Corporate Vision

Creating excitement and peace of mind for the people of the world

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Management Principles
Transform into a customer value creator
Evolve as a technology based company
Contribute to a sustainable society through our business
We will continue to provide value to realize “excitement and peace of mind” for stakeholders around the world utilizing the driving force of the three management principles.

The JVCKENWOOD Group has adopted “Creating excitement and peace of mind for the people of the world” as its corporate vision. To realize this vision, the Group must manage its business in a balanced manner, responding flexibly and promptly to changes in market trends for each product and service it deals with, while at the same time, maintaining unchanging values, and making decisions from a medium- to long-term perspective.

To put this philosophy into practice, the Group established the Mid- to Long-Term Management Plan Vision 2020 in 2015, and launched reforms under the banner of “Transformation into a customer value creator.” In addition, in 2018, we conducted an interim report, adding “Evolve as a technology based company” and “Contribute to a sustainable society through our business.” We have set these three policies as our new management policies to realize our corporate vision and further enhance our corporate value.

“Customer value creator” means that the Company goes beyond manufacturing as a manufacturer to develop business concepts based on the needs of customers to whom the Company provides its products and services, and then to become a problem-solving company by providing solutions, bringing together the wisdom of both internal and external entities. “Technology based company” shows the Group’s strong commitment to introducing leading-edge elemental technologies spanning various businesses including AI, IoT and 5G, into the Group, utilizing both intellectual property and technology strategies centered on its core technologies of visual, audio and communications systems to create customer value. Furthermore, “Contribute to a sustainable society through our business” is a concept that focuses on social issues as well as customer needs, and seeks to identify opportunities for long-term growth through the technologies, products and services that emerge in the process of solving those issues. Professional radio systems, dashcams and healthcare equipment that utilize the Group’s core technologies are directly related to the “peace of mind” stated in our corporate vision. We are confident that these products will be a powerful solution for realizing the sustainability demanded by the international community and for achieving the United Nations’ SDGs.

The corporate manager’s mission is to create value that is unique to JVCKENWOOD utilizing these three management principles as the driving force, and to develop human resources with the eagerness and ability to continuously enhance that value, as well as knowledge about compliance, and other matters. We also believe that it is important to create a workplace that is, even if only slightly, more rewarding to employees and officers who perform well in the workplace sharing our corporate vision, and an organizational structure that enables transparent and effective governance and decision-making.

Through a variety of initiatives, the JVCKENWOOD Group consistently aims to build deep relationships of trust with all of our stakeholders, and to manage the corporate group so that we can share the joy of growth into the future.

Shoichiro Eguchi
Representative Director of the Board, President and CEO
We have constantly taken on the challenge of creating new value that transcends our history and domain.

JK 1.0 1920–2007

The era of Victor Company of Japan (VJC) and Kenwood Corporation operating as separate companies
Achieved growth as a global company through creation of technologies and cultures

Victor Company of Japan, Limited
1927 Established Victor Talking Machine Company of Japan, Limited
1939 Produced the first TV receiver in Japan
1958 Launched the L-10L, the first stereo LP and stero set in Japan
1972 Established Victor Musical Industries, Inc. (current JVC/KENWOOD Victor Entertainment Corp.)
1976 Launched the HR-330, the world’s first high-definition video recorder
1986 Launched the GR-C7, the world’s smallest and lightest VHS-C video camera
1991 Launched the GR-DV1, the world’s first-pocket-digital camcorder
2003 Launched the EX-A1, a compact camcorder
2007 Launched the Everio GZ-HD7, the world’s first full HD hard disk camcorder for consumers

Kenwood Corporation
1946 Established Kaqua Radio Co., Ltd.
1957 Japan exporting the PA-100 FM tuner for the first time as a Japanese manufacturer
1960 Renamed the Electronics, Inc.
1978 Entered the professional radio equipment field in Japan
1980 Entered the car audio field in the U.S. and launched the KENWOOD brand’s car audio system in Japan
1986 Renamed Kenwood Corporation
1991 Official supplier contract with McLaren F1 Team. Developed and began to supply communications systems for the McLaren F1 Team’s exclusive use
1992 Entered the car navigation system field, launching the KNV-100, the industry’s first head-up display-type GPS navigation system
2007 Converted Zenith, Inc., a U.S. systems-based communication company into a subsidiary of JVC/KENWOOD

JK 2.0 2007–2016

Management integration and structural reforms
Developed corporate infrastructure and built a foundation for the future growth of the next generation

2007 Jul. Victor Company of Japan, Limited (VJC) and Kenwood Corporation (Kenwood) entered into an agreement on a capital and business alliance
2008 Oct. JVCKENWOOD Holdings, Inc., through a stock transfer, JVC KENWOOD’s shares were listed on the First Section of the Tokyo Stock Exchange
2009 Dec. Launched the MDV-313, the first car navigation system for which the same JVC and Kenwood platform was adopted
2011 Feb. Launched the MDV-727/DT and MDV-626 DT, first-generation Satellite-Navi devices that achieved high resolution and high-speed response
Aug. JVC KENWOOD Holdings, Inc. changed its name to JVCKENWOOD Corporation
2013 Mar. Launched the DLA-V450BD, the world’s first mass-production model of the professional-use DL-A projector, which features an 8K high-definition display
Jun. Converted Shinwa International Holdings Limited (now JVC/KENWOOD Hong Kong Holdings Ltd.), an in-car device manufacturing company in Hong Kong, into a consolidated subsidiary
Jul. Took over all of the shares of TOTOKU Nagako Corporation through an absorption-type corporate split from TOTOKU Electric Co., Ltd. and changed the corporate name from TOTOKU Nagako to JVC KENWOOD Nagako Corporation
Sep. Launched the NX-5000 series, the NEDEXGE series of multi-mode digital radio systems compatible with the P25 standard
Dec. Launched the KNA-DR300, a full HD dashcam that enables high-resolution video recording into the dashcam memory
2015 Apr. Converted AVX Industries, S.p.A., a European in-vehicle component company, into a consolidated subsidiary
May Formulated Vision 2020, the new Mid- to Long-Term Management Plan that looks ahead to fiscal 2020
2016 Mar. Commenced a joint development of diagnostic instrument for the measurement of exosomes with Synnex Corporation
Apr. Established JVCKENWOOD Public & Industrial Systems Corporation, aiming to expand the Professional Systems Business

JK 3.0 2016–2018

Evolved into a customer value creator by changing traditional management methods incorporating corporate cultures

2016 Jul. Commenced a development assistance project for Multi Use Monitor wireless stereo headset by using crowdfunding
Oct. Developed the world’s smallest 0.69-inch 4-LCD display
Oct. Launched the WOOD series of single-lens flash cameras, which feature wooden dome dials
2017 Mar. Announced the development of DIXCEL, an out-of-head localization sound field processing technology which enables reproduction and localization of the sound field of speakers in a listening room with headphones
Mar. Redefined the Victor brand to commemorate the 90th anniversary of the founding of the former Victor Company of Japan, Limited (VJC)
Mar. Acquired Certification as an Organization Contributing to National Resilience (Resilience Certification)
Aug. Signed a memorandum of operational collaboration with Sanwa Koutsu toward the development and introduction of a taxi dispatch system
Nov. Launched the DLR-V9R, a dashcam with a 3.7 megapixel image resolution, approximately 1.8 times that of full-HD vision
2018 Jan. Acquired all the shares issued by Italy-based Radio Activity S.r.l., a developer and seller of digital radio relay systems that are already using Digital Mobile Radio (DMR) or an international digital radio standard
Jan. Announced Progress and Revised the Mid- to Long-Term Management Plan Vision 2020 launched in 2015
Mar. Recognized as a White 500 company under the 2018 Vision and Health Promotion Management Recognition Organization Certification

JK 3.1 2018–2019

Aim to achieve further development based on the new Management Principles under the new management structure

2018 Mar. Awarded the highest level Ebruichi certification under the Act on Promotion of Women’s Participation and Advancement in the Workplace
Apr. Developed the new Management Principles and Action Guidelines under the new management structure
Apr. Announced the JY-CH300, the first high-end professional camcorder under the new CONNECTED CAM™ concept
May Acquired all the shares issued by Germany-based Rein Medical GmbH, a developer and seller of Operating Room (OR) imaging solutions
May Developed a communication dashcam for the truck transportation industry in preparation for entering the commercial logistics field
Jun. Reproduced a limited-edition high-grade RJ-3000 music box to commemorate the 90th anniversary of the founding of Victor Company of Japan, Limited (VJC)
Aug. JVCKENWOOD dashcam with communication capabilities and adopted by leading life and health insurance company for use with car insurance policies with dashcams
Sep. Announced the DLA-V9R, the first DLA projector for home theaters with 8K display support (as of September 13, 2018)
Oct. Established Creative Nanosystems Corporation, a company that develops and manufactures medical devices using micro and nano-fabrication technology, jointly with Sysmex Corporation
Oct. Launched the DRV-MR740, a front and rear camera dashcam that supports simultaneous Front and rear recording
Oct. Received a Gold rating, the highest in the Pmor Index, an evaluation index for initiatives regarding LGBT employees
Oct. Provided Softbank Corp. with tough, all-weather hand-held professional IP radios with LTE support
Dec. Concluded agreement for a share acquisition and a capital and business alliance with Tait International Ltd., a professional radio communications company in New Zealand
2019 Jan. Launched JVCKENWOOD Accelerator 2019, an innovation program aimed at creating new businesses with startups
Apr. Commercialized a security service for drivers that uses dashcams with communication capabilities for Grab, Southeast Asia’s top car-hailing service

Action policy for Vision 2020

• From product sales to solutions
• From a sales company to an operating company
• From closed innovation to open innovation
• Evolution into a technology based company
• Initiatives designed to increase the brand value
• Initiatives designed to solve social issues through business activities
## Financial Highlights

### Revenue

<table>
<thead>
<tr>
<th>(Million yen)</th>
<th>FYE 3/'17</th>
<th>FYE 3/'18</th>
<th>FYE 3/'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>300,000</td>
<td>297,890</td>
<td>306,687</td>
<td>307,627</td>
</tr>
</tbody>
</table>

Revenue ¥307.6 billion (+2.3%)

### Operating profit (loss)

<table>
<thead>
<tr>
<th>(Million yen)</th>
<th>FYE 3/'17</th>
<th>FYE 3/'18</th>
<th>FYE 3/'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>6,937</td>
<td>7,263</td>
<td></td>
</tr>
</tbody>
</table>

Operating profit ¥7.3 billion (+4.7%)

Both revenues and profits increased for the second consecutive year.

### Interest-bearing debts

<table>
<thead>
<tr>
<th>(Million yen)</th>
<th>FYE 3/'17</th>
<th>FYE 3/'18</th>
<th>FYE 3/'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>30,000</td>
<td>30,198</td>
<td>30,468</td>
<td>30,685</td>
</tr>
</tbody>
</table>

Although interest-bearing debts increased from the previous fiscal year due to an increase in long-term loans payable, net debts declined slightly.

### Net debt

<table>
<thead>
<tr>
<th>(Million yen)</th>
<th>FYE 3/'17</th>
<th>FYE 3/'18</th>
<th>FYE 3/'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>30,000</td>
<td>32,196</td>
<td>32,468</td>
<td>32,685</td>
</tr>
</tbody>
</table>

### Ratio of equity attributable to owners of the parent company

<table>
<thead>
<tr>
<th>(%)</th>
<th>FYE 3/'17</th>
<th>FYE 3/'18</th>
<th>FYE 3/'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.01</td>
<td>21.1</td>
<td>24.7</td>
<td>24.7</td>
</tr>
</tbody>
</table>

Basic earnings per share (EPS) ¥25.00 (+45%)
JVCKENWOOD Corporation will continue to evolve into a Customer Value Creator, which provides solutions to customers in the Automotive, Public Service, and Media Service sectors, as well as through the DX Business Division, which provides solutions that cut across the boundaries between business fields.

## Business Overview

**Automotive Sector**
(Aftermarket Business and OEM Business)

- Car navigation systems
- Dashcams
- In-vehicle devices
- Car speakers

**DX Business**
(Digital Transformation)

- Dashcam with communication capabilities
- Gaze find, a gaze tracking system

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

- Professional radio systems
- Security systems
- Gazefinder, a gaze tracking system
- Medical image display monitors

**Media Service Sector**
(Media Business and Entertainment Business)

- Professional video cameras
- Headphones & Earphones
- Projectors
- Audio & video contents

### Sales Composition for FYE 3/’19

- Automotive Sector: 55.1%
- Public Service Sector: 23.1%
- Media Service Sector: 19.1%
- Others (DX Business, etc): 2.7%
Promoting a multi-brand strategy to enhance the Group’s corporate value by clarifying the role, ideals, and vision of each brand.

<table>
<thead>
<tr>
<th>Basic Concept</th>
</tr>
</thead>
<tbody>
<tr>
<td>The JVCKENWOOD Group is shifting its stance as a conventional manufacturer/distributor to a Customer Value Creator that is more focused on solving customer issues. To achieve this level of customer value creation, each brand will be an important management resource in boosting the expectations, satisfaction and trust of various stakeholders including customers, shareholders/investors, business partners and job seekers.</td>
</tr>
</tbody>
</table>

With this concept, the JVCKENWOOD Group has several product brands under the corporate brand umbrella of JVCKENWOOD and is fostering a multi-brand strategy to clarify the role and value of each brand. Our aim is to enhance the corporate value of each brand, which will in turn raise that of the entire Group, through consistent demonstration of customer experiences that exhibit the values promised to our stakeholders.

<table>
<thead>
<tr>
<th>Brand System</th>
</tr>
</thead>
<tbody>
<tr>
<td>The three brands under the corporate brand communicate the value of customer experience through each vision, “imagination that magnifies human senses,” “precision that exceeds limits,” and “exploring the new era with pride.”</td>
</tr>
</tbody>
</table>

The corporate brand represents JVCKENWOOD Corporation and the JVCKENWOOD Group.

The three product brands developing our business activities:

- **JVC**: “Imagination that enhances human sensation”
- **KENWOOD**: “Precision that exceeds limits”
- **Victor**: “Exploring a new era with pride”

JVC is highly regarded for its distinctive products and technical proficiency in the areas of both audio and visual. JVC constantly strives to generate fresh ideas to heighten the senses and provide a richness of life.

The KENWOOD brand is highly regarded by the market for its sharpness, innovativeness, and high quality. It exceeds limits with a sharp pioneering sight and thinking.

The Victor brand develops products and services that transcend conventional frameworks. With great pride in our history of cultivated innovations and with our progressive curiosity in audio and visual, we can create a whole new era.

<table>
<thead>
<tr>
<th>Branding Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>We appoint ambassadors and conduct sponsorship activities to promote the philosophies of each brand, in addition to our core products and services. Capitalizing on the strengths of our product brands allows us to maximize the corporate value of the entire Group.</td>
</tr>
</tbody>
</table>

**JVC**

**Appointment of Ambassadors**

Based on the brand vision “imagination that magnifies human senses,” we will improve brand value by selecting active athletes to be our ambassadors.

**KENWOOD**

**Sponsorship Activities for Motor Sports**

We are currently promoting sponsorship activities around the world for top-class motor sports. With the refinement of our business and brand in the extreme environment of the racetrack, we are well on our way to achieving the brand vision, “precision that exceeds limits.”

**JVC**

Official supplier for MotoGPTM

Our DMR digital radio system is used to facilitate management communication for the world’s greatest motorcycle race, MotoGPTM. It has become an indispensable communication tool for 200 to 300 management staff at every Grand Prix and has overcome many obstacles to be recognized as a highly reliable brand.

**KENWOOD**

Onboard camera developed for SUPER GT

We have supplied official onboard cameras to a total of 23 race cars for TV broadcasting since 2014, including all GT500 class cars of the SUPER GT series, the highest level GT car race in Japan. In 2019, we launched an even more compact and lightweight new camera that reduces distortions, offers higher definition video and ensures durability and sturdiness under severe environments.

**Victor**

**Products and Services Created Based on Commitment**

The Victor brand is evolving with the aspiration of “exploring a new era with pride.” In the field of audio, we amaze customers with our products, services, and solutions that are created with a commitment to the development of sound based on the concept of searching for original sounds.
Delivering products and services rooted in local communities through our development, production, and sales networks in the five global regions.

### Asia-Pacific

#### Operation Companies
- JVCKENWOOD (China) Investment Co., Ltd.
- JVCKENWOOD Hong Kong Ltd.

#### Principal Affiliated Companies
- JVCKENWOOD Hong Kong Holdings Limited
  - Manufacture and sales of automotive equipment, and contract manufacturing sensor electronics devices

#### Manufacturing Companies
- Shanghai Kenwood Electronics Co., Ltd.
  - Automotive equipment

### China

#### Operation Companies
- JVCKENWOOD (China) Investment Co., Ltd.
- JVCKENWOOD Hong Kong Ltd.

#### Principal Affiliated Companies
- JVCKENWOOD Hong Kong Holdings Limited
  - Manufacture and sales of automotive equipment, and contract manufacturing sensor electronics devices

#### Manufacturing Companies
- Shanghai Kenwood Electronics Co., Ltd.
  - Automotive equipment

### EMEA

#### Operation Companies
- JVCKENWOOD Europe B.V. (Located in Holland)
- JVCKENWOOD U.K. Limited
- JVCKENWOOD Italia S.p.A.
- JVCKENWOOD Deutschland GmbH
- JVCKENWOOD RUS Limited Liability Company
- JVCKENWOOD Gulf Fze

#### Principal Affiliated Companies
- ASK Industries S.p.A.
  - Development, manufacture and sales of professional radio systems
- Radio Activity S.r.l.
  - Development and sales of professional radio systems
- Rein Medical GmbH
  - Development, sales and implementation of operating room imaging solutions

#### Manufacturing Companies
  - Communications equipment
- JVCKENWOOD Electronics (Thailand) Co., Ltd.
  - Automotive equipment
- JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.
  - Automotive equipment
- PT. JVC Electronics Indonesia
  - Automotive equipment

### Japan

#### Operation Companies
- Head Office & Yokohama Business Center
  - Optical components
- Hachioji Business Center
  - Optical components and projectors
- Yokosuka Business Center
  - Optical components and projectors

#### Manufacturing Sites and Manufacturing Companies
- Head Office & Yokohama Business Center
  - Optical components
- Hachioji Business Center
  - Optical components and projectors

#### Principal Affiliated Companies
- JVCKENWOOD Victor Entertainment Corporation
  - Planning, production and sales of audio and video software, live concert business, game business, studio business, etc.
- JVCKENWOOD Creative Media Corporation
  - Development, manufacture and sales of recorded optical disks, and manufacture and sales of medical machinery and appliances
- JVCKENWOOD Public & Industrial Systems Corporation
  - Development, manufacture, sales, installation, maintenance, and maintenance of professional imaging, audio and commercial equipment and system solutions
- JVCKENWOOD Video Tech Corporation
  - Production, editing, localizing and sales of audio and video, digital operations, and event planning and operation
- JVCKENWOOD Service (Japan) Corporation
  - Affiliates services of audio and imaging equipment
- JVCKENWOOD Engineering Corporation
  - Development and design of software and hardware
- JVCKENWOOD Design Corporation
  - Planning and production of designs
- JVCKENWOOD Partners Corporation
  - Undertaking of welfare program, general, personnel, accounting and other affairs, sales of goods, tour business, and building construction and contract

### Americas

#### Operation Companies
- JVCKENWOOD USA Corporation
- JVCKENWOOD Canada Inc.
- JVCKENWOOD Latin America, S.A.

#### Principal Affiliated Companies
- Zetron, Inc.
  - Development, production and sales of communications systems and equipment
- EF Johnson Technologies, Inc.
  - Development, manufacture and sales of professional radio systems

### Global Business Development

- Development and sales of professional radio systems
- Development, sales and implementation of operating room imaging solutions
- Development, manufacture and sales of automotive equipment
- Projector, video cameras, AV accessories, home audio, etc.
- Land mobile radio, video surveillance equipment, etc.
- D-ILA devices, laser diodes, etc
- Optical components
- CD and DVD discs (prerecorded)
- After-sales services of audio and imaging equipment
- Planning, production and sales of optical disk, and manufacture and sales of medical machinery and appliances
- Development, manufacture, sales, installation, maintenance, and maintenance of professional imaging, audio and commercial equipment and system solutions
- Production, editing, localizing and sales of audio and video, digital operations, and event planning and operation
- Affiliates services of audio and imaging equipment
- Development and design of software and hardware
- Planning and production of designs
- After-sales services of audio and imaging equipment
- Development and design of software and communications equipment
- Development, production and sales of communications systems and equipment
- Development, manufacture and sales of professional radio systems