
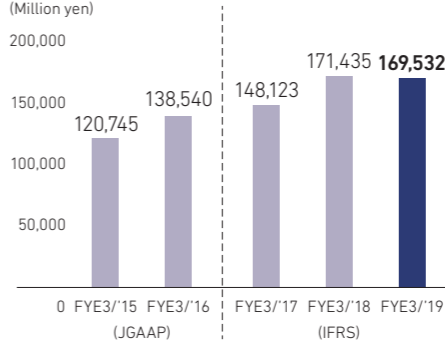
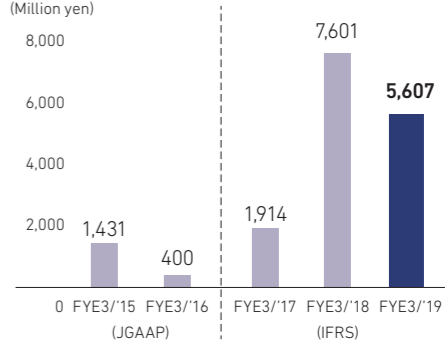

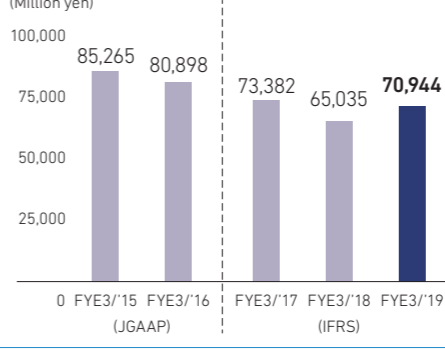
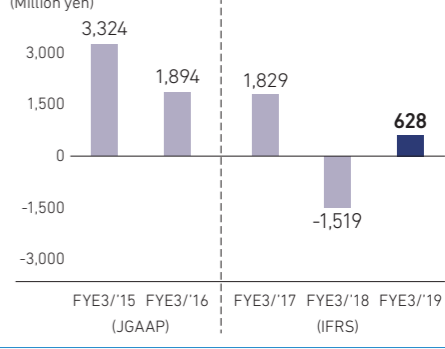

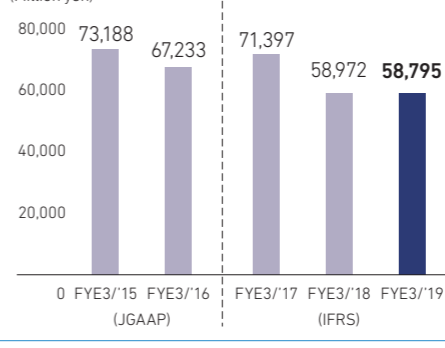
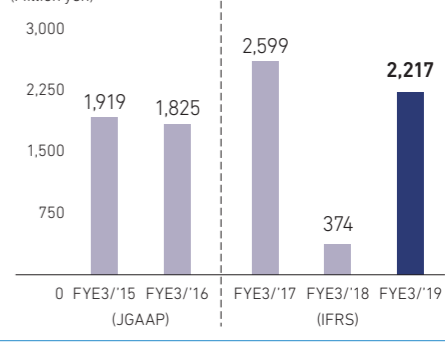

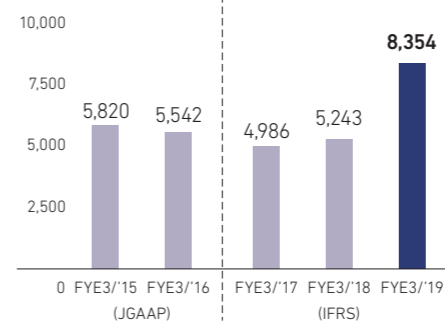
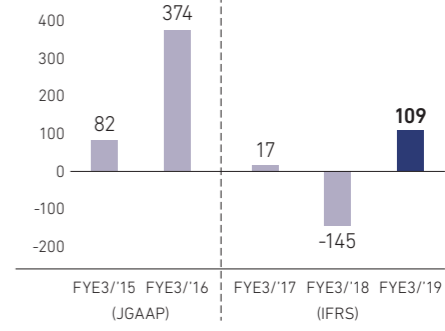


Business Activities Report

Aim to create a business portfolio optimized with consideration to capital profitability and consistency with our Vision 2020.

Business Sector	Business Overview	Business, Business Unit (BU), and Main Sales Channels	Revenue*1	Core Operating Income*1, 2
Automotive Sector  <div>Revenue Composition 55.1%</div>	<p>The Automotive Sector 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 mass retailers and distributors, and the OEM Business, which is operated by the Dealer-Installed Option Business Unit and Factory-Installed Option Business Unit, which provide products through automobile manufacturers and dealers.</p>	<p>Aftermarket Business Mass retailers, distributors, etc. in Japan and overseas</p> <p>OEM Business</p> <ul style="list-style-type: none"> Dealer-Installed Option Business Unit Automobile manufacturers and dealers in Japan, Southeast Asia, etc. Factory-Installed Option Business Unit Automobile manufacturers and component manufacturers around the world 		
Public Service Sector  <div>Revenue Composition 23.1%</div>	<p>The Public Service Sector consists of the Communications Systems Business covering professional radio systems and amateur radio systems, 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.</p>	<p>Communications Systems Business Public safety market (police, fire departments, ambulance services, etc.) Public service market (providers of electricity, water, gas, etc.) Private sector market (hotels, retailers, event companies, etc.)</p> <p>Professional Systems Business Companies, education, public services, distribution, social infrastructure, amusement facilities, etc.</p> <p>Healthcare Business Medical and research institutes</p>		
Media Service Sector  <div>Revenue Composition 19.1%</div>	<p>The Media Service Sector consists of the Media Business, which is operated by the four business units—Solutions covering professional-use video cameras, projectors, and other products; Lifestyle covering headphones, earphones, home videos, consumer video cameras, and other products; Imaging Devices covering image display elements and other products; and Brand Business, which handles the brand licensing business. The Entertainment Business handles the Content Business centered on JVCKENWOOD Victor Entertainment, Corp. and the OEM Business.</p>	<p>Media Business</p> <ul style="list-style-type: none"> Solution Business Unit Companies, local governments, broadcasters, distributors, etc. in Japan and overseas Lifestyle Business Unit Mass retailers, distributors, etc. in Japan and overseas Imaging Device Business Unit Imaging device manufacturers, etc. in Japan and overseas Branding Business Unit TV and audio manufacturers overseas <p>Entertainment Business</p> <ul style="list-style-type: none"> Content Business CD shops, EC sites, music distribution sites, etc. in Japan OEM Business Record companies, movie companies, publishing companies, etc. in Japan and overseas 		
Others (DX Business, etc.) 	<p>JVCKENWOOD offers new value and services by fully utilizing the latest digital technologies and big data including AI and IoT through open innovation, as well as technology assets such as audio, visual, and communications systems developed by the JVCKENWOOD Group over the years. Starting with the provision of telematics solutions centered on dashcams with communication capabilities for applications related to auto insurance, ride sharing, and the road transport industry, JVCKENWOOD aims to develop a new business into its fourth pillar of growth, which is independent of the other three business sectors, by creating it without constraints of the boundaries of existing business fields.</p>	<p>DX Business Automobile insurance companies, ride-sharing companies, taxi and shipping companies, etc.</p> <p>Others Service parts, etc.</p>		

*1 "Revenue" and "Core operating income" has been used under Japanese GAAP for FYE3/15 and FYE3/16

*2 Core operating income is a profit indicator calculated by subtracting cost of sales and selling, general and administrative expenses from revenue. Core operating income has been used for the purposes of constantly monitoring performance and future outlook of each segment and continuously assessing our business portfolio, and as a profit indicator replacing operating profit under Japanese GAAP. Core operating income does not include nonrecurring items that mainly occur temporarily, such as other income, other expenses, and foreign exchange losses (gains) included in operating profit under IFRS.



In addition to the in-vehicle, video and optics, and audio technologies that we have cultivated over many years, we will combine our human machine interface technology and communication technology to propose next-generation vehicle spaces that realize safety, security, and comfort.

Masao Nomura

Director of the Board, Senior Managing Executive Officer, COO Automotive Sector

Business Environment and Basic Strategy Leverage advantages in the Aftermarket Business also for the OEM Business

In the Aftermarket Business, which provides products through mass retailers and distributors, while the conventional car audio market such as CD receivers is shrinking both in Japan and overseas, we are maintaining a top-class position by establishing a reputation for high image quality, fast response, and high sound quality with car navigation systems taking advantage of our strength in audio and visual technology.

In recent years, we have been enhancing our presence in the market with display audio systems that are more closely linked to smartphones by supporting Apple Car Play/Android Auto™, which connects in-vehicle devices, while using HMI (human machine interface) technology to facilitate vehicle-driver communication.

In Japan, where dashcams are becoming increasingly popular due to the growing awareness of automobile users about safety and security, we propose products that achieved high performance, high reliability, and high video recording quality by combining our in-vehicle technology and video and optical technology we have cultivated. We have also secured a top market share by providing a driving

support function that assists safe driving and a function that links to car navigation systems. In the future, we plan to expand our business into overseas markets and enhance the functionality of our products by installing communications functions that support connectedness of automobiles. The OEM Business, which provides products through automobile manufacturers and dealers, develops car navigation systems, display audio systems, dashcams, and other products that reflect the market feed back, based on the popularity with customers gained through the Aftermarket Business. The OEM Business sells these products through two channels: Dealer-Installed (dealer options) and Factory-Installed (manufacturer options). We are establishing stable revenue by allocating management resources appropriately without depending on specific manufacturers, taking advantage of our business relationships with major Japanese, European, and U.S. automakers. As for Dealer-Installed products, we have gained orders for large-scale projects mainly from major Japanese automakers. In addition to car navigation systems and display audio systems, we are also increasing our presence in the area of in-vehicle optical systems, such as dashcams and in-vehicle cameras, where demand is growing.

As for Factory-Installed products, as we move into the age



Car Navigation Systems

The KENWOOD brand car navigation system Saisoku-Navi with technology that produces high image quality and fast response and friendly features that match the driver's feelings.

of autonomous driving, expectations are growing for the role played by car navigation systems and other products. However, as development investment becomes enormous, risks of competition with different industries, such as large overseas IT companies, are also anticipated. In order to strike a balance between growth and risks, we are focusing on the development of car-mounted speakers, amplifiers, antennas, and cable products with Tier 1 and 2 manufacturers and suppliers, such as JVCKENWOOD Hong Kong Holdings Limited, which became our subsidiary in 2013, and ASK Industries S.p.A., which became our subsidiary in 2015. We are providing those products to automakers in Japan, the U.S., and Europe.



Dashcams

While realizing high performance, high reliability, and high-quality video recording through integration of in-vehicle technology and video and optical technology, we contribute to safe, secure, and comfortable driving for customers by providing dashcams equipped with driving support functions to assist in safe driving.



Display Audio Systems

Display audio systems that create an in-vehicle entertainment space by supporting a wide range of media such as CDs, DVDs, USB, Bluetooth®, linkage with smartphones, and music streaming services.

Business Results and Outlook

Promote measures for growth in the fiscal years ending March 2021 and beyond

In the fiscal year ended March 2019, the revenue from the Automotive Sector declined by approximately 1.9 billion yen (1.1%) year on year to 169.532 billion yen, and the core operating income declined by approximately 2 billion yen (26.2%) year on year to 5.607 billion yen.

The Aftermarket Business suffered a decrease in revenue due to impacts from lower sales in overseas markets, particularly in EMEA (Europe, Middle East, and Africa), and from lower sales due to the problem of component supply from suppliers in the fourth quarter, although sales of the car

navigation Saisoku-Navi and dashcams were strong in the domestic market. The OEM Business enjoyed an increase in revenue due to higher sales of Factory-Installed products regardless of lower sales of Dealer-Installed products.

Core operating income declined in the Aftermarket Business due to a decline in revenue. In the OEM Business, profit declined due to impacts of the economic downturn in China, increase in upfront development investment for Dealer-Installed products, and the problem of component supply from suppliers in the fourth quarter.

For the fiscal year ending March 2020, this sector is expected to be in a transitional period for the following four reasons. First, in the OEM Business, some existing products will be discontinued earlier than usual. Second, development costs for new orders will increase, and shipment will not begin until after the summer of the fiscal year ending March 2021. Third, the market conditions in China will affect the sector negatively. Fourth, the impact of the component supply problem is expected to continue during the first half of the fiscal year. As a result of these factors, we expect a decline in revenue and profit in the sector as a whole in the fiscal year ending March 2020. However, we have been able to secure new orders and recognize that this is a period of preparation for expansion in the fiscal year ending March 2021 and beyond.

Toward Medium- to Long-Term Growth Focus on development of next-generation vehicle spaces that provide safety, security, and comfort

The automobile industry is now required to take measures for environmental issues and the autonomous driving society. For environmental issues, advanced electronics technologies are required to cope with the electrification of automobiles, and various types of meters are being digitized. In addition, in order to realize safe, secure, and comfortable automatic driving, it is important to have in-vehicle infotainment systems that can utilize connected vehicle and traffic information as well as camera and sensor technologies.

In these circumstances this backdrop, we are striving to become a company essential to a sustainable mobility society. We will do this by leveraging our core technologies in the audio, visual, and communications systems fields, as well as in-vehicle and HMI technologies to develop products and solutions that provide safe, secure, and comfortable next-generation vehicle spaces, including car navigation systems and display audio systems, as well as dashcams and in-vehicle cameras that utilize new technology.



From providing individual pieces of equipment to providing system services. Through three businesses, we will strengthen our ability to propose total solutions that protect lives and everyday living of people and the safety of society.

Akira Suzuki

Managing Executive Officer, COO Public Service Sector

Business Environment and Basic Strategy Solutions for protecting the lives and everyday living of people and the safety of society

Although the three businesses of the Public Service Sector serve different customers and provide different products, they share the same mission: provide products and services that protect the lives and everyday living of people and the safety of society. All of our businesses intend to become a solution business that creates value for customers, including systems and services as well as individual equipment. We believe that this sector has a high potential for growth as various measures have enhanced its profitability.

► Communications Systems Business

Focusing on the area of digital radio systems, where demand is increasing worldwide to replace analog radio systems, we are supplying highly reliable professional digital radio systems to the public safety market such as police, fire departments, and emergency medical services; the public service market such as electricity, water, gas, and transportation services; and the private sector market such as hotels and retailers.

For the public safety market in North America, where the market scale is expected to expand continuously, we are strengthening the partnership with our subsidiaries Zetron, Inc. (Zetron) and EF Johnson Technologies, Inc. (EFJT) to provide the total solution for professional radio systems that complies with the digital radio standard P25 for North America. Zetron's dispatch console systems have been widely adopted by airlines, railroads, police, and other organizations as a communication command console. EFJT's professional wireless systems are also expected to be adopted by the New York State Police and counties in various states, as well as by highway patrols in California. As these achievements indicate, the partnership has started demonstrating its effect.

For the public service market and the private sector market, we aim at shifting to a total system solution business in anticipation of broadband professional wireless infrastructures. As part of it, in 2017, we entered into a capital and business alliance with Sonim Technologies Inc., a U.S. company that is leading the industry in the professional LTE smartphone business, and collaboratively developed a tough smartphone-type wireless device. Beginning with the United States and Japan, we are moving forward with market introduction. In addition, in December 2018, we acquired a 40% stake in Tait International Ltd., a company in New Zealand with strength in this field, and entered into a capital and business alliance with it. Because these broadband wireless systems can transmit not only sound as previously but also videos and images, they are highly regarded by customers for providing solutions that are linked to security systems based on face authentication and systems for detecting suspicious objects at event venues, as well as solutions that meet needs on sites such as electricity, gas, and water facilities.

We have also launched worldwide the professional digital radio system NEXEDGE®. This system is compatible with NXDN™, which is our proprietary digital radio standard we developed jointly with Icom Inc. and included in the International Telecommunication Union (ITU) standards.

We are providing this system to a wide variety of users including the public service market. In this area, on the other hand, the market related to the Digital Mobile Radio (DMR) standard is the largest and expected to expand in the future. We had only carried wireless terminals as our own products previously in this area. In order to respond to this market change, however, we acquired Radio Activity S.r.l. in Italy and made it our subsidiary in January 2018. With this deal, we established an organization to provide wireless terminals, relay stations, and other infrastructures in a package. We started to provide digital wireless



Professional Radio Systems (KENWOOD)

The globally launched professional digital radio system, NEXEDGE®, compatible with the digital radio standard NXDN™ has been provided to a wide variety of users including the public service market.



Professional Radio Systems (EFJT)

EFJT's professional digital radio system that complies with P25, the digital radio standard for North America. This is widely used in the public safety market including police, fire departments, and emergency medical services.



Desktop Wireless Console System (Zetron)

A radio control operation device (desktop terminal) that allows remote control and communication of wireless devices located at a distance from an office or workplace, just like a telephone.

infrastructures that cover a wide range of areas, including corporate offices and a town as a whole. One example is our DMR systems, which are used as a means of communication during the operation of the world's premier motorcycle race, MotoGP™.

► Professional Systems Business

JVCKENWOOD Public & Industrial Systems Corporation, which engages in the Professional Systems Business, has a strength in its total engineering organization that not only sells equipment such as security camera systems and professional audio systems, but also enables one-stop provision of functions from design to installment, maintenance, and management to solve customer issues. Utilizing this organization, we are providing video security solutions such as face authentication systems and audio solutions such as municipal disaster prevention broadcasting systems and conference hall systems to a wide range of markets, including education, public services, distribution, social infrastructures, and amusement.

To provide solutions, we not only rely on our own products but also actively collaborate with partners inside and outside the Group. We also use Intelligent Video Analytics (IVA) adopting the high-performance image analysis engine developed by IBM Japan Ltd. that enables real-time AI analysis of multiple videos recorded by a security camera system, as well as KooNe, which is a spatial audio design solution planned and developed by JVCKENWOOD Victor Entertainment Corporation, a member of our Group. We offer a wide range of solutions beyond existing systems. In addition, by utilizing our strong sales channels in Japan, we will expand customer value by proposing, selling, and installing operating room solutions promoted by the Healthcare Business.



IVA

Realizes accident prevention, crime prevention, and marketing utilizing security camera systems in a smart fashion through intelligent detection and search functions that are enabled by adopting IBM's high-performance image analysis engine, which is a new monitoring system that saves labor and effort in analysis of videos recorded by a security camera system.



Multilingual Emergency/Professional Broadcasting System EM-E1500 Series and EM-K150 Series
Equipped with digital power amplifiers with high efficiency and high sound quality. They are advanced professional emergency broadcasting systems that support Earthquake Early Warnings.



Conference Room Systems
Enable clear voice transmission with low latency and optimum audibility through our proprietary full digital voice transmission scheme.



Spatial Audio Design Solution KooNe
A spatial audio design solution that creates a cozy space focusing on hearing by building high resolution sound sources that reproduce rich natural sound and an indirect audio environment in which sound reaches ears more naturally.

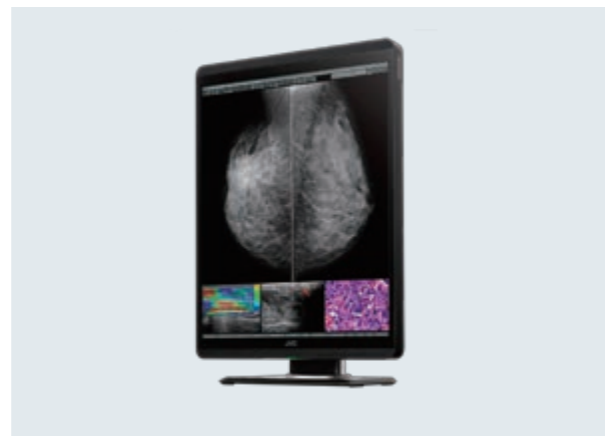
► Healthcare Business

The Healthcare Business is positioned to drive future growth while contributing to the resolution of issues in the super-aged society by making use of our proprietary image and video processing technology and optical disk technology. We are aggressively investing in this business and promoting collaboration with medical equipment companies.

Our current core products include high-precision medical image display monitors that display mammography images and various types of radiation images, and the business is expanding year by year. In addition, in May 2018, we acquired Rein Medical GmbH in Germany and made it our subsidiary in order to increase added value from individual equipment to solutions. We entered the OR*¹ imaging system solution business, which manages operating room videos. We are also developing the gaze tracking system Gazefinder, which assists in diagnosis of autism spectrum disorders and early screening for dementia by utilizing our proprietary gaze point detection technology, and early diagnosis systems for cancer and other diseases using exosomes*² in blood by working with Sysmex Corporation, one of the leading companies in hemodiagnosis. Together with Sysmex, we established Creative Nanosystems Corporation, and are working to commercialize disposable biodevices and other products. We are also working to establish diagnostic healthcare solutions through joint research with Sysmex and the University of Oxford in the UK with the aim of commercializing systems for diagnosis of exosomes in blood.

*1: Abbreviation for operating room.

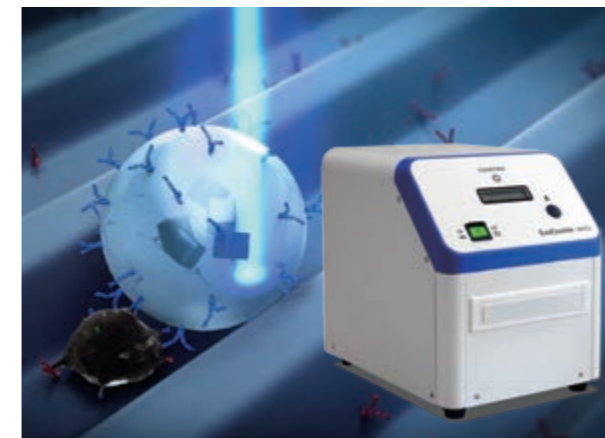
*2: Vesicular granules about 50 to 100 nm in size secreted by many types of cells in body fluids such as blood, saliva, and urine.



Medical Image Display Monitor i3 Series
The medical image display monitor i3 Series with highly precise control of luminance, gradation, and chromaticity faithfully reproduces captured medical images based on the characteristics of diagnostic images. In addition to performance, this series takes usability and design into account to build a comfortable image reading environment.



Gazefinder
Gazefinder is a gaze tracking system that uses our proprietary gaze measurement technology. We aim to contribute to early detection of developmental disorders through joint research with research institutions and universities.



Exosomes Measurement System ExoCounter
Exosomes, which are mainly present in blood, are fine particles secreted by various cells and expected to be used for diagnosis of cancer and other diseases. We apply our Blu-ray technology to develop the exosomes measurement system ExoCounter for application to medical diagnostic solutions.

Business Results and Outlook

Increased profit of the Communications Systems Business helps return to surplus

In the fiscal year ended March 2019, the revenue from the Public Service Sector increased by approximately 5.9 billion yen (9.1%) year on year to 70.944 billion yen, and the core operating income significantly improved by approximately 2.1 billion yen year on year to 628 million yen, returning to surplus. The increase in revenue and profit in the Communications Systems Business mainly contributed to overall improvement in this sector. The Communications Systems Business increased sales mainly at our U.S. wireless subsidiaries, and the Professional Systems Business recovered sales of JVCKENWOOD Public & Industrial Systems Corporation in the second half. The Healthcare Business realized the effect of the consolidation of Rein Medical, which became our subsidiary in May 2018. For the fiscal year ending March 2020, we expect to maintain strong sales in the Communications Systems Business through our alliance strategy based on the global trend toward digitization. The Professional Systems Business is also expected to realize the effect of improved business efficiency, including the creation of a database of design information. The Healthcare Business aims to improve

performance by expanding global sales through strengthening the lineup of 5M models and other diagnostic imaging displays, although investment in next-generation businesses will be ahead of the above.

Toward Medium- to Long-Term Growth Drive the Healthcare Business toward a 10 billion yen size with digital radio systems and professional systems as revenue sources

For the Communications Systems Business, we will expand the solution business centered on digital radio systems, which are expected to grow over the medium to long term, while investing in technology, including M&A, in order to diversify wireless communications methods and services. For the Professional Systems Business, we will strengthen various solutions to meet safety and security needs of the international community through careful marketing activities. In addition, we will also take on the challenge of launching these solutions in the overseas markets of our Communications Systems Business. For the Healthcare Business, we will continue active investment in order to quickly establish revenue sources next to medical and pathological image displays. We also have policy of active investment in recruitment and development of human resources in these new areas. Currently, while we have sales of approximately 5 billion yen on the basis of medical image displays, we expect a substantial increase in profit due to cost reductions and other factors. We aim to reach 10 billion yen within five years through investment for the future.



Utilizing the audio and visual technology we have cultivated, we will propose unique technologies, products, and solutions in terms of both equipment or systems (hardware) and contents (software).

Kazuyoshi Hayashi
Executive Officer, COO Media Service Sector

Business Environment and Basic Strategy Amid a tough market environment, focus on development of distinctive B-to-C and B-to-B products and services only our Group can provide

The Media Service Sector consists of two businesses: Media and Entertainment. In the Media Business, all the business units (BU) successfully returned to a surplus in the fiscal year ended March 2019 by focusing on the utilization of brand assets, including the Victor brand, and the development of distinctive technologies and products as well as proposal-based marketing.

The Solution BU provides projectors and professional video cameras that meet the needs of professionals. High-definition, high-contrast projectors equipped with our proprietary video display element D-ILA devices are used for home theaters as well as for flight simulators and planetariums through system linkage with various equipment. In addition, video cameras compatible with the IP video-creation solution CONNECTED CAM™ have been widely adopted mainly by broadcasting stations in the United States in recognition of their ability to deliver high-quality video from a filming location to a studio by enhancing the immediacy and reliability of network

connections. In cooperation with Streamstar, a.s., which has expertise in the relay and distribution fields, we also began to sell video cameras for the expanding sport broadcasting and live streaming markets.

The Lifestyle BU offers headphones and earphones designed for specific purposes and applications, such as Bluetooth® models that provide high-quality sound reproduction in wireless environments, models for sports, and models that support high-resolution sound, home audio systems such as the Wood Cone Series that use wooden vibrating plates, and video cameras that provide high-quality video recording. For earphones, we are reinforcing our lineup of completely wireless models, which are a global trend, and providing cutting-edge products and services featuring our proprietary out-of-head localization sound field processing technology EXOFIELD. As for video cameras, although the market is shrinking due to the impact of smartphones, we are working to maintain revenue by strengthening proposal-based products such as models with shockproof, waterproof, and other unique features that are designed for outdoor and sport use, as well as dashcams that work with smartphones.

For the Video Devices BU, our focus on external sales of D-ILA devices has begun to produce new results, not only for projectors but also for communications applications.

The Brand BU is generating stable revenue in overseas markets from royalties from the licensing of the JVC brand primarily for television and audio products.

In the Entertainment Business, while the package media market such as CDs and DVDs is shrinking, we are strengthening our sound source business through the discovery and development of artists and expanding our content business, including films and games, with JVCKENWOOD Victor Entertainment Corporation, at the core. In cooperation with JVCKENWOOD Public & Industrial Systems Corporation, we are also providing the spatial audio design solution KooNe to corporate offices, libraries, commercial facilities, and medical facilities.



Projectors

Equipped with our proprietary 8K/e-shift technology, our projectors display 8K high-definition video* (8192 × 4320 pixels) for the first time in the world (as of September 13, 2018) among home projectors. Even on a large screen, they reproduce a more detailed and realistic video. *8K signal input is not supported.



CONNECTED CAM™

CONNECTED CAM™, which improves immediacy and reliability of network connection and provides the same high quality as existing equipment at a more affordable price, provides an end-to-end workflow from a shooting site to a studio for live streaming and sport broadcasting.



Out-of-Head Localization Sound Field Processing Technology EXOFIELD

The out-of-head localization sound field processing technology EXOFIELD uses our proprietary sound field processing utilizing sound field reproduction technology to create a realistic sound field effect as if the user were listening through a speaker even when listening with headphones. We offer an unprecedentedly new listening experience to our customers.

Business Results and Outlook

Increase in revenue and decrease in profit expected due to investment in new areas in the Entertainment Business

In the fiscal year ended March 2019, the revenue in the Media Service Sector decreased by approximately 200 million yen (0.3%) year on year to 58.795 billion yen, and the core operating income substantially increased by approximately 1.8 billion yen (492.0%) year on year to 2.217 billion yen.

In the Media Business, revenue declined due to a change in the business scheme of the Brand BU in this fiscal year, while sales of headphones and projectors were solid. In the

Entertainment Business, revenue was up due to strong sales of the content business backed by a contribution of large titles, while sales of the OEM business declined. Overall revenue in this business was almost at the level of the previous year.

The core operating income increased significantly. In the Media Business, while revenue declined, a profit surplus was achieved as a result of a change in the sales mix and the effects of cost reduction. The Entertainment Business recorded a higher profit due to a revenue increase.

In the fiscal year ending March 2020, revenue in the Media Business is expected to increase due to the introduction of new products, while in the Entertainment Business, profit will decrease due to the decrease of large titles and planned investment in new areas, although revenue is expected to increase in the business as a whole.

Toward Medium- to Long-Term Growth
Pursue growth with keywords
“cutting-edge products,” “key devices
utilizing technological capabilities,” and
“comprehensive entertainment”

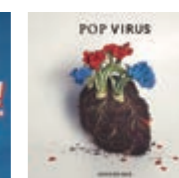
Although the B-to-C business including audio equipment and video cameras continues to face a challenging business environment due to the spread of smartphones, we will work to enhance our brand value through cutting-edge products utilizing audio and visual technology we have cultivated over many years. We will also develop and spread new proposal-style products that help enrich our lifestyles with a focus on the audibility. As part of our sales strategy, we will carry out investment including one in recruitment and development of web marketing personnel in order not only to promote sales at retailers but also to strengthen our measures for online sales.

For projectors in the B-to-B area, we will enhance the satisfaction of existing customers by strengthening a linkage with customer systems through our overwhelming strength in video quality based on such technological trends as 8K/4K, HDR (high dynamic range), and VR. For video cameras centered on CONNECTED CAM™, we will further strengthen our approach to the expanding sport-related markets. For video devices, we will also create key devices for the IoT and 5G era by placing the highest priority on external sales and the development of new applications.

In the Entertainment Business, in addition to strengthening our sound source business, we will further transform ourselves into a comprehensive entertainment business by enhancing our content business including films and games, and expanding our peripheral businesses including management, live events, and merchandising.



Southern All Stars



Gen Hoshino



Sakanaction



Dashcams with Communication Capabilities

Dashcams with communication capabilities are at the core of the telematics solutions we provide, such as those for automobile insurance, ride-sharing services, taxi and trucking companies. We provide high quality image recording as well as new value and services to our customers by offering communication functions that enable the sending of images and location information that only we can provide.

Business Results and Outlook

Aiming at contributing to revenues in FY2019

This entity was established in FY2016 as the Solution Development Office with only four employees, and fully launched as the DX Business Division in April 2019. While it is currently included in "Others" among the accounting segments, its sales of the telematics solution primarily centered on dashcams with communication capabilities are expected to expand sharply in FY2019.

Business Environment and Basic Strategy

Creating new businesses by utilizing our technological and marketing capabilities

The DX* Business Division is taking on the challenge of creating new businesses based on the policy of "Transform into a customer value creator," which is set forth in the Mid- to Long-Term Management Plan, Vision 2020. Because we place emphasis on creating value from customer and social issues rather than sticking to manufacturing, our activities are actively promoting open innovation that makes use of external resources. Of course, the foundation for these collaborations lies in our expertise in a variety of technologies cultivated in the three sectors and our insight into customer issues cultivated through global marketing.

Currently, a variety of business plans are underway in parallel, and one that has already been commercialized is the telematics solution centered on dashcams with communication capabilities. Specifically, we have added driver assistance functions such as a forward collision warning and lane departure warning to dashcams with communication capabilities. They have been adopted by major non-life insurance companies. It can support drivers' safe driving, and in the event of an accident, it automatically sends location information and videos at the time of

shock detection to the call center, enabling non-life insurers to provide prompt and accurate initial responses. We have learnt that accidents are actually decreasing. In the trucking industry, where safety management and labor management are important while the shortage of drivers is a main concern, some vehicles are required to have operation recorders. Accordingly, we developed a system that links our dashcams with communication capabilities to the digital tachograph (digital operation recording system) for commercial vehicles, which enables easier management of operation records, and commenced their sales to transport companies.

In the taxi industry, we are providing our land mobile radio equipment and car navigation systems, which had previously been installed but are now integrated into a single tablet device. At present, we are promoting the development of integrated systems including payment machines and taxi meters. We also started working with taxi companies and IT companies to develop new call center systems using the cloud, next-generation taxi-hailing systems linked to smartphone taxi-hailing apps for customers, and automated taxi-hailing platforms beyond them. As for ride-sharing and car-hailing apps, on the other hand, the U.S. and Southeast Asia are ahead of Japan in terms of social implementation. In April this year, we launched a security service for drivers in Indonesia using dashcams with communication capabilities in partnership with Grab Holdings Inc., the leading car-hailing service company in Southeast Asia.

*Digital transformation



Toward Medium- to Long-Term Growth

Focusing on acquiring and developing human resources necessary for new businesses

By promoting the telematics solutions in society, we can contribute to solving a variety of mobility-related issues for stakeholders, such as ensuring passenger safety, improving the quality of insurers' response in the event of an accident, and improving management efficiency of trucking companies.

Our Division has launched the telematics solution business, keeping in mind "Transform into a customer value creator," which is one of the company's management policies. In parallel with its expansion, we are advancing our efforts toward creation and development of new DX businesses in other areas and fields. In addition, we hope to achieve sustainable growth while demonstrating our presence overseas by building new business schemes and offering solutions that address issues specific to each region, like the collaboration with Grab. Along with the one that has achieved successful commercialization in the automotive area, we will aim at independence and growth as the fourth pillar by expanding our businesses in new fields.

It is also important to enhance human resources for growth. The DX Business Division is currently working to rapidly strengthen its structure and will continue to secure and develop human resources in areas such as AI, big data analysis, and healthcare.