



January 30, 2015

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## **Notice Regarding the Acquisition of Shares of a European In-vehicle Component Company (to Make it a Subsidiary)**

JVC KENWOOD Corporation (“JVCKENWOOD”) hereby announces that its Board of Directors’ Meeting held today resolved that JVCKENWOOD would acquire all of the issued shares of ASK Industries S.p.A. (hereinafter referred to as “ASK Industries”) to make ASK Industries a wholly-owned subsidiary of JVCKENWOOD. The decision was made with the intent to accelerate the expansion of the genuine products area in the OEM business of the Car Electronics Segment, the business line that will play a key role in the JVCKENWOOD’s growth strategy. ASK Industries supplies in-vehicle equipment such as car-mounted speakers, amplifiers and antennas to major automobile makers primarily in Europe.

### **1. Reason for the Acquisition of Shares**

JVCKENWOOD is shifting internal resources from the Consumer Business, which has a shrinking market, to Car Electronics and Business to Business (or B2B), which are fields with growth potential, as well as from existing businesses to new-generation businesses. Given these moves, its OEM business showed strong growth, accounting for about 43% of the Car Electronics segment in FY-ended March 31, 2014. This is attributed primarily to the following: sales expansion of dealer-installed options by diverting highly recognized aftermarket products; positive impact of incorporating a new subsidiary, Shinwa International Holdings Limited in Hong Kong, which designs and manufactures CD/DVD mechanisms for vehicles; and, strong sales of car-mounted optical devices. JVCKENWOOD is also stepping up the development and manufacture of genuine products for automobile manufacturers expanding into new-generation businesses for further OEM business growth.

To speed up the business growth of genuine products for automobile manufacturers, JVCKENWOOD decided to acquire ASK Industries, a Tier 1 company supplying in-vehicle parts to automobile manufacturers, to make it a subsidiary of JVCKENWOOD.

TRANSLATION – FOR REFERENCE ONLY

ASK Industries, an in-vehicle component manufacturer based in Italy, has been designing, producing, and selling in-vehicle components such as car-mounted speakers, amplifiers, antennas, and cables since it was established in 1967. As a Tier 1 supplier, the company has established solid relationships with European automobile manufacturers such as VW Group, Daimler Group, Fiat Group, BMW and also audio equipment makers such as Bang & Olufsen through transactions over a number of years, and is ranked second in market share for in-vehicle speakers supplied to automobile manufacturers in Europe.

Acquiring full ownership of ASK Industries would enable JVCKENWOOD both expanding its OEM business and accessing ASK Industries’ strong partnerships with leading European automobile manufacturers and extensive distribution channels, and offer CD/DVD mechanisms for vehicles as well as car electronics systems centered on car navigation and audio systems to ASK Industries’ customers, with whom JVCKENWOOD has not obtained enough opportunities to offer its products so far. The acquisition is also expected to pave the way for further growth in the genuine product field by offering an integrated system combining both companies’ products.

Furthermore, the acquisition is expected to promote the commercialization of Digital Cockpit Systems including Head-Up Displays, car-mounted full HD cameras, electronic meters, and electronic mirrors in the business field of innovative Advanced Driver Assistance Systems on which JVCKENWOOD is focusing as a new-generation business.

Becoming a subsidiary of JVCKENWOOD will enable ASK Industries to expand its sales distribution channels for its own car-mounted components, such as in-vehicle speakers and amplifiers, by securing strong partnerships with Japanese automobile manufacturers and the distribution channels JVCKENWOOD has established. Collaboration with JVCKENWOOD in product development, technology enhancement, and manufacturing would also help ASK Industries to accelerate the commercialization of advanced technology while reducing production costs and improving operating efficiency, supporting the growth of consolidated performance.

**2. Outline of company to be acquired, ASK Industries S.p.A.**

(1) Company name	ASK Industries S.p.A.
(2) Address	Via dell'Industria, 12, I-60037 Monte San Vito (AN), Italy
(3) Representative’s name and title	CEO Ruggero Marchetti
(4) Business	Design, manufacture, and sales of car electronics products (i.e. speakers, amplifiers, antennas, and cables)
(5) Capital	€581,018 (¥85,142,378)

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	*Exchange rate: €1 = ¥146.54 (as of the end of December 2014)		
(6) Established	December 9, 1967		
(7) Major shareholders and holding ratio	Maria Isabella Olivieri 27.6% Paolo Tontini 22.8% Carlo Sancisi 11.1% Loretta Sancisi 11.1% Paola Sancisi 11.1% Luigi Perasso 8.2% Giorgio Tontini 8.2%		
(8) Relationship with JVCKENWOOD	Capital relationship	There is no significant capital relationship between JVC Kenwood and this company. In addition, there is no noteworthy capital relationship between the interested parties and affiliated companies of JVCKENWOOD and those of this company.	
	Personnel relationship	There is no significant personnel relationship between JVC Kenwood and this company. In addition, there is no noteworthy personnel relationship between the interested parties and affiliated companies of JVCKENWOOD and those of this company.	
	Transactional relationship	There is no significant transactional relationship between JVC Kenwood and this company. In addition, there is no noteworthy transactional relationship between the interested parties and affiliated companies of JVCKENWOOD and those of this company.	
(9) Consolidated operating results and financial conditions for the recent three fiscal years (millions of yen)			
*Exchange rate: €1 = ¥146.54 (as of the end of December 2014)			
Fiscal year	Fiscal year ended December 2012	Fiscal year ended December 2013	Fiscal year ended December 2014 (before audit)
Net Assets	3,738	3,676	4,331
Total Assets	13,559	15,219	18,103
Net Assets per Share (yen)	3,322,615	3,267,647	3,849,344
Net Sales	17,373	19,921	21,614
Operating Profit	323	489	935
Income before taxes	64	194	554

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Net income	13	82	424
Net Income Per Share (yen)	11,723	73,075	376,722
Dividend Income per Share (yen)	-	-	-

**3. Counterparts from which JVCKENWOOD will acquire shares**

Name	Maria Isabella Olivieri
Number of shares sold (ratio)	310 shares (27.6%)
Relationship with JVCKENWOOD	Currently, there are no capital, personnel or transactional relationships between JVCKENWOOD and this person.

Name	Paolo Tontini
Number of shares sold (ratio)	256 shares (22.8%)
Relationship with JVCKENWOOD	Currently, there are no capital, personnel or transactional relationships between JVCKENWOOD and this person.

Name	Carlo Sancisi
Number of shares sold (ratio)	125 shares (11.1%)
Relationship with JVCKENWOOD	Currently, there are no capital, personnel or transactional relationships between JVCKENWOOD and this person.

Name	Loretta Sancisi
Number of shares sold (ratio)	125 shares (11.1%)
Relationship with JVCKENWOOD	Currently, there are no capital, personnel or transactional relationships between JVCKENWOOD and this person.

Name	Paola Sancisi
Number of shares sold (ratio)	125 shares (11.1%)
Relationship with JVCKENWOOD	Currently, there are no capital, personnel or transactional relationships between JVCKENWOOD and this person.

Name	Luigi Perasso
Number of shares sold (ratio)	92 shares (8.2%)
Relationship with JVCKENWOOD	Currently, there are no capital, personnel or transactional relationships between JVCKENWOOD and this person.

Name	Giorgio Tontini
Number of shares sold (ratio)	92 shares (8.2%)

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Relationship with JVCKENWOOD	Currently, there are no capital, personnel or transactional relationships between JVCKENWOOD and this person.
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### 4. Number of shares to be acquired and the state of shares before and after the acquisition

(1) Number of shares held before the acquisition	- (Number of voting rights: -) (Holding ratio: -%)
(2) Number of shares acquired	1,125 (Number of voting rights: 1,125) (Ratio to the number of outstanding shares: 100.0%) (ASK Industries' acquisition price is €25.1 million (¥3,678 million) by supplementing cash on hand.) *Exchange rate: €1 = ¥146.54 (as of the end of December 2014)
(3) Number of shares held after the acquisition	1,125 (Number of voting rights: 1,125) (Ratio to the number of outstanding shares: 100.0%)

### 5. Schedule

- January 30, 2015 : Share Transfer Agreement to be concluded  
April 2015 (planned) : Transfer of shares to be executed and the acquired company to be in place as a subsidiary

### 6. Outlook

As stated in the aforementioned 5. Schedule, JVCKENWOOD plans to execute the acquisition of all of shares in April 2015. We will announce the impacts on business during the next fiscal year once they are confirmed.