Creating excitement and peace of mind for the people of the world

Contents

● Management under JK3.0
  Management Message 2
  Striving to Achieve Full-scale Growth under “JK3.0” 4
  Providing Cutting-edge Solutions That Wow People 6
  Brand Portfolio / Anniversary Commemorations 8

● Business Overview
  Business Overview of the JVCKENWOOD Group 10
  Automotive sector 12
  Public Service sector 14
  Media Service sector 16

● Initiatives Supporting Value Creation
  Diversity 18
  Human Resource Management 20
  Social and Environmental Initiatives (CSR) 24
  Corporate Governance 28
  Global Brand Strategy 32

● Data
  Overview of the JVCKENWOOD Group 34
  Financial Highlights 35
  Corporate History 36
  Network (Global) 38
  Network (Japan) 39
  Management Team 40
  Corporate Profile / Stock Information 41
[Disclaimer]

- The forward-looking statements and graphs contained in our documents are based on currently available information and therefore actual results may significantly differ from projected figures, depending on various factors. Please do not make any material judgments based on the projections contained herein alone. Our core businesses deal with the rapidly changing electronics sector, and factors including technology, demand, price, competitive environment, changes in the economic environment, exchange rate fluctuations and many other factors may adversely impact management results or the financial condition of the Company.

- All company names, brand names and product names contained in our documents are registered trademarks or trade names of their respective holders.
Management Message

Offering Cutting-edge Solutions

Fusing together the technologies and experiences we have accumulated over the years, and using our deep insight into our customers’ problems, JVCKENWOOD will continue to partner with our customers to offer cutting-edge solutions.

◆ Overview of FY2016
Despite a sense of uncertainty in some sectors, the global economy showed signs of a moderate recovery in FY2016. In the domestic economy, there was an improvement in business sentiment, and the tone of moderate expansion continued.

Under these circumstances, increased sales in the dealer-installed options business in the Automotive sector and revenue increases in the entertainment business in the Media Service sector contributed to an increase in net sales for the JVCKENWOOD Group. In terms of group-wide income/loss, although operating and ordinary income were up as a result of these revenue increases, due to the posting of extraordinary losses, the ultimate result attributable to owners of the parent company was a net loss.

With the desire to provide a stable return to our shareholders firmly in mind, and considering our earning capacity and financial situation from comprehensive perspectives, we have decided on a year-end dividend of 5 yen per share. This is the third consecutive year that we have been able to issue a dividend to our shareholders.

◆ JK3.0 and Anniversary Commemorations
The JVCKENWOOD Group views the era in which the separate companies of Victor Company of Japan (JVC) and Kenwood Corporation enjoyed the patronage of customers with their respective brands as Stage 1, and, taking the J from JVC and the K from Kenwood, has defined that era as "JK1.0." The years from 2008, when JVC and Kenwood merged amidst the turbulent market environment of advances in digitalization, were defined as Stage 2, or "JK2.0." The end of June 2016, when a new management structure was established, marked the beginning of "JK3.0." The full-scale activities that we have launched under JK3.0 are designed to achieve growth through the creation of value for our customers.

In October last year, we marked five years since the merger in 2011, and it was the 70th anniversary of Kenwood’s foundation in December. In September this year, we will mark another milestone, the 90th anniversary of JVC.

To mark these milestone events of the launch of JK3.0 and the anniversary commemorations, and to achieve further growth and development through the creation of innovation, we have decided to redefine and revive the Victor brand, adding it to the JVC and KENWOOD brands that we are deploying globally. The Victor brand will be limited to creative products that do not fit into either the JVC or the KENWOOD brand. We will revive the “pride and spirit of exploration” that has always been part of the JVC DNA, and deploy it anew as a brand that will "create an era."

The first product to be marketed under the new Victor brand will be WiZMUSIC, an acoustic characteristics customer service that uses our proprietary EXOFIELD out-of-head localization sound field processing technology. This unprecedented and innovative service will also serve as a commemorative product for JVC’s 90th anniversary.

In this way, we will continue to come up with cutting-edge solutions that wow everyone who encounters them, and realize our corporate vision of “creating excitement and peace of mind for the people of the world.”

◆ Towards the Realization of Vision 2020
Under the new management structure approved at the 9th Ordinary General Meeting of Shareholders, the entire JVCKENWOOD Group is managed in a matrix of five regions backed by three business segments. The clarification of responsibilities and a significant delegation of authority will result in the speedy management of the Group’s businesses.

To realize “Vision 2020,” with its goal of the Company’s evolution into a Customer Value Creator, under this new management structure, we will continue
to strive for the expansion of our existing businesses. At the same time, we will take the superior technologies and know-how that the Group has accumulated over many years in the areas of images, sound, and communication systems and apply them to business segments that have great potential and social significance, such as in-car systems and healthcare. We will pre-empt our customers’ problems and continue to partner with our customers to provide cutting-edge solutions. In this way, we will make daring strides towards a new strategy for growth and aim to take a dramatic leap into the future.

In JK3.0, all of our executives and employees alike, while fulfilling their own respective roles, are in the process of reforming the JVCKENWOOD Group into a company where they are excited to work and can experience first-hand the “joy of working.”

◆ Earning Social Trust

We believe that a company seeking to achieve sustainable growth must first meet the expectations of its stakeholders and then, through unflagging efforts, earn the trust of society.

The JVCKENWOOD Group endeavors to be a company that can earn the trust of its many stakeholder groups – including consumers and corporate clients. We will achieve this goal by working as a single, unified team and leveraging our strengths to improve the quality of all corporate activities, products and services; raise our competitiveness; and contribute to society.

Simultaneous with these efforts, we will demonstrate our commitment to future generations by enhancing our community-based social contribution and environmental conservation activities.

Thank you for your continued understanding and support.

June 2017

Takao Tsuji
President and CEO
Striving to Achieve Full-scale Growth under “JK3.0”

The JVCKENWOOD Group views the era in which the separate companies of Victor Company of Japan (JVC) and Kenwood Corporation enjoyed the patronage of customers with their respective brands as Stage 1. And, taking the J from JVC and the K from Kenwood, we have defined that era as “JK1.0.” The years from 2008, when JVC and Kenwood merged, were defined as Stage 2, or “JK2.0.” The end of June 2016, when a new management structure was established, marked the beginning of “JK3.0.” The full-scale activities that we have launched under JK3.0 are designed to achieve growth through the creation of value for our customers.

**JK 3.0**

Under “JK3.0,” JVCKENWOOD will drastically transform itself in all aspects including its corporate culture under the new management structure to evolve into a company capable of creating customer value.

**JK 2.0**

The era of management integration and structural reforms

- Introduced MDV-313, which was Kenwood and JVC’s first joint development
- JVC KENWOOD Holdings, Inc. was established
- Victor and Kenwood entered into an agreement on a capital and business alliance

**JK 1.0**

The era of Victor Company of Japan (JVC) and Kenwood Corporation operating as separate companies

- Kasuga Radio Co., Ltd. was established (1986: Renamed Kenwood Corporation)
- Produced Japan's first television set (Victor)
- Victor Talking Machine Company of Japan, Limited was established
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Under "JK3.0," JVCKENWOOD will drastically transform itself in all aspects including its corporate culture under the new management structure to evolve into a company capable of creating customer value.

- **2014:** Launched KNA-DR300, a dashcam with full HD (1920 x 1080) high-quality video recording ability.
- **2012:** Completed the development of first-generation head-up displays.
- **2011:** JVCKENWOOD Corporation completed an absorption-type merger of three companies: Victor Company of Japan, Limited; Kenwood Corporation; and J&K Car Electronics Corporation.
- **2009:** Introduced MDV-313, which was Kenwood and JVC's first joint development.
- **2007:** Victor and Kenwood entered into an agreement on a capital and business alliance.
- **2008:** JVC KENWOOD Holdings, Inc. was established.
- **2016:** Established JVCKENWOOD Public & Industrial Systems Corporation, aiming to expand Professional Systems Business.

The era of management integration and structural reforms

The era of Victor Company of Japan (JVC) and Kenwood Corporation operating as separate companies

1927: Victor Talking Machine Company of Japan, Limited was established
1939: Produced Japan's first television set (Victor)
1946: Kasuga Radio Co., Ltd. was established
1957: Was the first Japanese manufacturer to export FM tuners (Kenwood)
1962: Introduced HR-3300, the world's first home-use VHS (Victor)
1965: Introduced GR-DV1, the world's first pocket-sized digital video camera (Victor)
1968: Introduced the industry’s first 1DIN-size GPS car navigation system (Kenwood)
1992: Introduced HR-3300, the world’s first home-use VHS (Victor)
1995: Introduced GR-DV1, the world’s first pocket-sized digital video camera (Victor)
1996: Introduced the industry’s first 1DIN-size GPS car navigation system (Kenwood)
2000: Introduced EXOFIELD out-of-head localization sound field processing technology
2007: Introduced Diagnostic equipment using optical disk technology (DVD/Blu-ray)
2008: Established JVCKENWOOD Public & Industrial Systems Corporation, aiming to expand Professional Systems Business
2015: Launched GY-LS300CH, a professional 4K memory card camera recorder
2016: Established JVCKENWOOD Public & Industrial Systems Corporation, aiming to expand Professional Systems Business

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Providing Cutting-edge Solutions That Wow People

JVCKENWOOD is striving to provide innovative solutions that wow people by making the most of the intellectual property and technologies it owns, as well as the experience and know-how it has cultivated over the years.

EXOFIELD out-of-head localization sound field processing technology

EXOFIELD is JVCKENWOOD’s unique out-of-head localization sound field processing technology. It uses sound field processing based on the measurement of various acoustic characteristics including personal features, enabling a realistic sound field effect even when you listen with headphones, as if you were listening to music on speakers. EXOFIELD supports the reproduction of multi-channel audio sources, enabling three-dimensional sound field reproduction in headphones in a home theater or virtual reality environment, etc.

Multi live monitoring earphones developed using a crowd funding service

In an effort to launch multi live monitoring earphones equipped with an ambient sound capture function, our unprecedented proposal, JVCKENWOOD utilized Makuake, a crowd funding service operated by Cyber Agent Crowd Funding, Inc., and raised about 22.50 million yen, significantly exceeding its fundraising target. JVCKENWOOD will continue to set out on product development and propose solutions from the customer perspective by collecting information on user needs with a multifaceted approach.

*1: An exosome is a vesicular granule (50-100 nm in size) secreted from many types of cells and exists in biological fluids such as blood, saliva and urine. An exosome contains a variety of substances such as protein, mRNA, and microRNA. In recent years, there have been increasing expectations that it will become a biomarker for various diseases, including cancer.

*2: Research results of Tokyo Medical University (Specially Appointed Professor Hiroshi Handa), Keio University School of Medicine (Full-time Lecturer Yasuaki Kabe), and School of Life Science and Technology of Tokyo Institute of Technology (Professor Satoshi Sakamoto).
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JVCKENWOOD enjoys a major share of the global car electronics market and has driven innovation in the opto-electronics market for a long time. By combining these strengths, JVCKENWOOD focuses on developing advanced digital cockpit systems, such as head-up displays, car-mounted full HD cameras, camera monitoring systems, and digital instrument cluster meter displays. JVCKENWOOD has positioned digital cockpit systems as its next-generation growth area and is making proposals to automakers and parts manufacturers while conducting joint technical development in this area.

JVCKENWOOD is advancing the development of equipment for detecting and measuring exosomes useful for cancer screening. For this development, JVCKENWOOD applies its original optical disk-related technology as well as the research results of Keio University School of Medicine, Tokyo Medical University, and School of Life Science and Technology of Tokyo Institute of Technology. By combining this equipment with the high-sensitivity measurement technology of Sysmex Corporation (hereinafter “Sysmex”), JVCKENWOOD and Sysmex are jointly developing unconventional, unique, high-performance exosome diagnostic equipment.

*1: An exosome is a vesicular granule (50-100 nm in size) secreted from many types of cells and exists in biological fluids such as blood, saliva and urine. An exosome contains a variety of substances such as protein, mRNA, and microRNA. In recent years, there have been increasing expectations that it will become a biomarker for various diseases, including cancer.

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Gazefinder is a new solution that JVCKENWOOD has created using its unique gaze detection technology. This equipment visualizes the eye-gaze patterns of the subject of an experiment who views an image displayed on a monitor. By providing Gazefinder, JVCKENWOOD is aiming to offer the gaze point tracking platform to universities and research institutions in fields including psychology, neuroscience, medical science, and education that conduct research on gaze points. In addition, we will push forward with its development through joint research with research institutions and universities, as diagnostic aid equipment that helps to detect developmental disorders at an early stage.
Brand Portfolio

The JVCKENWOOD Group has multiple product brands and Subsidiary company brands under the umbrella of the JVCKENWOOD corporate brand. We strive to maximize the corporate values of the entire Group by clearly showing the trust and values that have been built up in each of those brands and leveraging their respective strengths.

Corporate Brand

JVCKENWOOD

Product Brands

JVC
KENWOOD

Subsidiary Brands

WiZMUSIC90 is a premium package, limited to just 300 customers, who will be measured for their personalized sound field at the Victor studio, EX Room.

1st “Anniversary Model”
Victor WiZMUSIC ~ sound space in my pocket ~

“WiZMUSIC” is a coined word that combines the word “MUSIC” with a play on the words “Wizard” and “With.”

Redefining and Reviving the Victor Brand

In this milestone year of 2017, the 90th anniversary of the founding of The Victor Talking Machine Company, the Victor brand has been redefined and revived as a brand with a separate concept from the JVC and KENWOOD brands that the Group deploys worldwide, joining those two brands.

Since The Victor Talking Machine Company was founded in 1927, the Victor brand has continued to transform the world of sound and images. It began with the phonograph, and continued with Japan’s first locally-made television, the 45/45 stereo sound system, recording studios, research and development of three-dimensional sound fields, VHS, which became the global standard in video cassette players, K2 technology, a technology for enhanced digital sound quality, and a variety of speakers, including the Wood Cone speakers.

To show our pride in this history of innovation that has been built up consistently over the years and to explore diverse new approaches, the Victor brand will be confined to original, creative products that would not fit in with either of the JVC or the KENWOOD brands. It will be deployed anew as a brand that will “create an era,” with “pride and a spirit of exploration.”
90 Years of JVC, 70 Years of KENWOOD

The former Victor Company of Japan (JVC), which began with the manufacture of phonographs, will mark its 90th anniversary on September 13, 2017. Meanwhile, the former Kenwood Corporation, whose beginnings lie in the repair, assembly and sale of radios, marked its 70th anniversary on December 21, 2016. To commemorate these milestones and to take the brands, which have been nurtured and loved for so many years, into the future, new products designated as “anniversary models” will be released for each brand.

Victor WiZMUSIC is a brand new concept in product and services that allows the user to enjoy a sound field that sounds like a speaker, even while listening with headphones. It’s based on EXOFIELD, JVCKENWOOD’s proprietary out-of-head localization sound field processing technology. It packages together a personalized measurement and data conversion service, using EXOFIELD to create the optimal out-of-head localized sound field for each user, with newly developed high-spec dedicated headphones that maximize the effectiveness of the sound field, and other types of peripheral equipment, such as a premium portable amp.

WiZMUSIC90 is a premium package, limited to just 300 customers, who will be measured for their personalized sound field at the Victor studio, EX Room.

“WiZMUSIC” is a coined word that combines the word “MUSIC” with a play on the words “Wizard” and “With.”
The Public Service sector consists of the Communications Systems Business covering Professional Wireless Systems and amateur radio sets, the Professional Systems Business, operated by JVCKENWOOD Public & Industrial Systems Corporation, covering security camera systems and professional audio systems, and the Healthcare Business, which primarily provides medical display monitor solutions and Gazefinder, a gaze point sensing system.

The Media Service sector consists of the Media Business, which is comprised of three areas of the Solution Business covering professional-use video cameras and projectors, etc., the Products Business covering consumer video cameras and headphones, etc., and the Imaging Device Business covering image display devices, etc.; and the Entertainment Business, which is comprised of the Content Business, which has as its core Victor Entertainment, Corp., and the OEM Business.
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The Automotive sector is positioned as a growth driver in Vision 2020, the JVCKENWOOD Group’s medium-term management plan. Typically developing car navigation systems, car audio systems and dashcams, the sector is divided into the Consumer Business, which provides products to consumers through volume-sales retailers and distributors, and the OEM Business, which provides products through automobile manufacturers and dealers.
Automotive sector

Main Products
Car navigation, car audio and DVD entertainment systems, dashcams, optical pickups, in-car CD/DVD mechanisms, and other products

Automotive sector Will Respond to the Changing Business Environment in the Automobile Industry

The automobile industry is being required to take the initiative in addressing future environmental issues (CO₂/NOX emission regulations) and to adapt to the coming age of a self-driving society. To manage environmental issues, advanced electronics technologies are being developed to accommodate the shift to electric vehicles (EVs), and conventional meters are being replaced with digital meter display systems. In a society where self-driving cars will be widespread, vehicles will need to be equipped with various sensing devices, such as cameras and sensors. In addition, connecting such devices to the Internet will enable in-vehicle infotainment systems to show vehicle information and traffic information by deploying cloud services. Furthermore, the application of artificial intelligence (AI) will allow vehicles to provide drivers with more accurate and appropriate information.

With these advancements in automobiles, the importance of communication between vehicles and drivers (HMI: Human Machine Interface) is increasing and hence the automobile industry is facing the need to develop new technologies. By responding to the changing business environment, the automobile industry is expected to expand its safety and security features and realize an environment-friendly society.

1. Environmental issues
   - Shift to EVs
     - Electronics/digital displays
   - Sensing (stand-alone)
     - Cameras/sensor technology/dashcams/HMI
   - Connected (collected information based)
     - Smartphones, AI and big data analysis

Car-mounted equipment manufacturers, including JVCKENWOOD, are facing the need to keep pace with such changes in the automobile industry. JVCKENWOOD operates the Consumer Business and the OEM Business, and it will proactively respond to changes required in each business.

Consumer Business

The Consumer Business provides products mainly for existing vehicles. Amid the changing business environment in the automobile industry, JVCKENWOOD has launched dashcams with driver assistance features to help ensure safe driving, and these can be retrofitted to existing vehicles. With them, it has gained the industry-leading market share in Japan. In addition, JVCKENWOOD has the Saisoku-Navi series of car navigation systems featuring high-contrast image quality and high-speed response. The series has seen its market share grow in Japan. JVCKENWOOD also has car navigation systems and display audio systems that enjoy leading market shares in the U.S. and Europe, and these are compatible with Apple CarPlay and Android Auto™, which enable car-mounted equipment to be connected to the Internet. These products are highly acclaimed in the market.
The OEM Business deploys car navigation systems linked with dashcams, which we provide in the Consumer Business, in the dealer-installed option business. We are winning new orders for large projects from leading Japanese automobile manufacturers thanks to our strong reputation in the consumer market and excellent product performance.

JVCKENWOOD is also working on the development of next-generation digital cockpit systems (e-meters, camera monitoring systems and head-up displays, etc.) that are showing high growth potential following the progress of the digitization of car-mounted equipment. Our advanced digital cockpit system developed in collaboration with McLaren Automotive of the U.K. has been adopted for McLaren’s luxury sports cars.

With an eye on the upcoming shift from conventional vehicles to EVs and self-driving vehicles, JVCKENWOOD will respond to changes in the automobile industry and achieve business growth by developing products that leverage the video, audio and wireless communication technologies of the JVCKENWOOD Group, as well as HMI technologies.

Looking to expand our factory-installed option business, JVCKENWOOD will collaborate with Shinwa International Holdings Ltd. (tier 2 manufacturer of in-car CD/DVD mechanisms), which became a subsidiary in June 2013, and ASK Industries S.p.A. (tier 1 manufacturer of in-car amplifiers/speakers/antennas), which became a subsidiary in April 2015. Together, we will win new customers by mutually utilizing our customer networks and production bases. We will focus our efforts on strengthening business, in particular, in China, which is the world’s largest automobile market with great potential for growth, and other emerging markets including Asian countries.
Public Service sector

Main Products

Professional radio systems, amateur radio equipment, security camera systems, professional audio systems, medical image display systems, exosome analysis systems, GazeFinder and other products

Representative Director of the Board,
Executive Vice President,
Chief Operating Officer (COO) Public Service sector
Kazuhiro Aigami

Communications Systems Business

In the Communications Systems Business, JVCKENWOOD provides highly reliable professional radio devices and systems to 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) around the world. JVCKENWOOD boasts the world’s second-largest market share in these areas.

Going forward, JVCKENWOOD will particularly step up its efforts in the public safety market in North America, which is expected to expand continuously, by strengthening cooperation with Zetron, Inc. and EF Johnson Technologies, Inc., its communication system subsidiaries in the U.S., and aiming to provide total solutions for professional radio systems conforming to Project 25 (P25), a digital radio format for the public safety market in North America. Following the recognition of the NXDN™ digital protocol as the international standard by the International Telecommunications Union-Radiocommunications Sector (ITU-R*), we will deploy the NEXEDGE® series of professional digital radio systems conforming to the NXDN™ digital protocol around the world. In this way, we will aim to provide digital radio solutions to solve issues confronting a wide range of users, including those in the railway sector in Asia, where demand is expected to grow down the road.

In addition, we have entered into a capital alliance with Sonim Technologies Inc. in the U.S., the leading provider of ultra-rugged LTE handset technology, with an eye on the progress of the shift to broadband in the professional digital radio infrastructure. In this way, we are strengthening our efforts in professional broadband-based digital radio solutions capable of video and large-capacity data communication.

Existing business domains
Narrow-band voice communication
Gateway
Telecommunications carrier
LTE network
Wireless systems
Command system
JVCKENWOOD

New business domains
Voice communication plus image and video transmission over broadband networks and provision of application services
Sonim Technologies’ business domains
We entered into a capital alliance with Sonim Technologies Inc. in the U.S.
Professional Systems Business

In the Professional Systems Business, operated by JVCKENWOOD Public & Industrial systems corporation, which was established in April 2016, we are striving to become a solution provider that helps its customers to solve their issues while also contributing to the development of a safe, secure and comfortable society. We are also engaged in production and sales of highly reliable security camera systems and professional audio systems developed based on our advanced image display and acoustic technologies. We release these products on the education, public sector, distribution, social infrastructure, amusement facility and other markets. In addition, we are working to expand sales by providing one-stop total solutions, such as by proposing and designing systems to solve customers’ issues, carrying out high-quality construction, and providing maintenance and operation services that ensure safe use over a long period.

Furthermore, we will actively promote alliances with external organizations and offer a wide range of solutions based on outside-the-box ideas. These include an intelligent security system that enables IVA (Intelligent Video Analytics) of multiple security camera images in real time, as well as the KooNe Space Sound Design Solution that produces a comfortable space, planned and developed by JVCKENWOOD Victor Entertainment Corp.

JVCKENWOOD will strive to strengthen its solution proposal capabilities by offering one-stop solutions, ranging from sales, proposal of systems, and engineering to support services through integrated organization. In addition, we will aim to become a solution provider that meets the needs of customers by proposing solutions based on collaboration not only within the Group but also with external organizations.

Healthcare Business

The Healthcare Business handles mammography displays and other radiographic medical image displays that realize the highest levels of display performance and stability that medical imaging demands. This is achieved with JVCKENWOOD’s unique display technologies. In addition, we are providing pathological image displays using our unique color management technology.

Going forward, JVCKENWOOD will promote the commercialization of 8K camera system solutions for rigid endoscopes that have low invasiveness and improve the safety of surgery by providing high-definition images of over 33 million pixels, and systems for efficient management of videos and images used in surgical operations, and aim to turn these into businesses promptly.

Moreover, JVCKENWOOD will aim for business growth by developing advanced and innovative testing/diagnostic systems. These include Gazefinder, a piece of social development evaluation equipment that uses our proprietary gaze point sensing technology and that can identify developmental disorders at an early stage, and an early detection system for cancer to which the optical disk technologies being developed jointly with Sysmex Corporation are applied.
Media Service sector

Main Products

Consumer/professional video cameras, headphones, projectors, AV accessories, home audio content/contract production business and other products/businesses

Media Business

In the Solution Business, we carry out development and sales of products, including 4K/2K video cameras, high-definition monitors and industrial image systems that meet the needs of professional sectors, as well as projectors based on our unique D-ILA LCOS (Liquid Crystal On Silicon) devices, including high-resolution projectors for professional use such as flight simulators and projectors supporting the high dynamic range (HDR) that are used for automobile design.

Customer needs are rapidly changing as an effect of the diversification of broadcasting and business forms due to the Internet of Things (IoT) and the advancement of high-quality video technologies such as 8K/4K imaging technologies. To respond to such needs flexibly, in addition to providing equipment, at JVCKENWOOD we are promoting a transformation to a solution business that enables us to promptly respond to customer needs through systemization and customization.

In the Products Business, we conduct development and sales of video cameras with a shift in focus to a proposal-based product lineup. Our range includes long playback models and all-weather models designed for use in outdoor activities and sports, high-resolution audio models that leverage the Group’s unique advanced acoustic technologies, special-purpose products, such as headphones for sports and kids, and home audio systems, such as the Wood Cone series of audio systems that feature wooden diaphragms.

In March 2017, JVCKENWOOD announced the development of our unique EXOFIELD out-of-head localization sound field processing technology, which enables listeners to get a real sound field effect achieved in speaker listening even with headphones. Going forward, we will work to deliver a new headphone listening experience enabled by reproducing an unprecedentedly natural sound field with WIZMUSIC, a new product with EXOFIELD technology released in May.

In the Imaging Device Business, JVCKENWOOD is striving to expand its businesses in global markets by expanding external sales of its proprietary D-ILA LCOS devices, achieving full-scale production of Pico devices, and launching next-generation image devices such as head-mounted displays for virtual reality (VR) systems.

In December 2012, JVCKENWOOD entered the Space Sound Center (Yamato City, Kanagawa Prefecture) of JVCKENWOOD has been enjoying popularity as a live concert featuring many major Victor Entertainment artists. In 2016, we relocated the Rinkan Business production of packaged software, such as CDs, DVDs and Blu-ray products, we fully support customers and meet their requests, from the production of content to the creation of various businesses in a wide range of fields. In addition, we will enhance the comprehensive capabilities of the Group by expanding new B-to-B business domains and making the investments in talented new artists to discover and foster the diversification of user preferences and the popularization of the Internet and mobile phone distribution as a result of changes in the entertainment industry environment, such as the core Music Business in two ways. The first is by responding to such needs flexibly, in addition to providing equipment, at JVCKENWOOD we are promoting a transformation to a solution business that enables us to promptly respond to customer needs through systemization and customization.

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The Content Business, which has as its core JVCKENWOOD Victor Entertainment, Corp., is endeavoring to enhance its core Music Business in two ways. The first is by responding to changes in the entertainment industry environment, such as the diversification of user preferences and the popularization of the Internet and mobile phone distribution as a result of improved infrastructure. The second is by making enterprising investments in talented new artists to discover and foster such artists and promote a partnership strategy to create hits.

In December 2012, JVCKENWOOD entered the Space Sound Production Business on a full-scale basis by launching its KooNe Space Sound Design Solution, which uses a high-resolution audio sound system. We have introduced the system in many locations, such as corporate offices, commercial and entertainment facilities, libraries and residential facilities.

Victor Rock Festival, an annual event that started in 2014, has been enjoying popularity as a live concert featuring many major Victor Entertainment artists.

In the OEM Business that specializes mainly in the production of packaged software, such as CDs, DVDs and Blu-ray products, we fully support customers and meet their requests, from the production of content to the creation of package media. In 2016, we relocated the Rinkan Business Center (Yamato City, Kanagawa Prefecture) of JVCKENWOOD Creative Media Corporation, a subsidiary engaged in the contract manufacturing of packages, to the Yokosuka Plant to enhance the corporate value of the entire Group.

JVCKENWOOD will further advance its transition to the total entertainment business, including the management business, live concert/event business and merchandising business, by connecting the appeal of artists and music to various businesses in a wide range of fields. In addition, we will enhance the comprehensive capabilities of the Group by expanding new B-to-B business domains and making the most of our music, video technologies and know-how.
Diversity

Respectful of diversity and accepting of differing views and diverse opinions (inclusion), JVCKENWOOD is actively promoting diversity and inclusion. We believe that, when people with a diverse range of ideas and values respect and inspire each other, the company can generate innovative ideas and meet a variety of customer needs around the globe. To this end, JVCKENWOOD holds in-house awareness programs and recruits and appoints diverse personnel.

Action Plan

JVCKENWOOD has set up the following action plan to promote diversity. In Phase 1, which lasted until April 2017, awareness programs, employee training and other similar measures were carried out with the aim of ensuring diversity as a well-established corporate culture (see the later mentioned FY2016 Activities for details). In Phase 2, which will last until April 2019, we will engage in the promotion of cultivation measures and global expansion.

In addition, as part of its initiatives to promote active participation by women, JVCKENWOOD is aiming to boost the ratio of female managers to 5.0% by 2020. As a result of the measures outlined above, the ratio of female managers rose from 2.1% in 2015 to 2.9% as of June 2017.

Aiming to build an organization that allows employees to play active roles in various environments

JVCKENWOOD’s Diversity Promotion Office plays a central role in implementing various activities aimed at building an organization that allows all employees to play active roles in various environments. One such initiative was the reinforcement of the harassment consultation scheme in April 2017. By establishing a scheme that makes it easier for employees to seek advice, incidents of harassment can be dealt with at an early stage. This not only mitigates serious risks for the company, but also helps to prevent harassment in the workplace, which is one of the major impediments to the promotion of diversity. In addition, through a variety of activities such as training for managers of female employees and child and nursing care seminars, which are based on the findings of employee opinion surveys, we are striving to create an environment and systems that will enable all employees to deepen their understanding of diversity and put it into practice.

We will continue to expand our systems and support activities to enable employees to juggle their jobs with their home lives. Our promotion of diversity will also include the recruitment of more foreign employees and the empowerment of people with disabilities.

Hitomi Kajitani, Head of the Diversity Promotion Office, General Administration Department
Diversity in-house awareness programs and recruits and appoints diverse personnel. The company can generate innovative ideas and meet a variety of customer needs around the globe. To this end, JVCKENWOOD holds diversity and inclusion. We believe that, when people with a diverse range of ideas and values respect and inspire each other, the organization can boost the ratio of female managers to 5.0% by 2020.

Aiming to build an organization that allows employees to play active roles in various environments not only mitigates serious risks for the company, but also helps to prevent harassment in the workplace, which is one of the major impediments to the promotion of diversity. In addition, through a variety of activities such as training for managers of female employees and seminars for support to juggle work with child and nursing care, JVCKENWOOD is aiming to promote diversity.

**FY2016 Activities**

**Diversity training for all employees**

To ensure diversity as an established part of our corporate culture, all employees in the JVCKENWOOD Group took diversity training using an E-Learning platform, to foster an awareness of diversity among employees.

**Seminars for support to juggle work with child and nursing care**

Employees also took seminars which help them to juggle their jobs with child and nursing care. The theme of the seminar for juggling work with child care was “communication skills for encouragement that can be practiced at work.” Participants were given training in communication that is effective when caring for children, and in improving communication at work, including in the development of subordinates. The seminars for juggling work with nursing care (such as caring for aged relatives) taught participants about how to find the right mindset for nursing care and gave them part of the basic knowledge required for when they eventually face a nursing care situation.

**Women’s active participation training**

With the aim of increasing the ratio of female managers, training was given at each grade for female employees who will be future candidates for management positions. Training was also provided for managers of female employees, to help them deepen their understanding of the concepts and objectives of diversity (changing oneself and changing the way everyone works through diversity).

**Diverse working styles**

To enable employees with a variety of home backgrounds, such as caring for children or for aged relatives, continue to work lively, the JVCKENWOOD Group provides support for a diverse range of working styles. The last several years has also seen an increase in the number of male employees taking childcare leave.

**An employee who took childcare leave**

My section designs and develops digital circuits for video cameras and projectors. I am currently working on the design of circuits for use in next-generation video cameras.

My motivations for taking childcare leave included the fact that my wife wanted us to care for our child together, and I also wanted to participate in raising our child myself. When I mentioned it to my manager, he was a little surprised, but he readily agreed. I gained a real sense that the company was very advanced in its understanding of childcare leave.

When I took 45 days of childcare leave, we were frantically busy looking after our newborn baby every day from morning to night, and I sometimes felt that it would be easier to go in to work. However, when my wife told me that, if I hadn’t taken that leave, she might have become ill doing it all herself, I was very glad that I took the time off. As I watched my daughter grow so healthily every day, my own awareness of parenting also underwent a change.

After coming back to work, because I wanted to be able to go home to my family as early as possible, my consciousness of my work and the way I approached it also changed. I have only just started on this parenting journey. Together with my wife, I want to continue to make the effort, so I can watch my child grow.

Takashi Himukashi, Group 2, Development Department, Engineering & Design Division, Media Business Division
Our Employees

The JVCKENWOOD Group is making efforts to create a safe and pleasant workplace, and to support each employee to grow by building education and training systems.

Supporting career and skill development

JVCKENWOOD has implemented systematic training so that employees can improve the skills necessary to perform their roles, and provide training so they can utilize those skills within the organization. We have also implemented a career development program to help employees realize the career aspirations they draw on from their background and experience.

The Career Development Program is comprised of the following: (1) a career interview; (2) career design training; and (3) career development support.

- **Career interview** Employees meet with their superiors once a year to discuss their career vision and career development topics to approximate individual motivations and company expectations. This is the most fundamental part of the Career Development Program.

- **Career design training and career development support**
  In these training sessions, employees review their current work practices while planning what they want to attain in the future. By considering the actions necessary to reach their goals, the employees gain an awareness of various points. Further, this is an opportunity for them to comprehensively consider the balance between their work and private lives, such as the personal development needed to realize future goals and connections with family and the local community, while discussing their career vision. We have introduced a career development support system for employees, including assistance in terms of both time and money, to take on further challenges by applying what they have learned and what they are now aware of.

Helping ensure harmony between work and family life

The JVCKENWOOD Group is steadily enhancing its efforts to help employees have a good balance between their work and family lives (work-life balance: WLB), with the aim of positively embracing the diverse lifestyles and ways of working of employees.

- **Supporting childcare and nursing**
  We have a range of programs to support our employees in balancing work with family life, including childcare and nursing. The childcare-related support system is applicable “until the first March 31 after the child reaches 12 years of age,” which is until graduation from elementary school.

- **Reducing overtime work**
  Our ongoing efforts also include reducing overtime work to promote a day-to-day work-life balance (WLB).

  We are conducting activities to encourage our employees to work with an awareness of time management on their own. For example, each business center has designated one day a week as their own “no overtime day.” On this day, we urge employees to go home on time via an in-company broadcast two hours before the end of business hours, asking them to adjust their work schedules so they can go home at the end of their regular work hours.

  As a result of these activities, the total actual working hours have been decreasing since FY2012. Meanwhile, business expansion can cause overtime work to increase. Therefore, we will step up efforts to reduce overtime work.

- **Encouraging employees to take annual holidays**
  In addition to the activities to reduce overtime work, we encourage employees to use their annual paid holidays based on the target for the number of annual holidays to be taken that is set between labor and management. As a result of such efforts, the total paid leave taken per year has increased from 13.9 days (rate of taking paid leave: 60%) in FY2010 to 16.3 days (rate of taking paid leave: 65%) in FY2016.

### CDP (Career Development Program)

<table>
<thead>
<tr>
<th>Name of program</th>
<th>Description of eligibility</th>
<th>Status of usage of each system in FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Childcare leave</td>
<td>To take leave until the end of the April following the child’s first birthday or the end of the month in which the child reaches 18 months</td>
<td>Taken by 25 people</td>
</tr>
<tr>
<td>Reduced working hours for childcare</td>
<td>To reduce work time by up to two hours per day, separately as provided by law, for childcare until the first March 31 after the child reaches 12 years of age.</td>
<td>Used by 50 people</td>
</tr>
<tr>
<td>Pregnancy leave for spouses</td>
<td>To take three days’ leave to stay with their spouses during delivery.</td>
<td>43 people overall; 17 cumulative days taken</td>
</tr>
<tr>
<td>Sick/injured childcare leave</td>
<td>To take five days’ leave per year to look after sick/injured children (10 days if there are two or more children) until the first March 31 after the child reaches 12 years of age.</td>
<td>Taken by 36 people</td>
</tr>
<tr>
<td>Nursing leave</td>
<td>To take a cumulative maximum of one year of leave per family member who requires nursing care.</td>
<td>Taken by three people</td>
</tr>
<tr>
<td>Reduced working hours for nursing</td>
<td>To reduce work time by up to two hours per day for a cumulative total of one year, combined with nursing leave.</td>
<td>Used by two people</td>
</tr>
<tr>
<td>Nursing days off</td>
<td>To take five days’ leave per year to look after a family member who requires nursing care (10 days if there are two or more such family members).</td>
<td>Taken by 12 people</td>
</tr>
<tr>
<td>Limitation of overtime work and night work</td>
<td>To be exempt from overtime work of more than 24 hours per month or 150 hours per year and from late-night work.</td>
<td>—</td>
</tr>
<tr>
<td>System to register retirees for reemployment</td>
<td>Employes who have left the company because of pregnancy, childbirth, childcare, nursing care or a spouse being transferred can be registered for reemployment.</td>
<td>Four people have registered for this system</td>
</tr>
</tbody>
</table>
Promoting the health of employees

**Health Management**

JVCKENWOOD, as part of the initiatives in JK3.0, is striving to become a company that is a good partner of all stakeholders and offers its employees rewarding tasks, a sense of achievement and fulfillment, and the joy of working with excitement.

To achieve this goal, JVCKENWOOD has delivered the JVCKENWOOD Health Policy Statement as a management message to employees to promote the “creation of a workplace environment that enables its employees to stay healthy and motivated at work,” which is essential for each employee to demonstrate their abilities to the fullest.

**The JVCKENWOOD Health Policy Statement**

JVCKENWOOD strives to create a workplace environment that enables its employees to stay healthy and motivated at work to achieve its corporate vision:

“Creating excitement and peace of mind for the people of the world.”

Based on the JVCKENWOOD Health Policy Statement, we promote health maintenance and enhancement of employees through the collaborative efforts of management and the relevant divisions, such as the Industrial Health, Human Resources and General Administration Divisions as well as the Health Insurance Society.

**Mental Healthcare Measures**

As a mental healthcare measure, JVCKENWOOD introduced a stress check-up system in FY2016. In this way, we are working to foster awareness about mental health and bring attention to the need to prevent mental health disorders, and to improve the workplace environment. At the same time Introducing the stress check-up system, JVCKENWOOD set up a counseling service hotline, through which counseling by external counselors is available, to establish a system to help employees solve their business and private problems and issues.

We have also established a return-to-work support system when employees go back to work after an absence due to mental health disorders. This system is designed to help employees’ smoothly return to work by introducing work responsibilities on a trial basis, increasing their workload and working time in stages.

**Overwork Prevention Measures**

Long working hours is an important social problem that could lead to health problems and even death from overwork for employees.

We have been proactively working to reduce long working hours by taking measures such as improving operational efficiency, establishing days when people leave work on time and encouraging the use of annual paid leave. In addition, we are striving to prevent damage to the health of people by having those workers that work long hours of overtime receive face-to-face guidance and a medical interview by industrial physicians.

**Safety and Health Committee**

We have established a safety and health management system in accordance with the Industrial Safety and Health Act, and we have the Safety and Health Committee in place at workplaces with 50 or more employees.

The Safety and Health Committee works to improve the workplace environment by conducting reviews of industrial accidents that have occurred and the actual conditions of overwork and mental health problems, based on reports of survey results issued by the Secretariat.
JVCKENWOOD is taking various measures to revitalize the entire Company by proactively supporting and honoring employees who drive innovation.

**Innovation Act**

JVCKENWOOD has launched the Innovation Act—activities aimed at unearthing untapped ideas in the company, creating an environment for organically creating innovation, and transforming itself into an organization that stimulates innovation.

Innovation Act activities are mainly comprised of the following three programs.

1) **Technology idea contest**
   - We invite engineers and employees with expertise to submit a wide range of new technology/product ideas. We will provide support, up to the production of prototypes, for excellent ideas selected through a screening process.

2) **Business idea audition**
   - We hold auditions for new business ideas, set up entrepreneurship within the company for excellent business proposals and support commercialization.

3) **Idea proposal/discussion box**
   - We have set up a special internal website for employees to openly post their ideas. We use it as a communication tool across business sectors for open discussion about common threads or sharing solutions for past cases.

**Corporate Music**

We play music with different concepts before and after work hours every day via in-company broadcasting to help our employees to do their job while feeling good and motivated.

*These music tracks are provided by JVCKENWOOD Victor Entertainment Corp.

**MXP (MOST xxx PERSON) Award**

JVCKENWOOD widely honors people who are doing “something good” in their workplace or the Company, with the aim of cultivating the corporate culture of “focusing on strengths” and improving internal communication.

(“xxx” as in “MOST xxx PERSON” varies from award winner to award winner according to the reason for the award.)

Persons qualified for an award are those who have done something good in their workplaces or the Company even if it is not directly related to their jobs.

- A person who treats customers with great hospitality
- A person who brightens up the workplace
- A person who takes the lead in cleaning and tidying up the workplace
- A person who is actively engaged in social/volunteer activities in the local community

The award-giving program started in October 2016, and 36 overseas employees and six domestic employees have received awards.
JVCKENWOOD Award

JVCKENWOOD gives the JVCKENWOOD Award for excellent initiatives and business achievements in the JVCKENWOOD Group. Award winners are selected based on the following criteria.

1. Degree of contribution to the Group’s business performance
2. Degree of impact
3. Difficulty of the challenge
4. Coordination/initiative
5. Uniqueness/originality
6. Best practice
7. Degree of attainment of Vision 2020

Every year, 20 winners of the JVCKENWOOD Award, including three special award winners, are selected.

In-house Posters

We put up posters on various themes, such as messages to employees and introductions of co-workers in the JVCKENWOOD Group, in the Head Office, Business Centers and manufacturing sites. The aim is to foster a sense of togetherness among the Group’s employees.

Production of the Corporate Promotional Video “JVCKENWOODancing”

We produced a dance-based corporate promotional video called “JVCKENWOODancing” as a company/community promotional activity in collaboration with the Yokohama Red Brick Warehouse No.1 “Yokohama Arts Foundation” (“Yokohama Red Brick Warehouse No.1”). This is the first creation of the “Red Brick Dance Project—connecting businesses/community with theater,” planned by Yokohama Red Brick Warehouse No.1 as a means of finding a new audience. This video can be viewed on the Diversity page of JVCKENWOOD’s website and our official Facebook page, our official YouTube channel and the website of Yokohama Red Brick Warehouse.

The cast members (dancers) of the promotional video were a wide range of JVCKENWOOD people who responded to an internal invitation regardless of their previous dance experience, gender, age or department.

The dance was originally choreographed for this program and expresses “diverse employees working with excitement and feeling the joy of work” and “a spirit of togetherness in the company.” In addition, the video was directed by highlighting the personalities of individual employees.

The video was shot at JVCKENWOOD’s business centers, including the Head Office & Yokohama Business Center and Hakusan Business Center, as well as Yokohama Red Brick Warehouse, a historic building representing Yokohama with a theater and gallery space. The video recalls the history and culture of Yokohama City where JVCKENWOOD is based and connections between JVCKENWOOD and the local community.
Social and Environmental Initiatives (CSR)

**Concept of Corporate Social Responsibility**

While businesses provide people with useful products, services and employment opportunities, they also create a burden on society. Environmental and social problems are closely related to businesses, particularly for manufacturers, because of the waste, pollution, massive consumption of resources and energy, and population concentrations that are associated with the manufacturing process. However, our society would no longer exist if we got rid of businesses.

The JVCKENWOOD Group is aware that the mere existence of businesses has an impact on society. So we are providing excitement and peace of mind as one part of our corporate activities to reduce our impact on and contribute to society according to our corporate vision.

**Framework of JVCKENWOOD’s Social Responsibilities**

<table>
<thead>
<tr>
<th>To reduce the burden on the environment</th>
<th>To contribute to our communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Products designed with no environmental impact</td>
<td>• Development of products capable of providing excitement and peace of mind</td>
</tr>
<tr>
<td>• Corporate and production activities with no environmental impact</td>
<td>• Activities as corporate citizens firmly rooted in local communities</td>
</tr>
<tr>
<td>• Work environment that does not overburden our minds and bodies</td>
<td>• Interactions with stakeholders</td>
</tr>
</tbody>
</table>

**About Our Environmental Activities**

**Environmental Policies**

To preserve the global environment and resources and prevent pollution, we will manage our business activities, our product development, and our services by making ongoing improvements with a full awareness of our environmental impact.

1. Prevent global warming by promoting the reduction of CO₂ emissions throughout the product lifecycle, including our business activities, by developing technologies and products that reduce our environmental impact.
2. Use the limited global resources effectively to create a sustainable society by reducing the resources we use within a framework of 3R activities and progressively using eco-friendly materials.
3. Manage chemicals that affect the world’s environment and biosphere, continue to reduce their consumption, and switch to eco-safe materials.
4. Recognize the effect on biodiversity of all our business activities, product development and services and comprehensively reduce our environmental impact in harmony with the natural environment.
5. Comply with environmental legislation and other requirements with which we agree.
6. Educate employees on the environment to cultivate greater environmental awareness.

▼ For details of our environmental activities, please visit our website.
Green Procurement

JVCKENWOOD is continuously working to reduce the environmental impact of the products we produce and sell throughout the product lifecycle, from the production phase, the use and end-of-use phase to the end-of-life phase, including recycling and disposal. As part of such efforts, we attach importance to preferentially procuring parts and products with a low environmental impact.

Based on our original green procurement guidelines, we conduct chemical substance inspections on the materials we procure and green procurement assessments. In the green procurement assessment, each supplier of JVCKENWOOD is requested to conduct a self-assessment of its chemicals control system and the status of their efforts, with the objective of encouraging each supplier to establish and maintain the control system for chemicals contained in its products and deploy continual improvement of that system. After reviewing the assessment results, we may conduct audits on suppliers depending on these results. In this manner, we conduct activities to reduce our adverse effects on the Earth and people in cooperation with our suppliers.

We have increasingly been procuring parts from overseas parts procurement partners, and will further accelerate our activities for checking their parts procurement processes, conducted by staff members in our overseas production bases in accordance with the green procurement guidelines.

▼ For the green procurement guidelines, please visit our website.

JVCKENWOOD Group Social Contribution Activities

Initiatives for future generations

- Visiting Environmental Lecture Program

JVCKENWOOD has been providing visiting environmental lectures by using its Forest Notes, an Internet service that transmits sounds of the forest in real time through a wooden wireless active speaker. It has also used “the Touchable Globe,” an interactive digital globe measuring about 80 cm in diameter that offers the user a first-hand experience of the dynamic environment of the Earth, such as global warming and the typhoon/tsunami generation processes, and migration of migratory birds.
We conduct cleaning activities on a continuing basis in Tobishima and the mouth of Akagawa River in Yamagata Prefecture, Tenryu River flowing through Nagano Prefecture, and areas surrounding our business centers. In addition, we continuously conduct disaster recovery activities in Miyagi Prefecture, and cooperate in activities organized by local governments and communities.

 Initiatives as members of local community

- **Cleaning Activities/Disaster Recovery Activities**
  
  We let students visit our workplaces and experience work to help those who will lead the way in the next generation. This helps them to obtain practical knowledge and skills, know the significance of working and their aptitude for the job, and cultivate the willpower to decide their own career path.

- **Providing 5S Education to an Elementary School (Indonesia)**
  
  PT. JVC Electronics Indonesia conducted CSR activities at SDN Kutamekar II Elementary School in cooperation with about 34 companies with the aim of fostering morals and discipline in schoolchildren. During the activities that were mainly focused on 5S education activities (5S: Sort, Set, Shine, Standardize, and Sustain), we taught the children how to clean the classroom and then cleaned the classroom together with them.

- **Providing an Opportunity for Social Communication (Malaysia)**
  
  JVCKENWOOD Electronics Malaysia Sdn. Bhd. provided an opportunity for students of Shibaura Institute of Technology to get the picture of the manufacturing site of Japanese companies operating overseas. Through this opportunity, students were able to learn practical knowledge they could not gain in the classroom.
JVCKENWOOD Optical Electronics (Thailand) Co., Ltd. participated in forest restoration activities in Tatton National Park and joined in the social contribution activity to plant a total of 1,000 trees for environmental protection.

JVCKENWOOD Electronics (Thailand) Co., Ltd. also engaged in a volunteer activity for forest protection to build a dam. The aim of this activity is to carry out efforts to slow down global warming and hydrate forests as a tool to reduce damage caused by floods. In addition, our employees took part in a mangrove planting activity in Samut Sakhon Province.

PT. JVC Electronics Indonesia participates in the “1,000 mahogany tree planting program carried out by Karawang District Environment Management Agency.”

**Charity Event Sponsored by a Sports Club (Malaysia)**

JVCKENWOOD Electronics Malaysia Sdn. Bhd. co-sponsors and supports a coloring contest held in the local community under the sponsorship of a sports club. In addition, we contribute prizes for a free health checkup and counseling event. We conduct these activities to build and strengthen good relationships between local employees and residents living in areas surrounding the plant.

**Initiatives for the natural environment**

**Managing a Dragonfly Pond**

JVCKENWOOD created a biotope dragonfly pond on the premises of JVCKENWOOD Head Office & Yokohama Business Center in 2006 as part of “The Making of Forest of Keihin Project,” conducted jointly by the City of Yokohama and corporate partners. We have participated from the very beginning in “How Far Dragonflies Migrate Forum,” a research project on dragonfly migration carried out by local governments, experts, citizens and neighboring companies to study the relationship between corporate greenery areas and biodiversity, and we monitor the habitat of dragonflies and other aquatic insects. When the dragonfly pond was created, we transplanted only one species of waterweed from a nearby river. However, the pond is currently inhabited by many species of waterweed, aquatic insects, Japanese rice fish and other life forms. We also check on the arrival and habitation of rare species during a stationary observation.

**Forest Restoration Activities/Mangrove Planting and Forest Protection Activities (Thailand)**

JVCKENWOOD Optical Electronics (Thailand) Co., Ltd. participated in forest restoration activities in Tatton National Park and joined in the social contribution activity to plant a total of 1,000 trees for environmental protection.

JVCKENWOOD Electronics (Thailand) Co., Ltd. also engaged in a volunteer activity for forest protection to build a dam. The aim of this activity is to carry out efforts to slow down global warming and hydrate forests as a tool to reduce damage caused by floods. In addition, our employees took part in a mangrove planting activity in Samut Sakhon Province.

**Participating in a Tree-planting Program by an Environment Management Agency (Indonesia)**

PT. JVC Electronics Indonesia participates in the “1,000 mahogany tree planting program carried out by Karawang District Environment Management Agency.”
Corporate Governance

Corporate Governance Structure

JVCKENWOOD 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 separating management from the execution of operations, recruiting external directors and auditors, improving the function of acting as a check by establishing internal audit sections, and thereby strengthening the Company's internal control system on a Group-wide basis.

JVCKENWOOD has formulated the JVCKENWOOD Corporate Governance Policy, which sets out its basic approach and key policies regarding corporate governance based on each principle of the Corporate Governance Code. The JVCKENWOOD Corporate Governance Policy is available on the Company website. (http://www.jvckenwood.com/corporate/governance/)

Corporate Organizations

1. Matters Relating to the Board of Directors and Directors
The Board of Directors, regarded as an organization that makes fundamental and strategic decisions while 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 to make their responsibilities clear and to make management decision-making processes quicker. In addition, we proactively recruit external directors to increase the transparency of decision-making and lead innovation and governance.

JVCKENWOOD, in December 2015, established the Nomination and Remuneration Advisory Committee, for which all of its external directors serve as committee members, with the aim of strengthening the independence and objectivity of the functions of the Board of Directors. The Nomination and Remuneration Advisory Committee has since proposed JVCKENWOOD the representative candidate to the Board of Directors, and reviewed the appropriateness of director candidates and directors’ compensation plans proposed by the representative and others, and reported its opinions. The Board of Directors has determined director candidates and directors’ compensation, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee. As of June 23, 2017, Junichi Hikita, who serves as external director, chairs the Nomination and Remuneration Advisory Committee, and Yasuyuki Abe and Shinjiro Iwata, who are external directors, serve as committee members.

Since June 2016, JVCKENWOOD has appointed an external director independent from and neutral to the management of the Company as the Chairman of the Board of Directors. As of June 23, 2017, Yasuyuki Abe, who serves as external director, chairs the Board of Directors.

The Articles of Incorporation of the Company provide for a maximum of nine directors. JVCKENWOOD has nine directors, and they were appointed at the 9th Ordinary General Meeting of Shareholders held on June 23, 2017.

To ensure the effectiveness of the management supervisory functions based on experience, achievements, professional viewpoints, insights and other attributes, as well as independence in terms of having no potential conflicts of interest with general shareholders, JVCKENWOOD elects candidates for external directors, in principle, by taking such procedures as confirming their business background (i.e. confirming they have not been major shareholders of JVCKENWOOD or engaged in the execution of operations of any of JVCKENWOOD’s main business partners) based on its independence standards and policies. Since June 23, 2017, JVCKENWOOD has appointed Yasuyuki Abe, Junichi Hikita, and Shinjiro Iwata as external directors.

JVCKENWOOD has appointed Yasuyuki Abe, Junichi Hikita, and Yasuyuki Abe as external directors, serve as committee members.

2. Matters Relating to the Executive Officer System
JVCKENWOOD has adopted an executive officer system, differentiating its business execution function to clarify management responsibility and business execution responsibility. Since June 23, 2017, nine directors (including three external directors) and 13 executive officers (six concurrently holding positions as directors) have been performing their duties.

The Board of Directors, which leads innovation and governance, works to strengthen governance with an external director serving as the Chairman, makes decisions through discussions between external directors as independent directors and directors serving concurrently as executive officers, and delegates authority for business execution to executive officers. In addition, the President and the Representative Director of the Board serves as the Chief Executive Officer (CEO) and is responsible for both management supervision and business execution. According to the decisions at meetings of the Board of Directors, the CEO chairs the Board of Executive Officers’ meetings, and each executive officer executes business operations with responsibility.

JVCKENWOOD, in June 2016, established the position of regional Chief Operating Officer (COO) for executives who assume responsibility for the overall operation of all the businesses in the Americas, EMEA (Europe, Middle East and Africa), Asia Oceania and China, as well as the position of Chief Operating Officer (COO) in the Automotive sector, Public Service sector and Media Service sector. In addition, we established the positions of Chief Financial Officer (CFO), Chief Strategy Officer (CSO), Chief Technology Officer (CTO), and Chief Administration Officer (CAO) for officers who oversee corporate divisions, and appointed executive officers to those positions. In this way, we have shifted to a new execution system under which appointed executive officers support the CEO towards the achievement of Vision 2020, the Medium-to Long-Term Business Plan released in May 2015.
3. Matters Relating to the Audit & Supervisory Board and Audit & Supervisory Board Members

JVCKENWOOD is a company with an Audit & Supervisory Board. Audit & Supervisory Board Members are responsible for the corporate audit function and their duties include attending Board of Directors’ meetings and other important meetings, as well as holding Audit & Supervisory Board meetings, and auditing the execution of Directors’ duties, business execution of the entire Group and corporate accounting.

Since June 23, 2017, four Audit & Supervisory Board Members (including two external audit & supervisory board members) have been performing their roles and responsibilities.

JVCKENWOOD works to ensure the effectiveness of the management supervisory functions based on experience, achievements, professional viewpoints, insights and other attributes, as well as independence in terms of having no potential conflicts of interest with general shareholders. To this end, it nominates candidates for external audit & supervisory board members, in principle, after confirming the business backgrounds (i.e. confirming they have not been major shareholders of JVCKENWOOD or engaged in the execution of operations of any of JVCKENWOOD’s main business partners) based on its independence standards and policies, with the approval of the Audit & Supervisory Board. Since June 24, 2016, JVCKENWOOD has appointed Shojiro Asai and Nagaaki Ohyama as external audit & supervisory board members.
JVCKENWOOD has set up three defense lines for internal control. The first defense line is to ensure there is no wrongdoing and no errors in business operating divisions. The second defense line is to place compliance groups within the Internal Governance Office, in addition to the Finance & Accounting Division and Risk Management Office, to strengthen and support the structure and operations of the internal control systems. The third defense line is to place the Corporate Audit Office as the internal audit division. The Internal Governance Office and the Corporate Audit Office are directly supervised by the CEO, and independent from ordinary business operations.

At JVCKENWOOD, the Corporate Audit Office conducts internal audits on the overall business execution of the entire Group, and internal control evaluations on financial reports (J-SOX evaluations), in accordance with the audit plan approved by the Board of Directors, and reports the audit results to the Board of Directors that serves as an oversight organization. The Corporate Audit Office consists of nine staff members engaged in internal audits and J-SOX evaluations. The Corporate Audit Office performs a broad range of onsite inspections on the activities of the Company as well as affiliated companies of the Group, and monitors operations of the internal control systems in an integrated fashion. In this way, it works to identify issues at an early stage and from a standpoint independent from business operating divisions, while helping to ensure problems do not occur.

If there is any sign of fraud, etc. committed by management, there is a reporting route in place requiring the Corporate Audit Office to report it to Audit & Supervisory Board Members.

During the fiscal year ended March 2017, accounting audits of JVCKENWOOD and the Group were performed by Deloitte Touche Tohmatsu Limited. Accounting auditors regularly have a meeting with the Corporate Audit Office and exchange information. Thus, the Corporate Audit Office, Audit & Supervisory Board Members and accounting auditors enhance the effectiveness of audits through mutual collaboration.

All the Audit & Supervisory Board Members including External Audit & Supervisory Board Members perform management audits by themselves, attend Board of Directors’ meetings, obtain the results of internal audits performed by the Corporate Audit Office in relation to the Group’s overall business operations, and exchange and confirm relevant information by holding meetings with the Corporate Audit Office whenever necessary.

At the Audit & Supervisory Board meeting, the results of accounting audits performed by accounting auditors are regularly reported to Audit & Supervisory Board Members. Accounting auditors regularly have a meeting with the Corporate Audit Office and exchange information.

Thus, the Corporate Audit Office, Audit & Supervisory Board Members and accounting auditors enhance the effectiveness of audits through mutual collaboration.

The Corporate Audit Office always works closely with the Internal Governance Office, the Group management parties, and other internal divisions relevant to compliance matters and reinforces monitoring functions.

Compliance education is supervised by the Internal Governance Office under the leadership of the CEO. Compliance training by using e-learning training programs via the intranet and practical training is provided to officers and employees of the Company and its major affiliated companies.

If any suspicions about compliance matters arise, they will be directly reported to the Internal Whistleblower System (Helpline) set up by the Internal Governance Office in accordance with the Internal Whistleblower Rules and the said regulations, and corrective measures will be taken under the leadership of the Compliance Committee. In addition, the Auditing Informer System is in place at the Audit & Supervisory Board office, and if suspicions arise about any accounting or auditing operations, they will be directly reported to the system. These systems serve as infrastructure for exclusive communication to protect the confidentiality of the contents that are reported and the reporters’ names, and are operated by assigned staff to detect and correct activities that do not adhere to the needs of society.
Enterprise Risk Management Activities

Key Philosophy and Activities

The JVCKENWOOD Group regards risks as “factors that could inhibit the achievement of business plans.” The Group regularly identifies risks faced by all its business sites around the world to recognize them clearly, set issues to tackle to prevent the realization of the identified risks and minimize their impact or damage, and resolve those issues systematically. In the meantime, some of the identified risks could affect the entire Company and thus require problem-solving activities on a company-wide scale and from a company-wide perspective. Management takes the initiative in implementing measures to resolve such problems. We consider that the most effective corporate response to risks is to identify them correctly in the course of our day-to-day corporate activities, understand the problems in reducing risks, and have all our business sites around the world collaborate with management to resolve those problems.

Risk Management System

JVCKENWOOD implements the risk surveillance process shown in the diagram below at all its business sites around the world every year. The purpose is to ensure the risk management activities are conducted through collaboration between its business sites and management. In the risk surveillance process implemented throughout the year, we quantitatively assess the significance of risks identified by the business sites, examine problems in reducing risks of high significance, and work on resolving those problems and confirm the effects. The Enterprise Risk Management Conference systematicall yprovides support to solve problems.

Business Continuity Management (BCM)

Facing various risks, in particular emergency situations, including earthquakes and other natural disasters, spread of epidemics, and global expansion of terrorism, the JVCKENWOOD Group recognizes that its first social responsibility to stakeholders is to put the utmost priority on preserving human life, and its second is to deliver products and services. To fulfill these responsibilities, the Group has defined the basic principle of the Business Continuity Plan (BCP) as “contributing to social security and safety through continuing business by swiftly reinitiating business operations after the occurrence of an emergency situation.” Based on this policy, the JVCKENWOOD Group has been conducting BCP activities at all its business divisions.

On March 31, 2017, JVCKENWOOD received certification from the National Resilience Promotion Office, Cabinet Secretariat, as a business operator contributing to the building of national resilience against disasters (Resilience Certification) in recognition of its endorsement of the objective of promoting the building of national resilience and active engagement in efforts related to business continuity. JVCKENWOOD will take this opportunity to make efforts to further enhance the quality of BCM.
GLOBAL BRAND STRATEGY

Global branding campaign through motorsport

Motorsport is on the cutting-edge of technology and is regarded as a dramatic event requiring racing teams to push their limits in intense competition.

Sharing a commitment to create excitement for millions through the use of technologies, JVCKENWOOD conducts sponsorship activities for motorsport to boost its brand exposure and visibility based on its corporate vision of “creating excitement and peace of mind for the people of the world.”

The WTCC (FIA World Touring Car Championship) is the world’s top championship for touring cars (remodeled stock cars) organized by the FIA (Fédération Internationale de l’Automobile). Its predecessor was the ETCC (Europe Touring Car Championship).

Together with the FIA Formula One Championship (F1), FIA World Rally Championship (WRC) and FIA World Endurance Championship (WEC) and other championships, WTCC is one of the major world championships that can truly claim the title “World Championship.”

JVCKENWOOD started to partner the WTCC in 2009 and stepped up its commitment in 2013 to become an Official Series Partner of the WTCC in all racing series throughout the year.

The WTCC is a championship which tours the world and matches the business activities of JVCKENWOOD, which are also expanding globally. In addition, since the WTCC is based on remodeled stock cars, it parallels JVCKENWOOD, which is strengthening its operations in areas centering on the car electronics businesses, as well as land mobile radio equipment and professional cameras. In addition, WTCC events are broadcast in 108 countries around the world, leading to a strong media impact. Hence this sponsorship is expected to contribute significantly to JVCKENWOOD’s branding and business expansion.
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Official Supplier of McLaren Honda-F1 Team

Having signed an official supplier contract with McLaren in 1991, KENWOOD has been supplying wireless radio communication systems and providing extensive technical support through its professional staff. The partnership is the longest McLaren has had with a Japanese company.

The partnership between KENWOOD and the McLaren-Honda F1 Team is the relationship of colleagues fighting together for victory in the battlefields of a Grand Prix, going beyond the relationship of racing team and sponsor.

October 2016 marked the 25th anniversary since KENWOOD started supplying wireless radio communication systems to the McLaren-Honda F1 Team.

Super GT

Super GT is Japan’s premier international series of motor racing for touring cars (remodeled stock cars) authorized by the FIA (Fédération Internationale de l’Automobile). With major Japanese automobile manufacturers competing proactively in this championship, Super GT features a mixed-class racing competition combining GT500 and GT300 classes, a rare style of racing, allowing fans to enjoy intense racing with frequent overtaking.

JVCKENWOOD has been supporting the GT-Association, the organizer of the racing series, and supplies official on-board cameras for television broadcasting in 22 racing cars, including all GT 500 class cars.

Contracted Racing Drivers/Team Director (KENWOOD)

KENWOOD has appointed popular racing drivers and a team director who are top-level players in Super GT, Japan’s premier motorsports racing, as its brand ambassadors.

Juichi Wakisaka, Team Director
(LEXUS TEAM LEMANS WAKO’S)
Juichi Wakisaka is a high-profile PR ambassador of Super GT who retired from driving after the conclusion of the 2015 Super GT Series season and assumed the Team Director position from the 2016 season.

Masataka Yanagida, Racing Driver
(Audi Team Hitotsuyama)
The Super GT Series Champion in 2011 and 2012

Takuya Izawa, Racing Driver
(RAYBRIG TEAM KUNIMITSU)
A talented ace driver who is gaining in popularity while also improving his driving technique.
Overview of the JVCKENWOOD Group

**Sales Composition for FYE 3'/17**

- **Major Business Area**: Media Business, Entertainment Business
  - 24%

- **Major Business Area**: Automotive sector
  - 50%

- **Major Business Area**: Public Service sector
  - 24%

- **Others**: 2%

**Production and Sales Structure**

**Production companies**

- Six companies in Japan and five overseas companies
  - The overseas production ratio is 88% of the total

**Overseas business operation companies**

- 19 companies
  - The overseas sales ratio is 59% of the total

*Production companies and overseas business operation companies as of June 1, 2017

**Production Composition by Region (FYE 3'/17)**

- Japan: 12%
- Southeast Asia: 45%
- China: 33%
- Europe: 9%
- Americas: 1%

**Sales Composition by Region (FYE 3'/17)**

- Japan: 41%
- Americas: 25%
- Europe: 18%
- Asia: 14%
- Others: 2%
### Financial Highlights

JVCKENWOOD Corporation and Consolidated Subsidiaries
Fiscal year ended March 31

#### Net sales

<table>
<thead>
<tr>
<th></th>
<th>FYE 3/’15</th>
<th>FYE 3/’16</th>
<th>FYE 3/’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>285,010</td>
<td>292,195</td>
<td>299,278</td>
</tr>
<tr>
<td>Operating income</td>
<td>6,757</td>
<td>4,494</td>
<td>5,781</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>3,362</td>
<td>1,291</td>
<td>3,616</td>
</tr>
<tr>
<td>Net income (loss) attributable to owners of the parent company</td>
<td>4,795</td>
<td>3,401</td>
<td>(6,727)</td>
</tr>
<tr>
<td>Total assets</td>
<td>279,041</td>
<td>256,334</td>
<td>262,297</td>
</tr>
<tr>
<td>Net assets</td>
<td>79,762</td>
<td>57,565</td>
<td>61,514</td>
</tr>
<tr>
<td>Equity per share (yen)</td>
<td>521.57</td>
<td>376.57</td>
<td>403.31</td>
</tr>
<tr>
<td>Shareholders’ equity ratio (%)*</td>
<td>25.9</td>
<td>20.4</td>
<td>21.4</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>22,421</td>
<td>25,128</td>
<td>17,722</td>
</tr>
<tr>
<td>Interest-bearing debts</td>
<td>73,618</td>
<td>69,202</td>
<td>70,263</td>
</tr>
<tr>
<td>Net debt</td>
<td>18,541</td>
<td>26,437</td>
<td>28,456</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>8,575</td>
<td>12,258</td>
<td>15,369</td>
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<td>Cash flow from investing activities</td>
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<td>(8,395)</td>
<td>(14,390)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>(7,514)</td>
<td>(14,967)</td>
<td>(1,083)</td>
</tr>
<tr>
<td>Number of employees</td>
<td>17,668</td>
<td>17,884</td>
<td>18,051</td>
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</tbody>
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*(Equity – Minority interests) ÷ Total assets

#### Operating income

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<tr>
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### Financial Highlights

#### Major Business Area

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<th>Area</th>
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<th>FYE 3/’16</th>
<th>FYE 3/’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Public Service</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Media Service</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Americas</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Europe</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Asia</td>
<td>41%</td>
<td>41%</td>
<td>41%</td>
</tr>
<tr>
<td>Japan</td>
<td>33%</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>China</td>
<td>45%</td>
<td>45%</td>
<td>45%</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>41%</td>
<td>41%</td>
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</tr>
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### Financial Highlights

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<th>FYE 3/’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Business, OEM Business</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Media Business, Entertainment Business</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Communications Systems Business, Professional Systems Business, Healthcare Business</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
</tbody>
</table>

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*(Equity – Minority interests) ÷ Total assets
**Corporate History**

**JVCKENWOOD Corporation**

**JVCKENWOOD**

2007
- July: 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.
- Aug.: JVC increased its capital through a third-party allocation of new shares of a total of 35 billion yen to Kenwood and multiple investment funds managed by SPARX International (Hong Kong), Ltd.
- Oct.: JVC and Kenwood established the technology development joint venture J&K Technologies Corp. (J&K Technologies).

2008
- May: JVC and Kenwood signed an agreement to integrate their management through the establishment of a joint holding company (stock transfer).
- Oct.: JVC and Kenwood established the joint holding company JVCKENWOOD Holdings, Inc. (JVCKENWOOD) through a stock transfer (JVCKENWOOD's shares were listed on the First Section of the Tokyo Stock Exchange).

2009
- Dec.: Launched the MDV-313, the first car navigation system for which the same JVC and Kenwood platform was adopted (Photo 1).

2010
- Mar.: 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 JVCKENWOOD), and to those of JVCKENWOOD for the period from its establishment on October 1, 2008 to the second quarter of the fiscal year ended March 31, 2010.
- Dec.: Undertook steps to relocate the Company’s head office and realign business divisions to promote Group management integration, enhance operating efficiency and maximize integration effects.

2011
- Aug.: JVCKENWOOD Holdings, Inc. changed its name to JVCKENWOOD Corporation.

2012
- Apr.: Acquired a total of 45% of the outstanding shares of Shinwa International Holdings Limited, a large-scale Hong Kong-based manufacturer and seller of CD/DVD mechanisms for car AV equipment (in-car CD/DVD mechanisms), making it into an equity-method company.
- June: Distributed dividends (Y5/share) for the first time since the establishment of JVCKENWOOD.
- Nov.: Formulated a new “Medium-Term Business Plan,” which covered the period through to the fiscal year ended March 31, 2016.
- Mar.: Launched DLA-VS4800, the world’s first mass-production model of the professional-use D-ILA projector, which features an 8K high-definition display.

2013
- June: Converted Shinwa International Holdings Limited into a consolidated subsidiary.
- July: Took over all of the shares of TOTOKU Nagaoka Corporation through an absorption-type corporate split from TOTOKU Electric Co., Ltd., and changed the corporate name from TOTOKU Nagaoka to JVCKENWOOD Nagaoka Corporation.

2014
- Jan.: Invested in WIL FUND I, L.P. to accelerate growth strategy partnership with domestic and international venture companies.
- Signed an alliance with AIRBUS DEFENCE AND SPACE to develop and commercialize public safety wireless broadband systems.
- Sept.: The JVCKENWOOD Group launched the NX-5000 series, the NEXEDGE series of multi-mode digital radio systems that complied with the P25 standard (Photo 2).

2015
- Mar.: Launched GY-LS300CH, a professional 4K memory card camera recorder (Photo 3).
- Apr.: Converted ASK Industries S.p.a., the European In-vehicle Component Company, into a consolidated subsidiary.
- May: Reviewed the medium-term business plan announced in fiscal 2012 and formulated Vision 2020, the new medium- to Long-Term Business Plan that looks ahead to fiscal 2020.

2016
- Apr.: Established JVCKENWOOD Public & Industrial Systems Corporation, aiming to expand the Professional Systems Business.

2017
- Mar.: Announced the development of “EXOFIELD” out-of-head localization sound field processing technology, which enables reproduction and localization of the sound field of speakers in a listening room with headphones.
- Apr.: Completed an absorption-type merger of two consolidated subsidiaries; JVCKENWOOD Kenex Corporation and JVCKENWOOD Home Electronics Corporation.
Former Victor Company of Japan, Limited

1927  Established Victor Talking Machine Company of Japan, Limited
1939  Produced the first TV receiver in Japan (Photo 4)
1956  Developed the 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 recorder (Photo 5)
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 camcorder
2003  Introduced GR-HD1, high-definition digital camcorder
2005  Introduced EX-A1, compact home stereo component system
2006  JVC co-developed high-quality audio compression technology “net K2” with Victor Entertainment, Inc.
2007  Introduced Everio GZ-HD7, the world’s first full HD hard disk camcorder for consumers (Photo 6)
2009  Introduced the JVC global brand throughout Japan
2010  Introduced the GD-463D10, full HD 3D LCD monitor for professional use
2011  Introduced Everio GZ-HD7 full HD hard disk camcorder

Former Kenwood Corporation

1946  Established as Kasuga Radio Co., Ltd.
1957  Began exporting the FM-100 FM tuner for the first time as a Japanese manufacturer (Photo 7)
1960  Renamed Trio Electronics, Inc.
1962  Launched TW-30, the industry’s first transistor amplifier
1966  Introduced fully transistorized audio products for the first time in the industry
1978  Entered the professional radio equipment field in Japan
1980  Entered the car audio field in the U.S. and launched the KENWOOD brand car audio in Japan (Photo 8)
1983  Entered the business & industry sector of professional radio field in the U.S.
1986  Renamed Kenwood Corporation
1991  Official supplier contract with McLaren F1 Team
1992  Developed and began to supply wireless radio systems for the McLaren F1 Team’s exclusive use
1997  Supplied the Real Focus Sound System for Subaru Forester and Legacy cars, establishing a base for the OEM Business
2004  Acquired the wireless radio business of Toyo Communication Equipment Co., Ltd.
2005  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
2010  Launched land mobile radio equipment for emerging markets TK-U100, TK-2000/3000
2011  Merged into JVCKENWOOD Corporation

Merged into JVCKENWOOD Corporation
## Network (Overseas)

### Manufacturing Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD Electronics Malaysia Sdn. Bhd.</td>
<td>Johor, Malaysia</td>
<td>Telecommunications equipment and car electronics</td>
</tr>
<tr>
<td>JVCKENWOOD Electronics (Thailand) Co., Ltd.</td>
<td>Pathumthani, Thailand</td>
<td>Media equipment and professional products</td>
</tr>
<tr>
<td>JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.</td>
<td>Nakhonratchasima, Thailand</td>
<td>Car electronics and media equipment</td>
</tr>
<tr>
<td>PT. JVC Electronics Indonesia</td>
<td>Jawa Barat, Indonesia</td>
<td>Car electronics equipment</td>
</tr>
<tr>
<td>Shanghai Kenwood Electronics Co., Ltd.</td>
<td>Shanghai, China</td>
<td>Car electronics and telecommunications equipment</td>
</tr>
</tbody>
</table>

### Americas: Business Operation Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD USA Corporation</td>
<td>U.S.A.</td>
</tr>
<tr>
<td>JVCKENWOOD Canada Inc.</td>
<td>Canada</td>
</tr>
<tr>
<td>JVCKENWOOD Latin America, S.A.</td>
<td>Panama</td>
</tr>
<tr>
<td>JVCKENWOOD do Brasil Comércio de Eletrônicos Ltda.</td>
<td>Brazil</td>
</tr>
</tbody>
</table>

### EMEA: Business Operation Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD U.K. Ltd.</td>
<td>The United Kingdom</td>
</tr>
<tr>
<td>JVCKENWOOD Italia S.p.A.</td>
<td>Italy</td>
</tr>
<tr>
<td>JVCKENWOOD Iberica, S.A.</td>
<td>Spain</td>
</tr>
<tr>
<td>JVCKENWOOD Deutschland GmbH</td>
<td>Germany</td>
</tr>
<tr>
<td>JVCKENWOOD Belgium N.V.</td>
<td>Belgium</td>
</tr>
<tr>
<td>JVCKENWOOD Europe B.V.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>JVCKENWOOD RUS LLC</td>
<td>Russia</td>
</tr>
<tr>
<td>JVCKENWOOD Gulf Fze</td>
<td>U.A.E.</td>
</tr>
</tbody>
</table>

### Asia and Oceania : Business Operation Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD Singapore Pte. Ltd.</td>
<td>Singapore</td>
</tr>
<tr>
<td>JVCKENWOOD Malaysia Sdn. Bhd.</td>
<td>Malaysia</td>
</tr>
<tr>
<td>JVCKENWOOD (Thailand) Co., Ltd.</td>
<td>Thailand</td>
</tr>
<tr>
<td>PT. JVCKENWOOD Indonesia</td>
<td>Indonesia</td>
</tr>
<tr>
<td>JVCKENWOOD Australia Pty. Ltd.</td>
<td>Australia</td>
</tr>
</tbody>
</table>

### China: Business Operation Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD (China) Investment Co., Ltd.</td>
<td>China</td>
</tr>
<tr>
<td>JVCKENWOOD Hong Kong Ltd.</td>
<td>China</td>
</tr>
</tbody>
</table>

### Other Principal Affiliated Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zetron, Inc.</td>
<td>U.S.A.</td>
<td>Development, manufacture and sales of telecommunications equipment</td>
</tr>
<tr>
<td>EF Johnson Technologies, Inc.</td>
<td>U.S.A.</td>
<td>Development, manufacture and sales of telecommunications equipment</td>
</tr>
<tr>
<td>ASK Industries S.p.A.</td>
<td>Italy</td>
<td>Development, manufacture and sales of car electronics equipment</td>
</tr>
<tr>
<td>Radio Activity S.r.l.</td>
<td>Italy</td>
<td>Development, manufacture and sales of telecommunications equipment</td>
</tr>
<tr>
<td>JVCKENWOOD Technologies Singapore Pte. Ltd.</td>
<td>Singapore</td>
<td>Manufacture and sales of telecommunications equipment</td>
</tr>
<tr>
<td>JVCKENWOOD Hong Kong Holdings Ltd.</td>
<td>China</td>
<td>Manufacture and sales of car electronics equipment and contract manufacturing service of electronics device</td>
</tr>
</tbody>
</table>
### Business Centers and R&D Bases

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main R&amp;D Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office &amp; Yokohama Business Center</td>
<td>Yokohama, Kanagawa</td>
<td>Video cameras, AV accessories and home audio, etc.</td>
</tr>
<tr>
<td>Hachioji Business Center</td>
<td>Hachioji, Tokyo</td>
<td>Car electronics equipment</td>
</tr>
<tr>
<td>Hakusan Business Center</td>
<td>Yokohama, Kanagawa</td>
<td>Communications and video surveillance equipment, etc.</td>
</tr>
<tr>
<td>Kurihama Business Center</td>
<td>Yokusuka, Kanagawa</td>
<td>Projectors, D-ILA devices and laser diodes, etc.</td>
</tr>
</tbody>
</table>

### Principal Manufacturing Sites and Manufacturing Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office &amp; Yokohama Business Center</td>
<td>Yokohama, Kanagawa</td>
<td>Electronic components (for optical pickups)</td>
</tr>
<tr>
<td>Kurihama Business Center</td>
<td>Yokusuka, Kanagawa</td>
<td>Electronic components (D-ILA devices, Laser diodes) and projectors</td>
</tr>
<tr>
<td>Yokusuka Business Center</td>
<td>Yokusuka, Kanagawa</td>
<td>CD and DVD discs (prerecorded)</td>
</tr>
<tr>
<td>JVCKENWOOD Yamagata Corporation</td>
<td>Tsuruoka, Yamagata</td>
<td>Telecommunications equipment and professional products</td>
</tr>
<tr>
<td>JVCKENWOOD Nagano Corporation</td>
<td>Ina, Nagano</td>
<td>Car electronics equipment</td>
</tr>
<tr>
<td>JVCKENWOOD Nagaoka Corporation</td>
<td>Nagaoka, Niigata</td>
<td>Medical display monitor solutions and in-vehicle substrates</td>
</tr>
</tbody>
</table>

### Other Principal Affiliated Companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Main Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>JVCKENWOOD Victor Entertainment Corporation</td>
<td>Shibuya-ku, Tokyo</td>
<td>Planning, production and sales of audio and video, and software, etc.</td>
</tr>
<tr>
<td>JVCKENWOOD Creative Media Corporation</td>
<td>Yokusuka, Kanagawa</td>
<td>Development, manufacturing and sales of recorded optical disks</td>
</tr>
<tr>
<td>JVCKENWOOD Public &amp; Industrial Systems Corporation</td>
<td>Yokohama, Kanagawa</td>
<td>Development, sales, manufacture, installation, maintenance and repair of professional audio, imaging and telecommunications equipment</td>
</tr>
<tr>
<td>JVCKENWOOD Video Tech Corporation</td>
<td>Shibuya-ku, Tokyo</td>
<td>Production, editing and sales of video, and studio operations</td>
</tr>
<tr>
<td>JVCKENWOOD Service (Japan) Corporation</td>
<td>Yokusuka, Kanagawa</td>
<td>After-sales services of audio and imaging equipment</td>
</tr>
<tr>
<td>JVCKENWOOD Engineering Corporation</td>
<td>Yokohama, Kanagawa</td>
<td>Development and design of hardware and software</td>
</tr>
<tr>
<td>JVCKENWOOD Design Corporation</td>
<td>Setagaya-ku, Tokyo</td>
<td>Planning and production of industrial designs</td>
</tr>
<tr>
<td>JVCKENWOOD Partners Corporation</td>
<td>Hachioji, Tokyo</td>
<td>Undertaking of welfare program, general, personnel, accounting and other affairs</td>
</tr>
</tbody>
</table>
Management Team

Yasuyuki Abe
Director of the Board, Chairman of the Board

Takao Tsuji
Representative Director of the Board

Shoichiro Eguchi
Representative Director of the Board

Kazuhiko Aigami
Representative Director of the Board

Masaki Imai
Director of the Board

Yasuyuki Tanida
Director of the Board

Junichi Hikita
Director of the Board

Shinjiro Iwata
Director of the Board

Masatoshi Miyamoto
Director of the Board

Takuya Arai
Managing Executive Officer, COO Asia Oceania

Akira Suzuki
Executive Officer, Assistant to COO Americas (Public Service sector)

Naokazu Kurihara
Managing Executive Officer, Chief Financial Officer (CFO)

Shigeru Onda
Managing Executive Officer, General Manager of SCM Department

Kazuhiko Iizuka
Executive Officer, Assistant to CSO

Masao Nomura
Executive Officer, General Executive of Automotive OEM Business Division, General Manager of Option Business Unit

Shinichi Takada
Executive Officer, COO Asia Oceania

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

*2: External Audit & Supervisory Board Member specified in Item 16, Article 12 of the Companies Act

*3: Supply Chain Management

*4: Concurrently serving as Director of the Board.
Corporate Profile / Stock Information

Corporate Profile

Company Name: JVCKENWOOD Corporation
Business Segments: Controlling and managing the business activities by operating the Automotive sector, Public Service sector, Media Service sector and owning shares and interest in the companies which run those businesses.
Representative Directors: Takao Tsuji, President & Chief Executive Officer, Shoichiro Eguchi, Executive Vice President, Kazuhiro Aigami, Executive Vice President.
Date of Incorporation: October 1, 2008
Capital: ¥10 billion
Number of Employees: 18,051 (as of March 31, 2017)
Equity: ¥61,514 million (as of March 31, 2017)
Total Assets: ¥262,297 million (as of March 31, 2017)
Fiscal Year-End: March 31
Head Office: 3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-0022

Stock Information

Ordinary General Meeting of Shareholders: In June each year.
Record Date: [Ordinary General Meeting of Shareholders] March 31 each year. [Year-end dividend] March 31 each year. [Mid-year dividend] September 30 each year.
Stock Exchange Listing: Listed on the first section of the Tokyo Stock Exchange.
Security Code: 6632
Trading Unit: 100 shares
Total Number of Shares Issued: 139,000,201 shares (including 51,849 treasury shares) (as of March 31, 2017)
Total Number of Shareholders: 55,327 (as of March 31, 2017)
Shareholder Registry Administrator: Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Place for the Registration: Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Shareholder Composition

As of March 31, 2017

- Individuals and others: 43.74%
- Financial institutions: 19.78%
- Foreign companies: 25.05%
- Securities companies: 5.76%
- Japanese companies: 5.64%
- Treasury stock: 0.04%

Major Shareholders (Top 10)

As of March 31, 2017

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of stocks held (thousands)</th>
<th>Ratio of shareholding (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account)</td>
<td>4,516</td>
<td>3.25</td>
</tr>
<tr>
<td>DENSO CORPORATION</td>
<td>4,171</td>
<td>3.00</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>3,833</td>
<td>2.76</td>
</tr>
<tr>
<td>CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW</td>
<td>2,882</td>
<td>2.07</td>
</tr>
<tr>
<td>THE BANK OF NEW YORK MELLON 140044</td>
<td>2,768</td>
<td>1.99</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 5)</td>
<td>2,694</td>
<td>1.94</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 9)</td>
<td>2,420</td>
<td>1.74</td>
</tr>
<tr>
<td>THE BANK OF NEW YORK MELLON 140040</td>
<td>2,318</td>
<td>1.67</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 1)</td>
<td>2,068</td>
<td>1.49</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account 2)</td>
<td>1,937</td>
<td>1.39</td>
</tr>
</tbody>
</table>

Note: Ratio of shareholding is calculated based on the total number of shares issued and outstanding (excluding treasury stock).