TRANSLATION - FOR REFERENCE ONLY -

JVCKENWOOD

January 31, 2017

Company	JVCKENWOOD Corporation
Representative	Takao Tsuji, President & CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
Contact	Shinichiro Nishishita, General Executive, Corporate Communication Division (TEL: 81-45-444-5232)

Partial Revisions to "Accounting Report for the First Quarter of Fiscal Year Ending March 2017"

JVCKENWOOD Corporation hereby announces that it has partially corrected the "Accounting Report for the First Quarter of Fiscal Year Ending March 2017."

1. Background and Reason for Corrections

For the details and reason for the corrections, please refer to the "Notice Regarding Corrections to Earnings Results of the Company" released on January 31, 2017.

2. Details of Corrections

Corrected parts are underlined. Please note that corrections have been made to numerous items, and therefore only corrected figures are provided in this document.

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JVCKENWOOD

July 29, 2016

Company: JVCKENWOOD Corporation
Representative: Takao Tsuji, President and CEO
(Code: 6632; First Section of the Tokyo Stock Exchange)
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Accounting Report for the First Quarter of Fiscal Year Ending March 2017 (April 1, 2016 – June 30, 2016)

Consolidated Financial Highlights for the First Quarter of Fiscal Year Ending March 2017
(April 1, 2016 – June 30, 2016)

Operating Results (Millions of yen, except net income per share)

	1st Quarter of FYE 3/2017 April 1, 2016 to June 30, 2016	1st Quarter of FYE 3/2016 April 1, 2015 to June 30, 2015
Net sales	65,699	67,283
Operating income	(1,300)	(1,031)
Ordinary income	(1,406)	(1,569)
Net income attributable to owners of parent	(2,676)	(2,269)
Net income per share	(19.26) yen	(16.37) yen

FYE: Fiscal year ended / ending

Net Sales and Operating Income by Customer industry sectors (Millions of yen)

		1st Quarter of FYE 3/2017	1st Quarter of FYE 3/2016	Year-on-year comparison
Automotive Sector	Net sales	33,012	32,895	+117
	Operating income	(550)	(810)	+260
Public Service Sector	Net sales	15,812	17,574	(1,762)
	Operating income	(985)	(717)	(268)
Media Service Sector	Net sales	15,742	15,300	+442
	Operating income	87	330	(243)
Others	Net sales	1,144	1,518	(374)
	Operating income	147	165	(18)
Intersegment Sales or Transfer	Net sales	(13)	(5)	(8)
Total	Net sales	65,699	67,283	(1,584)
	Operating income	(1,300)	(1,031)	(269)
	Ordinary income	(1,406)	(1,569)	+163
	Net income attributable to owners of parent	(2,676)	(2,269)	(407)

Major Products in Each Sector

Automotive Sector	Car AV Systems, Car Navigation Systems, Camera for Car-mounted Equipment, Home Audio, Optical Pickups for Car-mounted Equipment, CD and DVD Mechanism for Car-mounted Equipment
Public Service Sector	Safety Business: Land Mobile Radio Equipment, Video Surveillance Equipment, Audio Equipment Healthcare Business: Medical Display Equipment
Media Service Sector	Media Business: Consumer Video Cameras, Professional Video Cameras, Projectors, AV Accessories, Displays, Imaging Devices Entertainment Business: Planning / Production and Sales of Audio and Video Content including CDs and DVDs, Production and Sales of CDs and DVDs (prerecorded)
Others	Interior Furniture, etc.

1. Qualitative Information on 1Q Financial Results

(1) Description of Operating Results

(Overview of the First Quarter of the Fiscal Year under Review)

Looking at the global economy during the first three months of the fiscal year under review, the U.S. continued to enjoy moderate economic growth while Europe began to have a sense of uncertainty about the future economic performance on the back of the U.K.'s national referendum voting in favor of exiting the European Union. Meanwhile, China's manufacturing and other sectors recovered only at a slow pace, keeping experts worried about a potential deceleration in the country's economy. During the period, Japan saw consumer spending decline, leading to sluggish personal consumption data. Moreover, amid foreign exchange fluctuations, the Japanese yen appreciated sharply against other major currencies, a phenomenon which is feared to affect corporate earnings.

Under these circumstances, for the first three months of the fiscal year under review, net sales for the JVCKENWOOD Group decreased from a year earlier, affected by foreign exchange fluctuations and the Public Services Sector recording lower sales. However, excluding the effects of foreign exchange, net sales for the period increased in real terms from a year earlier. Looking at profits and losses of the Group as a whole, operating loss for the quarter under review grew year-on-year, affected by factors that were within our period-start expectations such as foreign exchange fluctuations and higher retirement benefit expenses. However, excluding the effects of foreign exchange and other factors, operating income and loss improved in all segments. Ordinary income for the quarter improved by approx. 200 million yen from a year earlier due to an improvement in non-operating income.

Profit-and-loss exchange rates used when preparing the financial statements for the first three months of the fiscal year under review are as follows.

		1st Quarter
Profit-and-loss exchange rate	U.S. dollar Euro	About 108 yen About 122 yen
FY2015 (for reference)	U.S. dollar Euro	About 121 yen About 134 yen

*Net Sales

Net sales for the first three months of the fiscal year under review decreased by about 1,600 million yen, or 2.4%, year-on-year to 65,699 million yen.

Sales in the Automotive Sector increased from a year ago as the OEM Business recorded higher sales, supported by growing sales of the dealer-installed option products, among other factors. Meanwhile, sales in the Communications Systems Business deceased from a year ago. As a result, sales in the Public Service Sector declined from a year earlier. In the meantime, although sales in the Media Business declined year-on-year, sales in the Media Service Sector increased due to higher sales in the Entertainment Business, supported by strong sales of content.

Excluding the effects of foreign exchange, net sales for the quarter increased by about 5% year-on-year.

*Operating Income

Operating income for the first three months of the fiscal year under review declined by about 300 million yen year-on-year to an operating loss of 1,300 million yen.

In the Automotive Sector during the first quarter of the fiscal year under review, income improved as the Consumer Business enjoyed in the domestic market strong sales of Saisoku-Navi series car navigation systems equipped with audio-visual functions and benefited in overseas markets from the effect of new product rollouts. Loss in the Public Services Sector increased year-on-year as the Communications Systems Business recorded lower profits. The Media Service Sector posted reduced profits, affected by the lower sales of the Media Business, although the Entertainment Business achieved increased profits.

Excluding the effects of foreign exchange and other factors, operating income improved in all segments.

*Ordinary Income

Ordinary income for the first three months of the fiscal year under review improved by about 200 million yen year-on-year to an ordinary loss of 1,406 million yen despite lower operating income as non-operating income improved due to an improving net financial income.

*Net Income Attributable to Owners of Parent

Net income attributable to owners of parent for the first three months of the fiscal year under review declined by about 400 million yen year-on-year to a net loss of 2,676 million yen despite improving ordinary income as an extraordinary loss was recorded due to the liquidation of overseas subsidiaries.

(Net Sales and Profits and Losses by Business Segment)

JVCKENWOOD reorganized, effective July 1, 2015, the four business segments of Car Electronics, Professional Systems, Optical & Audio and Entertainment Software into three sectors based on customers' industries — the Automotive Sector, Public Service Sector and Media Service Sector. The aim of this was to go from being a traditional manufacturing and sales company to being a company that creates customer value by providing solutions to customers' problems in accordance with Vision 2020, a medium- to long-term business plan released on May 18, 2015.

The segment information for the first three months of the fiscal year ended March 31, 2017 that is shown is prepared according to the post-reorganization reporting segmentation method.

Net sales and operating income (loss) by business segment are as follows.

The total amount of operating income (loss) by business segment is consistent with the operating income (loss) of the quarterly consolidated statements of income.

Net sales by business segment include inter-segment sales or transfer.

First three months of the fiscal year under review (from April 1, 2016 to June 30, 2016)

(Millions of yen)

Business Segment		First three months of FYE3/'17	First three months of FYE3/'16	Year-on-year comparison
Automotive Sector	Net sales	33,012	32,895	+117
	Operating income	(550)	(810)	+260
Public Services Sector	Net sales	15,812	17,574	(1,762)
	Operating income	(985)	(717)	(268)
Media Services Sector	Net sales	15,742	15,300	+442
	Operating income	87	330	(243)
Others	Net sales	1,144	1,518	(374)
	Operating income	147	165	(18)
Inter-segment elimination	Net sales	(13)	(5)	(8)
Total	Net sales	65,699	67,283	(1,584)
	Operating income	(1,300)	(1,031)	(269)
	Ordinary income	(1,406)	(1,569)	+163
	Net income attributable to owners of parent	(2,676)	(2,269)	(407)

The Company's acquisition of ASK Industries S.p.A. ("ASK") conducted effective April 1, 2015, local time, accounted for on a provisional basis for the first quarter of the fiscal year ended March 31, 2016, was accounted for on a full and final basis for the second quarter of the fiscal year.

Since the acquisition was accounted for on a full and final basis, instead of on a provisional basis, the values for the first three months of the fiscal year ended March 31, 2016 were prepared on the basis of the values thus determined.

*Automotive Sector

Net sales in the Automotive Sector for the first three months of the fiscal year under review increased by about 100 million yen, or 0.4%, year-on-year to 33,012 million yen while operating income improved by about 300 million yen year-on-year to an operating loss of 550 million yen.

(Net Sales)

In the Consumer Business, sales of Saisoku-Navi car navigation systems and dashcams were strong in the domestic market. But sales in overseas markets were negatively affected by foreign exchange fluctuations and an economic downturn in the Middle East. As a result, net sales in the Consumer Business declined from the corresponding period of the previous fiscal year.

In the OEM Business, net sales increased year-on-year due to significant growth in sales of dealer-installed option products although the Chinese subsidiary Shinwa International Holdings Limited ("Shinwa") posted lower sales of flagship CD/DVD mechanism systems.

(Operating Income)

In the Consumer Business, operating income for the first three months of the fiscal year under review increased from a year ago despite the effects of lower net sales. This was due to strong sales of Saisoku-Navi car navigation systems and dashcams in the domestic market, coupled with the fact that the rollouts in overseas markets of new products brought about a positive effect.

In the OEM Business, operating income for the first three months of the fiscal year under review decreased from a year ago, weighed on by advance development costs for dealer-installed option products.

*Public Services Sector

Net sales in the Public Services Sector for the first three months of the fiscal year under review declined by about 1,800 million yen, or 10.0%, year-on-year to 15,812 million yen, and operating income declined by about 300 million yen year-on-year to an operating loss of 985 million yen.

(Net Sales)

Net sales in the Communications Systems Business decreased from a year earlier due to continued lower sales of professional radio devices for railroad and natural resource industries in the U.S., still affected by a lasting impact of

the drop in crude oil prices.
Net sales in the Professional Systems Business, operating mainly in JVCKENWOOD Public & Industrial Systems Corporation, were more or less flat compared to a year earlier.
(Operating Income)
In the Communication Systems Business, operating income decreased from a year earlier, affected by lower sales of professional radio devices. Meanwhile, operating income of EF Johnson Technologies, Inc. and Zetron, Inc., the Group's communication systems subsidiaries in the U.S., improved compared to a year earlier.
In the Professional Systems Business, operating income decreased from a year earlier, affected by higher burden of retirement benefits.

*Media Services Sector

For the first three months of the fiscal year under review, net sales in the Media Services Sector increased by about 400 million yen, or 2.9%, year-on-year to 15,742 million yen while operating income decreased by about 200 million yen, or 73.5%, year-on-year to 87 million yen.
(Net Sales)
In the Media Business, net sales declined year-on-year, affected by a measure to narrow our consumer video camera product lineup and lower sales of professional video cameras in Europe.
In the Entertainment Business, net sales increased year-on-year as sales of content were strong despite the effects of reduced sales resulting from the relocation of subsidiary JVCKENWOOD Creative Media Corporation, a contract production service provider for package media such as CD, DVD and Blu-ray products.
(Operating Income)
In the Media Business, operating income decreased due to the effects of the above-mentioned drop in sales.
In the Entertainment Business, operating income increased due to strong sales of content.

(2) Description of Financial Position

(Analysis of Assets, Liabilities and Net Assets, etc.)

*Assets

Total assets decreased by about 17,600 million yen from the end of the previous fiscal year to 238,752 million yen. This was because of decreases in current assets such as notes and accounts receivable-trade due to seasonal factors and the yen's appreciation against other major currencies.

*Liabilities

Total liabilities decreased by approximately 7,600 million yen from the end of the previous fiscal year to 191,213 million yen. This was due to decreases in current liabilities owing to lower accrued expenses caused by seasonal factors.
Interest-bearing debts declined by about 1,400 million yen from the end of the previous fiscal year to 67,797 million yen.
Net debts (amount obtained by subtracting cash and deposits from interest-bearing debts) increased by approximately 5,700 million yen from the end of the previous fiscal year to 32,181 million yen.

*Net Assets

During the first three months of the fiscal year under review, retained earnings declined by approximately 3,400 million yen from the end of the previous fiscal year to 21,757 million yen, due mainly to the recording of a net loss attributable to owners of parent. Total shareholders' equity decreased by approximately 3,400 million yen from the end of the previous fiscal year to 77,294 million yen.
Total net assets decreased by about 10,000 million yen from the end of the previous fiscal year to 47,539 million yen. This was mainly due to the decline in shareholders' equity, and an increase of about 6,600 million yen in debit balance of foreign currency translation adjustments as a result of an appreciation of the yen compared with the end of the previous fiscal year.
The capital adequacy ratio dropped by 2.5 percentage points from the end of the previous fiscal year to 17.9%, due largely to the decrease in net assets.

(Cash Flow Analysis)

*Cash flow from operating activities

Net cash provided by operating activities for the first three months of the fiscal year under review decreased by about 3,300 million yen from the corresponding period of the previous fiscal year to 206 million yen. This was mainly attributable to a decrease in cash inflow from recovery of notes and accounts receivable-trade.

*Cash flow from investing activities

Net cash used in investing activities for the first three months of the fiscal year under review decreased by approximately 1,300 million yen from the corresponding period of the previous fiscal year to 3,343 million yen. This mainly reflects the absence of an expenditure for the acquisition of shares of a subsidiary accompanied by a change in the scope of consolidation, in association with conversion of ASK into a consolidated subsidiary, a step taken in the previous fiscal year.

***Cash flow from financing activities**

Net cash used in financing activities for the first three months of the fiscal year under review decreased by about 8,000 million yen from the corresponding period of the previous fiscal year to 1,645 million yen. This was mainly attributable to reduced repayment of loans from banks and to the absence of a cash outflow for additionally acquiring shares of Shinwa, a step taken in the previous fiscal year.

Cash and cash equivalents at the end of the first quarter of the fiscal year under review decreased by about 9,900 million yen from the end of the previous fiscal year to 34,516 million yen.

(3) Description of forward-looking information such as consolidated earnings forecast

During the first three months of the fiscal year under review, profits declined year-on-year due partly to the effects of foreign exchange fluctuations, and were more or less in line with our period-start projection.

The Automotive Sector showed a recovery trend thanks to the effects of new products rolled out in the latter half of the three-month period, although it was affected by foreign exchange fluctuations and the economic downturn in the Middle East in overseas markets. In the Public Service Sector, the earnings of the communication systems subsidiaries in the U.S. showed a steady recovery trend despite continued lower sales for the period of professional radio devices for railroad and natural resource industries in the U.S., still affected by a lasting impact of the drop in crude oil prices.

JVCKENWOOD does not revise the consolidated earnings forecast for the fiscal year ending March 31, 2017, released at the start of the fiscal year, because in the second quarter onwards: 1) the Automotive Sector will see shipments for new orders for OEM Business products (dealer-installed option products) begin on a full-scale basis; and 2) the earnings of the communication systems subsidiaries in the U.S. will likely continue to recover. This is despite the fact that, in the Public Services Sector, sales of professional radio devices are expected to continue declining, going forward.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(JPY in Million)

	Previous Fiscal Year (as of Mar. 31, 2016)	End of current consolidated first quarter (as of Jun. 30, 2016)
Assets		
Current assets		
Cash and cash equivalents	42,764	35,616
Trade notes and accounts receivable	55,517	47,360
Merchandise and finished goods	25,419	24,342
Work in process	4,573	4,711
Raw materials and supplies	10,094	10,693
Deferred tax assets	3,110	3,190
Other current assets	10,385	10,941
Allowance for doubtful accounts	(1,448)	(1,372)
Total current assets	150,417	135,483
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	13,103	12,336
Machinery and equipment, net	7,068	6,553
Tools, furniture and fixtures, net	5,463	5,171
Land	22,875	22,670
Construction in progress	2,996	3,707
Total property, plant and equipment, net	51,506	50,438
Intangible fixed assets		
Goodwill	8,087	7,524
Software	12,105	12,588
Other intangible fixed assets	4,785	4,223
Total intangible fixed assets	24,978	24,335
Investments and other assets		
Investment securities	5,966	5,682
Net defined benefit asset	14,955	14,848
Deferred tax assets	5,916	5,416
Other investments	3,276	3,177
Allowance for doubtful accounts	(683)	(630)
Total investments and other assets	29,431	28,494
Total fixed assets	105,916	103,269
Total assets	256,334	238,752

(JPY in Million)

	Previous Fiscal Year (as of Mar. 31, 2016)	End of current consolidated first quarter (as of Jun. 30, 2016)
Liabilities		
Current liabilities		
Trade notes and accounts payable	32,639	32,219
Short-term loans payable	10,660	10,160
Current portion of long-term loans payable	12,279	11,820
Other accounts payable	10,295	7,961
Accrued expenses	18,333	15,144
Income taxes payable	2,371	1,171
Warranty reserves	1,250	1,157
Sales return reserves	722	694
Other current liabilities	11,234	13,374
Total current liabilities	99,787	93,703
Long-term liabilities		
Long-term loans payable	46,262	45,817
Deferred tax liabilities for land revaluation	1,523	1,523
Deferred tax liabilities	8,046	7,656
Net defined benefit liability	39,788	39,294
Other long-term liabilities	3,358	3,218
Total long-term liabilities	98,980	97,510
Total liabilities	198,768	191,213
Equity		
Shareholders' equity		
Common stock	10,000	10,000
Capital surplus	45,573	45,573
Retained earnings	25,128	21,757
Treasury stock	(36)	(36)
Total shareholders' equity	80,665	77,294
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	445	252
Deferred loss on derivatives under hedge accounting	(1,075)	(1,276)
Land revaluation surplus	3,458	3,458
Foreign currency translation adjustments	(13,820)	(20,454)
Remeasurements of defined benefit plans	(17,349)	(16,596)
Total accumulated other comprehensive income	(28,341)	(34,615)
Non-controlling interests	5,241	4,860
Total equity	57,565	47,539
Total liabilities and equity	256,334	238,752

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Accumulated period for consolidated first quarter)

(JPY in Million)

	Accumulated period for previous consolidated first quarter (Apr.1, 2015 - Jun.30, 2015)	Accumulated period for current consolidated first quarter (Apr.1, 2016 - Jun.30, 2016)
Net sales	67,283	65,699
Cost of sales	48,648	48,583
Gross profit	18,634	17,115
Selling, general and administrative expenses	19,666	18,416
Operating loss	(1,031)	(1,300)
Non-operating income		
Interest income	64	38
Dividend income	77	163
Dividend income of life insurance	65	82
Other non-operating income	225	100
Total non-operating income	433	383
Non-operating expense		
Interest expense	507	258
Foreign exchange loss	190	61
Other non-operating expenses	273	169
Total non-operating expense	971	489
Ordinary loss	(1,569)	(1,406)
Extraordinary profit		
Gain on sales of property, plant and equipment	13	29
Gain on sales of shares in subsidiaries and associated companies	486	—
Total extraordinary profit	500	29
Extraordinary loss		
Loss on sales of property, plant and equipment	1	3
Loss on disposal of property, plant and equipment	10	16
Business structural improvement expenses	48	3
Employment structural improvement expenses	474	86
Loss on liquidation of subsidiaries and associated companies	—	272
Other extraordinary loss	3	2
Total extraordinary loss	538	384
Loss before income taxes	(1,607)	(1,761)
Income taxes - current	528	840
Income taxes - deferred	(65)	(61)
Total income taxes	463	779
Net loss	(2,071)	(2,540)
Net income attributable to non-controlling interests	197	136
Net loss attributable to owners of parent	(2,269)	(2,676)

(Consolidated Statements of Comprehensive Income)

(JPY in Million)

	Accumulated period for previous consolidated first quarter (Apr.1, 2015 - Jun.30, 2015)	Accumulated period for current consolidated first quarter (Apr.1, 2016 - Jun.30, 2016)
Net loss	(2,071)	(2,540)
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	55	(192)
Deferred loss on derivatives under hedge accounting	(88)	(200)
Foreign currency translation adjustments	1,748	(7,085)
Remeasurements of defined benefit plans	260	752
Total other comprehensive income	1,976	(6,726)
Comprehensive income	(94)	(9,266)
Total comprehensive income attributable to:		
Owners of the parent	(404)	(8,950)
Non-controlling interests	309	(316)

(3) Quarterly Consolidated Statement of Cash Flows

(JPY in Million)

	Accumulated period for previous consolidated first quarter (Apr.1, 2015 - Jun.30, 2015)	Accumulated period for current consolidated first quarter (Apr.1, 2016 - Jun.30, 2016)
Cash flows from operating activities		
Loss before income taxes	(1,607)	(1,761)
Depreciation	2,876	2,813
Amortization of goodwill	151	143
Increase in net defined benefit liability	895	1,127
Increase in net defined benefit asset	(849)	(528)
Increase (decrease) in allowance for doubtful accounts	(19)	10
Interest and dividend income	(141)	(201)
Interest expense	507	258
Gain on sales of shares in subsidiaries and associated companies	(486)	-
Loss on liquidation of subsidiaries and associated companies	-	272
Loss on disposal of property, plant and equipment	10	16
Gain on sales of property, plant and equipment	(11)	(26)
Decrease in trade notes and accounts receivable	12,078	5,025
Increase in inventories	(2,150)	(2,395)
Increase (decrease) in trade notes and accounts payable	(2,661)	634
Decrease in other accounts payable	(1,856)	(1,223)
Increase in accrued expenses	(2,485)	(2,394)
Other, net	688	(320)
Sub-total	4,937	1,450
Interest and dividend received	141	201
Interest paid	(414)	(247)
Income taxes paid	(1,156)	(1,197)
Net cash provided by operating activities	3,509	206
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,514)	(1,474)
Proceeds from sales of property, plant and equipment	191	81
Purchase of intangible fixed assets	(1,732)	(1,825)
Purchase of investment securities	(543)	(0)
Purchases of investments in subsidiaries resulting in change of scope of consolidation	(2,080)	-
Proceeds from sales of investments in subsidiaries resulting in change of scope of consolidation	1,057	-
Other, net	(0)	(124)
Net cash used in investing activities	(4,622)	(3,343)
Cash flows from financing activities		
Decrease in short-term loans payable, net	(4,131)	(169)
Proceeds from long-term loans payable	500	2,118
Repayment of long-term loans payable	(3,215)	(2,553)
Cash dividends paid	(693)	(694)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,523)	-
Other, net	(612)	(346)
Net cash used in financing activities	(9,676)	(1,645)

(JPY in Million)

	Accumulated period for previous consolidated first quarter (Apr.1, 2015 - Jun.30, 2015)	Accumulated period for current consolidated first quarter (Apr.1, 2016 - Jun.30, 2016)
Effect of exchange rate changes on cash and cash equivalents	726	(2,252)
Net decrease in cash and cash equivalents	(10,063)	(7,035)
Cash and cash equivalents at beginning of year	54,452	41,551
Cash and cash equivalents at end of quarter	44,388	34,516