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

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Overview of the JVCKENWOOD Group

Sales Composition for FYE 3/18

Media Service Sector
Major Business Areas
Media Business, Entertainment Business

Others 2%

57%

22%

19%

57%

Automotive Sector
Major Business Areas
Aftermarket Business, OEM Business

Production Composition by Region
(Americas 1%, Europe 9%, Japan 12%, Asia 33%, Southeast Asia 45%, China 19%, Europe 19%, Japan 43%)

Sales Composition by Region
(Americas 1%, Europe 9%, Japan 12%, Asia 33%, Southeast Asia 45%, China 19%, Europe 19%, Japan 43%)

Public Service Sector
Major Business Areas

Financial Highlights

This graph was prepared based on International Financial Reporting Standards (IFRS).

<table>
<thead>
<tr>
<th>Revenue (Billion yen)</th>
<th>Operating Income (Billion yen)</th>
<th>Profit (Loss) Attributable to Owners of Parent Ratio (%)</th>
<th>Total Asset &amp; Equity (Billion yen)</th>
<th>Date of transition to IFRS (As of April 1, 2016)</th>
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<tbody>
<tr>
<td>FYE 3/17 -7.5</td>
<td>FYE 3/18 5.3</td>
<td></td>
<td>FYE 3/17 249,467</td>
<td>FYE 3/18 241,696</td>
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</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Date of transition to IFRS (As of April 1, 2016)</th>
<th>FYE 3/17 (M)</th>
<th>FYE 3/18 (M)</th>
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<tr>
<td>Revenue</td>
<td></td>
<td>257,890</td>
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<tr>
<td>Operating Income</td>
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<td>6,942</td>
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<tr>
<td>Profit before tax</td>
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<tr>
<td>Profit attributable to owners of parent</td>
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<td>2,393</td>
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<tr>
<td>Total assets</td>
<td></td>
<td>249,467</td>
<td>241,696</td>
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<tr>
<td>Equity</td>
<td></td>
<td>49,123</td>
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<tr>
<td>Equity per share (yen)</td>
<td></td>
<td>314,32</td>
<td>284,65</td>
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<tr>
<td>Stockholders’ equity ratio (%)</td>
<td></td>
<td>17.5</td>
<td>16.4</td>
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<tr>
<td>Basic earnings per share (yen)</td>
<td></td>
<td>-22.42</td>
<td>17.23</td>
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<tr>
<td>Profit attributable to owners of parent (%)</td>
<td></td>
<td>-7.5</td>
<td>5.3</td>
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<tr>
<td>Profit attributable to owners of parent (M)</td>
<td></td>
<td>19,624</td>
<td>18,379</td>
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<tr>
<td>Cash flows from operating activities</td>
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<td>-17,690</td>
<td>-14,835</td>
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<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td>-2,052</td>
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<tr>
<td>Number of employees</td>
<td></td>
<td>17,884</td>
<td>18,051</td>
</tr>
</tbody>
</table>

*1) Equity = Noncontrolling interests + Total assets
*2) Profit attributable to owners of parent = the average Stockholders’ equity
An Interview with Our CEO and COO

Takao Tsuji
Representative Director of the Board, Chairman, Chief Executive Officer (CEO)

Shoichiro Eguchi
Representative Director of the Board, President, Chief Operating Officer (COO)

Since the launch of the new management structure in June 2016, we have been moving forward toward new growth under the banner of JK 3.0 (the third era of JVCKENWOOD). While upholding our corporate visions of “Creating excitement and peace of mind for the people of the world,” we are devoting constant efforts not only to enhancing customer satisfaction but also to delivering an added element of “WOW” or surprise.

JVCKENWOOD has launched a new management structure, under which Takao Tsuji, previously Representative Director of the Board, President, Chief Executive Officer (CEO) was appointed Representative Director of the Board, Chairman, CEO, and Shoichiro Eguchi, previously Representative Director of the Board, Executive Vice President was appointed Representative Director of the Board, President, Chief Operating Officer (COO), effective April 1, 2018.

The Chairman and the President will join hands and work together to have the corporate structure of our company evolve and to move it forward to JK 3.1, the next generation of JK 3.0. In addition, we will accelerate the development of our company to keep up with the times, and even go slightly ahead of them.

To start, tell us about the new system for working together and the background to this system.

Tsuji: As President, CEO for roughly two years, I visited many domestic and overseas group bases as well as customers all over the world. However, there are limits to what one person can do, and there are still many places I have not yet visited. You gain an understanding of actual conditions by visiting sites, and there are many employees who feel more motivated with the visits. Although there are also likely those who would find the visits annoying, too (laughs). So, in the future, I want the two of us to share the load and visit as many places as possible, both inside and outside of the company.

Eguchi: We are growing as a company. In the future, we will have to actively increase external activities in order to steer our company toward expansion and growth. However, deep involvement in one sector alone can take quite some time, and it is extremely difficult for one person to cover all work alone. Many business sectors require knowledge, including in particular in the fields of professional-use products that CEO Tsuji specializes in. I think joining hands and working together has a deeper meaning, including these things.

Tsuji: At first, we thought about dividing our work with this system of joining hands and working together. But, COO Eguchi and I share very similar values and ways of thinking, so our methods for problem solving do differ. Even with the Public Service Sector’s Communications Systems Business, a current issue, COO Eguchi and I have completely different views on how to reorganize it. But, we are able to build a relationship where we complement each other without causing conflict.

Eguchi: There is a saying “Two heads are better than one.” Each of us has parts that differ from each other, but our aim of improving the company is the same. By making the main goal progress while complementing each other, synergistic effects will be generated naturally and unanticipated chemistry may develop.

President Eguchi, what do you hope to actively pursue in the future?

Eguchi: In particular, I hope to accomplish in JK 3.1 what we could not complete in JK 3.0. We have made corporate culture reforms and organizational reforms significantly since JK 2.0 at the time of our management integration (2008). Our internal corporate culture has also changed dramatically. On this occasion, however, we will fully promote these unfinished business reforms. And I think that this coming year is a critical period for us in terms of building a firm foundation for 2020, the final year of our Vision 2020 mid- to long-term management plan.

Reviewing the Vision 2020 mid- to long-term management plan, what exactly do you aim for?

Eguchi: Mid- to long-term management plans have been formulated many times since our integration. Unfortunately, however, we fell short of each goal in the past, numerically speaking, and lost the credibility with the market. The Vision is not a dream but rather a commitment. As a manager responsible for the business, I hope to change the corporate culture, making it more active. This Vision 2020 we have announced is a commitment to the market. To achieve this Vision, first we have to change our way of thinking.

The objective of the Vision 2020 sets forth a target of 10% return on equity (ROE). What are the key points to achieving this target?

Eguchi: Our numerical targets feature those for each business sector as well as those for the entire Group. However, in today’s changing business environment, individual businesses and their respective markets fluctuate differently per their unique cycles: every three months, every six months, every year. Therefore, we will not change the targets for the entire Group, but we do believe that detailed plans and allocations in each business sector should be reviewed on a case-by-case basis. Of course, all employees at all levels must work together towards these targets. And rather than sticking to targets of individual projects for three years as we did in the past, I think we need to adjust our trajectories more frequently as we move forward. If performance in one business sector falters, another can cover for it. Alternatively, there is the idea of starting new businesses. Looking back on the past, there were times when, numerically, results deviated considerably from the targets and no reviews of business structures were conducted. Reflecting on this fact, we therefore plan to maintain the end goal while moving forward in a flexible manner.

Is the Automotive Sector—which has grown significantly—positioned to drive profitability in the future?

Eguchi: We expect that the Automotive Sector will have the potential to continue to be a major driving force. However, the market sometimes fluctuates significantly. Three sectors—

the Automotive Sector, the Public Service Sector, and the Media Service Sector—make up our resources and areas of business. Together, these three sectors are extremely strong. For that reason, rather than focusing on one business sector, I believe that it is better to use the three sectors to support one another so that we can build a more stable business structure as a company.

Tsuji: Talking about future business development continuing from existing businesses, we might mention the healthcare market, which we are already making efforts, including the medical image display systems. Globally, the healthcare market—including drug discovery, medical care, and others—has already become larger than the automotive market. Against this backdrop, while we have only achieved no more than an amount of a drop in the ocean, we hope to successfully utilize our intellectual property to grow our healthcare business into a key driver of earnings from 2025 onwards.

Eguchi: With our efforts in our next-generation business in the Automotive Sector, we believe that our strengths are optical and video-related, specifically camera-related fields. And we believe that there are areas where these strengths can still be used further in new sectors, including the healthcare market, and we expect that we can differentiate ourselves from the competition here.
Reviewing the Vision 2020, we have added a principle on developing as a technology based company that utilizes intellectual property. What is your aim?

**Tsujii:** Intellectual property is very important for companies like ours. There are times for offense and times for defense. With intellectual property, we can be on the offensive. And with intellectual property, we can defend even if competitors attack. In the past, there was a time in which profits and payments due to intellectual property were each in the tens of billions of yen or more. Selling our intellectual property while attacking. In the past, there was a time in which profits and intellectual property, we can defend even if competitors

**Eguchi:** Using intellectual property is a clear proof that the business is moving forward and expanding. So, not using intellectual property is to say that the business is shrinking.

**Tsujii:** Becoming a technology based company is an important part of our thinking. With intellectual property, other companies’ collaborations can also be advanced in a favorable manner. And on the contrary, always having others provide intellectual property means you will not make a profit even if you collaborate with other companies. We intend to actively create new business areas and so on using our own intellectual property rights by daring to introduce ourselves as a technology based company.

The company’s management principles and action guidelines have been revised. What are the ideas behind the revisions?

**Tsujii:** To achieve the corporate vision of “Creating excitement and peace of mind for the people of the world,” we must move forward with a consciousness shared at all times by all employees at all levels. We do not aim to be the world’s largest in scale, but we want to be a company that delivers an added element of “WOW” or surprise to customers and the world.

**Eguchi:** I believe that management principles and action guidelines should change with the times. Changing management principles and action guidelines with JK 3.1 is natural when seen from the viewpoint that only the fittest survive in business.

**Tsujii:** Globally, new waves are reaching a variety of sectors. When these waves reach us, I want JVCKENWOOD to be not in the middle of the waves but rather out in front with proactive approaches. When the world changes significantly, the leading-edge always grows. Even if you make the same effort, going against the flow will mean little headway gained. But if on the waves with a strong tailwind, a little effort means great strides forward. I want to focus on areas with favorable tailwinds.

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

**Action Guidelines**
- Refined 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

These management principles state “Contribute to a sustainable society through our business.” The website, as well, makes a great deal of the concept of sustainability. What ideas is this based on?

**Tsujii:** This is something that I have always thought. Rather than a philanthropic social service, I believe we should contribute to society through the business itself, and that this is something to aim toward. This is also a global trend, as seen in the SDGs (Sustainable Development Goals) adopted by the United Nations.

It is easy to think that digitization allows anyone to make products easily, but you mean that this has created a sizable gap in the actual products.

**Tsujii:** Products and services are produced from experience and knowledge of a company, accumulated over a long period of time.

**Eguchi:** There are tangible and intangible parts in corporate value. Tangible parts can be quantitatively measured, but intangible parts are difficult to be differentiated and relativized. However, various elements such as design, craftsmanship, tradition, and employee morale lie in such aspects. Of course, these parts do not appear on the balance sheet at all. These intangible parts that cannot be visualized are very important, and I think much of JVCKENWOOD’s work uses them. There are still many such technologies, experiences, and areas of knowledge that have not yet resulted in profits. Depending on how we utilize them, I think these have the huge potential to change the world significantly like the VHS.

**Tsujii:** And while timing can be key, if we work in the direction of contributing to the world from the viewpoint of Environmental, Social and Governance (ESG), I think that this will surely lead to profits as well. Riding the trends of the world, we hope to move forward with the spirit of staying slightly ahead, be it a step, half step, or even one inch (laughs).

**Eguchi:** We appreciate your continued understanding and support going forward.
Feature Stories 1.
Transform into a Customer Value Creator

By fusing its strengths in audio, visual, and communications solutions, as well as utilizing open innovation, JVCKENWOOD aims to transform into a customer value creator capable of creating new value for customers based on deep insights into their needs.

Concrete examples

- Contributing to driver safety, a secure and comfortable driving experience, and the operation of vehicles
  
  **Dashcam**
  
  By connecting its in-car device technologies with imaging and optical technologies, JVCKENWOOD realizes high-function, high-reliability, and high-definition recording, and delivers dashcams with built-in driver assistance and other functions that contribute to driver safety and a secure and comfortable driving experience.

- Developing a taxi dispatch system
  
  JVCKENWOOD has started operational collaborations for the development and introduction of a next-generation IoT-based taxi dispatch system with Sanwa Koutsu, which is considering introducing an IP-based taxi dispatch system to enhance customer services.

  By fusing JVCKENWOOD’s technologies and know-how on car-mounted equipment and professional radio devices and Sanwa Koutsu’s knowledge and experience of the taxi industry and vehicles, we will work toward developing a next-generation IoT-based taxi dispatch system that provides a safe and comfortable driving experience and safe operation of vehicles not only for customers but also for taxi drivers.

- Solving social issues
  
  **Gazefinder: A gaze tracking system**
  
  Gazefinder is a gaze tracking system capable of visualizing the eye-gaze patterns of the subject of an experiment by applying our unique gaze tracking technology. Through joint research with research institutions and universities using Gazefinder, we aim to contribute to the early detection of developmental disorders and other symptoms.

- Providing new experience
  
  **EXOFIELD: An out-of-head localization sound field processing technology**
  
  JVCKENWOOD’s unique EXOFIELD out-of-head localization sound field processing technology, which enables listeners using headphones to experience a real sound field effect like the one delivered by loudspeakers, offers new listening experience.

JVCKENWOOD is pursuing customer value creation by mobilizing its overall strengths jointly with Group companies that engage in a wide range of value creation businesses in music and video content production and design, as well as developing software development technologies.

- **JVCKENWOOD Victor Entertainment’s Victor Studio**

  Victor Studio is a content production base of JVCKENWOOD Victor Entertainment Corp., which is engaged in the manufacture and sale of music content. Staffed with studio engineers who have extensive experience and knowledge, unique know-how, and a keen intuitive sense, as well as equipped with the finest audio systems in the industry, the studio provides the sound that artists genuinely wish to deliver to customers based on an understanding of the passion and ideals of artists.

- **JVCKENWOOD Video Tech**

  To meet needs for new content communicating to a wide variety of media, JVCKENWOOD Video Tech Corporation provides comprehensive and leading-edge post production services including 4K/HDR, 8K, VR, dome videos, 3D videos, encoding for streaming (for iTunes) and delivering solutions for various media.

- **JVCKENWOOD Design**

  JVCKENWOOD Design Corporation, which promotes the idea of Human-Centered Design, opened the SPARK, an open innovation space for enabling co-creation activities among many people, with the relocation of its office to Yotsuya, Setagaya-ku, Tokyo in October 2017.

  Through various activities, such as workshops, trial sessions, and study sessions, conducted at SPARK, we identify and understand customers’ problems more deeply and extensively and conduct co-creation activities to solve these problems.

  We aim to propose solutions that can satisfy customers’ needs by connecting feelings and logic based on sensibility value creation and human-centered design, and integrating our customer-oriented product planning capabilities and development capabilities enabling the embodiment of an exciting experience, cultivated through our consumer product business, with our extensive intellectual property portfolio and core technologies.
Feature Stories 2.
Evolve as a Technology Based Company

Technology Strategy

JVC KENWOOD develops technologies that can be turned into cutting-edge solution businesses to solve social issues by applying its proprietary core technologies, and through open innovation with partners in various industrial sectors.

- The engineering department of each business division conducts R&D activities to strengthen the in-car optical-related business, including dashcams and car-mounted cameras, to accommodate the shift to electric vehicles (EVs), self-driving cars, and car-mounted equipment connected to the Internet, the total solution business, including IP vide solutions, to accommodate the shift to broadband in the professional digital radio infrastructure technologies for the medical imaging and information solutions business, and a product family that pursues advances in high-quality video technologies such as KAIK imaging technologies.

- The R&D Dept. of the Head Office is promoting advanced technology development with the focus on the future further ahead of R&D activities of each business division, with the aim of strengthening our core technologies in audio, visual, and communications systems fields and creating new businesses.

- JVC KENWOOD, in cooperation with its Group companies, including JVC KENWOOD Design and JVC KENWOOD Video Tech, will clarify anticipated customer-oriented needs and turn these needs into the development of technologies needed to solve social issues.

Activities for creating innovation

- In FY2016, JVC KENWOOD introduced the Innovation Act to activities aimed at unleashing untapped ideas in the company, creating an environment for organically creating innovation, and transforming itself into an organization that stimulates innovation. Innovation Act activities mainly comprise technology idea contests, in which we accept new technology ideas, produce prototypes for outstanding ideas and review them within the company; and business idea auditions, in which we hold auditions for new business ideas and provide support for commercializing outstanding business proposals.

- We hold a technology symposium every year as a forum for personal exchanges among engineers and for providing technology information to all employees. We also conduct activities for improving the motivation of engineers, such as giving engineer’s awards at the symposium.

Enhancing technological capabilities focusing on the future

- We conduct skill registrations of engineering employees based on the unified standards of the Group every year to visualize our technological capabilities, use the data obtained for human resources strategies from a medium- and long-term perspective, and reflect the data in the development of skill enhancement measures, such as education and training for engineers.

Intellectual Property (IP) Strategy

JVC KENWOOD conducts IP activities to contribute to business and management by leveraging and benefiting from IP in businesses, while protecting businesses with intellectual property rights.

- As an open and closed intellectual property strategy, JVC KENWOOD aims to monetize its IP through the non-fair and unfair practices and patent pools, as well as build barriers to entry to new businesses and property business areas.

- We have formulated an IP strategy linked to our business and technology strategies, determined the direction of the company, and created a portfolio of business areas on which we need to focus.

- We promote the creation of new corporate value by adopting a mixed IP strategy through multifaceted protection and utilization of IP based on patent rights, design rights, and trademark rights.

Activities for raising awareness of intellectual property

- We hold an IP symposium (lectures by external instructors, IP awards presentation, case example presentation, etc.) to raise awareness of IP among management, General Managers of each engineering department, and engineering employees at the JVC KENWOOD Group.

- We have formulated the Intellectual Property Basic Regulations, the Intellectual Property Rewarding Regulations, and the Intellectual Property Risk Management Regulations, and made them available on the Internet to communicate our IP activities to all employees.

- We publish the monthly IP report, which compiles information on the status of all IP activities, and the IP Newsletter, which is designed to transmit knowledge on the Internet to raise awareness of IP among employees, as well as the annual IP report for management.

Strengthening intellectual property capabilities

- We provide IP training for new employees, newly appointed senior officers, engineers, and designers to strengthen our IP capabilities.

- We have established the Patent Proposal and Application Standard and the Patent Clearance Standard in the JVC KENWOOD Group Corporate Engineers’ Standards Management Rules, through which invention discovery activities and patent searches are incorporated in the product development process, enabling us to protect our technologies through patents and produce products without infringing on the patents of others.

- In tandem with the invention discovery activities for protecting our existing businesses, we hold 300 patent idea meetings annually for protecting new businesses to build up our portfolio of patents in future technologies.
Feature Stories 3. Contribute to a Sustainable Society Through Our Business

For our company to achieve sustainable development, JVCKENWOOD believes that it is important to have the trust of society and to continue to contribute to society in order to meet the expectations of all of our stakeholders. By upholding our corporate vision of "Creating excitement and peace of mind for the people of the world," we place importance on promoting sustainability activities through our business activities. Accordingly, we will continue to create products and services that will solve social issues, while endeavoring to forge deep ties of trust not only with our customers, but also with all of our stakeholders. We will, therefore, work toward achieving sustainable growth and enhancing corporate value by contributing to solving social issues through our businesses. for the purpose of contributing to the development of a sustainable society.

Management Strategy Underpinned by Business Strategy and Sustainability Initiatives

We will extract eight priority goals and five relevant goals associated with our businesses from among the 17 goals of SDGs\(^*\), and work to achieve these goals through Society 5.0.

\(^*\) SDGs (Sustainable Development Goals): 17 global goals adopted at the United Nations Summit to be achieved by 2030.

Policy for Sustainability Initiatives

- Established the Sustainability Management Office effective April 1, 2018, as the department responsible for promoting sustainability across the Company.
- Top management will promote the initiatives.
- Set Targets and Key Performance Indicators (KPIs) in accordance with the mid- to long-term management plan Vision 2020.
- Promote the participation of all employees by linking the sustainability initiatives with all our business activities.
- Achieve SDGs by contributing to Society 5.0\(^*\).
- Proactively and comprehensively disclose the initiatives to our stakeholders on the website, etc.

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Sustainability efforts by JVCKENWOOD

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Process for Implementing the Sustainability Initiatives

We will set and promote the themes and goals of sustainability initiatives by taking the following four steps:

1. **Select eight issues to be addressed by JVCKENWOOD**

   
   Select issues in fields to be addressed by JVCKENWOOD from the viewpoints of social issues and Environment, Social, and Governance (ESG) criteria.

2. **Set KPIs and fully implement the initiatives**

   Conduct an analysis with each responsible department and consider and determine KPIs for each individual theme of the initiatives and promote the sustainability initiatives.

3. **Link eight priority SDGs with each issue to set the themes of sustainability initiatives**

   Specify the most important priority SDGs for JVCKENWOOD from the viewpoints of ESG, relevance with business strategies for managing our Company, and risks and opportunities, and set the themes for sustainability initiatives.

4. **Add five related SDGs to set all themes**

   Add five related priority SDGs that are most important in order to set all themes.
Business Overview of the JVCKENWOOD Group

Aiming to become a customer value creator solving customers’ issues with our accumulated technologies and knowhow

Automotive Sector (Aftermarket Business and OEM Business)

The Automotive Sector mostly develops car navigation systems, car audio systems, dashcams, and in-vehicle devices. It is divided into the Aftermarket Business, which provides products to consumers through volume-sales retailers and distributors, and the OEM Business, which is operated by the Dealer-Installed Option Business Unit and Factory-Installed Option Business Unit that provide products through automobile manufacturers and dealers.

Public Service Sector (Communications Systems Business, Professional Systems Business and Healthcare Business)

The Public Service Sector consists of the Communications Systems Business covering professional radio systems and amateur radio sets, the Professional Systems Business, which is operated by JVCKENWOOD Public & Industrial Systems Corporation, covering security camera systems, professional audio systems and other products, and the Healthcare Business covering medical Image display monitor solutions and Gazefinder, a gaze tracking system.

Media Service Sector (Media Business and Entertainment Business)

The Media Service Sector consists of the Media Business, which is operated by three business units, namely, Solutions covering professional-use video cameras, projectors and other products, Lifestyle covering commercial video cameras, headphones and other products, and Imaging Devices covering Image display devices and other products; and the Entertainment Business, which handles the Content Business centered around JVCKENWOOD Victor Entertainment Corp. and the OEM Business.
Automotive Sector

With these advancements in automobiles, the importance of communication between vehicles and drivers (HVH: Human Vehicle Interface) is increasing and hence the automobile industry is facing the need to develop new technologies. Responding flexibly to these changes, JVECKENWOOD aims to contribute to a safe, secure and comfortable motorized society through solutions and services utilizing our visual, audio and communications technologies that will give us an edge in car navigation, dashcams and other products.

Aftermarket Business

In the Aftermarket Business, JVECKENWOOD has the Saisoku-Navi series of car navigation systems featuring high-contrast image quality, high-speed response and high-quality sound reproduction, which has seen its market share grow in Japan. We also have car navigation systems and display audio systems that enjoy leading market shares in the U.S. and Europe, and these are compatible with Apple CarPlay and Android Auto™, which enable car-mounted equipment to be connected to the Internet. These products are highly acclaimed in the market.

Dashcams that can be retrofitted to existing vehicles are becoming hugely popular in the wake of growing safety and security awareness among automobile users. JVECKENWOOD's dashcams have captured an industry-leading share in Japan by combining our existing in-car technologies and imaging and optical technologies to deliver high functionality, high reliability and high-quality video recording. And by incorporating driver assistance features to help ensure safe driving. Going forward, we will carry out full-scale expansion in overseas markets and achieve enhanced functionality by incorporating communication features for the shift to connected vehicles.

OEM Business

In the OEM Business, JVECKENWOOD is strengthening its proposal activities for car navigation and dashcams in the factory-installed option field. We are winning new orders for large projects mainly from leading Japanese automobile manufacturers thanks to our strong reputation and excellent product performance in the aftermarket. In the factory-installed option field, we are developing display audio systems specifically designed for certain vehicle models which are selling well.

JVECKENWOOD is also working on the development of car-mounted cameras and various sensor technologies, which are expected to show growth with the shift from conventional vehicles to EVs and self-driving vehicles. By developing in-vehicle optical related businesses that leverage the visual, audio and communications technologies of the JVECKENWOOD Group as well as products that utilize HVH technologies, we will improve our proposals for next-generation vehicle interiors and try to expand our business.

Looking to expand our factory-installed option business, we will collaborate with Shionwa International Holdings Limited, a tier-2 manufacturer of CD/DVD mechanisms for vehicles which became a subsidiary in June 2013 (now JVECKENWOOD Hong Kong Holdings Limited, and ASK Industries S.p.A., a tier-1 and 2 supplier of car-mounted speakers, amplifiers, antennas, and cable products which became a subsidiary in April 2015. Together, we will win new customers by utilizing each other’s customer networks and production bases. We will focus our efforts on strengthening business particularly in China, which is the largest automobile market in the world and has great potential for growth.

Aiming to contribute to a safe, secure, and comfortable motorized society

The automobile industry is being demanded to address future environmental issues (CO2/Pm emission regulations) and to adapt to the coming self-driving society. To manage environmental issues, advanced electronics technologies are needed to accommodate the shift to electric vehicles (EVs), and conventional speedometers and other instruments are being digitalized. In the self-driving society, vehicles will also need to be equipped with cameras and various other sensing technologies. In addition, being connected to the Internet will enable in-vehicle infotainment systems to show vehicle information and traffic information by utilizing cloud services. Furthermore, the application of artificial intelligence (AI) will allow vehicles to provide drivers with more accurate and appropriate information and services.

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<tr>
<th>Environmental Issues</th>
<th>Shift to EVs</th>
<th>Sensing (stand-alone)</th>
<th>Connected (collaborated information based)</th>
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<tbody>
<tr>
<td>Electronics/digital displays</td>
<td>Cameras/sensor technology/dashcams</td>
<td>Smartphones/AI/big data analysis</td>
<td></td>
</tr>
</tbody>
</table>

Masao Nomura

Director of the Board, Managing Executive Officer in Charge of Automotive Systems Business Division EMEA (Europe, Middle East and Africa)
Communications Systems Business

In the Communications Systems Business, JVC-KENWOOD provides highly reliable professional radio systems to the public safety market (e.g., police, fire departments and ambulance services), the public service market (e.g., electricity, water, and gas) and the private sector market (e.g., hotels and retailers) around the world. JVC-KENWOOD boasts a high market share in these areas.

In addition, an Italian company Radio Activity SUL, which produces repeaters and other products conforming to Digital Mobile Radio (DMR), a digital radio format in high demand as a replacement for analog radio in the private sector market and elsewhere, became our subsidiary in January this year. With the shift to broadband in radio infrastructure, we have entered into a capital alliance with a U.S. company called Sonim Technologies Inc., a leader in the professional LTE smartphone business, and launched products in collaboration with them, starting with the U.S. and Japanese markets. Going forward, we will make an effort to address the diversification of radio communication methods and services that are developing worldwide.

Professional Systems Business

In the Professional Systems Business, operated by JVC-KENWOOD Public & Industrial Systems Corporation, we aim to bring security, safety, comfort and trust as a solution provider helping customers solve their issues. We produce and sell highly reliable video and audio systems based on our advanced technologies and knowhow, aiming at the education, public sector, distribution, social infrastructure, amusement facility and other markets, and also offer one-stop total solutions such as system proposals and designs to resolve customers’ issues, high-quality construction and maintenance and operation services ensuring long-term safe use.

Furthermore, we actively promote alliances with external organizations and offer a wide range of solutions based on outside-the-box ideas. These include an intelligent security system that enables Intelligent Video Analytics (IVA) of multiple security camera images in real time, as well as the Koolie Space Sound Design Solution that produces a unique space, planned and developed by JVC-KENWOOD Viceroy Entertainment Corp., to promote these solutions to a wider audience and boost sales, we have taken measures such as holding private shows called Solution Fairs since October 2017.

Going forward, JVC-KENWOOD will strive to strengthen its solution proposals, capabilities by offering one-stop solutions, ranging from sales, proposal of systems, and engineering support services through integrated organizations. In addition, we will aim to become a solution provider that meets the needs of customers by proposing solutions based on collaboration not only within the Group but also with external organizations.

Healthcare Business

In the Healthcare Business, JVC-KENWOOD handles mammography image display monitors and other radiographic medical image display monitors which realize the highest levels of display performance and stability that medical imaging demands. This is achieved with our unique display technologies. We also provide pathological image display monitors using our unique color management technology.

In addition to these monitors, we are trying to expand our imaging business comprehensively in the healthcare field. To strengthen our future business, we are making a full-scale entry into the OR video solutions business with the acquisition of a German company Rein Medical GmbH in April 2018, and by promoting the commercialization of 4K/8K camera system solutions using our imaging technologies developed over many years.

Moreover, JVC-KENWOOD will aim for business growth as we try to solve social issues by developing advanced and innovative testing/diagnostic systems. These include Gazefinder, a gaze tracking system that uses our proprietary gaze tracking technology to identify developmental disorders at an early stage, and an early detection system for cancer incorporating optical disk technologies being developed jointly with the National Cancer Center Japan, Daichi Sankyo Company, Limited and Systemex Corporation.

*Abbreviation for Operating Room
Media Service Sector

In the Lifestyle Business Unit, we conduct development and sales of special-purpose headphones utilizing our unique advanced acoustic technologies, such as Bluetooth® compatible models that deliver high-quality reproduction wirelessly, high-resolution audio models for sports, home audio systems such as the Wood Cone series that feature wooden diaphragms, as well as video cameras with a shift toward proposal-based products including long recording/playback models and all-weather models for expected use in outdoor activities and sports, and cameras for home monitoring.

We also aim to deliver outstanding, completely new products and services such as WiZMusic, a sound field customizing service featuring our unique EXOFIELD out-of-head localization sound field processing technology with which headphones provide the same real sound field effect as speakers.

In the Imaging Device Business Unit, JVCKENWOOD is striving to expand its businesses in global markets by increasing external sales and finding new applications for D-LA devices, achieving full-scale production of Pico devices, and launching next-generation image devices such as head-mounted displays for virtual reality (VR) systems.

Main Products

Professional video cameras, projectors, headphones, AV accessories, consumer video cameras, home audio, imaging devices, audio and video content/OEM business, and other products

Media Business

In the Solution Business Unit, JVCKENWOOD is dealing in equipment making use of our video technologies accumulated over many years such as high-definition video cameras, monitors and industrial imaging systems that meet the needs of professional sectors. We also carry out development and sales of high-definition and high-brightness projectors used in flight simulators, planetariums, automobile display, home theaters, and other products by installing our unique D-LA image display devices. Customer needs are rapidly changing as an effect of the diversification of broadcasting and business formats due to the Internet of Things (IoT), the advancement of high-quality video technologies such as 4K/8K imaging, and the expansion of the sports industry ahead of 2030. To respond to these needs flexibly, JVCKENWOOD will not only provide equipment and services but also switch to a solution business that will enable us to promptly meet customer needs through systemization and customization.

Executive Officer in Charge of Media Service Sector
Kazuyoshi Hayashi

1. Wireless Sports Earphones HA-ET909BT
2. Wood Cone Audio System EX-KR11
3. Out-of-head Localization Sound Field Processing Service "WiZMusic"
4. 4K Camcorder "Event R" GZ-RY960

Entertainment Business

In the Content Business, focused on JVCKENWOOD Victor Entertainment, Corp. (referred to below as VE), we are looking to enhance our core Music Business by actively seeking and nurturing new artists so that we can continue to create hit even amid major changes in the entertainment industry such as the diversification of user preferences and the expansion of fixed-free unlimited listening services via digital audio sources. The Victor Rock Matsuri, an annual event launched in 2014, celebrates its fifth anniversary this year. Held in Osaka as well since 2013, this popular live concert features a number of major Victor Entertainment artists.

In the Spatialized Sound Production Business, JVCKENWOOD has developed the KodeVH Spatialized Sound Design Solution, which uses a high-resolution audio system to enhance the comfortableness of spaces. In collaboration with JVCKENWOOD Public & Industrial Systems Corporation, we have introduced the system in many locations, such as corporate offices, co-working spaces, libraries, commercial facilities including car showrooms, residential facilities, and medical institutions.

In the OSM Business, which focuses mainly on the production of packaged software such as CDs, DVDs and Blu-ray products, we provide full support from mastering and authoring to the creation of packaged media that meet customers’ requests. In 2016, we relocated JVCKENWOOD Creative Media Corporation, a subsidiary engaged in the contract manufacturing of packages, to our Yokosuka Plant in order to enhance the corporate value of the Group as a whole.

Going forward, we will strengthen the comprehensive capabilities of the Group by linking the appeal of our artists and music to a wide range of businesses and accelerating growth of our overall entertainment business including management, live concerts and events, and merchandising.
Initiatives to Increase the Brand Value

Brand Portfolio

The JVCKENWOOD Group is promoting the multi-brand strategy of managing multiple product brands under the umbrella of the JVCKENWOOD corporate brand. We deliver the vision of each brand, namely “Imagination that magnifies human senses,” “Precision that exceeds limits,” and “Exploring a new era with pride” by providing a customer experience through sponsorship and various promotional activities linked to business activities. We strive to maximize the corporate value of the entire Group by leveraging the strengths of each brand.

JVCKENWOOD Corporation

JVCKENWOOD

"Imagination that magnifies human senses"

JVC

KENWOOD

"Precision that exceeds limits"

Victor

"Exploring a new era with pride"

Product brands

Sponsorship Activities

Official MotoGP™ Supplier

JVCKENWOOD’s digital radio communications system compliant with Digital Mobile Radio (DMR) international digital radio standards has been adopted as the communication system for MotoGP™, the pinnacle of motorcycle racing, and is being used for communications by about 400 staff involved in operations at each round of MotoGP™. JVCKENWOOD has signed a sponsorship agreement for three seasons from 2018. Taking this opportunity, we will communicate the high reliability of our digital radio communications systems and enhance the value of our brand.

Official Supplier to McLaren

Since signing an official supplier agreement with the renowned McLaren Formula 1 team under the KENWOOD brand in 1991, JVCKENWOOD has had a continuous partnership with McLaren for 27 years through the development and supply of specialized digital communication systems, and by having dedicated engineers provide support at racing circuits. KENWOOD’s brand value, developed through this long history, has been passed down to the present day.

Sub-sponsor of Modulo Drago CORSE

JVCKENWOOD supports Modulo Drago CORSE, a racing team participating in the GT300 class of the 2018 SUPER GT series-Japan’s premier international motor racing series for touring cars (remodeled stock cars) as a sub-sponsor, linking business activities in the Automotive Sector with the aim of promoting international motor sports.

Supplying AE series headphones to Mario Moia

JVCKENWOOD has signed a sponsorship agreement with top-ranked Spanish triathlete Mario Moia for the supply of AE series sports headphones under the JVC brand. We have launched various promotional activities with him around the world through catalogues, web content and promotional videos.

Promotional activities

We conduct promotional activities using various media channels according to target users and exhibit at various events, which offer important opportunities for communication with the targets. We also leverage owned media including SNS to deliver information in a timely manner. Our aim is to comprehensively enhance each brand value by rolling out promotional activities that highlight the characteristics of each brand.

Racing car “Modulo KENWOOD NSX GTS”

Mario Moia
(The winner of 2016 and 2017 ITU World Triathlon Championship titles)

JVC Twitter

JVC Facebook

CES 2018
(The world’s largest electronics trade)

NAB 2019
(The world’s largest broadcasting equipment exhibition)

NABCT 2018
(The world’s largest exhibition and trade event for professional wireless communication equipment/systems)
Social and Environmental Initiatives (CSR)

**Environmental Vision**

We will contribute to society as an eco-promoting company that actively focuses on reducing our environmental impacts.

**Environmental Policies**

To preserve the global environment as well as resources and prevent pollution, the JVCKENWOOD Group will carry out its corporate management while considering the environment by making continuous improvements to all of our business activities, our product development, and our services with full awareness of our environmental impacts.

1. Prevent global warming through process management of the reduction of CO₂ emissions throughout a product’s lifecycle, including business activities, by developing technologies and products that reduce environmental impacts.
2. Use limited global resources effectively to create a sustainable society by reducing the resources we use within the framework of 3R activities and progressively using eco-friendly materials.
3. Manage chemical substances that affect the world’s environment and biosphere, continue to reduce consumption, and switch to eco-safe materials.
4. Recognize the effects on biodiversity of all business activities, product development, and services to comprehensively reduce our environmental impacts in harmony with the natural environment.
5. Comply with environmental legislation and other requirements with which we agree.
6. Educate employees on the environment to cultivate greater environmental awareness.

**Eco Promotion Plan 2020**

The JVCKENWOOD Group has established four action items based on the Environmental Vision and the Environmental Policies, and will work to accomplish the goals of the Eco Promotion Plan 2020.

<table>
<thead>
<tr>
<th>(1) Promotion of Energy Saving</th>
<th>(2) 3R Activities</th>
<th>(3) Appropriate Management of Chemical Substances</th>
<th>(4) Maintenance of Biodiversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Saving energy in business centers and production base</td>
<td>● Developing products designed for recycling</td>
<td>● Promoting green procurement</td>
<td>● Reducing CO₂ emissions by promoting energy savings</td>
</tr>
<tr>
<td>● Developing energy-saving products using Life Cycle Assessment (LCA)</td>
<td>● Adopting ecologically and recyclable materials</td>
<td>● Improving 3R levels of business partners</td>
<td>● Reducing harmful substances in products</td>
</tr>
<tr>
<td>● Reducing power consumption in both use and standby modes</td>
<td>● Company-wide rollout of 3R design methods (increased decomposability, resource conservation, and more)</td>
<td>● Encouraging switching to safer substitutes</td>
<td>● Company-wide promotion of alternatives to harmful substances and their appropriate handling</td>
</tr>
<tr>
<td>● Making products increasingly compact and lightweight (reduction of transportation energy)</td>
<td>● Reducing and recycling waste</td>
<td></td>
<td>● Reducing CO₂ emissions by promoting energy savings</td>
</tr>
<tr>
<td>● Developing elemental technologies that contribute to energy saving</td>
<td>● Maintaining zero waste emissions at Japanese production and business bases</td>
<td></td>
<td>● Impact of global warming on the ecosystems of flora and fauna</td>
</tr>
<tr>
<td></td>
<td>● Achieving zero waste emissions at global production bases</td>
<td></td>
<td>● Promoting 3R activities</td>
</tr>
</tbody>
</table>

**Environmental Management**

The JVCKENWOOD Group promotes company-wide environmental management through activities such as introducing the environmental conference and the environmental management system and providing environmental education, for the purpose of developing and producing products as well as engaging in business activities with no environmental impacts.

**JVCKENWOOD Environmental Conference**

The JVCKENWOOD Group has established a system for promoting environmental management activities, in which the JVCKENWOOD Environmental Conference, the highest decision-making body chaired by the President, holds regular meetings attended by the person in charge of environmental promotion and permanent members twice a year, to lay out the framework for proposing and considering the environmental issues the Group needs to address. The JVCKENWOOD Group conducts global environmental conservation activities based on policies and measures determined by the JVCKENWOOD Environmental Conference.

**Maintaining ISO14001 Certification**

JVCKENWOOD has obtained ISO14001 integrated certification as the JVCKENWOOD Group, including its domestic business centers and production bases, production companies, and affiliated companies, and individual certification at overseas production companies. In FY2017, we expanded the scope of activities that focused on reducing our environmental impacts to incorporate “the economy,” “the environment,” and “society,” the environmental aspects that are linked directly to sustainability management, and developed ISO14001:2015. We plan to obtain ISO14001:2015 certification for the Group’s entire operations in Japan and overseas by August 2018.

**Sustainability Procurement (Green Procurement)**

We consider it necessary to conduct procurement activities in our supply chain, while considering the requirements of the international community, such as in considering the environment and controlling conflict minerals at business partners, respecting human rights, and promoting legal compliance and fair transactions, in order to realize a sustainable society. As an initiative that considers the environment and other factors, the JVCKENWOOD Group has formulated the Green Procurement Guidelines, and implements green procurement for adopting and procuring products and components with low environmental impacts on a priority basis by conducting surveys of chemical substances in procured materials and green procurement assessments with the understanding and cooperation of business partners. We, along with the many partners who make up our supply chain, are endeavoring to establish transparent relationships of mutual trust, consistency, and co-prosperity, based on observing laws and social norms, and promote activities to appropriately manage chemical substances.

**Initiatives for Biodiversity**

To conserve biodiversity and realize the sustainable use of ecosystem services, it is important for everybody to recognize the value of the ecosystem and reflect that understanding in their own decision-making and behavior. The JVCKENWOOD Group will promote corporate activities that consider the natural environment, with full recognition that all of its business activities, product development, and services affect biodiversity and by continuously enhancing its activities to conserve resources and prevent pollution.
Activities for Raising Environmental Awareness
To design products and conduct business and production activities with low environmental impacts, the JVCKENWOOD Group acknowledges the impact on the environment caused in the course of performing regular work assignments by all its employees, and disseminates the roles and responsibilities of each employee, as well as information that is useful for daily business operations. We proactively organize environmental improvement events, held at domestic production bases and affiliated companies on an ongoing basis, and conduct travelling environmental classrooms at local schools and after-school day-care clubs. In addition, details of such activities are made available to all the employees via the Intranet to raise their environmental awareness.

The JVCKENWOOD Group's Environmental Activities (FY2017)

Initiatives for Environmental Beautification
We periodically carry out environmental beautification activities to increase participation in environmental conservation activities and deepen understanding.

Clean-up Activities (Japan)
The JVCKENWOOD Group conducts clean-up activities periodically in cooperation with its employees and their family members and local communities. We conduct environmental beautification activities, in which we clean up areas surrounding our business centers, as well as pick up, separate, and carry trash in the river nearby to encourage participants to consider the significance and importance of separating trash.

Initiatives for Creating Environmental Value
We conduct product development and research activities toward solving social issues.

Exhibiting Forest Notes Scope VR (Japan)
JVCKENWOOD Design, Corp., a JVCKENWOOD Group company, conducts research and development activities on the theme of people’s five senses and sensibilities. At Maker Faire Tokyo 2017, an international craftsmanship fair, the company demonstrated Forest Notes Scope VR, a VR device that creates a field scope for viewing a virtual world, crafted by a 3D printer, as a proposal for use in environmental and biodiversity education at schools and nature centers and other experiential facilities.

The JVCKENWOOD Group's Social Contribution Activities (FY2017)
The JVCKENWOOD Group, as a good corporate citizen, is proactively engaged in social contribution activities through the voluntary participation of individual employees in local activities with the aim of achieving coexistence and development with local communities.

Initiatives for the Next Generation
We will make efforts to foster the next generation and co-create value for the next generation, with the aim of supporting the sound growth of children, who will be leaders in the future, and contributing to the development of a sustainable society.

Social Studies Plant Tour/Work Experience (Japan)
The JVCKENWOOD Group provides plant tours and work experience for children to give them opportunities to develop a heightened sensitivity through the experience of learning by themselves and to draw out the infinite potential of individual children.

Initiatives for the Local Community
The JVCKENWOOD Group conducts activities to strengthen relationships of cooperation and trust with local people.

Halloween Costume and Cubicle Decoration Event (the US)
JVCKENWOOD ITALIA S.p.A., a JVCKENWOOD Group company, annually holds the Halloween Costume and Cubicle Decoration event. In 2017, the company raised donations for the Children’s Miracle Network Hospitals.

Major Social Contribution Activities by the JVCKENWOOD Group

Established a Charitable Giving Matching Program (the US)

Become a Business Friend of the Dutch Cancer Society (Dutch) to contribute to research on cancer (the Netherlands)

Supported ATA EUROPEAN CAMP sports event (Spain)

As a TeenTech supporter, provided learning opportunities for students (the UK)

Leased a projector for an outdoor movie show free of charge (Italy)

Participated in blood donation drives (China, Thailand, the US, and Japan)

Akalagawa estuary clean-up activities in Yamagata (Japan)

Participated in the Milano Loves You Run 2017 as a sponsor (Italy)

Maintained and repaired furniture and fixtures at schools to contribute to improving the learning environment (Indonesia)

Donated prizes to the Baht at Ban-Hnong-Ta-Kong Child Development Center (Thailand)

Participated in the Tenryu River basin environment picnic and conducted joint environmental training for new employees as volunteers (Thailand)

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Akalagawa estuary clean-up activities in Yamagata (Japan)
JVCKENWOOD is committed to promoting diversity and inclusion to show respect to people from diverse backgrounds and accept various ways of thinking and opinions. We believe that when people with a diverse range of ideas and values respect and inspire each other, the company can generate innovative ideas and meet a variety of customer needs around the globe. To this end, JVCKENWOOD holds in-house awareness programs and recruits and appoints diverse personnel.

JVCKENWOOD holds in-house awareness programs and recruits and appoints diverse personnel. This logo represents people with diverse values, joining hands and moving in unison toward the future. A wide range of colors, including JVCKENWOOD’s corporate color of blue, is adopted to express the union of diverse races, genders, and values.

**Initiatives to Support Diverse Working Styles**

JVCKENWOOD supports diverse working styles to enable employees with diverse backgrounds to take pleasure in their work.

- **Supporting employees to balance childcare and family care with work**
  - In addition to providing a range of support programs on how to balance childcare and family care with work, JVCKENWOOD holds seminars for employees to help them successfully cope with work, child rearing and nursing care. The number of male employees taking childcare leave is also on the rise.

  **Comments from male employees who have taken childcare leave (from our website)**

  **Takashi Himukashi** (Group 3, Development Department, Engineering & Design Division, Media Business Division, Media Service Sector)
  - Taking childcare leave meant that I was able to be with my family for two whole months after the birth of my child. This enabled me to experience myself just how difficult and important those first few months after birth are for both mother and child. Of course, work is important, but those months watching over my baby’s growth were a very precious time. Our children are small for only a very short time, so I was glad that I took the bold move to take childcare leave.

  **Mikihiko Yamada** (Information Systems Group, Corporate Planning Division, JVCKENWOOD Victor Entertainment Corporation)
  - Right from when I first joined the company, I had decided that I would take childcare leave when my children came along. The company offers childcare leave, so I think it would be a waste not to take it. You can definitely have a valuable experience when there are still not many people who take this leave. Even after the childcare leave, child rearing does not end, and there are many situations in which you need to take time off. I think that the childcare leave period is a good time to lay the foundations for being able to take time off work smoothly.

  **Takashi Sugaya** (Diversity Promotion Office, General Administration Department)
  - Through my experiences from childcare leave, I learned just how difficult it is to balance child rearing and household chores, so I have become much more aware of my time and actions to go home as early as possible. I think that the time we spent together as a family of three made our bond stronger. Also, because I took childcare leave, I have more opportunities to talk about my child at work, so I feel that it has made communication easier. I believe that childcare leave is a good opportunity not just for home life, but also for the workplace to take a fresh look at the way we work.

**Nursing Care Handbook**

As part of JVCKENWOOD’s support for employees to strike a balance between nursing care and work, a handbook providing basic information about nursing care and the programs available has been produced and made available on the company Intranet.

- **Initiatives for People with Disabilities**
  - With the aim of creating a comfortable workplace for all employees, regardless of whether or not they have a disability, training sessions have been held to deepen understanding about the information and ideas needed to work together with employees with disabilities. Also, as an initiative of support for people with disabilities, diversity and inclusion, JVCKENWOOD has concluded a Memorandum of Understanding with the City of Yokohama, and the Rendez-vous Project Yokohama Committee and SLOW LABEL (Specified Nonprofit Corporation), which organize Yokohama Paratenniale, with the aim of supporting cultural and artistic activities in which people with and without disabilities work together.

- **LGBT Initiatives**
  - Employees are given training to deepen their understanding of LGBT issues, and a range of initiatives have been launched to improve the workplace environment for LGBT employees. In May 2018, JVCKENWOOD participated in the Tokyo Rainbow Pride 2018, one of Japan’s largest LGBT festivals.
## Human Resource Management

### Together with Employees

The JVCKENWOOD Group promotes measures to reform the way people work and strives to address health management in its aim to become a company whose employees are all healthy and enjoy their work.

#### Promoting work style reform

The JVCKENWOOD Group has steadily been enhancing its efforts to help employees have a good balance between their work and family life (work-life balance), with the aim of positively embracing the diverse lifestyles and ways of working of employees, since it launched a work style reform project last fiscal year.

- **Cutting total working hours and encouraging creativity through increased productivity**
  
  We are conducting activities aimed at cutting total working hours by improving operational efficiency. Specifically, we are implementing various measures including constructing a New Internal Portal to provide excellent communication and searchability, optimizing internal meetings which take up the most of employees’ working time, establishing satellite offices and promoting telecommuting to enable employees to reduce transit time and work wherever they are, and so on. 
  
  Through these measures, we first aim to cut the average actual total working time per employee Group-wide from 1,986 hours in fiscal 2017 to less than 1,900 hours within two years. We hope that giving all our employees more spare time to spend freely will increase their creative time, leading to a virtuous circle between their work and private lives.

- **Encouraging the taking of planned leave**
  
  As well as cutting total working hours, we are encouraging employees to take more planned leave. We recommend five days of consecutive leave for workers and managers, and are striving to increase the average amount of leave taken per year per employee from 16.5 days in fiscal 2017 to 20 days by fiscal 2020.

- **Promoting exchange activities crossing workplace boundaries (club activities, Terakoya)**
  
  As a new trial since fiscal 2017, we have been actively promoting some social activities outside working hours. One is the introduction of an authorization system and a subsidy system for in-house clubs. Forty clubs have been launched since applications were opened last fall, and various sport and culture associations are independently carrying out activities that cross the boundaries between workplaces.
  
  We have also established Terakoya, the nickname for our in-house after-work club for study and interaction. In this activity, employees who have different areas of expertise give lectures. It has been held a total of five times since last year, and we plan to expand this in future.

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### Promoting the Health of Employees

#### Health Management

JVCKENWOOD is striving to become a company that is a good partner to all stakeholders and offers its employees rewarding tasks, a sense of achievement and fulfillment, and the joy of working with excitement.

To achieve this goal, we have been delivering the JVCKENWOOD Health Policy Statement as a management message to employees to promote the “creation of a workplace environment that enables employees to stay healthy and motivated at work,” which is essential for each employee to demonstrate their abilities to the fullest.

**JVCKENWOOD Health Policy Statement**

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

Based on the JVCKENWOOD Health Policy Statement, we promote health maintenance and enhancement of employees through the collaborative efforts of management and the relevant divisions, such as the Industrial Health, Human Resources Department and General Administration Department as well as the Health Insurance Society.

#### Mental Healthcare Measures

JVCKENWOOD is striving to raise awareness of mental health among employees with a stress check-up system, and working to improve the workplace environment through employee care overseen by the line manager and other measures. At the same time, we have established a counseling service hot line with external counselors, and set up a system for helping employees resolve their work and private worries.

We have also established a return-to-work support system for employees who are on leave but will go back to work. The system supports their smooth return to work by increasing their workload and working time in stages.

#### Overtime Work Prevention Measures

In coordination with our work style reforms, we actively try to reduce employees’ working hours. We also strive to prevent health damage by providing those who do work long hours with face-to-face guidance or a medical interview with an industrial physician.

#### Promotion of Health Management Activities

Certified by “White 500 - Companies with Excellent Health Management in 2018,,” which is jointly administered by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, JVCKENWOOD will accelerate our collaborative healthcare programs with health insurance associations and engage in further health management activities.

Amid recent reporting worldwide on the toxicity of passive smoking, we will reinforce our anti-smoking measures and aim to lower our smoking rate to below 20% by fiscal 2020.
JVCKENWOOD believes that one of its most important management issues is to increase the transparency and efficiency of its managerial decision-making process and improve corporate value by strengthening corporate governance. To this end, we make a basic policy to enhance corporate governance through the establishment of a structure that includes checks and balances. That policy calls for separating management from the execution of operations, recruiting external directors and auditors, improving the function of acting as a check by establishing internal audit sections, and thereby strengthening the Company’s internal control system on a Group basis.

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

Corporate Organizations

1. Matters Relating to the Board of Directors and Directors

The Board of Directors, regarded as an organization that makes fundamental and strategic decisions while overseeing business execution, holds regular meetings once a month and extraordinary meetings when necessary to deliberate and decide on basic management policies and important matters as well as to monitor and oversee the status of business execution. Directors’ terms of office are for one year to make their responsibilities clear and to make management decision-making processes quicker. In addition, we proactively recruit external directors to increase the transparency of decision-making and lead innovation and governance.

JVCKENWOOD, in December 2015, established the Nomination and Remuneration Advisory Committee, for which all of its external directors serve as committee members, with the aim of strengthening the independence and objectivity of the functions of the Board of Directors. The Nomination and Remuneration Advisory Committee has since proposed JVCKENWOOD the representative candidates to the Board of Directors, and reviewed the appropriateness of director candidates and directors’ compensation plans proposed by the representative and other, and reported its opinions. The Board of Directors has determined director candidates and directors’ compensation, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee. As of June 22, 2018, Junichi Hikita, who serves as external director, chairs the Nomination and Remuneration Advisory Committee, and Yasuyuki Abe and Shinjiro Iwata, who are external directors, serve as committee members. Since June 2016, JVCKENWOOD has appointed an external director independent of the management of the Company as the Chairman of the Board of Directors. As of June 22, 2018, Yasuyuki Abe, who serves as external director, chairs the Board of Directors.

The Articles of Incorporation of the Company provide for a maximum of nine directors. JVCKENWOOD has nine directors, and they were appointed at the 10th Ordinary General Meeting of Shareholders held on June 22, 2018.

To ensure the effectiveness of the management supervisory functions based on experience, achievements, professional viewpoints, insights and other attributes, as well as independence in terms of having no potential conflicts of interest with general shareholders, JVCKENWOOD elects candidates for external directors, in principle, by taking such procedures as confirming their business background (i.e. confirming they have not been major shareholders of JVCKENWOOD or engaged in the execution of operations of any of JVCKENWOOD’s main business partners) based on its independence standards and policies. Since June 22, 2018, JVCKENWOOD has appointed Yasuyuki Abe, Junichi Hikita, and Shinjiro Iwata as external directors.

2. Matters Relating to the Executive Officer System

JVCKENWOOD has adopted an executive officer system, differentiating its business execution function to clarify management responsibility and business execution responsibility. Since June 22, 2018, nine directors (including three external directors) and 14 executive officers (six concurrently holding positions as directors) have been performing their roles and responsibilities. The Board of Directors, which leads innovation and governance, works to strengthen governance with an external director serving as the Chairman, makes decisions through discussions between external directors as independent directors and directors serving concurrently as executive officers, and delegates authority for business execution to executive officers. In addition, the Chairman, Representative Director of the Board serves as the Chief Executive Officer (CEO) and the President. Representative Director serves as the Chief Operating Officer (COO), and they are responsible for both management supervision and business execution. According to the decisions at meetings of the Board of Directors, the CEO chairs the Board of Executive Officers’ meetings, and each executive officer executes business operations with responsibility.

JVCKENWOOD has established the position of regional Chief Operating Officer (COO) for executives who assume responsibility for the overall operations of all businesses in the Americas, EMEA (Europe, Middle East, and Africa), APAC (Asia Pacific), and China, as well as the position of General Executive in the Automotive Sector, Public Service Sector, and Media Service Sector. We have also established the positions of Chief Strategy Officer (CSO), Chief Administration Officer (CAO), Chief Financial Officer (CFO), and Chief Technology Officer (CTO) for officers who oversee corporate divisions, and appointed executive officers to those positions. In this way, we have shifted to a new executive system, under which executive officers support the CEO and the COO towards achieving Vision 2020, the Group’s Mid- to Long-Term Business Plan.

3. Matters Relating to the Audit & Supervisory Board and Audit & Supervisory Board Members

JVCKENWOOD is a company with an Audit & Supervisory Board. Audit & Supervisory Board Members are responsible for the corporate audit function and their duties include attending Board of Directors’ meetings and other important meetings, as well as holding Audit & Supervisory Board meetings, auditing the execution of Directors’ duties, business execution of the entire Group and corporate accounting. Since June 23, 2017, four Audit & Supervisory Board Members (including two external Audit & Supervisory Board Members) have been performing their roles and responsibilities. JVCKENWOOD works to ensure the effectiveness of the management supervisory functions based on experience, achievements, professional viewpoints, insights and other attributes, as well as independence in terms of having no potential conflicts of interest with general shareholders. To this end, it nominates candidates for external Audit & Supervisory Board Members, in principle, after confirming their business backgrounds (i.e. confirming they have not been major shareholders of JVCKENWOOD or engaged in the execution of operations of JVCKENWOOD’s main business partners) based on its independence standards and policies, with the approval of the Audit & Supervisory Board. Since June 24, 2016, JVCKENWOOD has appointed Shajiro Asai and Nagasaki Ohyama as external Audit & Supervisory Board Members.

Organizational System

As of June 22, 2018
Internal Governance

JVCKENWOOD has set up three defense lines for internal governance. The first defense line is to ensure there are no wrongdoing and no errors in our business operating divisions. The second defense line is to place compliance groups within the Internal Governance Office, in addition to the Finance & Accounting Division and Risk Management Office, to strengthen and support the structure and operations of the internal governance systems. The third defense line is to place the Corporate Audit Office as the internal audit division. The Internal Governance Office and the Corporate Audit Office are directly supervised by the CEO, and are independent from ordinary business operations.

Internal Audit

At JVCKENWOOD, the Corporate Audit Office conducts internal audits on the overall business execution of the entire Group, and internal governance evaluations on financial reports (J-ISOX evaluations), in accordance with the audit plan approved by the Board of Directors, and reports the audit results to the Board of Directors that serves as an oversight organization. The Corporate Audit Office consists of 10 staff members engaged in internal audits and J-ISOX evaluations. The Corporate Audit Office performs a broad range of onsite inspections on the activities of the Company as well as affiliated companies of the Group, and monitors operations of the internal governance systems in an integrated manner. In this way, it works to maintain consistency between operation and the management principles, enhance the business structure and protect important assets, while helping to ensure problems do not occur. If there is any sign of fraud or similar committed by management, there is a reporting rule that requires the Corporate Audit Office to report the matter to Audit & Supervisory Board Members.

Status of the Accounting Auditor

During the fiscal year ended March 2017, the accounting audits of JVCKENWOOD and the Group were performed by Deloitte Touche Tohmatsu Limited.

Collaborative Work among Internal Auditors, Audits by Audit & Supervisory Board Members and Accounting Auditors

All the Audit & Supervisory Board Members including External Audit & Supervisory Board Members perform audits by auditor themselves, attend Board of Directors’ meetings, obtain the results of internal audits performed by the Corporate Audit Office in relation to the Group’s overall business operations, and exchange and confirm relevant information with the Corporate Audit Office whenever necessary. At the Audit & Supervisory Board meeting, the results of accounting audits performed by accounting auditors are regularly reported to Audit & Supervisory Board Members. Accounting auditors regularly have meetings with the Corporate Audit Office and exchange information. The Corporate Audit Office always works closely with the Internal Governance Office, the Group management parties, and other internal and external consultant organizations relevant to compliance matters and reinforces monitoring functions. Thus, the Corporate Audit Office, Audit & Supervisory Board Members and accounting auditors enhance the effectiveness of audits through mutual collaboration.

Compliance Activities

JVCKENWOOD views compliance as a response to the needs of society, not merely as adherence to laws and ordinances. This means that the objective of compliance is not merely to comply with laws and regulations, but to respond to the social needs behind them through adherence to them. With the recognition of this objective, the Company clearly sets “Strive for sincere, responsible corporate behavior as our commitment to compliance” as a new action guideline and enhances compliance activities of the Group comprehensively through the Compliance Committee led by the CEO. The JVCKENWOOD Group Compliance Activity Standards that target the entire Group were established in March 2010. The booklets (in three languages) were circulated to all Group officers and employees via the Intranet and the compliance supervisors appointed by the Board of Directors of the Company ensure the full awareness of the Standards at all affiliated companies.

Compliance education is supervised by the Internal Governance Office under the leadership of the CEO. Compliance training by using e-learning training programs via the Intranet and practical training is provided to officers and employees of the Company and its major affiliated companies. If any suspicions about compliance matters arise, they will be directly reported to the Internal Whistleblower System (Helpline) set up by the Internal Governance Office in accordance with the Internal Whistleblower Rules, and corrective measures will be taken under the leadership of the Compliance Committee. In addition, the Auditing Informer System is in place at the Audit & Supervisory Board Office, and if suspicions arise about any accounting or auditing operations, they will be directly reported to the system. These systems serve as exclusive infrastructure for communication to protect the confidentiality of the contents that are reported and the reporters’ names, and are operated by assigned staff to detect and correct activities that do not adhere to the needs of society.

Enterprise Risk Management Activities

Key Philosophy and Activities

The JVCKENWOOD Group regards risks as “factors that could inhibit the achievement of business plans” amid changes in the social demands and circumstances surrounding the Company. The Group regularly identifies risks faced by all its business sites around the world to recognize them clearly, set measures to prevent the realization of the identified risks and minimize their impact or damage, and resolve those issues systemically. In the meantime, some of the identified risks could affect the entire Company and thus require problem-solving activities on a company-wide scale and from a company-wide perspective. Management takes the initiative in implementing measures to resolve such problems.

Risk Management System

JVCKENWOOD implements the risk surveillance process shown in the diagram below at all its business sites around the world every year. The purpose is to ensure the risk management activities are conducted through collaboration between its business sites and management. In the risk surveillance process implemented throughout the year, we quantitatively assess the status of risks identified by the business sites, examine problems in reducing risks of high significance, and work on resolving those problems and confirm the effect. The Enterprise Risk Management Conference, which is comprised of members chosen from company executives and chaired by the Chief Administration Officer (CAO), keeps track of the progress and results of such activities. For risks that need to be addressed on a company-wide scale and from a company-wide perspective, company executives in charge selected from among the members of the Enterprise Risk Management Conference systematically provide support to solve problems.

Business Continuity Management (BCM)

Facing various risks, in particular emergency situations including earthquakes and other natural disasters, spread of epidemics, and the global expansion of terrorism, the JVCKENWOOD Group recognizes that its first social responsibility to stakeholders is to put the utmost priority on preserving human life, and its second is to deliver products and services. To fulfill these responsibilities, the Group has defined the basic principle of the Business Continuity Plan (BCP) as “contributing to social security and safety through continuing business by swiftly resuming business operations after the occurrence of an emergency situation.” Based on this policy, the JVCKENWOOD Group has been conducting BCP activities at all its business divisions. On March 31, 2017, JVCKENWOOD received certification from the National Resilience Promotion Office, Cabinet Secretariat, as a business operator contributing to the building of national resilience against disasters (Resilience Certification) in recognition of its endorsement of the objective of promoting the building of national resilience and active engagement in efforts related to business continuity.

JVCKENWOOD will take this opportunity to make efforts to further enhance the quality of BCM.
Management Team

Director of the Board/Audit & Supervisory Board Members

Yasuyuki Abe
Director of the Board, Chairman of the Board
Takao Tsuji
Representative Director of the Board
Masaki Imai
Representative Director of the Board

Chief Financial Officer (CFO)
Senior Managing Executive Officer, Representative Director of the Board
Shoichiro Eguchi
Director of the Board/Audit & Supervisory Board Members

Yasuyuki Tanida
Director of the Board
Masatoshi Miyamoto
Director of the Board

Director of the Board

Masao Nomura
Director of the Board
Junichi Hikita
Director of the Board
Shinjiro Iwata
Director of the Board

Executive Officers

Yasuyuki Tanida
Managing Executive Officer, Chief Technology Officer (CTO)
Naokazu Kurihara
Managing Executive Officer, COO Americas

Executive Officers

Masao Nomura
Managing Executive Officer in Charge of Automotive Sector
General Executive of Automotive OEM Business Division, COO BMEA (Europe, Middle East and Africa)

Kazuyoshi Hayashi
Executive Officer in Charge of Media Service Sector, General Executive of Media Business Division

Audit & Supervisory Board Members

Satoshi Fujita
Audit & Supervisory Board Member
Takayoshi Sakamoto
Audit & Supervisory Board Member
Shojo Asai
Audit & Supervisory Board Member
Nagaaki Ohyama
Audit & Supervisory Board Member

Kazuhiko Aigami
Executive Vice President
Assistant to CEO (Healthcare Business)

Shinichiro Takada
Executive Officer, COO APAC (Asia Pacific)
Akihiko Terada
Executive Officer, COO China
Chairman of JVCKENWOOD Hong Kong Holdings Limited
Chairman of JVCKENWOOD (China) Investment Co., Ltd.

Masao Nomura
Executive Officer in Charge of Automotive Sector
General Executive of Automotive OEM Business Division, COO BMEA (Europe, Middle East and Africa)

Masaomi Masuda
Executive Officer in Charge of Public Service Sector

Shareholder Composition
As of March 31, 2018

Japanese companies 4.53%
Securities companies 2.64%
Individuals and others 29.58%
Foreign companies 37.90%

Major Shareholders (Top 10)
As of March 31, 2018

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of stocks held (thousands)</th>
<th>Ratio of shareholding (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 1)</td>
<td>6,470</td>
<td>5.02</td>
</tr>
<tr>
<td>THE MUNICIPAL TRUST OF NEW YORK</td>
<td>4,400</td>
<td>3.49</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 2)</td>
<td>4,090</td>
<td>3.67</td>
</tr>
<tr>
<td>THE BANK OF NEW YORK MELLON 140044</td>
<td>4,100</td>
<td>3.47</td>
</tr>
<tr>
<td>The Trustee Trust of Japan, Ltd. (trust account 1)</td>
<td>3,890</td>
<td>3.43</td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Co. (trust account 2)</td>
<td>3,690</td>
<td>3.25</td>
</tr>
<tr>
<td>THE MUNICIPAL TRUST OF NEW YORK</td>
<td>3,390</td>
<td>2.82</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 3)</td>
<td>2,890</td>
<td>2.38</td>
</tr>
<tr>
<td>THE BANK OF NEW YORK MELLON 140044</td>
<td>2,650</td>
<td>2.23</td>
</tr>
<tr>
<td>The Trustee Trust of Japan, Ltd. (trust account 3)</td>
<td>2,150</td>
<td>1.80</td>
</tr>
</tbody>
</table>

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

#### Manufacturing Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD Electronics Malaysia Sdn. Bhd.</td>
<td>Malaysia</td>
<td>Communications equipment and car electronics</td>
</tr>
<tr>
<td>JVCKENWOOD Electronics (Thailand) Co., Ltd.</td>
<td>Thailand</td>
<td>Media equipment and professional products</td>
</tr>
<tr>
<td>JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.</td>
<td>Thailand</td>
<td>Car electronics and media equipment</td>
</tr>
<tr>
<td>PT. JVC Electronics Indonesia</td>
<td>Indonesia</td>
<td>Car electronics equipment</td>
</tr>
<tr>
<td>Shanghai Kenwood Electronics Co., Ltd.</td>
<td>China</td>
<td>Car electronics and telecommunications equipment</td>
</tr>
</tbody>
</table>

#### Operation Companies: Americas

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD USA Corporation</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>JVCKENWOOD Canada Inc.</td>
<td>Canada</td>
</tr>
<tr>
<td>JVCKENWOOD Latin America, S.A.</td>
<td>Panama</td>
</tr>
</tbody>
</table>

#### Operation Companies: EMEA

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD U.K. Limited</td>
<td>The United Kingdom</td>
</tr>
<tr>
<td>JVCKENWOOD Italia S.p.A.</td>
<td>Italy</td>
</tr>
<tr>
<td>JVCKENWOOD Deutschland GmbH</td>
<td>Germany</td>
</tr>
<tr>
<td>JVCKENWOOD Belgium N.V.</td>
<td>Belgium</td>
</tr>
<tr>
<td>JVCKENWOOD Europe B.V.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>JVCKENWOOD RUS Limited Liability Company</td>
<td>Russia</td>
</tr>
<tr>
<td>JVCKENWOOD Gulf Fze</td>
<td>U.A.E.</td>
</tr>
</tbody>
</table>

#### Operation Companies: Asia-Pacific

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD Singapore Pte. Ltd.</td>
<td>Singapore</td>
</tr>
<tr>
<td>JVCKENWOOD Malaysia Sdn. Bhd.</td>
<td>Malaysia</td>
</tr>
<tr>
<td>JVCKENWOOD (Thailand) Co., Ltd.</td>
<td>Thailand</td>
</tr>
<tr>
<td>PT. JVCKENWOOD Indonesia</td>
<td>Indonesia</td>
</tr>
<tr>
<td>JVCKENWOOD Australia Pty. Ltd.</td>
<td>Australia</td>
</tr>
</tbody>
</table>

#### Other Principal Affiliated Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zenion, Inc.</td>
<td>U.S.A.</td>
<td>Development, manufacture and sales of telecommunications equipment</td>
</tr>
<tr>
<td>EF Johnson Technologies, Inc.</td>
<td>U.S.A.</td>
<td>Development, manufacture and sales of telecommunications equipment</td>
</tr>
<tr>
<td>ASK Industries S.p.A.</td>
<td>Italy</td>
<td>Development, manufacture and sales of car electronics equipment</td>
</tr>
<tr>
<td>Radio Activity S.r.l.</td>
<td>Italy</td>
<td>Development and sales of professional radio systems</td>
</tr>
<tr>
<td>Rain Medical GmbH</td>
<td>Germany</td>
<td>Development, sales and implementation of OR imaging solutions</td>
</tr>
<tr>
<td>JVCKENWOOD Technologies Singapore Pte. Ltd.</td>
<td>Singapore</td>
<td>Manufacture and sales of telecommunications equipment</td>
</tr>
<tr>
<td>JVCKENWOOD Hong Kong Holdings Limited</td>
<td>China</td>
<td>Manufacture and sales of car electronics equipment and contract manufacturing services of electronics devices</td>
</tr>
</tbody>
</table>

### Network (Japan)

#### Business Centers and R&D Bases

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main R&amp;D Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office &amp; Yokohama Business Center</td>
<td>Yokohama, Kanagawa</td>
<td>Projector, video cameras, AV accessories, home audio, etc.</td>
</tr>
<tr>
<td>Hachiōji Business Center</td>
<td>Hachiōji, Tokyo</td>
<td>Car electronics equipment</td>
</tr>
<tr>
<td>Hokusai Business Center</td>
<td>Yokohama, Kanagawa</td>
<td>Land mobile radio, video surveillance equipment, etc.</td>
</tr>
<tr>
<td>Kurahama Business Center</td>
<td>Yokosuka, Kanagawa</td>
<td>D-ILA devices, laser diodes, etc.</td>
</tr>
</tbody>
</table>

#### Principal Manufacturing Sites and Manufacturing Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office &amp; Yokohama Business Center</td>
<td>Yokohama, Kanagawa</td>
<td>Optical components</td>
</tr>
<tr>
<td>Kurahama Business Center</td>
<td>Yokohama, Kanagawa</td>
<td>Optical components and projectors</td>
</tr>
<tr>
<td>Yokusuka Business Center</td>
<td>Yokusuka, Kanagawa</td>
<td>CD and DVD discs (pre-recorded)</td>
</tr>
<tr>
<td>JVCKENWOOD Yamagata Corporation</td>
<td>Iruma, Yamagata</td>
<td>Telecommunications equipment and professional products</td>
</tr>
<tr>
<td>JVCKENWOOD Nippon Corporation</td>
<td>Ina, Nagano</td>
<td>Car electronics equipment</td>
</tr>
<tr>
<td>JVCKENWOOD Nagasaki Corporation</td>
<td>Nagasaki, Nagasaki</td>
<td>Medical display monitor solutions and in-vehicle substrates</td>
</tr>
</tbody>
</table>

#### Other Principal Affiliated Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD Victor Entertainment Corporation</td>
<td>Shibuya-ku, Tokyo</td>
<td>Planning, production and sales of audio and video, and software, etc.</td>
</tr>
<tr>
<td>JVCKENWOOD Creative Media Corporation</td>
<td>Yokusuka, Kanagawa</td>
<td>Development, manufacturing and sales of recorded optical disks</td>
</tr>
<tr>
<td>JVCKENWOOD Public &amp; Industrial Systems Corporation</td>
<td>Yokohama, Kanagawa</td>
<td>Development, sales, manufacture, installation, maintenance and repair of professional audio, imaging and telecommunications equipment</td>
</tr>
<tr>
<td>JVCKENWOOD Video Tech Corporation</td>
<td>Shibuya-ku, Tokyo</td>
<td>Production, editing and sales of video, and studio operations</td>
</tr>
<tr>
<td>JVCKENWOOD Service (Japan) Corporation</td>
<td>Yokusuka, Kanagawa</td>
<td>After-sales services of audio and imaging equipment</td>
</tr>
<tr>
<td>JVCKENWOOD Engineering Corporation</td>
<td>Yokohama, Kanagawa</td>
<td>Development and design of hardware and software</td>
</tr>
<tr>
<td>JVCKENWOOD Design Corporation</td>
<td>Setagaya-ku, Tokyo</td>
<td>Planning and production of industrial designs</td>
</tr>
<tr>
<td>JVCKENWOOD Partners Corporation</td>
<td>Hachiōji, Tokyo</td>
<td>Undertaking of welfare program, general, personnel, accounting and other affairs</td>
</tr>
</tbody>
</table>