions business



Major new businesses to be launched

Development of a next-generation taxi dispatch system

JVCKENWOOD is currently collaborating with Sanwa Koutsu on the development and implementation of a dispatch system with IP utilization. To date, the taxi radio dispatch system has been offered under the KENWOOD brand, but we have now begun developing a new next-generation dispatch system against the background of rapid IoT developments occurring within the taxi industry.

Taxi vehicles are equipped with a number of devices made with the technologies and know-how cultivated by JVCKENWOOD over a long period of time. Such devices include the professional radio dispatch equipment, car navigation system, and dashcams. All of these devices are installed individually into the vehicles, but our next-generation dispatch system will offer one central terminal (tablet PC) that will serve as the display for both the professional radio dispatch equipment and car navigation system, thereby reducing cost at time of equipment installation. For the future, we will develop an integrated system that also includes taxi fare payment and fare meters, enhance efficiency at the call center by developing a new call center system that makes use of the cloud, and link this with a taxi call app for smartphones used by passengers. We will actively launch such previously unavailable services onto the market as a value creator that provides security and safety to our customers, not to mention being responsible for legal compliance and labor management.

Instead of being the sole provider of the services related to the development of this next-generation taxi dispatch system, JVCKENWOOD is also planning to form partnerships and collaborate with other manufacturers and system developers as well as providing platforms, etc. By increasing opportunities for the use of this service, we expect to expand its utilization not only for taxis but also by the bus and trucking industries, thereby contributing to the further growth of various industries.

Development of device for dementia patients to stimulate the five senses

JVCKENWOOD, together with Takeda Pharmaceutical Co., Ltd., invest in Aikomi Co., Ltd., a venture company conducting research and development specializing in non-drug treatment of dementia. Aikomi seeks to provide non-drug treatments customized to each individual patient that encourage interaction and communication with dementia patients, with the goal of answering highly unmet medical needs^{*1} in caring for dementia patients, such as improving the behavioral and psychological symptoms associated with dementia.

In Aikomi's efforts to develop a technological platform, JVCKENWOOD is responsible for developing a device that will serve as a point of contact for dementia patients. For the project, JVCKENWOOD is planning to bring our strengths in the fields of imaging, acoustics, and telecommunications that we have cultivated over the years, as well as our proprietary contents including high-resolution sound source^{*2}, in order to strive toward the realization of various devices that stimulate the five senses. Dementia is a social issue generating a sense of urgency in Japan, where we are faced with a super-aging society. We will participate proactively in developing a service for dementia patients based on non-drug treatment, so that it will grow to become one of our businesses that will help contribute to resolving social issues.

*1 Unmet medical needs: Medical needs relating to diseases where treatment methods have yet to be discovered.

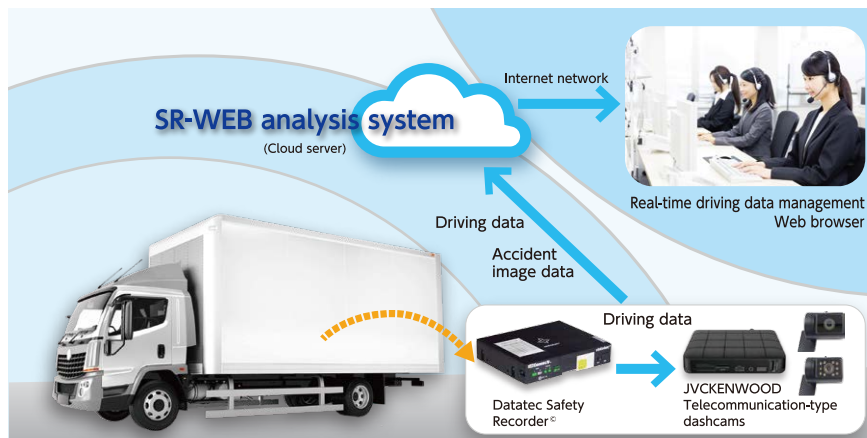
*2 High-resolution sound source: High-resolution music that enables enjoyable listening of highly detailed audio with approximately 3.3 times more sound information compared to traditional CDs.

Development of telecommunication-type dashcams for the trucking industry

JVCKENWOOD has newly developed a telecommunication-type dashcam to prepare for our entry into the commercial telematics field for the trucking industry. This telecommunication-type dashcam not only offers high-definition recording, but also offers telecommunication functions so that driving information—such as recorded images, sudden acceleration, and sudden deceleration, as well as location information—can be transmitted directly to the cloud server. This makes it possible to provide support in safe driving, manage traffic operational information, and respond swiftly in times of emergency such as accidents.

As the first step to entering into this field, we began providing a system linked to the Safety Recorder® created by Datatec Co., Ltd., a company that provides digital tachographs (digital driving operation recording equipment) and safe driving diagnosis systems for commercial vehicles. By expanding the telematics solutions business, we seek to help reduce traffic accidents, which has been a major issue in the logistics industry including trucking, and contribute to the development of a secure, safe, and pleasant automotive society.

●Image of the Datatec-JVCKENWOOD integration system



Value Creation with Disaster-Prevention and Disaster-Mitigation Products & Service

Implementing emergency & professional-use multilingual broadcasting equipment

As part of our efforts to provide products and services to prevent or mitigate disasters, JVCKENWOOD makes use of our wisdom and technological expertise in acoustics systems to provide broadcasting equipment for use in emergencies and for business. We are advancing the implementation of multilingual emergency and professional-use broadcasting equipment that answers the recent inbound demand resulting from the rising number of foreign visitors to Japan. Thus, we are helping enable overseas visitors to Japan, of which the number is expected to increase even more, to spend their time in Japan with a sense of security and safety.

Our latest multilingual emergency and professional-use broadcasting equipment—the EM-E1500 series and the EM-K150 series—is able to broadcast voice warning messages in Japanese and English. Furthermore, by replacing with the multilingual CF (compact flash) card, the equipment is able to make announcements in three to four different languages (Chinese and Korean in addition to Japanese and English)^{*1}, thus making it possible to reach even more people in times of emergency. At present, the number of foreign visitors to Japan is nearly 29 million people per year^{*2}, and as Japan will be hosting the Olympic and Paralympic Games Tokyo 2020, being able to provide appropriate information and evacuation guidance in times of emergency is considered a critical issue. We aim to further increase the implementation of our multilingual emergency and professional-use broadcasting equipment by the end of fiscal 2018, thus advancing the deployment of our products into the market and thereby contributing to building an infrastructure for further encouraging more overseas visitors to Japan.

^{*1} Approval from the fire department of the local jurisdiction is needed for implementation of this equipment.

^{*2} According to statistical data provided by the Japan National Tourism Organization (2017).

●Multilingual emergency and professional-use broadcasting equipment —rack type EM-E1500 Series



●Multilingual emergency and professional-use broadcasting equipment —wall mount type EM-K150 Series



Value Creation with Security Products & Services

Providing image analysis solutions that contribute to security and safety of public facilities

In recent years, it has become increasingly important to take measures to prevent terrorism and vicious crime, both in and outside of Japan. In particular, we're seeing an increase in the number of security personnel and security cameras, especially at airports and other facilities where large numbers of people gather. Against this background, there is a heightening need for the implementation of a more efficient and effective security system.

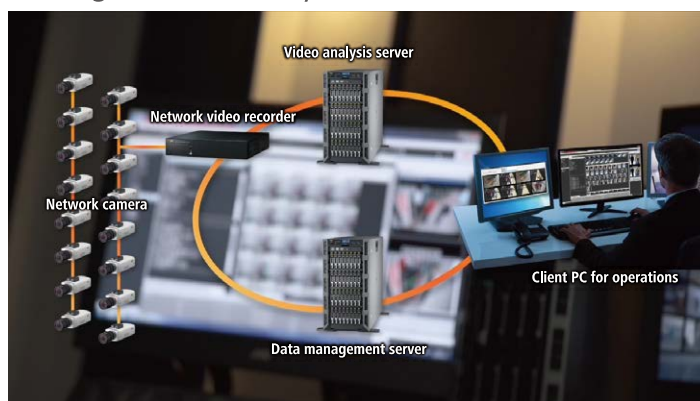
JVCKENWOOD is developing and providing such products as Intelligent Video Analytics (IVA) and integrated-control facial recognition systems to serve as a new image analysis solution. These systems help improve security and safety of our communities with higher precision while reducing the amount of manpower and work needed. This is achieved by real-time analysis of enormous amounts of videos coming in from security cameras, and with speedy recognition of specified visitors. We are aiming to newly implement security camera systems that are combined with these aforementioned services by the end of fiscal 2018, in order to contribute to counterterrorism and other measures to ensure security and safety at public facilities. We are planning to actively offer these solutions to the market in order to answer the needs of society, both in and outside of Japan.

* Intelligent Video Analytics (IVA): Analytics software that discerns events, attributes, and behavioral patterns through video analysis of the monitored environment.

Development of IVA

IVA is a system that not only records live videos of the surroundings 24 hours a day, as with traditional surveillance cameras, but also conducts image analysis of the recorded videos in real time. The system is equipped with an advanced real-time alert function, which identifies suspicious unattended objects as well as incursions into restricted areas and sounds the alarm, practically in real time. Furthermore, the system creates a database of all the real-time analysis that it has performed, thus storing an immense amount of metadata to allow the performance of complex and comprehensive searches at an amazing speed. IVA, which can integrate and monitor a maximum of 500 cameras, shows promise in being utilized for a variety of purposes that include not only accident and crime prevention but also marketing and other activities.

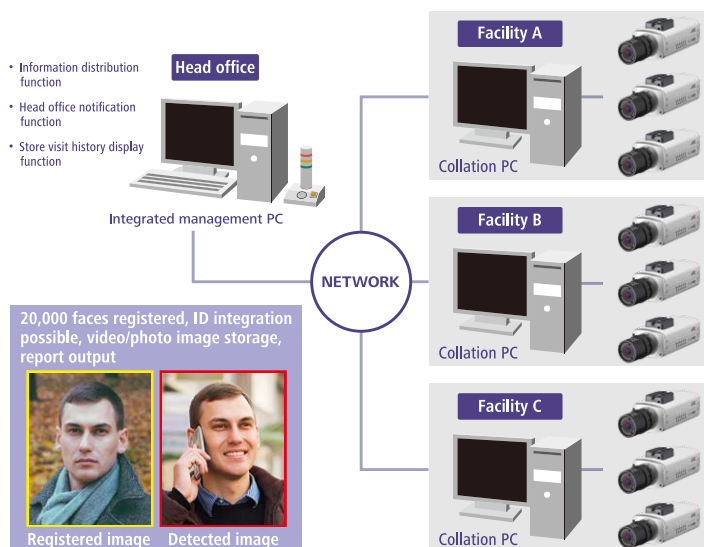
● Configuration of IVA system



Development of integrated management-type face recognition system

The integrated-control facial recognition system detects and sends notice in real time of the presence of specified individuals whose facial information has been registered in advance. This makes it possible to be vigilant against criminals and people who are known to have disturbed the public peace in the past, without having to be dependent on traditional methods of human visual observation, thereby helping to strengthen anti-crime measures. In addition to preventing crime, this system is expected to help provide proactive assistance for VIPs. Thus, in the future, we expect this system to expand its presence in the market for its ability to enhance vigilance precision while also reducing required manpower.

● Configuration of integrated-control facial recognition system



Value Creation with Healthcare Products & Services

The JVCKENWOOD Group develops products for the healthcare industry by making use of the unique expertise that we possess in image and video processing technologies and in optical disk technologies. Seeking to ensure that as many people as possible receive appropriate medical services, we assist those working at the frontlines of medicine by developing medical image display monitors with high diagnostic interpretation efficiency as well as a particle (exosome) measuring instrument that is expected to enable extremely early diagnosis. The healthcare business is also a field that will have a strong impact on the super-aging society, and, as such, we are striving to develop and launch products that meet the needs of medical professionals.

Market launch of high-resolution medical image display monitor

In 2017, we launched MS55i2plus and i3 Series (CL-S200/CL-S300) as new major products in the medical image display monitor market.

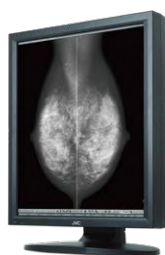
MS55i2plus, a mammography and tomosynthesis image display monitor, achieves higher luminance and contrasts compared to traditional medical monitors. As such, it improves visibility of micro calcifications, tumors and structures. Furthermore, with regard to images of high-density mammary glands containing lesions, the increased sense of depth that is achieved will likely help improve radiogram interpretation efficiency.

The i3 Series are medical image display monitors that achieve both the accurate reproduction of monochrome images and a combined diagnosis (multimodality) interpretation environment that makes use of various images in color, including those from ultrasound, endoscope, and pathology tests. In particular, our unique Dynamic Gamma* function automatically distinguishes between monochrome and color images that are intermixed on the screen, in units of pixels. Thus, each image is displayed in the optimal tonal scale in real time. This contributes to improving efficiency in the radiogram interpretation process by enhancing the readability of color images.

* Patent No. 6277984

In fiscal 2018, we have actively promoted to launch these medical image display monitors onto the market. In fiscal 2020, we will enhance the lineup with further advanced i3 Series monitors and strive to provide optimal radiogram interpretation environments for everyone involved in interpreting radiograms.

● Mammography/tomosynthesis image display monitor: MS55i2plus



● i3 Series (CL-S200/CL-S300) front side
Dynamic Gamma function image



● i3 Series (CL-S200/CL-S300) back side



Development of ExoCounter that supports very early diagnosis of diseases

As the world braces for the challenges of an aging society and the increased burden of medical costs, increasing importance is placed on pre-disease diagnosis stemming from the advancement in preventative medicine, and even more on very early diagnosis performed during the disease-free period through exams conducted at the cell and particle level. The exosome is a vesicle particle measuring approximately 50–100 nm in diameter that is released from a variety of types of cells, and exists in body fluids such as blood, saliva, and urine. Exosomes are embedded with various substances including protein, mRNA^{*1}, and micro RNA^{*2}, and in recent years these substances are expected to serve as biomarkers for various diseases including cancer. We combined our properties in optical disk and nanobead^{*3} technologies to develop an exosome measurement system called ExoCounter that detects and measures each antigen-specific exosome in body fluids.

In March 2016, we started working with Sysmex Corporation for the joint development of diagnostic equipment dealing with exosomes. For the future, we aim to proceed with clinical tests with the goal of putting the equipment to use to enable the early discovery of cancer through the use of blood, since blood tests pose a low physical burden on examinees. In October 2017, we began collaborative research with the National Cancer Center Japan, Sysmex Corporation, and Daiichi Sankyo Co., Ltd. with the aim of raising the quality of cancer diagnosis and treatment. In this collaborative project, our company is developing the technology to detect exosomes related to the illness.

Furthermore, our joint research conducted together with the Keio University School of Medicine and the Tokyo Medical University discovered for the first time that breast cancer and ovarian cancer patients have a statistically and significantly high number of cancer-specific exosomes in their serum. The results of this research are expected to help further advance the development of new cancer diagnosis and treatment methods using exosomes, and help advance studies on cancer.

Based on the results of the above research, JVCKENWOOD will continue to work toward answering the needs of society by providing products that will realize very early diagnosis of illnesses and enable treatment that is suitable for each individual patient.

● ExoCounter (prototype)



● Assay kit



*1 mRNA: mRNA (messenger RNA) is RNA that copies and conveys genetic information on protein synthesis from the DNA sequence.

*2 microRNA: microRNA (miRNA) is one chain of an RNA molecule about the length of 20 nucleotides, and is associated with performing the role of controlling the expression of numerous genes and proteins. In recent years, miRNA found in exosomes has been attracting attention as being effective in the diagnosis of diseases because it remains stable and will not be degraded by enzymes in the blood, and because it changes dramatically in terms of amount and type depending on the type of disease and its level of development.

*3 Nanobead: Nanobeads are beads measured on the scale of nanometers (nm, one-millionth of a millimeter). The nanobeads used in this technology have a diameter of about 200 nm. The surface of the beads is solid-phased with an antibody that docks with substances on the exosomes, which enables the detection of specific exosomes that are being looked for.

Value Creation by Contributing to Social Issues of Low Birthrate and Longevity

As an aging population and decreasing birthrate progress in Japan, we face serious social problems such as reduced working population and the accompanying stagnating economy. To suppress the decrease of the working population as much as possible, it is crucial to spur the youth to participate in society and to prolong healthy life expectancy of the elderly.

To address these issues, JVCKENWOOD is pursuing the application of Gazefinder, a gaze tracking system developed with the visual and optical technologies that we have cultivated thus far, for medical equipment.

One expected use of Gazefinder is to support the diagnosis of autism spectrum disorder, which even among developmental disorders is known for involving particular difficulty in communication. According to the Study Related to Students Who Attend Regular Schools but Require Special Educational Support Based on the Possibility of Having a Developmental Disorder (academic year of 2012, issued by the Ministry of Education, Culture, Sports, Science and Technology), approximately 6.5% (estimate) of the surveyed students may be “children who do not have disorders in terms of intellectual development but show significant difficulty in studying and behavioral aspects.” This indicates that there are two students in every classroom of an average elementary school, meaning that it is a critical social issue in Japan, which is threatened by a decreasing working population and stagnating economy due to a low birthrate and an aging population.

During childhood, lower grade students explicitly demonstrate their difficulty in studying and behavioral aspects, while for higher grade students various complications arise and become hard to find. Therefore, it is important to identify the symptoms and respond at an early stage. (Source: Materials from the Reporting Meeting of Elementary and Secondary Education Bureau of the Ministry of Education, Culture, Sports, Science and Technology, February 2016)

Appropriate diagnoses help to ensure the provision of proper support in educational environments, and to enhance the understanding of the people around children with disorders. Also, early diagnosis enables necessary support from the time of infancy, which has been proven useful for improving a child’s ability to attend regular classes. In this manner, the more children that receive early treatment via diagnosis support of Gazefinder, the more the youth will be able to engage with society in the future.

Moreover, Gazefinder is expected to be applied to early diagnosis of dementia patients, who will presumably further increase. As simplified and precise diagnosis systems for dementia are required, Gazefinder is a product which can meet this need. It minimizes the mental and physical burden during examination and accurately finds out risks of dementia. It then helps encourage early and proper treatment as well as a supporting environment, contributing to reducing the burden of both the patients and their families. As the utilization of Gazefinder advances, we anticipate that we can help solve significant issues related to medical care for seniors, such as dementia and medical expenses.

● Gazefinder NP-100



● Image of measurement of elders



● Image of measurement of infants



Evolve as a Technology Based Company

The JVCKENWOOD Group is strengthening and advancing our initiatives based on both strategies related to technologies and intellectual properties in order to evolve as a company founded on technology. For our technological strategy, the R&D Department at the head office and the technological groups of the different business departments are striving to achieve advanced development, centering their efforts on the immense amount of technologies that we possess in imaging, acoustics, and wireless that have been cultivated from the time when the Group operated as Victor Company of Japan and Kenwood.

In order to expand our existing businesses and also advance into new business areas based on our technological strategies, it is inevitable to accelerate the speed of innovation. The JVCKENWOOD Group uses our unique core technologies and conducts open innovation with partners in various industries to promote technological developments that will lead to create cutting-edge solution businesses to help resolve social issues. We are also implementing different initiatives aiming to discover and nurture the seeds of innovation emerging from within our Group, and thereby striving to foster a corporate climate that makes it easier to generate innovation. Innovations and technologies born in this way will be managed in line with our intellectual property strategy involving both defensive and offensive activities, thus creating added value as new cutting-edge intellectual property that will be put to use in our business and management.

- ▶ For details, please refer to **Promoting Innovation** on page 29.
- ▶ For details, please refer to **Management & Utilization of Intellectual Property** on page 31.



Promoting Innovation

JVCKENWOOD is striving to develop a corporate environment that will promote opportunities for generating innovation. We are enhancing the motivation of each and every employee and bringing vitality to the workplace by offering various initiatives that make it easier for our people to offer their ideas for innovation, and by developing a framework that actively supports and awards employees who come up with innovations.

Building an environment that generates innovations—Innovation Act

The Innovation Act is a comprehensive name given to our domestic activities that build a corporate climate that makes it possible to discover ideas buried within the company and organically generate innovations, and to transform the company into an organization able to induce innovation. Specifically, the Innovation Act is centered on the following three programs: ①Technology idea contest, ②Business idea audition, and ③Idea Proposal/Discussion Box.

In fiscal 2018, we aim to study the commercialization of new ideas that were raised through the above three activities. As such, we are actively promoting the use of these programs throughout the company.

① Technology idea contest

The contest for technological ideas is held to broadly raise new ideas for technologies and products from engineers and other employees who possess technical skills. For outstanding ideas, we give support to develop prototypes.

② Business idea audition

In fiscal 2017, we hosted auditions within the company for new business ideas. Excellent business proposals underwent examination for business application and received support toward commercialization (two ideas that passed screening for commercialization are in progress to be advanced as a new business that does not exist in our current business fields). In fiscal 2018, we are planning to implement a business creation program that includes partnerships with a startup called the Co-creation Challenge program.

③ Idea Proposal/Discussion Box

Idea Proposal and Discussion Box for submitting ideas and conducting discussions is a special internal website where employees can casually post their ideas. It is being used as a communication tool that reaches beyond the boundaries of the different departments. For example, it serves as a place for having open discussions on a theme, as well as a place to introduce past examples and how those cases were solved. Approximately 50 posts have been submitted since 2017.

● Top page of the Innovation Act website



Broadcasting music in office

As part of our efforts to create a pleasant workplace environment where our employees are able to proceed with their duties with motivation, we are broadcasting music* under different daily themes before and after work hours. Since April 2017, we have received 123 song requests from our employees, coupled with information on why they chose that music and the thoughts behind their song selection. Thus, this practice of playing music has been established at our company and now serves an important role in improving work efficiency and reducing total work hours. We also implement music programs to mark the season and upcoming events, such as the Victor Rock Festival and the 40th anniversary of the debut of the Southern All Stars, thus also serving as a means for related business departments to promote their activities.

* Music is provided by JVCKENWOOD Victor Entertainment Corporation.

● Concept of music

Day of the week	Concept of music	Day of the week	Concept of music
Monday	Energizing music suitable for the start of a new week	Thursday	Various genres of music to inspire people to get out of a rut
Tuesday	Stimulating new music	Friday	Uplifting music toward the weekend
Wednesday	Good old fun music that motivates people to go home at the end of regular work hours	Close of business	Refreshing music that prompts people to go home at the end of work hours

MXP (MOST xxx PERSON) Award

We give awards to a broad range of employees who do something good for the workplace or the company, for the purpose of creating a corporate culture that notices virtuous deeds and deepening communication among employees within the company (the XXX part of the award name changes depending on the reason for receiving the award).

Employees who contribute to improving the workplace and the company are eligible to receive the award, even if what they are being awarded for does not relate directly to their assigned duties. The following are some examples of eligibility for the awards:

- A person who demonstrates an excellent attitude in terms of hospitality toward customers
- A person who brightens the atmosphere of the workplace
- A person who takes the lead to beautify and organize the workplace
- A person who is active in social contribution activities and volunteer work in the local community

This MXP Award was started in October 2016. As of April 2018, 36 global employees and 37 employees in Japan have been awarded thus far. This project of rewarding employees who demonstrate exemplary attitudes as a member of the JVCKENWOOD Group in various initiatives in and outside of the company is helping to raise the motivation of all of our employees.

● Scene from the MXP Award ceremony



Hosting the JVCKENWOOD Award

The JVCKENWOOD Group rewards prominent initiatives and business performance demonstrated within our Group under the JVCKENWOOD Award. The following seven criteria are considered in selecting the recipients of the award.

- ① Level of contribution to the Group's business performance
- ② Size of impact
- ③ Level of difficulty in succeeding with the challenge
- ④ Collaboration / initiative
- ⑤ Uniqueness / Originality
- ⑥ Best practice
- ⑦ Level of achieving the 2020 Vision

● Scene from the JVCKENWOOD Award ceremony



Every year, 20 are selected for the JVCKENWOOD Award, and three are selected from among them for the special award. In fiscal 2017, overall OEM business and sales activities in the aftermarket business were selected from the Automotive Sector, and initiatives related to projectors were selected from the Media Service Sector. This is a great opportunity for making distinguished initiatives and business performances widely known throughout the company, and also serves to improve the motivation of the award recipients. Therefore, this award project will be continued into the future.

Display of in-house posters

We display posters developed under diverse themes, such as messages to employees and personal introductions of co-workers in the JVCKENWOOD Group, which are posted at the head office and the different business centers and sites. This helps generate a sense of solidarity among all of our employees throughout the Group. In recent years, we developed and put up posters on the theme of diversity and introduced workplaces where people of different nationalities work together, and also showed activities being performed by veteran employees.

● Examples of in-house posters



Management & Utilization of Intellectual Property (IP)

Basic concept and initiatives

In order to “Evolve as a technology based company”, which is one of our management principles, the JVCKENWOOD Group is promoting initiatives in both technological and IP strategies.

In particular, with regard to IP strategies, we pursue both offensive and defensive activities that involve “Intellectual property to further our business (utilization & securing income)” and “Intellectual property to protect our business (acquisition of rights),” thus contributing to our business operation and business management. We are focusing on the following three points as the main pillars of our initiatives.

- ① As open & closed IP strategies, we generate income by standardization, patent pool and selling patent rights, and promote the development of barriers to prevent entry into our new business and priority business fields.
- ② We develop IP strategies linked to our business and technological strategies, and create portfolios of areas that need to be strengthened.
- ③ As mixed IP strategies, we promote the creation of new corporate value by the comprehensive protection and utilization of patents, designs, and trademarks.

We will actively promote our IP activities with these three efforts, and seek to use patents to create barriers in order to protect our business, acquire additional patents on which we can build our future, and generate standard patents that will help generate income.

Intellectual property structure

Our IP structure includes not only the Intellectual Property Department at head office, which creates cutting-edge IP to support the future of our company, but also patent development groups assigned to each business area. We are also strengthening our efforts by placing persons responsible for IP, as well as persons responsible for promoting IP, in the technological groups of each business department, thereby enhancing the entire company’s awareness toward IP.

Specific activities

In order to strengthen our efforts in IP, we offer the IP Skill-up Seminar to new employees and newly appointed management personnel, engineers, and designers. We also actively host the Patent Idea Conference at each of the patent development groups at the different sites for the purpose of protecting new businesses. The matters discussed at the conference help to develop our future portfolio.

We also host the IP Symposium once a year for the purpose of enhancing awareness on IP among management executives, general managers of technology, and engineers within our company. The symposium includes talks given by guest speakers from outside the company, an IP awards program, and case study presentations. We are planning to continue these activities in fiscal 2018 as well. Combined with our other efforts to disseminate information on various internal rules related to IP and our monthly in-house newsletter on IP, this symposium helps to improve awareness on IP throughout the company.

Collaboration with External Stakeholders

Basic Concept

The JVCKENWOOD Group places importance on striving to build trust in our business activities through engagement with various stakeholders such as our customers, business partners, shareholders and investors, employees, local communities, and external business partners (governments, NGOs, and other companies). In particular, working in partnership with external stakeholders such as universities, governments, and business partners brings with it the possibility of creating businesses that have a broader impact on society while making use of the strength of our company, and thus we feel the need to place more focus in the future on forming such partnerships. Currently, we are working on a variety of social implementation projects by collaborating with external stakeholders including different industries, governments, and academia. We are also planning to develop such an implementation plan in future as well.

Promoting social implementation projects through collaboration with industries, governments, and academia

Participation in motorsports

The JVCKENWOOD Group has been participating in motorsports since 1983 in order to continue enhancing our technologies in acoustics, imaging, and radio communication, which are the key business areas of our Group. As the official supplier of the famed McLaren F1 team, which competes at the highest level of motorsports, we have been supplying special radio communication systems to the circuits to provide on-site support as needed for the past twenty seven years. In recent years, we provided JVCKENWOOD's digital radio communication system to approximately 400 operation staff at the world's most renowned motorcycle racing event, MotoGPTM, thereby showcasing the high reliability of our products.

The technologies that have been enhanced through our challenges in motorsports, as well as the joys of sharing the emotional highs and lows with our partners, are being put to use in all of the businesses, products, and services offered by the entire JVCKENWOOD Group.

- Providing digital radio communication systems at MotoGP™



- Providing the on-board cameras at elite SUPER GT® Series



Leading COI activities of the Tokyo University of the Arts (Domestic Activities)

The Center of Innovation Science and Technology based Radical Innovation and Entrepreneurship Program (COI STREAM), launched by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) and the Japan Science and Technology Agency in 2013, is an industry-academia collaboration project for conducting basic research through to practical realization. It ascertains latent needs, identifies research and development issues by looking ahead to what society will be like in 10 years' time, and promotes innovative research and development without being confined by existing disciplinary or organizational boundaries.

This project was launched for the purpose of realizing through industry-academia collaboration innovations that could otherwise not be achieved by companies or universities working alone, and to also create a platform in Japan for creating such innovations. Of the three visions stated by COI STREAM, we particularly aim to achieve the second vision of "establishing a rich living environment (to be a country that is prosperous and is respected)" by developing a society with not only abundant material wealth but also emotional and spiritual riches. To achieve this, it is essential that we combine different fields such as arts with science and technology, and work in partnership with the education, medical, and welfare industries. JVCKENWOOD leads the COI activities as its project leader, and is also working to develop a circular hall of the Tokyo University of the Arts, in addition to working to create clone cultural property music. In order to make our society in 10 years' time even better than it is now, JVCKENWOOD will make use of our wisdom and experiences through collaborations with others, and thereby make a significant contribution to the development of a sustainable society.

- Circular hall at Tokyo University of the Arts



- Clone cultural property music (Japanese title only)



Corporate Profile/Stock Information

Company Profile

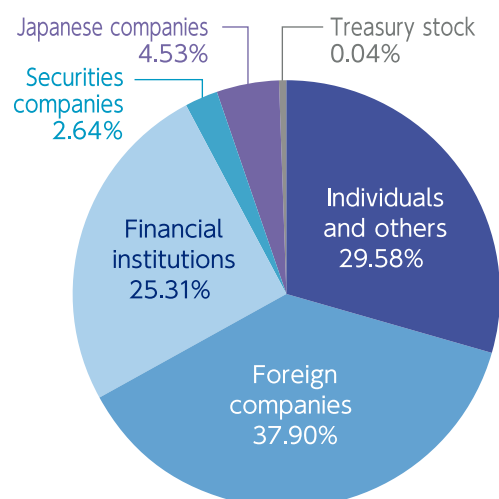
Company Name	JVCKENWOOD Corporation
Business Segments	Controlling and managing the business activities by operating the Automotive sector, Public Service sector, Media Service sector and owning shares and interest in the companies which run those businesses
Representative Director	Takao Tsuji, Representative Director of the Board, Chairman, Chief Executive Officer (CEO) Shoichiro Eguchi, Representative Director of the Board, President, Chief Operating Officer (COO)
Date of Incorporation	October 1, 2008
Capital	¥10 billion (as of March 31, 2018)
Number of Employees (consolidated)	17,801 (as of March 31, 2018)
Total Assets (consolidated)	¥239,877 million (as of March 31, 2018)
Equity (consolidated)	¥53,792 million (as of March 31, 2018)
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 Year-end dividend: March 31 Mid-year dividend: September 30 *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 55,050 treasury shares) (as of March 31, 2018)
Total Number of Shareholders	47,462 (as of March 31, 2018)
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Place for the Registration	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Shareholder Composition

As of March 31, 2018



Major Shareholders (Top10) As of March 31, 2018

Name	Number of stocks held (thousands)	Ratio of shareholding (%)
Japan Trustee Services Bank, Ltd. (trust account 9)	6,976	5.02
The Master Trust Bank of Japan, Ltd. (trust account)	5,490	3.95
Japan Trustee Services Bank, Ltd. (trust account)	5,092	3.66
DENSO Corporation	4,171	3.00
THE BANK OF NEW YORK MELLON 140044	3,398	2.44
Japan Trustee Services Bank, Ltd. (trust account 5)	2,799	2.01
THE BANK OF NEW YORK MELLON 140040	2,799	2.01
GOLDMAN SACHS INTERNATIONAL	2,617	1.88
JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT	2,575	1.85
DFA INTL SMALL CAP VALUE PORTFOLIO	2,475	1.78

Note: Ratio of shareholding is calculated based on the total number of shares issued and outstanding (excluding treasury stock).

The JVCKENWOOD Group's Network (Global/Japan)

Network (Global)

Manufacturing Companies

Name	Location	Main Products
JVCKENWOOD Electronics Malaysia Sdn. Bhd.	Malaysia	Telecommunications equipment and car electronics
JVCKENWOOD Electronics (Thailand) Co., Ltd.	Thailand	Media equipment and professional products
JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.	Thailand	Car electronics and media equipment
PT. JVC Electronics Indonesia	Indonesia	Car electronics equipment
Shanghai Kenwood Electronics Co. Ltd.	China	Car electronics and telecommunications equipment

Operation Companies: Americas

Name	Location
JVCKENWOOD USA Corporation	U.S.A.
JVCKENWOOD Canada Inc.	Canada
JVCKENWOOD Latin America, S.A.	Panama

Operation Companies: EMEA

Name	Location
JVCKENWOOD U.K. Limited	The United Kingdom
JVCKENWOOD Italia S.p.A.	Italy
JVCKENWOOD Deutschland GmbH	Germany
JVCKENWOOD Belgium N.V.	Belgium
JVCKENWOOD Europe B.V.	Netherlands
JVCKENWOOD RUS Limited Liability Company	Russia
JVCKENWOOD Gulf Fze	U.A.E.

Operation Companies: Asia-Pacific

Name	Location
JVCKENWOOD Singapore Pte. Ltd.	Singapore
JVCKENWOOD Malaysia Sdn. Bhd.	Malaysia
JVCKENWOOD (Thailand) Co., Ltd.	Thailand
PT. JVCKENWOOD Indonesia	Indonesia
JVCKENWOOD Australia Pty. Ltd.	Australia

Operation Companies: China

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

Other Principal Affiliated Companies

Name	Location	Main Business
Zetron, Inc.	U.S.A.	Development, manufacture and sales of telecommunications equipment
EF Johnson Technologies, Inc.	U.S.A.	Development, manufacture and sales of telecommunications equipment
ASK Industries S.p.A.	Italy	Development, manufacture and sales of car electronics equipment
Radio Activity S.r.l.	Italy	Development and sales of professional radio systems
Rein Medical GmbH	Germany	Development, sales and implementation of OR imaging solutions
JVCKENWOOD Technologies Singapore Pte. Ltd.	Singapore	Manufacture and sales of telecommunications equipment
JVCKENWOOD Hong Kong Holdings Ltd.	China	Manufacture and sales of car electronics equipment and contract manufacturing service of electronics device

Network (Japan)

Business Centers and R&D Bases

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

Principal Manufacturing Sites and Manufacturing Companies

Name	Location	Main Products
Head Office & Yokohama Business Center	Yokohama, Kanagawa	Optical components
Kurihama Business Center	Yokosuka, Kanagawa	Optical components and projectors
Yokosuka Business Center	Yokosuka, Kanagawa	CD and DVD discs (prerecorded)
JVCKENWOOD Yamagata Corporation	Tsuruoka, Yamagata	Telecommunications equipment and professional products
JVCKENWOOD Nagano Corporation	Ina, Nagano	Car electronics equipment
JVCKENWOOD Nagaoka Corporation	Nagaoka, Niigata	Medical display monitor solutions and in-vehicle substrates

Other Principal Affiliated Companies

Name	Location	Main Business
JVCKENWOOD Victor Entertainment Corporation	Shibuya-ku, Tokyo	Planning, production, and sales of audio and video, and software, etc.
JVCKENWOOD Creative Media Corporation	Yokosuka, Kanagawa	Development, manufacturing and sales of recorded optical disks
JVCKENWOOD Public & Industrial Systems Corporation	Yokohama, Kanagawa	Development, sales, manufacture, installation, maintenance and repair of professional audio, imaging and telecommunications equipment
JVCKENWOOD Video Tech Corporation	Shibuya-ku, Tokyo	Production, editing and sales of video, and studio operations
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	Setagaya-ku, Tokyo	Planning and production of industrial designs
JVCKENWOOD Partners Corporation	Hachioji, Tokyo	Undertaking of welfare program, general, personnel, accounting and other affairs

JVCKENWOOD

JVCKENWOOD Corporation

● For further information, please contact:

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