

(Translation)

Securities Code: 6632
June 3, 2016

JVCKENWOOD Corporation
3-12, Moriyacho, Kanagawa-ku,
Yokohama-shi, Kanagawa

NOTICE OF CONVOCATION OF THE 8th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

We would like to offer our sincere prayers for the victims of the 2016 Kumamoto Earthquake. We would also like to extend our deepest sympathies to those afflicted by the earthquake as we offer support for early restoration of the area.

You are cordially invited to attend the 8th ordinary general meeting of shareholders of JVCKENWOOD Corporation (the "Company"), to be held on Friday, June 24, 2016. You will find more information about the meeting on page 2.

If you are unable to attend the meeting, you can exercise your voting rights in writing or by using electronic media (such as the Internet). After referring to the guide to exercising voting rights on page 3-4, as well as reviewing the reference documents on page 5-26, please exercise your voting rights by 6 p.m. on Thursday, June 23, 2016 (Japan time).

With Best Regards,

Haruo Kawahara
Chairman
(Representative Director of the Board)

This document has been translated from the Japanese original for reference purposes only. In the event of discrepancy between this translated document and the Japanese original, the original shall prevail. The company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

JVCKENWOOD Corporation is a Japanese company. The offer is subject to Japanese disclosure requirements that are different from those of the United States. The financial statements included herein have been prepared in accordance with Japanese accounting standards and thus they may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since the companies are located in Japan, and some or all of their officers or directors are residents of Japan. You may not be able to sue the companies or their officers or directors in a Japanese court for violations of the U.S. securities laws. Finally, it may be difficult to compel the companies and their affiliates to subject themselves to a U.S. court's judgment.

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Details of the Meeting

1. Date and Time: Friday, June 24, 2016 at 10 a.m.
2. Place: Shinagawa Intercity Hall
15-4, 2-chome, Konan, Minato-ku, Tokyo
3. Agenda:
 - Matters to be Reported:
 1. Report on Business Report and Consolidated Financial Statements for the 8th Fiscal Year (From April 1, 2015 to March 31, 2016) and the Audit Reports on the Consolidated Financial Statements from the Accounting Auditor and the Audit & Supervisory Board
 2. Report on the Non-consolidated Financial Statements for the 8th Fiscal Year (From April 1, 2015 to March 31, 2016)
 - Matters to be Resolved:
 - Proposal No. 1: Election of Nine (9) Directors
 - Proposal No. 2: Election of Three (3) Audit & Supervisory Board Members
 - Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member

- The business report, the consolidated financial statements, the non-consolidated financial statements, the accounting audit report, the audit & supervisory board members' report, and the reference material for the meeting to be attached to this Notice are presented from page 27 through page 54. Notes to the consolidated financial statements and notes to the non-consolidated financial statements are not described in the documents attached to this notice, since they are posted on the Company's website.
<http://www.jvckenwood.com/ir/stock/stockholder/>
This is pursuant to laws and regulations and Article 15 of the Company's Articles of Incorporation. Therefore, the documents accompanying this notice are part of our consolidated financial statements or non-consolidated financial statements, which were audited when the Accounting Auditor prepared the accounting audit report.
- If there are any changes to the reference documents, the business report, the non-consolidated financial statements and the consolidated financial statements, those changes will be posted on our website stated above.
- Notice of resolutions at this meeting will also be posted on our website stated above.

(Translation)

Procedures and Treatment in Exercising the Voting Rights

The following are methods of exercising your voting rights.

Please exercise your voting rights after referring to the reference documents from page 5 to page 26.

In the case of attending the general meeting of shareholders

If you plan to attend the meeting, please submit the enclosed Voting Rights Exercise Form at the reception of the meeting. In addition, you are kindly asked to bring this brochure as meeting materials. If you attend the meeting, you do not need to take the procedures for exercising the voting rights by mail (Voting Rights Exercise Form) or via the Internet.

If you are unable to attend the meeting, you can exercise your voting rights by either of the methods described below. Please exercise your voting rights by the time indicated below.

Notes for attendance

- To help prevent global warming and respond to the government's request for reducing the consumption of electricity, we will turn down the air-conditioning systems. Accordingly, we would like to ask shareholders who attend the meeting to be lightly dressed. Directors and employees of the Company will also be lightly dressed (in Cool Biz style).
- If you are unable to attend the meeting, a shareholder who has voting rights as a proxy may attend the meeting in your place. However, in this case we will need to receive a form designating such person as your proxy.

In the case of not attending the general meeting of shareholders

If you are unable to attend the meeting, you can exercise your voting rights by either of the following methods. Please exercise your voting rights by the following deadline.

Deadline for exercising voting rights

6 p.m., Thursday, June 23, 2016 (Japan time)

Your early voting would be greatly appreciated since it facilitates vote counting.

Postal Voting

Indicate whether you vote For or Against the proposals in the enclosed Voting Rights Exercise Form and then return it by 6 p.m. on Thursday, June 23, 2016 (Japan time).

Internet Voting

Please check the content described on page 4 before exercising your voting rights.

Electronic Voting Platform for Institutional Investors

Institutional investors can also exercise voting rights for this meeting in electronic media from the "Electronic Voting Platform" operated by ICJ, Inc.

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Exercising the Voting Rights via the Internet

1. Please access the following online voting site. (Japanese-only)

Online voting site: <http://www.web54.net>

2. When voting online, enter the voting code and password indicated on the enclosed Voting Rights Exercise Form. Then indicate your consent or dissent to each proposal by following the instructions displayed on the screen.

The deadline for exercising your voting rights is by 6 p.m. on Thursday, June 23, 2016 (Japan time). Your early voting would be greatly appreciated.

Note

If you exercise your voting rights via both online and the enclosed Voting Rights Exercise Form, only the online vote shall be counted.

If you exercise your online votes more than once (including votes via a computer and via a cellular phone), only the last vote shall be counted.

Conditions concerning the system

If you wish to exercise your voting rights via the Internet, please check the following points:

(1) Through the PC site

1) Screen resolution is no less than W800 x H600 dots (SVGA).

2) Following applications are installed:

(a) For web browser, Microsoft® Internet Explorer Ver.5.01 SP2 or later.

(b) For PDF file browser, Adobe® Acrobat® Reader® Ver. 4.0 or later, or Adobe® Reader® Ver. 6.0 or later (Internet Explorer is a registered trademark, trademark, and product name of Microsoft Corporation in the U.S., while Adobe® Acrobat® Reader® and Adobe® Reader® are registered trademarks, trademarks, and product names of Adobe Systems Incorporated in the U.S. for the U.S. and other countries.)

(2) Through the cellular phone site

128-bit SSL (Secure Socket Layer) encrypted communication compatible model is required.

Voting rights can be exercised using the full browser function of cellular phones, including smartphones. Please note, however, that some models cannot be used for exercising voting rights.

Inquiries about Online Voting

(1) Please contact the following Help Desk if you have any inquiries about the procedures for exercising voting rights at this site via PCs or cellular phones.

Sumitomo Mitsui Trust Bank, Limited

Stock Transfer Agency Web Support (Help Desk)

Phone (toll-free within Japan): 0120-652-031 (9 a.m. to 9 p.m.)

(2) For other inquiries, please contact the following

Sumitomo Mitsui Trust Bank, Limited

Stock Transfer Agency Administration Center (Help Desk)

Phone (toll-free within Japan): 0120-782-031 (9 a.m. to 5 p.m.)

(Excluding Saturdays, Sundays and national holidays)

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REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposal No. 1: Election of Nine (9) Directors

All eight (8) directors' tenure of office is to expire at the end of the coming General Meeting of Shareholders.

We propose to elect nine (9) directors including three (3) external directors to fill the quota of nine (9) directors prescribed in the Company's Articles of Incorporation.

Mr. Junichi Hikita, Mr. Masanori Yoshikai, and Mr. Yasuyuki Abe are candidates for external directors.

The Company intends to reinforce its governance by establishing a new management structure with the directors to be elected through the proposal as well as by having an external director chair the Board of Directors.

Furthermore, if the three (3) external director candidates are elected in the original form of the proposal, the Company plans to designate them as independent directors as stipulated in the provisions of the Tokyo Stock Exchange, Inc.

The candidates are as follows:

(Reference 1) Members of the Board of Directors after election

Candidate No.		Name	Position (Planned)	Current Position	Page
1	Reappointment	Takao Tsuji	President and Representative Director of the Board	President and Representative Director of the Board	7
2	Reappointment	Kazuhiro Aigami	Representative Director of the Board	Director of the Board	8
3	Reappointment	Shoichiro Eguchi	Representative Director of the Board	Executive Officer, Regional CEO (Europe)	9
4	Reappointment	Seiichi Tamura	Representative Director of the Board	Director of the Board	10
5	Reappointment	Yasuyuki Tanida	Director of the Board	Director of the Board	11
6	Reappointment	Junichi Hikita	External Director	External Director	12
	External				
7	Reappointment	Masanori Yoshikai	External Director	External Director	14
	External				
8	Reappointment	Yasuyuki Abe	External Director (Chairman of the Board of Directors)	External Director	16
	External				
9	Reappointment	Haruo Kawahara	Director of the Board and Advisor	Chairman, Representative Director of the Board (Chairman of the Board of Directors)	18
	External				

(Reference 2) Criteria for Judgment of Independence (Article 18 of JVCKENWOOD Corporate Governance Policy)

In general, to ensure the effectiveness of the supervisory function of the management based on experience, achievements, expertise, insights, and other attributes, as well as independence from conflicts of interest with general shareholders, the Company shall elect candidates for External Directors and External Audit & Supervisory Board Members by confirming their business backgrounds and ensuring that they are not principal shareholders of the Company or have never been engaged in business execution at the Company's main business partners (with a transaction value of one (1) percent or more of the consolidated net sales of the Company), based on its criteria and policies for independence set out in accordance with the "Guidelines concerning Listed Company Compliance, etc." (III 5. (3)-2) established by the Tokyo Stock Exchange, Inc.

Notes: III 5. (3)-2 of the "Guidelines concerning Listed Company Compliance, etc." (revised May 1, 2015) of the Tokyo Stock Exchange, Inc.

The status of a person(s) who is reported to the Tokyo Stock Exchange, Inc. as being an independent director(s)/auditor(s) by the issuer of a listed domestic stock pursuant to the provisions of Rule 436-2

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“Handling of the Securing of Independent Director(s)/Auditor(s)” of the Enforcement Rules for Securities Listing Regulations when such person falls under any of the following a. to d.;

- a. A person for which said company is a major client or a person who executes business for such person, or a major client of said company or a person who executes business for such client;
- b. A consultant, accounting professional or legal professional (in the case of a group such as a juridical person or association, including persons belonging to such group) who receives a large amount of money or other asset other than remuneration for directorship/auditorship from said company; or
- c. A person who has recently fallen under any of the following (a) to (c);
 - (a) A person or an entity referred to in Sub-item a. or b.;
 - (b) A person who executes business for a parent company of said company (including a director who does not execute business or an auditor in cases where said company designates its outside auditor as an independent director); or
 - (c) A person who executes business for a fellow subsidiary of said company.
- d. A close relative of a person referred to in any of the following (a) to (f) (excluding those of insignificance);
 - (a) A person referred to in a. to the preceding c;
 - (b) An accounting advisor of said company (limited to cases where the outside auditor thereof has been designated as an independent auditor. When said accounting advisor is a corporation, any member thereof who is in charge of such advisory affairs is included; the same shall apply hereinafter);
 - (c) A person who executes business for a subsidiary of said company (including a director who does not execute business or an accounting advisor in cases where said company designates its outside auditor as an independent auditor);
 - (d) A person who executes business for a parent company of said company (including a director who does not execute business or an auditor in cases where said company designates its outside auditor as an independent auditor);
 - (e) A person who executes business for a fellow subsidiary of said company; or
 - (f) A person who has recently fallen under (b) or (c), or a person who executed business for said company (in cases where an outside auditor is designated as an independent auditor, meaning a director who does not execute business).

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
1	 <p data-bbox="264 573 470 674">Takao Tsuji (September 28, 1949)</p> <p data-bbox="264 674 470 757">Candidate for reappointment</p>	<p data-bbox="488 282 1270 344">Apr. 1973 Joined Nissho Iwai Corporation (currently Sojitz Corporation), Tokyo Head Office</p> <p data-bbox="488 344 1270 407">Apr. 1994 Acting General Manager, Electronic System Department</p> <p data-bbox="488 407 1270 470">Oct. 1995 General Manager, Office of the President, NISSHO ELECTRONICS CORPORATION</p> <p data-bbox="488 470 1270 501">Jun. 1999 Director</p> <p data-bbox="488 501 1270 564">Mar. 2000 Director, FUSION COMMUNICATIONS CORPORATION</p> <p data-bbox="488 564 1270 627">Jun. 2001 Managing Director, NISSHO ELECTRONICS CORPORATION</p> <p data-bbox="488 627 1270 689">Jun. 2002 President and Representative Director of NISSHO ELECTRONICS CORPORATION</p> <p data-bbox="488 689 1270 987">2003 onwards Part-time lecturer: Shinshu University (MBA); School of Business, Aoyama Gakuin University; Faculty of Commerce, Doshisha University; Department of Management of Technology (MOT), Tokyo University of Science; Faculty of Economics, Soka University; School of International Studies, Kwansei Gakuin University (current position)</p> <p data-bbox="488 987 1270 1050">Jun. 2009 Chairman of the Board of Directors of NISSHO ELECTRONICS CORPORATION</p> <p data-bbox="488 1050 1270 1135">Sep. 2009 Member of the Final Selection Committee for Japan Aerospace Exploration Agency (JAXA) Aerospace Open Laboratory</p> <p data-bbox="488 1135 1270 1198">Jun. 2010 Advisor to Machinery Division, Sojitz Corporation</p> <p data-bbox="488 1198 1270 1261">Jun. 2011 Director of the Board (External) of TAKAGI CO., LTD.</p> <p data-bbox="488 1261 1270 1323">Jun. 2013 External Director of JVCKENWOOD Corporation</p> <p data-bbox="488 1323 1270 1440">May 2014 President and Representative Director of the Board, Chief Operating Officer (COO), Chief Risk Officer (CRO), Chief Innovation Officer (CIO) of JVCKENWOOD Corporation</p> <p data-bbox="488 1440 1270 1556">Apr. 2015 President and Representative Director of the Board, Chief Operating Officer (COO), Chief Innovation Officer (CIO) of JVCKENWOOD Corporation</p> <p data-bbox="488 1556 1270 1641">Nov. 2015 President and Representative Director of the Board, Chief Operating Officer (COO) of JVCKENWOOD Corporation (current position)</p> <p data-bbox="488 1641 1270 1695"><Current responsibilities> President and Representative Director of the Board, Chief Operating Officer (COO) of JVCKENWOOD Corporation</p> <p data-bbox="488 1695 1270 1749"><Important concurrent duties></p> <p data-bbox="488 1749 1270 1794">Not applicable</p>	72,300
<p data-bbox="256 1794 938 1825">Reasons for selecting him as a candidate for director</p> <p data-bbox="256 1825 1466 2002">The Company proposes to elect Mr. Takao Tsuji as a director and expects his extensive experience, knowledge, professional views and personal relationships in the electronics, machinery and information industry fields obtained through his work at and management of companies and organizations outside the Group, as well as his corporate management experience as the Company's director and executive officer, will be utilized, and that he will be active as the Chief Executive Officer (CEO) of the new management structure.</p>			

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
2	 Kazuhiro Aigami (October 27, 1957) Candidate for reappointment	Apr. 1990 Joined Kenwood Corporation (currently JVCKENWOOD Corporation) Apr. 2007 General Manager, Communications Div. Jun. 2007 Managing Operating Officer Jun. 2008 Director of the Board & Senior Managing Operating Officer, General Manager Jun. 2009 President and Representative Director of the Board of Kenwood Corporation Director of the Board of JVCKENWOOD Holdings, Inc. Jun. 2010 Director of the Board, Executive Officer, Corporate Vice President of JVCKENWOOD Holdings, Inc. May 2011 Director of the Board, Senior Vice President & Executive Officer, General Executive of Strategic Marketing Division, Chief Operating Officer (COO) of Professional Systems Business Group of JVCKENWOOD Holdings, Inc. Jun. 2011 Director of the Board, Senior Executive Vice President & Executive Officer, General Executive of Strategic Marketing Planning Division, Assistant to CRO, Chief Operating Officer (COO) of Professional Systems Business Group of JVCKENWOOD Holdings, Inc. Jun. 2013 Director of the Board, Senior Executive Vice President & Executive Officer, General Executive of Professional System Segment, General Executive of Corporate Planning & Production Strategy Division, General Executive of Procurement Strategy Division, General Executive of Emerging Market Planning Division of JVCKENWOOD Corporation May 2014 Representative Director of the Board, Executive Officer, Regional CEO (America) of JVCKENWOOD Corporation Oct. 2014 Representative Director of the Board, Executive Officer, Regional CEO (America) of JVCKENWOOD Corporation, President of JVCKENWOOD USA Corporation Apr. 2016 Director of the Board, Executive Officer, in charge of the Public Services Sector, Regional CEO (America) of JVCKENWOOD Corporation (current position) <Current responsibilities> Director of the Board, Executive Officer, in charge of the Public Services Sector, Regional CEO (America) of JVCKENWOOD Corporation <Important concurrent duties> Not applicable	72,280
<p>Reasons for selecting him as a candidate for director</p> <p>The Company proposes to elect Mr. Kazuhiro Aigami as a director and expects that his extensive experience, knowledge, professional views and personal relationships related to the Company's business that were obtained through his work abroad and in the communications systems business and the professional systems business of the Group, as well as his corporate management experience as the Company's director and executive officer, will be utilized, and that he will be active in a position that supports the new management structure as its core.</p>			

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
3	 Shoichiro Eguchi (December 7, 1955) Candidate for reappointment	Apr. 1979 Joined Trio Electronics, Inc. (currently JVCKENWOOD Corporation) Jun. 2003 Senior Vice President & Executive Officer of Kenwood Corporation (currently JVCKENWOOD Corporation) Jun. 2004 Director, Senior Vice President & Executive Officer of Kenwood Corporation (currently JVCKENWOOD Corporation) Jun. 2007 Senior Vice President & Executive Officer, Assistant to CEO of Kenwood Corporation (currently JVCKENWOOD Corporation) (Car Electronics Overseas Sales Strategy Representative) Jun. 2010 Director of the Board, Senior Vice President & Executive Officer of JVCKENWOOD Holdings, Inc. May 2011 Director of the Board, Deputy President & Executive Officer, General Executive of Strategic Corporate Planning Division, Chief Operation Officer of Car Electronics Business Group of JVCKENWOOD Holdings, Inc. Oct. 2011 Representative Director of the Board, Deputy President & Executive Officer, General Executive of Strategic Corporate Planning Division, General Executive of Group Management Office, Chief Operating Officer (COO) of Car Electronics Business Group of JVCKENWOOD Corporation Jun. 2012 President and Representative Director of the Board, Chief Executive Officer (CEO) May 2014 Representative Director of the Board, Executive Officer, Regional CEO (Europe) Jun. 2015 Executive Officer, Regional CEO (Europe) (current position) <Current responsibilities> Executive Officer, Regional CEO (Europe) of JVCKENWOOD Corporation <Important concurrent duties> Not applicable	75,970
<p>Reasons for selecting him as a candidate for director</p> <p>The Company proposes to elect Mr. Shoichiro Eguchi as a director and expects that his extensive experience, knowledge, professional views and personal relationships related to the Company's business that were obtained through his work abroad and in the car electronics business of the Group, as well as his corporate management experience as the Company's director and executive officer, will be utilized, and that he will be active in a position that supports the new management structure as its core.</p>			


(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
4	 <p>Seichi Tamura (December 30, 1968)</p> <p>Candidate for reappointment</p>	<p>Mar. 1992 Joined Accenture Japan Ltd. (Specialized in planning growth strategies and new business strategies for manufacturing, distribution and retail, transportation and travel service industries, and engaged in launching of many businesses and their monetization)</p> <p>Sep. 2005 Executive Partner</p> <p>Jan. 2010 Joined Enterprise Turnaround Initiative Corporation of Japan (ETIC) Professional Office Managing Director (Specialized in business investment and loans, involved in decision and implementation of many investments and loans, at the same time, engaged in revitalization and regrowth of the recipient companies as their executive director)</p> <p>May 2011 External Director, Shibamasa Kanko Co., Ltd.*</p> <p>Jun. 2011 Director and Vice President, Executive Officer, FUJISHO PRINTING INC.*</p> <p>Sep. 2011 External Director, Okiso Construction Co., Ltd.*</p> <p>Mar. 2013 Joined JVCKENWOOD Corporation, SOO (Senior Operating Officer) treatment, Assistant to CEO, General Manager of Business Development Division</p> <p>Jun. 2013 Director of the Board, Chief Strategy Officer (CSO), General Manager of Corporate Strategy Division</p> <p>Apr. 2016 Director of the Board, Chief Strategy Officer (CSO), in charge of the Media Services Sector, General Manager of Corporate Strategy Division (current position)</p> <p><Current responsibilities> Director of the Board, Chief Strategy Officer (CSO), in charge of the Media Services Sector, General Manager of Corporate Strategy Division of JVCKENWOOD Corporation</p> <p><Important concurrent duties> Not applicable</p>	43,700
<p>Reasons for selecting him as a candidate for director</p> <p>The Company proposes to elect Mr. Seichi Tamura as a director and expects his extensive experience, knowledge, professional views and personal relationships in strategic planning, business and capital partnerships, and mergers and acquisition obtained through his work at and management of companies outside the Group, as well as his corporate management experience as the Company's director and executive officer, will be utilized, and that he will be active in a position that supports the new management structure as its core.</p>			

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
5	 Yasuyuki Tanida (May 8, 1966) Candidate for reappointment	Apr. 1989 Joined Victor Company of Japan, Limited (currently JVCKENWOOD Corporation) Apr. 2008 Engineering Manager of Camcorder Category, Mobile AV Business Group, Victor Company of Japan, Limited Jun. 2009 Engineering Manager of Imaging, Digital Imaging Division Oct. 2010 Manager of Product Design, Imaging Division Jun. 2011 Engineering Executive of Home & Mobile ("HM") Oct. 2011 Engineering Executive of HM, HM Electronics Business Group of JVCKENWOOD Corporation Jul. 2013 General Manager of Sensing Device Business Operation, i-ADAS Business Taskforce, Deputy General Executive of Engineering, Imaging Division Oct. 2013 Co-leader of New Imaging Business Development Task Force, Deputy General Executive of Engineering, Imaging Division May 2014 Senior Vice President, Executive Officer, Co- leader of New Imaging Business Development Task Force, General Executive of Optical & Audio Segment Apr. 2015 Senior Vice President, Executive Officer, General Executive of Optical & Audio Segment, Deputy Leader of i-ADAS Business Taskforce Nov. 2015 Director of the Board, Chief Innovation Officer (CIO), in charge of the Automotive Sector Apr. 2016 Director of the Board, Executive Officer, in charge of the Automotive Sector, Chief Innovation Officer (CIO) (current position) <Current responsibilities> Director of the Board, Executive Officer, in charge of the Automotive Sector, Chief Innovation Officer (CIO) of JVCKENWOOD Corporation <Important concurrent duties> Not applicable	14,700
<p>Reasons for selecting him as a candidate for director</p> <p>The Company proposes to elect Mr. Yasuyuki Tanida as a director and expects his extensive experience, knowledge, professional views and personal relationships related to the Company's business that were obtained through his work in the imaging optical business and the automotive sector of the Group, as well as his corporate management experience as director and executive officer, will be utilized, and that he will be active in a position that supports the new management structure.</p>			

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
6	 Junichi Hikita (January 16, 1949) Candidate for reappointment External Director Independent Officer	Mar. 1971 Joined Toyo Electronics Industry Corporation (currently ROHM Co., Ltd.) Jun. 1991 Director, General Manager of LSI Operations Headquarters Jun. 1993 Managing Director, General Manager of LSI Operations Headquarters Jun. 1997 Managing Director, General Manager of LSI Product Development Headquarters, ULSI Research and Development Headquarters, LSI Operations Headquarters, Modules Production Headquarters, and Discrete Devices Production Headquarters Jun. 1999 Managing Director, General Manager of LSI Product Development Headquarters, Advanced Research and Development Headquarters, LSI Operations Headquarters, and Administrative Headquarters Jan. 2008 Senior Corporate Adviser Jun. 2008 Established Hikita Consulting Co., Ltd., President and Representative Director of the said company (current position) Jun. 2012 External Director of JVCKENWOOD Corporation (current position) <Important concurrent duties> President and Representative Director of Hikita Consulting Co., Ltd.	30,100
<p>Special Notes on Candidate for External Director Mr. Junichi Hikita is a candidate for external director prescribed under Paragraph 3-7 of Article 2 of the enforcement regulations of the Companies Act.</p> <p>Reasons for selecting him as a candidate for external director The Company proposes to elect Mr. Junichi Hikita as an external director and expects his proper advice as a corporate manager and engineer based on his extensive experience, knowledge, professional views and personal relationships that were obtained through his work at and management of companies outside the Group, will be utilized in the Company's management, and that he will continue to be active in a position supervising the Company's management by providing advice and proposals to the Company as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.</p> <p>Tenure of office as external director of the Company since he took office Mr. Hikita is currently an external director of the Company and his tenure of office as external director of the Company will be four (4) years at the end of this General Meeting of Shareholders.</p> <p>Outline of the liability limitation agreement The Company has concluded a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Hikita. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by law, whichever is higher, when the external director has acted faithfully and without gross negligence. When the reappointment of Mr. Hikita is approved, the Company shall extend this agreement with him.</p>			

(Translation)

Matters concerning independence


No mutual relationship exists between Hikita Consulting Co., Ltd., where he concurrently holds office, and the Company, such as business transactions including donations, exchanges of directors or shareholding.

Although he has worked for ROHM Co., Ltd., which currently does have business relations with the Company with regard to purchases, transactions between the Company and ROHM Co., Ltd. amounted to less than one (1) percent of the consolidated net sales of the Company in the consolidated fiscal year under review and do not fall under major transactions for either the Company or the firm. In addition, he resigned as Senior Corporate Advisor of ROHM Co., Ltd. eight (8) years ago and currently has no relationship with the company. Although ROHM Co., Ltd. holds 31,400 shares of the Company, the number of shares held is considered to be small, the shares are not cross-held, and no mutual relationship exists between the Company and ROHM Co., Ltd. including donations and exchanges of directors.

Furthermore, Mr. Hikita has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.

When his appointment is approved, the Company shall designate him as an independent officer as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Inc. and notify the TSE of that designation.

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
7	 Masanori Yoshikai (August 7, 1947) Candidate for reappointment External Director Independent Officer	May 1972 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry (METI)) Apr. 1982 Associate Professor, Graduate School of Policy Science, Saitama University Mar. 1989 Director, London Metal Centre, JAPAN EXTERNAL TRADE ORGANIZATION (JETRO) Jun. 1998 Deputy Director-General for International Affairs, Machinery and Information Industries Bureau, METI Jun. 2000 Deputy Director-General for International Affairs, Industrial Science and Technology Policy and Environment Bureau, METI Jul. 2001 Deputy Director-General for International Affairs, Commerce and Information Policy Bureau, METI Jul. 2002 Trustee and Director of Planning Headquarters, National Institute of Advanced Industrial Science and Technology, AIST Aug. 2007 Joined Sumitomo Electric Industries, Ltd., as Chief Engineer Apr. 2009 Managing Executive Officer, Sumitomo Electric Industries, Ltd. Jun. 2013 Advisor, Sumitomo Electric Industries, Ltd. (current position) Jun. 2014 External Director of JVCKENWOOD Corporation (current position) Mar. 2016 Chief Director of Institute for Future Engineering (current position) May 2016 Chief Director of Study Group on Japan's Goals in the 21st Century (Specified Non-Profit Organization) (current position) <Important concurrent duties> Advisor of Sumitomo Electric Industries, Ltd. Chief Director of Institute for Future Engineering Chief Director of Study Group on Japan's Goals in the 21st Century (Specified Non-Profit Organization)	7,900
<p>Special Notes on Candidate for External Director</p> <p>Mr. Masanori Yoshikai is a candidate for external director prescribed under Paragraph 3-7 of Article 2 of the enforcement regulations of the Companies Act.</p> <p>Reasons for selecting him as a candidate for external director</p> <p>The Company proposes to elect Mr. Masanori Yoshikai as an external director and expects his proper advice as a corporate manager and engineer based on his extensive experience, knowledge, professional views and personal relationships that were obtained through his work at and management of companies and organizations outside the Group, will be utilized in the Company's management, and that he will continue to be active in a position supervising the Company's management by providing advice and proposals to the Company as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.</p> <p>Tenure of office as external director of the Company since he took office</p> <p>Mr. Yoshikai is currently an external director of the Company, and his tenure of office as external director of the Company will be two (2) years at the end of this General Meeting of Shareholders.</p> <p>Outline of the liability limitation agreement</p> <p>The Company has concluded a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Yoshikai. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by law, whichever is higher, when the external director has acted faithfully and without gross negligence. When the reappointment of Mr. Yoshikai is approved, the Company shall extend this agreement with him.</p>			

(Translation)

Matters concerning independence

No mutual relationship exists between the Institute for Future Engineering and Study Group on Japan's Goals in the 21st Century (Specified Non-Profit Organization), where he concurrently holds office, and the Company, such as business transactions including donations, exchanges of directors or shareholding. Although Sumitomo Electric Industries, Ltd. had business relations with the Company in the past with regard to purchases and sales, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company then and did not fall under major transactions for either the Company or the firm. No transactions were recorded in the consolidated fiscal year under review. In addition, the Company and Sumitomo Electric Industries, Ltd. have no mutual relationship including donations, exchanges of directors or shareholding.

The National Institute of Advanced Industrial Science and Technology (AIST), where he served in the past as an executive, and the Company have no mutual relationship, such as business transactions including donations, exchanges of directors or shareholding. Although the Ministry of Economy, Trade and Industry (METI) and the JAPAN EXTERNAL TRADE ORGANIZATION (JETRO), where Mr. Yoshikai served as an executive, and Saitama University, where he served as teaching staff, have had transactions with the Company with regard to sales, transactions between the Company and each of these entities amounted to less than one (1) percent of the consolidated net sales of the Company then and did not fall under major transactions for either the Company or any of these entities. In addition, no mutual relationship exists between the entities and the Company including donations, exchanges of directors or shareholding.

Furthermore, Mr. Yoshikai has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.

When his appointment is approved, the Company shall designate him as an independent officer as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Inc. and notify the TSE of that designation.

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
8	 <p data-bbox="263 560 470 627">Yasuyuki Abe (April 17, 1952)</p> <p data-bbox="263 649 470 716">Candidate for reappointment</p> <p data-bbox="263 739 470 784">External Director</p> <p data-bbox="263 806 470 873">Independent Officer</p>	<p data-bbox="486 280 1268 313">Apr. 1977 Joined Sumitomo Corporation</p> <p data-bbox="486 313 1268 369">Nov. 1980 Transferred to Houston Office, Sumitomo Corporation of Americas</p> <p data-bbox="486 369 1268 436">Sep. 1983 Transferred to the Los Angeles Office of Sumitomo Corporation of America</p> <p data-bbox="486 436 1268 526">Jun. 1987 Assistant to General Manager, Electric Machines/Equipment Division No. 1, of Sumitomo Corporation</p> <p data-bbox="486 526 1268 728">Jun. 1993 Transferred to the Los Angeles Office of Sumitomo Corporation of America (later, engaged in the machinery and plant departments at the New York Office, and the electric machines/equipment, machinery and information industry departments at the San Francisco Office and other offices)</p> <p data-bbox="486 728 1268 851">Apr. 2002 Corporate Officer and Assistant to General Manager, Network Division, Sumitomo Corporation, Adviser to Sumisho Electronics Co., Ltd. (currently SCSK Corporation)</p> <p data-bbox="486 851 1268 907">Jun. 2002 President and Representative Director of Sumisho Electronics Co., Ltd.</p> <p data-bbox="486 907 1268 996">Apr. 2005 President and Representative Director of Sumisho Computer Systems Corporation (currently SCSK Corporation)</p> <p data-bbox="486 996 1268 1198">Jun. 2009 Retired as President, CEO and Representative Director of Sumisho Computer Systems Corporation Representative Director, Managing Executive Officer and General Manager, Financial & Logistics Business Unit of Sumitomo Corporation</p> <p data-bbox="486 1198 1268 1321">Apr. 2010 Representative Director, Managing Executive Officer and General Manager, New Industry Development & Cross-Function Business Unit of Sumitomo Corporation</p> <p data-bbox="486 1321 1268 1444">Apr. 2011 Representative Director, Senior Managing Executive Officer and General Manager, New Industry Development & Cross-Function Business Unit of Sumitomo Corporation</p> <p data-bbox="486 1444 1268 1556">Apr. 2013 Representative Director, Senior Managing Executive Officer and General Manager, Corporate Planning & Coordination Group of Sumitomo Corporation</p> <p data-bbox="486 1556 1268 1612">Apr. 2015 Representative Director and Assistant to President and CEO of Sumitomo Corporation</p> <p data-bbox="486 1612 1268 1736">Jun. 2015 Advisor of Sumitomo Corporation (current position) External Director of JVCKENWOOD Corporation (current position)</p> <p data-bbox="486 1736 1268 1792">Oct. 2015 Advisor of Orange and Partners Co., Ltd. (current position)</p> <p data-bbox="486 1792 1268 1859">Jun. 2016 Independent Outside Auditor of Fuji Heavy Industries Ltd. (planned)</p> <p data-bbox="486 1859 1268 1948"><Important concurrent duties> Advisor of Sumitomo Corporation Advisor of Orange and Partners Co., Ltd.</p>	3,200
<p data-bbox="255 1948 877 1982">Special Notes on Candidate for External Director</p> <p data-bbox="255 1982 1468 2038">Mr. Yasuyuki Abe is a candidate for external director prescribed under Paragraph 3-7 of Article 2 of the enforcement regulations of the Companies Act.</p>			

Reasons for selecting him as a candidate for external director

The Company proposes to elect Mr. Yasuyuki Abe as an external director and expects his proper advice as a corporate manager based on his extensive experience, knowledge, professional views and personal relationships in the electronics, machinery and information industry fields abroad that were obtained through his work at and management of companies outside the Group, will be utilized in the Company's management, and that he will continue to be active in a position to supervise the Company's management by giving the Company advice and proposals as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.

Tenure of office as external director of the Company since he took office

Mr. Abe is currently an external director of the Company, and his tenure of office as an external director of the Company will be one (1) year at the end of this General Meeting of Shareholders.

Outline of the liability limitation agreement

The Company has concluded a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Abe. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by law, whichever is higher, when the external director has acted faithfully and without gross negligence. When the reappointment of Mr. Abe is approved, the Company shall extend this agreement with him.

Matters concerning independence

No mutual relationship exists between Sumitomo Corporation and Orange and Partners Co., Ltd., where he concurrently holds office, and the Company, such as business transactions including donations, exchanges of directors and shareholding.


SCSK Corporation ("SCSK") and the Company had business relations in the past regarding purchases, and the predecessors of SCSK included Sumisho Electronics Co., Ltd. and Sumisho Computer Systems Corporation, both of which he previously served in as a management executive. However, SCSK's transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company, and did not fall under major transactions for either the Company or SCSK. No transactions were recorded in the consolidated fiscal year under review. In addition, he resigned as a representative director of SCSK six (6) years ago and currently has no relationship with the company. Additionally, no mutual relationship exists between SCSK and the Company including donations, exchanges of directors and shareholding.

Furthermore, Fuji Heavy Industries Ltd., where Mr. Abe is to assume the post of auditor in June 2016, currently has business relations with the Company with regard to purchases and sales. Its transactions with the Company, however, amounted to less than one (1) percent of the consolidated net sales of the Company in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or the firm. In addition, no mutual relationship exists between Fuji Heavy Industries Ltd. and the Company including donations, exchanges of directors and shareholding.

Furthermore, Mr. Abe has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.

When his appointment is approved, the Company shall designate him as an independent officer as stipulated in the provisions of Tokyo Stock Exchange (TSE) Inc. and notify the TSE of that designation.

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
9	 Haruo Kawahara (March 9, 1939) Candidate for reappointment	Jun. 1996 Director and General Planning Manager, delegation, TOSHIBA CORPORATION Jun. 1997 Executive Director Jul. 2000 Advisor Jun. 2002 President, Representative Director of the Board, Chief Executive Officer (CEO) of Kenwood Corporation (currently JVCKENWOOD Corporation) Jun. 2007 Chairman, Representative Director of the Board Oct. 2008 Chairman, Representative Director of the Board, Chief Executive Officer (CEO) of JVCKENWOOD Holdings, Inc. (currently JVCKENWOOD Corporation) Representative Director of the Board of Victor Company of Japan, Limited (currently JVCKENWOOD Corporation) Jun. 2009 Chairman and President, Representative Director of the Board, Chief Executive Officer (CEO) of JVCKENWOOD Holdings, Inc. May 2011 Chairman, Representative Director of the Board, Executive Officer Responsible for Integrated Management of JVCKENWOOD Holdings, Inc. Jun. 2012 Representative Director of the Board, Chairman of the Board of Directors of JVCKENWOOD Corporation Nov. 2013 Representative Director of the Board, Chairman of the Board of Directors, Chief Executive Officer (CEO) of JVCKENWOOD Corporation May 2014 Chairman, Representative Director of the Board, Chairman of the Board of Directors, Chief Executive Officer (CEO) of JVCKENWOOD Corporation (current position) <Current responsibilities> Chairman, Representative Director of the Board, Chairman of the Board of Directors, Chief Executive Officer (CEO) of JVCKENWOOD Corporation <Important concurrent duties> Not applicable	160,190
<p>Reasons for selecting him as a candidate for director</p> <p>The Company has promoted reinforcement of the Group's business foundation, business structural reforms and the development of next-generation businesses since Mr. Haruo Kawahara was involved in the establishment of the Group in October 2008 and concurrently assumed the post of Chairman, Representative Director of the Board, Chief Executive Officer (CEO). The Company proposes to elect Mr. Kawahara as a director and expects that he will be active in a position supervising the Company's management by providing advice and proposals to the Board of Directors from an objective position not involved in the Group's business execution, including with regard to funds, M&A and new businesses.</p>			

Notes common to all of the nine (9) candidates above:

1. There are no conflicts of interest between each candidate and the Company.
2. No candidates for Director will receive and have not received in the past two (2) years a large amount of money or other assets (excluding the remuneration for director, accounting advisor, audit & supervisory board member, executive officer or other similar position) from special related corporations of the Company (subsidiaries).

Proposal No. 2: Election of Three (3) Audit & Supervisory Board Members

(Translation)

All three (3) audit & supervisory board members' tenure of office is to expire at the end of the coming General Meeting of Shareholders.

The candidates for audit & supervisory board members, Mr. Shojiro Asai and Mr. Nagaaki Ohyama, are external audit & supervisory board members. Mr. Shojiro Asai is currently an external audit & supervisory board member for the Company, and his tenure of office in this capacity will be four (4) years as of the end of the coming General Meeting of Shareholders. Mr. Nagaaki Ohyama is a new candidate for audit & supervisory board member.

Furthermore, if the two (2) external audit & supervisory board members are elected in the original form of the proposal, the Company plans to designate them as independent officers as stipulated in the provisions of the Tokyo Stock Exchange, Inc.

The proposal had already been agreed by the Audit & Supervisory Board.


The candidates for audit & supervisory board members are as follows.

Candidate No.	Name	Position	Current position	Page
1	Reappointment Takayohi Sakamoto	Audit & Supervisory Board Member (planned)	Audit & Supervisory Board Member	20
2	Reappointment External Independent Shojiro Asai	External Audit & Supervisory Board	External Audit & Supervisory Board	21
3	New appointment External Independent Nagaaki Ohyama	External Audit & Supervisory Board	Substitute External Audit & Supervisory Board Member	23

(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
1	 <p data-bbox="271 571 454 660">Takayoshi Sakamoto (June 11,1950)</p> <p data-bbox="271 694 454 750">Candidate for reappointment</p>	<p data-bbox="486 280 1236 369">Sep. 1996 Joined The Asahi Bank, Ltd. (currently Resona Bank, Limited.), International Dept. (assigned to the U.S. Office)</p> <p data-bbox="486 369 1236 459">Jul. 2001 Joined Kenwood Corporation (currently JVCKENWOOD Corporation) ,General Executive of Accounting Department</p> <p data-bbox="486 459 1236 492">Oct. 2002 General Executive of Finance Department</p> <p data-bbox="486 492 1236 548">Jun. 2003 Senior Vice President treatment, General Executive of Accounting Department</p> <p data-bbox="486 548 1236 616">Oct. 2005 General Executive of Consolidated Management Department</p> <p data-bbox="486 616 1236 649">Jun. 2007 General Executive of CR Department</p> <p data-bbox="486 649 1236 728">Oct. 2007 Representative Director of the Board of J&K Technologies Corporation (currently JVCKENWOOD Corporation)</p> <p data-bbox="486 728 1236 817">Jun. 2008 Senior Vice President & Executive Officer of Kenwood Corporation (currently JVCKENWOOD Corporation)</p> <p data-bbox="486 817 1236 884">Oct. 2008 Director of the Board, CFO and General Executive of Corporate Division</p> <p data-bbox="486 884 1236 996">Jun. 2009 Director of the Board of Victor Company of Japan, Limited (currently JVCKENWOOD Corporation),General Executive of Finance/Accounting Department</p> <p data-bbox="486 996 1236 1064">Jun. 2010 Managing Director of the Board and Senior Vice President</p> <p data-bbox="486 1064 1236 1153">Oct. 2010 Managing Director of the Board, Senior Vice President and Assistant to CEO (Special Mission, Business Innovation in Europe)</p> <p data-bbox="486 1153 1236 1243">Jun. 2011 SOO (Senior Operating Officer), Business Innovation in Europe of JVCKENWOOD Holdings, Inc.</p> <p data-bbox="486 1243 1236 1310">Oct. 2011 SOO, Business Innovation in Europe of JVCKENWOOD Corporation</p> <p data-bbox="486 1310 1236 1355">Jun. 2012 Audit & Supervisory Board Member (current position)</p> <p data-bbox="486 1355 1236 1422"><Important concurrent duties> Not applicable</p>	58,760
<p data-bbox="255 1422 1284 1456">Reasons for selecting him as a candidate for audit & supervisory board member</p> <p data-bbox="255 1456 1436 1657">The Company proposes to elect Mr. Takayoshi Sakamoto as an audit & supervisory board member and expects that he will be active in a position auditing the Company's management in accordance with his involvement in the Group's management and utilizing his knowledge in finance and accounting based on his experience of being in charge of the Group's finance and accounting divisions for approximately 11 years, by utilizing his subsequent experience in auditing the Company as a full-time audit & supervisory board member of the Company and continuing to provide proper advice at the Company's Board of Directors and the Audit & Supervisory Board.</p>			

(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
2	 Shojiro Asai (January 26, 1941) Candidate for reappointment External Audit & Supervisory Board Member Independent Officer	Apr. 1968 Joined Hitachi, Ltd. Aug. 1989 Deputy General Manager, Central Research Laboratory of Hitachi, Ltd. Feb. 1991 General Manager, Advanced Research Laboratory of Hitachi, Ltd. Jun. 1997 Board Member, General Manager of Research & Development Promotion Group, Hitachi, Ltd. Jun. 1999 Executive Managing Director, General Manager of Research & Development Group, Hitachi, Ltd. Jun. 2001 Senior Vice President, Hitachi, Ltd. Jun. 2003 Senior Vice President and Executive Officer, Hitachi Medical Corporation Jun. 2005 External Corporate Auditor, Kenwood Corporation (currently the Company) Jul. 2006 Director, Rigaku Corporation Dec. 2006 Executive Vice President and Director, Rigaku Corporation (current position) Apr. 2007 Research Supervisor, CREST Program on "Fundamental technologies for dependable VLSI system," Strategic Basic Research Program, Japan Science and Technology Agency May 2009 Director, Japan Analytical Instruments Manufacturers' Association Jun. 2012 External Audit & Supervisory Board Member (current position) Jun. 2014 Advisor, Rigaku Corporation (current position) Oct. 2015 ACCEL Research Area Advisor of The Japan Science and Technology Agency (current position) <Important concurrent duties> Advisor, Rigaku Corporation ACCEL Research Area Advisor of The Japan Science and Technology Agency	13,020
<p>Special Notes on Candidate for External Audit & Supervisory Board Member Mr. Shojiro Asai is a candidate for external audit & supervisory board member prescribed under Paragraph 3-8 of Article 2 of the enforcement regulations of the Companies Act.</p> <p>Reasons for selecting him as a candidate for external audit & supervisory board member The Company proposes to elect Mr. Shojiro Asai as an audit & supervisory board member and expects that he will be active in a position auditing the Company's management by utilizing his extensive experience, knowledge, professional views and personal relationships that were obtained through his work at and management of companies outside the Group as well as his experience in carrying out audits as the Group's external audit & supervisory board member, and by providing proper advice and proposals, including those as a corporate manager and engineer, at the Board of Directors and the Audit & Supervisory Board as an objective third party, separate from the Group.</p> <p>Outline of the liability limitation agreement The Company has concluded a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Asai. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by law, whichever is higher, when the external audit & supervisory board member has acted faithfully and without gross negligence. When the reappointment of Mr. Asai is approved, the Company shall extend this agreement with him.</p> <p>Matters concerning independence No mutual relationship exists between Rigaku Corporation, where he concurrently holds office, and the Company, such as business transactions including donations, exchanges of directors and cross-shareholding. In addition, although the Japan Science and Technology Agency currently has business relations with the Company regarding purchases, its transactions amounted to less than</p>			

(Translation)


one (1) percent of the consolidated net sales of the Company in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or the firm. Furthermore, no mutual relationship exists between the Japan Science and Technology Agency and the Company including donations, exchanges of directors and shareholding.

Although Hitachi, Ltd., where Mr. Asai previously served as a management executive, currently has business relations with the Company regarding purchases, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or the firm. Mr. Asai resigned from Hitachi, Ltd. more than 10 years ago and currently has no relationship with the company. In addition, no mutual relationship exists between Hitachi, Ltd. and the Company including donations, exchanges of directors and shareholding. Furthermore, Hitachi Medical Corporation and Japan Analytical Instruments Manufacturers' Association, both of which he previously served in as a management executive, have no mutual relationship with the Company including donations, exchanges of directors and shareholding.

Furthermore, Mr. Asai has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.

When his appointment is approved, the Company shall designate him as an independent officer as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Inc. and notify the TSE of that designation.

(Translation)

No.	Name (Date of birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
3	 Nagaaki Ohyama (January 24, 1954) Candidate for new appointment External Audit & Supervisory Board Member Independent Officer	Mar. 1982 Finished Doctoral course, Department of Information Engineering Interdisciplinary Graduate School of Science and Engineering, Tokyo Institute of Technology Jul. 1983 Assistant, Imaging Science and Engineering Institute School of Engineering, Tokyo Institute of Technology Dec. 1986 Researcher, Optical Research Center, Department of Radiology, College of Medicine, The University of Arizona Nov. 1988 Assistant Professor, Imaging Science and Engineering Institute, School of Engineering, Tokyo Institute of Technology Nov. 1993 Professor, Imaging Science and Engineering Institute, School of Engineering, Tokyo Institute of Technology Apr. 2000 Professor, Information and Research Function, The Frontier Collaborative Research Center, Tokyo Institute of Technology Apr. 2002 Professor, Collaborative Research & Information area (previously Information and Research Function), The Frontier Collaborative Research Center, Tokyo Institute of Technology Apr. 2003 Professor, Collaborative Research & Information area (previously Information and Research Function), The Frontier Collaborative Research Center and Imaging Science and Engineering Institute, Graduate School of Engineering, Tokyo Institute of Technology Apr. 2010 Professor, Imaging Science and Engineering Laboratory (renamed from Imaging Science and Engineering Institute, Graduate School of Engineering), Tokyo Institute of Technology Jun. 2012 Substitute Audit & Supervisory Board Member (current position) Apr. 2016 Professor, Institute of Innovative Research, Tokyo Institute of Technology (current position) <Important concurrent duties> Professor of Tokyo Institute of Technology	—
<p>Special Notes on Candidate for External Audit & Supervisory Board Member Mr. Nagaaki Ohyama is a candidate for an external audit & supervisory board member prescribed under Paragraph 3-8 of Article 2 of the enforcement regulations of the Companies Act.</p> <p>Reasons for selecting him as a candidate for external audit & supervisory board member The Company proposes to elect Mr. Nagaaki Ohyama as an audit & supervisory board member and expects that he will be active in a position auditing the Company's management by utilizing his extensive experience, knowledge, professional views and personal relationships as an academic in organizations outside the Group and by providing proper advice and proposals, including those in his field of specialty, at the Board of Directors and the Audit & Supervisory Board as an objective third party, separate from the Group.</p> <p>Though Mr. Ohyama has not engaged in corporate management in the past, we believe that he will be able to properly perform his duties as an audit & supervisory board member based on his extensive experience and knowledge.</p> <p>Outline of the liability limitation agreement When his appointment is approved as an external audit & supervisory board member, the Company will conclude a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Ohyama. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by law, whichever is higher, when the external audit & supervisory board member has acted faithfully and without gross negligence.</p> <p>Matters concerning independence</p>			

(Translation)

Although the Tokyo Institute of Technology, where he concurrently holds office, currently has business relations with the Company regarding purchases and sales, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or the entity. Furthermore, no mutual relationship exists between the Tokyo Institute of Technology and the Company including donations, exchanges of directors and shareholding.

Furthermore, Mr. Ohyama has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.

When his appointment is approved, the Company shall designate him as an independent officer as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Inc.

Notes: common to all of the three (3) candidates above:

1. There are no conflicts of interest between the candidate and the Company.
2. The candidate for substitute audit & supervisory board member will receive and have not received in the past two (2) years a large amount of money or other assets (excluding the remuneration for director, accounting advisor, audit & supervisory board member, executive officer or other similar position) from special related corporations of the Company (subsidiaries).


(Translation)

Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member

In preparation for situations in which the Company does not have enough audit & supervisory board members (including external audit & supervisory board members) required by the laws and regulations, the Company proposes to elect one (1) substitute audit & supervisory board member.

The Audit & Supervisory Board has given its consent to the proposal.

The candidate for a substitute audit & supervisory board member is as follows:

No.	Name (Date of birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
1	 Akihiko Washida (November 5, 1942) First-time Candidate Substitute External Audit & Supervisory Board Member	May 1992 Deputy President, Management Strategy, General Strategy Group, Sony Corporation Aug. 1994 Vice President of Consumer A.V. Company, and Manager of Business Administration of General Strategy Group, Sony Corporation Apr. 1996 Senior Vice President of Semiconductor Company, Sony Corporation Jul. 1998 General Manger, Audit Department, Sony Corporation Feb. 2003 Executive Officer, Business Promotion Division, Mitsui High-tec. Inc. Feb. 2004 Manager of Strategic Corporate Planning Division, Mitsui High-tec, Inc. Jun. 2006 External Corporate Auditor of Kenwood Corporation (currently the Company) Dec. 2007 External Corporate Auditor of Cool.revo Inc. Oct. 2008 External Audit & Supervisory Board Member of the Company (current position) <Important concurrent duties> Not applicable	30,670
<p>Special Notes on Candidate for Substitute External Audit & Supervisory Board Member</p> <p>Mr. Akihiko Washida is a candidate for a substitute external audit & supervisory board member.</p> <p>Reasons for selecting him as a candidate for substitute external audit & supervisory board member</p> <p>The company proposes to elect Mr. Akihiko Washida as a substitute external audit & supervisory board member and expects that he will be active in a position auditing the Company's management by utilizing his extensive experience, knowledge, professional views and personal relationships obtained through his work at and management of companies outside the Group as well as his experience in carrying out audits as the Group's external audit & supervisory board member, and by providing proper advice and proposals, including those as a corporate manager and in the business management field, at the Board of Directors and the Audit & Supervisory Board as an objective third party, separate from the Group.</p> <p>Outline of the liability limitation agreement</p> <p>When his appointment is approved as an external audit & supervisory board member, the Company will conclude a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Washida. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by law, whichever is higher, when the external audit & supervisory board member has acted faithfully and without gross negligence.</p> <p>Matters concerning independence</p> <p>No mutual relationship exists between Mitsui High-tec, Inc. and Cool.revo Inc., both of which he previously served in as a management executive, and the Company, such as business transactions including donations, exchanges of directors and shareholding. In addition, although Sony Corporation, where he previously served as a management executive, currently has business relations with the Company regarding purchases through distributors, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or the firm. Mr. Washida resigned from Sony Corporation more than 10 years ago and currently has no relationship with the company. In addition, no mutual relationship exists between Sony Corporation and the Company including donations, exchanges of directors and shareholding.</p> <p>Furthermore, Mr. Washida has not been an operating officer or the like of our major business</p>			

(Translation)

	<p>partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.</p> <p>When his appointment is approved, the Company shall designate him as an external audit & supervisory board member as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Inc. and notify the TSE of that designation.</p>
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Notes:

1. There are no conflicts of interest between the candidate and the Company.
2. The candidate for substitute audit & supervisory board member will not receive and have not received in the past two (2) years a large amount of money or other assets (excluding the remuneration for director, accounting advisor, audit & supervisory board member, executive officer or other similar position) from special related corporations of the Company (subsidiaries).
3. The candidate is currently an external audit & supervisory board member of the Company and his tenure of office as an external audit & supervisory board member of the Company will be seven (7) years and nine (9) months at the end of this General Meeting of Shareholders counting from when he took office at the establishment of the Company.

(Translation)

(Document Provided Based on Article 437, Article 444 of the Companies Act)

BUSINESS REPORT
(From April 1, 2015 to March 31, 2016)

1. Matters Concerning the Current Situation of the Group

[1] Course of Business and the Results

From the fiscal year under review, the Company applied the "Accounting Standards for Business Combinations" (ASBJ Statement No. 21, issued on September 13, 2013), and therefore net income is presented as net income attributable to owners of the parent.

Looking at the global economic conditions during the fiscal year under review, the U.S. economy continued to expand at a modest pace, underpinned mainly by strong personal consumption. In Europe, the economy recovered at a moderate pace also toward the second half of the period. On the other hand, the growth in the Chinese and other emerging economies slowed down toward the second half of the period. In addition, geopolitical risks heightened, in particular in the Middle East. As a result, the global economic conditions as a whole remained unstable. The Japanese economy was on a moderate recovery path in the first half of the period on the back of a weaker yen and low crude oil prices. However, the economy's growth started to show signs of deceleration as the Japanese yen reversed course and resumed its climb after the turn of the year, leaving the outlook for the economy uncertain.

Under these circumstances, net sales for the JVCKENWOOD Group for the fiscal year under review increased from the previous fiscal year due to the effects of acquiring businesses. Looking at profits and losses of the Group as a whole, operating income declined on a year-on-year basis. This is because the amount of unplanned advanced R&D investment increased in the Dealer-installed Option Business and Factory-installed Option Business in the Automotive Sector due to the winning of new orders that exceeded our plan, and there were also effects of unfavorable exchange rate fluctuations, in particular, in the first half of the period. However, the Group's operations are becoming stabilized.

Profit-and-loss exchange rates used when preparing the financial statements for the fiscal year under review are as follows:

		1 st Quarter (from April 1, 2015 to June 30, 2015)	2 nd Quarter (from July 1, 2015 to September 30, 2015)	3 rd Quarter (from October 1, 2015 to December 31, 2015)	4 th Quarter (from January 1, 2016 to March 31, 2016)
Profit-and-loss exchange rates	U.S. dollar	approx. 121 yen	approx. 122 yen	approx. 121 yen	approx. 115 yen
	Euro	approx. 134 yen	approx. 136 yen	approx. 133 yen	approx. 127 yen
FY2014 (Reference)	U.S. dollar	approx. 102 yen	approx. 104 yen	approx. 114 yen	approx. 119 yen
	Euro	approx. 140 yen	approx. 138 yen	approx. 143 yen	approx. 134 yen

*** Consolidated Net Sales**

Net sales for the fiscal year under review increased by about 7,200 million yen, or 2.5%, year-on-year to 292,195 million yen, due to the effects of acquiring businesses.

Sales in the Automotive Sector increased, due to the effects of converting ASK Industries S.p.A. ("ASK") into a consolidated subsidiary effective April 1, 2015. While sales in the communication systems subsidiary in the U.S. increased, sales in the professional communications systems business decreased. As a result, sales in the Public Services Sector declined. In the meantime, sales in the Media Services Sector decreased, due to the effects of transferring all the shares of TEICHIKU ENTERTAINMENT, INC. ("TEICHIKU") effective April 28, 2015.

*** Consolidated Operating Income and Loss**

Operating income for the fiscal year under review declined by about 2,300 million yen, or 35.8%, year-on-year to 4,221 million yen.

Operating income in the Automotive Sector decreased, due largely to the increase in the amount of unplanned advanced R&D investment in the Dealer-installed Option Business and Factory-installed Option Business, resulting from the winning of new orders that exceeded our plan. Operating income in the Public Services Sector declined due to the decrease in profit in the professional communications systems business. Operating income in the Media Services Sector declined due to the effects of transferring all the shares of TEICHIKU.

(Translation)

*** Consolidated Ordinary Income and Loss**

Ordinary income for the fiscal year under review declined by about 2,200 million yen, or 67.9%, year-on-year to 1,018 million yen, due mainly to the decline in operating income.

*** Consolidated Net Income (Loss) Attributable to Owners of Parent**

Net income attributable to owners of the parent for the fiscal year under review declined by about 1,500 million yen, or 31.4%, year-on-year to 3,194 million yen. This was mainly attributable to posting deferred tax assets for its U.S. subsidiary, with about 2,300 million yen credited as income taxes-deferred, and an extraordinary loss of about 1,100 million yen as an impairment loss on real estate due to changing the use of the real estate of the Maebashi Office as announced in the "Notice Regarding Posting of Deferred Tax Assets and Extraordinary Loss and Revision of Earnings Forecast" released on April 22, 2016. It was also due to the decrease in ordinary income.

Net sales and operating income and loss by business segment are as follows:

In accordance with "Vision 2020," a mid- to long-term business plan released on May 18, 2015, JVCKENWOOD is taking a step forward and going from being a traditional manufacturing and sales company to being one that creates customer value by providing solutions to their problems. As part of such initiative, JVCKENWOOD, on July 1, 2015, reorganized the four business segments of Car Electronics, Professional Systems, Optical and Audio, and Software & Entertainment into three sectors based on customers' industries — Automotive Sector, Public Services Sector and Media Services Sector.

***Automotive Sector**

Net Sales

In the Consumer Business, sales of Saisoku-Navi, an integrated AV car navigation system, were strong in the domestic market. In overseas markets, although sales were firm for display audio systems in the U.S., sales were negatively affected by an economic downturn in the Middle East and weak market conditions in Europe. As a result, net sales in the Consumer Business declined from the previous fiscal year.

In the Dealer-installed Option Business, net sales increased substantially, due largely to the start of shipment of dealer-installed option products for new customers.

In the Factory-installed Option Business, net sales surged due to factors such as the addition of sales of ASK, which became a consolidated subsidiary effective April 1, 2015.

Operating Income

In the Consumer Business, operating income for the fiscal year under review increased from the previous fiscal year, due to the strong market conditions in Japan and the U.S., although there were effects of a decrease in net sales.

In the Dealer-installed Option Business, operating income decreased from the previous fiscal year, mainly because of the increase in the amount of unplanned advanced R&D investment as a result of winning new orders that exceeded our plan.

In the Factory-installed Option Business, operating income declined from the previous fiscal year, due largely to increases in R&D investment associated with next-generation businesses and the winning of new orders, despite the profit increase resulting from the consolidation of sales of ASK.

***Public Services Sector**

Net Sales

Net sales in the Communications Systems Business (formerly Communications Business) decreased from the previous fiscal year, owing to factors including the decrease in sales of railroad communications terminals in the U.S. due mostly to the effects of the fall in crude oil prices.

Net sales in the Professional Systems Business declined from the previous fiscal year, due largely to the effects of narrowing our product line in overseas markets. Net sales in the Healthcare Business decreased from the previous fiscal year, due mainly to sales decreases in both the domestic and overseas markets.

Operating Income

In the Communications Systems Business, operating income decreased from the previous fiscal year, due to the aforementioned factors for the sales decrease. In the meantime, EF Johnson Technologies, Inc. ("EFJT"), the Group's major communications systems subsidiary in the U.S., achieved increases in both sales and profit from the previous fiscal year owing to its efforts for boosting sales activities.

In the Professional Systems Business, operating income increased from the previous fiscal year, due

(Translation)

largely to a better product mix and the effects of cost reduction. In the Healthcare Business, operating income declined from the previous fiscal year due to the sales decrease.

*Media Services Sector

Net Sales

In the Media Business, net sales were roughly on a par with the previous fiscal year. This was largely because sales of projectors increased year-on-year as the business saw a recovery in sales in the second half of the period, although sales of consumer video cameras were affected by the narrowing product line.

In the Entertainment Business, net sales decreased from the previous fiscal year, due mostly to the effects of transferring all the shares of TEICHIKU.

Operating Income

In the Media Business, operating income increased due to the effects of a better product mix for consumer video cameras and decrease in loss from image devices as a result of sales increase.

In the Entertainment Business, operating income declined due to the effect of transferring all the shares of TEICHIKU.

[2] Issues to be Addressed

(1) Mid- to Long-term Strategies of the Company

There have been structural changes in the external environment surrounding the JVCKENWOOD Group, such as the rapid fall of the yen; a shrinking consumer electronics market due to the widespread use of smartphones; and innovations in digital and optical technologies such as clouds and big data. In light of such changes, the JVCKENWOOD Group drew up a new mid- to long-term business plan, "Vision 2020," that looks ahead to fiscal year 2020 and announced it on May 18, 2015. Under Vision 2020, JVCKENWOOD is promoting its businesses, and spotlighting fields where it can take advantage of its strengths by carrying out performance evaluations and business portfolio management using return on equity (ROE) as a major business indicator and return on invested capital (ROIC) as an internal management indicator. In this way, JVCKENWOOD is working to transform itself from a traditional manufacturing and sales company to one that creates customer value by providing solutions to customers' problems.

Looking toward fiscal year 2017, based on the above-mentioned long-term vision, JVCKENWOOD will re-focus on developed markets and pursue an aggressive approach to growth in emerging markets as its strategy. This is based on the recognition that there is still a lot of room to create customer value in both developed and emerging markets. At the same time, JVCKENWOOD will employ a business strategy of integrating its strength in order to create new demand in next-generation business areas.

(2) Issues to be Addressed by the Company

With a view to achieving the goals set out in Vision 2020, the JVCKENWOOD Group classified its businesses into three categories — "growth-leading businesses," "profit-base businesses," and "other businesses" — considering their consistency with the long-term vision and capital profitability to manage its business portfolio. The Group will allocate management resources, execute strategic M&As and take other measures according to the characteristics of each business. The idea is that stable profit generated by profit-base businesses, namely, the Public Services Sector and Media Services Sector, will support investments for growth in growth-leading businesses in the Automotive Sector. As a result, in the long run, the Automotive Sector will contribute approximately half of the profit of the JVCKENWOOD Group, supported by the Public Services and Media Services Sectors, thereby transforming its business structure into which realizes significant profit growth.

For the fiscal year ending March 2017 (fiscal year 2016), the JVCKENWOOD Group will implement the following measures for each sector toward realization of Vision 2020.

1) Automotive Sector

Consumer Business

- Increase the market share by enhancing the product lineup of navigation systems/driving recorders in the buoyant domestic market
- Secure a strong position in overseas markets by expanding display audio systems

OEM Business (Factory-installed Option Business / Dealer-installed Option Business)

- Further accelerate penetration in the Dealer-installed Option Business, which leads growth in the short and medium term, by expanding product assortment
- Increase the operational efficiency by integrating operations of the OEM Business for factory-installed option products and dealer-installed option products
- Reduce development costs by promoting adoption of common platforms

(Translation)

- Accelerate commercialization of CAROPTRONICS toward long-term growth

2) Public Services Sector

Communication System Business

- Step up the development of integrated systems by establishing an integrated system business center by JVCKENWOOD, Zetron and EFJT
- Strengthen sales of digital radio systems that support P25 (a digital radio standard designed mainly for North America) for the public safety market and sales of consumer digital radio systems based on JVCKENWOOD's proprietary NEXEDGE technology with prices in affordable range
- Expand the system business at EFJT and boost sales of Zetron's products to public utilities operators and transportation service providers

Professional System Business

- Expand the solution business at JVCKENWOOD Public & Industrial Systems Corporation, a new organization established through a company split

3) Media Services Sector

Media Business

- Secure a profit base by developing technologies and products for industrial use and accelerating the shift from selling products only to selling solutions
- Make a full-scale entry into the next-generation creation (camera) and image devices business

Entertainment Business

- Enhance the lineup of artists with a focus on pop music artists
- Strengthen the service provider business, such as those for live concerts and goods sales
- Increase the operational efficiency of JVCKENWOOD Creative Media Corporation, a CD/DVD pressing subsidiary, by relocating its Yokosuka Plant

[3] State of Capital Investments

The total amount of capital investments implemented in this consolidated fiscal year is about 9,200 million yen. The main subjects of the investments are for the expansion, improvement and upgrade of production facilities, including tools and equipment.

[4] State of Financing

Not applicable.

[5] State of Transfer of Business, Merger & Division, or New Establishment & Division

Not applicable.

[6] State of Transfer of Business from Other Companies

Not applicable.

[7] State of Succession of Rights and Obligations Regarding Other Corporations in Relation to the Merger & Acquisition or Merger & Division

Not applicable.

[8] State of Ownership of Other Company Shares or Acquisition or Disposal of Share Options

The Company acquired 100% of the issued shares in ASK, a European car components manufacturing company, as of April 1, 2015, and made ASK a wholly owned subsidiary of the Company.

The Company concluded a share transfer agreement with Mr. Yoshifumi Naito, Chairman of Shinwa International Holdings Ltd. (hereinafter referred to as "Shinwa"), an in-car device manufacturing company in which the Company owned 61% of issued shares, to acquire a total of 15% of its issued shares as of April 20, 2015. Consequently, the Company now owns a total of 76% of Shinwa's shares.

The Company executed a share exchange with JKCM, of which 91.42% of the issued shares were owned by the Company, to acquire a total of 8.58% of its issued shares as of August 31, 2015, with the Company as the wholly owning parent company in share exchange and JKCM as the wholly owned subsidiary company in share exchange. Consequently, the Company now owns a total of 100% of JKCM's shares, and JKCM has become a wholly owned subsidiary of the Company.

(Translation)

[9] Transition of Assets and Profit & Loss

(1) State of Assets and Profit & Loss (the Group)

(Millions of yen)

Items	5th Term (March 2013)	6th Term (March 2014)	7th Term (March 2015)	8th Term (March 2016) (Current consolidated fiscal year)
Net sales	306,580	316,343	285,010	292,195
Operating profit (loss)	9,603	4,421	6,570	4,221
Ordinary income (loss)	3,106	(70)	3,176	1,018
Net income (loss) attributable to owners of parent	1,146	(6,571)	4,654	3,194
Net income (loss) per share (yen)	8.27	(47.39)	33.56	23.02
Total assets	246,614	267,152	278,669	255,859
Net assets	67,240	59,824	79,221	56,818
Net assets per share (yen)	473.18	373.01	517.67	371.19

Notes:

1. From the fiscal year under review, the Company applied the "Accounting Standards for Business Combinations" (ASBJ Statement No. 21, issued on September 13, 2013), and therefore net income is presented as net income attributable to owners of parent. Net income is used for fiscal years prior to the 7th Term (fiscal year ended March 2015).
2. Net income (loss) per share is calculated based on the average number of outstanding shares in the fiscal year. The treasury stocks are excluded from the average number of outstanding shares in the fiscal year.

(2) State of Assets and Profit & Loss (the Company)

(Millions of yen)

Items	5th Term (March 2013)	6th Term (March 2014)	7th Term (March 2015)	8th Term (March 2016) (Current fiscal year)
Net sales	209,133	191,527	175,667	169,191
Operating profit (loss)	4,583	331	287	(3,076)
Ordinary income (loss)	3,900	102	4,642	1,590
Net income (loss)	3,371	(3,940)	4,579	1,767
Net income (loss) per share (yen)	24.31	(28.41)	33.03	12.74
Total assets	235,745	219,873	220,023	222,411
Net assets	74,865	70,212	74,154	74,151
Net assets per share (yen)	534.07	500.53	534.79	533.65

Note:

Net income (loss) per share is calculated based on the average number of outstanding shares in the fiscal year. The treasury stocks are excluded from the average number of outstanding shares in the fiscal year.

(Translation)

[10] State of Important Parent Companies and Subsidiaries, etc.

(1) State of Parent Companies

Not applicable.

(2) State of Important Subsidiaries

Name	Capital	Ratio of the Company's Capital Contribution	Major Businesses
JVCKENWOOD Victor Entertainment Corporation	¥5,595 million	100.0%	Planning, production and sales of music and visual software
JVCKENWOOD Creative Media Co., Ltd.	¥1,207 million	100.0%	Development, manufacturing and sales of recorded optical disk
JVCKENWOOD USA Corporation	\$94,600 thousand	100.0%	Wholesale (U.S.A. and other countries)
EF Johnson Technologies, Inc.	\$0 thousand	100.0%	Development, manufacturing and sales of land mobile radio systems
JVCKENWOOD Deutschland GmbH	€5,624 thousand	100.0%	Wholesale (Germany)
ASK Industries S.p.A.	€581 thousand	100.0%	Development, manufacturing and sales of Car Electronics related products
JVCKENWOOD Singapore Pte. Ltd.	S\$36,650 thousand	100.0%	Wholesale (Singapore and other countries)
P.T. JVC Electronics Indonesia	\$22,400 thousand	100.0%	Manufacturing and sales of car electronics related products
Shinwa International Holdings Limited	\$29,090 thousand	76.0%	Manufacturing and sales of car AV mechanisms and painted plastic parts, etc.

Note:

The ratio of the Company's capital contribution includes the Company's indirect holding ratio.

(3) Specified wholly owned subsidiary as of the last day of the fiscal year

Not applicable.

[11] Major Businesses (As of March 31, 2016)

Business Segment	Main Products
Automotive Sector	Manufacturing and sales of car AV systems, car navigation systems, camera equipment for car, home audio, optical pickup, etc.
Public Services Sector	Manufacturing and sales of land mobile radio equipment, video surveillance equipment, professional audio equipment, medical image display, etc.
Media Services Sector	Manufacturing and sales of consumer video cameras, professional video cameras, projectors, AV accessories, etc.; planning, production, and sales of audio and video software, etc.; production of CD and DVD (packaged software), etc.
Other	Manufacturing and sales of home furniture, etc.

Note:

As of July 1, 2015, the Company reorganized the four business segments of Car Electronics, Professional Systems, Optical and Audio, and Software & Entertainment into three sectors based on customers' industries — Automotive Sector, Public Services Sector and Media Services Sector. In addition, the planning, production and sales of audio and visual software, and the production of CDs and DVDs (packaged software) that were included in the Software & Entertainment segment have been transferred to the Media Services Sector.

[12] Main Offices and Factories (As of March 31, 2016)

(1) Head Office

3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa

(Translation)

(2) R&D Center

Name	Location
JVCKENWOOD Corporation (the Company)	
Head Office & Yokohama Business Center	Yokohama, Kanagawa
Hachioji Business Center	Hachioji, Tokyo
Hakusan Business Center	Yokohama, Kanagawa
Kurihama R&D Center	Yokosuka, Kanagawa

(3) Main Japanese Manufacturing Sites

Name	Location
JVCKENWOOD Corporation (the Company)	
Yokosuka Business Center	Yokosuka, Kanagawa
JVCKENWOOD Creative Media Co., Ltd.	Yamato, Kanagawa
JVCKENWOOD Yamagata Corporation	Tsuruoka, Yamagata
JVCKENWOOD Nagaoka Corporation	Nagaoka, Niigata
JVCKENWOOD Nagano Corporation	Ina, Nagano
JVCKENWOOD Interior Furniture Corporation	Fukuroi, Shizuoka

(4) Japanese Business sites

Name	Location
JVCKENWOOD Corporation (the Company)	Business sites nationwide, including Tokyo, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka and others
JVCKENWOOD Victor Entertainment Corporation	Shibuya-ku, Tokyo
JVCKENWOOD Optical Components Corporation	Yokohama, Kanagawa
JVCKENWOOD Business Solutions Corporation	Yokohama, Kanagawa
JVCKENWOOD Arcs Corporation	Minato-ku, Tokyo

Notes:

1. The Company carried out an absorption-type merger of JVCKENWOOD Optical Components Corporation as of April 1, 2016.
2. JVCKENWOOD Business Solutions Corporation changed its company name to JVCKENWOOD Public & Industrial Systems Corporation as of April 1, 2016.

(5) Global Manufacturing Sites

Name	Location
Zetron, Inc.	U.S.A.
EF Johnson Technologies, Inc.	U.S.A.
JVCKENWOOD Electronics France S.A.S.	France
ASK Industries S.p.A.	Italy
JVCKENWOOD Electronics Malaysia Sdn. Bhd.	Malaysia
JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.	Thailand
JVCKENWOOD Electronics (Thailand) Co., Ltd.	Thailand
P.T. JVC Electronics Indonesia	Indonesia
JVCKENWOOD Technologies Singapore Pte. Ltd.	Singapore
Shanghai Kenwood Electronics Co., Ltd.	China
Shinwa Industries (China) Limited	China

(6) Overseas Sales Bases

Name	Location
JVCKENWOOD USA Corporation	U.S.A.
JVCKENWOOD Nederland B.V.	Netherlands
JVCKENWOOD Singapore Pte. Ltd.	Singapore
JVC (China) Investment Co., Ltd.	China

(Translation)

[13] State of Employees (As of March 31, 2016)

(1) State of Employees at the Group

Number of Employees	Increase or Decrease in Comparison with End of Previous Consolidated Fiscal Year
17,884	216 increase

Note:

The number of employees excludes employees transferred from a Group company to a non-Group company, but includes employees transferred from a non-Group company to a Group company.

(2) State of Employees at the Company

Number of Employees	Increase or Decrease in Comparison with End of Previous Fiscal Year	Average Age	Average Years of Service
3,630	78 decrease	46.8	22.3

Note:

The number of employees excludes employees transferred from the Company to an outside company, but includes employees transferred from an outside company to the Company.

[14] State of Major Lenders (As of March 31, 2016)

(Millions of yen)

Name of Lenders	Debt Balance
Resona Bank, Limited.	9,076
Shinsei Bank, Limited	7,826
The Bank of Yokohama, Ltd.	7,078
BANK OF AMERICA, N.A.	6,000
Sumitomo Mitsui Banking Corporation	4,997
Sumitomo Mitsui Trust Bank, Limited	4,997
Mitsubishi UFJ Trust and Banking Corporation	4,997
Aozora Bank, Ltd.	2,717
NEC Capital Solutions Limited	1,531
Mizuho Bank, Ltd.	1,286

[15] Other Important Subsequent Events of the Consolidated Group

1) Absorption-type merger with JVCKENWOOD Optical Components Corporation

In accordance with the resolution at the Board of Directors' meeting held on December 25, 2015, the Company concluded an absorption-type merger agreement as of the same date, with JVCKENWOOD Optical Components Corporation, a wholly owned subsidiary of the Company, as the absorbed company and the Company as the surviving company. The merger came into effect on April 1, 2016.

2) Absorption-type split with JVCKENWOOD Business Solutions Corporation

As of February 12, 2016, the Company concluded an absorption-type split agreement to demerge its Professional Systems Business (excluding the card printer business) to be succeeded by its wholly owned subsidiary JVCKENWOOD Business Solutions Corporation. The split came into effect on April 1, 2016.

(Translation)

2. Matters Regarding the Company's Shares (As of March 31, 2016)

[1] Total number of authorized shares 400,000,000

[2] Total number of outstanding shares 139,000,201
(Treasury stock 50,032)

[3] Number of shareholders 60,555

[4] Major shareholders (Top 10)

Name of Shareholder	Capital Contribution	
	Shareholding	Ratio of Capital Contribution
Japan Trustee Services Bank, Ltd. (Trust Account)	5,293,700	3.81%
DENSO CORPORATION	4,171,000	3.00%
J.P. MORGAN WHITEFRIARS INC. LONDON BRANCH	3,045,100	2.19%
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS SEC LENDING	2,340,030	1.68%
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	2,286,619	1.65%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,051,700	1.48%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,007,600	1.44%
The Dai-ichi Life Insurance Company, Limited	1,852,268	1.33%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	1,617,500	1.16%
Japan Trustee Services Bank, Ltd. (Trust Account 6)	1,504,000	1.08%

Note:

The ratio of capital contribution is calculated after deducting treasury stock (50,032 shares) from the total number of issued shares.

3. Matters Regarding the Company's Subscription Rights to Shares (As of March 31, 2016)

Not applicable.

(Translation)

4. Matters Regarding Company Officers

[1] State of Directors and Audit & Supervisory Board Members (As of March 31, 2016)

Name	Position	Responsibilities and important concurrent duties
Haruo Kawahara	Chairman, Representative Director of the Board	Chairman of the Board, Chief Executive Officer (CEO)
Takao Tsuji	President, Representative Director of the Board	Chief Operating Officer (COO), in charge of Public Services Sector (Professional Systems & Healthcare business)
Kazuhiro Aigami	Representative Director of the Board	Executive Officer, Regional CEO (America), President of JVCKENWOOD USA Corporation, In charge of Public Services Sector (Communications Systems business)
Seiichi Tamura	Director of the Board	Chief Strategy Officer (CSO), General Executive of Corporate Strategy Division
Yasuyuki Tanida	Director of the Board	Chief Innovation Officer (CIO), In charge of Automotive Sector
Junichi Hikita	Director of the Board	President and Representative Director of Hikita Consulting Co., Ltd.
Masanori Yoshikai	Director of the Board	Advisor of Sumitomo Electric Industries, Ltd. Trustee of Institute for Future Engineering
Yasuyuki Abe	Director of the Board	Advisor of Sumitomo Corporation Advisor of Orange and Partners Co., Ltd.
Takayoshi Sakamoto	Audit & Supervisory Board Member	—
Akihiko Washida	Audit & Supervisory Board Member	—
Shojiro Asai	Audit & Supervisory Board Member	Advisor of Rigaku Corporation ACCEL Research Area Advisor of The Japan Science and Technology Agency

Notes:

- Directors Junichi Hikita, Masanori Yoshikai and Yasuyuki Abe are external directors stipulated in Article 2-15 of the Companies Act.
- Audit & Supervisory Board Members Akihiko Washida and Shojiro Asai are external audit & supervisory board members stipulated in Article 2-16 of the Companies Act.
- Audit & Supervisory Board Member Takayoshi Sakamoto had been in charge of finance and accounting operations and the like at the Group for about 11 years and has sufficient knowledge concerning finance and accounting.
- The Company designated Directors Junichi Hikita, Masanori Yoshikai and Yasuyuki Abe, Audit & Supervisory Board Members Akihiko Washida and Shojiro Asai as an independent officer, as stipulated in the provisions of the Tokyo Stock Exchange (TSE), and notified the TSE accordingly.
- Changes in Directors and Audit & Supervisory Board Members during the fiscal year under review are as follows:

(As of November 1, 2015)

Name	Position	Responsibilities and important concurrent duties
Takao Tsuji	President, Representative Director of the Board	Chief Operating Officer (COO), in charge of Public Services Sector (Professional Systems & Healthcare business)
Kazuhiro Aigami	Director of the Board	Executive Officer, Regional CEO (America), President of JVCKENWOOD USA Corporation, In charge of Public Services Sector (Communications Systems business)
Yasuyuki Tanida	Director of the Board	Chief Innovation Officer (CIO), In charge of Automotive Sector

(Translation)

6. Changes in Directors and Audit & Supervisory Board Members after the end of the fiscal year under review are as follows:
(As of April 1, 2016)

Name	Position	Responsibilities and important concurrent duties
Takao Tsuji	President, Representative Director of the Board	Chief Operating Officer (COO)
Kazuhiro Aigami	Director of the Board	Executive Officer, In charge of Public Services Sector, Regional CEO (America)
Seiichi Tamura	Director of the Board	Chief Strategy Officer (CSO), In charge of Media Services Sector, General Executive of Corporate Strategy Division
Yasuyuki Tanida	Director of the Board	Executive Officer, In charge of Automotive Sector, Chief Innovation Officer (CIO)

7. The Company adopts the Executive Officer System.
There are fifteen (15) Executive Officers as of May 13, 2016: Haruo Kawahara, Takao Tsuji, Kazuhiro Aigami, Seiichi Tamura and Yasuyuki Tanida, who are among the Directors mentioned above, and the following ten (10) persons.

Name	Position and Responsibilities
Shoichiro Eguchi	Executive Officer, Regional CEO (Europe)
Masaaki Saito	Executive Officer, Deputy President, President and Representative Director of JVCKENWOOD Victor Entertainment Corporation
Satoshi Fujita	Executive Officer, CFO
Naokazu Kurihara	Executive Officer, Regional CEO (Japan)
Masaki Imai	Executive Officer, CRO, In charge of Corporate Management Division & Corporate Audit Office
Toshiaki Matsuzawa	Executive Officer, CPO
Masatoshi Miyamoto	Executive Officer, Senior Vice President, General Manager of Finance & Accounting Division
Akira Suzuki	Executive Officer, Senior Vice President, Assistant to Regional CEO (America) (Communications Systems business)
Kazuki Oi	Executive Officer, Regional CEO (Asia), Senior Executive of Public Services Sector, Asia
Hirohito Kamiyama	Executive Officer, Regional CEO (China), President of JVC (China) Investment Co., Ltd., Chairman of JVCKENWOOD Hong Kong Ltd., President of Shinwa International Holdings Limited

[2] Amount of Compensation for Directors and Audit & Supervisory Board Members (From April 1, 2015 to March 31, 2016)

Title	Number of Relevant Personnel	Amount of Compensation (Millions of yen)
Director	10	323
(External Director)	(3)	(43)
Audit & Supervisory Board Member	3	39
(External Audit & Supervisory Board Member)	(2)	(15)
Total	13	363

Notes:

1. The table above includes two (2) directors who retired from office at the end of the 7th General Meeting of Shareholders held on June 19, 2015.
2. The amount of compensation for directors does not include the compensation that they receive for being employees, if they are employees as well as directors. Currently, there are no such directors in the Company.
3. It was resolved, with regard to determination of compensation for directors and audit & supervisory board members, at the 1st General Meeting of Shareholders of the Company held on June 24, 2009,

(Translation)

that compensation for directors is up to 36 million yen a month (of which, compensation for external directors is up to 4 million yen) and that compensation for audit & supervisory board members is up to 9 million yen a month. It was also resolved that bonuses, retirement benefits or any other monetary compensation will not be paid to directors and audit & supervisory board members.

[3] Matters Regarding External Officers

(1) State of Important Concurrent Office of External Officers (As of March 31, 2016)

Position	Name	Company of Concurrent Office	Responsibilities of Concurrent Office	Relationship
External Director	Junichi Hikita	Hikita Consulting Co., Ltd.	President and Representative Director	No significant business relationship with JVCKENWOOD Corporation
	Masanori Yoshikai	Sumitomo Electric Industries, Ltd.	Advisor	
		Institute for Future Engineering	Trustee	
	Yasuyuki Abe	Sumitomo Corporation	Advisor	
Orange and Partners Co., Ltd.		Advisor		
External Audit & Supervisory Board Member	Akihiko Washida	—	—	—
	Shojiro Asai	Rigaku Corporation	Advisor	No significant business relationship with JVCKENWOOD Corporation
The Japan Science and Technology Agency		ACCEL Research Area Advisor		

(Translation)

(2) Major Activities of External Officers

Position	Name	Major Activities
External Director	Junichi Hikita	Attendance in the meetings of the Board of Directors in the current fiscal year: 14 (attendance rate: 100.0%) Mr. Hikita provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner, based on his plentiful experience, performance and knowledge as an engineer and manager and proper advice in technical aspects based on his professional views, from the position of an objective third party not involved in the business execution of the Group.
	Masanori Yoshikai	Attendance at the meetings of the Board of Directors in the current fiscal year: 14 (attendance rate: 100.0%) Mr. Yoshikai provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner, based on his plentiful experience, performance and knowledge as an engineer and manager and proper advice in technical aspects based on his professional views, from the position of an objective third party not involved in the business execution of the Group.
	Yasuyuki Abe	Attendance at the meetings of the Board of Directors in the current fiscal year: 10 (attendance rate: 100.0%) Mr. Abe provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner from the position of an objective third party not involved in the business execution of the Group, as well as proper advice based on his plentiful experience and knowledge in the electric machines/equipment, machinery and information industry business fields abroad as a manager.
External Audit & Supervisory Board Member	Akihiko Washida	Attendance in the meetings of the Board of Directors in the current fiscal year: 14 (attendance rate: 100.0%) Attendance in the meetings of the Audit & Supervisory Board in the current fiscal year: 15 (attendance rate: 100.0%) Mr. Washida provides necessary comments regarding issues such as the agenda and discussions of the Board of Directors and Audit & Supervisory Board in a timely manner, based on his extensive experience, performance and knowledge in business management and bolstering audit based on his professional views, from the position of an objective third party not involved in the business execution of the Group.
	Shojiro Asai	Attendance in the meetings of the Board of Directors in the current fiscal year: 14 (attendance rate: 100.0%) Attendance in the meetings of the Audit & Supervisory Board in the current fiscal year: 14 (attendance rate: 93.3%) Mr. Asai provides necessary comments regarding issues such as the agenda and discussions of the Board of Directors and Audit & Supervisory Board in a timely manner, based on his extensive experience and knowledge as an engineer and manager and bolstering audit based on his professional views, from the position of an objective third party not involved in the business execution of the Group.

Notes:

1. During the current fiscal year, there were 14 meetings of the Board of Directors and 15 meetings of the Audit & Supervisory Board.
2. Director Yasuyuki Abe took office at the end of the 7th Ordinary General Meeting of Shareholders held on June 19, 2015, and therefore, his attendance rate is calculated from 10 meetings of the Board of Directors which have been held after he assumed his position.

(3) Matters Regarding the Liability Limitation Agreement (Overview of the Liability Limitation Agreement of External Directors and External Audit & Supervisory Board Members)

The Company's Articles of Incorporation prescribe a provision regarding a liability limitation agreement to be concluded with external directors and external audit & supervisory board members.

An outline of the details of the liability limitation agreements that the Company concluded with all external directors and external audit & supervisory board members in accordance with the Articles of Incorporation is as follows:

The amount of indemnity liability provided under Article 423-1 of the Companies Act is limited to 5

(Translation)

million yen or the minimum liability limitation provided by the law, whichever is higher, provided that the external directors and external audit & supervisory board members have acted faithfully and without gross negligence.

(4) Amount of Compensation Received as Executive Officer for Current Fiscal Year from Parent Company or Subsidiary of Parent Company

Not applicable.

(5) Opinions from External Officers in Relation to the Description

Not applicable.

5. State of Accounting Auditor

[1] Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

[2] Overview of Liability Limitation Agreement

Not applicable.

[3] Amount of Compensation for Accounting Auditor for Current Fiscal Year

(Millions of yen)

Amount of compensation for accounting auditor for current fiscal year	170
Total amount of money and other financial benefits to be paid by the Company and the Company's subsidiaries	219

Notes:

1. The Company pays the Accounting Auditor compensation for advisory and guidance businesses for the International Financial Reporting Standards (IFRS), which comprise businesses other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act.
2. In the audit agreement between the Company and the accounting auditor, the amounts of compensation for the audit based on the Companies Act and the audit based on the Financial Instruments and Exchange Act is not distinguished, and also substantively undistinguished. Therefore the total amount of this compensation is stated as the amount of compensation for the accounting auditor for the current fiscal year.
3. The Audit & Supervisory Board has consented under Article 399, Paragraph 1 of the Companies Act, regarding the remunerations of accounting auditors as a result of confirming the audit hours by audit item, changes in audit remuneration and a comparison of past audit plans and actual performance, as well as examining the appropriateness of the expected audit hours and remuneration amount for the fiscal year under review, in accordance with the Practical Guidelines on Liaisons with Accounting Auditors, published by Japan Audit & Supervisory Board Members Association.
4. As for (2) State of Important Subsidiaries, in [10] State of Important Parent Companies and Subsidiaries, etc. under 1. Matters Concerning the Current Situation of the Group, subsidiaries other than JVCKENWOOD Victor Entertainment Corporation and JVCKENWOOD Creative Media Co., Ltd. are audited by certified public auditors or corporate auditors other than the Company's.

[4] Policy for Dismissal and Non-reappointment Decisions

If the accounting auditor falls under the items stipulated in Article 340-1 of the Companies Act, the Audit & Supervisory Board shall dismiss the accounting auditor based on the unanimous consent of the Audit & Supervisory Board. Also, in the case where the accounting auditor becomes unable to perform the auditing service, for example, as a result of receiving an audit business suspension order from a regulatory authority, the Audit & Supervisory Board shall, in principle, decide the content of the bill concerning the dismissal or non-reappointment of the accounting auditor that will be proposed at the general meeting of shareholders.

6. Framework and Policies of the Company

[1] Framework to Ensure the Conformity of the Directors' Exercise of Function with the Laws and Regulations, and the Articles of Incorporation/Framework to Ensure Propriety of Other Operations, and of Operations of the Corporate Group Consisting of the Company and its Subsidiaries

- (1) Frameworks for ensuring that the execution of duties of the directors, employees, etc., of the Corporate Group Consisting of the Company and its major subsidiaries (hereinafter the "Group") conforms to laws and regulations and the Articles of Incorporation

(Translation)

- 1) The corporate vision, management policies and action guidelines are prepared and followed, while being shared and fully recognized by all officers and employees of the Group under the leadership of a department in charge of compliance.
 - 2) Various internal rules, regulations and guidelines, etc., for the entire Group are prepared and updated as the guidelines for the execution of duties by employees.
 - 3) The JVCKENWOOD Group Code of Conduct on Compliance are established and followed.
 - 4) Each of the Group companies establishes the “Board of Directors Regulations” to properly supervise the management’s decision making and directors’ execution of duties.
 - 5) Internal audits targeted at the entire Group are conducted. In addition, the “JVCKENWOOD Group Internal Whistle-Blowing Rules” are stipulated as a means for enabling internal reporting by all employees of the Group to establish the procedures for internally notifying any act that deviates from the “JVCKENWOOD Group Code of Conduct on Compliance,” carrying out corrective measures against such act and protecting the whistle-blowers from unfair treatment.
 - 6) Audit & Supervisory Board Members audit the execution of duties by the Group’s directors, employees, etc., from an independent standpoint.
- (2) Frameworks for storing and managing information in relation to the execution of duties by the Company’s directors**
- 1) The minutes of the Board of Directors meetings are created in accordance with the “Board of Directors Regulation” and stored at the main office in accordance with the relevant laws and regulations and internal rules.
 - 2) The “Regulations for Management of Confidential Information” are established to define the basic rules to be observed in managing confidential information whether in print or in electronic form, and are handled determinately.
- (3) Regulations and other frameworks for managing the risk of loss of the Group**
- 1) The Group regulations for compliance and risk management are established, together with an across-the-board organization for monitoring them with responsibilities being clearly defined, thereby promoting the Group’s risk management efforts in a proper manner.
 - 2) The risk management rules by type of risk are prepared and updated to prevent various risks that might occur in the Group and clarify the actions to be taken in the event of such risks, as well as measures for restoration, thereby preventing the damage from spreading and minimizing the loss should a critical issue arise.
- (4) Frameworks for ensuring the efficient execution of duties of the Group’s directors**
- 1) The Company formulates business plans, etc., on a Group-wide basis, thereby clarifying management targets, promoting awareness thereof in the Group and evaluating the status of achievement thereof.
 - 2) The Company has in place the executive officer system to entrust the duty of business execution to the Executive Officers, thereby separating management oversight functions from business execution functions and clarifying the realms of oversight responsibility and business execution responsibility.
 - 3) The Company establishes the “Board of Directors Regulations” and the “Board of Executive Officers Regulations,” as well as the “Administrative Authority Regulations,” the “Decision-Making Authority Standards” and the “Decision-Making Items Table” for the entire Group, to clarify the method of making decisions for the entire Group management.
 - 4) The rules regarding segregation of duties for each department of the Group are established to clarify the scope of duties and execute them determinately.
- (5) Frameworks for ensuring the propriety of business operations in the Group**
- 1) Based on the “Basic Policies on Consolidated Management,” the corporate philosophy and management policies are shared among the Group companies. In addition, the “Administrative Authority Regulations,” the “Decision-Making Authority Standards” and the “Decision-Making Items Table” are established as the regulations applying to the entire Group to ensure the propriety of business operations on a Group-wide basis.
 - 2) The Company dispatches directors or business supervising officers to major subsidiaries to ensure the propriety of business operations.
 - 3) The Company executes the internal audits of the Group subsidiaries through its internal audit department.
- (6) Frameworks for reporting to the Company on matters concerning the execution of duties of directors and business executing employees, etc., of the Group subsidiaries**
- 1) The Company assigns a responsible department in each subsidiary to ensure that the subsidiary reports important information to such department, which in turn has responsibility for the overall management of that subsidiary.
 - 2) If necessary, the Company dispatches directors and/or administrative staff members to a subsidiary so that the Company’s business execution team can grasp the status of business

(Translation)

operation of that subsidiary.

- 3) The Company keeps in place a reporting system to ensure that reports of any abnormal situation occurring internally and possibly affecting the operations of the Group's businesses will be delivered to the top management of the Company through an appropriate procedure and without delay.

(7) Systems concerning employees who assist the Company's audit & supervisory board members in performing their duties, matters concerning the independence of such employees from the Company's directors and matters concerning how to ensure the effectiveness of directions given to such employees

- 1) The Company assigns employees as dedicated staff members who assist the Company's audit & supervisory board members in performing their auditing duties.
- 2) The Company lets audit & supervisory board members evaluate the performance of employees exclusively assigned as staff of audit & supervisory board members and has prior discussion with audit & supervisory board members with regard to the assignment of such staff.
- 3) The Company's audit & supervisory board members clarify the necessary matters to ensure the independence of the employees assisting them, including the auditors' authority to give orders to the supporting staff. The Company respects such matters.

(8) Frameworks for giving reports to the Company's audit & supervisory board members by directors and employees of the Company, directors, audit & supervisory board members, business operating employees and employees of the Company's subsidiaries, or persons who have received reports therefrom

- 1) The Company's audit & supervisory board members attend the Board of Directors meetings and other important meetings to receive reports on the status of business execution of the Group and other important matters.
- 2) The Company's directors and general managers of head office departments report their business execution status to the Company's audit & supervisory board members periodically and as required.
- 3) The Company's audit & supervisory board members execute auditing of the Company's business units and subsidiaries according to the annual audit plan, including the above, and receive reports and hear opinions therefrom.
- 4) The Group's directors and employees and persons who have received reports therefrom promptly respond whenever the Company's audit & supervisory board members ask for reports on the businesses or investigate the status of the Group's business and property.
- 5) A Group-wide notification system is provided, by which parties such as Group employees, can directly notify any fraudulent activities and concerned issues regarding accounting and auditing that might arise within the Group to the Audit & Supervisory Board.
- 6) The Company's audit & supervisory board members periodically receive reports on the audit plans and audit results of the internal auditing department.

(9) Frameworks for ensuring that directors and employees of the Company, directors, audit & supervisory board members, business operating employees and employees of the Company's subsidiaries, or persons who have received reports therefrom do not receive unfair treatment due to the act of delivering such reports

- 1) It is prohibited to unfairly treat a person within the Group who has delivered reports to the Company's audit & supervisory board members on account of said act of delivering notification. This is fully recognized among the directors and employees of the Group.
- 2) The Company's audit & supervisory board members who have received notification through the internal notification system ask the related departments not to unfairly treat that whistle-blower due to the act of notification. Should the audit & supervisory board members be informed by that whistle-blower that he/she is under unfair treatment, they call on the Company and the Group's personnel department to discontinue such unfair treatment.

(10) Matters concerning the policies on the procedures for advance payment or redemption of expenses arising from the execution of the duties of the Company's audit & supervisory board members and any other treatment of expenses or liabilities arising from the execution of such duties

- 1) When the Company's audit & supervisory board members ask the Company for advance payment or other treatment of expenses arise in relation to their execution of duties, the Company will immediately address such expenses or liabilities, unless such expenses or liabilities are proved to be unnecessary for the execution of the duties of the Company's audit & supervisory board members.
- 2) The Company's audit & supervisory board members conduct the payment of audit expenses, while giving due consideration to the efficiency and appropriateness of the audit.

(11) Other frameworks for ensuring effective auditing of the Company's audit & supervisory board

(Translation)

members

- 1) The Company's directors prepare conditions to enable the execution of effective audit in accordance with the audit plan made up by the Company's audit & supervisory board members.
- 2) The Company's representative directors and audit & supervisory board members have periodical meetings in order to enhance mutual communication.
- 3) The Company's directors prepare conditions to enable the Company's audit & supervisory board members to cooperate with the departments in charge of legal affairs, accounting and internal auditing as well as external experts for the implementation of their duties.
- 4) The appointment of the Company's external audit & supervisory board members is made with consideration to their independence and expertise.

(12) Frameworks for ensuring the propriety of financial reports

- 1) In accordance with the Financial Instruments and Exchange Act and related laws and regulations, systems are provided to ensure the propriety of financial reports of the Group, which consists of the Company and its subsidiaries.
- 2) The enhancement and operation of the system to ensure the propriety of financial reports is periodically evaluated and promoted the improvement thereof.

(13) Basic policy for the elimination of antisocial forces

The Group shall block off any and all transactions, including the provision of funds and backstage deals, with all antisocial organizations which could possibly cause damage to the whole JVCKENWOOD Group, including its stakeholders by making unjustifiable requests to the Group's officers and employees or by obstructing healthy business activities, by means of tying up with external professional organizations as necessary and taking appropriate measures including legal actions. The Group recognizes that the exclusion of such antisocial forces is essential for ensuring the propriety of the Company's businesses.

[2] Overview of the Operating Status of the Framework to Ensure the Conformity of the Directors' Exercise of Function with the Laws and Regulations, and the Articles of Incorporation/Framework to Ensure Propriety of Other Operations, and of Operations of the Corporate Group Consisting of the Company and its Subsidiaries

The overview of main activities that were carried out in the fiscal year under review based on the above frameworks is as follows.

(1) Establishment of the JVCKENWOOD Corporate Governance Policy

The Company established its Corporate Governance Policy on December 1, 2015 to realize a corporate governance system with the aim of achieving sustainable growth and enhancing corporate value over the medium to long term, and established and announced its basic concept of corporate governance and operation policies. We have been promoting the policy to strengthen governance.

(2) Compliance Activities

Led by the Compliance Committee, chaired by the CEO and the responsible departments, related regulations are updated, internal education is conducted, and examples are sent out. In addition, information about the Auditing Informer System and Internal Whistleblower Helpline System are disseminated.

(3) Risk Management Activities

Led by the CRO, risk surveillance and Business Continuity Plan are updated, and response training for expected situations is conducted by each department. In addition, information about the reporting and response frameworks in the event that abnormal situations arise is disseminated.

(4) Subsidiary Management Activities

The Corporate Audit Office conducts operational audits of domestic and overseas subsidiaries in a two to three-year cycle. Regarding the identified matters, we are following the state of improvement measures. In addition, the Audit & Supervisory Board conducted a total of 53 visiting audits of the Company's departments, sales bases and domestic and overseas subsidiaries during the fiscal year under review.

[3] Basic Policy Regarding the Control of a Stock Company

If a share acquisition by a specific individual or group may risk damaging the corporate value or the common interests of shareholders, the Company considers it necessary to take appropriate measures to ensure the corporate value and the common interests of shareholders to the extent that can be tolerated by laws and regulations and the Articles of Incorporation. The Company also acknowledges the importance of ensuring the corporate value and the common interests of shareholders, and is carefully continuing reviews on the matter, but at this point no concrete defense measures have been implemented.

(Translation)

[4] Basic Policies for Distribution of Profits

The Company considers a stable return to shareholders and securing management resources for future growth to be one of its most important managerial issues, and sets the dividend from surplus and other distributions based on a comprehensive consideration of the Company's profitability and financial position.

The Company stipulates in its Articles of Incorporation that it can pay dividends from surplus on a record date it determines, in addition to two (2) record dates in a year: the record date for the year-end dividend (March 31) and that for the interim dividend (September 30).

The Company stipulates in its Articles of Incorporation that matters, including dividends from surplus, set forth in each item of Article 459, Paragraph 1 of the Companies Act shall be decided by resolutions of the Board of Directors, not those of general meeting of shareholders, unless otherwise provided by laws and regulations.

Based on this policy, the Company's Board of Directors resolved at its meeting not to pay an interim dividend for the fiscal year under review in order to concentrate management resources in the recovery of business results. With regard to a year-end dividend, based on the full-year business results, which reached a level sufficient for the issuance of dividends, the Company, by resolution of the Board of Directors meeting held on May 13, 2016, resolved to pay a year-end dividend of 5 yen per share.

(Translation)

Consolidated Statement of Income
(From April 1, 2015 to March 31, 2016)

(Millions of yen)

Accounting Items	Amount	
Net sales		292,195
Cost of sales		210,757
Gross profit		81,437
Selling, general and administrative expenses		77,215
Operating profit		4,221
Non-operating profit		
Interest income	197	
Dividends income	196	
Royalty income	105	
Rent income	131	
Other non-operating profit	568	1,200
Non-operating expense		
Interest expense	1,544	
Loan commission	930	
Foreign exchange losses	515	
Other non-operating expenses	1,412	4,402
Ordinary income		1,018
Extraordinary profit		
Gain on sales of fixed assets	5,472	
Gain on sales of investment securities	1	
Gain on sales of shares in subsidiaries and affiliates	405	
Gain on liquidation of subsidiaries and affiliates	1,153	7,032
Extraordinary loss		
Loss on sales of fixed assets	26	
Loss on disposal of fixed assets	44	
Loss on impairment of long-lived assets	2,866	
Business structural reform expenses	542	
Employment structural reform expenses	594	
Other extraordinary loss	101	4,176
Income before income taxes		3,875
Corporate tax, corporate inhabitant tax and corporate enterprise tax	2,942	
Corporate tax and other adjustment	(2,939)	2
Net income		3,872
Net income attributable to non-controlling interests		678
Net income attributable to owners of parent		3,194

(Translation)

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2015	10,000	45,574	22,181	(538)	77,217
Changes during the consolidated fiscal year					
Dividends from surplus			(693)		(693)
Net income attributable to owners of parent			3,194		3,194
Acquisition of treasury stocks				(162)	(162)
Disposal of treasury stock				664	664
Changes in equity of the parent from transactions with non-controlling interests		(301)			(301)
Changes (net amount) of items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	—	(301)	2,501	501	2,701
Balance as of March 31, 2016	10,000	45,272	24,682	(36)	79,918

	Other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gain and loss on available-for-sale securities	Deferred hedge gain and loss	Land revaluation surplus	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income		
Balance as of April 1, 2015	569	—	3,375	(6,383)	(3,000)	(5,437)	7,441	79,221
Changes during the consolidated fiscal year								
Dividends from surplus								(693)
Net income attributable to owners of parent								3,194
Acquisition of treasury stocks								(162)
Disposal of treasury stock								664
Changes in equity of the parent from transactions with non-controlling interests								(301)
Changes (net amount) of items other than shareholders' equity during the fiscal year	(124)	(1,075)	82	(7,437)	(14,349)	(22,903)	(2,200)	(25,104)
Total changes during the fiscal year	(124)	(1,075)	82	(7,437)	(14,349)	(22,903)	(2,200)	(22,403)
Balance as of March 31, 2016	445	(1,075)	3,458	(13,820)	(17,349)	(28,341)	5,241	56,818

(Translation)

Non-consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Assets		Liabilities	
Accounting Items	Amount	Accounting Items	Amount
Assets		Liabilities	
Current assets	65,275	Current liabilities	84,144
Cash and cash equivalents	11,350	Notes payable-trade	636
Notes receivable-trade	1,367	Accounts payable-trade	19,264
Accounts receivable-trade	23,895	Short term loans payable	33,474
Merchandise and finished goods	7,665	Current portion of long-term loans payable	11,469
Work in process	1,261	Debt for lease	62
Raw materials and supplies	2,133	Other accounts payable	7,305
Advance payments-trade	248	Accrued expenses	4,994
Prepaid expenses	747	Income taxes payable	384
Short-term loans receivable	4,967	Advances received	1,513
Accrued revenue	10,663	Deposits received	3,453
Deferred tax assets	1,236	Provision for product warranties	147
Other	1,063	Other current liabilities	1,436
Allowance for doubtful receivables	(1,325)	Long term liabilities	64,116
Fixed assets	157,136	Long-term loans payable	44,915
Tangible fixed assets	28,710	Debt for lease	88
Buildings	5,746	Deferred tax liabilities for land revaluation	1,523
Structures	160	Deferred tax liabilities	4,446
Machinery and equipment	206	Provision for retirement benefits	10,960
Vehicles	79	Asset retirement obligations	548
Tools, furniture and fixtures	1,891	Other long term liabilities	1,632
Land	19,008	Total Liabilities	148,260
Construction in progress	1,618	Net Assets	
Intangible fixed assets	11,087	Net Assets	
Goodwill	15	Shareholders' equity	71,507
Software	10,992	Paid-in capital	10,000
Other	79	Capital surplus	56,170
Investments and other assets	117,338	Capital reserve	10,000
Investment securities	4,108	Other capital surplus	46,170
Investments in affiliated companies	96,131	Retained earnings	5,372
Investments in capital	1	Other retained earnings	5,372
Investments in capital of subsidiaries and affiliates	4,804	Cumulative retained earnings	5,372
Long-term loans receivable	166	Treasury stock	(36)
Long-term loans receivable from subsidiaries and affiliates	1,002	Valuation and translation adjustments	2,643
Claims provable in bankruptcy, claims provable in rehabilitation and other	27	Unrealized gain and loss on available-for-sale securities	253
Long-term prepaid expenses	916	Deferred hedge gain and loss	(1,068)
Prepaid pension cost	9,979	Land revaluation surplus	3,458
Other	381		
Allowance for doubtful receivables	(180)		
Total Assets	222,411	Total Net Assets	74,151
		Total Liabilities and Net Assets	222,411

(Translation)

Non-consolidated Statement of Income

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

Accounting Items	Amount	
Net sales		169,191
Cost of sales		147,262
Gross profit		21,928
Selling, general and administrative expenses		25,005
Operating loss		(3,076)
Non-operating profit		
Interest income	89	
Dividends income	7,663	
Reversal of allowance for doubtful accounts	2	
Other	958	8,713
Non-operating expense		
Interest expense	1,705	
Interest on bonds	107	
Loan commission	916	
Foreign exchange losses	385	
Provision of allowance for doubtful accounts	144	
Other	787	4,046
Ordinary profit		1,590
Extraordinary profit		
Gain on sales of fixed assets	48	
Gain on sales of investment securities	0	
Gain on liquidation of subsidiaries and affiliates	2,607	
Gain on exchange from dividend in kind	355	3,011
Extraordinary loss		
Loss on sales of fixed assets	9	
Loss on disposal of fixed assets	23	
Loss on impairment of long-lived assets	1,061	
Loss on valuation of stocks of subsidiaries and affiliates	3,263	
Other	188	4,546
Income before income taxes		56
Corporate tax, corporate inhabitant tax and corporate enterprise tax	(2,162)	
Corporate tax and other adjustment	450	(1,711)
Net income		1,767

(Translation)

Non-consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity						
	Paid-in capital	Capital surplus			Retained earnings	Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Cumulative retained earnings		
Balance as of April 1, 2015	10,000	10,000	46,598	56,598	4,298	(538)	70,357
Changes during the consolidated fiscal year							
Dividends from surplus					(693)		(693)
Net income					1,767		1,767
Acquisition of treasury stocks						(162)	(162)
Disposal of treasury stocks			(427)	(427)		664	237
Changes of items other than shareholders' equity							
Total changes during the fiscal year	—	—	(427)	(427)	1,074	501	1,149
Balance as of March 31, 2016	10,000	10,000	46,170	56,170	5,372	(36)	71,507

	Valuation and translation adjustments				Total net assets
	Unrealized gain and loss on available-for-sale securities	Deferred hedge gain and loss	Land revaluation surplus	Total valuation and translation adjustments	
Balance as of April 1, 2015	420	—	3,375	3,796	74,154
Changes during the consolidated fiscal year					
Dividends from surplus					(693)
Net income					1,767
Acquisition of treasury stocks					(162)
Disposal of treasury stocks					237
Changes of items other than shareholders' equity	(167)	(1,068)	82	(1,152)	(1,152)
Total changes during the fiscal year	(167)	(1,068)	82	(1,152)	(3)
Balance as of March 31, 2016	253	(1,068)	3,458	2,643	74,151

(Translation)

Accounting Audit Report regarding Consolidated Financial Statements

Independent Auditor's Report

May 12, 2016

JVCKENWOOD Corporation
The Board of Directors

Deloitte Touche Tohmatsu LLC

Designated and Certified Public Accountant
Engagement Partner Taisei Kunii (Seal)

Designated and Certified Public Accountant
Engagement Partner Yasuhiko Haga (Seal)

Designated and Certified Public Accountant
Engagement Partner Nobuo Son (Seal)

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of JVCKENWOOD Corporation (the "Company") applicable to the fiscal year from April 1, 2015 through March 31, 2016.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Translation)

Accounting Audit Report

Independent Auditor's Report

May 12, 2016

JVCKENWOOD Corporation
The Board of Directors

Deloitte Touche Tohmatsu LLC

Designated and Engagement Partner	Certified Public Accountant Taisei Kunii (Seal)
Designated and Engagement Partner	Certified Public Accountant Yasuhiko Haga (Seal)
Designated and Engagement Partner	Certified Public Accountant Nobuo Son (Seal)

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the notes to the financial statements and the related supplementary schedules of JVCKENWOOD Corporation (the "Company") applicable to the 8th fiscal year from April 1, 2015 through March 31, 2016.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Translation)

Audit & Supervisory Board Members' Report

Audit Report

The Audit & Supervisory Board audited the Directors' performance of duties for the 8th business period from April 1, 2015 to March 31, 2016. The Audit & Supervisory Board reports the method and the results as follows:

1. Audit Method and Details

The Audit & Supervisory Board established the auditing policies, audit plan, audit implementation standards, and received reports from each Audit & Supervisory Board Member on the status of implementation of audits and results thereof. In addition, it received reports from Directors, Executive Officers, and the accounting auditor on the status of execution of their duties and asked them for explanations as necessary.

In accordance with the auditing policies and auditing standards for Audit & Supervisory Board Members, which were established by the Audit & Supervisory Board, each Audit & Supervisory Board Member maintained good communication with Directors, Executive Officers, the Management Audit Office (the internal audit division) and employees, strived to collect information, improved the auditing environment, and implemented audits as follows:

- (1) We attended meetings of the Board of Directors and other meetings as deemed important, received reports from Directors, Executive Officers, the Management Audit Office (the internal audit division) and employees on the status of execution of their duties, asked for explanations as necessary, perused the documents whereby the important decisions were made and other important documents, and examined business and financial conditions at the head office and principal offices. Furthermore, with regard to subsidiaries, we maintained good communication and exchanged information with Directors of the subsidiaries, visited the head offices and principle offices of the subsidiaries as necessary, and received business reports from the subsidiaries.
- (2) With regard to the details of the resolution made by the Board of Directors concerning the establishment of the systems stipulated in Article 100, Paragraphs 1 and 3 of the Regulations for the Enforcement of the Companies Act as what is necessary for ensuring the appropriateness of operations of a corporate group consisting of a stock company and its subsidiaries, including the framework to ensure the conformity of the Directors' exercise of function with the Laws and Regulations and the Articles of Incorporation, which is described in the Business Report, as well as systems established based on the relevant resolution (internal control systems), we periodically received reports from Directors, Executive Officers, the Management Audit Office (the internal control division) and employees on the status of establishment and operation of such systems, asked for explanations as necessary and expressed our opinions.
- (3) We monitored and verified whether the accounting auditor maintains independency and properly implements audit, received from the accounting auditor reports on the execution of duties and asked for explanations as necessary. We also received a report from the accounting auditor stating that "systems for ensuring proper execution of duties" (listed in each item of Article 131 of the Company Accounting Regulations) have been established in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and asked the accounting auditor for explanations as necessary.

Based on the above method, the Audit & Supervisory Board examined the non-consolidated financial statements (balance sheet, statements of income, statement of changes in net assets, and notes to financial statements), the supporting schedules, and the consolidated financial statements (balance sheet, statements of income, statement of net assets, and notes to financial statements) for the current fiscal year.

2. Audit Results

- (1) Audit Results of Business Report and Others
 - (i) The Audit & Supervisory Board acknowledges that the business report and the supporting schedules fairly present the Company's conditions in accordance with laws, regulations and the Articles of Incorporation.
 - (ii) With regard to the performance of duties by Directors, the Audit & Supervisory Board finds no significant evidence of wrongful acts, nor violations of laws, regulations, or the Articles of Incorporation.
 - (iii) The Audit & Supervisory Board acknowledges that the content of the resolution by the Board of Directors concerning the internal control system is appropriate. Also, statements in the Business Report and execution of duties by Directors regarding the relevant internal control systems have nothing to be pointed out.
- (2) Audit Results on the Non-consolidated Financial Statements and the Supporting Schedules

The Audit & Supervisory Board acknowledges that the audit method of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, and the results thereof are appropriate.
- (3) Audit Results of Consolidated Financial Statements

The Audit & Supervisory Board acknowledges that the audit method of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, and the results thereof are appropriate.

May 12, 2016

The Audit & Supervisory Board, JVCKENWOOD Corporation
Audit & Supervisory Board Member (full time)
Audit & Supervisory Board Member (external)
Audit & Supervisory Board Member (external)

Takayoshi Sakamoto (seal)
Akihiko Washida (seal)
Shojiro Asai (seal)

(Translation)

SHAREHOLDERS' MEMO

- Fiscal year	From April 1 to March 31 of each year
- Ordinary general meeting of shareholders	June of each year
- Record date with respect to voting rights to be exercised at the ordinary general meeting of shareholders	March 31 of each year
- Base dates for dividends from surplus	March 31 of each year September 30 of each year Dividends from surplus may be paid on base dates other than the above base dates.
- Method of public notice	Public notices will be made electronically. Electronic public notices will be posted on our website: (http://www.jvckenwood.com) However, in the event that electronic public notices are not available for reasons such as accidents or other contingencies, the public notice will be posted in the <i>Nikkei</i> (the <i>Nihon Keizai Shimbun</i>)
- Stock listing market	1st Section of Tokyo Stock Exchange
- Code	6632
- Number of shares constituting one trading unit	100
- Administrator of shareholder registry	4-1, 1-chome, Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited
Service location	4-1, 1-chome, Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
Contact (Inquires/Sending address)	8-4, 2-chome, Izumi, Suginami-ku, Tokyo, 168-0063 Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited Telephone inquiries: 0120-782-031 http://www.smtb.jp/personal/agency/index.html

Contact

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E-mail: prir@jvckenwood.com

URL: <http://www.jvckenwood.com>

Forward-looking Statements

When included in this convocation notice, the words "will," "should," "expects," "intends," "anticipates," "estimates," and similar expressions, among others, identify forward-looking statements. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those set forth in this document. These forward-looking statements are made only as of the date of this document. JVCKENWOOD Corporation expressly disclaims any obligations or undertaking to release any update or revision to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. Actual results may vary widely from forecasts due to the following factors: 1) drastic changes in economic conditions and product supply and demand in major markets (Japan, Europe, the Americas, Asia etc.), 2) changes in trade regulations and other regulatory changes in major domestic and international markets, 3) drastic changes in foreign exchange rates (yen-dollar, yen-euro etc.), 4) sharp moves in the capital markets, and 5) changes in social infrastructure caused by drastic changes in technology etc. Risks and uncertainties also include the impact of any future events with material unforeseen impacts.