Corporate vision

“Realize the unconventional (Katayaburi wo katachi ni)”

Course of action

“Perpetual reform centered on each and every individual”

We determined this corporate vision to include concepts held in common in JVC’s Brand Statement, “The Perfect Experience,” and in Kenwood’s corporate vision, “Reaching out to discover, inspire and enhance the enjoyment of life.”

Moreover, we determined the course of action as a code of behavior for sharing and realizing the corporate vision by all of the employees of the Group.

Under the corporate vision and course of action, we will create new and unconventional added value and evolve into a corporate group that provides customers with incomparable experiences they have never before experienced.
# Financial Highlights

JVC KENWOOD Holdings, Inc. and Consolidated Subsidiaries  
Fiscal Year ended March 31

## Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>FYE 3/10</th>
<th>FYE 3/09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>*1</td>
<td>*2 Including 1st half of JVC</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>398,663</td>
<td>311,299</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(6,454)</td>
<td>(1,537)</td>
</tr>
<tr>
<td><strong>Ordinary income (loss)</strong></td>
<td>(14,753)</td>
<td>(9,760)</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>(27,796)</td>
<td>(30,735)</td>
</tr>
</tbody>
</table>

## Key Financial Ratios

<table>
<thead>
<tr>
<th></th>
<th>FYE 3/10</th>
<th>FYE 3/09</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>274,752</td>
<td>344,077</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>46,819</td>
<td>74,439</td>
</tr>
<tr>
<td><strong>Net assets per share (Yen)</strong></td>
<td>47.45</td>
<td>75.08</td>
</tr>
<tr>
<td><strong>Stockholder’s equity ratio (%)</strong></td>
<td>16.7</td>
<td>21.1</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td>(38,301)</td>
<td>(10,765)</td>
</tr>
<tr>
<td><strong>Interest-bearing debt</strong></td>
<td>108,306</td>
<td>134,100</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>64,804</td>
<td>81,683</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td>21,453</td>
<td>10,425</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td>(3,159)</td>
<td>(11,288)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td>(27,120)</td>
<td>9,265</td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td>18,446</td>
<td>19,540</td>
</tr>
</tbody>
</table>

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1. In the Group’s earnings results for the fiscal year ended March 2009, JVC’s results for the first half are not consolidated due to the adoption of the purchase method.  
2. JVC’s net sales in the reference figures have been converted under the net method and have not been certified by the accounting firm.
First, we would like to apologize for the inconvenience and concern caused to all of you by the adjustments made to previous earnings results. The JVC Kenwood Group as a whole will do its utmost to prevent a recurrence and to regain the trust of society at large, while creating added value and increasing our corporate value. We would like to ask for your continued understanding and support.

The JVC Kenwood Group was launched on October 1, 2008, through the management integration of Victor Company of Japan, Limited (JVC) and Kenwood Corporation (Kenwood). In line with the corporate vision of the JVC Kenwood Group, “Realize unconventional (Katayaburi wo katachi ni),” the two long-established companies chose to integrate their management with the aim of building a corporate group that will survive intensifying international competition caused by the progress of digital technology, and achieve global leadership as a unique specialty manufacturer of unconventional AV products and services. At the time management integration was being implemented, the worldwide economic crisis was growing more severe. To overcome the resulting difficulties and achieve the original purpose of management integration as soon as possible, we strengthened the business areas where we can demonstrate our strengths, and promoted various structural reforms based on a four-pronged reform approach focusing on management, finance, costs, and businesses.

Specifically, to establish the medium to long-term earnings structure of the JVC Kenwood Group and achieve new growth, we strengthened business and product competitiveness and improved sales and profits in the following two businesses: the Car Electronics business, where the most positive effects of integration are expected, and the Land Mobile Radio business, in which high levels of profitability can be achieved. Following profit structural reforms launched at the same time as management integration, the JVC Kenwood Group implemented the Business Structural Reform Action Plan, which focused on improving the performance of unprofitable businesses in the fiscal year ended March 2010. Consequently, we significantly reduced fixed costs in the display, camcorder, and business solution segments by the end of March 2010.

As a result, we forecast that the operating balance will turn positive for the fiscal year ending March 2011. In the first quarter of the fiscal year, the Car Electronics business made advances and the performance of other businesses improved more than expected, chiefly due to the effects of structural reforms. This led to operating profit for the first quarter hitting a record high for the second consecutive quarter since management integration, and ordinary income moving into the black for the first time since management integration.

It has taken two years since management integration to put the business on a proper track. Now, we will shift our attention away from conventional structural reforms intended to keep the group afloat to growth. The first step will be to implement an action plan for reconstructing the corporate base into one that is appropriate for current revenues. With the new corporate base, we will carry out the Mid-term business plan through to the fiscal year ending March 2013, re-create and expand corporate value, create new added value in line with the corporate vision of realizing unconventional, and evolve into a corporate group that inspires customers in ways they never previously experienced.

Creating new added value and expanding corporate value under the Mid-term business plan

Under the JVC Kenwood Group’s first Mid-term business plan announced in May 2010, we aim to focus further on core strengths, reposition ourselves, and achieve renewed growth
as Japan’s leading specialty AV manufacturer. To this end, we are implementing a policy to transform ourselves into a next-generation specialty AV manufacturer with car-mounted components, radio equipment, professional AV equipment, and solution business—where we are able to make the most of our long-established strengths, such as technological prowess, marketing and development capabilities, reliability, sales network, and high brand recognition—at the core.

In the Car Electronics business—which is a business common to JVC and Kenwood, and where we enjoy No. 1 share in the consumer market (sales of both companies combined) in Europe and the U.S.—we will concentrate marketing activities on emerging markets where high growth can be expected. At the same time, we are focusing our resources on the development of new car navigation systems, for which we expect a new market to emerge that combines previous car navigation systems and PND, thus consolidating our position as the No. 1 company in this field worldwide. Furthermore, we are working to develop car electronics that are compatible with next-generation new media and services.

With respect to the land mobile radio segment, Kenwood is ranked second in the world and top in Japan by market share in a market where high levels of public safety are required. Meanwhile, JVC is active in the business solutions segment, marketing security and audio/visual equipment that use state-of-the-art technologies accumulated in the consumer market. By strengthening the integrated management of these segments in the Professional Systems Business, where absolute reliability is required, we are working to transform the segment into a comprehensive solution business fusing sound, visual, and telecommunication.

Furthermore, to make the corporate vision of being unconventional a reality, the JVC Kenwood Group is developing products and services that, through unique ideas, will stimulate people’s sensitivities and awaken latent demand, and also bring surprises and changes to everyday lifestyles. We will launch new products onto the market, and take the first step toward creating new added value.

Please see "Mid-term business plan" on pages 7-9 and "Outline of Business and Priority Measures" on pages 10-19 for further details.

Meeting expectations and building a company trusted by society
—Perpetual reform centered on each and every individual

The JVC Kenwood Group considers it a prerequisite of a corporation that intends to develop continuously to respond to the expectations of all stakeholders and to be trusted by and contribute to society. We will return to this basic idea, and implement the following measures on a group-wide basis to prevent a recurrence of adjustments to previous earnings results: (1) establish management and internal control systems to change the corporate culture; (2) reform the accounting system and structure; and, (3) enhance monitoring capabilities. At the same time, we will do our utmost to regain trust. In addition to carrying out compliance as a matter of course in all our activities, we will reinforce corporate governance, promote highly transparent management, and contribute to preserving the environment for the next generation.

In particular, our video and audio equipment business and software businesses support cultural activities that foster people’s sensitivities, and our mobile radio business supports communication of vital information among people. Keeping this mission and our responsibilities in mind, all of the employees of the JVC Kenwood Group will fulfill their responsibilities in accordance with our guidelines for business conduct based on the idea of continuous change centered on each individual.

We sincerely request your continued understanding and support.
September 2010
Haruo Kawahara
Chairman, President and CEO

* Since the management integration, operating income hit a record high for the second quarter in a row.
* We posted an ordinary income for the first time since the management integration.
Management Policy and Strategies
~ We are continuing to bolster our specialist attributes and transformation toward a designated manufacturer of AV products focusing on the car electronics and professional systems businesses. ~

The JVC Kenwood Group has been pushing forward with structural reforms in various fields since steps were taken in October 2008 to complete management integration due to the deterioration of financial results that resulted from the global economic crisis. In the fiscal year ended March 31, 2010, the Group completed major measures, having applied the Action Plan for Business Structural Reform. This plan mainly aims to secure a drastic improvement in profits at such unprofitable businesses as the Home & Mobile Electronics Business and the Business Solution segment of the Professional Systems Business. This has been driven by businesses in which sales and profits have recovered, such as the Car Electronics Business and the Land Mobile Radio segment of the Professional Systems Business. As a result, and as announced on May 14, 2010 in the flash earnings report for the fiscal year ended March 31, 2010, in the fourth quarter of the fiscal year ended March 31, 2010 we recorded the Company’s first profit since the third quarter of the previous fiscal year. We expect to be in the black on an operating level for the full year in the fiscal year ending March 31, 2011.

Notwithstanding this positive trend, we decided to step up efforts through an additional action plan aimed at reconstructing our corporate base (hereinafter referred to as the “Action Plan for Reconstructing the Corporate Base”) by implementing further measures that are considered necessary to promote the move from a structural reform stage for survival to a growth stage. We will also do this by reconstructing our corporate base so that its scale better matched our reduced corporate size, resulting from previously implemented structural reforms, as well as our current sales level, taking into consideration the recent changes in economic environments and fluctuations in exchange rates. Through the successful completion of this Action Plan for Reconstructing the Corporate Base we will reconstruct our corporate base to realize new growth. And based on this corporate base, the Company will focus on its Mid-term business plan, scheduled to end in the fiscal year ending March 31, 2013, while aiming to recreate and enhance corporate values and again distribute dividends at an early stage.

Management policies
To establish a new position as a specialty manufacturer of audio visual equipment and to realize new growth, amidst increasingly intense global competition, we will strive to select and concentrate our business and alter our business model.

Up to now, we have tried to optimize the effects of integration with the focus on businesses common to JVC and Kenwood (the Car Electronics and Home Audio businesses). But from now on, the Company will try to create and enhance synergy effects, promote new businesses and development new products. It will do this by optimizing the integrated management of the Group as well as businesses that are not common to them.

Strategies

1. Action Plan for Reconstructing the Corporate Base

We projected an increase of about eight billion yen in the fiscal year ending March 31, 2011 as an improvement in profits resulting from the Action Plan for Business Structural Reform implemented in the fiscal year ended March 31, 2010, with underperforming operations being substantially improved. In addition, the Company will take measures aimed at making all businesses profitable, posting ordinary income for the fiscal year ending March 31, 2011, as set forth below:
We expect the effects of those measures to become apparent sometime in the fiscal year ending March 31, 2011 and we project they will result in an improvement in profit of about ten billion yen after the fiscal year ending March 31, 2012.

(1) Reform of unprofitable operations -Returning all businesses to the black

Display segment
- Conversion of the business model (Splitting up of the business and promoting a partnership strategy)
  * Transform itself to a new fabless business model.
  * In line with this strategy, the functions of the business headquarters will be vested and transferred to the JVC’s main plant in Thailand, namely the display manufacturing center, by splitting off the headquarters function. A new strategy will be promoted by fully utilizing the Company’s strengths in branding, marketing, merchandizing and development, as well as its sales network.
  
  At the same time, we will further pursue partnership strategies, after reinforcing competitiveness.

Camcorder segment
- Reform of competitiveness (Shifting to overseas production and outsourcing)
  * The Company will accelerate production reform by increasing the level of production by third parties, while reorganizing its production system by completely the transfer of production bases from Japan to overseas.
  * We will proceed with reforms to reinforce sales and reduce sales cost by reorganizing sales companies mainly in Europe; to acquire new sales routes by exploring new markets; and to expand sales.
  * Regarding the product strategy, the Company will take measures to strengthen cost competitiveness and product competitiveness while developing a new platform. It will also reinforce our position, ranking second in the world market, by developing a new category of products.

Business Solutions segment
- Integrating operations with the Land Mobile Radio segment of Kenwood
  * By integrating operations between the Land Mobile Radio segment of Kenwood, which boasts a dominant presence overseas, ranking second in the world, and the Business Solution segment of JVC which has strengths in Japan, the Company will drive the development of new multimedia solutions. This will be achieved by integrating technologies of the two companies, combining sales activities, mutually using sales networks and bases, jointly purchasing materials and conducting other activities to create businesses in growing markets. These include the public security markets and security markets. At the same time, we will open the door to emerging markets by developing products destined for Asia, including China and India.
  * Furthermore, we will strive to expand sales and improve the cost structure by raising the self-manufacturing ratio in the solution business field including software and services, while reorganizing the production structure.
Reorganizing the production system

<table>
<thead>
<tr>
<th>Current status</th>
<th>Reorganization</th>
<th>After reorganization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yokosuka Plant of JVC</strong></td>
<td>• Camcorder (for domestic market)</td>
<td>Production plants for BS* and projector</td>
</tr>
<tr>
<td></td>
<td>• BS* products (commercial AV equipment)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Projector</td>
<td></td>
</tr>
<tr>
<td><strong>Malaysia Plant of JVC</strong></td>
<td>Terminating production of camcorder (1H FYE 3/11)</td>
<td>Dedicated plant for production of camera-related products</td>
</tr>
<tr>
<td></td>
<td>Transferring production to Malaysia</td>
<td></td>
</tr>
<tr>
<td><strong>Thai Plant of JVC</strong></td>
<td>Terminating production of home audio (by the end of FYE 3/11)</td>
<td>Display Business Headquarters and dedicated plan for display-related products</td>
</tr>
<tr>
<td></td>
<td>Producing part of BS* products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Transferring outsourcing of BS* products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Transferring to Malaysia</td>
<td></td>
</tr>
</tbody>
</table>

*BS* - Business Solution

2 Reconstructing the global operation system

In the fiscal year ending March 31, 2011 we will reconstruct a new global operating structure, while deliberating possible changes to the business composition (business portfolio) as well as integrated group operations. We will proceed with efforts to restructure the head office, production system and sales system from a global point of view, and dispose of assets that may consequently become unnecessary.

1. Sellout and reallocation of the head office

The premises of the head office of the Company and JVC are to be sold in June 2010 with the functions of the head office to be relocated. In this way, we will generate maximum synergy effects to further promote the integration of operations and cut costs.

2. Reorganizing the production system

* The Yokosuka Plant of JVC - Plant mainly for business solution products

Taking into consideration the termination of a portion of the production of camcorders destined for domestic markets at JVC’s Yokosuka Plant, this Plant will be repositioned as a production plant for business solution-related products and projectors.

* The Thai plant of JVC - Display business head office and exclusive display plant

Production of business solution products (monitors, recorders, video cameras, etc.) manufactured at JVC’s Thai Plant is to be outsourced or transferred to JVC’s plant in Malaysia, and the plant in Thailand will serve as the display business head office as well as a plant that is exclusively for displays.

* The Malaysian plant of JVC - Plant exclusively for cameras

Production of home audio products at the Malaysia plant will be terminated. Regarding home audio products, the Company will become fabless, and the JVC’s plant in Malaysia will be repositioned as a plant exclusively for cameras including camcorders and security cameras.
3. Reviewing the human resource framework
In connection with efforts to restructure the head office, production system and sales system as well as the integrated management of the Group, the Company plans to redeploy, transfer to third parties and reduce employees by between one and two thousand across the entire Group which includes Japanese and overseas offices and plants.

3. Increasing cash flows and reducing total assets
Responding to the restructure of the global operation system, cash will be increased and total assets reduced through the disposal of fixed assets.

2. Mid-term business plan

(1) Strategies - Reconstruction of the profit base and early resumption of the distribution of dividends

Focusing efforts on businesses with a competitive advantage in order to generate integration effects and profitable growth in emerging markets

—Expanding the ratio to sales from 40% at the time of management integration to 60% or more (see note) for the Car Electronics and Professional Systems businesses.

*To focus on the Car Electronics and Professional Systems businesses where the Company can exercise the strengths of the Group, aiming at profitable growth.

Note: The figure is the target for the fiscal year ending March 31, 2013 (the last year of the Mid-term business plan)
Converting the business models of the Consumer Electronics and Software businesses to make the businesses profitable

Leveraging the effect of the Action Plan for Business Structural Reform that was completed in the first half of the current year (eight billion yen annually) and the effect of the Action Plan for Reconstructing the Corporate Base set forth above, the Company aims to secure a turnaround in operating income (see note) for the combined total of the Home & Mobile Electronics and Entertainment businesses.

* As for the Home & Mobile Electronics Business, to implement a new business model by concentrating resources on marketing, merchandizing, development and sales through the promotion of the fabless strategy by outsourcing to third parties in order to return to the black at an early stage as well as promoting the partnership strategy.
* Regarding the Entertainment Business, we will try to realize Total Entertainment in response to the diversification of media due to music distribution and such like.
* We will promote new development while introducing new products that realize our corporate vision “To Materialize Off Beat.”
* To focus on the Car Electronics and Professional Systems businesses where the Company can exercise the strengths of the Group, aiming at profitable growth.

Note: Data is the target for the fiscal year ending March 31, 2013 (the last year of the Mid-term business plan)
[2] **Target**

* For the fiscal year ending March 31, 2013: Post sales of 450 billion yen (at a 9% annual growth rate); operating income of 14.5 billion yen and current net income of 4.5 billion yen.
* In addition, another target is to resume the payment of dividends during the period of the Mid-term business plan.

[3] **Financial and capital strategies - Improvement of interest bearing debt and increase of capital**

* Measures will be taken and pursued to improve profitability resulting from a recovery in the business as well as reinforcement, to improve the current account balance by reducing interest bearing debt and to retain the special loss in connection with the completion of the structural reform to a minimum level.
  
* In addition, cash flow will be improved by reducing inventory and reducing accounts receivable.
* We will strive to enhance corporate values and bases for the future and increase capital through share appreciation resulting from the consolidation of shares.

[4] **Dividend policy - Early resumption of the distribution of dividends**

We will aim to post net income and resume the distribution of dividends at an early stage of the Mid-term business plan.

[5] **Management reform - Consolidation of operating companies and the integrated group**

We will have discussions aiming for the early consolidation of business companies so that the management of the Group and the effects of integration may be optimized, flexibly responding to changes in the business portfolio.

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### Target by segment (Billions of yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>(Reference) FYE 3’10 (New segmentation)</th>
<th>(Reference) FYE 3’11 (Initial forecast)</th>
<th>FYE 3’13 Target</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Electronics + Professional Systems</td>
<td>Net sales 200.3</td>
<td>Operating income 1.7</td>
<td>200.0 ~ 210.0</td>
<td>280.0</td>
</tr>
<tr>
<td>Home &amp; Mobile Electronics + Entertainment</td>
<td>186.7</td>
<td>160.0 ~ 170.0</td>
<td>160.0</td>
<td>0 ~ 10.0</td>
</tr>
<tr>
<td>New operation / Other</td>
<td>Net sales 11.7</td>
<td>Operating income 0.5</td>
<td>3.0 ~ 5.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Total</td>
<td>Net sales 398.7</td>
<td>Operating income (6.5)</td>
<td>380.0</td>
<td>450.0</td>
</tr>
<tr>
<td></td>
<td>Ordinary income (14.8)</td>
<td>4.0</td>
<td>(3.5)</td>
<td>14.5</td>
</tr>
<tr>
<td></td>
<td>Net income (27.8)</td>
<td>(13.0)</td>
<td>4.5</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Note: For the fiscal year ended March 2010, patent revenue and profit/loss related to the business incubation business were included in the “Other” segment. However, for the fiscal year ended March 2010 (new segmentation). Patent revenue was allocated to each business and profit/loss related to the business incubation business was transferred to the "Professional Systems Business” segment. For the fiscal year ending March 2011 and thereafter, they are classified in the same manner.
Outline of Business and Priority Measures

Car Electronics Business

**FYE 3/10 (Millions of yen)**
Consolidated net sales: 107,814
Consolidated operating income: 4,090
Sales composition: 27%

**Major Products**
- Car Audio
- Car AV System
- Car Navigation System
- CD and DVD mechanism for car-mounted equipment
The JVC Kenwood Group positions the Car Electronics business as the profitable one with the largest sales among the four business segments. It is the business segment in which both JVC and Kenwood participate and the segment expected to be most affected by the management integration. In line with this view, the Group integrated both companies’ functions for car audio and car navigation systems. These functions include product planning and marketing, technological development, design, procurement and production. The Group integrated them into J&K Car Electronics Corporation, a joint venture of both companies, and manages it as a virtually independent operating company.

In the consumer segment that boasts a large sales ratio, the aggregate market share of the Kenwood brand and the JVC brand ranked first in Europe and the U.S. This is thanks to the integration effects resulting from a rise in sales. The sales increased by leveraging the strengths of both brands that have different product features and sales networks. As seen in this case, in major regions, the market share for and sales of car audios and car navigation systems increased. Besides, there were other integration effects resulting from a cost reduction that was brought by the adoption of common platforms, joint procurement of parts and mutual use of intellectual property. This led to a further improvement in product competitiveness and reconstruction of a highly profitable structure.

In the OEM segment, sales of car navigation systems remained brisk due to the recovery of automobile sales as a result of measures for stimulating new car purchases executed by various countries. In addition, the shipment volume of CD/DVD drive mechanisms to be mounted in vehicles sharply increased because of large orders received. These favorable factors, together with the effects of previous structural reforms, contributed to making this segment profitable.

In future, the consumer segment that enjoys large market shares in the European and American markets will actively explore and advance into emerging markets such as Latin America, Middle and Near East, Russia, India and China. We are already enhancing our business structure in those areas, and the segment will advance by making the most of such large shares. Furthermore, we will focus on new car navigation systems, which we expect to create a new market between the markets for conventional car navigation systems and portable navigation devices. Thus, we will aim to expand our business in the domestic market and solidify our No. 1 position in the world in the consumer segment. Meanwhile, in the OEM segment, we will strive to expand our business by increasing orders received in each of the dealer option goods segment and the genuine goods segment. We will also develop new media and services for the next generation. Further, we will also develop car electronics to be used, for example, in driving support systems so that the Car Electronics business will be able to drive the Group’s profitable growth.
Outline of Business and Priority Measures

Professional Systems Business

- FYE 3/10 (Millions of yen)
  - Consolidated net sales: 91,390
  - Consolidated operating loss: -1,321
  - Sales composition: 23%

- Major Products
  - Land Mobile Radio Equipment
  - Video Surveillance Equipment
  - Video Equipment
  - Audio Equipment
  - Display Equipment
The Professional Systems business consists of Kenwood’s wireless equipment segment, including land mobile radio, amateur radios and specific power-saving transceivers, and JVC’s business solutions segment centering on professional AV equipment and systems.

The Land Mobile Radio business boasts the world’s second largest market share. It supplies highly reliable professional radio terminals and systems for the public safety sector (police and fire departments), the public service sector (electricity, water and gas), and the private sector (railways, buses, hotels and plants), particularly in overseas markets. Affected by the economic crisis, orders received were sluggish mainly for products for the public safety market in the U.S., which is the largest market. However, sales of NEXEDGE®, a digital radio that JVC Kenwood originally developed, increased sharply for railway companies in the U.S. and private-sector markets in Europe, Asia and other regions. Consequently, this business remained profitable.

The business solutions segment supplies security cameras, professional-use audio equipment and facilities, video cameras, monitors and ID printers chiefly to private-sector markets. The recovery in demand for these products was delayed, hurt by a freeze on private-sector capital spending both in Japan and abroad amid the economic crisis. However, the profit and loss of this segment improved at a faster pace than estimated earlier mainly thanks to the effects of previous structural reforms.

In future, in the Land Mobile Radio business, we will strive to increase sales of digital, professional-use radio, centering on NEXEDGE®. We will do this by taking advantage of the transition period from analog to digital. In addition, we will expand the domain of this business from the supply of radio terminals to the supply of system solutions, with Zetron, Inc., a U.S. radio communications system company, as the core. Furthermore, we will expand our business in Japan, China, Asia and Europe, and create a new driving force for growth.

The business solutions segment will enhance its technology-based marketing and shift from the individual hardware business to the solution business that integrates products, content and services. It will also expand proprietary products and services which make the most use of the video technology and the image compression technology. These technologies realize four to eight times the resolution of Hi-Vision. It will also utilize the 3D image technology that converts 2D images into high-precision 3D images on a real-time basis. The segment will also endeavor to expand and enhance operations by actively working on cooperation and alliance with other companies.

In addition, through integrated management of Kenwood’s land mobile radio segment and JVC’s business solutions segment, we will aim to share the two companies’ resources, such as sales networks, expand the Professional Systems business and strengthen its competitiveness. At the same time, we will create a new business in response to the expansion in the public safety and security markets by commercializing a wireless transmission system for surveillance camera images that combines both companies’ technologies and know-how.

JVC’s surveillance cameras and Kenwood’s NEXEDGE® are fused in a total system solution for wireless communication. By fusing image compression technology by JVC and the narrow-band (12.5kHz/6.25kHz) digital wireless transfer technology of Kenwood, this system enables verbal communication and the transmission of sharp images. When using this system for the monitoring of waterways, railways and airports, users can confirm onsite conditions as if they were there.

ProHD Memory Card Camera Recorder, the world’s first professional memory card camera recorder to support native QuickTime (for Final Cut Pro) file format recording onto SDHC media card.

Customers can choose a camera that is suitable for their purpose, system and location. The latest security video camera line-up (32 models) can be used for versatile surveillance applications.
Outline of Business and Priority Measures

Home & Mobile Electronics Business

- FYE 3/10 (Millions of yen)
  - Consolidated net sales: 141,773
  - Consolidated operating loss: -10,752
  - Sales composition: 36%

- Major Products
  - Camcorders (Video Cameras)
  - Home Audio
  - AV Accessories
  - Projectors
  - Displays
The Home & Mobile Electronics business consists of the home entertainment business, which includes home audio systems, AV accessories and displays, and the digital imaging business, which encompasses mainly camcorders (video cameras).

In the home entertainment business, the AV accessory segment established a highly profitable structure by forming a fabless business model. The home audio system segment, as the common business of Kenwood and JVC, succeeded in turning a profit by leveraging the effects of integration and structural reforms. The display segment drastically reduced fixed costs by narrowing down unprofitable models and regions and achieving the resultant restructuring caused by reviewing production and sales systems.

With regard to the digital imaging business, sales of mainstay camcorders increased in the domestic market. However, their sales decreased in overseas markets owing to price declines and a shift of demand to low-end models. As a result, profit and loss of the business deteriorated greatly. To cope with this situation, we made every effort to improve product competitiveness and cut fixed costs, aiming for a substantial improvement in profit and loss.

In future, in the home entertainment business, we will have the AV accessory segment, a highly profitable base, advance into unexplored markets. At the same time, we will reinforce the domestic market to accelerate its growth. The audio segment will shift its focus of investment from existing fields to new ones, and make production and development more efficient, by leveraging the effects of integration and structural reforms. The display segment will shift to a new business model while strengthening its presence. It will do this by implementing, beginning with the North American and emerging markets, a partnership strategy that utilizes brand power, marketing capability, product planning and development ability, and sales networks.

Regarding the digital imaging business, the camcorder segment will strengthen its cost and product competitiveness by using newly developed processors as the unified platform. It will further enhance its second-ranked position in the world market by implementing a product strategy to win over users of still cameras, such as PICSIO — a new concept camcorder that comes up with new image communication — and by developing new sales routes. Furthermore, we will expand and enhance our business taking into consideration cooperation and alliance with other companies. We will continue to develop a projector that adopts D-ILA, a proprietarily-developed optical device, as the next-generation mainstay of the video field.

Real 10 Megapixel Stills with no interpolation,
Full HD memory camcorder “Everio”

*The Everio GZ-HM1, received the Best Expert Camcorder prize in the Technical Image Press Association (TIPA)’s prestigious TIPA Awards 2010, the most coveted photo and imaging awards worldwide.

50,000:1 native contrast ratio for deep, true black level HD D-ILA Consumer Front Projector

Compact Hi-Fi system equipped with digital doc for iPods that both CD and iPod reproduce by high-quality sound

Used wood, an ideal material for use as a vibration board DVD/CD Woodcone Speakers Micro System

High grade model using wood diaphragms and color variation models to be able to choose depending on preference and a fashion various headphones lineups

Thin (6.4mm) and light weight (5.7kg) 32” Class Full HD LCD Display

6 At the thinnest section: the depth between the LCD panel surface and the rear of the cabinet
Outline of Business and Priority Measures

Entertainment Business

FYE 3/10 ( Millions of yen)
Consolidated net sales: 44,934
Consolidated operating loss: -1,744
Sales composition: 11.5%

Major Products
Planning, Production and Sales of Audio and Video Software Including CDs and DVDs
Production and Sales of CDs and DVDs (pre-recorded)
Distribution of Audio and Other Software
The Entertainment business consists of the software segment with Victor Entertainment, Inc. and Teichiku Entertainment, Inc. as the core, and the business on consignment that specializes mainly in pressing of CDs, DVDs, and Blu-ray discs and logistics.

The software segment focused on improving earnings. To this end, the segment reorganized the Victor Entertainment Group. It aimed to reconstruct the base for creating hit content responding to changes in the entertainment industry environment, such as diversification of user preferences. It also strove to improve the infrastructure for distributing content through the Internet and mobile phones. The segment also strengthened the four functions of content production, management, property-rights-based businesses such as music publishing, and networks and distribution. It deepened the interplay among these functions.

In future, the software segment will expand and reinforce the business by finding and training new talented artists, and realize total entertainment that responds to diversification of media for music distribution. To achieve this, the segment will leverage its various strengths for developing new businesses. These strengths include music assets that consist of many hits, centering on Japanese music such as pops and enka (traditional Japanese popular songs), which have been accumulated by Victor Entertainment and Teichiku Entertainment over the years from the early period of the Japanese music industry. They also include extensive networks, production know-how, recording infrastructure and human resources in the entertainment industry.

To shift to a new business structure, we will focus on the solution business and the service business, and make greater efforts for a new service business that transfers resources in the Entertainment business to other businesses. Such a new business segment, for example, will propose an entertainment corridor, which combines display-based digital signage, music and videos.

Establishing the “Entertainment Laboratory,” a new B-to-B (business service) business division

—Applying the company’s sound and image know-how to the business scene—

In April 2010, Victor Entertainment Co., Ltd. established the “Entertainment Laboratory” (hereinafter, “e-Lab”), a new business division, with the aim of promoting the shift to a B-to-B (business service) focus, a new business segment completely different from its current core package business.

e-Lab’s mission is to promote the transfer of technological know-how in marketing, sales promotion, as well as the production of music and images into JVC’s entertainment and general business segments. The five main business segments of JVC are listed as follows:

1. The Music Plus Business: Creating added value through sound solutions provided by enterprises, groups and products, or in other words, the staging of spiritually enriched “scenes.”
2. The Event Producing Business: Providing support to events by making the best of the company’s know-how cultivated through the organization of live shows and concerts.
3. The Custom-made Business: Proposing the production of commemorative music packages as well as music distribution in order to support the creation of strong brands through the power of songs (affinity and spreading power).
4. The Promotion Business: Planning new products on a low budget and conducting totally unexpected marketing activities by utilizing the know-how and sales channels of record makers that attempt to attract the interest of people in regard to services.
5. The Space Producing Business: Providing added value that accompanies entertainment, to existing space and facilities by utilizing technologies such as the “high resolution audio system,” which places emphasis on sound quality, as well as systems like the “digital window” which create “windows” using images.
Outline of Business and Priority Measures

New Business
The basic policy of the JVC Kenwood Group is to position itself as a unique, specialized manufacturer and world leader. To that end, we are working to enhance competitiveness and profitability by consolidating the corporate bases established by the two companies into a new corporate entity that can operate successfully in a digital era. This will be achieved using management integration as the starting point for a new growth strategy, and creating and increasing corporate value by applying the synergies of management integration.

By integrating the video, audio and wireless communications technologies of JVC and Kenwood at a high level, JVC Kenwood, with the New Business Development Center at the helm, has been working to develop unconventional products and services that are appropriate for a digital network era, and that stimulate people’s sensitivities, awaken latent needs and bring surprises and changes to everyday lifestyles.

The first of these new products that we have developed is the Home AVC (Audio, Visual, and Communication), which is a home AV product that offers a new lifestyle by combining the audio, video and communications functions, as well as a new network service linked to this new product and a tuner that is compatible with the network service.

**Basic Conceptualization of the New Products and Services**

<table>
<thead>
<tr>
<th>Products that make you feel you have been missing something</th>
<th>Casting off of conventional sales business practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition of new lifestyles</td>
<td>New business model</td>
</tr>
<tr>
<td>Development of new products Home AVC Tuner Box</td>
<td>New network service</td>
</tr>
</tbody>
</table>

Thus, JVC Kenwood will strengthen initiatives for new businesses by commercializing and launching new home AV products that propose new lifestyles, including tuners that are compatible with a new network service and mobile AV products and by accelerating development of new next-generation products that make the most of the Group’s technologies.

“Home AVC” is a home AV product that proposes a new lifestyle

1. Home AVC with which users can enjoy varied video and music contents
2. A high-grade digital amplifier that includes the know-how and high-quality sound of JVC and Kenwood
3. The new UI design offers an intuitive interface
4. Installed with a new network service function

New network service and tuner box compatible with the network service

1. Clear radio broadcasts can be received even in poor reception areas where there are radio disturbances
2. Offering new ways of excitement using additional data
3. The two-way function enables an expansion of advertising activities
4. Tuner BOX that makes the new network service available by connecting with the audio-video equipment that users already have such as a TV and VCR

Home AVC

Video image of the new network service

Tuner Box
Environmental Management and Social Activities

We strive to realize a society capable of sustainable growth by fulfilling our social responsibility as a green company and by implementing environmental management activities.

Environment Board System
The JVC Kenwood Group’s organization for promoting environmental management activities consists of the JVC KENWOOD Holdings Environment Board, the Group’s highest decision-making body chaired by the Company’s president; the Environment boards, which are under the control of the JVC KENWOOD Holdings Environment Board and are chaired by the managers or environmental directors of operating companies, production bases, and production companies; and, the Expert committees, which are organized for each category of task on a group-wide basis.

Policies and measures decided by the JVC KENWOOD Holdings Environment Board are developed through respective Environment boards as subordinate entities.

Acquisition of ISO 14001 International Environmental Management Standard Certification
In accordance with the environmental philosophy and policies of the JVC Kenwood Group, all of the JVC Kenwood Group’s domestic and overseas production bases, production companies and principal domestic affiliates have obtained ISO 14001 certification. In order to maintain and improve the ISO 14001 system, we implement general environmental education and training at each level throughout the Group on an annual basis. At the same time, we conduct training for those engaged in specific duties as well as internal auditors of the environmental management system. Training is supplemented by drills that assume various emergencies, based on the implementation plan.

Internal auditors also carry out internal audits each year to verify compliance with environmental laws and regulations and to confirm conformity with in-house environmental standards. In the event an internal audit uncovers an issue, steps are taken to implement the appropriate measures and on resolution to verify results.

Product Initiatives
In order to deliver products that have little impact on the environment, the JVC Kenwood Group is pursuing the development of technologies that help reduce electricity as well as standby power consumption, and facilitate the reduction of product size and weight.

Initiatives in each design process
1. Energy-conservation design to reduce emissions of greenhouse gases
2. Effective use of limited global resources through 3R designs
3. Ban on / reduction of use of environmental pollutants to prevent pollution caused by chemical substances
4. Observance of environmental laws and regulations and other requirements

Environmental Green Symbol concept
Among the wide ranging lineups of both JVC and Kenwood, products bearing this symbol mark are particularly eco-friendly. The symbol mark is affixed to products that conform to environmental standards. It is also used as an indicator for environmental activities consistent with ISO 14001.

Operational Initiatives
In order to fulfill its social responsibility, the JVC Kenwood Group is focusing on activities that prevent global warming and inhibit the generation of waste.
We aim to become a global corporation that earns the trust of its customers by engaging in various social activities throughout the world.

Relationships with Customers through Showrooms
In an era in which people can view products on the Internet as if they were looking through a catalogue, the roles of showrooms have changed significantly with face-to-face relationships with customers becoming increasingly important.

JVC KENWOOD’s Marunouchi Showroom not only provides a venue for explaining products, but also serves as a place that enables customers to have proper relations with products through daily communication.

Views and requests concerning products, which are obtained from customers who visit the showroom, are quickly conveyed to the relevant development, production, and sales divisions via the CS division, and are used for planning future products and improving quality.

Cooperation in Opening “Saudi Electronics & Home Appliances Institute”
To train engineers who repair home appliances in Saudi Arabia, the Saudi Electronics & Home Appliances Institute was opened in Riyadh, the capital of Saudi Arabia, in September 2009 through cooperation among the Japanese and Saudi Arabian governments and private-sector corporations including JVC. JVC, which exports large quantities of home appliances to Saudi Arabia, supported preparation of teaching materials and training programs, including guidance for instructors.

Participation in the Recycling of Telephone Directories Jointly with a Local Elementary School
In January 2010, employees of JVC’s U.S. plant took part in a telephone directory recycling competition planned by AT&T Inc., jointly with Arcadia Elementary School in Tuscaloosa, Alabama, where the plant is located. Participants collected more than 1,000 used telephone directories and received prize money of 1,000 dollars, which was used to fund improvements to the environment of the school.

Amateur Radio Products Donated to Support Reconstruction Following the Haiti Earthquake
Kenwood donated Amateur Radio (Ham) products, which offer a means of communication that requires no public infrastructure, through the American Radio Relay League in the U.S. for use in relief activities for victims and reconstruction of the stricken area in the Republic of Haiti, which was severely damaged by a huge earthquake in January 2010. We sincerely hope the devastated areas will be restored as soon as possible.

Youth Soccer Tournament Held
The Johor youth soccer tournament in Malaysia, held every year under the auspices of Kenwood Group Union (KEGU) in hopes of fostering the sound minds and bodies of children, was held in May, with the support of employees of Kenwood’s Malaysia Plant and volunteer staff from the labor union in Japan. The tournament was a great success, with 16 junior high school soccer teams selected from the province participating.
We believe that a company's mission is to meet the expectations of all stakeholders, earn society's trust, and contribute to society. These practices are a prerequisite for the company to thrive and contribute to society. To do so, we believe that one of the most important issues for the Company is to contribute to society through its business activities. This goes beyond merely carrying out compliance in all of our activities, but also includes reinforcing corporate governance, implementing highly transparent management, and enhancing activities to protect the environment for the next generation.

Corporate Governance Structure

JVC Kenwood believes that one of its most important management issues is to increase the transparency and efficiency of its managerial decision-making process and improve corporate value by strengthening corporate governance. To this end, we make it a basic policy to enhance corporate governance through the establishment of a structure that includes checks and balances. That policy calls for dividing management and the execution of operations, recruiting external directors and auditors, and establishing internal audit sections, as well as improving the internal control system on a Group-wide basis.

Corporate Organizations
The Board of Directors, which is regarded as an organization that makes fundamental and strategic decisions as well as overseeing business execution, holds regular meetings once a month and extraordinary meetings when necessary to deliberate and decide on basic management policies and important matters as well as monitor and oversee the status of business execution. Directors’ terms of office are one year in order to make their responsibilities clear and to make management processes quicker. In addition, we proactively recruit external directors in order to increase the transparency of decision-making.

JVC Kenwood adopts an executive officer system under which business execution functions are divided and management responsibility and business execution responsibility are separated from each other. Since June 2010, nine directors (including two external directors) and ten executive officers (six concurrently holding director positions) have fulfilled these responsibilities.

Organization System (As of June 24, 2010)
JVC Kenwood is a company with a board of auditors. Auditors attend Board of Directors’ meetings and other important meetings, hold Board of Auditors’ meetings, audit the execution of duties by Directors and the entire Group’s business execution, perform accounting audits and hold the corporate audit function.

The Board of Auditors holds meetings once every month and whenever necessary. Since June 2009, five auditors (including three external auditors) have been engaged in corporate audits.

■ Establishment of Internal Control and Risk Management Systems
JVC Kenwood has established the following systems to ensure that the Group runs its operations properly.

1. Framework to Ensure the Exercise of Directors’ Functions are Conducted in Conformity with Laws, Regulations and the Company’s Articles of Incorporation
2. Framework for the Storage and Management of Information in Relation to the Exercise of Directors’ Functions
3. Framework for Regulations and Such Concerning the Management of Risk of Loss
4. Framework to Ensure the Efficient Exercise Directors’ Functions
5. Framework to Ensure that Employees Execute Their Duties in Compliance with Laws/Regulations and the Company’s Articles of Incorporation
6. Framework to Ensure the Propriety of Business Operations for the Corporate Group Consisting of JVC Kenwood and Its Subsidiaries
7. System Concerning Employees Who Assist Auditors’ Duties and Matters Regarding to the Independence of Such Employees from the Control of Directors
8. Framework for the Reporting of Directors and Assistants to Auditors/Framework for Other Reporting to Auditors
9. Framework to Ensure Effective Auditing of Auditors
10. Framework to Ensure Propriety of Financial Reports

■ Internal Audits and Auditors’ Audits Systems
JVC Kenwood conducts internal audits on the overall business execution of the entire Group. Results of these audits are reported to the Board of Directors, an oversight organization, by the Corporate Audit Office, where twelve staff members are engaged in operational audits and internal control audits. The Corporate Audit Office, tasked to audit the operations of the entire Group, prepares the Risk Assessment Form when formulating an audit schedule and selects auditing targets based on risk assessment, resulting in an increase in the effectiveness of internal audits.

Auditors implement audits according to the audit schedule, audit the entire Group’s operations, and check in-house approval documents based on the monitoring of directors and executive officers. Auditors also attend audits performed by the Corporate Audit Office, thereby broadening the scope of their audits.

Provision of information for Stakeholders
JVC Kenwood provides information for stakeholders in a timely and appropriate manner. We establish timely disclosure rules as in-house regulations, and under the Information Disclosure Council develop the content and means of disclosure when there is information that needs to be communicated.
Takeover Defense

We believe that if the Company’s corporate value or shareholders’ interest could be harmed due to the acquisition of its shares by a specific person or group, the Company needs to take substantial measures to raise corporate value and secure shareholders’ interests to the extent permitted by laws, regulations, and the Company’s Articles of Incorporation. JVC Kenwood, of course, recognizes the importance of increasing corporate value and securing shareholders’ interests, and continues to carefully study takeover defense measures. However, we have not introduced any specific measures so far.

Formulation of Measures to Prevent Recurrence

During the consolidated fiscal year under review, JVC Kenwood established an investigation committee including outside experts (hereinafter, “Investigation Committee”) and conducted an investigation into losses with respect to JVC. The results of the investigation by the Investigation Committee revealed inappropriate accounting adopted by JVC during the period between the fiscal year ended March 31, 2005, which was prior to the establishment of JVC Kenwood on October 1, 2008, and the second quarter of the fiscal year ended March 31, 2010. It also indicated that the inappropriate accounting had a total impact of approximately 17.1 billion yen in losses. Pursuant to the Financial Instruments and Exchange Law, the JVC Kenwood Group adjusted the earnings results of JVC for the period between the fiscal year ended March 31, 2005 and the second quarter of the fiscal year ended March 31, 2010 and those of JVC Kenwood for the period from its establishment on October 1, 2008 through to the second quarter of the fiscal year ended March 31, 2010.

The Company, having seriously acknowledged the results of the investigation conducted by the Investigation Committee, thoroughly validated and examined the background and causes that led to the inappropriate accounting treatment. Furthermore, in response to the suggestion of the committee, we have formulated fundamental measures.

- Establishment of a management structure and internal control system to improve the Group’s corporate culture

1. By establishing “Standards for Decision-Making and Authorities/List of Decision-Making Matters” and ensuring that the contents are thoroughly communicated within the JVC Kenwood Group, reconfirm awareness within the entire Group of a system that maintains a board of directors with the authority to decide important management matters.

2. Establish the “JVC Kenwood Group Code of Conduct on Compliance” (hereinafter “Code of Conduct”) that specifically outlines common values and ethical views to be shared by directors, auditors, executive officers, and employees of the JVC Kenwood Group for taking sincere and appropriate actions, and ensure strict adherence to the Code of Conduct. In addition, emphasize that securing compliance is the most important issue under the management policy and provide education on compliance as part of the management education program.

3. Ensure that all parties within the JVC Kenwood Group are well aware of the internal whistle-blowing rules, which stipulate the reporting of any acts that deviate from the Code of Conduct and define procedures for corrective action. Also, ensure that the whistle-blowing system is operated so that a person reporting a problem is not treated unfairly.
**Reform of accounting system and structures**

1. Establish, with respect to the subject inappropriate accounting treatment, a “committee for preventing recurrence” as an entity under the Compliance Committee of JVC Kenwood, and first develop “improvement measures to prevent recurrence of inappropriate accounting, etc.,” applicable throughout the Group to be promoted and monitored. In addition, assign a director responsible for compliance at each Group company to strengthen the internal control system of every company.

2. As part of the reexamination of the human resources system, establish working rules, dismissal regulations and other compliance-related rules as the rules of JVC Kenwood, and apply these rules uniformly throughout the entire Group.

3. Revise the current accounting system in which profits and losses are accounted for within each of the regional companies in Europe, Americas, and Asia, and establish consolidated accounting rules and develop operational workflows and systems that enable JVC Kenwood to centrally identify the profits and losses of business companies as well as of overseas affiliates. In addition, promote a strengthening of consistent consolidated management by business segment, establish a management system over affiliated companies overseas, and revise the existing accounting rules as necessary.

4. To prevent recurrence of inappropriate accounting treatment, establish a double-checking system between overseas sales subsidiaries and the accounting function of business departments, as well as a cross-checking system with the accounting department of the head office.

**Reinforcement of Monitoring**

1. JVC Kenwood, by reinforcing the activities of its management audit office, has been widely conducting onsite examinations of business companies and their affiliates within the Group to centrally monitor the internal control status, and is making efforts to promptly detect problematic issues from a perspective that is separate from that of the business locations to heighten the capability to prevent the occurrence of problems. Further efforts are being made to strengthen and enhance the staff of the management audit office of JVC Kenwood and ensure that a thorough monitoring function is in place.

2. In order to put in place a transparent corporate culture, ensure that based on the Code of Conduct, rules are defined with respect to the reporting of unusual circumstances caused by an inappropriate action. Specifically, establish an internal whistle-blowing system as a mechanism to enable personnel in overseas affiliates also to directly access JVC Kenwood.

3. The management audit office of JVC Kenwood, in order to validate the effectiveness of the series of measures to prevent recurrence, will collect accounting, financial, and other relevant data monthly from all related companies of the Group and analyze the data.
Management Team
(As of August 1, 2010)

Directors

Chairman and President,
Representative Director of the Board
Haruo Kawahara

Representative Director of the Board
(in charge of Management and Financial Reforms)
Kazuo Shiohata

Director of the Board
(in charge of Management Strategy)
Hisayoshi Fuwa

Director of the Board
(in charge of Group Management Reforms)
Hiroshi Odaka

Director of the Board, and President and Representative Director of the Board of Kenwood
Kazuhiro Aigami

Director of the Board, and President and Representative Director of the Board of JVC
Yuta Ito

Director of the Board, and President and Representative Director of the Board of J&K Car Electronics
Shoichiro Eguchi

Director of the Board (External) *1
Koji Kashiwaya

Director of the Board (External) * 1
Nobuo Seo

*1 External Directors specified in Item 15, Article 2 of the Corporate Law

Auditors

Auditor
and Auditor (External) of Kenwood
Shigeharu Tsuchitani

Auditor and Auditor (External) of JVC
Hideaki Kato

Auditor (External) * 2
and Auditor (External) of JVC
Noriyuki Shouyama

Auditor (External) * 2
Akihiko Washida

Auditor (External) * 2
and Auditor (External) of Kenwood
Koichi Kurosaki

*2 External Auditors specified in Item 16, Article 2 of the Corporate Law
Executive Officers

Satoshi Fujita
Masachika Komiyama
Hiroyuki Taki
Satoru Maeda

Chief Executive Officer (CEO) *
Haruo Kawahara

Deputy President & Executive Officer
(in charge of Management and Financial Reforms, Human Resources )
Kazuo Shiohata

Chief Financial Officer (CFO), General Executive, Strategic Corporate Planning Division, and Business Affairs Office *
Hisayoshi Fuwa

Senior Vice President & Executive Officer, General Executive, Strategic Finance & Accounting Division
Satoshi Fujita

Senior Vice President & Executive Officer, General Executive, Strategic Human Resources & Administration Division, and Director of the Board of JVC
Masachika Komiyama

Senior Vice President & Executive Officer, General Executive, Integrated Synergy Development Division, and Director of the Board of J&K Car Electronics
Hiroyuki Taki

Senior Vice President & Executive Officer, General Executive of New Business Development Center
Satoru Maeda

* Concurrently serving as Director of the Board

Representative Directors of Operating Company

Victor Company of Japan, Limited
(Director of the Board of JVC Kenwood) President and Representative Director of the Board
Yuta Ito
*Representative Director of the Board
Hiroshi Odaka
Executive Vice President, Director of the Board
Takayoshi Sakamoto
Senior Vice President, Director of the Board
Manabu Saito
Mototoshi Adachi
Nobuo Ochiai
Masayuki Suzuki
Osamu Ueda
Naokazu Kurihara
*Masachika Komiyama
Masaki Imai
Auditor
Tomohiro Kushima
*Auditor (External)
Norihide Shouzama
Hideaki Kato
*Concurrently serving as Director of the Board, Executive Officer or Auditor of JVC Kenwood

Kenwood Corporation
(Director of the Board of JVC Kenwood) President and Representative Director of the Board
Kazuhiro Aigami
*Representative Director of the Board
Kazuo Shiohata
Senior Vice President, Director of the Board
Akira Suzuki
Toshihito Neda
Tomohiko Yoshimura
Naomasa Mizuno
Junji Kobayashi
*Nobuo Ochiai
Auditor
Osamu Hamada
*Auditor (External)
Koichi Kurosaki
Shigeo Tsuchitan
*Concurrently serving as Director of the Board, Auditor of JVC Kenwood or Senior Vice President, Director of the Board of each Operating Company

J&K Car Electronics Corporation
(Director of the Board of JVC Kenwood) President and Representative Director of the Board
Shoichiro Eguchi
*Senior Vice President, Director of the Board, Assistant to President
Hiroyuki Taki
Senior Vice President, Director of the Board
Shigenori Abe
Makoto Inukai
Toshiaki Matsuzawa
Yuichi Yamaya
Auditor
*Satoshi Fujita
Takahiro Kubota
*Concurrently serving as Executive Officer of JVC Kenwood

* Concurrently serving as Director of the Board,
Executive Officer or Auditor of JVC Kenwood
2007
Victor Company of Japan, Limited (JVC) and Kenwood Corporation (Kenwood) entered into an agreement on a capital and business alliance to cooperate in their car electronics and home audio businesses and integrate their management. JVC increased its capital through a third-party allocation of new shares to Kenwood and multiple investment funds managed by SPARX International (Hong Kong), Ltd. JVC and Kenwood established the technology development joint venture J&K Technologies Corp. (J&K Technologies)

2008
JVC and Kenwood agreed and signed an agreement to integrate their management through the establishment of a joint holding company (stock transfer).
JVC and Kenwood established the joint holding company JVC KENWOOD Holdings, Inc. (JVC Kenwood) through a stock transfer (JVC Kenwood’s shares were listed on the First Section of the Tokyo Stock Exchange)
Development and production functions of the car electronics business of JVC and Kenwood were taken over by J&K Technologies through a company split (simplified absorption-type split)
Launched a Kenwood-brand AV control center “KRF-V9300D” (an AV amplifier for home theater systems) that uses a HDMI/DSP module of J&K Technologies as the first product based on jointly developed technology (Photo ①)

2009
Functions in Japan and abroad, such as planning, technologies, marketing, quality assurance, and production, with the exception of sales, for the home audio business of JVC and Kenwood were integrated into JVC in July
JVC and Kenwood each developed a car navigation system that adopts the same platform for the first time (Kenwood-brand Japanese consumer model: MDV-313 (Photo②) ; JVC-brand overseas consumer model: KW-NT3 (Photo③))

2010
Implemented adjustments to earnings results of JVC for the period between the fiscal year ended March 31, 2005 and the second quarter of the fiscal year ended March 31, 2010 (including consolidated financial statements as a consolidated subsidiary of JVC Kenwood), and to those of JVC Kenwood for the period from its establishment on October 1, 2008 to the second quarter of the fiscal year ended March 31, 2010

**Joint Development Products**

①AV Control Center “KRF-V9300D”
②Kenwood-brand Japanese consumer model “MDV-313”
③JVC-brand overseas consumer model “KW-NT3”
④A gramophone of 1928
⑤The world’s first VHS home video recorder “HR-3300”
⑥Stereoscopic Image Processor “IF-2D3D1”
⑦FM Tuners
⑧Land Mobile Radio launched in the U.S.
⑨Digital Media Receiver “KIV-700”
Corporate History

Victor Company of Japan, Limited

1927 Victor Talking Machine Company of Japan, Limited, established (Photo④)
1939 Produced Japan’s first TV receiver
1956 Developed 45/45 stereo record format
1963 Introduced KV-200, the world’s smallest 2-head professional VCR
1976 Introduced HR-3300, the world’s first VHS home video recorder (Photo⑤)
1986 Introduced GR-C7, the world’s smallest and lightest VHS-C video camera
1991 Introduced AV-36W1, the first 16:9 TV in the industry
1995 Introduced GR-DV1, the world’s first pocket-sized digital video camera
2003 Introduced GR-HD1, high-definition digital video camera
2005 JVC co-developed high-quality audio compression technology “net K2” with Victor Entertainment, Inc.
2006 JVC awarded the prestigious IEEE Milestone for the development of VHS video
2007 Introduced Everio GZ-HD7, the world’s first full HD hard disk camcorder targeted at consumers
2009 Introduced the JVC global brand throughout Japan
2010 Introduced the IF-2D3D1, 3D image processor for professional use (Photo⑥)

Kenwood Corporation

1946 Established Kasuga Radio Co., Ltd. (predecessor of Kenwood Corporation)
1947 Succeeded in manufacturing high-performance radio parts (high-frequency coils)
1957 Began exporting FM tuners for the first time as a Japanese manufacturer (Photo⑦)
1960 Renamed Trio Electronics, Inc.
1962 Launched the industry’s first transistor amplifier
1966 Introduced fully transistorized audio products for the first time in the industry
1978 Entered the commercial wireless radio equipment field in Japan
1980 Entered the car audio field in the U.S.
1983 Entered the Business & Industry sector of commercial wireless radio field in the U.S. (Photo⑧)
1986 Renamed Kenwood Corporation
1991 Developed the radio systems used in F1 world championship races and executed an official supplier contract with Team McLaren
1992 Entered the car navigation system field, launching the industry’s first 1DIN-size GPS car navigation system
1997 Supplied Real Focus Sound System for the Forester and 2nd Legacy models of Subaru, establishing a base for the OEM business
2004 Acquired the wireless radio operations of Toyo Communication Equipment Co., Ltd.
2005 Formed a technical and capital alliance with Icom Inc. to jointly research the standardization of technical specifications for digital wireless radio equipment
2007 Converted Zetron, Inc., a U.S. systems-based communication company into a subsidiary
2008 Launched a voluntary organization jointly to contribute to the development of land mobile radios in the Americas
2009 Launched the Simultaneous Communications System and VoIP Radio Dispatch System
2010 KIV-700 Digital Media Receiver has garnered the 2010-2011 European Imaging and Sound Association’s (EISA) European In-Car Head Unit award. (Photo⑨)
# Network (Global)

(As of the end of March 2010)

## Global affiliated Manufacturing Company

<table>
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<tr>
<th>Company Name</th>
<th>Location</th>
<th>Main Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVC America, Inc.</td>
<td>Tuscaloosa, Alabama, U.S.A.</td>
<td>CDs, DVDs (prerecorded software)</td>
</tr>
<tr>
<td>JVC Industrial de Mexico, S.A. de C.V.</td>
<td>Tijuana, Mexico</td>
<td>TVs</td>
</tr>
<tr>
<td>JVC Electronics Singapore Pte. Ltd.*</td>
<td>Singapore</td>
<td>Car electronics</td>
</tr>
<tr>
<td>JVC Manufacturing Malaysia Sdn. Bhd.*</td>
<td>Selangor, Malaysia</td>
<td>Camcorders, Home audio</td>
</tr>
<tr>
<td>JVC Manufacturing (Thailand) Co., Ltd.</td>
<td>Navaitharam, Thailand</td>
<td>TVs, professional products</td>
</tr>
<tr>
<td>JVC Optical Components (Thailand) Co., Ltd.</td>
<td>Nakhon Ratchasima, Thailand</td>
<td>Electronic components (optical pickups, etc.)</td>
</tr>
<tr>
<td>P.T. JVC Electronics Indonesia*</td>
<td>West Java, Indonesia</td>
<td>Home audio, car electronics products</td>
</tr>
<tr>
<td>Kenwood Electronics Brestagne S.A.</td>
<td>Janze, France</td>
<td>Car electronics</td>
</tr>
<tr>
<td>Kenwood Electronics Technologies (S) Pte. Ltd.</td>
<td>Singapore</td>
<td>Communications equipment</td>
</tr>
<tr>
<td>Kenwood Electronics Technologies (M) Sdn. Bhd.*</td>
<td>Johor Bahru, Malaysia</td>
<td>Car electronics, Home electronics</td>
</tr>
<tr>
<td>Shanghai Kenwood Electronics Co. Ltd.*</td>
<td>Shanghai, China</td>
<td>Car electronics, Communications equipment, Home electronics</td>
</tr>
</tbody>
</table>

*J&K Car Electronics Corporation affiliated Manufacturing Company

## Europe: Affiliated Sales Company

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVC Europe Limited</td>
<td>The United Kingdom</td>
</tr>
<tr>
<td>JVC (U.K.) A division of JVC Europe Ltd.</td>
<td>The United Kingdom</td>
</tr>
<tr>
<td>JVC Professional Europe Limited</td>
<td>The United Kingdom</td>
</tr>
<tr>
<td>JVC France S.A.S.</td>
<td>France</td>
</tr>
<tr>
<td>JVC Deutschland GmbH</td>
<td>Germany</td>
</tr>
<tr>
<td>JVC Professional Europe Ltd. Frankfurt Branch</td>
<td>Germany</td>
</tr>
<tr>
<td>JVC Italia S.p.A.</td>
<td>Italy</td>
</tr>
<tr>
<td>JVC Professional Europe Ltd. Milano Branch</td>
<td>Italy</td>
</tr>
<tr>
<td>JVC España, S.A.</td>
<td>Spain</td>
</tr>
<tr>
<td>JVC Benelux B.V.</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>JVC Professional Belgium S.A. / N.V.</td>
<td>Belgium</td>
</tr>
<tr>
<td>JVC Danmark A/S</td>
<td>Denmark</td>
</tr>
<tr>
<td>JVC Svenska AB</td>
<td>Sweden</td>
</tr>
<tr>
<td>JVC Norge A/S</td>
<td>Norway</td>
</tr>
<tr>
<td>JVC Schweiz AG</td>
<td>Switzerland</td>
</tr>
<tr>
<td>JVC International (Europe) GmbH</td>
<td>Austria</td>
</tr>
<tr>
<td>JVC Polska Sp. Z o. o.</td>
<td>Poland</td>
</tr>
<tr>
<td>JVC Czech spol. s.r.o.</td>
<td>Czech</td>
</tr>
<tr>
<td>OOO “JVC CS”</td>
<td>Russia</td>
</tr>
<tr>
<td>Kenwood Electronics Europe B.V.</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>Kenwood Electronics Belgium N.V.</td>
<td>Belgium</td>
</tr>
<tr>
<td>Kenwood Electronics UK Limited</td>
<td>The United Kingdom</td>
</tr>
<tr>
<td>Kenwood Electronics Deutschland GmbH</td>
<td>Germany</td>
</tr>
<tr>
<td>Kenwood Electronics France S.A.</td>
<td>France</td>
</tr>
<tr>
<td>Kenwood Electronics Italia S.p.A.</td>
<td>Italy</td>
</tr>
<tr>
<td>Kenwood Iberica, S.A.</td>
<td>Spain</td>
</tr>
<tr>
<td>Kenwood Electronics C.I.S.Limited Liability Company</td>
<td>Russia</td>
</tr>
</tbody>
</table>

## Americas: Affiliated Sales Company

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVC Americas Corp.</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>JVC U.S.A.</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>JVC Canada Inc.</td>
<td>Canada</td>
</tr>
<tr>
<td>JVC Professional Products Canada Inc.</td>
<td>Canada</td>
</tr>
<tr>
<td>JVC Latin America, S.A.</td>
<td>Panama</td>
</tr>
<tr>
<td>JVC KENWOOD DO BRASIL COMÉRCIO DE ELETRÔNICOS LTDA.</td>
<td>Brazil</td>
</tr>
<tr>
<td>Kenwood U.S.A. Corporation</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Kenwood U.S.A. Corporation Communications Sector</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Kenwood Electronics Canada Inc.</td>
<td>Canada</td>
</tr>
<tr>
<td>Kenwood Electronics Latin America S.A.</td>
<td>Panama</td>
</tr>
</tbody>
</table>
### Asia, Oceania, the Middle East, and Africa: Affiliated Sales Company

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVC Asia Pte. Ltd.</td>
<td>Singapore</td>
</tr>
<tr>
<td>JVC ASIA Pte. Ltd. Sales &amp; Service Division</td>
<td>Singapore</td>
</tr>
<tr>
<td>JVC Sales &amp; Service (Malaysia) Sdn. Bhd.</td>
<td>Malaysia</td>
</tr>
<tr>
<td>JVC Sales &amp; Service (Thailand) Co., Ltd.</td>
<td>Thailand</td>
</tr>
<tr>
<td>JVC (Philippines), Inc.</td>
<td>The Philippines</td>
</tr>
<tr>
<td>JVC Vietnam Limited</td>
<td>Vietnam</td>
</tr>
<tr>
<td>JVC Taiwan Corp.</td>
<td>Taiwan</td>
</tr>
<tr>
<td>JVC Gulf FZE</td>
<td>The UAE</td>
</tr>
<tr>
<td>Kenwood Electronics Singapore Pte Ltd.</td>
<td>Singapore</td>
</tr>
<tr>
<td>Kenwood Electronics Australia Pty. Ltd.</td>
<td>Australia</td>
</tr>
<tr>
<td>Kenwood Electronics (Malaysia) Sdn. Bhd.</td>
<td>Malaysia</td>
</tr>
<tr>
<td>Kenwood Electronics (Thailand) Co., Ltd.</td>
<td>Thailand</td>
</tr>
<tr>
<td>Kenwood Electronics Gulf FZE</td>
<td>The UAE</td>
</tr>
</tbody>
</table>

### China: Affiliated Sales Company

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVC (China) Investment Co., Ltd.</td>
<td>China</td>
</tr>
<tr>
<td>Kenwood Electronics (Hong Kong) Ltd.</td>
<td>China</td>
</tr>
<tr>
<td>Kenwood Electronics Trading (Shanghai) Co. Ltd.</td>
<td>China</td>
</tr>
</tbody>
</table>

### Other Main Global affiliated Company

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVC Logistics Europe N.V.</td>
<td>Belgium</td>
</tr>
<tr>
<td>JVC Technical Services Europe GmbH</td>
<td>Germany</td>
</tr>
<tr>
<td>JVC Technology Centre Europe GmbH</td>
<td>Germany</td>
</tr>
<tr>
<td>JVC Industrial America, Inc.</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>JVC Finance of America</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>JVC Marketing India Private Limited</td>
<td>India</td>
</tr>
<tr>
<td>JVC Trading (Shanghai) Co., Ltd.</td>
<td>China</td>
</tr>
<tr>
<td>Beijing JVC AV Equipment Co., Ltd.</td>
<td>China</td>
</tr>
<tr>
<td>Beijing Kelin JVC Electronic System Engineering Co., Ltd.</td>
<td>China</td>
</tr>
<tr>
<td>JVC (Beijing) Research &amp; Development Center, Ltd.</td>
<td>China</td>
</tr>
<tr>
<td>JVC Purchasing Center (H.K.), Ltd.</td>
<td>China</td>
</tr>
<tr>
<td>Zetron, Inc.</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>Zetron, UK Ltd.</td>
<td>The United Kingdom</td>
</tr>
<tr>
<td>Zetron Australasia Pty Ltd.</td>
<td>Australia</td>
</tr>
<tr>
<td>Zetron Australasia Air Systems Pty Ltd.</td>
<td>Australia</td>
</tr>
</tbody>
</table>
## R&D Center Business Center

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main R&amp;D Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVC Head Office &amp; Yokohama Plant</td>
<td>Yokohama, Kanagawa</td>
<td>Video cameras, TVs</td>
</tr>
<tr>
<td>JVC Maebashi Plant</td>
<td>Maebashi, Gunma</td>
<td>Car electronics, Home audio</td>
</tr>
<tr>
<td>JVC Kurihama R&amp;D Center</td>
<td>Yokosuka, Kanagawa</td>
<td>Video cameras, TVs, projectors</td>
</tr>
<tr>
<td>Kenwood Hachioji Business Center</td>
<td>Hachioji, Tokyo</td>
<td>Car electronics, Home audio</td>
</tr>
<tr>
<td>Kenwood Yokohama Business Center</td>
<td>Yokohama, Kanagawa</td>
<td>Communications</td>
</tr>
</tbody>
</table>

## Main Japanese Manufacturing Sites and affiliated Manufacturing Company

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main R&amp;D Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVC Yokohama Plant</td>
<td>Yokohama, Kanagawa</td>
<td>Electronic components (optical pickups, etc.)</td>
</tr>
<tr>
<td>JVC Yokosuka Plant</td>
<td>Yokosuka, Kanagawa</td>
<td>Video cameras, Projectors, D-ILA devices, Professional educational and information-related equipment</td>
</tr>
<tr>
<td>Victor Creative Media Co., Ltd.</td>
<td>Yamato, Kanagawa</td>
<td>CD and DVD discs (prerecorded)</td>
</tr>
<tr>
<td>Victor Interior Furniture Co., Ltd.</td>
<td>Fukuroi, Shizuoka</td>
<td>Home furniture</td>
</tr>
<tr>
<td>Kenwood Yamagata Corporation</td>
<td>Tsuruoka, Yamagata</td>
<td>Car electronics, Communications, Home audio</td>
</tr>
<tr>
<td>Kenwood Nagano Corporation *</td>
<td>Ina, Nagano</td>
<td>Car electronics, CD / DVD mechanisms</td>
</tr>
<tr>
<td>Kenwood Devices Corporation</td>
<td>Yokohama, Kanagawa</td>
<td>Components</td>
</tr>
</tbody>
</table>

*J&K Car Electronics Corporation affiliated Manufacturing Company

## Main Japanese Consolidated affiliated Company

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main R&amp;D Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victor Arcs Co., Ltd.</td>
<td>Minato-ku, Tokyo</td>
<td>Sales of professional audio and visual equipment</td>
</tr>
<tr>
<td>Victor Entertainment, Inc.</td>
<td>Shibuya-ku, Tokyo</td>
<td>Planning, production, and sales of audio and video software, etc.</td>
</tr>
<tr>
<td>Teichiku Entertainment, Inc.</td>
<td>Shibuya-ku, Tokyo</td>
<td>Planning, production, and sales of audio and video software, etc.</td>
</tr>
<tr>
<td>Flyingdog Inc.</td>
<td>Shibuya-ku, Tokyo</td>
<td>Planning and production of animation audio and animation video software, etc.</td>
</tr>
<tr>
<td>JVC Networks, Inc.</td>
<td>Shibuya-ku, Tokyo</td>
<td>Network delivery, and planning, production, and management of sales promotion tool</td>
</tr>
<tr>
<td>Victor Music Arts, Inc.</td>
<td>Shibuya-ku, Tokyo</td>
<td>Music copyright management and Artist management</td>
</tr>
<tr>
<td>JVC Entertainment Company, LTD.</td>
<td>Shibuya-ku, Tokyo</td>
<td>Talent and artist management, casting, and advertising representation</td>
</tr>
<tr>
<td>Nippon Record Center Co., Ltd.</td>
<td>Atsugi, Kanagawa</td>
<td>Logistics of audio software, etc.</td>
</tr>
<tr>
<td>Victor Creative Media Co., Ltd.</td>
<td>Yamato, Kanagawa</td>
<td>Production of CD and DVD discs (prerecorded)</td>
</tr>
<tr>
<td>Victor Finance Co., Ltd.</td>
<td>Yokohama, Kanagawa</td>
<td>Finance and business consulting</td>
</tr>
<tr>
<td>Victor Facility Management Co., Ltd.</td>
<td>Minato-ku, Tokyo</td>
<td>Management, sales, purchase, and leasing of real estate</td>
</tr>
<tr>
<td>J&amp;K Business Solutions Co., Ltd.</td>
<td>Yokohama, Kanagawa</td>
<td>Development, manufacturing, and sales of equipment for business use related to audio, video and communication</td>
</tr>
<tr>
<td>Victor Service &amp; Engineering Co., Ltd.</td>
<td>Urayasu, Chiba</td>
<td>Repair of electric equipment</td>
</tr>
<tr>
<td>Victor Logistics, Inc.</td>
<td>Yokohama, Kanagawa</td>
<td>Logistics</td>
</tr>
<tr>
<td>Kenwood Kenex Corporation</td>
<td>Meguro-ku, Tokyo</td>
<td>Sales and other operations relating to audio and communications equipment</td>
</tr>
<tr>
<td>Kenwood Geobit Corporation</td>
<td>Shibuya-ku, Tokyo</td>
<td>Sales agency of mobile phones; Operations and other support for Softbank shops</td>
</tr>
<tr>
<td>Kenwood Home Electronics Corporation</td>
<td>Hachioji, Tokyo</td>
<td>Sales of Home electronics products, etc.</td>
</tr>
<tr>
<td>Kenwood Service (Japan) Corporation</td>
<td>Yokohama, Kanagawa</td>
<td>After-sales services and other operations relating to audio, communications and other equipment</td>
</tr>
<tr>
<td>Kenwood Design Corporation</td>
<td>Meguro-ku, Tokyo</td>
<td>Planning and production of industrial designs for audio, communications and other equipment</td>
</tr>
<tr>
<td>Kenwood Personnel Corporation</td>
<td>Hachioji, Tokyo</td>
<td>Temporary staffing, personnel referral, and other operations</td>
</tr>
<tr>
<td>Kenwood Engineering Corporation</td>
<td>Hachioji, Tokyo</td>
<td>Dispatch of engineers, undertaking of engineering-related work, and other operations</td>
</tr>
<tr>
<td>J&amp;K Partners Corporation</td>
<td>Yokohama, Kanagawa</td>
<td>Undertaking of welfare program, general, personnel, accounting and other affairs</td>
</tr>
</tbody>
</table>
### Joint Holding Company

**Corporate Name**: JVC KENWOOD Holdings, Inc.

**Business Segments**: Controlling and managing the business activities by operating the Car Electronics business, Professional Systems business, Home & Mobile Electronics business, and Entertainment business and owning shares and interest in the companies which run those businesses

**Date of Incorporation**: October 1, 2008

**Location of Head Office**: 3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-0022, Japan

**Market for Listing**: First Section of the Tokyo Stock Exchange

**Securities Code**: 6632

**Number of Employees**: 1,044 (Group total 18,446)

**Capital**: ¥10 billion

**Net Assets**: ¥46,819 million

**Total Assets**: ¥274,751 million

**Fiscal Year**: End of March

**URL**: http://www.jk-holdings.com/

### Operating Companies

1. **Corporate Name**: Victor Company of Japan, Limited

   **Principal Business**: Research, development, manufacturing, and sales of audio, visual, computer-related consumer and professional equipment and optical discs, etc.

   **Date of Incorporation**: September 13, 1927

   **Location of Head Office**: 3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-8528, Japan

   **Number of Employees**: 2,630 (non-consolidated), 9,341 (consolidated)

2. **Corporate Name**: Kenwood Corporation

   **Principal Business**: Manufacturing and sales of products related to communications and sales of products related to Car Electronics, Home Electronics and other related businesses

   **Date of Incorporation**: December 21, 1946

   **Location of Head Office**: 2967-3, Ishikawa-machi, Hachioji-shi, Tokyo, 192-8525, Japan

   **Number of Employees**: 598 (non-consolidated), 2,178 (consolidated)

3. **Corporate Name**: J&K Car Electronics Corporation

   **Principal Business**: Research, development, design, manufacturing, and sales of automotive electric components, other automotive parts, audio equipment, visual equipment and electric and electronic machinery and appliances and other related businesses

   **Date of Incorporation**: October 1, 2007

   **Location of Head Office**: 2967-3, Ishikawa-machi, Hachioji-shi, Tokyo, 192-8525, Japan

   **Number of Employees**: 1,148 (non-consolidated), 5,833 (consolidated)
JVC KENWOOD Holdings, Inc.
3-12, MoriyaCho, Kanagawa-ku, Yokohama-shi
Kanagawa, 221-0022, Japan

For further information, please contact:
Public and Investor Relations, Strategic Corporate Planning Div.
Tel: +81-(0)45-444-5232 Fax: +81-(0)45-444-5239
E-mail: prir@jk-holdings.com