

Company	JVC KENWOOD Corporation
Representative	Shoichiro Eguchi, President and COO (Code: 6632; First Section of the Tokyo Stock Exchange)
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## Notice Regarding Investment in ZMP Inc.

JVC KENWOOD Corporation (JVCKENWOOD) is pleased to announce that we have invested to ZMP Inc. (Head office: Bunkyo-ku, Tokyo; CEO: Hisashi Taniguchi; ZMP), a leading company in telematics<sup>\*1</sup> and automatic car driving based on its robotics technology.

### 1. Background and purpose of investment

JVCKENWOOD has a significant track record in consumer audio systems and car infotainment<sup>\*2</sup> in the consumer markets in the U.S. and Europe, and is promoting growth strategies that leverage the integration effect between its two brands: KENWOOD and JVC.

ZMP, a leading company in telematics<sup>\*1</sup> and automatic car driving based on its robotics technology, is engaged in the business of developing a platform for next-generation mobility, etc.

The two companies have been making joint efforts for developing music robots as well as automatic car driving technology since 2006. In addition, we are combining ZMP's innovativeness in technology development and JVCKENWOOD's technological capabilities and expertise and track records in the car electronics business. In this way, we are establishing technologies for various services that can be made possible by allowing access to the open Internet environment in cars and commercializing such business. To this end, as announced in the "Notice Regarding Establishment of a Joint Venture" on July 18, we established CarTomo, a joint venture for promoting business development on a full-scale basis in the field of telematics<sup>\*</sup> that has growth potential, and are promoting joint development work to start up the company.

By subscribing to one-third of new shares of common stock issued by ZMP, JVCKENWOOD will collaborate in the next-generation automatic vehicle driving system business, which is included in the business areas of "innovative Advanced Driver Assistance System (i-ADS)<sup>\*3</sup>," which is its growth driver in the medium and long term, and telematics<sup>\*1</sup> business with ZMP, which has a head start in these fields. Through such efforts, we will strive to develop a main money-making business that drives the development of ZMP and becomes a backbone of JVCKENWOOD.

In our collaboration efforts in the telematics<sup>\*1</sup> business in particular, we expect to build a profit base that is stable over the medium and long term by shifting away from our existing sales of hardware and establishing a complex business model of coordinating information services and hardware.

### 2. Outline of ZMP

Trade name: ZMP Inc.

Location: Sumitomo Fudosan Koishikawa Bldg., 5-41-10 Koishikawa, Bunkyo-ku, Tokyo

Representative: Hisashi Taniguchi (CEO)

Establishment: January 30, 2001 (as ZMP Ltd., a venture company established out of Japan Science and

Technology Agency)

Capital: 32.5 million yen

Description of business: Car robotics platform and sensor system business, automobile development assistance business, in-vehicle test assistance business, connected car (telematics\*\*1) business, research and educational robots for businesses and universities and book publication, etc.

### **3. Future outlook**

JVCKENWOOD and ZMP will build stronger collaborative relationships through the investment and aim at developing a new car electronics business. The impact of the investment on our earnings for the current fiscal year is negligible as of this point in time.

\*1: Telematics is a term coined by integrating telecommunications and infomatics and means provision of information in real time by combining mobile objects such as automobiles with telecommunication systems such as mobile phones.

\*2: Car infotainment

Infotainment, a term coined by integrating information and entertainment, is in-vehicle systems which have functions demanded by modern drivers such as navigation and location information services, music and video replay and Internet connection on board.

\*3: "i-ADAS: innovative Advanced Driver Assistance System (i-ADAS)"

i-ADAS is the name of the new car electronics business. Related to this, JVCKENWOOD has launched a commercialization task force with four themes: 1) vehicle information, 2) automatic car driving, 3) in-vehicle display (HUD) and 4) sensing devices.