

JVCKENWOOD

July 31, 2015

Company	JVC KENWOOD Corporation
Representative	Haruo Kawahara, Chairman and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
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Notice Regarding Dissolution of and Changes in Specified Subsidiaries

JVC KENWOOD Corporation (JVCKENWOOD) hereby announces that it resolved to commence liquidation proceedings (dissolution) of its subsidiary, JVC Manufacturing Malaysia Sdn. Bhd. (hereinafter “JMM”), at the Board of Directors Meeting held today.

In addition, ASK Poland sp. z o.o. (hereinafter “ASK Poland”), a subsidiary of ASK Industries S.p.A. (hereinafter “ASK”), an European in-vehicle component company that became JVCKENWOOD’s consolidated subsidiary on April 1, 2015, is qualified as a specified subsidiary as follows.

I. Dissolution of JMM

1. Background to the liquidation proceedings (dissolution)

As described in “Notice Regarding Transfer of Fixed Assets” dated November 7, 2014, JVCKENWOOD transferred the land-use right and buildings owned by JMM to Winning Paramount Sdn. Bhd. in March 2015 as part of its efforts to reorganize its overseas sales bases and production base structure aimed at business reconstruction.

JVCKENWOOD has continued manufacturing consumer video cameras and home audio equipment, which are JMM’s primary production items, by utilizing land and buildings under lease arrangements. However, it decided to end production operations at JMM as of the end of June and has transferred the manufacturing function of consumer video cameras to Thailand and home audio equipment to Yamagata Prefecture, respectively, in consideration of market characteristics and sales regions of these products. Consequently, it has been decided to commence liquidation proceedings (dissolution) for JMM.

JVCKENWOOD will continue to accommodate the optimal production structure in future.

2. Outline of the changing subsidiary

(1) Corporate name	JVC Manufacturing Malaysia Sdn. Bhd.
(2) Address	Lot No. 1 Persiaran Jubli Perak Jalan 22/1 Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia
(3) Representative’s name and title	Kazuhiro Sato, President and Director of the Board
(4) Scope of business	Manufacturing and distribution of audio and imaging equipment
(5) Capital	50,000,000 RM

	* RM: Malaysian Ringgit *As of July 31, 2015		
(6) Established	August 9, 1988		
(7) Major shareholders and shareholding ratio	JVC KENWOOD Corporation: 100.00%		
(8) Relation with JVCKENWOOD	Capital relationship	JVCKENWOOD owns 100.00% of the outstanding shares in this company	
	Personnel relationship	Three employees of JVCKENWOOD concurrently serve as Directors of the company	
	Transaction relationship	There is a transactional relationship between JVCKENWOOD and this company concerning sales of its products and provision of services to JVCKENWOOD	
	Status as related party	The company corresponds to a related party as it is JVCKENWOOD's consolidated subsidiary	
(9) Operating results and financial conditions for the past three years			
Fiscal year	Fiscal year ended March 2013	Fiscal year ended March 2014	Fiscal year ended March 2015
Net assets	196,854,000 RM (6,380 million yen)	190,728,000 RM (6,181 million yen)	170,415,000 RM (5,523 million yen)
Total assets	387,918,000 RM (12,572 million yen)	249,519,000 RM (8,086 million yen)	411,302,000 RM (13,330 million yen)
Net sales	614,470,000 RM (20,209 million yen)	369,237,000 RM (12,144 million yen)	207,002,000 RM (6,808 million yen)
Operating income	8,620,000 RM (283 million yen)	730,000 RM (24 million yen)	3,281,000 RM (107 million yen)
Ordinary income	8,313,000 RM (273 million yen)	988,000 RM (32 million yen)	9,474,000 RM (311 million yen)
Net income (loss)	6,827,000 RM (224 million yen)	-6,126,000 RM (-201 million yen)	188,457,000 RM (6,198 million yen)
Total assets per share	3.87 RM (125.54 yen)	3.75 RM (121.64 yen)	3.35 RM (108.68 yen)
Net income (loss) per share	0.13 RM (4.42 yen)	-0.12 RM (-3.96 yen)	3.71 RM (121.97 yen)

(Reference) 1 RM = approximately ¥32 (exchange rate as of end of March 2015)

(Note) "-" indicates loss.

3. Schedule for dissolution

Liquidation is slated for completion in March 2017 (company slated for dissolution).

II. Conversion of ASK Poland into a specified subsidiary

1. Reason why ASK Poland is classified as a specified subsidiary

JVCKENWOOD acquired all shares of ASK, an European in-vehicle component company, and made it a consolidated subsidiary of JVCKENWOOD as of April 1, 2015. The capital of ASK Poland, which is a subsidiary of ASK, is more than 10/100ths of JVCKENWOOD's capital, and therefore such subsidiary is classified as a specified subsidiary of JVCKENWOOD.

2. Outline of the changing subsidiary

(1) Corporate name	ASK Poland sp. z o.o.		
(2) Address	Wyzwolenia nr. 74 - Bielsko Biala, Poland		
(3) Representative's name and title	Ruggero Marchetti, President and Director of the Board		
(4) Scope of business	Manufacture of car electronics products (i.e., speakers, amplifiers, antennas and cables)		
(5) Capital	53,820,000 PLN (1,834 million yen) * PLN: Polish Zloty *As of June 30, 2015		
(6) Established	March 13, 1997		
(7) Major shareholders and shareholding ratio	ASK Industries S.p.A.: 100.00%		
(8) Relation with JVCKENWOOD	Capital relationship	JVCKENWOOD owns 100.00% of the outstanding shares in this company through ASK.	
	Personnel relationship	There is no personnel relationship between JVCKENWOOD and this company.	
	Transaction relationship	There is no transaction relationship between JVCKENWOOD and this company.	
(9) Operating results and financial conditions for the past three years			
Fiscal year	Fiscal year ended December 2012	Fiscal year ended December 2013	Fiscal year ended December 2014
Net assets	18,289,000 euros (2,680 million yen)	18,370,000 euros (2,691 million yen)	18,456,000 euros (2,704 million yen)
Total assets	30,126,000 euros (4,414 million yen)	29,023,000 euros (4,253 million yen)	31,531,000 euros (4,620 million yen)
Net sales	41,484,000 euros (6,079 million yen)	40,604,000 euros (5,950 million yen)	42,593,000 euros (6,241 million yen)
Operating income	953,000 euros (139 million yen)	1,172,000 euros (171 million yen)	1,550,000 euros (227 million yen)
Ordinary income	195,000 euros (28 million yen)	533,000 euros (78 million yen)	959,000 euros (140 million yen)
Net income	137,000 euros (20 million yen)	430,000 euros (63 million yen)	597,000 euros (87 million yen)
Net assets per share	182,890 euros (26,800,700 yen)	183,703 euros (26,919,860 yen)	184,564 euros (27,046,115 yen)
Net income per share	1,379 euros (202,217 yen)	4,303 euros (630,584 yen)	5,976 euros (875,738 yen)

(Reference) €1 = approximately ¥147 (exchange rate as of end of December 2014) 1 PLN = approximately ¥34 (exchange rate as of end of December 2014)

As the company is a subsidiary of ASK, the amounts presented are translated into euros, which is the currency used for ASK's consolidated results.

III. Future outlook

The impact on JVCKENWOOD's consolidated results arising from the dissolution of JMM and the conversion of ASK Poland into a specified subsidiary is expected to be minimal.

(Reference) Consolidated earnings forecast (disclosed on April 28, 2015) and consolidated results of the previous term

(Millions of yen)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Net income attributable to shareholders of parent company (Fiscal year ending March 2016) Consolidated net income (Fiscal year ended March 2015)
Consolidated earnings forecast (fiscal year ending March 2016)	300,000	8,000	4,500	2,000
Consolidated results of the previous term (fiscal year ended March 2015)	285,010	6,570	3,176	4,654