

JVC Kenwood Group

Social & Environmental Sustainability Report 2010

About this report

This report was created as a communications tool to deepen understanding by disclosing easily understandable information to all stakeholders regarding JVC Kenwood Group involvement in corporate responsibility, and its results.

Detailed information on our financial status is available in our Annual Report.

● Online publications

You can also access this report from our homepage.

<http://www.jk-holdings.com/csr/index.html>

Parts marked with the following symbol in the text are available online.



● Scope of this report

This report is published by JVC KENWOOD Holdings, and describes the activities of group and affiliated companies both in Japan and abroad.

The description of activities of J&K Car Electronics Corporation includes the activities of both operating companies.

● Period covered by this report

April 2009 to March 2010 (including some details of FY2010).

● Published

August 2010 (next publication scheduled for August 2011).

● Reference materials

GRI Sustainability Reporting Guidelines 2006

Environmental Reporting Guidelines from the Japanese Ministry of the Environment (FY2007)

Table of Contents

4	Corporate Vision and Course of Action Concept of Corporate Social Responsibility —
5	Group Overview —
6	Top Management Message —
8	Business Introduction —
10	Feature Story 1 Eco-design Activities
12	Feature Story 2 Developing Car Navigation Systems that Make Life in Your Car Wonderful
14	Feature Story 3 Making Business More Efficient by Combining Digital Wireless Technology and Image Compression Technology
16	Feature Story 4 Home AVC and a New Network Service Create a New Lifestyle
18	Corporate Governance —
20	Social Report
20	Stakeholders —
21	Working with Our Customers —
	Interacting with Customers in Showrooms21
	Giving our Customers Peace of Mind22
	Improving Customer Satisfaction24
	Producing Cool Products25
27	Working with Our Suppliers —
28	Working with Our Employees —
	Expanding Quality Month Activities in the Group28
	Education and Training Programs that Foster a Spirit of Craftsmanship28
	Health and Safety30
31	Acting Locally —
34	Environmental Report
	Environmental Philosophy and Policies34
35	Environmental Management —
	Environmental Board35
	Acquisition of Internal Environmental Standard ISO 14001 Certification35
36	Promoting a Voluntary Environmental Action Plan —
38	Making Products Environmentally Friendly —
	Green Products38
	Promotion of Global Chemicals Management41
	Product Recycling (in Japan)42
	Product Recycling (Outside Japan)43
44	Making Our Offices Green —
	Global Warming Countermeasures44
	Resource Protection and Effective Use45
	Reducing Materials That Impact the Environment46
	Preservation of Water Resources46
	Reducing Environmental Risks47
	Environmental Accounting48
49	History of Environmental Activities

Corporate Vision

“Realize the unconventional (Katayaburi wo katachi ni)”

Course of Action

“Perpetual reform centered on each and every individual”

We determined this corporate vision to include concepts held in common in JVC’s Brand Statement, “The Perfect Experience,” and in Kenwood’s corporate vision, “Reaching out to discover, inspire and enhance the enjoyment of life.” Moreover, we determined the course of action as a code of behavior for sharing and realizing the corporate vision by all of the employees of the Group. Under the corporate vision and course of action, we will create new and unconventional added-value and evolve into a corporate group that provides customers with incomparable experiences they have never before experienced.

Concept of Corporate Social Responsibility

Promoting corporate activities that place no burden on society

While businesses provide people with useful products, services, and employment opportunities, they also create burdens on society. Environmental and social problems are closely related to businesses, particularly for manufacturers because of the waste, pollution, massive consumption of resources and energy, and population concentrations that are associated with the manufacturing process.

However, our society would no longer exist if we got rid of businesses.

In the JVC Kenwood Group, we are promoting manufacturing processes that provide “feeling, warmth, and safety,” because we believe one part of a corporation’s operations is to reduce its burden on society, based on our corporate vision by focusing on the fact that, “The very existence of businesses is a burden on society.”



JVC Kenwood Group’s social responsibilities are supported by four elements to reduce the burden on society.

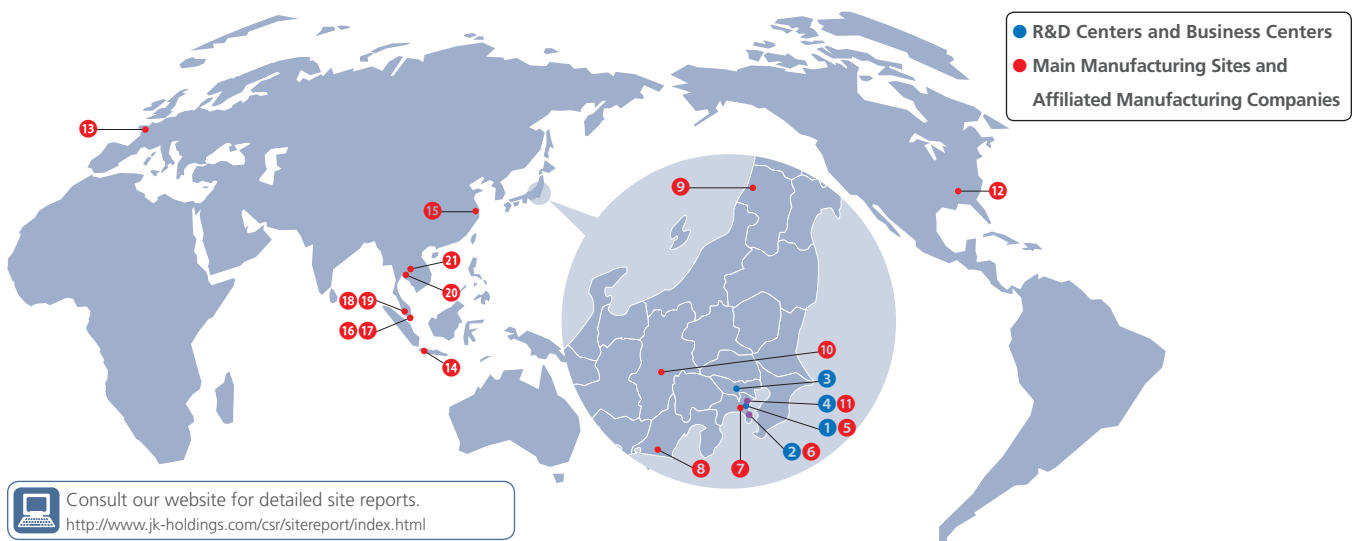
Overview of JVC Kenwood Group

Current as of end of March 2010

JVC Kenwood Group comprises a joint holding company and three operating companies, and is leading the industry by combining its entertainment business with its imaging, audio, and wireless technologies.



Main Sites of the JVC Kenwood Group



R&D Centers and Business Centers

- 1 JVC Head Office & Yokohama Plant
- 2 JVC Kurihama R&D Center
- 3 Kenwood Hachioji Business Center
- 4 Kenwood Yokohama Business Center

Global Affiliated Manufacturing Companies

- | | |
|-----------|--|
| USA | 12 JVC America, Inc. |
| France | 13 Kenwood Electronics Bretagne S.A.* |
| Indonesia | 14 P.T. JVC Electronics Indonesia* |
| China | 15 Shanghai Kenwood Electronics Co., Ltd.* |
| Singapore | 16 JVC Electronics Singapore Pte., Ltd.* |
| | 17 Kenwood Electronics Technologies (S) Pte., Ltd. |
| Malaysia | 18 JVC Manufacturing Malaysia Sdn. Bhd. |
| | 19 Kenwood Electronics Technologies (M) Sdn. Bhd.* |
| Thailand | 20 JVC Manufacturing (Thailand) Co., Ltd. |
| | 21 JVC Optical Components (Thailand) Co., Ltd. |

* J&K Car Electronics Corporation Affiliated Manufacturing Companies

Main Japanese Manufacturing Sites and Affiliated Manufacturing Companies

- 5 JVC Head Office & Yokohama Plant
- 6 JVC Yokosuka Plant
- 7 Victor Creative Media Co., Ltd.
- 8 Victor Interior Furniture Co., Ltd.
- 9 Kenwood Yamagata Corporation (Yamagata Plant)
- 10 Kenwood Nagano Corporation (Nagano Plant)*
- 11 Kenwood Devices Corporation

Affiliated Sales Companies

53 companies

Major Management

Indicators (consolidated)
(millions of yen)

	1st quarter 2010
Sales	398,663
Operating profits	△6,453
Net profits	△27,795

Other Main Global Affiliated Companies

15 companies

Other Main Japanese Consolidated Affiliated Companies

24 companies

Message from the President

Recognizing Our Responsibility to Reduce Our Burden on Society

JVC KENWOOD Holdings, Inc. was established as the joint holding company of Victor Company of Japan, Limited and Kenwood Corporation on October 1, 2008. Currently, the JVC Kenwood Group is developing business centered on three operating companies: Victor Company of Japan, Limited, Kenwood Corporation, and J&K Car Electronics Corporation.

While leveraging the individual strengths in video, audio, wireless, and on-board vehicle technologies held by each operating company, we are boosting competitiveness and profitability by realizing the effect of our synergy as a group and by developing a new business foundation as a consolidated business.

In FY2009, NEXEDGE® expanded our market share in the field of Kenwood digital business wireless devices in America, the EU, Asia, and Chinese regions. Further, in aftermarket car electronics, Kenwood CD receivers became number one for their revenue share of the American market, and JVC (the overseas brand of Victor Company of Japan) CD receivers became number one for unit share.

In the European market, JVC and Kenwood's on-board vehicle devices both won the prestigious "EISA Award*," and were well regarded in the market.

Both in and outside Japan, each operating company is trusted by its customers. For example, JVC won the grand prize for video cameras and audio equipment in a contest sponsored by a specialist magazine. In addition, we are striving to develop and design products that can be bought with confidence and are highly regarded for both their quality and performance.

In the international community, environmental problems on a global scale are a major issue, and among the heads of state attending the UN General Council meeting in September 2009, global warming countermeasures were adopted as the most important issue. Environmental problems are an extremely important issue even for corporate activities, such as energy conservation and the suitable management of chemical substances, etc. JVC Kenwood Group products are designed to reduce the environmental burden, and in future, we will promote the development of business that aims for a cyclical social configuration that considers the global environment such as the disposal of harmful chemical substances, the effective use of resources, and energy conservation.

JVC KENWOOD Holdings, Inc.
Chairman, President, and CEO
Environment Board Chairperson

河原春郎

* "EISA Award": An acronym for the European Imaging and Sound Association; the best model by category is chosen from among visual-related devices launched each year by a selection committee of photo, video, and audio specialist magazines from 19 European countries, making this one of the most prestigious awards in the world.

- JVC's 1-DIN DVD/CD/USB receiver "KD-AVX77" won the In-Car Head Unit Award 2009-2010
- Kenwood's "DNX9240BT" Satnav won the In-Car Navi-Media System Award 2009-2010
- Kenwood's "KAC-X4D" car digital amplifier won the In-Car Amplifier Award 2009-2010

Promoting Environmentally Conscious Designs

The JVC Kenwood Group is promoting products designed for the environment that use less energy and are made based on the 3Rs (reduce, reuse, and recycle) by considering the product life cycle from product design to production, sale, use, and disposal. We aim to cause zero risk to the environment through our system of environmental management. To do this, we are putting our energy into creating products that are lighter, use less energy, are an effective use of resources, and use no harmful chemicals.

Satisfying Customer Expectations of Reliability

The JVC Kenwood Group is developing products, which are highly regarded around the world for their quality, performance, and design, to bring new sensations and style to our customers' lives.

We maintain our customers' trust by supporting the environmental regulations being established around the world, eliminating harmful chemicals, publically announcing compliance with regulations, and providing information about recycling that people need.

Further, by considering the true meaning of our involvement as a company locally and in society, we are aiming for corporate citizens who are trusted by local residents through our positive involvement in activities that contribute to society.

We thank everyone who has supported and cooperated in the business activities of the JVC Kenwood Group, such as customers and trading partners.

Promoting the Reduction of the Burden on Society

The JVC Kenwood Group is continuously creating new added value through our involvement in business management with a sense of responsibility towards the lofty goals we have raised for ourselves to meet the needs of society by fulfilling our legal, environmental, and social responsibilities.

Since the start of the 21st century, various social problems, starting with environmental problems, have become issues on a global scale, and countermeasures are being sought. JVC Kenwood Group recognizes that global resources are limited, and strives to develop products that consider low carbon, the effective use of resources, and safety as a company that is developing business worldwide. Taking our mission to be to leave a better society and environment to the next generation, we are contributing to the realization of a sustainable society.

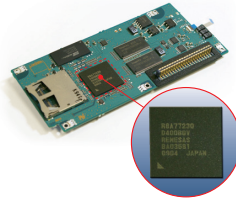


Business Introduction

JVC Kenwood Group thoroughly recognizes lifestyle changes, and identifies reducing the burden on society as one part of our corporate operations using JVC's and Kenwood's cutting-edge technologies and unique ideas to promote manufacturing processes that provide "feeling, warmth, and safety."

Car Electronics Business

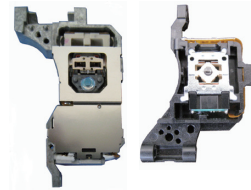
"Leading the car AV market through products that enable all media to be enjoyed with the highest quality sound"



All-in-one navigation and entertainment systems
Navigational developments



Car audio



On-board optical sensor



On-board optical disk drive mechanisms

Home and Mobile Electronics Business

Presenting a space and time filled with sensations through high quality audio and visual technologies cultivated over many years

Digital Imaging Business



Development of video cameras and office video cameras



Projectors

Home Entertainment Business



Home audio



AV accessories

Office Systems Business

“Supporting customer business and safety with high reliability and service”



Digital Land Mobile Radio



3D monitor for business



Emergency and office broadcasting equipment



Digital office wireless devices



3D imaging processor for business



CCTV systems

Entertainment Business

Contributing to culture by offering dreams and emotions through numerous high-quality products across a wide range of video and music software genres

Fulfillment Business



Recording studio



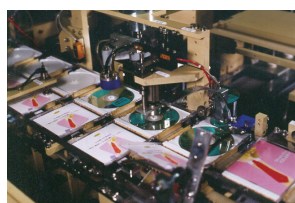
Video and music mastering



Packaged product management



Control room
Music and video software creation



CD, DVD, and BD manufacturing



Nationwide distribution



Eco-design Activities

Designers in the JVC Kenwood Group are studying eco-designs that are environmentally- and people-friendly making it possible to introduce sustainable manufacturing practices that are done with feeling and warmth.

Searching for designs that are uplifting and exciting to raise people’s awareness of environmental problems. Going beyond just materials and shapes to see the soft aspects of production for eco-designs that touch our hearts.

Designs can “Change our sense of value” of people and things.

Designs can “Respond to our needs” by interacting with people.

Designs can “Send a message” to our hearts.

Developing Environmentally-low-impact Eco-designs

In our efforts for “Eco-designs that do not burden the environment,” we consider all aspects of the customer-product relationship based on a “Life-cycle ecology,” which goes from production, to delivery, to making our customer’s lives more enjoyable, and then to the eventual disposal of the product.



Sharing information in a workshop for a joint proposal on new lifestyles with eco-designs

the natural world with a view to vitalizing the world’s resources. We are studying processes to stimulate all five senses to smoothly raise people’s awareness about the environment. Through our research on-site in forests, we are aiming to create eco-designs that can touch people’s hearts with the importance of the natural environment.



Collecting sounds heard in the forest for research in processes we experience with all five senses



Studying Eco-design from the Natural Strength of Life

We are researching products and services that provide the experience of the natural strength of life and the grandeur of our planet. This means recognizing the importance of protecting

Researching Eco-design on a Global Scale

With a global outlook, we are taking the lead with hands-on activities collecting raw information from local areas and environmentally-aware people in countries with advanced environmental protection policies. Teaming with locally-based designers, we are working creatively to develop eco-products that will be accepted globally.

In the future, we will be researching eco-designs for more environmentally friendly products, packaging materials, and efficient production and distribution methods to eliminate the burden on the environment. In addition, aiming for eco-designs that inform our customers, as they use them, of the importance of the environment in our efforts to develop new life styles and manufacturing systems.



German students discussing the environment

Eco-designs Propose New Life Styles

● Eco-designs Taking Shape

We are analyzing data we collect about ecology and product development with a wide-open point of view. In 2007, the results of these efforts were the introduction of HUG, a vibration speaker that allows children with physical or psychological problems to enjoy music by sensing the pleasant undulations of the songs with their bodies.



2007
Kenwood design prototype HUG
Inspiration came while researching the five senses

In 2008, we announced kirikabu, an idea for a lifestyle of listening to music while surrounded by plants. Since then, we have received support from many people for this product that sets the stage for new life scenes.



2008
JVC design prototype for kirikabu
Watering the living plants is also fun

● Sharing a Wealth of Ideas

One result of the research into eco-design was that it provided a suggestion for university research and served to help support the education of the next generation of students.

In April 2009, kirikabu was exhibited, with the cooperation of the Department of Landscape Architecture Science of the Faculty of Regional Environment Science at the Tokyo University of Agriculture in Tokyo's Setagaya ward, at a special exhibition on Food and Agriculture at the Tokyo University of Agriculture's Museum.



Exhibit of kirikabu at a special exhibition for Food and Agriculture at the Tokyo University of Agriculture's Museum

Many of the people who came to the exhibit agreed with the kirikabu concept, which went a long way in boosting our spirits to continue to push ahead with eco-design. Then next in April 2010, after seminar on product design with students in the Department of Design at the Chiba Institute of Technology in Narashino City in Chiba, we held a free exchange of ideas.

The students had strong opinions about wanting to protect the global environment and improve society through product design, it was an opportunity to meet professional designers to see our work and exchange ideas about issues face-to-face.



Seminar on product design with students in the Department of Design at the Chiba Institute of Technology.

Spreading information about the product of our research in a variety of venues is also tied up with exchanging ideas in different industries and academic research institutes. The fresh ideas that we glean from a variety of generations is a big stimulus for us, which gives us hints on eco-designs that we can propose as new lifestyles that respond to the desires of a wide variety of customers.

VOICE



JVC Design Group **Yuto Nomura**
Photo: Ecology research workshop in Germany

In Germany, with its advanced environmental policies, people have positive relationships with nature and everyone has strong feelings about it. Experiencing nature and understanding its value is the first step of ecology. We do more than just directly help protect the planet's environment through designs, we also want to create chances for people to take part in ecological activities.



Kenwood Design **Hiroki Yaginuma**
Photo: Receiving the Grand Prize for the Eco-designs at the Eco Japan Cup 2009 an official event at the eco-product exhibition

My heart is captivated and full of fascination for the magnificence of nature and animals. I consider one aspect of eco-design to be telling people this. Not just at work, I intend to spread the word about eco-design throughout society.

Developing Car Navigation Systems that Make Life in Your Car Wonderful

JVC Kenwood Group is doing more than just making the time we spend in our cars pleasant and safe by providing the most advanced newly developed car navigation platforms to people in Japan and abroad. They are also helping to fight global warming.

Developing a New Car Navigation Platform

At J&K Car Electronics, we have brought together technologies derived from the many years of work with touch panel car navigation systems and extensive experience as a Tier-1 supplier* to auto manufacturers of Kenwood with the superior image processing technology, know-how in developing software for Windows mobile OS and applications, and the experience in memory card car navigation systems for overseas markets of JVC. Together, we developed a new car navigation platform. The JVC Kenwood Group introduced a car navigation system using this newly developed navigation platform to the Japanese market in December of 2009. It was introduced under the JVC brand to the North American and European markets in April of 2010.



Excellent touch panel operations on Kenwood's car navigation system



The JVC's base for car navigation technology is experience in developing Windows mobile OS and applications

We focused on basic functions, paying careful attention to operability and image quality while reducing costs by using flash memory in the device.

The model headed for the North American market is the first in the industry to have built-in terrestrial digital HD radio and to support HD radio new services. Customers have given it high marks for its ability to let them check news and weather reports as well as to avoid traffic jams.

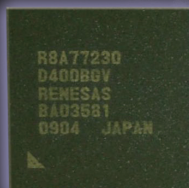


JVC KW-NT3 Series designed for North America



* Tier-1 supplier: Businesses that deliver parts directly to auto manufacturer's factories

High-performance engine loaded with newly developed navigation platform



Photos shows JVC KW-NT3 Series designed for Europe

● History of Car Navigation in the JVC Kenwood Group

	JVC		KENWOOD
Mature period	2010: All-in-one memory navigation and entertainment systems for Europe and America KW-NT3 series HD radio traffic, information services supported (JVC overseas model)	2010	2009: AV Integrated Memory Car Navigation MDV-313 First model produced jointly by JVC Kenwood Group (Kenwood domestic market)
	2008: All-in-one memory navigation and entertainment system for auto makers. VXM-090CV	2009	
	2008: All-in-one memory navigation and entertainment systems for Europe and America KW-NX7000	2008	
Growth period	2005: Overseas model TBT* HDD car navigation KD-NX901 Received EISA award in Europe	2005	2005: First HDD car navigation in Japan to support iPod HDM-555 Received Good Design Award
	2002: Overseas model TBT* CD-ROM car navigation KD-NX1	2004	2004: All-in-one HDD car navigation and entertainment systems HDV-910 Equipped with CD-ripping function
	1999: Windows mobile terminal "Interlink" MP-C101 Experience gained developing OS and software were the foundation for developing car navigation	2002	2002: HDD car navigation HDZ-2400i
Emerging period	1994: CD-ROM car navigation KZ-N1	1999	1999: DVD car navigation DVZ-2000
		1994	1996: CD-ROM car navigation GPR-77 Full support for VICS Equipped with JET VIEW 3D video
		1992	1994: Changer style CD-ROM car navigation GPX-07 Industry's first voice recognition and touch panel operation targeting safe driving
		1992	1992: CD-ROM car navigation KNV-100 Industry's first 1 DIN type car navigation

* TBT (Turn by Turn): Using arrow displays for car navigation 

Car Navigation that Is Not a Burden on the Environment

Car navigation systems help to avoid wasting fuel and control CO₂ emissions by guiding us around traffic jams and taking us on the shortest route to our destinations. The JVC Kenwood Group is helping to lighten the burden on the environment by developing even more advanced car navigation systems.

We were considering the environment even during product design of the MDV-313 (Kenwood's domestic model)/KW-NT3 (JVC's overseas model) by using LED back lights that

do not use mercury for the LCD display and the memory car navigation lightens the load on customers because it is easy to update map information quickly.

For details see Page 39.



LCD module with LED backlight

VOICE



These were new experiences even for the person in charge of planning, but this project went beyond designing, it was developed under the JVC and Kenwood brands for both Japan and overseas markets at the same time. We met lots of people, trashing out our ideas and obsessions. We cooperated and shared the fun, it was a very emotional time. In the future we will go for the top limits of effectively working together to plan cool products.

Product Planning Department, Consumer Division, J&K Car Electronics Corporation
 Hideharu Tanaka (left) Satoshi Yoshikawa (right)

Making Business More Efficient by Combining Digital Wireless Technology and Image Compression Technology

The JVC Kenwood Group is combining its wireless transmission technology and image compression technology to promote growth strategies that provide total system solutions in wireless transmissions and expand business areas.

NEXEDGE®

Digitalization is expanding in the field of wireless devices for business. Kenwood brought to market the NEXEDGE® digital wireless system for targeting the business and industry market mainly in America, Europe, and Asian regions.

The NEXEDGE® series supports both digital and analog. It is possible to move from an analog to a digital system smoothly and at a low cost. If communicating in digital transmission mode in digital wireless, it provides "High confidentiality," "Low-noise transmissions," "Wide transmission range," and "Complete data transmission



functions." Since the market introduction in December 2007, it has been installed for customers doing a variety of things, including: Entertainment complexes, railroads, roadways, factories, ports, natural parts, prisons, and local police stations. This system helps to improve operations by making communications for daily operations more efficient.



Exhibition at IWCE 2010

Zetron, the JVC Kenwood Group's wireless communication system operating company in the USA and JVC combined technology, products, and systems to present a total wireless system solution focusing on NEXEDGE® at an exhibition IWCE 2010*, the world's largest wireless

electronics show at the Las Vegas Convention Center in the USA from March 10 to 12, 2010.

* IWCE 2010: International Wireless Communications Expo 2010



Kenwood's booth at IWCE 2010



Communications room in large hotel where NEXEDGE® has been installed

● JVC's Image Compression Technology Integrated in Total Wireless Communication System Solution

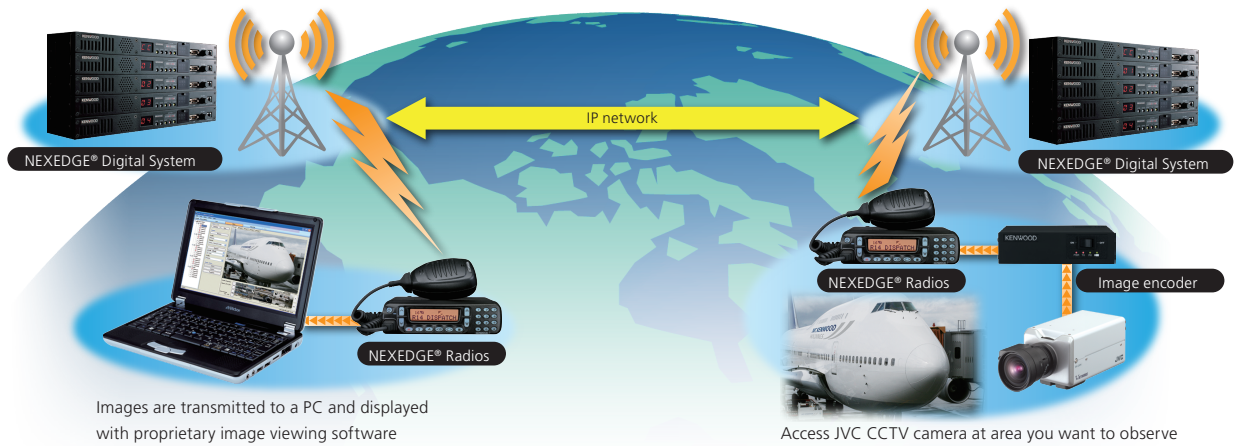
This system makes it possible to transmit still images quickly by fusing the image compression technology of JVC and the narrow-band (12.5 kHz/6.25 kHz) digital wireless transfer technology of Kenwood.

It is possible to transmit visual information in a way that is intuitive and easy to understand by adding a still image to the signal on the narrow band transmitter, which has until now mainly been used for verbal communication.

For instance when monitoring waterways, railways, roadways, or storage areas, changes in the situation can be checked simply with verbal communication and sharp images at your fingertips.



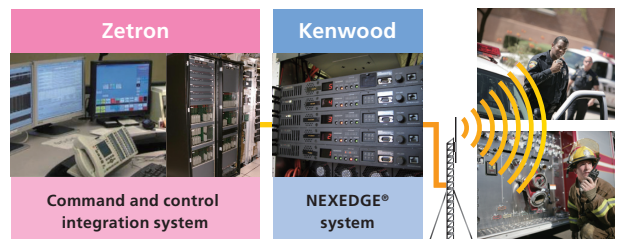
Demonstration of transferring images



JVC's surveillance cameras and Kenwood's NEXEDGE® are fused in a total system solution for wireless communication

● Zetron's Command Control Integration System Integrated in Total Wireless Communication System Solution

We have developed a total wireless communication system by combining NEXEDGE® and Zetron's flagship command and control integration system. The command and control integration system is used by customers to control communications in police, fire, rail, and airport command centers. It is not for wireless only, it can connect to telephone systems also.



Zetron's Command and Control Integration System and Kenwood's NEXEDGE® fused in a total system solution for wireless communication

▶ VOICE



We are the world's largest casino resort. Currently we have about 10,000 employees using about 3,000 radios. The need for effective communications increases in proportion to the increase in the size of the hotel, but increasing channels adds costs. We were looking for a wireless system that would allow us to use our existing equipment as much as possible. The NEXEDGE® system that Kenwood proposed met our needs. It was the only wireless system that offered smooth operational communications and cost effectiveness.

Project Manager
Carl Pastrone
 The Venetian, Palazzo Resort
 Anderson Communications, Inc.

Home AVC and a New Network Service Create a New Lifestyle

Introducing new lifestyles for the digital network age, JVC KENWOOD Holdings has developed Home AVC fusing audio, video, and communications, as well as the associated New Network Service as the first batch of new products to build new business fields for the future. Overview of planning and development introduced in FY2009*1.

Home AVC*2 for Enjoying a Variety of Visual and Audio Content in a Single Device

Combining the Technology of JVC and Kenwood

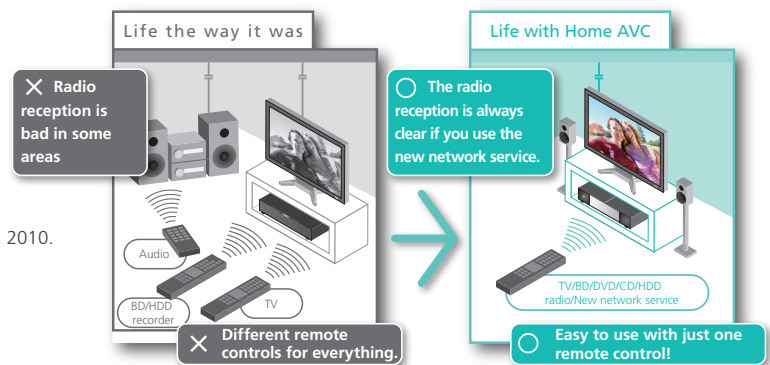
It's the first time in the industry*3 that a Blue Ray disk recorder, HDD (hard disk drive), digital high-vision tuner, FM/AM tuner, high-quality digital amp have been loaded into a single unit, the New Network Service*4 for enjoying new media.

*1: FY2009 indicates the fiscal year from April 1, 2009 to March 31, 2010.

*2: AVC: Audio, Visual and Communication

*3: As of September 30, 2009 according to in-house research

*4: The New Network Service is explained on the following page.



New User Interface Makes Operability Intuitive

We have developed a proprietary new user interface that is intuitive so users can quickly choose whatever they want to see, hear, or record from a wide variety of visual and musical content. The audio and video components are not separate to eliminate complexity so it is easy for anyone to use.



Home AVC Photo shows final prototype

Message from the Man in Charge



Nowadays, product planning is essential to Japanese companies. It is not possible to create new demand in the crowded television, audio, and other mature categories. We need to apply wisdom to overcome the dangers that the AV industry is facing today. The development of this product was a type of market creation plan that we proposed ourselves, which is different from a customer needs type that just develops a product based on customer needs. We made something that had never been made before: a product that inspires emotions. That is to say, we are proposing a new lifestyle in home audio in a revolutionary new product, "that'll make you feel like you've been missing out on something good." Your experiences will be of a different magnitude of surprise and emotion, please try the Home AVC and New Network Service.

Senior Vice President & Executive Officer and General Executive,
New Business Development Center, JVC KENWOOD Holdings
Satoru Maeda

Developing the New Network Service

We developed the New Network Service for the digital age. It has tremendous possibilities as a new media for carrying data and it allows us to enjoy clear noise-free radio transmissions by combining communication and broadcast technologies.



1. Enjoy clear radio transmissions even in areas with poor reception because of radio interference

JVC KENWOOD Holdings developed the proprietary broadcast service area limitation technology that uses the internet to receive signals producing verbal communications that are the same as AM/FM radio broadcasts.

2. Proposal for a new way to enjoy data attachments

This technology can transmit audio as well as image data. This technology makes it possible to enjoy radio broadcasts (simultaneous broadcasting) together with video (images of disc jockeys or promotion videos) and still images, text (news, weather reports, latest releases) and other attached data on a television. This is a new media with a high added value that will vastly change the way we listen to the radio.

3. Advertisements can be delivered by using interactive functions

It is possible to provide information and deliver advertisements according to listeners' interests by using the interactive functions of the internet.

4. Compatibility with existing AV equipment

The New Network Service technology is packed into a compact tuner box which can be connected to a customer's existing television or radio.

Video and still image transmission
Still images, live feed of disc jockeys, or promotion videos from artists

Advertisements

Text information

- Information you can use everyday
- News, weather, time, and more
- Information linked to the program currently being broadcast
Example: If a program is about music, show the name of the song

Image of screen of the New Network Service



Tuner box for the New Network Service

VOICE



Some of the people in charge of designing and planning the Home AVC
From the left: Kenwood Design: Aiko Takiwaki, JVC KENWOOD Holdings, New Business Development Center: Hiroki Ebisawa, Yoshihito Kinoshita, Yasuhiro Miwa, Yusuke Shimizu

We are in charge of the designing and planning of the Home AVC. We started with the concept of a user interface that would allow users to do the settings and operations without using an instruction manual and we designed the graphic user interface that originates from the start menu. We developed a variety of ideas about how to make operations seamless yet purposely differentiating operations for viewing and listening with a product that is a combination of audio and video. We created a never-been-seen-before interface that allows easy access to the desired content from a start menu opened by using independent Audio and Video buttons on a remote control. This is a product that we are proud of and would like everyone to try.

New Business Development Center, JVC KENWOOD Holding
Yoshihito Kinoshita (in center in photo)

Corporate Governance

JVC Kenwood Group management believes that increasing the efficiency and transparency of decision making through enhanced corporate governance is crucial to improving corporate value. To achieve this it is fundamental to strengthen and expand corporate governance by implementing a group-wide internal control system. To improve our internal safeguards, we divided the policy making and management functions, employed outside directors and corporate auditors, and established an Internal Auditing Division.

Corporate Governance System

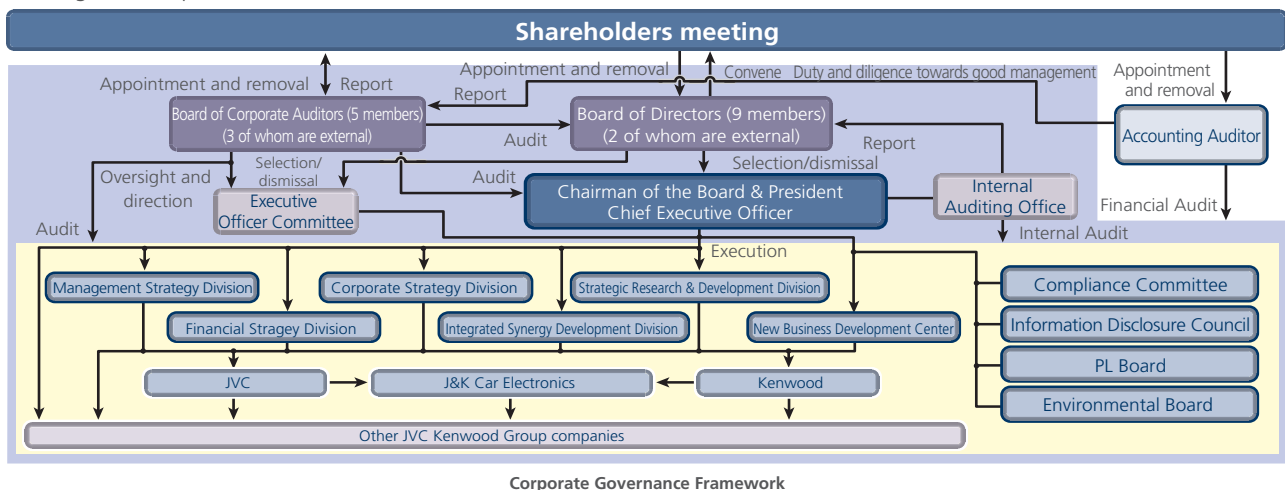
The board of directors makes fundamental and strategic decisions, and they are responsible for supervising the execution of operations. They meet once a month, or more in special cases, to deliberate and vote on the basic policy of management and other important matters, and monitor and supervise the state of corporate affairs. The members of the board are given one year terms, which keeps responsibility clear and management agile. Clarity in decision making is achieved through the proactive appointment of outside board members.

JVC KENWOOD Holdings has introduced a new executive officer system. The executive business function has been divided and the responsibility for management and operations has been clarified. From June 24 2010, there have been nine members on the board (two of whom are external) and ten executive officers (six of whom are also on the board).

Further, JVC KENWOOD Holdings was established as an auditing company, and the auditors attend board and other important meetings, and also convene auditors' meetings, and implement the duties of the board, audit

the work implemented throughout the JVC Kenwood Group, and audit the accounts, and function as business auditors. In addition, the five auditors (three of whom are external) assumed these duties starting June 24, 2009, and the Board of Corporate Auditors meets once a month or as necessary.

JVC KENWOOD Holdings has established a business auditing office, and implements on-site inspections far and wide, including companies and affiliates within the JVC Kenwood Group, and by monitoring the implementation status of internal controls uniformly, strives to discover promptly any problems from a different perspective from the workplace values, and so improve the ability to prevent problems from occurring. As of the end of March 2010, the business auditing office had six members, but this changed to 13 from April 2010, three of whom also work as directors or managers other than the chairman of general companies outside Japan in America, Europe, and Asia, and who function as a base of operations during internal audits.



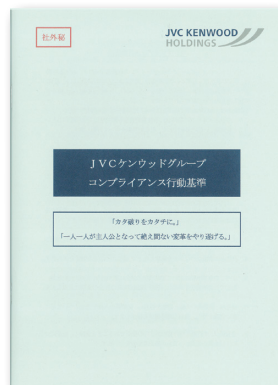
Compliance

JVC Kenwood Group does not think that compliance is merely obeying the law. Compliance means responding to the needs of society. In other words, the objective of compliance is not only to obey the law, but also to be aware of meeting social requirements that touch upon corporate ethics and moral responsibilities, and from that viewpoint, we have been promoting compliance activities centering on the compliance committee that was established in 2009.

Specific Promotion System

Compliance Activity Standards

The JVC Kenwood Group Compliance Activity Standards, which were published on March 3, 2010, were disseminated to all group employees from JVC KENWOOD Holdings both via the internet and in booklets (in three languages). The compliance supervisors are in charge of distribution and education in appropriate types of training.



JVC Kenwood Group Compliance Action Standards

Compliance Supervisors

JVC Kenwood Group has established compliance supervisors (as a rule, the chairman of affiliated companies) in JVC KENWOOD Holdings, subsidiaries, and affiliates, in addition to the compliance committee established at JVC KENWOOD Holdings, and a system has been configured to thoroughly inculcate and disseminate compliance by leading from the top.

Helpline

The group's integrated internal Helpline (to report internal problems) is operated by the Corporate Strategy Department. Its goal is to detect and correct activities that do not adhere to standards of conduct and the demands of the community while operating in tandem with the compliance committee and business auditing office.

Risk Management

As part of the in-house integration system, departments have been established to handle the foreseeable risks for both business and natural disaster risks. This means deciding who will be in charge and strengthening connections for handling (1) daily risk surveillance based on the risk management program, (2) mobilization measures if a disaster occurs, and (3) a business continuity plan (BCP) for each phase, based on the accident and disaster risk countermeasure regulations.

Business Continuity Plans

Continuing Business that is Aware of the Responsibility to Provide for Clients

To cope with the numerous risks engulfing the company due to the increased business-to-business ratio, which bears greater responsibility to provide for clients, JVC Kenwood Group is disseminating in-house the importance of business continuation from the top down. The corporate business continuity planning (BCP) guidelines identify the respect for life as primary, and the satisfying of products and services provision responsibility secondary, as corporate responsibilities to stakeholders starting with our clients. Based on this policy, we are promoting company-wide BCP development. This includes supply chains beginning with multiple model businesses as core businesses such as the creation of a welfare check system for employees and their families, disaster prevention systems, and the establishment of emergency supplies.

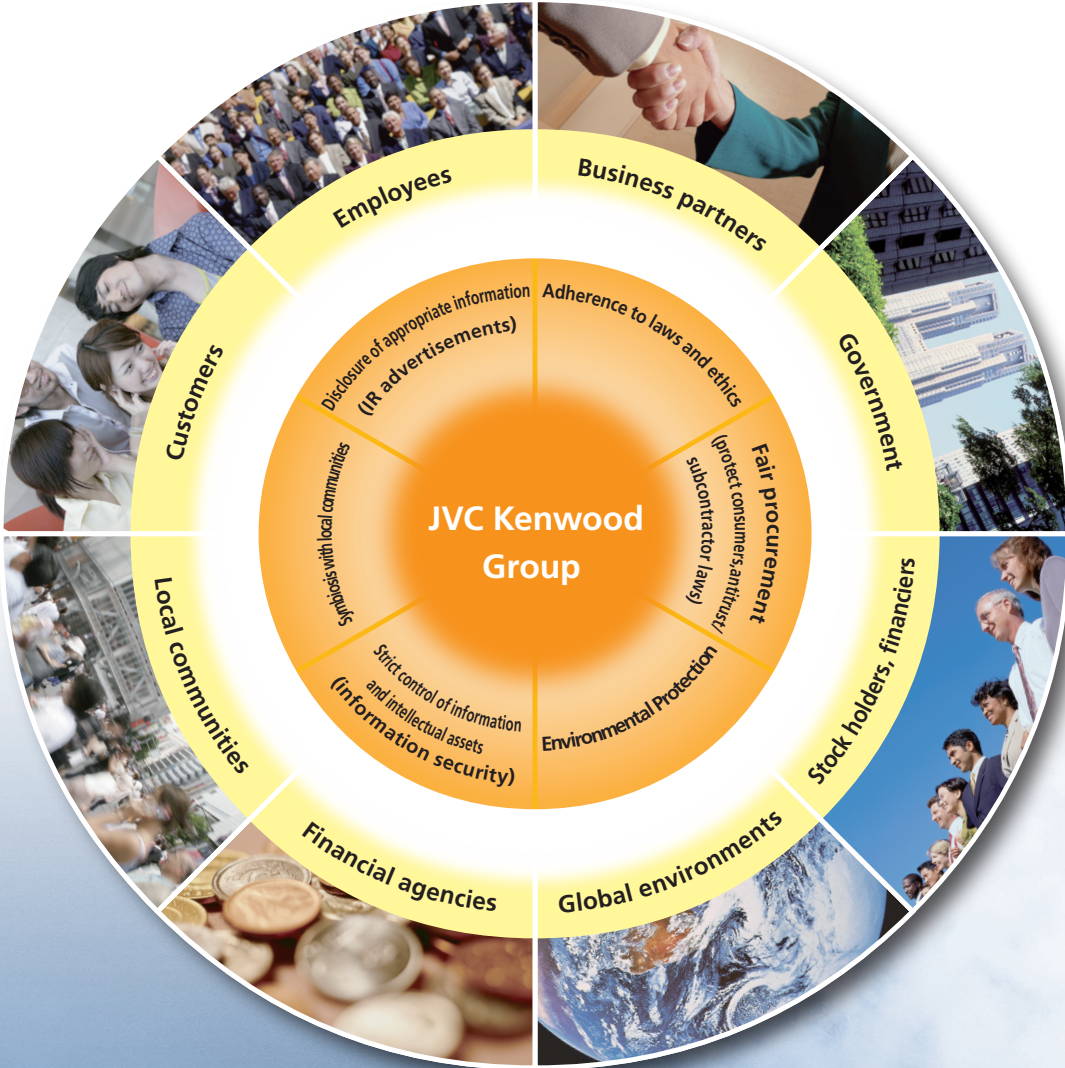
Pandemic BCP that Cites Practical Effects for New Influenza

We are involved in configuring two BCPs for scenarios that presume a virulent bird flu (H5N1) pandemic and a large-scale earthquake in the southern Kanto centered on the JVC Kenwood Group offices. The pandemic BCP cited the major effects of preventive countermeasures during the new H1N1 influenza outbreak in Mexico in April 2009. A part of preventing infection and the spread of infection is to distribute manuals to employees that explain the stay-at-home system to prevent secondary infection. Another measure is to distribute preventive items such as disinfectant alcohol, masks, and mouthwash.

Preventing Recurrence of Budget Revisions in the Past Fiscal Year

JVC KENWOOD Holdings has established an in-house recurrence prevention committee based on the results of an investigation by an external investigating committee into the unsuitable processing of accounts at JVC in the past fiscal year, and on March 12, 2010, presented revised accounts for the past fiscal year and a recurrence prevention plan to the Tokyo Stock Exchange. Further, the recurrence prevention committee is forcefully promoting the maintenance and reinforcement of the group compliance system, such as reinforcing internal auditing, and the thorough dissemination and inculcation of the compliance action standards and internal notification system.

Stakeholders



Social Report

Working with Our Customers

The JVC Kenwood Group is communicating with all its stakeholders to promote manufacturing processes that provide “feeling, warmth, and safety,” because we believe that one part of a corporation’s operations is to reduce its burden on society.

Interacting with Customers in Our Showrooms

In an age where people simply go online to take a look at merchandise, the role of the showroom is going to change dramatically. The idea of a “Face to face relationship with customers” is becoming very important.

The JVC Kenwood showroom in Marunouchi is there to do more than just offer explanations of our products. Everyday we communicate with customers to help them to interact with our products in the right way.

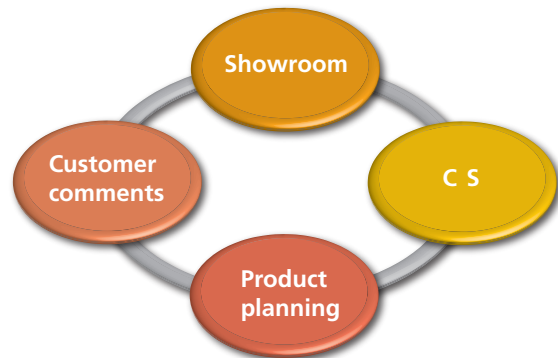
The CS department promptly sends the opinions and requests about products that we receive from customers visiting our showroom to the relevant development, production, or sales department where they are used for product planning and better quality.



Plus, the showroom is a place for holding various events* and where people can touch and take a close look at the JVC Kenwood Group’s merchandise and services. Our customers are very fond of our showroom.



Showroom facing Naka Avenue in Marunouchi



What we hear from customers visiting the showroom goes through the CS department to be reflected in product planning and quality improvement

* Consult our website for information about various events at our showroom. <http://www.jk-holdings.com/showroom/event/index.html>

VOICE



Music Producer
George Kage

As a music producer, this showroom is a fantastic space for listening to the music I create on the latest audio equipment.

I was able to hold a preview for the general public in this showroom where I presented “Gibli on Piano” (on sale through Victor Entertainment), which I recorded in Sweden in 2008.

As a source of information for me, a producer whose style is to “Create the music for the customer,” this showroom, where there are typical customers who visit everyday as well as the showroom staff who handle them, is everything I could ever ask for.

This place provides incredible insight as a means for customer research, because one of the events in this showroom is Yukio Iwata’s bimonthly “Music Expert,” where anyone who wants to hear a CD can bring it in and listen to it. I really appreciate even just listening to live performances, such as when Mariko Aoki played her guitar and sang.

Working with Our Customers

Giving our Customers Peace of Mind

The JVC Kenwood Group is going the extra mile to improve the quality of products throughout their entire lifecycle, from planning and development, to production, shipping, sales, use and disposal, all to provide products that people will love and can use worry-free for many years.

Assuring Product Quality

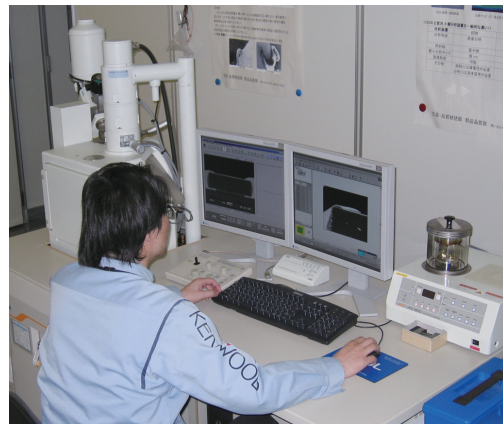
To obtain maximum customer satisfaction, the JVC Kenwood Group works with all of its employees to offer high-quality products and services. We strive to offer customers a pleasant surprises and experiences with our products and services.

Also, to offer the same high product quality to the customer regardless of where the product was manufactured, our operation bases in Japan and overseas have received ISO 9001 certification for product quality management systems. Our car electronics operation also has TS16949 certification.

After the product design and evaluation in a department is completed, all new products undergo quality checks before they go into production. The product is inspected in a thorough quality evaluation system from the customer's point of view, for operability, serviceability, safety, and for any old problems.

Our system to approve and standardize the quality of parts is in place to thoroughly assure quality even to the quality of individual parts. Parts which passed quality evaluations are registered as standard parts and incorporated in the design to improve product quality.

Plus, by collecting repair data worldwide, we can statistically analyze it and promptly identify signs of product-quality problems occurring in the marketplace. We have established a quality information analysis system that sends feedback to the product development department and by developing a method to forecast the percent of problems in the marketplace we are aiming to be able to quickly respond quality problems and prevent them from occurring again.



Parts certification using an electron microscope.

VOICE



I am in charge of inspecting the performance of optical elements that are made at nano-order resolutions. I know that even the slightest improvement in performance can create a large reduction in the environmental impact when the product is being used or manufactured. I am working to develop devices that are safe and high quality plus have low environmental impact, because we should provide products that our customers can use with peace of mind.

Strategic Research & Development Division,
JVC KENWOOD Holdings
Aya Igarashi

Improving Quality Throughout the Entire Group

The role of each process during product development, which represents design and production and is the origin of quality, is very important for assuring quality. The JVC Kenwood

Group has set aside November of every year as Quality Month. Employees are instructed on quality awareness and to bring these ideas into the office, the best example is recognized with an award from the Quality Assurance Board Member.

To assure our products perform at the level that keeps our customers satisfied, the measuring equipment used in each department is calibrated to the

national standard so the measurements are reliable. The JVC Head Office Plant and Yokosuka Plant have created offices for managing the accuracy of weights and measures and



Announcement of examples of quality improvements (Quality Month event)



Inspection of measurement equipment in Kanagawa

regularly inspect the measurement equipment to confirm measurement control processes are appropriate. They are also working every day to assure that our customers get the quality they depend on by improving measurement technology as technology is advancing everyday.

Reflecting Customer Feedback in Creation of Products

To earn maximum customer satisfaction with our products and services, it is important to reflect customer feedback into products and services. This is to establish a quick and close relationship of trust with the customer. We make the customer central to our product development process, based on the theory of the "Human centered design process."

Our in-house intranet is in use daily to share the voice of our customers throughout every process of product development. In addition, we use customer and employee monitors to inspect and do user tests on prototypes so we can understand the actual conditions and demands customers experience when using a product. Then, products are planned, designed, and evaluated.



User tests.

Products that Reflect Customer Feedback

Improved to be able to record DVDs in either high-vision or standard resolution

Everyone loves the functions that allow them to easily record DVDs of high-vision images at high-vision quality with JVC Everio video camera and specialized DVD writer.

Then we heard requests from customers, "I want to send images recorded on DVD to my friends or parents who live far away." So, we improved the equipment by adding a mode to easily record at standard resolution.



Can record DVDs even in regular resolution
GZ-HD620, GZ-HM570

Specialized DVD writer
CU-VD50, CU-VD3

Improved to be easy to use even when wearing gloves

In the USA, Kenwood is a major supplier of professional-grade radios to businesses and public agencies. Then we heard from a train company that is one of our customers, "The buttons are so small that I cannot push them with my gloves on." We responded to this customer request by quickly introducing a product improved with large buttons. Professional-grade radios must be easy to operate and rugged for clear verbal communication in any conditions.



NX-200

NX-210 with enlarged switches

Working with Our Customers

Improving Customer Satisfaction

Complete Customer Support

The customer support department responds to customers with the motto, "Be correct, kind, and prompt."

To handle the increasing number of customer questions and technical questions about digital equipment, we are improving our knowledge database for our consultants and training personnel to attain a higher level of digital equipment expertise and customer support skills.

In addition, for new products, we maintain a close link with the relevant departments so we can promptly inform them about any signs of problems concerning product safety or quality which are quickly discovered by customer feedback.

We also use a customer feedback information system to sort and analyze customer questions and demands. Then, everyday, we forward the information to the relevant departments. This feedback is used to improve products and services.



Customer Service Department (Europe)

Improved Product Service System

Our service division provides training for customer support and servicing skills. This lets our employees provide quick and precise service to increase customer satisfaction, trust, and peace of mind.



Service center (USA)

We also provide support for repairs to retailers by supplying them with parts and providing technical guidance.

In addition, the large amounts of service information in the market are quickly circulated within the company to improve the quality of products. The JVC Kenwood Group is actively working to save the environment based upon our corporate environmental guidelines. Our business is environmentally conscious and conforms to ISO 14001. We instituted the use of lead-free solder in early efforts to protect the environment.

Outside Japan, the local sales and product-servicing companies faithfully carry out sales and servicing in their respective areas.

Free Loan of Specified Low-Power Radio Equipment

Specified low-power radio equipment (no license required) has many uses outside of leisure activities, such as in factories or restaurants. We offer a service where prospective customers can borrow the radios at no charge to see how they work before purchasing them.



Trying out specified low-power radios on a school field trip.



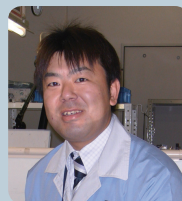
Consult our website for information about borrowing specified low-power radios. <http://www.ec-kenwood.com/>

VOICE



JVC Customer Support Center.
Toshio Kikuchi

Everyday central call centers hear things like, "Digital equipment these days is so complicated I do not understand it! I need a digital angel to teach me!" The customers may be pacified or angered, depending on how the advisor handles their case. To win the confidence of the customer and have them say, "I'm going with the JVC Kenwood products next time too," needs communication skills and on-target responsiveness of a Digital Angel that customers can depend on, as they stand in front of their silent machines.



Kenwood Service (Japan) Corporation
Michihiro Shimoda

Everyday we do our best so that our customers have a good experience with and get the most from our products. If repairs are needed, we pinpoint the problem and replace the part to reduce trouble for the customer and as a way to be environmentally friendly too. On top of that, we communicate with customers with kindness and integrity to handle each person's individual needs.

Producing Cool Products

We are contributing to society through this business by providing products that satisfy customers. The JVC Kenwood Group is providing products that provide feeling, warmth, and safety without placing a burden on society, which we believe to be our responsibility to society.

Producing Radios that Can Be Used Safely in Environments where Explosive Gasses Occur

The TK-2260EX/3260EX, which Kenwood introduced to the European market at the end of 2009, have cleared the two strict anti explosive requirements of the EU's ATEX and the IEC's IECEx schemes. They are now legally compliant as ATEX radios that can be used in environments that are legally defined as explosive.

ATEX radios play a very important role in communication procedures in



ATEX-Certified Radio
TK-2260EX, TK-3260EX

environments where there is a risk of explosions, such as oil and gas fields, chemical plants, power plants, pharmaceutical plants, sewage processing plants, landfill sites, harbors, and coal mines where the safety of workers is of the utmost importance.



Power plant where ATEX radios are used

▶ VOICE



If an explosion or a fire occurs during a job, the people, buildings, and equipment involved with the work are greatly affected, the surrounding area is also affected. Our expertise is apparent in how in the method we used in the design stage to circumvent and control the cause of electric sparks that occur in radios. Our ATEX radios help to reduce the number of explosions and fires, we hope they can make our customers around the world safer.

Communications Equipment Division, Kenwood Corporation
Takayuki Arai

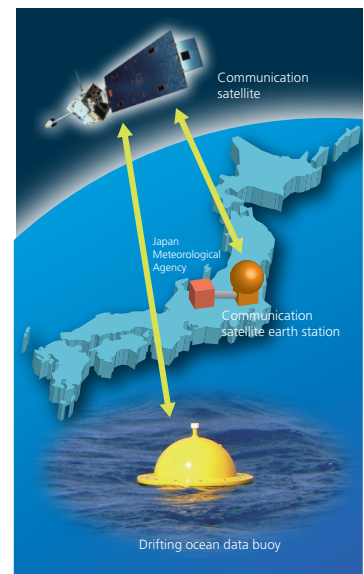
Drifting Ocean Data Buoy YTSS-2100 Helping to Measure Weather Conditions at Sea

The YTSS-2100 drifting ocean data buoys, which the Japan Meteorological Agency uses for marine weather observation, measure the height and frequency of waves, the air pressure at sea level, surface temperature, and the position of the buoy in the waters surrounding Japan and send the measurements via a communication satellite to the Japan Meteorological Agency.

The measurement data that is collected by the Japan Meteorological Agency is used



to analyze the weather and for forecasts and warnings, it helps to protect fishermen, cargo ships and other people working at sea, it is delivered to weather agencies around the world and used to analyze the weather and oceans.



Drifting ocean data buoy YTSS-2100 transmitting meteorological measurements from the oceans around Japan

▶ VOICE



The YTSS-2100 is a product that requires a lot of time and care to build, I apply my own techniques to the production process, such as how to reduce excess inventory. When I think of it drifting in the currents, I want to put a really good finish on it.

Kenwood Yamagata Corporation
Akemi Sakamoto

Working with Our Customers

Supporting Customers and Putting the Fun into Highly Satisfying Images

Everyone loves to use JVC's Everio video cameras and with full 1920 high vision in a range from the entry-level models with their sleek look and ability to record sharp images to the top end models loaded with the industry's best high-resolution technology, everyone's shooting style can find a fit.



New function for using a smart phone remote control to check recorded images

Bluetooth® Wireless Technology compliant smart phone



New function links to Google Earth™

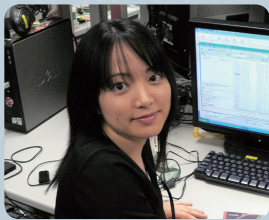
The world's first family-oriented video camera equipped with Bluetooth wireless technology has been added to the lineup with remote control using a smart phone and linked to Google Earth™ to create a wonderful way to enjoy making movies.

Plus, the introduction of the new concept camera PICSIO, a new communication tool you can use any time to share your videos on YouTube™ or send them to iTunes® provide you with a new way to live with images.



Videos can be easily linked to YouTube™ or iTunes®.

VOICE



The usability of the software I am in charge of developing is greatly affected by the accumulation of tiny amounts of processing time. So I am working to assure quality and improve operability by repeatedly doing evaluations to eliminate waste. I want people to consider a video camera as something to carry around everyday, so from a woman's point of view anyway, it must look stylish in her hand and provide the pleasure of shooting and sharing memorable videos with everyone.

Digital Imaging Products Business Division, JVC
Yumi Hirachi

Professional-grade 3D Equipment Helping to Reduce Manpower and Costs

JVC, the first "120 Hz Clear Motion Drive" in the industry and the first to develop high resolution imaging engines, develops video technology a step ahead of the rest and has brought us the IF-2D3D1 3D image processor. The IF-2D3D1 is a revolutionary professional-grade device that uses our proprietary algorithm to convert a normal two dimensional video signal into a three dimensional video signal that appears



3D LCD monitor GD-463D10

like a natural solid image.

We have eliminated the lack of content that existed when the new sensation of 3D was first introduced to the world so it is possible for customers to greatly reduce costs and manpower. This provides sensations that have never been experienced before and great satisfaction in the new world of 3D imaging.



3D image processor IF-2D3D1 creates three dimensional images

VOICE



The world is experiencing a 3D boom, we are told, but the key to success in the long term is the rapid growth of content. Producing 3D images requires enormous sums of money and know-how, but using the IF-2D3D1 makes it possible to easily convert 2D images to 3D images in real time. It is possible to develop new businesses that can use 3D enhancement, there are many such areas. Obviously in broadcasting and cinematography, but also for events, games, research, education, medicine. It is certainly going to be a great contribution to society.

Business Solution Division, JVC
Hirokuni Tsuruoka

Working with Our Suppliers

The JVC Kenwood Group is working with suppliers to develop products that do not place a burden on the environment.

Fair and Balanced Procurement

While promoting equality and balance and holding a global point of view based on procuring the necessary materials and services according to the laws and ethics of society,

the procurement departments in the JVC Kenwood Group are working to build mutually beneficial relationships through shared trust and transparency.

Partnership with Suppliers

Interactive Partnership with Vendors

As a way to realize its corporate vision, as a basic policy to build interactive partnerships with vendors, the JVC Kenwood Group is working to integrate with vendors and bolster product development with them. We are proactively receiving many types of proposals from our vendors and we aim to keep high-level win-win relationships with vendors

by promoting the reformation of procurement practices related to quality, environment, delivery time, and costs. Also, we are developing products in alignment with the vendors' development of parts based on the JVC Kenwood Group's development road map.



July 2009
Supplier meeting

Environmental Activities

Promotion of Green Procurement

To create a society that can improve and maintain the world's environment, the JVC Kenwood Group is considering the environment in all aspects of its business activities and continues efforts to reduce the environmental burden during the life cycle of the products it produces and sells. One method that we think is very important is to place priority on procuring materials and parts that have a small impact on the environment.

Specifically, we revised our "Green procurement guidelines" to version 1.2 and evaluated our green procurement to support REACH*, which is leading a trend to control chemicals internationally. Green procurement

evaluations are a self-evaluation of chemical control systems and the conditions under which they are implemented. The evaluations aim to have suppliers establish and maintain systems to control the chemicals in their parts and to continuously make improvements.



Green Procurement Guideline

The JVC Kenwood Group is promoting "Green procurement" by giving priority to vendors who are working to protect the environment in an integrated way based on the green procurement evaluation for appropriate quality, cost, and stable supply.

* REACH regulations Registration Evaluation Authorization and Restriction of Chemicals
Law for controlling chemicals in the EU determined by EC regulation No. 1907/2007.



Consult our website for information about our green procurement guidelines
<http://www.jk-holdings.com/csr/green/index.html>

VOICE



In my department we are carefully collecting information about laws from all across the world so we can create a system to clearly understand the information about chemicals in products. It is not easy to maintain an understanding of the trends in laws that are constantly changing, but obviously the laws and regulations of the community must be obeyed. In the future, I want to work hard but with a smile on my face with all the vendors so we can continue providing products that customers can use with peace of mind.

Strategic Human Resources & Administration Division, JVC KENWOOD Holdings
Takashi Baba

Working with Our Employees

The JVC Kenwood Group is striving to create various training methods and systems and worksite environments to forge vibrant workplaces overflowing with vigor and a sense of unity that fosters growth through the personal achievements of each and every individual, and where the course of action of "Perpetual reform centered on each and every individual" leads us to our corporate vision which is to "Realize the unconventional."

Expanding Quality Month Activities in the Group

To increase quality in all the companies in the group, we called for examples of improvements in quality and measuring work from our operating companies and overseas manufacturing network and then presented awards for the really good ideas in November 2009, Quality Month.

The top winner was Mr. Kenneth Chan Hock Cheng in the Quality Management Division at the Kenwood Singapore Plant for his Inspectionless Incoming System.



Award ceremony for winners in quality improvement

VOICE



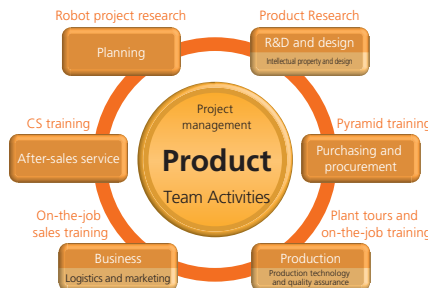
Winning the top prize made me feel proud and honored and I want to again express my appreciation and thanks to everyone involved. The quality of the parts makers is stable after winning the prize, and winning this distinctive prize is motivating, so I think I want to announce that will continue to achieve our monthly targets. I want to work to maintain stabilized quality while promoting the ideas we get from in-house improvements at the parts makers.

Kenwood Singapore Plant
Kenneth Chan Hock Cheng

Education and Training Programs that Foster a Spirit of Craftsmanship

Unique Training for New Personnel Who Experience the Business Cycle of Production and Sales

New employee training throughout the group is implemented over four months before assignment. It is a unique program where the new employees can experience the business cycle of a sales and manufacturing company and correctly learn the basics of the company, the job and being a member of society.



	JVC	Kenwood	
April	Entry ceremony/Introductory camp		4-month project activities
	Project management		
May	"Learn", "see," and "touch" the company, office, and products		
	Pyramid training (plant management)		
June	Training by occupation (Technical, clerical, or manufacturing)	On-the-job plant training	Team Activities: Planning and proposals for new products and services
	Robot training (manufacturing flow)		
July	On-the-job sales training	On-the-job sales training	
	On-the-job manufacturing training II (FMEA, VE)		
	Pre-assignment training		
	Training review, collation, and assignment (corporate figures, business manager, etc.)		

VOICE



In my new-employee training, I learned to be aware of the people I work with and that communication is very important. It was a good opportunity to learn the importance of communications. Our training was focused on team activities and I learned that I need to express my own opinions and not just listen to those of people around me. I apply the experiences I had during the training in my work today. Thanks to the training I am self-motivated and proactive.

Integrated Synergy Development Division, JVC KENWOOD Holdings
Mayumi Hasegawa

Mentor System Aims to Foster Culture of Growth

The mentor system is for training new employees by passing down accumulated knowledge and experiences as well as so employees really understand both the business and personal aspects of life in the company. After a new employee (mentee) has been in the company a year and is assigned a position, an employee with seniority (mentor) is assigned to them. The new employees can more smoothly learn the basics of being a member of society and of the company by following the advice of the senior employee. The senior employee also grows by learning OJT (on the job training) methods through teaching and educating the new employee. The mentors do not just support and teach the mentees about office work. They also have the role of encouraging growth by being available to solve worries and insecurities by giving advice on any concerns about life in the company. This system is not only about new employees, it is also a chance for the senior employees to grow through fresh experiences.



Group discussion for the briefing session



Mentor briefing session

seminars are held as an opportunity for each employee to plan where their career is going (career vision) and to consider how best to change what they should do tomorrow to achieve that vision.

Seminars Are Held on Milestone Ages (35 and 45)

Because career issues and themes vary depending on the ages of the individuals designing their careers, the seminars are held according to peoples' ages. We have chosen milestone ages. Specifically, at 35 a person is in the mid level and is expected to become the next generation of leaders. A person at 45 is starting to recognize a second career.

Career Design Starts from Self Understanding

The process of creating a career vision starts with understanding oneself. First, participants look over their work experiences since starting work, their strengths and weaknesses, skills they have nurtured, their sense of value, and other aspects are discussed among participants to gain greater understanding. This encourages everyone to re-evaluate strengths and orientations that they were unaware of.



Participants talking together learn more about themselves

Path to Realizing a Career Vision Is to Take Action

Participants create action plans to achieve their career visions and then align vectors in interviews with their supervisors. Participants and their supervisors get together to clarify what position and work they want to do in the coming years and what the self-developmental themes to achieve this are. In the future we want to expand the range of seminars to encourage success in the careers of more employees.

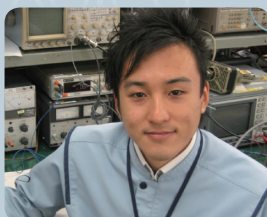


Finally everyone gets in a circle and discusses their impressions

Career Design Seminar Aims to Improve Self Actualization and Strengthen Organizations

Nowadays, as the economy and society go through ever more rapid changes, employees must make their own decisions based on their own considerations on ways to live and work to respond flexibly to the changes in their environment. Against this background, career design

VOICE



The impression that stays with me from my new employee training was practicing how to sell electronic products for cars. I could really understand the importance of describing a product to a buyer, getting them to accept and then buy it, as well as the importance of product and brand strength. Now I am in charge of designing radios. I am using the things I learned in that training, I want to give our customers products that are better than other companies' products.

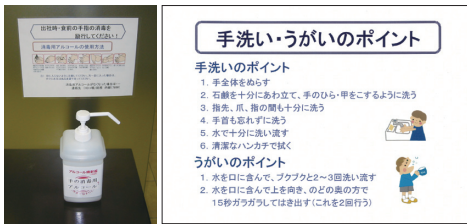
Communications Equipment Division, Kenwood Corporation
Kazuki Yoshino

Working with Our Employees

Health and Safety

Influenza Countermeasures

The JVC Kenwood Group has prepared countermeasures against pandemics of a bird flu or a highly contagious new super-flu. These countermeasures include instructing all employees to thoroughly wash their hands, use disinfectants, and gargle. Countermeasures to prevent the spread of secondary infections from an employee's home are also ready, as well as a business continuity plan (BCP).



Instructions on washing hands, disinfecting, and gargling

Mental Health Care Training

With the increased concern about mental health measures in the workplace, we need to show greater concern for changes in those around us and be aware of the correct way to handle mental health issues. Each and every one of our employees are attending mental health care seminars and learning how to correctly identify stress.



Mental health care training

Countermeasures Against Overwork

Doctors specializing in labor and industry monitor the health of workers by providing consultations and checking on workloads. Countermeasures such as shortening of work hours are implemented based on their evaluations and judgments, as we strive to prevent damage to health due to overwork.

To shorten work hours and reduce overtime, emails are sent to employees and public announcements are made on certain days telling employees to go home on time.

Health and Safety at Work

The JVC Kenwood Group is working to "Create a culture of hygienic safety" focused on "Respect for people" and based on the policies of "Strict observance of laws," "Workplaces where skills are fully used," and "Management of risks."



Safety and health training

Amidst the concerns of falling productivity as the workforce ages and seasoned employees retire, the JVC Kenwood Group is aiming to establish a corporate atmosphere that prioritizes the health and safety of the workers. To prevent workplace accidents, the JVC Kenwood Group is promoting risk assessment to reduce health risks and risks of physical injury from chemicals, machinery, and equipment. Our hope is to go from zero accidents to zero risk.

Risk Assessment

Risk assessment is the procedure to evaluate risks by defining the danger and harm in the workplace and to prioritize and take countermeasures to reduce risk. Using input from workers, we study each worksite to assess the risks in order to achieve a level of "zero risk" We do this because it is necessary to create more effective measures to prevent injury.



Risk assessment training

Acting Locally

The JVC Kenwood Group aims to be a good corporate citizen in the local communities where we operate, so we hold various activities to deepen our relationship and interaction in these communities.

Environmental Outreach Training

At JVC KENWOOD Holdings, working in cooperation with the Yokohama City Environmental Planning Bureau, we developed the concept of "Supporting the improvement of children's educational achievement and contributing to the development of society." So, using the educational materials we created as a "Specialist in audio and visual production," we held outreach training for 173 students at four schools from July to November in 2009.

The training included samples of gold recovered from old circuit boards, an experiment to generate electricity demonstrating how to protect the environment and the importance of resources and energy.

At the Kenwood Yamagata Plant we even received a

request from the Energy Conservation Center, Japan (ECCJ) to do outreach training about global warming for the school children in Yamagata prefecture to teach them the importance of saving energy.

We are going to move forward with this as another activity for helping out in local communities.



Outreach training from the Kenwood Yamagata Plant



Outreach training from JVC KENWOOD Holdings



Hands-on experience saving energy through an experiment in power generation



Handling materials produced from recycling

VOICE



I became involved with JVC Kenwood when the "Ideas for Environmentally Friendly Living" outreach training course was held for our home economics class. All the outreach instructors reviewed materials time and again considering how to produce them so that the children could easily understand the materials about the causes, mechanisms, results (situation) surrounding global warming, which is a very relevant subject. The children's interest and concern for the environment rose to a new level as they solved the problem "How many basketballs do you need to show the amount of CO₂ produced by using electricity," which we developed jointly with the outreach instructors. I think that the outreach training is going to contribute in a big way to create people who are concerned about the environment. We really appreciate the support that everyone provided and would like to thank them very much. We have great expectations for your activities in the future.

Head Teacher, Kanazawa Primary School, Yokohama
Kunie Sakata

Acting Locally

Contributing to Biodiversity

The JVC Kenwood Group is involved in protecting the natural environment to preserve biodiversity.

Every year since 2005, the Kenwood Yamagata Plant (Kenwood Yamagata) has carried out water quality and water-life research during summer vacation with children and their parents in the Akagawa, Uchigawa, and the Shoryujigawa, which are rivers that flow through the area. We confirmed that the rare freshwater fish the nine-spined stickleback, which was declared an endangered species by the Ministry of the Environment, was living in the waters of the Shoryujigawa. These activities are connected to the clean up activities done at the mouth of



Water quality and water-life research
It is possible to observe Japanese tree frogs, black-wing damselflies, and white spotted longicorn beetles.



Confirmation that the nine-spined stickleback, which has existed since the ice-age, is still alive



the Akagawa since 2006.

Also, at the JVC Head Office Plant, we have been operating the popular biotope Dragonfly Pond since 1999 as a part of our activities to protect the natural environment. We provide it as a place for everyone to come and learn about the diversity of life such as the groups of people from around the country that use it as a place to share and exchange information. In July of 2009, it was visited by 44 people from the National Dragonfly Summit Excursion.

Participants from the National Dragonfly Summit Excursion visiting the biotope Dragonfly Pond



Biotope "Dragonfly pond" at the plant



The wings of a dragonfly are marked and it is released

Helping to Separate and Recycle Waste in Yokohama

The JVC Head Office & Yokohama Plant and the Kenwood Yokohama Business Center were recognized with "Yokohama Environmental Action Awards" for the third consecutive year as Excellent (Three-Star) Garbage Separation Offices. The award ceremony was held on November 29, 2009 in the New City Hall on the ninth floor of the Yokohama New City Building.

Yokohama city has been awarding the Yokohama Environmental Action Awards since 2005 to a group of about 2,600 large-scale companies that satisfy three basic goals. The goals are 1. Separate materials correctly, 2. Separate materials thoroughly, 3. Recycle all materials possible.

In 2009, of the 2600 companies that were eligible, 20 were selected, an increase of four over last year.



Offices with Excellent (Three-Star) Garbage Separation



Representatives from the JVC General Affairs Department (left) and Kenwood Yokohama Office Personnel Department (right)

Joint Opening of the "Saudi Electronics & Home Appliances Institute"

In September of 2009, businesses, including JVC, in cooperation with the governments of Saudi Arabia and Japan, opened the "Saudi Electronic & Home Appliances Institute" in Riyadh, the capital of Saudi Arabia where we are training their home appliance technicians. JVC, which exports many home appliances to Saudi Arabia, supported the training program by creating instruction materials and training instructors.



Students learn the operating principle of electronic circuits

Donating Radios To Support Recovery of the Earthquake in Tahiti

Kenwood donated radios that made it possible to communicate, without depending on the public infrastructure, by going through the American Radio Relay League to help refugees and the recovery from the great damage caused by the huge earthquake in the Republic of Haiti in January 2010. We offer heartfelt prayers that the devastated areas can recover as soon as possible.



The TH-K2AT (left) and TM-271A (right) donated to the effort

Participating in Recycling Telephone Books at a Local Elementary School

In January 2010, the staff at the JVC America Plant participated in the "Telephone Book Recycling Competition" which was set up jointly by AT&T and the Arcadia Elementary School in Tuscaloosa Alabama. They collected more than 1,000 old phone books, and used the 1,000 dollars they got for environmental improvements. The children and everyone else learned the importance of recycling and protecting the environment.



Staff from the JVC America Plant (left) and Students from Arcadia Elementary School

Relief Efforts for Disaster Refugees

In Indonesia, Karawang, West Java was flooded on March 18, 2010 and 8,000 homes were inundated displacing more than 32,000 people. The JVC Indonesia Plant set up a base camp for refugees in the area where many employees live and the personnel department and the union worked to help the refugees by providing food, baby milk, drinking water, medicine and other things.



Clean-up Activities Together with Government

In October 2009, the Kenwood Yamagata Plant set up the annual "Clean-up the Mouth of the Akagawa River" with the support of the Shonai branch office of the prefectural government and NPOs. A total of 52 people took part including those from nearby businesses and the Shonai branch office. There was more garbage than last year, particularly PET bottles. We are going to continue this in the future as one part of our activities to help out in local areas.



Clean-up activities in the sea breeze

Promoting Recycling of Used Mobile Phones

Rare metals, gold, silver, copper, and palladium, are very valuable metal resources across the globe. Even as their quantity remaining in the ground is decreasing, it is possible to retrieve many rare metals by collecting and recycling mobile phones. Kenwood Geobit, which is selling SoftBank mobile phones, is asking people to return their used mobile phones at 63 shops nationwide.



Organizing and Supporting a Youth Soccer Tournament

In May 2009, union volunteer staff from Japan and employees from the Kenwood Malaysia plant supported the Johor regional youth soccer tournament, which is sponsored every year by the Kenwood Group Union (KEGU). Sixteen junior high teams selected from throughout the state participated in the tournament, which was held to help the children become stronger in mind and body.



Presenting the gold, silver, and bronze medals

Volunteering for the "Children's Science and Engineering Workshop"

In December 2009, Kenwood Nagano plant technical staff participated as volunteer engineering coaches in the children's science and engineering workshop. The event was planned by the Nagano Techno Foundation Ina Techno Valley Regional Center with the objective of awakening interest in manufacturing and science in children.



Test run for the robots they built

Environmental Philosophy

JVC KENWOOD Holdings is fulfilling social responsibilities as a green company, is involved in the protection of the global environment through all the group companies' business activities, and is contributing to achieving a society where sustainable development is possible.

Environmental Policies

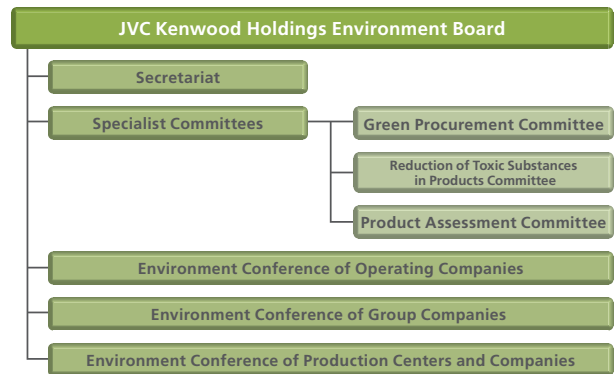
1. To be thoroughly aware of the environmental impact of the actions, products, and services of the entire group, and to promote all possible technical and economic environmental protection activities.
2. To always consider the environmental impact of our business activities, and to consistently reduce our environmental burden.
3. To conform to all laws, business standards, and local agreements regarding environmental activities.
4. To use the Earth's limited resources effectively with the aim of becoming a recycling society.
5. To reduce the burden on the Earth's environment through product manufacturing.
6. To implement business activities that can contribute to the reduction of greenhouse gasses to prevent global warming.

Environmental Management

The JVC Kenwood Group is building an environmental management system to reliably link the promotion of environmental management to actual results.

Environmental Board

The “JVC KENWOOD Holdings Environment Board” is part of our top leadership and is headed by the president of the holding company. This board promotes environmental management throughout the JVC Kenwood Group. Each operating company, manufacturing site, and manufacturing company sends environment conference members that have the responsibility for environmental affairs as well as specialized committee members from throughout the companies. The policies and measures decided by the “JVC KENWOOD Holdings Environment Board” are implemented through environment conferences throughout the group.



Acquisition of Internal Environmental Standard ISO 14001 Certification

This is being done so that the JVC Kenwood Group can actually promote environmental management based on its environmental philosophy and environmental guidelines. All manufacturing sites and affiliated manufacturing companies in both Japan and overseas, and main affiliated companies in Japan are certified as having met the requirements of the ISO 14001 environmental standard.

Environmental Education

As a group of companies that develop, produce, and sell environmentally conscience products, the JVC Kenwood Group understands how important it is that all our employees are aware of the effect their work has on the environment and take positive steps everyday to reduce that effect. Every year, we train our employees according to detailed plans. This training includes general training, hierarchy-based training, specialist education, training for internal auditors of environment management systems, and training to prepare for emergencies.



LCA Training for Engineers



Training in Preparation for Emergencies for Those Handling Chemical Substances

Specialist Training

Employees engaged in work (e.g. design related to facilities and the environment) that has the potential of significantly affecting the environment receive training to provide them with the required skills.

General Training, Hierarchy-based Training

Based on laws for increasing the desire for environmental protection and for conducting environmental education, all our employees (including new employees, temps, and part-timers) receive environmental education. They learn about the role and responsibility of each individual, workplace activities and other information for achieving our environmental policies.

Environmental Audits

Every year, the Japan Audit and Certification Organization for Environment and Quality (JACO) examines whether or not the ISO 14001 system is being sustained. In FY2009, too, the environmental management system was verified as functioning effectively. Also, internal audits by internal auditors trained by internal and external training programs also are planned every year. So that internal audits are implemented fairly and subjectively, audits are composed of internal auditors from departments other than those being audited. These internal auditors verify compliance with environmental laws and regulations and conformance with in-house environmental standards. We continue to improve on any issues found by checking even the efficacy of their countermeasures.



Examination by JACO

Promoting a Voluntary Environmental Action Plan

JVC's Environmental Targets and Results

JVC established the "Green Plan 2010" (GP2010) voluntary action plan in 2001, and has been involved in reducing our environmental burden ever since. This plan promotes the creation of green products (GP) that conform to global environmental regulations to conserve energy, use resources effectively, and do not use harmful substances according to policies to prevent global warming and eliminate the environmental impact of harmful substances. In addition, in clean factories (CF) it helps to reduce shipping and the flushing of VOCs and PRTR chemicals into the environment by strengthening chemical management,

reducing waste and lowering greenhouse gasses. In spite of changes in our business configuration being greatly affected, in FY2009, we were able to meet our targets in all areas. Offices that have already met FY2010 targets are setting new targets to further reduce our burden on the environment.

FY2009 Results for Green Plan 2010, and Targets For FY2010

Activity	FY2009 targets	Results	Evaluation	FY2010 targets
Product related P38 to P43				
1. GP development products	GP development rate Over 86%	93%	○	GP development rate Over 90%
①Energy-saving products	Warming prevention factor x1.86 (compared to FY2000)	Achieved		Warming prevention factor x2.0 (compared to FY2000)
②Resource reduction and recyclability (3Rs)	Resource factor x1.66 (compared to FY2000)	Achieved		Resource factor x1.7 (compared to FY2000)
2. Reduction of toxic substances Alternate for PVC/DEHP	Switch to PVC-free internal wiring and DEHP-free AC adapter cords	Promote switch to PVC-free internal wiring and DEHP-free AC adapter cords for camcorders	○	Elimination of PVC and TBPA
3. LCA introduction	LCA Europe model	100% accomplished	○	JVC Kenwood warming prevention factor version LCA evaluation tool distributed to all group companies in Japan
4. Green procurement	Introduction of REACH*-compatible IT system	Transferred to simplified system	○	Introduction of REACH*-compatible IT system to all of JVC Kenwood Group Evaluation of green procurement of all JVC Kenwood Group suppliers
Plant related P44 to P48				
	CF certification rate Over 85% (global)	87.5%		CF certification rate over 90% (global)
1. Energy savings Reduction in CO ₂ emissions (Global)	Emissions reduced Over 9% (compared to FY2000) Compared to previous year Over 1%	65.5% 23.9%	○	Over 10% (compared to FY2000) Worksites achieving GP2010 maintain energy-saving activities to reduce energy consumption by 1.0% compared to previous year
2. Chemicals			○	
①Main chemicals to reduce (Global)	Reduction of emissions and transfer Over 8% (compared to FY2005)	87.6%		Over 10% (compared to FY2005)
②Controlled chemicals (Global)	Reduction of emissions and transfer Over 4% (compared to FY2005)	85.1%		Over 5% (compared to FY2005) Worksites achieving GP2010 maintain energy-saving activities to reduce emissions and transfer amounts by 2.0% compared to previous year
3. Waste reduction			○	
①Total waste reduction (Global)	Waste creation reduction Over 18% (compared to FY2000)	86.2%		Over 20% (compared to FY2000)
②Zero emissions (Japan)	Recycling rate Over 99%	99.5%		Over 99% Worksites achieving GP2010 maintain energy-saving activities to reduce waste by 2% compared to previous year's results
4. Environmental risks	Reexamination of closed factories. Implement suitable measures if pollution is verified.	Finished re-examination No pollution	○	Completed verification of 100% safety in all storage plants and offices
Environmental activities				
ISO 14001	JVC Group fully certified in Japan by FY2009 examination	Fully completed	○	

Kenwood's Environmental Targets and Results

Kenwood is involved in reducing its environmental burden by creating three-year plans for green product promotion activities and environmental preservation promotion activities.

1. Low-energy, compact products

In the home electronics business, we are involved in reducing standby energy consumption and power consumption during use to reach the highest industrial standards (i.e., be the top runner) as energy conservation activities since 1998. Further, we have been involved in energy conservation through more compact on-board

compact products in the car electronics business since FY2002. In the communications business, we have been reducing the standby current for wireless devices since FY2003, which has greatly increased the operating time that is possible from a single charge. We achieved our goals for FY2009 for almost all business areas.

2. We have achieved our targets for FY2009 for preparing an LCA evaluation tool and process assessment evaluation tool, providing environmentally friendly products (by reducing harmful substances), and green procurement.

FY2009 Results for "Green Product Promotion Activities" and "Environmental Preservation Promotion Activities," and Targets for FY2010

Activity	FY2009 targets	Results	Evaluation	FY2010 targets
Product related P38 to P43				
1. Making products lighter and more energy efficient ① Car electronics products Lower power consumption and weight of newly-designed models	(1)Reduction in power consumption (commercial): compared to selected models Audio Over 2% Multimedia Over 4% (2)Lightweight (commercial): over 2% reduction compared to previous model	Achieved	○	(1)Reduction in power consumption (commercial): compared to selected models Audio Over 3% Multimedia Over 8% (2)Lightweight (commercial): over 2% reduction compared to previous model
② Home electronics products Reduce operating power consumption of newly-designed models	More efficient operating power consumption: Same or lower than base model	Achieved	○	Reduce power consumption during operating and standby
③ Communications products Reduce standby current in new designs of onboard products	Reduce standby current Specified digital radio models: Over 30% compared to base model	Achieved	○	Reduce standby current in new designs of products
2. LCA introduction	Create LCA evaluation tool for all JVC Kenwood Group	Achieved	○	Start using LCA evaluation tool for all JVC Kenwood Group
3. Plan product assessment evaluation tool	Create product assessment evaluation tool for all JVC Kenwood Group	Achieved	○	Start using product assessment evaluation tool for all JVC Kenwood Group
4. Green procurement	Study on introducing REACH*-compatible IT system	Achieved	○	Introduction of REACH*-compatible IT system to all of JVC Kenwood Group
	Monitoring of suppliers	Targets achieved as planned	○	Evaluation of green procurement of all JVC Kenwood Group suppliers
Plant related P44 to P48				
1. Energy savings Reduction in CO ₂ emissions	Reduce CO ₂ 5,454 tons (39.1% compared to 1997)	4,884 tons (45.5% compared to 1997)		CO ₂ reduction target Under 4,834 tons (reduced 46.1% compared to 1997)
2. Waste Reduction of final amount	Final disposal amount 0.83 tons	0.66 tons		Final disposal amount Maintained at less than 0.66 tons
3. Waste Recycle rate	Maintain zero emissions 99.6%	99.8%		Zero emissions standard Over 99.6%

Evaluation standards: ○Target achieved △Target partially unachieved ×Target not achieved

FY2009 indicates the period from April 1, 2009 to March 31, 2010, FY2010 is from April 1, 2010 to March 31, 2011.

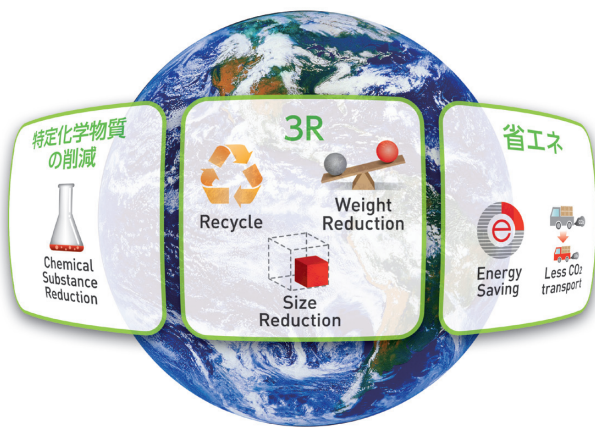
* REACH regulations Registration Evaluation Authorization and Restriction of Chemicals Law for controlling chemicals in the EU determined by EC regulation No. 1907/2007.

Making Products Environmentally Friendly

The JVC Kenwood Group is looking for technology to make products small, to reduce the operating and the standby power consumption to produce products that do not burden the environment.

Green Products

Concept of Participation in the Design Process



1. Active promotion of energy-saving activities to minimize greenhouse gas emissions
2. Involvement in resource conservation and recycling activities as the world's resources are limited
3. Active promotion of reduction and prohibition of environmental pollutants in cooperation with trading partners to prevent chemical pollution
4. Strict observance of environmental laws and other requirements

Environmental Green Logo Concept

The environmental green logo is used to identify excellent environmentally-friendly products and to encourage environmental action.

This logo shows that the product is particularly environmentally friendly among all the JVC and Kenwood products. It shows products that conform to all the

environmental standards. Further, the logo is also used for environmental activities such as ISO 14001.



Material Balance (CO₂ Emissions)

The JVC Kenwood Group implements life cycle assessments (LCA) on typical products. The table below shows the amount of CO₂ discharged

at each stage from production to discarding of a typical model.

CO₂ Emissions for Typical JVC Models According to LCA Evaluation

(Unit: kg-CO₂/device)

	Video Cameras	Business Monitor	Professional digital amp	Home audio	Car electronics
	GZ-HD620	GD-32X1A	EM-KA380D	TH-BA1	KW-AVX830
Material	1.25	274.60	88.75	31.78	26.71
Manufacturer^{*1}	0.79	57.50	4.41	1.91	2.17
Logistics^{*1}	0.16	1.70	3.84	4.17	1.85
Use^{*2}	1.21	2138.00	7479.27	60.33	58.53
Waste	0.01	0.02	0.15	0.15	0.05
Total emissions^{*3}	3.42	2472.00	7576.42	98.35	89.31

*1 Manufactured by JVC Kenwood Group global affiliated manufacturing companies outside Japan, and presumably shipped to a typical affiliated sales company outside Japan.

*2 The annual use time is determined for each product, and the power consumption for the presumed service life is calculated as the amount of CO₂ emissions.

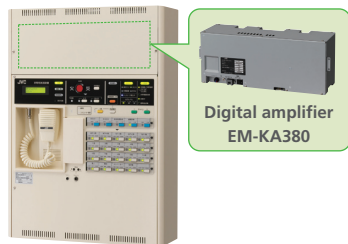
*3 The amount of CO₂ emissions is calculated using the JVC Kenwood Group LCA standards.

Environmentally-Friendly Product Development

Emergency and Professional-grade Public-address System

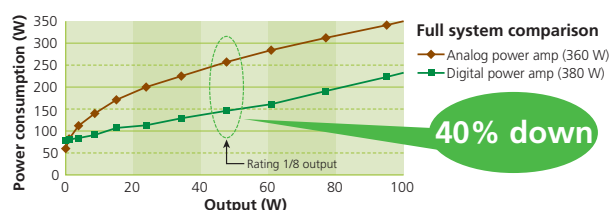
EM-K100 Series

The EM-K100 series achieves the lightest weight in the industry at 23.2 kg and the thinnest dimension with a depth of 129 mm. This wall-mounted emergency and professional-grade public-address system will help save energy in small- to medium-scale facilities such as supermarkets, schools, hotels, and hospitals. It uses a digital amplifier, the first in the industry, as the wall-mounted emergency amplifier, which greatly reduces energy used and CO₂



Emergency and Professional-grade Public-address System EM-K100 Series

emissions. Models with an amp output of 160 W or more use over 40% or less energy compared with conventional amps for background music and public announcements. Even compared with conventional JVC digital amplifiers, the CO₂ emissions per single unit over its lifecycle amount to a total of 243 kg if improved resource efficiency due to its more compact and lightweight design and energy savings due to its energy-conserving design are factored in.



VOICE



Targeting high-demand eco-markets, we attained the highest output with the lowest power usage in the industry for wall mounted emergency and office public-address systems. We can also satisfy the demand for normal office broadcast functions and non-emergency public-address functions, such as emergency earthquake bulletins and power outage broadcasts, with the highest specifications in the industry. In the future, we will promote products that are even more eco-friendly to satisfy market needs.

Business Solution Division, JVC
Kazuhiro Takahata

AV Integrated Memory Car Navigation

MDV-313 (Kenwood Domestic Model)/KW-NT3 (JVC Overseas Model)

Up till now, fluorescent tubes were used as LCD backlights. However, the MDV-313 (Kenwood domestic model) and KW-NT3 (JVC overseas model) uses a high-brightness white LED, which has started to be used also in high-level family LCD TVs.

Screen brightness has been improved by about 30% compared with JVC Kenwood Group models that use fluorescent tubes. Backlight energy savings of about 40% and improved visibility during operation also help to reduce CO₂ emissions.

Conventional fluorescent tubes contained trace amounts of mercury. However, since LEDs do not contain mercury or other harmful chemical substances, this product also

proves to be environmentally friendly even when it is disposed of after use.



LCD module with LED backlight

MDV-313 (domestic model) KW-NT3 (overseas model)

VOICE



Even though the popularity of eco-cars, as typified by hybrid automobiles, has been growing rapidly, we have been proactively working to design products that are lighter and need less energy from long ago. Our forte is our ability to skillfully balance cost and the environment. In the car navigation system we developed this time, we believe that we have maximized the integral effect of collaboration between JVC and Kenwood and have brought to the market products that are sufficiently satisfying even in terms of the environment.

Technology Development Division, J&K Car Electronics Corporation
Masaki Ushio (left) Manabu Fujimoto (right)

Making Products Environmentally Friendly

In-ear Headphones

HA-F130/140 (Gummy)



Chemical Substance Reduction

We are promoting the reduced use of harmful chemical substances in accessory products. We have stopped using phthalate ester in the in-ear headphone Gummy, which has recorded sales of 10 million units around the world.



HA-F130/140 (Gummy)

We have also completed compliance with REACH for FY2009 new products.

Business Monitor

GD-32X1



Energy Saving

For example, with the LCD monitor GD-32X1 with LED backlight, which does not use the harmful substance mercury, we are involved in reducing its weight by halving the amount of resources compared with

previous models, and have achieved the thinnest and lightest model in this sector of industry by, for example, reducing the number of components in the LCD module to 1/10.



GX-32X1

Video Cameras

GZ-HD620/GZ-MS250



Size Reduction

Less CO₂ Transport

In the area of video cameras, we are promoting energy savings for long-life battery operation and resource saving by making components more compact and lighter. By reducing the LCD backlight current and using a new IC for the power supply, we have reduced energy consumption by about 6% on hard disk types and by about 15% on memory card types. Switching from aluminum

cast parts to molded plastic parts we reduced weight by 15% compared to last year, which helps make products smaller and lighter and reduces CO₂ emissions during shipping.



GZ-HD620

GZ-MS250

Home Theater Sound System

TH-BA10



Less CO₂ Transport

Up till now, a total of four speakers (front, rear) and a center unit were required to enjoy surround playback on home theaters.

The TH-BA10, however, adopts a JVC-original 4-channel independent drive front surround system, which integrates the front and rear speakers to achieve a compact system. This reduces the resources used on the overall system and packing box.



TH-BA10

Entry-level Professional-grade Radios for the Overseas Market

TK-7302/TK-2360



Energy Saving

The analog professional-grade radios TK-7302/TK-2360 developed in FY2009 that are popular overseas use over 5% less current in standby compared with previous models.

Converted to CO₂, it equals a reduction of 953.8 tons of CO₂ emissions 2010.



TK-7302



TK-2306

Specified Low-power Radios for the Domestic Market

UBZ-S20/S27



Energy Saving

Indoor professional-grade specified low-power radios that do not require a license, qualification, or application use over 5% less current in standby compared with previous models.

Converted to CO₂, it equals a reduction of 70.9 tons in CO₂ emissions 2010.



UBZ-S20

On-Board Devices



Energy Saving

We are reducing weights and operating power consumption to achieve a yearly total reduction of the equivalent of about 488 tons of CO₂ emissions. From FY2010 too, we will be involved in making lighter weight models and reducing operating power consumption to support eco-cars in the future, and so we will be contributing to preventing

global warming.



1DIN USB/CD Receiver



DNX5260BT

Item to improve	Targeted model	Percentage improvement
Lightweight (compared to previous model)	All new models of 1DIN CD Receivers	7%
	2DIN All-in-one navigation DNX5260BT	5%
Reduce power consumption (compared to base model)	1DIN USB/CD Receiver	3%
	2DIN DVD Receiver DDX516	12%

Audio with Integrated Digital Amplifier

K-521



Energy Saving

Consume 67% less operating power than analog amp models made in 2008. Converted to CO₂, this is a reduction of about 59 tons per 20,000

units per year.



K-521-S

Promotion of Global Chemicals Management

Conformity to REACH Regulations *1

New regulations concerning chemical management came into effect in Europe in 2007. To comply with these regulations, the JVC Kenwood Group is updating its "Green Procurement Guidelines" on an on-going basis and promoting compliance with REACH regulations. The REACH regulations were enacted by the JVC Kenwood Group to disclose the chemical substances that are present in products and materials, and to require manufacturers to report to the European authorities and inform consumers and customers about specific chemicals that are present in their products.

Creating Communication Systems in the Supply Chain and Sharing Information

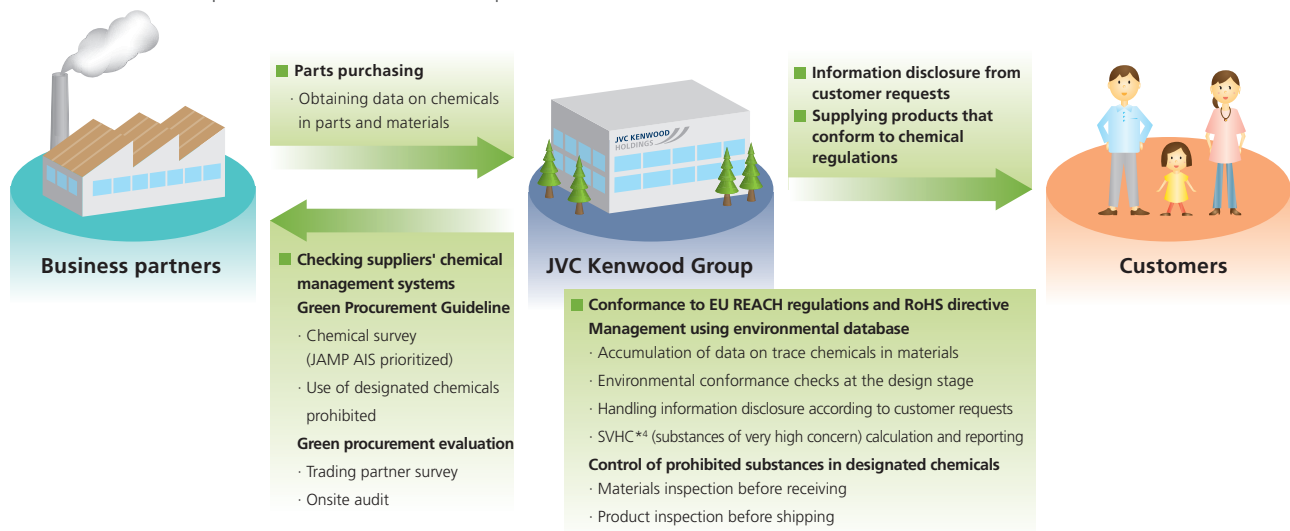
With the REACH regulations, the number of chemicals subject to control has greatly increased compared to the RoHS directive *2, and full management and information transmission on chemicals will become even more important throughout the entire supply chain. Here, the JVC Kenwood Group is involved in activities to promote

the notification of chemical information within the supply chain by participating in JAMP *3. Further, in the belief that promoting conformance to REACH regulations together with trading partners in a spirit of mutual dependence and prosperity is indispensable, we periodically check the trading partners' chemical management systems and conduct audits as necessary.

Global Chemical Management

To fully comply with the regulations for chemicals in various different countries, such as the REACH regulations, it is necessary to know exactly which chemicals are in the parts and materials that are used in our products. To do this, we have created a new environmental database and formulated a specially appointed project team to audit and check all the chemicals that are used from design to delivery.

In this way, we will be providing products that customers will feel safe using for years to come.



Chemical Management in Supply Chain

*1 REACH regulations Registration Evaluation Authorization and Restriction of Chemicals Law for controlling chemicals in the EU determined by EC regulation No. 1907/2007.

*2 RoHS directive: Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Restrictions in harmful substances implemented by the European Union (EU) to limit the use of six substances: lead, mercury, cadmium, chromium (VI), PBB (polybrominated biphenyl), and PBDE (polybrominated diphenyl ethers) used in consumer electrical and electronic products effective July 2006

*3 JAMP : Joint Article Management Promotion-consortium A consortium whose aim is to spread concrete methods to manage information about chemicals in articles (components) and disclose and distribute them smoothly throughout the supply chain.

*4 SVHC; (Substances of Very High Concern) Substances of very high concern include CMR (carcinogenic, mutagenic, or toxic to reproduction), PBT (persistent, bioaccumulative, and toxic), vPvB (very persistent and very bioaccumulative), and endocrine disrupting chemicals (environmental hormones)

Making Products Environmentally Friendly

Product Recycling (in Japan)

Japanese Recycling Activities

The JVC Kenwood Group is actively promoting recycling based on the home appliance recycling laws, which target JVC Kenwood products in Japan, the container and packaging recycling laws, and the laws that promote the effective use of resources.

Japanese Home Appliance Recycling Laws

The JVC Kenwood Group has been promoting the recycling of CRT televisions (and flat-screen TVs since April 1, 2009) according to the home appliance recycling law enacted in April 2001. We participate in the recycling system scheme. Based on our relationship with consumers, retailers (local government), and manufacturers, we are able to protect the Earth's limited resources by reusing them. The number of recycled TVs in FY2009 increased by a considerable 170% over FY2008 results due to the affect of the Eco Point system. Recycling standards are also laid down in legislature - 55% or more for CRT televisions and 50% or more for flat-screen TVs. We were able to recover 80% of materials from CRT televisions and 60% of materials from flat-screen TVs.

Container and Packaging Recycling

The container and packaging recycling law was enacted in April 2000, and the JVC Kenwood Group calculates the prospective paper and plastic container and packaging waste used in Japan as a designated business, and signs a "reuse contract" every year with the Japan Containers and Packaging Recycling Association. To reduce excess emissions, we are using 3R designs to reduce the size and weight of packaging materials.

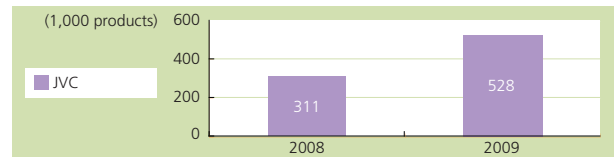
Compact Rechargeable Battery Recovery Program

The JVC Kenwood Group has contracted with JBRC, a regular corporation established by the Battery Association of Japan based on the "Law for Promotion of Effective Utilization of Resources" enacted in 2001. We are now promoting the recovery and recycling of used compact

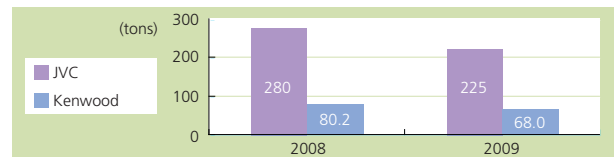
rechargeable batteries for which reuse is obligated by law as a designated resource product. The legally-designated recycling rates are NiCad 60%, NiMH 55%, lithium ion 30%, and compact sealed lead 50%, and these were all cleared.



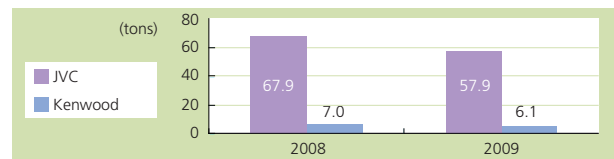
Japanese Television Recycling Results: No. of Recycled JVC TVs



Japanese Container and Packaging Recycling Results



Compact Rechargeable Battery Recycling Results



DVD, CD Recovery Program

Victor Creative Media manufactures DVDs, CDs and other software media. To not waste even a little bit, we crush all dry-run discs used for molding and printing and all DVDs and CDs that fail to pass (by 100%) rigorous quality inspections in specialized equipment, and use them as materials for plastic products.



After being crushed, these materials are delivered to an outside vendor and re-used for lacquer ware.

VOICE



In this factory, many plastic raw materials and energy (electric power) are used to make products such as DVDs and CDs. Nowadays though, all we want is to reduce CO₂ and use oil resources efficiently so no wastage is allowed.

As a plant ISO 14001 supervisor, I feel that we must promote more effective environmental conservation activities. We are maintaining a clean plant in collaboration with local companies and residents.

Victor Creative Media
Ryuichi Yamada

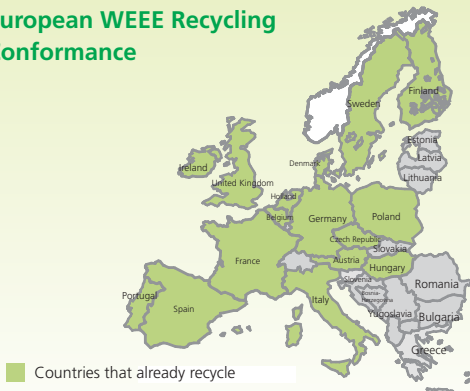
Product Recycling (Outside Japan)

EU and USA Recycling Activities

The JVC Kenwood group is committed to recycling in full compliance with EU's WEEE (Waste Electrical and Electronic Equipment) directive and the various regional waste electrical and electronic directives that are spreading throughout the United States. In consideration of 3R design, we are reducing the number of component parts

in TVs, AV equipment and other target products, and designing these products so as to be easily recycled. We are also promoting 3R design through total optimization that considers not only the recycling and recovery rates, but also the environmental risks and recycling burden, as determined by the WEEE directive.

European WEEE Recycling Conformance



Recycle Schemes in Each Country

	JVC	Kenwood
France	Echo-Logic	←
United Kingdom	REPIC	Transform
Italy	Re.Media	←
Germany	Environplasma	Ecology Net Europe

Outline of the WEEE (Waste Electrical and Electronic Equipment) Directive

- Enforced since August 13, 2005
- Applies to 10 large and small home electrical appliances, etc.
- Recycle rate: 65% min.
- Recovery rate: 75% min.

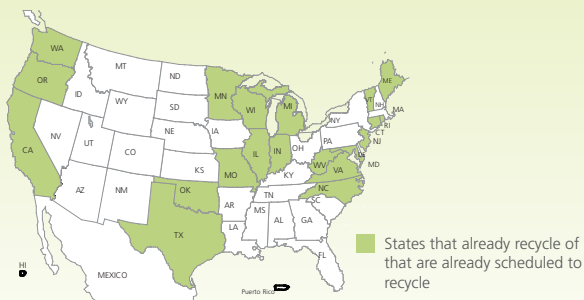
VOICE



Our activities include collecting information related to environmental laws and legislation in the EU, promoting compliance of our products, and supporting sales activities. Specifically, we are setting up recycle schemes in each country according to WEEE directives, introducing products to the market that are compliant with RoHS/ELV/ and battery directives, plus other work to comply with Eup/Erp directives, REACH regulations, and others. We are also investigating and promoting compatibility with the laws of the increasing number of EU member countries.

JVC Technical Services Europe Gmbh
Andre Overbeck

US Recycling Conformance by State



Involvement in Waste Home Appliance Laws by State

JVC supports recycling in each state as a member of MRM* which is expanding nationwide.

* MRM is the Electronics Manufacturers Recycling Management Company, a company founded by Panasonic, Sharp, and Toshiba.

Kenwood conforms to the recycling laws in California and other states.

Involvement in Mercury Regulation

We report to IMERC (Interstate Mercury Education & Reduction Clearinghouse), and label products and packaging, etc.

VOICE



I supervise activities related to conformance with environmental regulations in accordance with state and federal laws, and requests from the market in the United States. So far, we are registered in various states and have submitted reports for compliance with different recycling laws in 20 states. We are developing concrete measures while at the same time sharing information with Japan to comply with the increasingly complex laws relating to energy conservation, chemical substance and recycling, and providing an appropriate response to market demands such as EPEAT.

JVC Americas Corporation
Ed Nevins

Making Our Offices Green

The JVC Kenwood Group is actively involved in preventing global warming to fulfill our social responsibilities as a green company.

Environment performance data is compiled from our domestic R&D centers, business centers, manufacturing sites, and affiliated manufacturing companies.

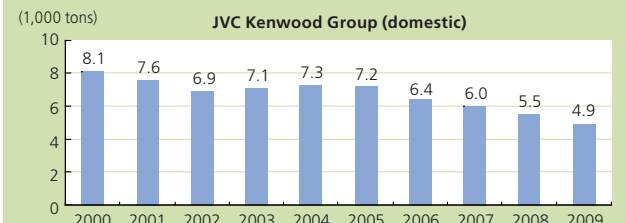
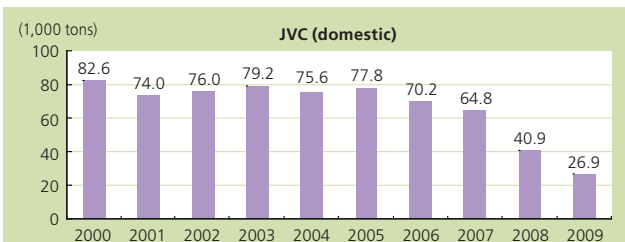
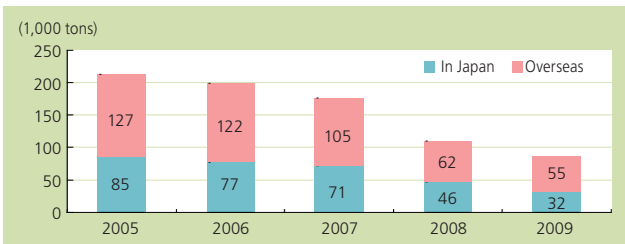
Global Warming Countermeasures

Energy-Saving Activities

The JVC Kenwood Group is continuing to reduce greenhouse gasses, in particular, reduce CO₂ emissions resulting from energy consumption, based on a voluntary environmental protection plan. The total amount of CO₂ emissions in Japan and overseas in FY2009 has fallen to 49% over the past five years.

Though this result is greatly affected by the revamping of our business structure, we have continued to implement measures to conserve power to reduce not only CO₂ emissions, but also other greenhouse gas emissions.

■ Reduction of CO₂ emissions by consuming less energy JVC Kenwood Group (domestic & overseas)



Operation of Building Management Systems

Our building management system makes the amount of power used by employees visible, which raises their awareness of

consumption and the reduction of CO₂ emissions. Central air conditioning systems



JVC Head Office Plant Techno Wing Building with Installed Building Management System

control individual AC units throughout the building and monitor detailed power usage on each floor in real time using a 24-hour power monitoring system that supplies the optimum amount of power to each floor.

Energy-Saving Patrols

We participate in a system of energy-saving patrols that were created with local businesses. By visiting the facilities of nearby companies we can learn about and apply their good points. We are focusing on finding waste at facilities that use large amounts of electricity so we can reduce CO₂ emissions.

Participation in the "Tanabata Lights Down" Campaign

As part of our response as called for in the past by the Japanese Ministry of the Environment, in the evening of July 7 we invited our employees and their families to turn off their lights and join in the "Tanabata Lights Down" campaign. We turned off all our office billboard lights for two hours from 8:00 to 10:00 pm to help stop global warming.

CoolBiz and WarmBiz

The JVC Kenwood Group is developing summer "CoolBiz" and winter "WarmBiz" campaigns.

A temperature manager is assigned to adjust air conditioners, keeping room temperature at 28°C in the summer and at 20°C in the winter. All employees are urged to take part through our Intranet and posters, suggesting "no neckties" and to use "natural air conditioning" in the summer, and to wear "suitably warm clothing" in the winter.



Protection and Effective Use of Resources

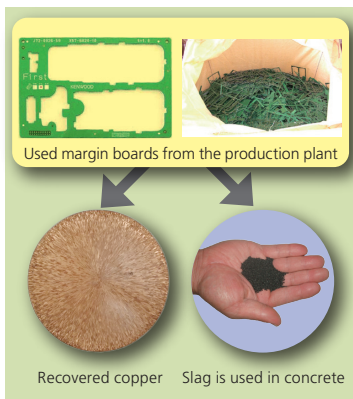
Reducing Waste through "Zero Emissions"

The JVC Kenwood Group has improved its waste recycling rate, and has attained "zero waste emissions" for minimal burden on the environment at many of its plants and offices.

The basis to achieving zero emissions is for all employees to recognize their impact on the environment and thoroughly separate garbage. As one example of our promoting recycling, margin boards* that are discarded in the product

manufacturing process are reborn as copper or slag to be mixed into concrete by an outside contracted recycle specialists. Food waste from company cafeterias is taken to a local contracted farm where it is converted to fertilizer and used in growing broccoli and other vegetables.

* Margin boards: Frame used to hold a printed circuit board while attaching parts using an inserting machine. They are normally thrown away after being used.



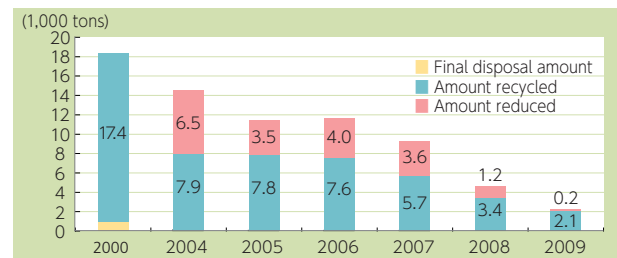
Examples of recycling resources



Waste Reduction Activities

The total amount of waste generated in FY2009 in Japan by the JVC Kenwood Group fell greatly by 50% over the previous year and to 12.6% of FY2000 levels. This decrease, in particular, advanced rapidly from FY2004 onwards. A major factor affecting this decrease was the fewer number of domestic production centers generating large amounts of acid and alkali waste. Also, as a result of waste reduction efforts implemented through the year, we were able to maintain the domestic waste recycling rate at 99.8%, which continued to aid zero emissions.

Trends in annual waste generation JVC Kenwood Group (domestic)



Breakdown and Composition of Waste for FY2009

	JVC Kenwood Group	
	Amount created (tons)	Composition ratio (%)
Dirt (inorganic, organic, mixed)	47	2.0
Paper and wood waste	1,437	62.2
Waste plastic	328	14.2
Waste liquids (waste oils, acids, and alkalis)	71	3.1
Metal filings (ferrous and non-ferrous)	342	14.8
Other (animal and vegetable residue, etc.)	85	3.7
Total	2,310	100.0

VOICE



The Clean Center at the JVC Head Office Plant is committed to reducing waste by means of separation, and investing and finding new routes for efficiently reusing and recycling resources. Its diverse recycling activities also include a program for collecting plastic bottle caps. Our activities are on display to factory visitors at the "Eco Exhibit Room" at the Clean Center. So, please come and visit us. The fact that we were recognized as an "Excellent Garbage Separation (Three-Star) Office" by Yokohama City, I feel, is a direct result of our activities.

Victor Facility Management
Kaoru Komatsu

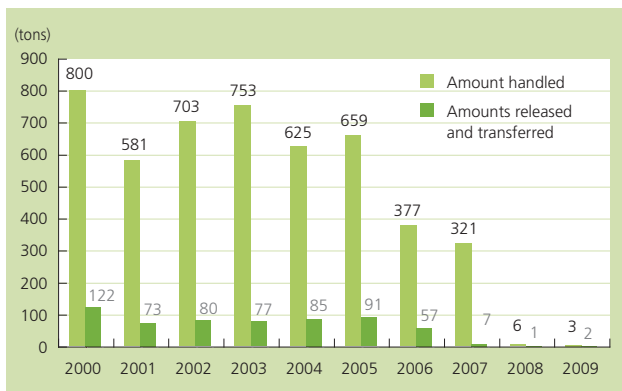
Making Our Offices Green

Reducing Materials That Impact the Environment

Managing PRTR Chemicals

The amount of Pollutant Release and Transfer Register (PRTR) chemicals handled by the JVC Kenwood Group has continued to fall since 2003. In particular, the discharged and transferred amounts in FY2008 onwards have fallen considerably. The Japanese plants that handle more than a ton of these materials have been reduced to one place, Victor Creative Media, and the only material handled is nickel. The main reason for this is that we gave up control of production of blank media and printed circuit boards, that use organic solvents or chemical raw materials, when business operations were revamped.

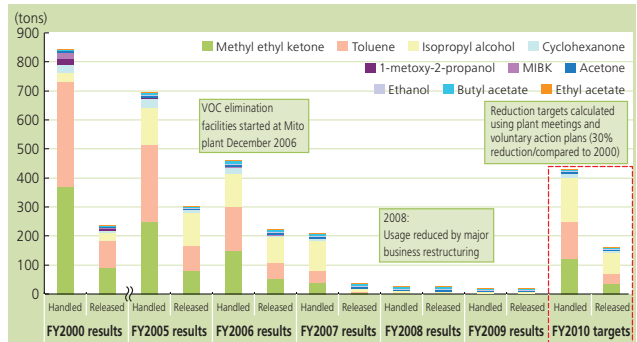
Total amount of PRTR chemicals released and transferred JVC Kenwood Group (domestic)



Plans for Suppressing VOC Emissions into the Atmosphere

The JVC Kenwood Group is also participating in the voluntary action plan to suppress volatile organic compounds (VOC) emissions into the atmosphere by the electrical and electronic industries, and is involved in reducing VOC atmospheric emissions. The table shows the results since FY2005, using FY2000 as a baseline, and the reduction targets for FY2010. Amounts of VOCs handled and emitted into the atmosphere from FY2008 onwards have diminished to extremely low levels. Though we are still using organic materials for washing and cleaning parts and in paints, the total amount handled has fallen to an extremely low level of 17 tons. This further decrease is a direct result of our having started operation of the VOC combustion-type emission-reduction facilities in our blank media operations in December, 2006.

Amount of VOC handled and released to the atmosphere JVC Kenwood Group (domestic)

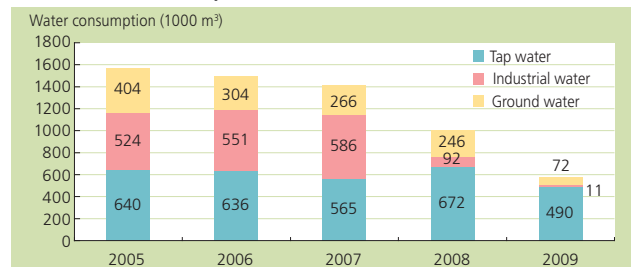


Preservation of Water Resources

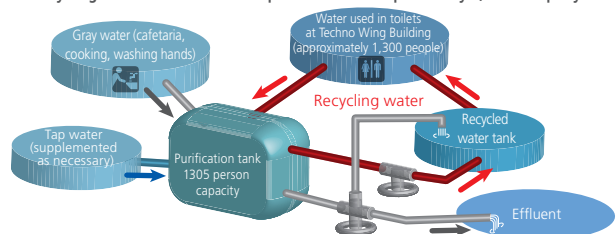
Water Consumption Trends

The JVC Kenwood Group considers water also to be a valuable resource. So far, we have promoted enhanced efficiency, water leakage countermeasures, and water conservation activities in production processes. The graph shows the five year totals for plants that were in operation in FY2009. Though there were major changes in the amount of tap water consumed, ground water, and industrial water consumption decreased considerably. Changes to our business operations were a major factor, but re-circulating water and other measures also helped very much. We implemented water-saving programs such as "Re-circulating water used to cool facilities" at Victor Creative Media; "Reducing leaks and shifting ground water to tap water" at JVC Yamato Plant and Maebashi Plant; and "Recycling water to reduce consumption" at JVC Head Office Plant Techno Wing Building.

Trends in water consumption JVC Kenwood Group (domestic & overseas)



JVC Head Office Plant Techno Wing Building: Recycling water to reduce consumption Reduced tap water by 8,250 tons per year



Waste Water Management

Waste water used in factories is discharged to sewers or cleaned before being discharged to rivers. All factories in the JVC Kenwood Group have set up voluntary waste water standards based on the ISO 14001 environmental management system. They are obligated to report any abnormalities that are discovered immediately

Reducing Environmental Risks

Cleaning Ground Pollutants

In FY2009, JVC surveyed the pollution of the aquifers at 4 sites under factories and offices owned by the company.

At one of these factories, the Hachioji Plant, lead content was found to be exceeding environmental standards. However, as a result of conducting a detailed boring survey, contamination underground was not found beyond a 10 m² sector .



Polluted Soil Excavation Work

As well as reporting this fact to the Hachioji City Environment Agency, we implemented a cleanup with administrative involvement under instructions regarding cleanup countermeasures. The cleanup results were reported, as well as being verified by Hachioji City and being in accordance with municipal laws and ordinances. The photo shows the excavation and replacement cleanup at the lead-contaminated sector. The contaminated soil was recycled as cement materials.

Asbestos Countermeasures

In FY2009, JVC notified the proper authorities about measures to handle asbestos at two plants it was closing. The JVC Yamato Plant building was enclosed and then all sprayed on asbestos was removed before it was demolished. Also, at the Hachioji Plant, anti-dispersal measures were set up before fire-resistant coverings containing asbestos were removed from pillars in a suitable manner. Environmental measurements confirmed that pollutants did not enter the environment where this work was done. Further, we are using a suitable and legally-certified method to remove and dispose of building materials that



Asbestos Removal Work

to the competent authorities and minimize environmental impact.

For the period April 2009 to March 2010, no legal levels were exceeded either in Japan or overseas.

contain non-airborne type asbestos.

The photo shows removal of sprayed materials from an enclosure at the JVC Hachioji Plant.

PCB Management and Countermeasures

Electrical devices containing PCBs, which used to be stored separately at various plants, are now managed centrally. In June, 2009, electrical devices containing PCBs that were stored at the JVC Yamato Plant were moved to Victor Creative Media where they continue to be managed centrally. For this move, we requested governmental guidance and submitted the required legal notices. Currently, the JVC Kenwood Group manages these materials centrally at four specialized storage rooms, constructed so PCBs cannot leak out. They are located at the JVC Head Office Plant, Victor Creative Media, Kenwood Hachioji Business Center, and Kenwood Devices.



PCB Storage Shed at Victor Creative Media

Moreover, we periodically conduct disaster prevention training in accordance with documented procedures to prevent the spread of contamination on the assumption that an oil leak accident from stored devices has occurred. Electrical devices containing PCBs continue to be managed rigorously until harmlessly processed by the Tokyo facility of the Japan Environmental Safety Corporation.



Site Training Session Relating to Chemical Properties and Toxicity of PCBs, and Training for Collecting Leaked Oil

Making Our Offices Green

Environmental Accounting

The JVC Kenwood Group is making its management practices more transparent by publishing information and by introducing environmental accounting in line with the Environment Ministry's guidelines. Correctly identifying environmental maintenance costs and evaluating their effects is important when considering how to manage the environment and to make decisions about the future more precise.

Analyzing Environmental Maintenance Costs

Investment for environmental protection in FY2009 totaled 5.6 million yen in new plants and equipment and 1,048 million yen in expenditures. Main environmental protection expenditure items that changed greatly from the previous year were reduced upstream and down stream costs of 190 million yen and environmental damage costs of 350 million yen. The change in upstream and down stream costs was mainly due to lower WEEE contributions. The considerable reduction in environmental damage costs

in FY2009 compared with the previous year was due to soil contamination and asbestos countermeasures. No significant changes were recorded in other areas. In terms of environmental effect, we have ensured effective energy savings and profits from recovering valuable materials from waste through the effect of past facilities investment. However, the scale of our environmental accounting is getting smaller and smaller by the year just like the state of energy usage and generated waste circumstances. We are aiming to reduce the burden on the environment and ensure environmental effect by the adequate operation of environmental protection costs.

Environmental maintenance costs: equipment investment and costs for environmental maintenance activities (Unit: Million yen)

Activity		Explanation	Equipment investment	Expenses	Total
Business area costs	Pollution prevention	Costs and investment required to prevent air and water pollution	1.6	158.0	159.6
	Global environmental costs	Global warming prevention and ozone layer protection costs	4.0	15.5	19.5
	Resource cycle	Waste material reduction, recycling, and reuse costs, etc.	0.0	186.5	187.5
Subtotal			5.6	360.0	366.5
Upstream and downstream costs		Eco product and green purchasing costs, waste home appliance countermeasures, and packaging and container recycling, etc.	0.0	252.4	252.4
Management activities costs		Environmental management costs, ISO certification, maintenance, training, and staff costs	0.0	320.6	320.6
R&D costs		Eco product development, energy conservation, and harmful chemicals replacement technology development costs	0.0	0.0	0.0
Social activities costs		Amenities, contribution and support costs, and information publication, environmental advertising, and environmental exhibition costs	—	0.1	0.1
Environmental damage costs		Soil pollution correction costs, reparations, fines, and other costs	0.0	115.7	115.7
Total			5.6	1,048.7	1,055.3

Effect on environment	Reduction of electricity used and waste processing costs through environmental maintenance activities	Sum (Million yen)	
		FY2009	Past cumulative total
Reduction	Energy conservation at plants	120.7	152.6
	Reduction of waste processing costs	3.5	10.8
	Reduction of water and sewer service costs	10.4	13.5
	Reduction of packing materials and logistics costs	0.0	0.0
Income	Profits from sales of recycled plant waste	106.2	
	Profits from sales of recycled products	0.0	
Total		240.8	283.2

Environmental accounting scope

Period	April 1, 2009 to March 31, 2010
Total scope	JVC Kenwood Group R&D Centers & Business Centers, Main Japanese Manufacturing Sites, and Affiliated Manufacturing Companies (11 plants + 1 R&D center) Kenwood Hachioji Business Center, Kenwood Yokohama Business Center, JVC Head Office (Yokohama) Plant, JVC Yokosuka Plant, JVC Maebashi Plant, JVC Hachioji Plant, JVC Yamato Plant, Victor Creative Media Co., Ltd., Victor Interior Furniture Co., Ltd., Kenwood Yamagata Corporation (Yamagata Plant), Kenwood Nagano Corporation (Nagano Plant), JVC Kurihama R&D Center
	Global Affiliated Manufacturing Companies (12 companies) JVC America Plant, JVC Mexico Plant, JVC Singapore Plant, JVC Malaysia Plant, JVC Thailand Plant, JVC Optical Components (Thailand), JVC Indonesia Plant, JVC Vietnam, Kenwood China Plant, Kenwood Singapore Plant, Kenwood Malaysia Plant, Kenwood France Plant

Reference guidelines: Ministry of the Environment "Environmental Accounting Guidelines, ver. 2005"

History of Environmental Activities

	JVC	Kenwood
1991	<ul style="list-style-type: none"> · Environmental management section established · 1st "Environment Board Meeting" held 	
1992	<ul style="list-style-type: none"> · Product assessment activities start · Basic environmental policy charter created · Victor environmental logo created 	<ul style="list-style-type: none"> · 1st "Environmental Task Committee" convened · Environmentally-friendly "pulp mold" used in packing materials (First portable CD player in the industry)
1993	<ul style="list-style-type: none"> · Phase I environmental voluntary plan created, and in-house environmental auditing started 	<ul style="list-style-type: none"> · Involvement in NiCad battery recycling started
1994	<ul style="list-style-type: none"> · Designated fluorine, etc., completely removed from the production processes 	<ul style="list-style-type: none"> · Ozone layer-destroying materials (designated fluorine) completely removed from plants
1995	<ul style="list-style-type: none"> · In-house environmental audits (Japan) 	
1996	<ul style="list-style-type: none"> · Basic environmental policy created (charter revised) · Phase II environmental volunteer plan created 	
1997	<ul style="list-style-type: none"> · Hachioji region ISO 14001 certification obtained (first in Japan) · Dichloromethane in-house use completely abolished · JIM (Mexico) ISO 14001 certification obtained (first outside Japan) 	<ul style="list-style-type: none"> · Environmental Management System Promotion Office established at the head office's management headquarters.
1998	<ul style="list-style-type: none"> · Environmental section established · Product recycling project launched · Green procurement guideline established 	<ul style="list-style-type: none"> · Two major Japanese offices, Hachioji and Yokohama, obtained ISO 14001 certification · Nagano plant obtained ISO 14001 certification
1999	<ul style="list-style-type: none"> · 14 offices in Japan obtained ISO 14001 certification · "Environmental report" published 	<ul style="list-style-type: none"> · Malaysia plant (KETM) obtained ISO 14001 certification · Singapore Plant (KETS) obtained ISO 14001 certification · Yamagata plant obtained ISO 14001 certification
2000	<ul style="list-style-type: none"> · Recycling promotion office established · JVC Green Award system started · Product assessment policy established 	<ul style="list-style-type: none"> · Registered with the Japan Containers and Packaging Recycling Association as a business entity. · "Environmental report 2000" published · Kenwood environmental logo created · Use of lead-free solder started with portable MD player and LMRs
2001	<ul style="list-style-type: none"> · Recovery and recycling of used TVs started · ISO 14001 certification obtained by Japanese business and service centers · ISO 14001 certification of all production centers worldwide completed · Registration of products conforming to green purchasing methods · Project to promote the introduction of lead-free solder established · Participation in the compact secondary battery recovery and reuse program 	<ul style="list-style-type: none"> · China Plant (SKE) obtains ISO 14001 certification · Registered with the Japan Portable Rechargeable Battery Recycling Center as a business entity. · Green procurement guideline established
2002	<ul style="list-style-type: none"> · Eco products 2002 exhibition 	<ul style="list-style-type: none"> · Nagano Plant "zero emissions" achieved
2003	<ul style="list-style-type: none"> · Green procurement standards created and explanatory meeting held · Name changed to Environmental Business Report, and English version published · Eco-Products 2003 exhibition 	<ul style="list-style-type: none"> · Environmental promotion department established in the comprehensive business department · "Environmental countermeasures conference" changed to "Kenwood environmental conference", and green product promotion conferences and environmental protection promotion conferences held · Study begins for compliance with European environmental regulations (WEEE & RoHS).
2004	<ul style="list-style-type: none"> · Awarded the 12th Yokohama environmental protection activities award · Eco-Products 2004 exhibition · Eco-Products international exhibition (Malaysia) 	<ul style="list-style-type: none"> · "Environmental report 2004" transferred from paper medium to WWW.
2005	<ul style="list-style-type: none"> · Basic environmental policy created · Eco-Products 2005 exhibition · Eco-Products international exhibition (Thailand) 	<ul style="list-style-type: none"> · France Plant (KEB) obtained ISO 14001 certification · WEEE products recovery and recycling contract signed with Panasonic EU subsidiary ENE, and registered with the central WEEE registration body in Germany · By the end of October, lead-free solder is incorporated at all plants.
2006	<ul style="list-style-type: none"> · Eco-Products 2006 exhibition · Eco products international exhibition (Singapore) 	<ul style="list-style-type: none"> · Preparation completed for compliance with European RoHS directive. · Registered with "Team Minus 6%" · Original poster created to develop "cool biz" activities company-wide · All four Kenwood offices and plants in Japan attain "Waste Material Zero Emissions." This is reported in and outside the company.
2007	<ul style="list-style-type: none"> · Left Panasonic Group · Head Office Plant recognized with Yokohama environmental action award "Excellent (Three-Star) Garbage Separation Office" 	<ul style="list-style-type: none"> · Name changed from the Environmental Promotion Dept. to the Environmental & Social Contribution Dept. · Revised Environmental Principles and Policies. Issued Environmental Guidelines, 1st edition. · "Social and Environmental Report" published · Successfully renewed ISO 14001 certification for the third time. · Yokohama Business Center recognized with Yokohama environmental action award "Excellent (Three-Star) Garbage Separation Office"
2008	<ul style="list-style-type: none"> · October Joint operations started under JVC KENWOOD Holdings · December Eco-Products 2008 exhibition · JVC Head Office Plant and Kenwood Yokohama Business Center recognized for the second consecutive year as "Excellent (Three-Star) Garbage Separation Sites" for the Yokohama Environmental Action Award. 	
2009	<ul style="list-style-type: none"> · Standardized product assessment under JVC KENWOOD Holdings · Published green procurement guidelines that comply with European REACH regulations · JVC domestic group all certified · JVC Head Office Plant and Kenwood Yokohama Business Center recognized for the third consecutive year as "Excellent (Three-Star) Garbage Separation Sites" for the Yokohama Environmental Action Award. 	



2967-3, Ishikawa-machi, Hachioji-shi, Tokyo, 192-8525 Japan

Contact information:

- Corporate Administration Division,
Environmental and Social Contribution Department
Strategic Human Resources & Administration Division

Tel: 042-646-6732 Fax: 042-646-7960

You can also access this report from our homepage.

URL. <http://www.kenwood.co.jp/j/eco/activity/>

