
JVCKENWOOD Begins Full Transfer of Production of Car Navigation Systems for Domestic Market to JVCKENWOOD Nagano

Maximizing product supply efficiency and strengthening the supply chain
by returning to domestic production

Yokohama, October 29, 2021—JVCKENWOOD Corporation ("JVCKENWOOD") will begin the full transfer of the production of the Saisoku Car Navigation System equipped with audiovisual functions ("Saisoku Navi") for the domestic aftermarket to JVCKENWOOD Nagano Corporation ("JK Nagano") in January 2022. JVCKENWOOD will also gradually transfer the production of car navigation systems for the Japanese market, which it develops for domestic automakers, aiming to establish a production system of 500,000 units in the medium term.



Background of the production transfer

Various geopolitical risks have emerged due to the global expansion of COVID-19, such as disruptions in supply chains including logistics, shortage of parts supply due to deteriorating supply-demand balance of semiconductors, and trade friction between the U.S. and China. There is also a need to strengthen measures for vehicle cyber security that will be important in the future as automated driving becomes mainstream in society.

Under these circumstances, JVCKENWOOD formulated the medium-term management plan VISION 2023, in May 2021. To realize "Creating value through Monozukuri" set as one of the new management principles, the Company aims to consolidate the production bases to a scale that is commensurate with its total production volume and man-hours, focusing on promoting automation at the production bases, returning to domestic production, and building a supplier ecosystem.

Details of the production transfer and future initiatives

Against the backdrop of the above, JVCKENWOOD has decided to begin the full transfer of production of the Saisoku Navi for the domestic aftermarket from the Company's factory in Indonesia (PT. JVC Electronics Indonesia) to the factory in Japan (JK Nagano) in January 2022. JVCKENWOOD will also gradually begin to transfer the production of car navigation systems for the Japanese market, which are sold to domestic automakers, from its Shanghai factory (Shanghai Kenwood Electronics Co., Ltd.) to the factory in Japan (JK Nagano). In the medium term, JVCKENWOOD targets to increase production to 500,000 units, five times the current production volume of 100,000 units. JVCKENWOOD aims to maximize product supply efficiency by shortening the lead time from production to sales and strengthening cost competitiveness through local production for local consumption by returning to domestic production. At the same time, the Company aims to expand the business with automakers in Japan by consolidating production at JK Nagano, which is a designated factory of domestic automakers.

In line with this move, JK Nagano invested in equipment using subsidies based on Nagano Prefecture Industry Investment Support Grant, and introduced an automated assembly, adjustment, and inspection system. Starting with the 2022 year model of the Saisoku Navi for the domestic aftermarket, JVCKENWOOD will overhaul the basic design to accommodate this system, thereby promoting the enhancement and sophistication of the production engineering functions.

JVCKENWOOD will continue to strengthen the supply chain of design, procurement, production, and sales by reorganizing and consolidating the production bases in line with "Change for Growth," the basic strategy of VISION 2023.