

(Translation)

Securities Code: 6632  
May 30, 2017

**JVCKENWOOD Corporation**  
3-12, Moriya-cho, Kanagawa-ku,  
Yokohama-shi, Kanagawa

## **NOTICE OF CONVOCATION OF THE 9th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

**Dear Shareholders,**

You are cordially invited to attend the 9th Ordinary General Meeting of Shareholders of JVCKENWOOD Corporation (the "Company"), to be held on Friday, June 23, 2017. You will find more information about the meeting on page 2.

If you are unable to attend the meeting, you can exercise your voting rights in writing or electronically (via the Internet, etc.). After referring to the guide to exercising voting rights on page 3-4, as well as reviewing the reference documents on page 5-27, please exercise your voting rights by 6 p.m. on Thursday, June 22, 2017 (JST).

With Best Regards,

Takao Tsuji  
Representative Director of the Board  
President & CEO

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

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

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

(Translation)

## Details of the Meeting

1. Date and Time: Friday, June 23, 2017 at 10 a.m. (JST)
2. Place: Shinagawa Intercity Hall  
15-4, 2-chome, Konan, Minato-ku, Tokyo
3. Agenda:
  - Matters to be Reported:
    1. Report on the Business Report and the Consolidated Financial Statements for the 9th Fiscal Year (From April 1, 2016 to March 31, 2017) and the Audit Reports on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
    2. Report on the Non-consolidated Financial Statements for the 9th Fiscal Year (From April 1, 2016 to March 31, 2017)
  - Matters to be Resolved:
    - Proposal No. 1: Election of Nine (9) Directors
    - Proposal No. 2: Election of One (1) Audit & Supervisory Board Member
    - Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member

- The reference documents for the general meeting of shareholders, the business report, the consolidated financial statements, the non-consolidated financial statements and audit reports of the accounting auditor and the Audit & Supervisory Board to be attached to this Notice are presented from page 28 to page 60. Notes to the consolidated financial statements and notes to the non-consolidated financial statements are not described in the documents attached to this notice, since they are posted on the Company's website. <http://www.jvckenwood.com/ir/stock/stockholder/>  
This is pursuant to laws and regulations and Article 15 of the Company's Articles of Incorporation. Therefore, the documents accompanying this notice are part of our consolidated financial statements or non-consolidated financial statements, which were audited when the Accounting Auditor prepared the accounting audit report. They are also part of our business report, consolidated financial statements or non-consolidated financial statements, which were audited when the Audit & Supervisory Board Members prepared the audit report.
- If there are any changes to the reference documents for the general meeting of shareholders, the business report, the consolidated financial statements and the non-consolidated financial statements, those changes will be posted on our website stated above.
- Notice of resolutions at this meeting will also be posted on our website stated above.

(Translation)

## Procedures and Treatment in Exercising the Voting Rights

The following are methods of exercising your voting rights.

Please exercise your voting rights after referring to the reference documents for the general meeting of shareholders from page 5 to page 27.

### **In the case of attending the general meeting of shareholders**

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

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

#### Notes for attendance

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

### **In the case of not attending the general meeting of shareholders**

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

Deadline for exercising voting rights  
6 p.m., Thursday, June 22, 2017 (JST)

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

#### Voting via Postal Mail

Indicate whether you vote for or against the proposals in the enclosed Voting Rights Exercise Form and then return it by 6 p.m. on Thursday, June 22, 2017 (JST).

#### Voting via the Internet

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

### **Electronic Voting Platform for Institutional Investors**

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

(Translation)

## Exercising the Voting Rights via the Internet

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

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

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

The deadline for exercising your voting rights is by 6 p.m. on Thursday, June 22, 2017 (JST). Your early voting would be greatly appreciated.

### Note

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

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

### Conditions concerning the system

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

#### (1) Through the PC site

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

2) Following applications are installed:

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

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

#### (2) Through the cellular phone site

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

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

### Inquiries regarding the operation of a PC etc. for exercising voting rights

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

**Sumitomo Mitsui Trust Bank, Limited**

**Stock Transfer Agency Web Support (Help Desk)**

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

(2) For other inquiries, please contact the following

**Sumitomo Mitsui Trust Bank, Limited**

**Stock Transfer Agency Administration Center (Help Desk)**

**Phone (toll-free within Japan): 0120-782-031 (9 a.m. to 5 p.m., excluding Saturdays, Sundays and national holidays)**

(Translation)

## REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

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

All nine (9) directors' tenure of office is to expire at the conclusion of this General Meeting of Shareholders.

We propose to elect nine (9) directors (three of whom are first-time candidates for director) including three (3) external directors to fill the quota of nine (9) directors prescribed in the Company's Articles of Incorporation.

Mr. Yasuyuki Abe, Mr. Junichi Hikita and Mr. Shinjiro Iwata are candidates for external directors.

The Company will continue to strengthen governance by having an External Director serve as the Chairman of the Board of Directors.

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

The candidates for director are as follows:

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

Candidate No.	Candidate Name	Position (Planned)	Current Position	Page	
1	Reappointment	Yasuyuki Abe	Director of the Board (Chairman of the Board)	6	
	External				
	Independent				
2	Reappointment	Takao Tsuji	Representative Director of the Board, President, Chief Executive Officer (CEO)	Representative Director of the Board, President, Chief Executive Officer (CEO)	8
3	Reappointment	Shoichiro Eguchi	Representative Director of the Board, Executive Vice President, Chief Operating Officer (COO) - Automotive Sector	Representative Director of the Board, Executive Vice President, Chief Operating Officer (COO) - Automotive Sector	10
4	Reappointment	Kazuhiro Aigami	Representative Director of the Board, Executive Vice President, Chief Operating Officer (COO) - Public Service Sector	Representative Director of the Board, Executive Vice President, Chief Operating Officer (COO) - Public Service Sector	11
5	First-time Candidate	Masaki Imai	Director of the Board, Senior Managing Executive Officer, Chief Administration Officer (CAO), Chief Strategy Officer (CSO)	Senior Managing Executive Officer, Chief Administration Officer (CAO), Chief Strategy Officer (CSO)	13
6	Reappointment	Yasuyuki Tanida	Director of the Board, Managing Executive Officer, Chief Operating Officer (COO) - Media Service Sector, Chief Technology Officer (CTO)	Director of the Board, Managing Executive Officer, Chief Operating Officer (COO) - Media Service Sector, Chief Technology Officer (CTO)	15
7	First-time Candidate	Masatoshi Miyamoto	Director of the Board, Managing Executive Officer, Chief Financial Officer (CFO)	Managing Executive Officer, Chief Financial Officer (CFO)	17
8	Reappointment	Junichi Hikita	Director of the Board	19	
	External				
	Independent				
9	First-time Candidate	Shinjiro Iwata	Director of the Board	21	
	External				
	Independent				

## (Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
1	 <p data-bbox="261 607 467 674">Yasuyuki Abe (April 17, 1952)</p> <p data-bbox="261 696 467 763">Candidate for reappointment</p> <p data-bbox="261 786 467 819">External Director</p> <p data-bbox="261 842 467 909">Independent Director</p> <p data-bbox="261 931 467 999">Tenure as Director: 2 years</p> <p data-bbox="261 1021 467 1256">Attendance at Board of Directors' meetings during the current fiscal year: 15/16 (93.8%)</p>	<p data-bbox="491 315 1264 349">Apr. 1977 Joined Sumitomo Corporation</p> <p data-bbox="491 349 1264 405">Nov. 1980 Transferred to Houston Office, Sumitomo Corporation of Americas</p> <p data-bbox="491 405 1264 461">Sep. 1983 Transferred to the Los Angeles Office of Sumitomo Corporation of America</p> <p data-bbox="491 461 1264 562">Jun. 1987 Assistant to General Manager, Electric Machines/Equipment Division No. 1, of Sumitomo Corporation</p> <p data-bbox="491 562 1264 763">Jun. 1993 Transferred to the Los Angeles Office of Sumitomo Corporation of America (later, engaged in the machinery and plant departments at the New York Office, and the electric machines/equipment, machinery and information industry departments at the San Francisco Office and other offices)</p> <p data-bbox="491 763 1264 887">Apr. 2002 Corporate Officer and Assistant to General Manager, Network Division, Sumitomo Corporation, Adviser to Sumisho Electronics Co., Ltd. (currently SCSK Corporation)</p> <p data-bbox="491 887 1264 943">Jun. 2002 President and Representative Director of Sumisho Electronics Co., Ltd.</p> <p data-bbox="491 943 1264 1032">Apr. 2005 President and Representative Director of Sumisho Computer Systems Corporation (currently SCSK Corporation)</p> <p data-bbox="491 1032 1264 1234">Jun. 2009 Retired as President, CEO and Representative Director of Sumisho Computer Systems Corporation Representative Director, Managing Executive Officer and General Manager, Financial &amp; Logistics Business Unit of Sumitomo Corporation</p> <p data-bbox="491 1234 1264 1357">Apr. 2010 Representative Director, Managing Executive Officer and General Manager, New Industry Development &amp; Cross-Function Business Unit of Sumitomo Corporation</p> <p data-bbox="491 1357 1264 1469">Apr. 2011 Representative Director, Senior Managing Executive Officer and General Manager, New Industry Development &amp; Cross-Function Business Unit of Sumitomo Corporation</p> <p data-bbox="491 1469 1264 1592">Apr. 2013 Representative Director, Senior Managing Executive Officer and General Manager, Corporate Planning &amp; Coordination Group of Sumitomo Corporation</p> <p data-bbox="491 1592 1264 1648">Apr. 2015 Representative Director and Assistant to President and CEO of Sumitomo Corporation</p> <p data-bbox="491 1648 1264 1771">Jun. 2015 Advisor of Sumitomo Corporation (current position) External Director of JVCKENWOOD Corporation</p> <p data-bbox="491 1771 1264 1827">Oct. 2015 Advisor of Orange and Partners Co., Ltd. (current position)</p> <p data-bbox="491 1827 1264 1973">Jun. 2016 External Director (Chairman) of the Board of JVCKENWOOD Corporation (current position) Outside Corporate Auditor of Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION) (current position)</p> <p data-bbox="491 1973 1264 2096">&lt;Important concurrent duties&gt; Outside Corporate Auditor of SUBARU CORPORATION Advisor of Sumitomo Corporation Advisor of Orange and Partners Co., Ltd.</p>	9,300

<p><b>Special notes on candidate for external director</b></p> <p>Mr. Yasuyuki Abe is a candidate for external director prescribed under Article 2, paragraph 3, item 7 of the Ordinance for Enforcement of the Companies Act.</p> <p><b>Reasons for selecting him as a candidate for external director</b></p> <p>The Company proposes to elect Mr. Yasuyuki Abe as an external director and expects his proper advice as a corporate manager based on his extensive experience, knowledge, professional views and personal relationships in the electronics, machinery and information industry fields abroad that were obtained through his work at and management of companies outside the Group, will be utilized in the Company's management, and that he will continue to be active in a position to supervise the Company's management by giving the Company advice and proposals as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.</p> <p><b>Tenure of office as external director of the Company since he took office</b></p> <p>Mr. Abe is currently an external director of the Company, and his tenure of office as an external director of the Company will be two (2) years at the conclusion of this General Meeting of Shareholders.</p> <p><b>Outline of the liability limitation agreement</b></p> <p>The Company has concluded a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Abe. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by laws and regulations, whichever is higher, when the external director has acted faithfully and without gross negligence. When the reappointment of Mr. Abe is approved, the Company shall extend this agreement with him.</p> <p><b>Matters concerning independence</b></p> <p>No mutual relationship exists between Sumitomo Corporation and Orange and Partners Co., Ltd., where he concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>SCSK Corporation ("SCSK") and the Company had business relations in the past regarding purchases, and the predecessors of SCSK included Sumisho Electronics Co., Ltd. and Sumisho Computer Systems Corporation, both of which he previously served in as an executive. However, SCSK's transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company or SCSK, and did not fall under major transactions for either the Company or SCSK. No transactions were recorded in the consolidated fiscal year under review. In addition, he resigned as a representative director of SCSK seven (7) years ago and currently has no relationship with the company. Additionally, no mutual relationship exists between SCSK and the Company including donations, mutual dispatch of directors or shareholding.</p> <p>Furthermore, SUBARU CORPORATION, where Mr. Abe serves as an outside corporate auditor, currently has business relations with the Company with regard to purchases and sales. Its transactions with the Company, however, amounted to less than one (1) percent of the consolidated net sales of the Company or the firm in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or the firm. In addition, no mutual relationship exists between SUBARU CORPORATION and the Company including donations, mutual dispatch of directors or shareholding.</p> <p>Furthermore, Mr. Abe has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.</p> <p>The Company provided notice on Mr. Abe to the Tokyo Stock Exchange (TSE), Inc. as an independent director as appointed by the Company under the provisions of TSE. If Mr. Abe's appointment is approved, the Company will continue to designate him as an independent director.</p>
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## (Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
2	 <p data-bbox="268 607 459 696">Takao Tsuji (September 28, 1949)</p> <p data-bbox="277 725 450 786">Candidate for reappointment</p> <p data-bbox="252 819 480 880">Tenure as Director: 4 years</p> <p data-bbox="264 913 467 1133">Attendance at Board of Directors' meetings during the current fiscal year: 15/16 (93.8%)</p>	<p data-bbox="491 315 1230 376">Apr. 1973 Joined Nissho Iwai Corporation (currently Sojitz Corporation), Tokyo Head Office</p> <p data-bbox="491 376 1230 436">Apr. 1994 Acting General Manager, Electronic System Department</p> <p data-bbox="491 436 1230 497">Oct. 1995 General Manager, Office of the President, NISSHO ELECTRONICS CORPORATION</p> <p data-bbox="491 497 1230 526">Jun. 1999 Director</p> <p data-bbox="491 526 1230 586">Mar. 2000 Director of FUSION COMMUNICATIONS CORPORATION</p> <p data-bbox="491 586 1230 647">Jun. 2001 Managing Director of NISSHO ELECTRONICS CORPORATION</p> <p data-bbox="491 647 1230 707">Jun. 2002 President and Representative Director of NISSHO ELECTRONICS CORPORATION</p> <p data-bbox="491 707 1230 1014">2003 onwards Part-time lecturer: Shinshu University (MBA); School of Business, Aoyama Gakuin University; Faculty of Commerce, Doshisha University; Department of Management of Technology (MOT), Tokyo University of Science; Faculty of Economics, Soka University; School of International Studies, Kwansai Gakuin University</p> <p data-bbox="491 1014 1230 1075">Jun. 2009 Chairman of the Board of Directors of NISSHO ELECTRONICS CORPORATION</p> <p data-bbox="491 1075 1230 1171">Sep. 2009 Member of the Final Selection Committee for Japan Aerospace Exploration Agency (JAXA) Aerospace Open Laboratory</p> <p data-bbox="491 1171 1230 1232">Jun. 2010 Advisor to Machinery Division, Sojitz Corporation</p> <p data-bbox="491 1232 1230 1292">Jun. 2011 Director of the Board (External) of TAKAGI CO., LTD.</p> <p data-bbox="491 1292 1230 1352">Jun. 2013 External Director of JVCKENWOOD Corporation</p> <p data-bbox="491 1352 1230 1471">May 2014 President, Representative Director of the Board, Chief Operating Officer (COO), Chief Risk Officer (CRO), Chief Innovation Officer (CIO) of JVCKENWOOD Corporation</p> <p data-bbox="491 1471 1230 1590">Apr. 2015 President, Representative Director of the Board, Chief Operating Officer (COO), Chief Innovation Officer (CIO) of JVCKENWOOD Corporation</p> <p data-bbox="491 1590 1230 1686">Nov. 2015 President, Representative Director of the Board, Chief Operating Officer (COO) of JVCKENWOOD Corporation</p> <p data-bbox="491 1686 1230 1783">Jun. 2016 President, Representative Director of the Board, Chief Executive Officer (CEO) of JVCKENWOOD Corporation</p> <p data-bbox="491 1783 1230 1901">Apr. 2017 Representative Director of the Board, President and Chief Executive Officer (CEO) of JVCKENWOOD Corporation (current position)</p> <p data-bbox="491 1901 1230 1973">&lt;Current responsibilities&gt; Representative Director of the Board, President and Chief Executive Officer (CEO) of JVCKENWOOD Corporation</p> <p data-bbox="491 1973 1230 2027">&lt;Important concurrent duties&gt; Not applicable</p>	97,200



(Translation)

	<p><b>Reasons for selecting him as a candidate for director</b></p> <p>The Company proposes to elect Mr. Takao Tsuji as a director and expects his extensive experience, knowledge, professional views and personal relationships in the electronics, machinery and information industry fields obtained through his work at and management of companies and organizations outside the Group, as well as his corporate management experience as the Company's director and executive officer, will be utilized, and that he will continue to be active as the Chief Executive Officer (CEO) of the new management structure.</p>
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(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
3	 <p>Shoichiro Eguchi (December 7, 1955)</p> <p>Candidate for reappointment</p> <p>Tenure as Director: 6 years in total</p> <p>Attendance at Board of Directors' meetings during the current fiscal year: 12/12 (100%) (from June 2016)</p>	<p>Apr. 1979      Joined Trio Electronics, Inc. (currently JVCKENWOOD Corporation)</p> <p>Jun. 2003      Senior Vice President &amp; Executive Officer of Kenwood Corporation (currently JVCKENWOOD Corporation)</p> <p>Jun. 2004      Director, Senior Vice President &amp; Executive Officer of Kenwood Corporation (currently JVCKENWOOD Corporation)</p> <p>Jun. 2007      Senior Vice President &amp; Executive Officer, Assistant to CEO of Kenwood Corporation (currently JVCKENWOOD Corporation) (Car Electronics Overseas Sales Strategy Representative)</p> <p>Jun. 2010      Director of the Board, Senior Vice President &amp; Executive Officer of JVCKENWOOD Holdings, Inc.</p> <p>May 2011      Director of the Board, Deputy President &amp; Executive Officer, General Executive of Strategic Corporate Planning Division, Chief Operation Officer of Car Electronics Business Group of JVCKENWOOD Holdings, Inc.</p> <p>Oct. 2011      Representative Director of the Board, Deputy President &amp; Executive Officer, General Executive of Strategic Corporate Planning Division, Group Management Office, Chief Operating Officer (COO) of Car Electronics Business Group of JVCKENWOOD Corporation</p> <p>Jun. 2012      President, Representative Director of the Board, Chief Executive Officer (CEO) of JVCKENWOOD Corporation</p> <p>May 2014      Representative Director of the Board, Executive Officer, Regional CEO (Europe) of JVCKENWOOD Corporation</p> <p>Jun. 2015      Executive Officer, Regional CEO (Europe) of JVCKENWOOD Corporation</p> <p>Jun. 2016      Representative Director of the Board, Executive Vice President, Chief Operating Officer (COO) - Automotive Sector, COO EMEA (Europe, Middle East and Africa) of JVCKENWOOD Corporation</p> <p>Apr. 2017      Representative Director of the Board, Executive Vice President, Chief Operating Officer (COO) - Automotive Sector, COO EMEA (Europe, Middle East and Africa) of JVCKENWOOD Corporation (current position)</p> <p>&lt;Current responsibilities&gt; Representative Director of the Board and Executive Vice President, Chief Operating Officer (COO) - Automotive Sector, COO EMEA (Europe, Middle East and Africa) of JVCKENWOOD Corporation</p> <p>&lt;Important concurrent duties&gt; Not applicable</p>	97,370
<p><b>Reasons for selecting him as a candidate for director</b></p> <p>The Company proposes to elect Mr. Shoichiro Eguchi as a director and expects that his extensive experience, knowledge, professional views and personal relationships related to the Company's business that were obtained through his work abroad and in the automotive sector of the Group, as well as his corporate management experience as the Company's director and executive officer, will be utilized, and that he will continue to be active in a position that supports the new management structure as its core.</p>			

## (Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
4	 <p data-bbox="261 607 469 696">Kazuhiro Aigami (October 27, 1957)</p> <p data-bbox="261 730 469 790">Candidate for reappointment</p> <p data-bbox="261 824 469 884">Tenure as Director: 8 years</p> <p data-bbox="261 918 469 1137">Attendance at Board of Directors' meetings during the current fiscal year: 16/16 (100%)</p>	<p data-bbox="491 315 1264 376">Apr. 1990 Joined Kenwood Corporation (currently JVCKENWOOD Corporation)</p> <p data-bbox="491 376 1264 405">Apr. 2007 General Manager, Communications Div.</p> <p data-bbox="491 405 1264 434">Jun. 2007 Managing Operating Officer</p> <p data-bbox="491 434 1264 495">Jun. 2008 Director of the Board &amp; Senior Managing Operating Officer, General Manager</p> <p data-bbox="491 495 1264 607">Jun. 2009 President and Representative Director of the Board of Kenwood Corporation Director of the Board of JVCKENWOOD Holdings, Inc.</p> <p data-bbox="491 607 1264 696">Jun. 2010 Director of the Board, Senior Vice President &amp; Executive Officer of JVCKENWOOD Holdings, Inc.</p> <p data-bbox="491 696 1264 884">May 2011 Director of the Board, Senior Executive Vice President &amp; Executive Officer, General Executive of Strategic Marketing Planning Division, Chief Operating Officer (COO) of Professional Systems Business Group of JVCKENWOOD Holdings, Inc.</p> <p data-bbox="491 884 1264 1095">Jun. 2011 Director of the Board, Senior Executive Vice President &amp; Executive Officer, General Executive of Strategic Marketing Planning Division, Assistant to CRO, Chief Operating Officer (COO) of Professional Systems Business Group of JVCKENWOOD Holdings, Inc.</p> <p data-bbox="491 1095 1264 1328">Jun. 2013 Director of the Board, Senior Executive Vice President &amp; Executive Officer, in charge of Professional System Segment, General Executive of Corporate Planning &amp; Production Strategy Division, General Executive of Procurement Strategy Division, General Executive of Emerging Market Planning Division of JVCKENWOOD Corporation</p> <p data-bbox="491 1328 1264 1417">May 2014 Representative Director of the Board, Executive Officer, Regional CEO (America) of JVCKENWOOD Corporation</p> <p data-bbox="491 1417 1264 1529">Oct. 2014 Representative Director of the Board, Executive Officer, Regional CEO (America) of JVCKENWOOD Corporation, President of JVCKENWOOD USA Corporation</p> <p data-bbox="491 1529 1264 1641">Apr. 2016 Director of the Board, Executive Officer, Public Services Sector Representative, Regional CEO (America) of JVCKENWOOD Corporation</p> <p data-bbox="491 1641 1264 1753">Jun. 2016 Representative Director of the Board, Executive Vice President, Chief Operating Officer (COO) - Public Service Sector, COO Americas of JVCKENWOOD Corporation</p> <p data-bbox="491 1753 1264 1888">Apr. 2017 Representative Director of the Board, Executive Vice President, Chief Operating Officer (COO) - Public Service Sector of JVCKENWOOD Corporation (current position)</p> <p data-bbox="491 1888 1264 2000">&lt;Current responsibilities&gt; Representative Director of the Board, Executive Vice President, Chief Operating Officer (COO) - Public Service Sector of JVCKENWOOD Corporation</p> <p data-bbox="491 2000 1264 2063">&lt;Important concurrent duties&gt; Not applicable</p>	91,480

(Translation)

	<b>Reasons for selecting him as a candidate for director</b>
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	<p>The Company proposes to elect Mr. Kazuhiro Aigami as a director and expects that his extensive experience, knowledge, professional views and personal relationships related to the Company's business that were obtained through his work abroad and in the public service sector of the Group, as well as his corporate management experience as the Company's director and executive officer, will be utilized, and that he will continue to be active in a position that supports the new management structure as its core.</p>
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## (Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
5	 <p data-bbox="272 611 453 696">Masaki Imai (December 10, 1952)</p> <p data-bbox="301 730 424 790">First-time Candidate</p> <p data-bbox="264 824 461 884">Tenure as Director: – years</p> <p data-bbox="264 918 461 1137">Attendance at Board of Directors' meetings during the current fiscal year: – / – (–%)</p>	<p data-bbox="491 315 1158 376">Mar. 1976 Joined Trio Electronics, Inc. (currently JVCKENWOOD Corporation)</p> <p data-bbox="491 376 1238 490">Jan. 1998 General Executive of Business Management Department, Home Audio Division, Kenwood Corporation (currently JVCKENWOOD Corporation)</p> <p data-bbox="491 490 1182 551">Apr. 2001 General Executive of President's Office, Manager of Corporate Planning Section</p> <p data-bbox="491 551 1123 611">Oct. 2002 General Executive of Consolidated Management Division</p> <p data-bbox="491 611 1187 696">Aug. 2003 Car Electronics Division Representative Director of the Board of Shanghai Kenwood Electronics Co., Ltd.</p> <p data-bbox="491 696 1155 757">Oct. 2005 General Executive of Corporate Audit Department</p> <p data-bbox="491 757 1246 875">Apr. 2007 Assistant to General Executive of Car Electronics OEM Division, Senior Manager of Business Promotion Department, Car Electronics OEM Division</p> <p data-bbox="491 875 1251 1025">Jun. 2009 General Executive of Corporate Planning Department, Senior Manager of Management Group, Corporate Planning Department, J&amp;K Car Electronics Corporation (currently JVCKENWOOD Corporation)</p> <p data-bbox="491 1025 1251 1176">Jun. 2010 Director of the Board, General Manager of Corporate Planning Department, General Executive of Entertainment Software Division, Victor Company of Japan, Limited (currently JVCKENWOOD Corporation)</p> <p data-bbox="491 1176 1262 1467">May 2011 Assistant to General Executive of Strategic Corporate Planning Division, COO of Soft Entertainment Business Group of JVC KENWOOD Holdings, Inc. (currently JVCKENWOOD Corporation) Director of the Board, Assistant to President and General Executive of Entertainment Software Division of Victor Company of Japan, Limited (currently JVCKENWOOD Corporation)</p> <p data-bbox="491 1467 1235 1644">Jul. 2012 Senior Vice President &amp; Executive Officer, General Executive of Corporate Planning &amp; Production Strategy Planning Division, General Executive of the Human Resources Management Division of JVCKENWOOD Corporation,</p> <p data-bbox="491 1644 1235 1762">Apr. 2015 Senior Vice President &amp; Executive Officer, Chief Risk Officer (CRO), General Executive of Corporate Management Division of JVCKENWOOD Corporation</p> <p data-bbox="491 1762 1251 1881">Apr. 2017 Senior Managing Executive Officer, Chief Administration Officer (CAO), Chief Strategy Officer (CSO) of JVCKENWOOD Corporation (current position)</p> <p data-bbox="491 1881 1251 2000">&lt;Current responsibilities&gt; Senior Managing Executive Officer, Chief Administration Officer (CAO), Chief Strategy Officer (CSO) of JVCKENWOOD Corporation</p> <p data-bbox="491 2000 852 2054">&lt;Important concurrent duties&gt; Not applicable</p>	39,090

(Translation)

	<p><b>Reasons for selecting him as a candidate for director</b></p> <p>The Company proposes the election of Mr. Masaki Imai as a director and expects that his extensive experience, knowledge, professional views and personal relationships related to the Company's business that were obtained through his work in the media service sector, automotive sector, at both domestic and overseas offices and in the corporate division of the Group, as well as his corporate management experience as the Company's executive officer, will be utilized, and that he will be active in a position that supports the new management structure as its core.</p>
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## (Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
6	 <p data-bbox="260 607 466 674">Yasuyuki Tanida (May 8, 1966)</p> <p data-bbox="260 696 466 763">Candidate for reappointment</p> <p data-bbox="260 786 466 853">Tenure as Director: 2 years</p> <p data-bbox="260 875 466 1111">Attendance at Board of Directors' meetings during the current fiscal year: 16/16 (100%)</p>	<p data-bbox="491 315 1267 371">Apr. 1989 Joined Victor Company of Japan, Limited (currently JVCKENWOOD Corporation)</p> <p data-bbox="491 371 1267 461">Apr. 2008 Engineering Manager of Camcorder Category, Mobile AV Business Group, Victor Company of Japan, Limited</p> <p data-bbox="491 461 1267 517">Jun. 2009 Engineering Manager of Imaging, Digital Imaging Division</p> <p data-bbox="491 517 1267 551">Oct. 2010 Manager of Product Design, Imaging Division</p> <p data-bbox="491 551 1267 607">Jun. 2011 Engineering Executive of Home &amp; Mobile ("HM")</p> <p data-bbox="491 607 1267 696">Oct. 2011 Engineering Executive of HM, HM Electronics Business Group of JVCKENWOOD Corporation</p> <p data-bbox="491 696 1267 842">Jul. 2013 General Manager of Sensing Device Business Operation, i-ADAS Business Taskforce, Deputy General Executive of Engineering, Imaging Division of JVCKENWOOD Corporation</p> <p data-bbox="491 842 1267 965">Oct. 2013 Co-leader of New Imaging Business Development Task Force, Deputy General Executive of Engineering, Imaging Division of JVCKENWOOD Corporation</p> <p data-bbox="491 965 1267 1088">May 2014 Senior Vice President &amp; Executive Officer, Co- leader of New Imaging Business Development Task Force, Head of Optical &amp; Audio Segment of JVCKENWOOD Corporation</p> <p data-bbox="491 1088 1267 1211">Apr. 2015 Senior Vice President &amp; Executive Officer, Head of Optical &amp; Audio Segment, Deputy Leader of i-ADAS Business Taskforce of JVCKENWOOD Corporation</p> <p data-bbox="491 1211 1267 1335">Jun. 2015 Director of the Board, Executive Officer, Chief Innovation Officer (CIO), Assistant to COO (Automotive Sector) of JVCKENWOOD Corporation</p> <p data-bbox="491 1335 1267 1458">Nov. 2015 Director of the Board, Executive Officer, Chief Innovation Officer (CIO), in charge of the Automotive Sector of JVCKENWOOD Corporation</p> <p data-bbox="491 1458 1267 1581">Apr. 2016 Director of the Board, Executive Officer, Automotive Sector Representative, Chief Innovation Officer (CIO) of JVCKENWOOD Corporation</p> <p data-bbox="491 1581 1267 1704">Jul. 2016 Director of the Board, Managing Executive Officer, Chief Technology Officer (CTO), General Manager of Technology &amp; Manufacturing Strategy Division of JVCKENWOOD Corporation</p> <p data-bbox="491 1704 1267 1850">Apr. 2017 Director of the Board, Managing Executive Officer, Chief Operating Officer (COO) - Media Service Sector, Chief Technology Officer (CTO), General Manager, R&amp;D Department of JVCKENWOOD Corporation (current position)</p> <p data-bbox="491 1850 1267 1883">&lt;Current responsibilities&gt;</p> <p data-bbox="491 1883 1267 2007">Director of the Board, Managing Executive Officer, Chief Operating Officer (COO) - Media Service Sector, Chief Technology Officer (CTO), General Manager, R&amp;D Department of JVCKENWOOD Corporation</p> <p data-bbox="491 2007 1267 2040">&lt;Important concurrent duties&gt;</p> <p data-bbox="491 2040 1267 2063">Not applicable</p>	27,100

(Translation)

	<p><b>Reasons for selecting him as a candidate for director</b></p> <p>The Company proposes to elect Mr. Yasuyuki Tanida as a director and expects his extensive experience, knowledge, professional views and personal relationships related to the Company's business that were obtained through his work in the media service sector and the automotive sector of the Group, as well as his corporate management experience as director and executive officer, will be utilized, and that he will continue to be active in a position that supports the new management structure.</p>
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## (Translation)


No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
7	 <p data-bbox="260 607 466 696">Masatoshi Miyamoto (March 16, 1963)</p> <p data-bbox="260 730 466 790">First-time Candidate</p> <p data-bbox="260 824 466 884">Tenure as Director: – years</p> <p data-bbox="260 918 466 1137">Attendance at Board of Directors' meetings during the current fiscal year: – / – (–%)</p>	<p data-bbox="491 315 1264 376">Apr. 1986      Joined Trio Electronics, Inc. (currently JVCKENWOOD Corporation)</p> <p data-bbox="491 376 1264 461">Oct. 2002      Head of Finance Planning Office, Finance Department of Kenwood Corporation (currently JVCKENWOOD Corporation)</p> <p data-bbox="491 461 1264 521">Jan. 2004      General Executive of Business Development Department, Car Electronics Business Division</p> <p data-bbox="491 521 1264 582">Jun. 2007      Director and President, Kenwood Electronics Trading (Shanghai) Co., Ltd.</p> <p data-bbox="491 582 1264 667">Feb. 2010      Representative Director, Victor Interior Furniture Co., Ltd. (currently JVCKENWOOD Interior Furniture Corporation)</p> <p data-bbox="491 667 1264 846">Jun. 2011      General Manager, Business Planning Division, Home &amp; Mobile Electronics Business Group of JVC KENWOOD Holdings, Inc. (currently JVCKENWOOD Corporation) Representative Director, Victor Interior Furniture Co., Ltd.</p> <p data-bbox="491 846 1264 1111">Jun. 2012      Operating Officer of Home &amp; Mobile Electronics Business Group, General Executive of Sound &amp; Acoustic Division, General Executive of AV Communications Operation, Sound &amp; Acoustic Division of JVCKENWOOD Corporation President of Kenwood Home Electronics Corporation (currently JVCKENWOOD Corporation, the same shall apply hereinafter)</p> <p data-bbox="491 1111 1264 1261">Jun. 2013      Operating Officer, General Executive of Audio Division, Emerging Market Planning Division, of JVCKENWOOD Corporation President of Kenwood Home Electronics Corporation</p> <p data-bbox="491 1261 1264 1408">May 2014      Senior Vice President &amp; Executive Officer, Head of Car Electronics Segment of JVCKENWOOD Corporation President of Kenwood Home Electronics Corporation</p> <p data-bbox="491 1408 1264 1494">Jul. 2014      Senior Vice President &amp; Executive Officer, Head of Car Electronics Segment of JVCKENWOOD Corporation</p> <p data-bbox="491 1494 1264 1619">Jul. 2015      Senior Vice President &amp; Executive Officer, General Executive of Finance &amp; Accounting Division, Assistant to COO (Automotive Direct Marketing) of JVCKENWOOD Corporation</p> <p data-bbox="491 1619 1264 1704">Jul. 2016      Senior Vice President &amp; Executive Officer, General Executive of Finance &amp; Accounting Division of JVCKENWOOD Corporation</p> <p data-bbox="491 1704 1264 1792">Apr. 2017      Managing Executive Officer, Chief Financial Officer (CFO) of JVCKENWOOD Corporation (current position)</p> <p data-bbox="491 1792 1264 1883">&lt;Current responsibilities&gt; Managing Executive Officer, Chief Financial Officer (CFO) of JVCKENWOOD Corporation</p> <p data-bbox="491 1883 1264 1942">&lt;Important concurrent duties&gt; Not applicable</p>	25,300

(Translation)

	<p><b>Reasons for selecting him as a candidate for director</b></p>
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	<p>The Company proposes the election of Mr. Masatoshi Miyamoto as a director and expects that his extensive experience, knowledge, professional views and personal relationships related to the Company's business that were obtained through his work in the media service sector, automotive sector, at both domestic and overseas offices and in the finance and accounting division of the Group, as well as his corporate management experience as the Company's executive officer, will be utilized, and that he will be active in a position that supports the new management structure.</p>
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(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
8	 <p>Junichi Hikita (January 16, 1949)</p> <p>Candidate for reappointment</p> <p>External Director</p> <p>Independent Director</p> <p>Tenure as Director: 5 years</p> <p>Attendance at Board of Directors' meetings during the current fiscal year: 16/16 (100%)</p>	<p>Mar. 1971      Joined Toyo Electronics Industry Corporation (currently ROHM Co., Ltd.)</p> <p>Jun. 1991      Director, General Manager of LSI Operations Headquarters</p> <p>Jun. 1993      Managing Director, General Manager of LSI Operations Headquarters</p> <p>Jun. 1997      Managing Director, General Manager of LSI Product Development Headquarters, ULSI Research and Development Headquarters, LSI Operations Headquarters, Modules Production Headquarters, and Discrete Devices Production Headquarters</p> <p>Jun. 1999      Managing Director, General Manager of LSI Product Development Headquarters, Advanced Research and Development Headquarters, LSI Operations Headquarters, and Administrative Headquarters</p> <p>Jan. 2008      Senior Corporate Adviser</p> <p>Jun. 2008      Established Hikita Consulting Co., Ltd., President and Representative Director of the said company (current position)</p> <p>Jun. 2012      External Director of JVCKENWOOD Corporation (current position)</p> <p>&lt;Important concurrent duties&gt; President and Representative Director of Hikita Consulting Co., Ltd.</p>	35,300
<p><b>Special notes on candidate for external director</b> Mr. Junichi Hikita is a candidate for external director prescribed under Article 2, paragraph 3, item 7 of the Ordinance for Enforcement of the Companies Act.</p> <p><b>Reasons for selecting him as a candidate for external director</b> The Company proposes to elect Mr. Junichi Hikita as an external director and expects his proper advice as a corporate manager and engineer based on his extensive experience, knowledge, professional views and personal relationships that were obtained through his work at and management of companies outside the Group, will be utilized in the Company's management, and that he will continue to be active in a position supervising the Company's management by providing advice and proposals to the Company as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.</p> <p><b>Tenure of office as external director of the Company since he took office</b> Mr. Hikita is currently an external director of the Company and his tenure of office as external director of the Company will be five (5) years at the conclusion of this General Meeting of Shareholders.</p> <p><b>Outline of the liability limitation agreement</b> The Company has concluded a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Hikita. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by laws and regulations, whichever is higher, when the external director has acted faithfully and without gross negligence. When the reappointment of Mr. Hikita is approved, the Company shall extend this agreement with him.</p>			

(Translation)

**Matters concerning independence**


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

ROHM Co., Ltd., which Mr. Hikita previously served in as an executive, and the Company currently have business relations regarding purchases and transactions. However, transactions of ROHM Co., Ltd. with the Company amounted to less than one (1) percent of the consolidated net sales of the Company or ROHM Co., Ltd. in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or ROHM Co., Ltd. In addition, he resigned as Senior Corporate Advisor of ROHM Co., Ltd. nine (9) years ago and currently has no relationship with the company. Although ROHM Co., Ltd. holds 31,400 shares of the Company, the number of shares held is considered to be small, the shares are not cross-held, and no mutual relationship exists between the Company and ROHM Co., Ltd. including donations and mutual dispatch of directors.

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

The Company provided notice on Mr. Hikita to the Tokyo Stock Exchange (TSE), Inc. as an independent director as appointed by the Company under the provisions of TSE. If Mr. Hikita's appointment is approved, the Company will continue to designate him as an independent director.

## (Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
9	 <p>Shinjiro Iwata (June 6, 1948)</p> <p>First-time Candidate</p> <p>Tenure as Director: – years</p> <p>Attendance at Board of Directors' meetings during the current fiscal year: – / – (–%)</p>	<p>Apr. 1972      Joined Hitachi, Ltd.</p> <p>Sep. 2001      CEO (Chief Executive Officer) of Hitachi Data Systems Corporation</p> <p>Oct. 2007      Executive Vice President of Hitachi Global Storage Technologies, Inc. (currently HGST, Inc.)</p> <p>Apr. 2009      Vice President and Executive Officer, CEO of Service &amp; Global Business, Information &amp; Telecommunication Systems Group of Hitachi, Ltd.</p> <p>Apr. 2011      Senior Vice President and Executive Officer, President &amp; CEO of Information &amp; Communication Systems Company</p> <p>Apr. 2013      Representative Executive Officer, Executive Vice President and Executive Officer CIO*<sup>1</sup> and CISO*<sup>2</sup> of Hitachi Group</p> <p>Jun. 2013      Outside Director of Hitachi Transport System, Ltd. Outside Director of Hitachi Kokusai Electric Inc. (Member of Nomination Committee, Compensation Committee)</p> <p>Jun. 2014      Retired from Outside Director of Hitachi Kokusai Electric Inc. Outside Director of Benesse Holdings, Inc.</p> <p>Oct. 2014      Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd. CIO*, CTrO*, and General Manager of Smart Transformation Project Initiatives Division</p> <p>Jun. 2015      Retired from Outside Director of Hitachi Transport System, Ltd. Chairman of the Board &amp; Director of Hitachi Koki Co., Ltd. (Outside Director)</p> <p>Apr. 2016      Adviser (part-time) of Hitachi, Ltd. (current position)</p> <p>Jun. 2016      Director of Hitachi Automotive Systems, Ltd. Director and Chairman (Outside Director) of Benesse Holdings, Inc. (current position) Chairman of the Board &amp; Director of Hitachi Koki Co., Ltd. Outside Director of the Board (Outside Director) Hitachi Transport System, Ltd. (current position)</p> <p>*<sup>1</sup> CIO (Chief Information Officer) *<sup>2</sup> CISO (Chief Information Security Officer) *<sup>3</sup> CTrO (Chief Transformation Officer)</p> <p>&lt;Important concurrent duties&gt; Director and Chairman of Benesse Holdings, Inc. Outside Director of the Board of Hitachi Transport System, Ltd. Adviser of Hitachi, Ltd.</p>	–
<p><b>Special notes on candidate for external director</b> Mr. Shinjiro Iwata is a candidate for external director prescribed under Article 2, paragraph 3, item 7 of the Ordinance for Enforcement of the Companies Act.</p>			

<p><b>Reasons for selecting him as a candidate for external director</b></p> <p>The Company proposes to elect Mr. Shinjiro Iwata as an external director and expects his proper advice as a corporate manager based on his extensive experience, knowledge, professional views and personal relationships in management, information &amp; communication area and automobile-related area of listed companies outside the Group, will be utilized in the Company's management, and that he will be active in a position supervising the Company's management by providing advice and proposals to the Company as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.</p>
<p><b>Tenure of office as external director of the Company since he took office</b></p> <p>Mr. Shinjiro Iwata is a first-time candidate for external director.</p> <p><b>Outline of the liability limitation agreement</b></p> <p>When Mr. Iwata's appointment is approved the Company will conclude a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Iwata. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by laws and regulations, whichever is higher, when the external director has acted faithfully and without gross negligence.</p>
<p><b>Matters concerning independence</b></p> <p>While Hitachi Transport System, Ltd., where Mr. Iwata concurrently holds office, is a business partner of the Company with regard to purchases, and Hitachi, Ltd., where Mr. Iwata concurrently holds office, is a business partner of the Company with regard to purchases and sales, the transactions amounted to less than one (1) percent of the consolidated net sales in the consolidated fiscal year under review of either the Company or each of these companies and do not fall under major transactions for any of the companies. No mutual relationship exists between these companies and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>In addition, no mutual relationship exists between Benesse Holdings, Inc., where Mr. Iwata concurrently holds office, and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>Moreover, while Hitachi Kokusai Electronic Inc. and Hitachi Automotive Systems, Ltd., where Mr. Iwata previously served as an executive, are business partners of the Company with regard to sales, the transactions amounted to less than one (1) percent of the consolidated net sales in the consolidated fiscal year under review and do not fall under major transactions for each of these companies and the Company.</p> <p>Additionally, no mutual relationship exists between Hitachi Data Systems Corporation and Hitachi Global Storage Technologies, Inc., where Mr. Iwata previously served as an executive, and the Company including donations, mutual dispatch of directors or shareholding.</p> <p>Furthermore, Mr. Iwata has never engaged in business execution as a business partner or principal shareholder of the Company while at Hitachi Data Systems Corporation, Hitachi Global Storage Technologies, Inc. (currently HGST, Inc.), Hitachi Koki Co., Ltd., and Hitachi Automotive Systems, Ltd.</p> <p>Furthermore, Mr. Iwata has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.</p> <p>If Mr. Iwata's appointment is approved, the Company will designate him as an independent director as stipulated in the provisions of the Tokyo Stock Exchange, Inc.</p>
<p><b>Concerning the candidate's service over the past five years as External Directors or External Auditors of other companies, records of inappropriate actions by these companies during the candidate's terms of office therein, steps taken by the candidate to prevent such inappropriate actions, or responses taken by the candidate to deal with such actions after their occurrence</b></p> <p>Benesse Corporation, a subsidiary of Benesse Holdings, Inc., at which Mr. Iwata holds a concurrent position as Outside Director since June 2014, received a recommendation from the Ministry of Economy, Trade and Industry in September 2014 with regard to violations of the Act on the Protection of Personal Information to take thorough measures for preventing recurrence of such violations. Since Mr. Iwata took office of Outside Director, he has made proposals from the viewpoint of compliance with the laws and regulations and compliance-oriented management as necessary, and called for improvement of internal controls in Benesse Holdings, Inc. as part of proposals for preventing recurrence, and has continued to fulfill his duties as Outside Director.</p>

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

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

**(Translation)**

**Proposal No. 2: Election of One (1) Audit & Supervisory Board Member**

The Company proposes the election of one (1) Audit & Supervisory Board Member, increasing the number of Audit & Supervisory Board Members by one to reinforce its audit system.

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

The candidates for Audit & Supervisory Board Member are as follows:

**(Reference)**

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

Candidate Name		Position (Planned)	Current Position
No election take place Full time	Takayoshi Sakamoto	Full-time Audit & Supervisory Board Member	Full-time Audit & Supervisory Board Member
First-time Candidate Full time	Satoshi Fujita	Full-time Audit & Supervisory Board Member	Adviser
No election take place External Independent	Shojiro Asai	Audit & Supervisory Board Member	Audit & Supervisory Board Member
No election take place External Independent	Nagaaki Ohyama	Audit & Supervisory Board Member	Audit & Supervisory Board Member

(Translation)

Name (Date of Birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
 <p>Satoshi Fujita (April 16,1960)</p> <p>First-time Candidate</p> <p>Full-time Audit &amp; Supervisory Board Member</p> <p>Tenure as Director: 1 year in total</p> <p>Tenure as Audit &amp; Supervisory Board Member: – years</p> <p>Attendance at Board of Directors' meetings during the current fiscal year: – / – (–%)</p> <p>Attendance at Audit &amp; Supervisory Board meetings during the current fiscal year: – / – (–%)</p>	<p>Apr. 1984    Joined The Saitama Bank, Ltd. (currently Resona Bank, Limited)</p> <p>Jul. 2003    Manager of Tarumi Branch Office, Resona Bank, Limited</p> <p>Jul. 2005    Group Leader, Product Planning Division, Resona Holdings, Inc.</p> <p>Mar. 2007    Joined Kenwood Corporation (currently JVCKENWOOD Corporation), General Manager of Financial and Accounting Division</p> <p>Oct. 2008    General Manager, Financial Affairs of the Strategic Finance and Accounting Division of JVC KENWOOD Holdings, Inc. (currently JVCKENWOOD Corporation)</p> <p>Jun. 2009    General Executive of Strategic Finance &amp; Accounting Division</p> <p>Jun. 2010    Senior Vice President &amp; Executive Officer, General Executive of Strategic Finance &amp; Accounting Division</p> <p>May 2011    Senior Vice President &amp; Executive Officer, Chief Financial Officer (CFO), General Executive of Strategic Finance &amp; Accounting Division</p> <p>Jun. 2012    Director of the Board, Senior Vice President &amp; Executive Officer, Chief Financial Officer (CFO), General Executive of Strategic Finance &amp; Accounting Division of JVCKENWOOD Corporation</p> <p>Jun. 2013    Senior Vice President &amp; Executive Officer, General Executive of Strategic Finance &amp; Accounting Division, General Executive of Finance &amp; Accounting Division of JVCKENWOOD Corporation</p> <p>Jun. 2015    Executive Officer, Chief Financial Officer (CFO) of JVCKENWOOD Corporation</p> <p>Jun. 2016    Senior Managing Executive Officer, Chief Financial Officer (CFO) of JVCKENWOOD Corporation</p> <p>Apr. 2017    Adviser of JVCKENWOOD Corporation (current position)</p> <p>&lt;Important concurrent duties&gt; Not applicable</p>	53,800
<p><b>Reasons for selecting him as a candidate for audit &amp; supervisory board member</b></p> <p>The Company proposes the election of Mr. Satoshi Fujita as an Audit &amp; Supervisory Board Member and expects that he will be active in a position auditing the Company's management by utilizing his experience of being engaged in the Group's management to provide appropriate advice in the Company's Board of Directors and the Audit &amp; Supervisory Board, leveraging his extensive experience, knowledge, professional views and personal relationships obtained through his work in the banking business, and his knowledge in finance and accounting based on his experience of being in charge of the Group's finance and accounting division for approximately 10 years.</p>		

Note to the candidate:

1. There are no conflicts of interest between the candidate and the Company.




(Translation)

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

The Company requests approval for the election of one (1) substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations.

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

The candidate for a substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
 <p>Akihiko Washida (November 5, 1942)</p> <p>Candidate for reappointment</p> <p>Substitute External Audit &amp; Supervisory Board Member</p> <p>Tenure as Audit &amp; Supervisory Board Member: 7 years and 9 months (till June 2016)</p> <p>Attendance at Board of Directors' meetings during the current fiscal year: 4/4 (100%) (from April till June 2016)</p> <p>Attendance at Audit &amp; Supervisory Board meetings during the current fiscal year: 4/4 (100%) (from April till June 2016)</p>	<p>May 1992 Deputy President, Management Strategy, General Strategy Group, Sony Corporation</p> <p>Aug. 1994 Vice President of Consumer A.V. Company, and Manager of Business Administration of General Strategy Group, Sony Corporation</p> <p>Apr. 1996 Senior Vice President of Semiconductor Company, Sony Corporation</p> <p>Jul. 1998 General Manger, Audit Department, Sony Corporation</p> <p>Feb. 2003 Executive Officer, Business Promotion Division, Mitsui High-tec. Inc.</p> <p>Feb. 2004 Manager of Strategic Corporate Planning Division, Mitsui High-tec, Inc.</p> <p>Jun. 2006 External Corporate Auditor of Kenwood Corporation (currently JVCKENWOOD Corporation)</p> <p>Dec. 2007 External Corporate Auditor of Cool.revo Inc.</p> <p>Oct. 2008 External Audit &amp; Supervisory Board Member of JVCKENWOOD Corporation</p> <p>Jun. 2016 Retired from External Audit &amp; Supervisory Board Member of JVCKENWOOD Corporation</p> <p>&lt;Important concurrent duties&gt; Not applicable</p>	<p>32,230</p>

**Special notes on candidate for substitute external Audit & Supervisory Board Member**

Mr. Akihiko Washida is a candidate for a substitute external Audit & Supervisory Board Member.

**Reasons for selecting him as a candidate for substitute external Audit & Supervisory Board Member**

The company proposes to elect Mr. Akihiko Washida as a substitute external Audit & Supervisory Board Member and expects that, in the case where he is elected as an external Audit & Supervisory Board Member, he will be active in a position auditing the Company's management by utilizing his extensive experience, knowledge, professional views and personal relationships obtained through his work at and management of companies outside the Group as well as his experience in carrying out audits as the

**(Translation)**

Group's external Audit & Supervisory Board Member, and by providing proper advice and proposals, including those as a corporate manager and in the business management field, at the Board of Directors and the Audit & Supervisory Board as an objective third party, separate from the Group.

**Outline of the liability limitation agreement**

In the case where he is elected as an external Audit & Supervisory Board Member, the Company will conclude a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Washida. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by law, whichever is higher, when the external Audit & Supervisory Board Member has acted faithfully and without gross negligence.

**Matters concerning independence**

No mutual relationship exists between Mitsui High-tec, Inc. and Cool.revo Inc., both of which he previously served in as an executive, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding. In addition, although Sony Corporation, where he previously served as an executive, has had business relations with the Company from the past to present regarding purchases through distributors, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company or Sony Corporation in each of the consolidated fiscal year from the past to the fiscal year under review, and do not fall under major transactions for either the Company or the firm. Mr. Washida resigned from Sony Corporation more than 10 years ago and currently has no relationship with the company. In addition, no mutual relationship exists between Sony Corporation and the Company including donations, mutual dispatch of directors or shareholding.

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

In the case where he is actually elected as an Audit & Supervisory Board Member, the Company shall designate him as an independent auditor as stipulated in the provisions of the Tokyo Stock Exchange (TSE), Inc. and notify the TSE of that designation.

Notes to the candidate:

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

**(Translation)**

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

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

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

The status of a person(s) who is reported to the Tokyo Stock Exchange, Inc. as being an independent director(s)/auditor(s) by the issuer of a listed domestic stock pursuant to the provisions of Rule 436-2 "Handling of the Securing of Independent Director(s)/Auditor(s)" of the Enforcement Rules for Securities Listing Regulations when such person falls under any of the following a. to d.;

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

(Translation)

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

**BUSINESS REPORT**  
(From April 1, 2016 to March 31, 2017)

**1. Matters Concerning the Current Situation of the Group**

**[1] Course of Business and the Results**

As described in the "Notice Regarding Corrections to Earnings Results of the Company" announced on January 31, 2017 and in accordance with the Financial Instruments and Exchange Act, the Group revised the results from the third quarter of the fiscal year ended March 2012 (from April 1, 2011 to March 31, 2012) until the second quarter of the fiscal year ended March 2017 (from April 1, 2016 to March 31, 2017). In this business report, non-consolidated financial statements and consolidated financial statements, the cumulative effect of the above corrections to the previous fiscal years' results has been handled in accordance with the consolidated statement of changes in shareholders' equity and statement of changes in shareholders' equity for the fiscal year, based on the Companies Act. Accordingly, the amounts of profit or loss in the previous fiscal years are different from those stated in annual securities reports, etc. For details, see [9] Transition of Assets and Profit & Loss.

Looking at the global economy during the fiscal year under review, the U.S. economy saw moderate growth in corporate earnings and personal consumption on the back of an upturn in employment. Meanwhile, there was a sense of uncertainty about the feasibility of various policies rolled out by the new administration since its inauguration. In Europe, there was temporary turmoil in the financial markets caused by factors including the UK's exit from the European Union, but the economy was on an expansionary trend, driven by an increase in personal consumption due to the effects of the easy monetary policy implemented by the European Central Bank. Meantime, growing tensions surrounding North Korea and Syria cast shadows over the international situation, which fueled uncertainty over the global economy. In Japan, consumer confidence fell into a lull due to the yen's rapid appreciation in the first half of the fiscal year under review, which led to sluggish consumption. But the yen turned around and started to depreciate from the third quarter. As a result, Japan's economy showed a modest recovery.

Under these circumstances, net sales of the JVCKENWOOD Group for the fiscal year under review increased from the previous fiscal year, despite the effects of foreign exchange fluctuations, due to higher sales in the Automotive Sector and the Media Service Sector. Profits and losses of the Group as a whole were affected by factors that were within our period-start projection, such as foreign exchange fluctuations and higher retirement benefit expenses. However, profit increased in the Automotive Sector and the Media Service sector. As a result, operating income increased from the previous fiscal year. In addition, ordinary income surged from the previous fiscal year, due to the growth in operating income and an improvement in non-operating income/loss. On the other hand, net income attributable to owners of parent fell to a net loss, due primarily to an extraordinary loss recorded for the fiscal year under review.

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

		1 <sup>st</sup> Quarter (from April 1, 2016 to June 30, 2016)	2 <sup>nd</sup> Quarter (from July 1, 2016 to September 30, 2016)	3 <sup>rd</sup> Quarter (from October 1, 2016 to December 31, 2016)	4 <sup>th</sup> Quarter (from January 1, 2017 to March 31, 2017)
Profit-and-loss exchange rates	U.S. dollar	approx. 108 yen	approx. 102 yen	approx. 109 yen	approx. 114 yen
	Euro	approx. 122 yen	approx. 114 yen	approx. 118 yen	approx. 121 yen
FY2015 (Reference)	U.S. dollar	approx. 121 yen	approx. 122 yen	approx. 121 yen	approx. 115 yen
	Euro	approx. 134 yen	approx. 136 yen	approx. 133 yen	approx. 127 yen

**\* Consolidated Net Sales**

Net sales for the fiscal year under review increased about 7,100 million yen, or 2.4%, year-on-year to 299,278 million yen, despite the effects of exchange rate fluctuations.

Sales in the Automotive Sector increased from the previous fiscal year, reflecting higher sales in the OEM Business resulting from increased sales of dealer-installed option products, among other factors. Meanwhile, sales in the Public Service Sector decreased from the previous fiscal year due primarily to lower sales in the Communication Systems Business and the Professional Systems Business, which is operated mainly by JVCKENWOOD Public & Industrial Systems Corporation ("JKPI"), compared with a

**(Translation)**

year ago. Meantime, sales in the Media Service Sector increased due to higher sales in the Entertainment Business, reflecting strong sales of content.

Excluding the effects of foreign exchange fluctuations, net sales for the fiscal year under review grew about 9% year-on-year.

**\* Consolidated Operating Income**

Operating income for the fiscal year under review increased about 1,300 million yen, or 28.6%, year-on-year to 5,781 million yen.

Operating income in the Automotive Sector grew sharply. This is because the Consumer Business enjoyed strong sales of Saisoku-Navi, an SSD-type of AV car navigation system, and dashcams in the domestic market, as well as healthy sales of audio and multimedia products in overseas markets. In addition, the OEM Business saw growth in sales of dealer-installed option products. In the Public Service Sector, profits decreased from the previous fiscal year, reflecting the lower profit recorded in the Professional Systems Business, despite an increase in profit in the Communication Systems Business. The Media Service Sector as a whole achieved a profit increase, due to a sharp profit increase in the Entertainment Business.

**\* Consolidated Ordinary Income**

Ordinary income for the fiscal year under review improved about 2,300 million yen, or 180.0%, year-on-year to 3,616 million yen because non-operating income/loss improved, due mainly to higher net financial income, coupled with the increase in operating income.

**\* Consolidated Net Income Attributable to Owners of Parent**

Net income attributable to owners of parent for the fiscal year under review declined about 10,100 million yen from the previous fiscal year to a net loss of 6,727 million yen, despite the increase in ordinary income, reflecting the recording of extraordinary loss for the fiscal year under review.

(Translation)

### \*Automotive Sector

#### Net Sales

In the Consumer Business, sales of Saisoku-Navi series car navigation systems and dashcams were strong in the domestic market. However, sales in overseas markets were negatively affected by foreign exchange fluctuations. As a result, net sales in the Consumer Business declined from a year ago.

In the OEM Business, net sales increased from the previous fiscal year, due mainly to a sharp increase in sales of dealer-installed option products.

#### Operating Income

In the Consumer Business, operating income for the fiscal year under review increased from a year ago, due mainly to improved product mix as a result of strong sales of Saisoku-Navi series car navigation systems and dashcams in the domestic market, despite the negative impact of foreign exchange fluctuations in overseas markets.

In the OEM Business, an operating loss was recorded in i-ADAS\*-related business. However, the operating loss for the fiscal year under review decreased significantly from a year ago, reflecting the sharp increase in sales of dealer-installed option products.

\*Standing for innovative Advanced Driver Assistance System, i-ADAS is a registered trademark of JVCKENWOOD.

### Topics

In the consumer business of car navigation systems, we market them solely under KENWOOD brand in Japan, and our Saisoku-Navi series, developed by integrating the technologies of the former Victor Company of Japan, Limited and Former Kenwood Corporation, have won a big market. We have released the first high-resolution audio model in the industry for the series and, thanks to its popularity, our car navigation systems for consumer market increased both sales volume and market share in a gradually declining market. In addition, despite being the last market entrant, we launched our dashcams in December 2014, and achieved top share in the market, owing to the additionally installed driver assistance functions as well as the high resolution images that we are able to provide by leveraging the technology and knowhow of our video cameras.

Looking ahead, we will proceed with our sales strategies tailored to suit each country's market in Japan and overseas. As part of these measures, our dashcams, which have proven popular in Japan, will be sold overseas, by both expanding them in existing markets and launching them on new markets. In addition, we will enhance our lineup of Apple Carplay and Android Auto™compatible display audios that allow seamless connection with smartphones, further expand our market share by strengthening our Saisoku-Navi lineup of products, and conducting full-scale launches of in-vehicle cameras.

In the OEM business, we are leveraging the strong acceptance of the Saisoku-Navi lineup and dashcams we have been developing in the consumer market in Japan and the cooperation with partner companies to obtain large orders from major Japanese automobile manufacturers in the Dealer-Installed Option Business.

Looking ahead, we aim to expand our business in the Dealer-Installed Option Business by maintaining and growing our share in Japan while developing our business overseas, particularly in Asia. In the Factory-Installed Equipment Business, while aiming to secure new orders mainly for display audios, we will strive to develop and secure orders for the next-generation digital cockpit system (e-meters, e-mirrors, head-up displays, etc.), which are expected to grow in the future.

(Translation)

**\*Public Service Sector**

Net Sales

Net sales in the Communication Systems Business decreased from the previous fiscal year, due to the effects of foreign exchange fluctuations, despite strong sales of professional radio systems. Net sales in the Professional Systems Business, operated mainly by JKPI, declined from a year ago, reflecting a drop in demand in some markets.

Operating income

In the Communication Systems Business, operating income increased from the previous fiscal year, despite a decrease in sales, due largely to reductions in the fixed costs of U.S. communication systems subsidiaries.

In the Professional Systems Business, operating income decreased from the previous fiscal year, due primarily to the effects of the aforementioned drop in sales.

**Topics**

**A capital and business alliance with a U.S. professional wireless LTE smartphone system company**

There is rapidly rising demand for new solutions utilizing not only voice communication but also image and video transmissions in mission-critical professional wireless systems for public safety agencies, including police, fire departments and EMS.

As for professional wireless systems for the private sector, there is a new market for simultaneous broadcast communication for professional wireless systems (PoC\*) using the mobile phone network, and the expectation for solutions that enable image and video transmission is increasing. In this market environment, in order to strengthen our efforts to improve professional broadband wireless solutions, we entered into a capital and business alliance with American company Sonim Technologies, Inc. (hereafter "Sonim Inc."), which leads the industry with its robust professional LTE smartphone systems.

We are working together with our communication systems subsidiaries in the U.S., EF Johnson Technologies, Inc. and Zetron, Inc. to strengthen our proposed wireless integrated systems, and by incorporating Sonim Inc.'s technology we will continue to develop a wide range of broadband wireless solutions. Also, our collaboration with Sonim Inc. will enable us to provide useful solutions such as security video surveillance, management systems to track employees, and face recognition data analysis. Through these efforts, we aim to build new business models, such as service billing.

\*An abbreviation for Push-to-talk over Cellular, a service that uses the mobile phone network to enable simultaneous broadcast communication for professional wireless systems.

(Translation)

## \*Media Service Sector

### Net Sales

In the Media Business, net sales decreased from the previous fiscal year, affected by lower sales of professional video cameras, reflecting the impact of exchange rate fluctuations, and a decline in sales of consumer video cameras in the Japanese market because a series of earthquakes that hit Kumamoto on and after April 14, 2016 disrupted the supply of parts.

In the Entertainment Business, net sales increased from the previous year in the business as a whole, due to strong content sales, despite the effects of a decrease in sales resulting from the relocation of the subsidiary JVCKENWOOD Creative Media Corporation, a contract production service provider for package media such as CD, DVD, and Blu-ray products.

### Operating Income

In the Media Business, operating income decreased, due mainly to the effects of the drop in sales.

In the Entertainment Business, operating income grew sharply, due largely to strong content sales.

## Topics

### New development of EXOFIELD out-of-head localization sound field processing technology

Using various sound field processing technologies we have cultivated until now, we have newly developed "EXOFIELD" out-of-head localization sound field processing technology that enables reproduction of a sound field and localization of sound images created by speakers in a listening room when listening with headphones (19 related patents are pending).

With the penetration of digital audio players and smartphones, more and more people are listening to music through headphones. However, sound transmitted to users through their right and left ears over conventional headphones is localized inside their heads. Thus, conventional headphones had a weakness in reproducing a spatial sound field and localization of sound images users experience when listening to music on speaker.

EXOFIELD uses sound field processing based on measurement of various acoustic characteristics including personal characteristics and excels at reproducing the depth and sense of distance of sound images, notably of those localized to the center position of sound images, which could not be achieved well with the general conventional out-of-head localization technology. As a result, the new technology creates a realistic sound field effect even when listening with headphones, as if the user is listening to music on speakers. Also, EXOFIELD brings natural listening to users who experience a sense of oppression with headphones because it doesn't feel as though the sound is coming from right next to the ear. In addition, multichannel sound source playback is supported and stereo sound-field headphone playback, like for home theater or VR (virtual reality), is also possible.

We have launched our first release of products called "WiZMUSIC," an unprecedented and innovative sound-field property customizable service that enables listeners to enjoy a sound-field effect that is optimally adjusted to fit each listener's ears, face shape, etc. and to get reproduction of a sound field achieved in speaker listening even with headphones. It is being released under the newly revived Victor brand as "products to commemorate 90 years since Victor's foundation"

<For inquiries specific to WiZMUSIC, please contact the following.>

TEL: 0120-228-554 (free dial in Japan)

URL: [www.wizmusic.jp/](http://www.wizmusic.jp/)

## [2] Issues to be Addressed

In order to realize "Vision 2020," the Group will continue working to expand its existing businesses. We will also apply the superior technologies and know-how we have accumulated in video, sound, and communications, to promising sectors with social significance, including the automotive and healthcare sectors. We will also look ahead to the issues that customers face and continuously offer cutting-edge solutions as a partner in resolving issues, moving forward boldly with new growth strategies and engaging in our next leap forward.

### (1) Automotive Sector

In the Consumer Business, we are continually working to expand our presence amid a severe environment, through means including the maintenance of domestic car navigation system demand and the creation of markets for dashcams.

Looking ahead, we will continue to sustain and increase our share through the introduction of the strong-selling Saisoku-Navi and new dashcam products and through sales channel expansion, and will work to accelerate the overseas rollout of dashcams.

In the OEM Business, we have acquired orders for dealer-installed option products business above expectations, and are entering the full-scale harvesting period following upfront investment. The digital



**(Translation)**

cockpit system that we have been developing as a next-generation business in the Factory-installed Option Business has been adopted by McLaren Automotive from the U.K.

Looking ahead, we will work to further increase income from dealer-installed option products through the expansion of car navigation systems to new customers and dashcam sales, and will work to acquire orders in the Factory-installed Option Business, centered on display audio and ADAS.

**(2) Public Service Sector**

Despite slowness in the recovery of new orders in communications system subsidiaries in the U.S., the backlog of orders is expanding in the Communications Systems Business. In addition, amid the lengthening of the effects of macroeconomic factors beyond expectations, the Terminals Business remains robust, with an increase in income if exchange rate effects are excluded. Looking ahead, we will make full-scale efforts to expand system orders and introduce new device products, centered on our U.S. communications subsidiaries. We will also enter the IP radio system sector through a capital and business tie-up with Sonim Technologies.

The Professional Systems Business is beginning to achieve orders for new solutions systems, despite the impact of declining demand in some markets.

Looking ahead, we aim to expand orders through strengthened solution proposal capabilities under an organization that integrates sales and engineering.

**(3) Media Service Sector**

In the Media Business, we are steadily making a shift to cutting-edge products and services in the consumer products sector. At the same time, in the solutions sector, we are working to provide new products and services amid a severe competitive environment.

Looking ahead, we will maintain the robust consumer sector and will strengthen our competitiveness in the solutions business, making the introduction of new projectors and professional video cameras as a starting point. In addition, we will carry out business development utilizing the Company's brand assets, such as special anniversary models and a redefinition of the Victor brand.

The Entertainment Business increased income significantly in the consolidated fiscal year under review, due to large-size works. We will continue to undertake artist discovery and education, and the acceleration of business in all directions.

**[3] State of Capital Investments**

The total amount of capital investments implemented in the consolidated fiscal year under review is about 9,000 million yen. The main subjects of the investments are for the expansion, improvement and upgrade of production facilities, including tools, furniture and fixtures.

**[4] State of Financing**

Not applicable.

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

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

As of December 22, 2016, the Company agreed to have our Card Printer Business succeeded by G-Printec, Inc. ("GPI") in an absorption-type company split agreement, effective March 1, 2017.

**[6] State of Transfer of Business from Other Companies**

Not applicable.

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

As of December 25, 2015, the Company concluded an absorption-type merger agreement with JVCKENWOOD Optical Components Corporation ("JKOC"), a wholly owned subsidiary of the Company, as the absorbed company and the Company as the surviving company. The merger came into effect on April 1, 2016.

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

The Company owned 59.26% of the issued shares of JVCKENWOOD Arcs Corporation ("Arcs"), but transferred all shares of Arcs to Hibino Corporation, effective December 1, 2016.

The Company previously owned 100 issued shares of GPI, a wholly owned subsidiary, but transferred 60 shares to AZ-Star Investment Limited Partnership and 40 shares to Kanematsu Corporation.

(Translation)

**[9] Transition of Assets and Profit & Loss**

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

(Millions of yen)

Items	6th Term (March 2014)	7th Term (March 2015)	8th Term (March 2016)	9th Term (March 2017) (Consolidated fiscal year under review)
Net sales	316,343	285,010	292,195	299,278
Operating income (loss)	4,421	6,570	4,221	5,781
Ordinary income (loss)	(70)	3,176	1,018	3,616
Net income (loss) attributable to owners of parent	(6,571)	4,654	3,194	(6,727)
Net income (loss) per share (yen)	(47.39)	33.56	23.02	(48.42)
Total assets	267,152	278,669	255,859	262,297
Net assets	59,824	79,221	56,818	61,514
Net assets per share (yen)	373.01	517.67	371.19	403.31

Notes:

1. From the 8th term, the fiscal year ended March 31, 2016, the Company applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, issued on September 13, 2013), and therefore net income (loss) is presented as income (loss) attributable to owners of parent. Net income (loss) is used for fiscal years prior to the 7th Term (fiscal year ended March 2015).
2. Net income (loss) per share is calculated based on the average number of outstanding shares in the fiscal year. The treasury stocks are excluded from the average number of outstanding shares in the fiscal year.

In the fiscal year ended March 31, 2017, the Company made partial corrections to its annual securities reports in accordance with the Financial Instruments and Exchange Act. Regarding the business reports, consolidated financial statements, and non-consolidated financial statements of the previous fiscal year, the cumulative effect from the aforementioned amendments to the previous fiscal years' results is handled in the current consolidated and non-consolidated statements of changes in shareholders' equity, based on the Companies Act. The revised figures in the correction report of the above annual securities reports (consolidated) as well as assets, profits and losses prior to the previous fiscal year, which were created under the Financial Instruments and Exchange Act, are as follows.

(Millions of yen)

Items	6th Term (March 2014)	7th Term (March 2015)	8th Term (March 2016)	9th Term (March 2017) (Consolidated fiscal year under review)
Net sales	316,343	285,010	292,195	299,278
Operating income (loss)	4,592	6,757	4,494	5,781
Ordinary income (loss)	100	3,362	1,291	3,616
Net income (loss) attributable to owners of parent	(6,450)	4,795	3,401	(6,727)
Net income (loss) per share (yen)	(46.52)	34.58	24.51	(48.42)
Total assets	267,380	279,041	256,334	262,297
Net assets	60,224	79,762	57,565	61,514
Net assets per share (yen)	375.89	521.57	376.57	403.31

(Translation)

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

(Millions of yen)

Items	6th Term (March 2014)	7th Term (March 2015)	8th Term (March 2016)	9th Term (March 2017) (Current fiscal year)
Net sales	191,527	175,667	169,191	160,049
Operating income(loss)	331	287	(3,076)	(5,316)
Ordinary income (loss)	102	4,642	1,590	(5,026)
Net income (loss)	(3,940)	4,579	1,767	(12,422)
Net income (loss) per share (yen)	(28.41)	33.03	12.74	(89.40)
Total assets	219,873	220,023	222,411	205,680
Net assets	70,212	74,154	74,151	63,792
Net assets per share (yen)	500.53	534.79	533.65	459.11

Note:

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

In the fiscal year ended March 31, 2017, the Company made partial corrections to its annual securities reports in accordance with the Financial Instruments and Exchange Act. Regarding the business reports, consolidated financial statements, and non-consolidated financial statements of the previous fiscal year, the cumulative effect from the aforementioned amendments to the previous fiscal years' results is handled in the current consolidated and non-consolidated statements of changes in shareholders' equity, based on the Companies Act. The revised figures in the correction report of the above annual securities reports as well as assets, profits and losses prior to the previous fiscal year, which were created under the Financial Instruments and Exchange Act, are as follows.

Items	6th Term (March 2014)	7th Term (March 2015)	8th Term (March 2016)	9th Term (March 2017) (Current fiscal year)
Net sales	191,527	175,667	169,191	160,049
Operating income (loss)	502	474	(2,803)	(5,316)
Ordinary income (loss)	273	4,829	1,864	(5,026)
Net income (loss)	(3,819)	4,721	1,974	(12,422)
Net income(loss) per share (yen)	(27.54)	34.05	14.23	(89.40)
Total assets	220,102	220,395	222,886	205,680
Net assets	70,612	74,695	74,898	63,792
Net assets per share (yen)	503.41	538.69	539.03	459.11

(Translation)

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

**(1) State of Parent Companies**

Not applicable.

**(2) State of Important Subsidiaries**

Name	Capital	Ratio of the Company's Capital Contribution	Major Businesses
JVCKENWOOD Victor Entertainment Corporation	¥5,595 million	100.0%	Planning, production and sales of music and visual software
JVCKENWOOD Public & Industrial Systems Corporation	¥300 million	100.0%	Sales, installation, maintenance and repair of professional audio, imaging and telecommunications equipment
JVCKENWOOD Creative Media Co., Ltd.	¥1,207 million	100.0%	Development, manufacturing and sales of recorded optical disk
P.T. JVC Electronics Indonesia	US\$22,400 thousand	100.0%	Manufacturing and sales of car electronics equipment
Shanghai Kenwood Electronics Co., Ltd.	RMB 114,435 thousand	100.0%	Manufacturing and sales of car electronics and telecommunications equipment
JVCKENWOOD USA Corporation	US\$94,600 thousand	100.0%	Wholesale (U.S.A. and other countries)
JVCKENWOOD Deutschland GmbH	EUR5,624 thousand	100.0%	Wholesale (Germany)
JVCKENWOOD Singapore Pte. Ltd.	SG\$36,650 thousand	100.0%	Wholesale (Singapore and other countries)
Shinwa International Holdings Limited	US\$29,090 thousand	76.0%	Manufacturing and sales of car AV mechanisms and painted plastic parts, etc.
EF Johnson Technologies, Inc.	US\$0 thousand	100.0%	Development, manufacturing and sales of professional wireless communications systems
ASK Industries S.p.A.	EUR581 thousand	100.0%	Development, manufacturing and sales of car electronics related products

Note:

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

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

Not applicable.

**[11] Major Businesses (As of March 31, 2017)**

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

**[11] Main Offices and Factories (As of March 31, 2017)**

**(1) Head Office**

3-12, Moriya-cho, Kanagawa-ku, Yokohama-shi, Kanagawa

(Translation)

**(2) R&D Center**

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

**(3) Main Japanese Manufacturing Sites**

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

**(4) Japanese Business sites**

Name	Location
JVCKENWOOD Corporation (the Company)	Business sites nationwide, including Tokyo, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka and others
JVCKENWOOD Victor Entertainment Corporation	Shibuya-ku, Tokyo
JVCKENWOOD Public & Industrial Systems Corporation	Yokohama, Kanagawa
JVCKENWOOD Video Tech Corporation	Shibuya-ku, Tokyo
JVCKENWOOD Service (Japan) Corporation	Yokohama, Kanagawa
JVCKENWOOD Engineering Corporation	Yokosuka, Kanagawa
JVCKENWOOD Design Corporation	Meguro-ku, Tokyo
JVCKENWOOD Partners Corporation	Hachioji, Tokyo

**(5) Global Manufacturing Sites**

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

**(6) Overseas Sales Bases**

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

(Translation)

**[13] State of Employees (As of March 31, 2017)**

**(1) State of Employees at the Group**

Number of Employees	Increase or Decrease in Comparison with End of Previous Consolidated Fiscal Year
18,051	167 increase

Notes:

The number of employees excludes employees transferred from a Group company to an outside Group company, and includes employees transferred from an outside Group company to a Group company.

**(2) State of Employees at the Company**

Number of Employees	Increase or Decrease in Comparison with End of Previous Fiscal Year	Average Age	Average Years of Service
2,987	643 decrease	47.3	22.4

Note:

1. The number of employees excludes employees transferred from the Company to an outside company, and includes employees transferred from an outside company to the Company.
2. The number of employees decreased by 643 from the end of the previous consolidated fiscal year. This is due to reasons including the succession of businesses in the Public Services Sector by subsidiaries of the Company, etc.

**[14] State of Major Lenders (As of March 31, 2017)**

(Millions of yen)

Name of Lenders	Loan Balance
Resona Bank, Limited.	7,802
The Bank of Yokohama, Ltd.	7,241
Aozora Bank, Ltd.	6,962
Shinsei Bank, Limited	6,505
Sumitomo Mitsui Banking Corporation	4,744
Sumitomo Mitsui Trust Bank, Limited	4,744
Mitsubishi UFJ Trust and Banking Corporation	4,744
BANK OF AMERICA, N.A.	1,750
Showa Leasing Co., Ltd.	1,609
NEC Capital Solutions Limited	1,193

**[15] Other Important Subsequent Events of the Consolidated Group**

**(1) Absorption-type merger with JVCKENWOOD Kenex Corporation**

In accordance with the resolution at the Board of Directors' meeting held on December 22, 2016, the Company concluded an absorption-type merger agreement as of the same date, with JVCKENWOOD Kenex Corporation, a wholly owned subsidiary of the Company, as the absorbed company and the Company as the surviving company. The merger came into effect on April 1, 2017.

**(2) Absorption-type merger with JVCKENWOOD Home Electronics Corporation**

In accordance with the resolution at the Board of Directors' meeting held on December 22, 2016, the Company concluded an absorption-type merger agreement as of the same date, with JVCKENWOOD Home Electronics Corporation, a wholly owned subsidiary of the Company, as the absorbed company and the Company as the surviving company. The merger came into effect on April 1, 2017.

**(3) Appropriation of surplus**

At the Board of Directors' meeting held on May 12, 2017, the Company resolved to eliminate the loss carried forward by appropriation of the non-consolidated surplus and transferring other capital surplus to retained earnings carried forward as of May 15, 2017. Details are as follows.

1) Purpose of appropriation of surplus

As of March 31, 2017, the non-consolidated capital surplus of the Company was approximately 46,471 million yen, whereas retained earnings were negative at approximately 7,282 million yen (loss carried forward) which resulting in an imbalance of capital structure in the Company's capital structure.

To correct such an imbalance, thereby improving its financial soundness, and quickly recover to be able to resume the distribution of dividends paid from retained earnings, the Board of Directors has decided to appropriate the Company's surplus, transferring other capital surplus to retained earnings carried forward

**(Translation)**

to cover and eliminate the loss carried forward pursuant to Articles 452 and 459 of the Companies Act, and Article 35 of the Articles of Incorporation of the Company.

2) Summary of appropriation of surplus

The Company decreases other capital surplus, which is included in capital surplus of 46,471,820,875 yen on an unconsolidated basis as of March 31, 2017, by 7,282,379,524 yen as of May 15, 2017, and transfers the decrease in other capital surplus to retained earnings carried forward.

- a. Item and amount of surplus to be decreased
  - Other capital surplus: 7,282,379,524 yen
- b. Item and amount of surplus to be increased
  - Retained earnings carried forward: 7,282,379,524 yen
- c. Date of entry into force
  - May 15, 2017

(Translation)

**2. Matters Regarding the Company's Shares (As of March 31, 2017)**

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

[2] Total number of outstanding shares 139,000,201  
(including 51,849 shares of treasury stock)

[3] Number of shareholders 55,327

**[4] Major shareholders (Top 10)**

Name of Shareholder	Number of Shares Held	Ratio of Capital Contribution
Japan Trustee Services Bank, Ltd. (Trust Account)	4,515,700	3.25%
DENSO CORPORATION	4,171,000	3.00%
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,833,000	2.76%
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	2,881,856	2.07%
THE BANK OF NEW YORK MELLON 140044	2,768,139	1.99%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,694,400	1.94%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,420,400	1.74%
THE BANK OF NEW YORK MELLON 140040	2,317,525	1.67%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	2,067,700	1.49%
Japan Trustee Services Bank, Ltd. (Trust Account 2)	1,937,200	1.39%

Note:

The ratio of capital contribution is calculated after deducting treasury stock (51,849 shares) from the total number of issued shares.

**3. Matters Regarding the Company's Subscription Rights to Shares (As of March 31, 2017)**

Not applicable.



(Translation)

#### 4. Matters Regarding Company Officers

##### [1] State of Directors and Audit & Supervisory Board Members (As of March 31, 2017)

Name	Position	Responsibilities and important concurrent duties
Yasuyuki Abe	Director of the Board	Chairman of the Board, Outside Corporate Auditor of Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION) Advisor of Sumitomo Corporation Advisor of Orange and Partners Co., Ltd.
Takao Tsuji	Representative Director of the Board, President	Chief Executive Officer (CEO)
Shoichiro Eguchi	Representative Director of the Board	Executive Vice President, Chief Operating Officer (COO) – Automotive sector, COO EMEA (EMEA: Europe, Middle East and Africa)
Kazuhiro Aigami	Representative Director of the Board	Executive Vice President, COO – Public Service sector, COO Americas
Seiichi Tamura	Representative Director of the Board	Executive Vice President, Chief Strategy Officer (CSO), COO – Media Service sector, General Manager of Corporate Strategy Division
Yasuyuki Tanida	Director of the Board	Managing Executive Officer, Chief Technology Officer (CTO), General Manager of Technology & Manufacturing Strategy Division
Junichi Hikita	Director of the Board	President and Representative Director of Hikita Consulting Co., Ltd.
Masanori Yoshikai	Director of the Board	Advisor of Sumitomo Electric Industries, Ltd. Trustee of Institute for Future Engineering
Haruo Kawahara	Director of the Board, Adviser	Director of ZMP Inc. Senior Advisor of Aspirant Group, Inc.
Takayoshi Sakamoto	Audit & Supervisory Board Member	—
Shojiro Asai	Audit & Supervisory Board Member	Special Advisor of Rigaku Corporation ACCEL Research Area Advisor of The Japan Science and Technology Agency
Nagaaki Ohyama	Audit & Supervisory Board Member	Professor, Tokyo Institute of Technology

Notes:

1. Directors Yasuyuki Abe, Junichi Hikita and Masanori Yoshikai are external directors stipulated in Article 2, item 15 of the Companies Act.
2. Audit & Supervisory Board Members Shojiro Asai and Nagaaki Ohyama are external audit & supervisory board members stipulated in Article 2, item 16 of the Companies Act.
3. Audit & Supervisory Board Member Takayoshi Sakamoto had been in charge of finance and accounting operations and the like at the Group for about 11 years and has sufficient knowledge concerning finance and accounting.
4. The Company designated Directors Yasuyuki Abe, Junichi Hikita and Masanori Yoshikai, Audit & Supervisory Board Members Shojiro Asai and Nagaaki Ohyama as an independent officer, as stipulated in the provisions of the Tokyo Stock Exchange (TSE), Inc., and notified the TSE accordingly.
5. Changes in title and position, etc. of Directors and Audit & Supervisory Board Members during the fiscal year under review are as follows:  
(As of July 1, 2016)

Name	Position	Responsibilities and important concurrent duties
Seiichi Tamura	Representative Director of the Board	Executive Vice President, Chief Strategy Officer (CSO), COO – Media Service sector, General Manager of Corporate Strategy Division
Yasuyuki Tanida	Director of the Board	Managing Executive Officer, Chief Technology Officer (CTO), General Manager of Technology & Manufacturing Strategy Division

(Translation)

6. Changes in title and position, etc. of Directors and Audit & Supervisory Board Members after the end of the fiscal year under review are as follows:  
(As of April 1, 2017)

Name	Position	Responsibilities and important concurrent duties
Takao Tsuji	Representative Director of the Board	President, Chief Executive Officer (CEO)
Shoichiro Eguchi	Representative Director of the Board	Executive Vice President, Chief Operating Officer (COO) - Automotive Sector, COO EMEA
Kazuhiro Aigami	Representative Director of the Board	Executive Vice President, COO - Public Service Sector
Yasuyuki Tanida	Director of the Board	Managing Executive Officer, COO - Media Service Sector, Chief Technology Officer (CTO), General Manager, R&D Department
Seiichi Tamura	Director of the Board	Advisor, Appliance, Commercial & Industrial Motor (ACIM) Business Unit of Nidec Corporation

(As of May 1, 2017)

Name	Position	Responsibilities and important concurrent duties
Seiichi Tamura	Director of the Board	First Senior Vice President, Deputy Executive General Manager of Appliance, Commercial & Industrial Motor (ACIM) of Nidec Corporation

7. The Company adopts the Executive Officer System.  
There are thirteen (13) Executive Officers as of April 1, 2017: Takao Tsuji, Shoichiro Eguchi, Kazuhiro Aigami and Yasuyuki Tanida, who are among the Directors mentioned above, and the following nine (9) persons.

Name	Position and Responsibilities
Masaki Imai	Senior Managing Executive Officer, Chief Administration Officer (CAO), Chief Strategy Officer (CSO)
Masatoshi Miyamoto	Managing Executive Officer, Chief Financial Officer (CFO)
Naokazu Kurihara	Managing Executive Officer, COO Americas
Shigeru Onda	Managing Executive Officer, General Manager of SCM Department (SCM: Supply Chain Management)
Takuya Arai	Managing Executive Officer, General Executive of Automotive Consumer Business Division
Akira Suzuki	Executive Officer, Assistant COO Americas (Public Service Sector)
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

**[2] Amount of Compensation for Directors and Audit & Supervisory Board Members (From April 1, 2016 to March 31, 2017)**

Title	Number of Relevant (Personnel)	Amount of Compensation (Millions of yen)
Director	9	314
(External Director)	(3)	(47)
Audit & Supervisory Board Member	4	42
(External Audit & Supervisory Board Member)	(3)	(17)
Total	13	357

Notes:

- The above table includes one (1) audit & supervisory board member who retired at the close of JVCKENWOOD's 8th Ordinary General Meeting of Shareholders on June 24, 2016.
- Remuneration of directors does not include salaries of those who are also company employees. There are no Directors of the Company who concurrently serve as employees.

**(Translation)**

3. It was resolved, with regard to determination of compensation for directors and audit & supervisory board members, at the 1st General Meeting of Shareholders of the Company held on June 24, 2009, that compensation for directors is up to 36 million yen a month (of which, compensation for external directors is up to 4 million yen) and that compensation for audit & supervisory board members is up to 9 million yen a month. It was also resolved that bonuses, retirement benefits or any other monetary compensation will not be paid to directors and audit & supervisory board members.

**[3] Matters Regarding External Officers**

**(1) State of Important Concurrent Office of External Officers (As of March 31, 2017)**

Position	Name	Company of Concurrent Office	Responsibilities of Concurrent Office	Relationship
External Director	Yasuyuki Abe	Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION)	Outside Corporate Auditor	No significant business relationship with JVCKENWOOD Corporation
		Sumitomo Corporation	Advisor	
		Orange and Partners Co., Ltd.	Advisor	
	Junichi Hikita	Hikita Consulting Co., Ltd.	President and Representative Director	
	Masanori Yoshikai	Sumitomo Electric Industries, Ltd.	Advisor	
Institute for Future Engineering		Trustee		
External Audit & Supervisory Board Member	Shojiro Asai	Rigaku Corporation	Special Advisor	
		The Japan Science and Technology Agency	ACCEL Research Area Advisor	
	Nagaaki Ohyama	Tokyo Institute of Technology	Professor	

(Translation)

**(2) Major Activities of External Officers**

Position	Name	Major Activities
External Director	Yasuyuki Abe	Attendance at the Board of Directors' meetings in the current fiscal year: 15 (attendance rate: 93.8%) Mr. Abe provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner from the position of an objective third party not involved in the business execution of the Group, as well as proper advice based on his plentiful experience and knowledge in the electronics, machinery and information industry fields abroad as a manager. He also served as a member of Nomination and Remuneration Advisory Committee.
	Junichi Hikita	Attendance at the Board of Directors' meetings in the current fiscal year: 16 (attendance rate: 100.0%) Mr. Hikita provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner, based on his plentiful experience and knowledge as an engineer and manager and proper advice in technical aspects based on his professional views, from the position of an objective third party not involved in the business execution of the Group. He also served as a member of Nomination and Remuneration Advisory Committee.
	Masanori Yoshikai	Attendance at the Board of Directors' meetings in the current fiscal year: 16 (attendance rate: 100.0%) Mr. Yoshikai provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner, based on his plentiful experience, performance and knowledge as an engineer and manager and proper advice in technical aspects based on his professional views, from the position of an objective third party not involved in the business execution of the Group. He also served as a member of Nomination and Remuneration Advisory Committee.
External Audit & Supervisory Board Member	Shojiro Asai	Attendance at the Board of Directors' meetings in the current fiscal year: 16 (attendance rate: 100.0%) Attendance at the Audit & Supervisory Board meetings in the current fiscal year: 15 (attendance rate: 93.8%) Mr. Asai provides necessary comments regarding issues such as the agenda and discussions of the Board of Directors and Audit & Supervisory Board in a timely manner, based on his extensive experience and knowledge as an engineer and manager and bolstering audit based on his professional views, from the position of an objective third party not involved in the business execution of the Group.
	Nagaaki Ohyama	Attendance at the Board of Directors' meetings in the current fiscal year: 12 (attendance rate: 100.0%) Attendance at the Audit & Supervisory Board meetings in the current fiscal year: 12 (attendance rate: 100.0%) Mr. Ohyama provides necessary comments regarding issues such as the agenda and discussions of the Board of Directors and Audit & Supervisory Board in a timely manner, based on his extensive experience and knowledge as an academic and bolstering audit based on his professional views, from the position of an objective third party not involved in the business execution of the Group.

Notes:

1. During the current fiscal year, there were 16 Board of Directors' meetings and 16 Audit & Supervisory Board meetings.
2. Audit & Supervisory Board Member Nagaaki Ohyama took office at the conclusion of the 8th Ordinary General Meeting of Shareholders held on June 24, 2016, and therefore, his attendance rate is calculated from 12 Board of Directors' meetings and 12 Audit & Supervisory Board meetings which have been held after he assumed his position.

(Translation)

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

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

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

The amount of indemnity liability provided under Article 423, paragraph 1 of the Companies Act is limited to 5 million yen or the minimum liability limitation provided by the laws and regulations, whichever is higher, provided that the external directors and external audit & supervisory board members have acted faithfully and without gross negligence.

**(4) Amount of Compensation Received as Executive Officer from Parent Company or Subsidiary of the Company**

Not applicable.

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

Not applicable.

(Translation)

## 5. State of Accounting Auditor

### [1] Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

### [2] Overview of Liability Limitation Agreement

Not applicable.

### [3] Amount of Compensation for Accounting Auditor for the Fiscal Year Under Review

(Millions of yen)

Amount of compensation for accounting auditor for the fiscal year under review	204
Total amount of money and other financial benefits to be paid by the Company and the Company's subsidiaries	237

Notes:

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

### [4] Policy for Dismissal and Non-reappointment Decisions

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

(Translation)

## **6. Framework and Policies of the Company**

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

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

- 1) The corporate vision, management policies and action guidelines are prepared and followed, while being shared and fully recognized by all officers and employees of the Group under the leadership of a department in charge of compliance.
- 2) Various internal rules and guidelines, etc., for the entire Group are prepared and updated as the guidelines for the execution of duties by employees.
- 3) The JVCKENWOOD Group Code of Conduct on Compliance are established and followed.
- 4) Each of the Group companies establishes the "Board of Directors Regulations" to properly supervise the management decision making and directors' execution of duties.
- 5) Internal audits targeted at the entire Group are conducted. In addition, the "JVCKENWOOD Group Whistle-Blowing Rules" are stipulated as a means for enabling internal reporting by all employees of the Group to establish the procedures for internally notifying any act that deviates from the "JVCKENWOOD Group Code of Conduct on Compliance," carrying out corrective measures against such act and protecting the whistle-blowers from unfair treatment.
- 6) Audit & Supervisory Board Members audit the execution of duties by the Group's directors, employees, etc., from an independent standpoint.

#### **(2) Frameworks for storing and managing information in relation to the execution of duties by the Company's directors**

- 1) The minutes of the Board of Directors' meetings are created in accordance with the "Board of Directors Regulation" and stored at the head office in accordance with the relevant laws and regulations and internal rules.
- 2) The "Regulations for Management of Confidential Information" are established to define the basic rules to be observed in managing confidential information whether in print or in electronic form, and are handled determinately.

#### **(3) Regulations and other frameworks for managing the risk of loss of the Group**

- 1) The Group regulations for compliance and risk management are established, together with an across-the-board organization for monitoring them with responsibilities being clearly defined, thereby promoting the Group's risk management efforts in a proper manner.
- 2) The risk management rules by type of risk are prepared and updated to prevent various risks that might occur in the Group and clarify the actions to be taken in the event of such risks, as well as measures for restoration, thereby preventing the damage from spreading and minimizing the loss should a critical issue arise.

#### **(4) Frameworks for ensuring the efficient execution of duties of the Group's directors**

- 1) The Company formulates business plans, etc., on a group basis, thereby clarifying management targets, promoting awareness thereof in the Group and evaluating the status of achievement thereof.
- 2) The Company has in place the executive officer system to entrust the duty of business execution to the Executive Officers, thereby separating management oversight functions from business execution functions and clarifying the realms of oversight responsibility and business execution responsibility.
- 3) The Company establishes the "Board of Directors Regulations" and the "Board of Executive Officers Regulations," as well as the "Administrative Authority Regulations," the "Decision-Making Authority Standards" and the "Decision-Making Items Table" for the entire Group, to clarify the method of making decisions for the entire Group management.
- 4) The rules regarding segregation of duties for each department of the Group are established to clarify the scope of duties and execute them determinately.

#### **(5) Frameworks for ensuring the propriety of business operations in the Group**

- 1) Based on the "Basic Policies on Consolidated Management," the management philosophy and management policies are shared among the Group companies. In addition, the "Administrative Authority Regulations," the "Decision-Making Authority Standards" and the "Decision-Making Items Table" are established as the regulations applying to the entire Group to ensure the propriety of business operations on a Group-wide basis.
- 2) The Company dispatches directors or business supervising officers to major subsidiaries to ensure the propriety of business operations.
- 3) The Company executes the internal audits of the Group subsidiaries through its internal audit department.

(Translation)

**(6) Frameworks for reporting to the Company on matters concerning the execution of duties of directors and business executing employees, etc., of the Group subsidiaries**

- 1) The Company assigns a responsible department in each subsidiary to ensure that the subsidiary reports important information to such department, which in turn has responsibility for the overall management of that subsidiary.
- 2) If necessary, the Company dispatches directors and/or administrative staff members to a subsidiary so that the Company's business execution team can grasp the status of business operation of that subsidiary.
- 3) The Company keeps in place a reporting system to ensure that reports of any abnormal situation occurring internally and possibly affecting the operations of the Group's businesses will be delivered to the top management of the Company through an appropriate procedure and without delay.

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

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

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

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

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

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

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

- 1) When the Company's audit & supervisory board members ask the Company for advance payment or other treatment of expenses arise in relation to their execution of duties, the Company will



**(Translation)**

immediately address such expenses or liabilities, unless such expenses or liabilities are proved to be unnecessary for the execution of the duties of the Company's audit & supervisory board members.

- 2) The Company's audit & supervisory board members conduct the payment of audit expenses, while giving due consideration to the efficiency and appropriateness of the audit.

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

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

**(12) Frameworks for ensuring the propriety of financial reports**

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

**(13) Basic policy for the elimination of antisocial forces**

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

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

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

**(1) Compliance Activities**

Led by the Compliance Committee chaired by the Chief Executive Officer (CEO), and the responsible departments, related regulations are updated, internal education is conducted, and examples are sent out. In addition, information about the Auditing Informer System and whistle-blowing system are disseminated.

**(2) Risk Management Activities**

Risk surveillance and business continuity plan are updated, and response training for expected situations is conducted by each department. In addition, information about the reporting and response frameworks in the event that abnormal situations arise is disseminated.

**(3) Activities Regarding Operation of the Board of Directors**

Through the operation of the Board of Directors with an external director elected as chair in addition to having the executive officer system in place, the Company has enhanced corporate governance and established a management system in which the duty of business execution is delegated to the Executive Officers, whereby management oversights and business executions are more clearly separated.

**(4) Subsidiary Management Activities**

The Corporate Audit Office conducts operational audits of domestic and overseas subsidiaries in a two to three-year cycle. Regarding seven subsidiaries, we carry out audits in collaboration with the Audit & Supervisory Board Members. In addition, as for issues raised as a result of operational audits, we are following the state of improvement measures.

**(5) Regarding Audits Performed by Audit & Supervisory Board Members**

The Audit & Supervisory Board Members have attended important meetings, including those of the Board of Directors, the Board of Executive Officers and the Management Committee, to receive reports on the status of business execution and other important matters. They also have received reports from Directors, Executive Officers and department heads of the Company and its subsidiaries on the status

**(Translation)**

of their business execution and other matters through interviews and onsite audits. Furthermore, the Audit & Supervisory Board Members have performed onsite audits of a total of 24 domestic and overseas subsidiaries and affiliates during the fiscal year under review, and received reports from Corporate Audit Office on the annual internal audit plan at the beginning of the fiscal year, as well as reports on the internal audit results on a monthly basis.

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

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

**[4] Basic Policies for Distribution of Profits**

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

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

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

Based on this policy, the Company's Board of Directors resolved at its meeting held on October 31, 2016 not to pay an interim dividend for the fiscal year under review in order to concentrate management resources in the recovery of business results. With regard to a year-end dividend, based on the full-year business results, the Board of Directors resolved at its meeting held on May 12, 2017 to pay a year-end dividend of 5 yen per share with capital surplus as funds.

(Translation)

**Consolidated Balance Sheet**  
(As of March 31, 2017)

(Millions of yen)

Assets		Liabilities	
Accounting Items	Amount	Accounting Items	Amount
Assets		Liabilities	
<b>Current assets</b>	<b>152,557</b>	<b>Current liabilities</b>	<b>91,878</b>
Cash and cash equivalents	41,806	Trade notes and accounts payable	31,233
Trade notes and accounts receivable	56,706	Short term loans payable	6,208
Merchandise and finished goods	26,417	Current portion of long-term loans payable	9,002
Work in process	4,794	Other accounts payable	10,548
Raw materials and supplies	10,679	Accrued expenses	18,751
Deferred tax assets	3,609	Income taxes payable	1,900
Other current assets	9,849	Provision for product warranties	1,368
Allowance for doubtful receivables	(1,305)	Provision for sales returns	1,380
		Reserves for loss on order received	1,852
		Other current liabilities	9,630
<b>Fixed assets</b>	<b>109,739</b>	<b>Long term liabilities</b>	<b>108,904</b>
<b>Tangible fixed assets</b>	<b>50,428</b>	Long-term loans payable	55,052
Buildings and structures	13,031	Deferred tax liabilities for land revaluation	1,516
Machinery and equipment	7,879	Deferred tax liabilities	11,410
Tools, furniture and fixtures	6,107	Net defined benefit liability	37,686
Land	22,187	Other long term liabilities	3,239
Construction in progress	1,222		
<b>Intangible fixed assets</b>	<b>18,499</b>	<b>Total Liabilities</b>	<b>200,783</b>
Goodwill	3,868		
Software	12,056		
Other intangible fixed assets	2,573		
<b>Investments and other assets</b>	<b>40,811</b>	Net Assets	
Investment securities	8,064	<b>Shareholders' equity</b>	<b>73,258</b>
Net defined benefit asset	24,741	<b>Paid-in capital</b>	<b>10,000</b>
Deferred tax assets	5,268	<b>Capital surplus</b>	<b>45,573</b>
Other investments	3,261	<b>Retained earnings</b>	<b>17,722</b>
Allowance for doubtful receivables	(524)	<b>Treasury stock</b>	<b>(37)</b>
		<b>Other comprehensive income</b>	<b>(17,219)</b>
		Unrealized gain and loss on available-for-sale securities	1,007
		Deferred hedge gain and loss	445
		Land revaluation surplus	3,442
		Foreign currency translation adjustments	(15,320)
		Remeasurements of defined benefit plans	(6,794)
		<b>Non-controlling interests</b>	<b>5,474</b>
		<b>Total Net Assets</b>	<b>61,514</b>

Notes to consolidated financial statements and notes to non-consolidated financial statements are posted on the Company's website (<http://www.jvckenwood.com/ir/stock/stockholder/>).

(Translation)

**Consolidated Statement of Income**  
(From April 1, 2016 to March 31, 2017)

(Millions of yen)

Accounting Items	Amount	
<b>Net sales</b>		<b>299,278</b>
<b>Cost of sales</b>		<b>218,506</b>
<b>Gross profit</b>		<b>80,772</b>
<b>Selling, general and administrative expenses</b>		<b>74,990</b>
<b>Operating income</b>		<b>5,781</b>
<b>Non-operating income</b>		
Interest income	151	
Dividends income	181	
Royalty income	84	
Rent income	61	
Other non-operating income	395	873
<b>Non-operating expense</b>		
Interest expense	932	
Loan commission	181	
Loss on valuation of investment securities	327	
Foreign exchange losses	757	
Other non-operating expenses	839	3,038
<b>Ordinary income</b>		<b>3,616</b>
<b>Extraordinary profit</b>		
Gain on sales of fixed assets	207	
Gain on sales of investment securities	50	
Gain on sales of shares in subsidiaries and associates	560	
Gain on liquidation of subsidiaries and associates	69	
Gain on transfer of business	3,617	4,505
<b>Extraordinary loss</b>		
Loss on sales of fixed assets	10	
Loss on disposal of fixed assets	1,541	
Loss on impairment of long-lived assets	6,314	
Business structural reform expenses	525	
Employment structural reform expenses	1,019	
Loss on liquidation of subsidiaries and associates	632	
Provision for loss on order received	711	
Other extraordinary loss	108	10,864
<b>Income before income taxes</b>		<b>(2,742)</b>
Corporate tax, corporate inhabitant tax and corporate enterprise tax	2,592	
Corporate tax and other adjustment	659	3,252
<b>Net income</b>		<b>(5,994)</b>
Profit attributable to non-controlling interests		733
<b>Net income attributable to owners of parent</b>		<b>(6,727)</b>

(Translation)

**Consolidated Statement of Changes in Shareholders' Equity**

(From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2016	10,000	45,272	24,682	(36)	79,918
Cumulative effect of corrections of errors		301	446		747
Balance at the beginning of the period after retroactive application	10,000	45,573	25,128	(36)	80,665
<b>Changes during the consolidated fiscal year</b>					
Dividends from surplus			(694)		(694)
Income (loss) attributable to owners of parent			(6,727)		(6,727)
Acquisition of treasury stocks				0	0
Disposal of treasury stock				0	0
Reversal of revaluation reserve for land			15		15
Changes (net amount) of items other than shareholders' equity during the fiscal year					
<b>Total changes during the fiscal year</b>	—	—	(7,406)	0	(7,407)
Balance as of March 31, 2017	10,000	45,573	17,722	(37)	73,258

	Other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gain and loss on available-for-sale securities	Deferred hedge gain and loss	Land revaluation surplus	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income		
Balance as of April 1, 2016	445	(1,075)	3,458	(13,820)	(17,349)	(28,341)	5,241	56,818
Cumulative effect of corrections of errors								747
Balance at the beginning of the period after retroactive application	445	(1,075)	3,458	(13,820)	(17,349)	(28,341)	5,241	57,565
<b>Changes during the consolidated fiscal year</b>								
Dividends from surplus								(694)
Income (loss) attributable to owners of parent								(6,727)
Acquisition of treasury stocks								0
Disposal of treasury stock								0
Reversal of revaluation reserve for land								15
Changes (net amount) of items other than shareholders' equity during the fiscal year	562	1,520	(15)	(1,500)	10,555	11,122	223	11,355
<b>Total changes during the fiscal year</b>	562	1,520	(15)	(1,500)	10,555	11,122	223	3,948
Balance as of March 31, 2017	1,007	455	3,442	(15,320)	(6,794)	(17,219)	5,474	61,514

(Translation)

**Non-consolidated Balance Sheet**

(As of March 31, 2017)

(Millions of yen)

Assets		Liabilities	
Accounting Items	Amount	Accounting Items	Amount
Assets		Liabilities	
<b>Current assets</b>	<b>52,243</b>	<b>Current liabilities</b>	<b>65,937</b>
Cash and cash equivalents	7,259	Notes payable-trade	575
Notes receivable-trade	304	Accounts payable-trade	16,413
Accounts receivable-trade	21,738	Short term loans payable	22,338
Merchandise and finished goods	7,302	Current portion of long-term loans payable	8,182
Work in process	1,282	Debt for lease	44
Raw materials and supplies	1,798	Other accounts payable	8,847
Advance payments-trade	53	Accrued expenses	5,019
Prepaid expenses	676	Income taxes payable	227
Short-term loans receivable	7,610	Advances received	1,034
Accrued revenue	5,792	Deposits received	654
Deferred tax assets	996	Provision for product warranties	238
Other	1,713	Reserves for loss on order received	1,852
Allowance for doubtful receivables	(4,287)	Other current liabilities	510
<b>Fixed assets</b>	<b>153,437</b>	<b>Long term liabilities</b>	<b>75,950</b>
<b>Tangible fixed assets</b>	<b>27,880</b>	Long-term loans payable	53,342
Buildings	6,175	Debt for lease	59
Structures	171	Deferred tax liabilities for land revaluation	1,516
Machinery and equipment	601	Deferred tax liabilities	5,192
Vehicles	51	Provision for retirement benefits	13,398
Tools, furniture and fixtures	1,840	Provision for loss on business of subsidiaries and associates	1,858
Land	18,649	Asset retirement obligations	556
Construction in progress	390	Other long term liabilities	25
<b>Intangible fixed assets</b>	<b>10,707</b>	<b>Total Liabilities</b>	<b>141,888</b>
Software	10,646		
Other	61		
<b>Investments and other assets</b>	<b>114,849</b>	Net Assets	
Investment securities	6,440	<b>Shareholders' equity</b>	<b>59,152</b>
Investments in affiliated companies	90,338	<b>Paid-in capital</b>	<b>10,000</b>
Investments in capital	1	<b>Capital surplus</b>	<b>56,471</b>
Investments in capital of subsidiaries and affiliates	4,359	Capital reserve	10,000
Long-term loans receivable	82	Other capital surplus	46,471
Long-term loans receivable from subsidiaries and affiliates	728	<b>Retained earnings</b>	<b>(7,282)</b>
Claims provable in bankruptcy, claims provable in rehabilitation and other	62	Other retained earnings	(7,282)
Long-term prepaid expenses	601	Cumulative retained earnings	(7,282)
Prepaid pension cost	11,575	<b>Treasury stock</b>	<b>(37)</b>
Other	769	<b>Valuation and translation adjustments</b>	<b>4,639</b>
Allowance for doubtful receivables	(111)	Unrealized gain and loss on available-for-sale securities	765
		Deferred hedge gain and loss	431
		Land revaluation surplus	3,442
<b>Total Assets</b>	<b>205,680</b>	<b>Total Net Assets</b>	<b>63,792</b>
		<b>Total Liabilities and Net Assets</b>	<b>205,680</b>

(Translation)

**Non-consolidated Statement of Income**  
(From April 1, 2016 to March 31, 2017)

(Millions of yen)

Accounting Items	Amount	
<b>Net sales</b>		<b>160,049</b>
<b>Cost of sales</b>		<b>142,851</b>
<b>Gross profit</b>		<b>17,198</b>
<b>Selling, general and administrative expenses</b>		<b>22,514</b>
<b>Operating income</b>		<b>(5,316)</b>
<b>Non-operating income</b>		
Interest income	149	
Dividends income	5,725	
Reversal of allowance for doubtful accounts	118	
Reversal of provision for loss on business of subsidiaries and associates	109	
Other	615	6,717
<b>Non-operating expense</b>		
Interest expense	1,321	
Loan commission	146	
Foreign exchange losses	433	
Provision of allowance for doubtful accounts	3,476	
Provision for loss on business of subsidiaries and associates	616	
Other	432	6,426
<b>Ordinary income</b>		<b>(5,026)</b>
<b>Extraordinary profit</b>		
Gain on sales of fixed assets	72	
Gain on sales of investment securities	50	
Gain on sales of shares of subsidiaries and associates	539	
Gain on extinguishment of tie-in shares	32	
Gain on transfer of business	3,617	4,311
<b>Extraordinary loss</b>		
Loss on sales of fixed assets	0	
Loss on disposal of fixed assets	1,510	
Loss on impairment of long-lived assets	581	
Loss on valuation of stocks of subsidiaries and associates	8,283	
Loss on valuation of investments in capital of subsidiaries and associates	444	
Loss on liquidation of subsidiaries and associates	210	
Provision for loss on order received	711	
Other	159	11,902
<b>Income before income taxes</b>		<b>(12,616)</b>
Corporate tax, corporate inhabitant tax and corporate enterprise tax	(425)	
Corporate tax and other adjustment	232	(193)
<b>Net income</b>		<b>(12,422)</b>

(Translation)

**Non-consolidated Statement of Changes in Shareholders' Equity**

(From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity						
	Paid-in capital	Capital surplus			Retained earnings	Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Cumulative retained earnings		
<b>Balance as of April 1, 2016</b>	10,000	10,000	46,170	56,170	5,372	(36)	71,507
<b>Cumulative effect of corrections of errors</b>			301	301	446		747
<b>Balance at the beginning of the period after retroactive application</b>	10,000	10,000	46,471	56,471	5,819	(36)	72,254
<b>Changes during the consolidated fiscal year</b>							
Dividends from surplus					(694)		(694)
Loss					(12,422)		(12,422)
Acquisition of treasury stocks						0	0
Disposal of treasury stocks						0	0
Reversal of revaluation reserve for land					15		15
Changes of items other than shareholders' equity							
<b>Total changes during the fiscal year</b>	—	—	—	—	(13,101)	0	(13,102)
<b>Balance as of March 31, 2017</b>	10,000	10,000	46,471	56,471	(7,282)	(37)	59,152

	Valuation and translation adjustments				Total net assets
	Unrealized gain and loss on available-for-sale securities	Deferred hedge gain and loss	Land revaluation surplus	Total valuation and translation adjustments	
<b>Balance as of April 1, 2016</b>	253	(1,068)	3,458	2,643	74,151
<b>Cumulative effect of corrections of errors</b>					747
<b>Balance at the beginning of the period after retroactive application</b>	253	(1,068)	3,458	2,643	74,898
<b>Changes during the consolidated fiscal year</b>					
Dividends from surplus					(694)
Loss					(12,422)
Acquisition of treasury stocks					0
Disposal of treasury stocks					0
Reversal of revaluation reserve for land					15
Changes of items other than shareholders' equity	511	1,499	(15)	1,995	1,995
<b>Total changes during the fiscal year</b>	511	1,499	(15)	1,995	(11,106)
<b>Balance as of March 31, 2017</b>	765	431	3,442	4,639	63,792



(Translation)

## Accounting Audit Report regarding Consolidated Financial Statements

### Independent Auditor's Report

May 11, 2017

JVCKENWOOD Corporation  
The Board of Directors

#### Deloitte Touche Tohmatsu LLC

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

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

Designated and Certified Public Accountant  
Engagement Partner Takashi Shimohira (Seal)

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the notes to the consolidated financial statements of JVCKENWOOD Corporation (the "Company") applicable to the consolidated fiscal year from April 1, 2016 through March 31, 2017.

#### Management's Responsibility for the Consolidated Financial Statements

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

#### Auditors' Responsibility

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

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

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

#### Opinion

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

#### Conflicts of Interest

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

(Translation)

## Accounting Audit Report

### Independent Auditor's Report

May 11, 2017

JVCKENWOOD Corporation  
The Board of Directors

#### Deloitte Touche Tohmatsu LLC

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

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

Designated and Certified Public Accountant  
Engagement Partner Takashi Shimohira (Seal)

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity and the notes to the non-consolidated financial statements and the related supplementary schedules of JVCKENWOOD Corporation (the "Company") applicable to the 9th fiscal year from April 1, 2016 through March 31, 2017.

#### Management's Responsibility for the Non-consolidated Financial Statements and the Related Supplementary Schedules

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

#### Auditors' Responsibility

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

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

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

#### Opinion

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

#### Conflicts of Interest

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

## Audit & Supervisory Board Members' Report

### Audit Report

The Audit & Supervisory Board audited the Directors' performance of duties for the 9th business period from April 1, 2016 to March 31, 2017. The Audit & Supervisory Board reports the method and the results as follows:

1. Audit Method and Details by the Audit & Supervisory Board Members and the Audit & Supervisory Board

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

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

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

Based on the above method, the Audit & Supervisory Board examined the business report and the related supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statements of income, non-consolidated statement of changes in shareholders' equity, and notes to non-consolidated financial statements) and the related supplementary schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statements of income, consolidated statement of changes in shareholders' equity, and notes to consolidated financial statements) for the current fiscal year.

2. Audit Results

(1) Audit Results of Business Report and Others

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

(2) Audit Results of the non-consolidated financial statements and the related supplementary schedules

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

(3) Audit Results of Consolidated Financial Statements

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

May 11, 2017

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

Takayoshi Sakamoto (seal)  
Shojiro Asai (seal)  
Nagaaki Ohyama (seal)

(Translation)

## SHAREHOLDERS' MEMO

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

### Contact

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### Forward-looking Statements

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