Corporate Governance Report

Last Update: June 27, 2017

JVCKENWOOD Corporation
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The corporate governance of JVCKENWOOD Corporation (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile, and Other Basic Information

1. Basic Views

The Company believes that one of its most important management issues is to increase the transparency and efficiency of its management decision-making process and improve corporate value by strengthening corporate governance. To this end, we make it a basic policy to enhance our corporate governance through the establishment of a structure that calls for "the separation of management from the execution of businesses," "the appointment of External Directors and External Audit & Supervisory Board Members," and "the improvement of the function of checking by establishing an Internal Audit Division," thereby strengthening the Company's internal control system on a Group-wide basis.

The Company has established its basic views and policy for corporate governance, based on each of the principles of the Corporate Governance Code, as the "JVCKENWOOD Corporate Governance Policy" ("CG Policy").

[CG Policy: http://www.jvckenwood.com/en/corporate/governance/]

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company implements all the principles outlined by the Corporate Governance Code.

Disclosure Based on the Principles of the Corporate Governance Code Updated

The Company makes the following disclosure based on the principles of the Corporate Governance Code. The Company has established its basic views and policy for corporate governance based on the principles of the Corporate Governance Code, as the CG Policy. For disclosure of some items regarding the principles of the Corporate Governance Code, please refer to each provision of the CG Policy.

[CG Policy: http://www.jvckenwood.com/en/corporate/governance/]

1. Principle 1.4
   Strategic shareholdings
   Please refer to Article 6 of the CG Policy.

2. Principle 1.7
   Related-party transactions
   Please refer to Article 7 of the CG Policy.

3. Principle 3.1

Full disclosure

Please refer to Article 15 and Paragraphs 1 through 3, Article 16 of the CG Policy.

4. Supplementary Principle 4.1.1

Specification of the scope and content of the matters delegated to management and disclosure of the summary thereof

Please refer to Paragraph 5, Article 14 of the CG Policy.

5. Principle 4.8

Effective use of Independent External Directors

The Company acknowledges that appointing Independent External Directors will enhance the function of the Board of Directors, from the viewpoint of the common interests of the shareholders, the fiduciary responsibility to the shareholders, and ensuring a diversity of external values. Of a total of nine Directors, the Company has three Independent External Directors who are appointed by resolution at the General Meeting of Shareholders.

We ensure opportunities for these three Independent External Directors to gain a deep understanding of the status of the Company by holding discussions with Directors who serve concurrently as Executive Officers, receiving explanations regarding the Company's business content, and conducting inspections of the major business sites of the Company. The Company regards the balance in the composition of the Board of Directors between Directors concurrently serving as Executive Officers and Independent External Directors to be appropriate, at this time.

6. Principle 4.9

Independence standards and qualifications for Independent External Directors

Please refer to Article 18 of the CG Policy.

7. Supplementary Principle 4.11.1

View on the appropriate balance between knowledge, experience, and skills of the Board of Directors as a whole, and also on diversity and appropriate board size

Please refer to Paragraph 4, Article 16 of the CG Policy.

8. Supplementary Principle 4.11.2

Disclosure of the status of the concurrent holding of position of Directors and Audit & Supervisory Board Members

Please refer to Paragraph 1, Article 21 of the CG Policy.

9. Supplementary Principle 4.11.3

Analysis and evaluation of the effectiveness of the Board of Directors as a whole and disclosure of the summary of the results thereof

The Company disclosed a summary of the results of an evaluation on the effectiveness of the Board of Directors on March 31, 2017. The details of the method of effectiveness evaluation and the summary of the results of evaluation thereof are available on the Company's website (http://www.jvckenwood.com/corporate/governance/pdf/170331_directors.pdf).

10. Supplementary Principle 4.14.2

Disclosure of the training policy of Directors and Audit & Supervisory Board Members

Please refer to Article 22 of the CG Policy.

11. Principle 5.1

Policy for constructive dialogue with shareholders

Please refer to Article 4 of the CG Policy.

2. Capital Structure

Percentage of Foreign Shareholders	20% to less than 30%

Status of Major Shareholders **Updated**

Name/Company Name	Number of Shares Owned	Percentage (%)
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

Controlling Shareholder (Except for Parent Company)	—
Parent Company	None

Supplementary Explanation

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3. Corporate Profile

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-end	March
Type of Business	Electric appliances
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	100 billion yen to less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholders

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5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems Regarding Decision Making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Structure of Organization	Company with an Audit & Supervisory Board

Directors

Maximum Number of Directors Stipulated in Articles of Incorporation	9
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	External Director
Number of Directors	9
Appointment of External Directors	Appointed
Number of External Directors	3
Number of External Directors Designated as Independent Directors	3

External Directors' Relationship with the Company (1) Updated

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yasuyuki Abe	From Other Company								△			
Junichi Hikita	From Other Company								△			
Shinjiro Iwata	From Other Company								△			

* Categories for "Relationship with the Company":
"○" When the Director currently falls or has recently fallen under the category
"△" When the Director fell under the category in the past
"●" When a close relative of the Director currently falls or has recently fallen under the category
"▲" When a close relative of the Director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive Director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company other than compensation as a Director/Audit & Supervisory Board Member
g. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)
i. Executive of a company, between which and the Company's External Directors/Audit & Supervisory Board Members are mutually appointed (the Director himself/herself only)
j. Executive of a company or an organization that receives a donation from the Company (the Director himself/herself only)
k. Others

External Directors' Relationship with the Company (2) Updated

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yasuyuki Abe	○	Outside Corporate Auditor of SUBARU CORPORATION Advisor of Sumitomo Corporation Advisor of Orange and Partners Co., Ltd. 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. SCSK Corporation (formerly Sumisho Electronics Co., Ltd. and Sumisho Computer Systems Corporation), where Mr. Abe previously served as an executive, and the Company had business relations in the past regarding purchases.However, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company and SCSK, and did not fall under major transactions for either the Company or the firm. No transactions were recorded in the consolidated fiscal year under review. In addition, 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. 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. However, its transactions with the	Mr. Abe was elected as an external director as he is expected to utilize 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, in the Company's management, and he is expected to continue to play an active role in supervising the Company's management by giving 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.

		Company amounted to less than one (1) percent of the consolidated net sales of the Company and SUBARU 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. 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.	
Junichi Hikita	○	President and Representative Director of Hikita Consulting Co., Ltd. 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., where Mr. Hikita previously served as an executive, currently has business relations with the Company with regard to purchases. However, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company and ROHM in the consolidated fiscal year under review and do not fall under major transactions for either the Company or the firm. In addition, he resigned as Senior Corporate Advisor of ROHM Co., Ltd. nine (9) years ago and currently has no relationship with the firm. Although ROHM Co., Ltd. holds 31,400 shares of the Company, the number of shares	Mr. Hikita was elected as an external director as he is expected to utilize 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, in the Company's management, and he is expected to continue to play an active role in 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.

		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 or 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.	
Shinjiro Iwata	○	Director and Chairman (Outside Director) of Benesse Holdings, Inc. Outside Director of the Board of Hitachi Transport System, Ltd. Adviser of Hitachi, Ltd. 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. 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. Moreover, while Hitachi Kokusai Electronic Inc. and Hitachi Automotive Systems,	Mr. Iwata was elected as an external director as he is expected to utilize his proper advice as a corporate manager based on his extensive experience, knowledge, professional views and personal relationships in management, information & communication area and automobile-related area of listed companies outside the Group, in the Company's management, and he is expected to play an active role in 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.

		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 of the Company and each of these companies in the consolidated fiscal year under review and do not fall under major transactions for any of these companies and the Company. In addition, no mutual relationship exists between these companies and the Company, including donations, mutual dispatch of directors or shareholding. Moreover, no mutual relationship exists between Hitachi Data Systems Corporation and Hitachi Global Storage Technologies, Inc. (currently, HGST, Inc.), where Mr. Iwata previously served as an executive, and the Company including donations, mutual dispatch of directors or shareholding. 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.	

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination and Remuneration Advisory Committee	Nomination and Remuneration Advisory Committee
All Committee Members	3	3
Full-time Members	0	0
Directors	0	0
External Directors	3	3

Outside Experts	0	0
Other	0	0
Chairperson	External Director	External Director

Supplementary Explanation Updated

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

Audit & Supervisory Board Members

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	6
Number of Audit & Supervisory Board Members	3

Coordination Among Audit & Supervisory Board Members, Accounting Auditors, and Internal Audit Division Updated

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

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

Therefore, the Corporate Audit Office, Audit & Supervisory Board Members, and Accounting Auditors enhance the effectiveness of audits through mutual collaboration.

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

Appointment of External Audit & Supervisory Board Members	Appointed
Number of External Audit & Supervisory Board Members	2
Number of External Audit & Supervisory Board Members Designated as Independent Audit & Supervisory Board Members	2

External Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Shojiro Asai	From Other Company										△			
Nagaaki Ohyama	Academic													

* Categories for "Relationship with the Company":
"○" When the Audit & Supervisory Board Member currently falls or has recently fallen under the category
"△" When the Audit & Supervisory Board Member fell under the category in the past
"●" When a close relative of the Audit & Supervisory Board Member currently falls or has recently fallen under the category
"▲" When a close relative of the Audit & Supervisory Board Member fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive Director or accounting advisor of the Company or its subsidiaries
c. Non-executive Director or executive of a parent company of the Company
d. Audit & Supervisory Board Member of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company other than compensation as an Audit & Supervisory Board Member
i. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board Member himself/herself only)
k. Executive of a company, between which and the Company's External Directors/Audit & Supervisory Board Members are mutually appointed (the Audit & Supervisory Board Member himself/herself only)
l. Executive of a company or an organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
m. Others

External Audit & Supervisory Board Members' Relationship with the Company (2) Updated

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Shojiro Asai	○	Special Advisor of Rigaku Corporation ACCEL Research Area Advisor of The Japan Science and Technology Agency No mutual relationship exists between Rigaku Corporation, where he concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding. In addition, The	Mr. Asai was elected as an external Audit & Supervisory Board Member as he is expected to utilize his extensive experience, knowledge, professional views and personal relationships that were obtained through his work at and management of companies outside the Group as well as his experience of conducting audits as an external Audit & Supervisory Board Member of the Group, and that he is

		Japan Science and Technology Agency currently has business relations with the Company regarding purchases. However, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company and The Japan Science and Technology Agency in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or the entity. Furthermore, no mutual relationship exists between the Japan Science and Technology Agency and the Company including donations, mutual dispatch of directors or shareholding. Hitachi, Ltd., where Mr. Asai previously served as a management executive, currently has business relations with the Company regarding purchases. However, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company and Hitachi in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or the firm. Mr. Asai resigned from Hitachi, Ltd. more than 10 years ago and currently has no relationship with the company. In addition, no mutual relationship exists between Hitachi, Ltd. and the Company including donations, mutual dispatch of directors or shareholding. Furthermore, Hitachi Medical Corporation and Japan Analytical Instruments Manufacturers' Association, both of which he previously served in as a management executive, have no mutual relationship with the Company including donations, mutual dispatch of directors or shareholding. Furthermore, Mr. Asai has not been an operating officer or the	expected to play an active role in supervising the Company's management by providing proper advice and proposals as a corporate manager and engineer as an objective third party not involved in the Group's business execution.

		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.	
Nagaaki Ohyama	○	Professor of Tokyo Institute of Technology Tokyo Institute of Technology, where he concurrently holds office, currently has business relations with the Company regarding purchases and sales. However, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company and Tokyo Institute of Technology in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or the entity. Furthermore, no mutual relationship exists between the Tokyo Institute of Technology and the Company including donations, mutual dispatch of directors or shareholding. Furthermore, Mr. Ohyama has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.	Mr. Ohyama was elected as an external Audit & Supervisory Board Member as he is expected to utilize his extensive experience, knowledge, professional views and personal relationships as an academic in organizations outside the Group, and he is expected to play an active role in supervising the Company's management by providing proper advice and proposals, including those in his field of specialty, at the Board of Directors and the Audit & Supervisory Board as an objective third party, separate from the Group.

Independent Directors/Audit & Supervisory Board Members

Number of Independent Directors/Audit & Supervisory Board Members Updated	5

Matters Relating to Independent Directors/Audit & Supervisory Board Members

The Company has designated all of its External Directors and External Audit & Supervisory Board Members as Independent Directors and Independent Audit & Supervisory Board Members who satisfy the qualifications therefor.

The Company works to ensure the effectiveness of the supervisory function of management based on experience, achievements, professional expertise, insights, and other attributes, as well as independence which avoid conflicts of interest with general shareholders. To this end, it elects candidates for the position of External Director by confirming their business backgrounds and ensuring that they are not major shareholders of the Company or have never been engaged in the execution of business at the Company's main business partners (whose transactions with the Company exceed 1% of the Company's consolidated net sales) based on its criteria and policies for independence set out in accordance with the "Guidelines for the Governance of

Listed Companies (III 5. (3)-2)," established by the Tokyo Stock Exchange, Inc. On June 23, 2017, the Company appointed Mr. Yasuyuki Abe, Mr. Junichi Hikita, and Mr. Shinjiro Iwata as External Directors.

Likewise, the Company elects candidates for the position of External Audit & Supervisory Board Member with the approval of the Audit & Supervisory Board, having undertaken similar confirmation procedures as those for External Director. On June 24, 2016, the Company appointed Mr. Shojiro Asai and Mr. Nagaaki Ohyama as External Audit & Supervisory Board Members.

Incentives

Incentive Policies for Directors Updated	Adoption of a performance-linked remuneration system

Supplementary Explanation

At the 1st Ordinary General Meeting of Shareholders held on June 24, 2009, a proposal to determine the remuneration for Directors and Audit & Supervisory Board Members was approved by resolution, setting the amount of monthly remuneration for Directors to up to 36 million yen (monthly remuneration for External Directors accounting for up to 4 million yen) and to up to 9 million yen for Audit & Supervisory Board Members. Therefore, the Company decides the remuneration for Directors within these limits at a meeting of the Board of Directors and those for Audit & Supervisory Board Members at a meeting of the Audit & Supervisory Board.

The amount of Directors' remuneration does not include their salaries if they are employees concurrently serving as Directors. The Company does not pay bonuses, retirement benefits, or other monetary remuneration other than the above remuneration to Directors and Audit & Supervisory Board Members.

With regard to the Directors concurrently serving as Executive Officers, their remuneration as Executive Officers is included in the compensation limits even though the portion varies according to the Company's business performance.

Recipients of Stock Options	

Supplementary Explanation

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Remuneration for Directors

Disclosure of Individual Directors' Remuneration	No individual disclosure

Supplementary Explanation Updated

In the previous fiscal year (ended March 31, 2017), the amount of remuneration and other financial benefits paid as consideration for business execution to Directors and Audit & Supervisory Board Members (totaling 13) for the year was 357 million yen.

This breaks down to about 314 million yen for nine Directors (with 47 million yen for three External Directors) and 42 million yen for four Audit & Supervisory Board Members (with 17 million yen for three External Audit & Supervisory Board Members).

Policy on Determining Remuneration Amounts or Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Please refer to Article 15 of the CG Policy for the policy on determining remuneration amounts or calculation methods.

[CG Policy: http://www.jvckenwood.com/en/corporate/governance/]

At the 1st Ordinary General Meeting of Shareholders held on June 24, 2009, a proposal to determine the remuneration for Directors and Audit & Supervisory Board Members was approved by resolution, setting the amount of monthly remuneration for Directors to up to 36 million yen (monthly remuneration for External Directors accounting for up to 4 million yen) and to up to 9 million yen for Audit & Supervisory Board Members. Therefore, the Company decides the remuneration for Directors within these limits at a meeting of the Board of Directors and the remuneration for Audit & Supervisory Board Members at a meeting of the Audit & Supervisory Board. The amount of Directors' remuneration does not include their salaries if they are employees concurrently serving as Directors. The Company does not pay bonuses, retirement benefits, or other monetary remuneration other than the above remuneration to Directors and Audit & Supervisory Board Members.

None of the Directors or Audit & Supervisory Board Members of the Company receives 100 million yen or more in consolidated remuneration.

The Company currently has no Directors who are concurrently employees of the Company.

Support System for External Directors and/or Audit & Supervisory Board Members

Information is delivered to External Directors and External Audit & Supervisory Board Members by members of the Secretary Office, the Auditing Office, and Secretariat of the Board of Directors, in a timely manner as needed. For example, the notice for matters to be discussed at Board of Directors' meetings and meeting documents are distributed by electromagnetic or other means in advance.

In addition, meeting documents for the Executive Officers Committee are distributed when needed, with a view to enhancing the supervisory function of business execution.

2. Functions of Business Execution, Auditing, Oversight, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

1. Basic Explanation of the Corporate Organizations

(1) Matters concerning the Board of Directors

Corporate decisions are made at the General Meetings of Shareholders, the highest decision-making body of the Company, regarding fundamental matters stipulated in the Companies Act. However, unless otherwise specified in laws and regulations, matters stipulated in each item of Paragraph 1, Article 459 of the Companies Act, including dividends of surplus, are determined by resolutions of the Board of Directors, instead of resolutions at the General Meetings of Shareholders, in accordance with the Articles of Incorporation to enable the formulation of flexible capital and dividend policies.

The Company shall regard the Board of Directors as the fundamental and strategic decision-making body, as well as the supervisory body for business execution. The Board of Directors shall have a regular meeting once a month and an extraordinary meeting as necessary to discuss and resolve basic policies and important matters relating to management, as well as supervise and monitor the status of business execution. Directors shall have a fiduciary responsibility to shareholders. The term of office of Directors is one year to ensure the clarification of their responsibilities and swift management decision making. The Board of Directors is composed of persons with diverse experience, achievements, professional expertise, and insights. The Board of Directors shall also actively appoint External Directors to promote highly transparent decision making and take the initiative in corporate reform and governance.

The Company established the Nomination and Remuneration Advisory Committee, for which all of its External Directors serve as committee members, in December 2015, with the aim of strengthening the independence and objectivity of the functions of the Board of Directors. Since its establishment, the Nomination and Remuneration Advisory Committee has made proposals to JVCKENWOOD regarding candidate representatives for the Board of Directors, and reviewed the appropriateness of director candidates and directors' compensation plans proposed by the representatives and others, and reported its opinions. The Board of Directors has determined director candidates and directors' compensation, taking into consideration the opinions stated by the

Nomination and Remuneration Advisory Committee. As of June 23, 2017, Junichi Hikita, who serves as external director, chairs the Nomination and Remuneration Advisory Committee, and Yasuyuki Abe and Shinjiro Iwata, who are external directors, serve as committee members.

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

(2) Matters concerning Directors

The Articles of Incorporation stipulate that the number of Directors shall be nine or less, and that resolutions for electing Directors at the General Meetings of Shareholders shall require the presence of shareholders holding one-third or more of the exercisable voting rights of shareholders and the majority of votes thereof. Moreover, no cumulative voting shall be accepted. Nine Directors were elected at the 9th Ordinary General Meeting of Shareholders held on June 23, 2017.

With a view to limiting the scope of liability assumed by Directors to reasonable levels, the Articles of Incorporation of the Company stipulate, pursuant to Paragraph 1, Article 426 of the Companies Act, to exempt Directors, including those who served in the past, from liability for damages due to negligence of duties, subject to approval by resolution at the Board of Directors, and to the extent permitted by laws and regulations.

The Company works to ensure the effectiveness of the supervisory function of management based on experience, achievements, professional expertise, insights, and other attributes, as well as independence which avoid conflicts of interest with general shareholders. To this end, it elects candidates for the position of External Director by confirming their business backgrounds and ensuring that they are not major shareholders of the Company or have never been engaged in the execution of business at the Company's main business partners (whose transactions with the Company exceed 1% of the Company's consolidated net sales) based on its criteria and policies for independence set out in accordance with the "Guidelines for the Governance of Listed Companies (III 5. (3)-2)," established by the Tokyo Stock Exchange, Inc. On June 23, 2017, the Company appointed Mr. Yasuyuki Abe, Mr. Junichi Hikita and Mr. Shinjiro Iwata as External Directors.

Mr. Abe utilizes 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, in the Company's management, and he gives 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.

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.

SCSK Corporation (formerly Sumisho Electronics Co., Ltd. and Sumisho Computer Systems Corporation), where Mr. Abe previously served as a management executive, and the Company had business relations in the past regarding purchases. However, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company and 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.

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. However, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company and SUBARU 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. 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.

Mr. Hikita utilizes 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, in the Company's management, and he gives 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. 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., where Mr.Hikita previously served as an executive, currently has business relations with the Company with regard to purchases. However, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company and ROHM in the consolidated fiscal year under review and do not fall under major transactions for either the Company or the firm. In addition, he resigned as Senior Corporate Advisor of ROHM Co., Ltd. nine (9) years ago and currently has no relationship with the firm. 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 or 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.

Mr. Iwata was elected as an external director as he is expected to utilize his proper advice as a corporate manager based on his extensive experience, knowledge, professional views and personal relationships in management, information & communication area and automobile-related area of listed companies outside the Group, in the Company's management, and he is expected to play an active role in 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.

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 he 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.

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.

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 of the Company and each of these companies in the consolidated fiscal year under review and do not fall under major transactions for any of these companies. Additionally, no mutual relationship exists between the Company and these companies, including donations, mutual dispatch of directors or shareholding.

Moreover, no mutual relationship exists between Hitachi Data Systems Corporation and Hitachi Global Storage Technologies, Inc. (currently, HGST, Inc.), where Mr. Iwata previously served as an executive, and the Company including donations, mutual dispatch of directors or shareholding.

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.

The Company has designated Mr. Yasuyuki Abe, Mr. Junichi Hikita, and Mr. Shinjiro Iwata as

Independent Directors and notified the Tokyo Stock Exchange, Inc. of their appointments, pursuant to its provisions.

With a view to recruiting and retaining outstanding personnel as External Directors, the Articles of Incorporation of the Company stipulate, pursuant to Paragraph 1, Article 427 of the Companies Act, that the Company may enter into an agreement with an External Director to limit the liability for damages due to his/her negligence of duties within a certain level.

(3) Matters concerning Executive Officer System

The Company has introduced an Executive Officer System under which the management supervisory function is separated from the business execution function to clarify management responsibility and business execution responsibility. Since June 23, 2017, nine Directors (including three External Directors) and 13 Executive Officers (six serving concurrently as Directors) have been performing their duties.

The Board of Directors, which leads the Company's initiatives in corporate reform and governance, is chaired by an External Director to strengthen governance, holds active discussions between External Directors as independent directors and Directors concurrently serving as Executive Officers to make decisions, and entrusts the business execution to Executive Officers. In addition, the President and Representative Director of the Board, who is a member of the Board of Directors, serves as the Chief Executive Officer (CEO) to take responsibility for both management oversight and business execution. In accordance with decisions made at meetings of the Board of Directors, the CEO, serving as the Chairman, leads the Executive Officers Committee's meetings, and Executive Officers take responsibility for the execution of business.

In June 2016, the Company established the position of Chief Operating Officer (COO) for executives who assume responsibility for the overall operation of all the businesses in the Americas, EMEA (Europe, Middle East and Africa), Asia Oceania, and China, as well as the post of COO in the Automotive Sector, Public Service Sector and Media Service Sector. Further, we established the positions of Chief Financial Officer (CFO), Chief Strategy Officer (CSO), Chief Technology Officer (CTO), and Chief Administration Officer (CAO) for officers who oversee corporate divisions, and appointed Executive Officers to those positions. In this way, we have shifted to a new execution system under which the appointed Executive Officers support the CEO, towards the achievement of Vision 2020, the Mid- to Long-term Business Plan released in May 2015.

(4) Matters Concerning Audit & Supervisory Board

The Company adopts a company with an Audit & Supervisory Board framework as its organizational structure. Audit & Supervisory Board Members are responsible for the corporate audit function and their duties include attending Board of Directors' meetings and other important meetings, as well as holding Audit & Supervisory Board meetings, auditing the execution of Directors' duties, the business execution of the entire Group, and corporate accounting.

The Audit & Supervisory Board holds meetings once a month, and extra meetings as needed.

(5) Matters Concerning Audit & Supervisory Board Members

Since June 23, 2017, four Audit & Supervisory Board Members (including two External Audit & Supervisory Board Members) have performed their roles and responsibilities.

Mr. Takayoshi Sakamoto and Mr. Satoshi Fujita, Audit & Supervisory Board Members, possess considerable knowledge of finance and accounting based on approximately 11 years of experience and 10 years of experience, respectively, of serving in the Finance & Accounting Division and other divisions of the Group.

With a view to limiting the scope of liability assumed by Audit & Supervisory Board Members to reasonable levels, the Articles of Incorporation of the Company stipulate, pursuant to Paragraph 1, Article 426 of the Companies Act, to exempt Audit & Supervisory Board Members, including those members who served in the past, from liability, subject to approval by resolution of the Board of Directors, for damages due to negligence of duties and to the extent permitted by laws and regulations.

The Company works to ensure the effectiveness of the supervisory function of management based on experience, achievements, professional expertise, insights, and other attributes, as well as independence, which avoid conflicts of interest with general shareholders. To this end, it elects

candidates for the position of External Audit & Supervisory Board Member by confirming their business backgrounds and ensuring that they are not major shareholders of the Company or have never been engaged in the execution of business at the Company's main business partners(whose transactions with the Company exceed 1% of the Company's consolidated net sales) based on its criteria and policies for independence set out in accordance with the "Guidelines for the Governance of Listed Companies (III 5. (3)-2)," established by the Tokyo Stock Exchange, Inc. with the approval of the Audit & Supervisory Board. On June 24, 2016, the Company appointed Mr. Shojiro Asai and Mr. Nagaaki Ohyama as External Audit & Supervisory Board Members.

Mr. Shojiro Asai utilizes his extensive experience, knowledge, professional views and personal relationships that were obtained through his work at and management of companies outside the Group as well as his experience in carrying out audits as the Group's external Audit & Supervisory Board Member. Moreover, he provides proper advice and proposals, including those as a corporate manager and engineer, at the Board of Directors and the Audit & Supervisory Board as an objective third party, separate from the Group.

No mutual relationship exists between Rigaku Corporation, where he concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors and shareholding.

In addition, The Japan Science and Technology Agency currently has business relations with the Company regarding purchases. However, its transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company and The Japan Science and Technology Agency in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or the entity. Furthermore, no mutual relationship exists between the Japan Science and Technology Agency and the Company including donations, mutual dispatch of directors or shareholding.

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

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

Mr. Ohyama utilizes his extensive experience, knowledge, professional views and personal relationships as an academic in organizations outside the Group and provides proper advice and proposals, including those in his field of specialty, at the Board of Directors and the Audit & Supervisory Board as an objective third party, separate from the Group.

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

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

The Company has designated Mr. Shojiro Asai and Mr. Nagaaki Ohyama as Independent Audit & Supervisory Board Members and notified the Tokyo Stock Exchange, Inc. of their appointments, pursuant to its provisions. With a view to recruiting and retaining outstanding personnel as External

Audit & Supervisory Board Members, the Articles of Incorporation of the Company stipulate, pursuant to Paragraph 1, Article 427 of the Companies Act, that the Company may enter into an agreement with an External Audit & Supervisory Board Member to limit the liability for damages due to his/her negligence of duties within a certain level.

To prepare for the possibility that the number of Audit & Supervisory Board Members falls below the statutory minimum number, pursuant to Paragraph 3, Article 329 of the Companies Act, the Company has appointed one substitute Audit & Supervisory Board Member.

(6) Matters Concerning Compliance

JVCKENWOOD views compliance as responses to social needs, not merely as adherence to laws and regulations. This means that the objective of compliance is not merely to comply with laws and regulations, but to respond to social needs behind them through adherence to them. With the recognition of the objective, the Company enhances compliance activities of the Group comprehensively through the Compliance Committee chaired by the CEO.

The JVCKENWOOD Group Compliance Code of Conduct that target the entire Group were established in March 2010. The booklets (in three languages) were circulated to all Group officers and employees via the intranet and the compliance supervisors appointed by the Board of Directors of the Company at all affiliated companies to ensure full awareness of all Group members.

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

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

(7) Matters Concerning Consolidated Group Management

The Company has established the Group Governance Division to promote reform of consolidated Group management. The Group Governance Division designs, plans, and supports measures to prevent the recurrence of misconduct, facilitate management (operational) reforms, and enhance consolidated management and administration for the entire Group's operations while serving as a division that comprehensively deals with matters for affiliates and operational divisions.

2. Procedures and Status of Internal Audits and Audits by Audit & Supervisory Board Members

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

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

Audit & Supervisory Board Members implement audits according to the audit plan, audit the entire Group's operations, and check in-house approval documents based on the monitoring of Directors and Executive Officers. Audit & Supervisory Board Members also accompany audits performed by the Corporate Audit Office, thereby broadening the scope of the audits by Audit & Supervisory Board Members.

3. Accounting Audit Status

Three certified public accountants, Mr. Yasunari Kunii, Mr. Yasuhiko Haga, and Mr. Takashi Shimohira, performed accounting audits of the Company and the Group. They are designated and engagement partners of Deloitte Touche Tohmatsu Limited. Mr. Haga, Mr. Kunii, and Mr. Shimohira have performed audits consecutively for five years, four years, and one year, respectively. The total number of audit assistants is 35 (12 certified public accountants and 23 other assistants).

4. Coordination among Internal Audits, Audit by Audit & Supervisory Board Members, and Accounting Audit

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

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

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

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

5. Interests with External Directors and External Audit & Supervisory Board Members

There are no personal, capital and trading relationships, or other interests between the Company and each of its External Directors and External Audit & Supervisory Board Members, apart from some cases of holding shares in the Company.

With respect to the liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act, the Company and the three External Directors have concluded an agreement limiting liability for damages arising from the execution of their duties in good faith and without gross negligence. The maximum liability under the agreement will be either 5 million yen or a minimum liability amount stipulated by laws and regulations, whichever is greater.

Likewise, with respect to the liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act, the Company and the two External Audit & Supervisory Board Members have concluded an agreement limiting liability for damages arising from the execution of their duties in good faith and without gross negligence. The maximum liability under the agreement will be either 5 million yen or a minimum liability amount stipulated by laws and regulations, whichever is greater.

External Director Mr. Yasuyuki Abe concurrently serves as an officer or in a related role at another corporation (Outside Corporate Auditor of Subaru Corporation, Advisor of Sumitomo Corporation, and Advisor of Orange and Partners Co., Ltd.). External Director Mr. Junichi Hikita concurrently serves as Representative Director at another company (Hikita Consulting Co., Ltd.). External Director Mr. Shinjiro Iwata concurrently serves as an officer or in a related role at another corporation (Director and Chairman (Outside Director) of Benesse Holdings, Inc., Director of the Board (Outside Director) of Hitachi Transport System, Ltd., and Advisor of Hitachi, Ltd.). External Audit & Supervisory Board Member Mr. Shojiro Asai concurrently serves as an officer or in a related role at another corporation (Special Advisor of Rigaku Corporation and ACCEL Research Area Advisor of the Japan Science and Technology Agency). External Audit & Supervisory Board Member Mr. Nagaaki Ohyama concurrently serves as a professor at another corporation (Professor at National University Corporation Tokyo Institute of Technology). However, the Company has no significant business relationships with any of these corporations.

3. Reasons for Adoption of Current Corporate Governance System

The Company's basic corporate governance policy "separates management from the execution of operations," "recruits External Directors and Audit Supervisory Board Members," and "improves the function of acting as a check by establishing the Internal Audit Division." The Company has concluded that in order to effectively implement the policy, the most effective corporate governance system is to adopt the

organizational structure of a company with an Audit & Supervisory Board and to introduce an Executive Officer System. This would enable institutions within the Company to collaborate with each other. Consequently, the Company has adopted the current corporate governance system.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meeting and Facilitate the Smooth Exercise of Voting Rights Updated

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company, as a general rule, strives to send a notice of convocation of the Ordinary General Meeting of Shareholders at an early stage (about three weeks prior to the date of the meeting) and provides notice via the Internet and through other media immediately following the resolution of convocation of the Ordinary General Meeting of Shareholders. This gives shareholders sufficient time to review the proposals.
Scheduling Annual General Meeting to Avoid the Peak Time	The 5th Ordinary General Meeting of Shareholders was held on June 25, 2013. The 6th Ordinary General Meeting of Shareholders was held on June 20, 2014. The 7th Ordinary General Meeting of Shareholders was held on June 19, 2015. The 8th Ordinary General Meeting of Shareholders was held on June 24, 2016. The 9th Ordinary General Meeting of Shareholders was held on June 23, 2017.
Allowing the Electronic Exercise of Voting Rights	The Company has made it possible for shareholders to exercise their voting rights using a voting rights exercise form or by electromagnetic means (the Internet). In addition, voting rights can be exercised via the Internet using mobile phones.
Participation in Electronic Voting Platform	The Company participates in the voting platform for institutional investors operated by ICJ, Inc. Even nominal shareholders including custody and trust banks, standing proxies, and other institutions can use the platform to exercise their voting rights.
Providing Convocation Notice in English	The English version of convocation notices is available on the Company's website and elsewhere, so as to facilitate the smooth exercise of voting rights at the General Meeting of Shareholders.
Other	Pursuant to the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc., the Company discloses resolution results of proposals at the General Meeting of Shareholders, including the number of "for" and "against" votes.

2. IR Activities Updated

	Supplementary Explanations	Explanation by Representative
Regular Investor Briefings for Analysts and Institutional Investors	As a general rule, the Company holds briefings for analysts and institutional investors four times a year, after the close of its quarterly accounts.	Yes
Posting of IR Materials on Website	The Company posts securities reports, accounting reports, annual reports, press releases, and other materials, on its website in a timely manner.	
Establishment of Department and/or Appointment of	The Public & Investor Relations Group is established within the Corporate Communication	

Manager in Charge of IR	Department to provide individual explanations for analysts, institutional investors, and other parties, as necessary, and to serve as a contact point to handle inquiries from investors including individual shareholders.

3. Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company recognizes that the mission and purpose of a company that strives to achieve sustainable growth within society is to meet the expectations of all stakeholders, while gaining the trust of society and contributing to it. Therefore, the Company understands that its highest priority is to contribute to society through its business operations. This involves not just conducting every operation in compliance with laws and regulations, but also working to enhance corporate governance, promoting highly transparent corporate management, and accelerating the Company's environmental preservation activities for the next generation.
Undertaking Environmental Activities, CSR Activities, etc.	While businesses provide people with useful products, services, and employment opportunities, they also create burdens on society. Environmental and social problems are closely related to businesses, particularly for manufacturers, because of the waste, pollution, massive consumption of resources and energy, and population concentrations that are associated with the manufacturing process. However, our society would no longer exist if we got rid of businesses. The JVCKENWOOD Group is aware that the mere existence of businesses has an impact on society. So, we are providing excitement and peace of mind as one part of our corporate activities to reduce our impact on and contribute to society according to our corporate vision. Framework of JVCKENWOOD's Social Responsibilities (To reduce the burden on the environment) ・Products designed with no environmental impact ・Corporate and production activities with no environmental impact ・Work environment that does not overburden our minds and bodies ・Products, services, and corporate activities that are not a burden to customers (To contribute to our communities) ・Development of products capable of providing excitement and peace of mind ・Activities as corporate citizens firmly rooted in local communities ・Interactions with stakeholders ・Activities to support sports, culture, and art
Development of Policies on Information Provision to Stakeholders	The Company has established the Regulations for Timely Disclosure, which are established internally. The Information Disclosure Committee examines the content and means of information disclosure on matters decided or identified within the Company, and it provides accurate information to stakeholders in a timely manner.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The Company has established a system as described below with the aim of ensuring the appropriateness of business operations.

1. Frameworks for ensuring that the execution of duties of the Directors, employees, and other personnel 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 conduct guide are prepared and followed, while being shared and fully recognized by all officers and employees of the Group under the leadership of a division in charge of compliance.
   (2) Various internal rules, regulations, guidelines, and other guidance, for the entire Group are prepared and updated as the guidelines for the execution of duties by employees.
   (3) The JVCKENWOOD GROUP Compliance Code of Conduct is established and followed.
   (4) Each of the Group companies establishes the "Board of Directors Rules" to properly supervise management's decision making and Directors' execution of duties.
   (5) Internal audits targeted at the entire Group are conducted. In addition, the "JVCKENWOOD Group Internal Whistle-blowing Rules" are stipulated as a means for enabling internal reporting by all employees of the Group to establish the procedures for internally notifying any act that deviates from the "JVCKENWOOD GROUP Compliance Code of Conduct," 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, and other personnel 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 Rules" and stored at the main office in accordance with the relevant laws and regulations and internal rules.
   (2) The "Regulations for Management of Confidential Information" are established to define the basic rules to be observed in managing confidential information whether in print or in electronic form, and are handled determinately.

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

4. Frameworks for ensuring the efficient execution of duties of the Group's Directors
   (1) The Company formulates business and other plans on a Group-wide basis, thereby clarifying management targets, promoting awareness thereof in the Group and evaluating the status of achievement thereof.
   (2) The Company has in place the Executive Officer System to entrust the duty of business execution to the Executive Officers, thereby separating management oversight functions from business execution functions and clarifying the realms of oversight responsibility and business execution responsibility.
   (3) The Company establishes the "Board of Directors Rules" and the "Executive Officers Committee Rules," as well as the "Administrative Authority Regulation," the "Standards for Decision-Making and Authority," and the "List of Decision-Making Matters" 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 division 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 Policy of Consolidated Business Management," the corporate philosophy and management policies are shared among the Group companies. In addition, the "Administrative Authority Regulation," the "Standards for Decision-Making and Authority," and the "List of Decision-Making Matters" 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 officers 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 Division.

6. Frameworks for reporting to the Company on matters concerning the execution of duties of Directors, business executing employees, and other personnel, of the Group subsidiaries
   (1) The Company assigns a responsible division in each subsidiary to ensure that the subsidiary reports important information to such division, which in turn has responsibility for the overall management of that subsidiary.
   (2) If necessary, the Company dispatches officers 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 employees as dedicated staff members who assist the Company's Audit & Supervisory Board Members in performing their auditing duties.
   (2) The Company lets Audit & Supervisory Board Members evaluate the performance of employees exclusively assigned as staff of Audit & Supervisory Board Members and has prior discussion with Audit & Supervisory Board Members with regard to the assignment of such staff.
   (3) The Company's Audit & Supervisory Board Members clarify the necessary matters to ensure the independence of the employees assisting them, including the Audit & Supervisory Board Members' 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 divisions report their business execution status to the Company's Audit & Supervisory Board Members periodically and as needed.
   (3) The Company's Audit & Supervisory Board Members execute auditing of the Company's business units and subsidiaries according to the annual audit plan, including the above, and receive reports and hear opinions therefrom.
   (4) The Group's Directors and employees and persons who have received reports therefrom promptly respond whenever the Company's Audit & Supervisory Board Members ask for reports on the businesses or investigate the status of the Group's business and property.
   (5) A Group-wide notification system is provided, by which parties such as Group employees, can directly notify any fraudulent activities and concerned issues regarding accounting and auditing that might arise within the Group to the Audit & Supervisory Board.
   (6) The Company's Audit & Supervisory Board Members periodically receive reports on the audit plans and audit results of the Internal Audit Division.

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 divisions 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 Division to stop such unfair treatment.

10. Matters concerning the policies on the procedures for advance payment or redemption of expenses arising from the execution of the duties of the Company's Audit & Supervisory Board Members and any other treatment of expenses or liabilities arising from the execution of such duties
   (1) When the Company's Audit & Supervisory Board Members ask the Company for advance payment or other treatment of expenses arise in relation to their execution of duties, the Company will immediately address such expenses or liabilities, unless such expenses or liabilities are proved to be unnecessary for the execution of the duties of the Company's Audit & Supervisory Board Members.
   (2) The Company's Audit & Supervisory Board Members conduct the payment of audit expenses, while giving due consideration to the efficiency and appropriateness of the audit.

11. Other frameworks for ensuring effective auditing of the Company's Audit & Supervisory Board Members
   (1) The Company's Directors prepare conditions to enable the execution of effective audits 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 periodic 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 divisions in charge of legal affairs, accounting and internal audit 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 professional 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 corporate group, which consists of the Company and its subsidiaries.
   (2) The enhancement and operation of the system to ensure the propriety of financial reports is periodically evaluated and promoted the improvement thereof.

13. Basic policy for the elimination of antisocial forces

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

2. Basic Views on Eliminating Antisocial Forces

The Company's basic policy against antisocial forces is stated in "13. Basic policy for the elimination of antisocial forces" under the heading "1. Basic Views on Internal Control System and the Progress of System Development," as shown above.

In accordance with the above policy, the Group stipulates in the "JVCKENWOOD GROUP Compliance Code of Conduct" that it will not be involved with any antisocial forces or organizations that pose a threat to social order and safety and not to accept unlawful or unreasonable claims from them, and that it acts

accordingly.

V. Other

1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	Not adopted

Supplementary Explanation

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2. Other Matters Concerning Corporate Governance System Updated

1. Recent Status of Implementation of Initiatives towards the Enhancement of the Company's Corporate Governance

The Company disclosed a summary of the results of an evaluation on the effectiveness of the Board of Directors on March 31, 2017.

[The details of the method of effectiveness evaluation and the summary of the results of evaluation thereof are available on the Company's website.
(http://www.jvckenwood.com/en/corporate/governance/pdf/170821_directors.pdf).]

2. Status of the Internal System for Timely Disclosure of the Company's Corporate Information

The Company ensures that every employee fully understands its basic policy and procedures for timely disclosure of information, and at the same time, it discloses important information about the Company, its subsidiaries and affiliates in a fair, timely, and proper manner, so that shareholders, investors, and all stakeholders are able to make appropriate evaluations and judgments.

A summary of the Company's Regulations for Timely Disclosure concerning information disclosure procedures is as described below.

(1) Method of timely disclosure

As a general rule, the Company will make timely disclosure via Timely Disclosure network (TDnet) run by the Tokyo Stock Exchange, Inc. and then promptly notify the press and follow other disclosure procedures in the methods stipulated by laws and regulations. The disclosed information will be posted on the Company's website, immediately following the disclosure.

(2) Divisions responsible for timely disclosure

*There is no particular division solely responsible for timely disclosure; it is regarded as a Company-wide task and every business unit bears the responsibility for it.

*In each Division, the Senior Manager is appointed as a "chief responsible person for timely disclosure," while the Manager of the department under each Division is designated as a "responsible person for timely disclosure."

*The "manager chiefly responsible for timely disclosure" and "manager responsible for timely disclosure" are to take responsibility to formulate, maintain, and supervise the timely disclosure framework within his/her Division to ensure that no important information fails to be disclosed. Inquiries concerning timely disclosure must be referred to the Information Disclosure Committee. One issue pertaining to this matter is whether the information is important enough to be disclosed on a timely basis.

*The Information Disclosure Committee is responsible for supervising the entire Company's timely disclosures. No other division but the Committee acts as the liaison for making timely disclosures.

(3) Information Disclosure Committee

*The Information Disclosure Committee is responsible for maintaining and supervising the Company-wide timely disclosure framework. The Committee is notified of information to be disclosed by the manager chiefly responsible for timely disclosure; subsequently, the Committee will submit a report on the timely disclosure to the Executive Officers Committee and the Board of

Directors.

*Any disclosed information concerning the Company is to be consolidated and managed by the Information Disclosure Committee, which acts as the contact point of external disclosure.

*The Information Disclosure Committee collaborates with Company lawyers or Accounting Auditors regarding timely disclosure whenever necessary.

*The Information Disclosure Committee consists of the following members.

Chairman: Chief Strategy Officer (CSO)

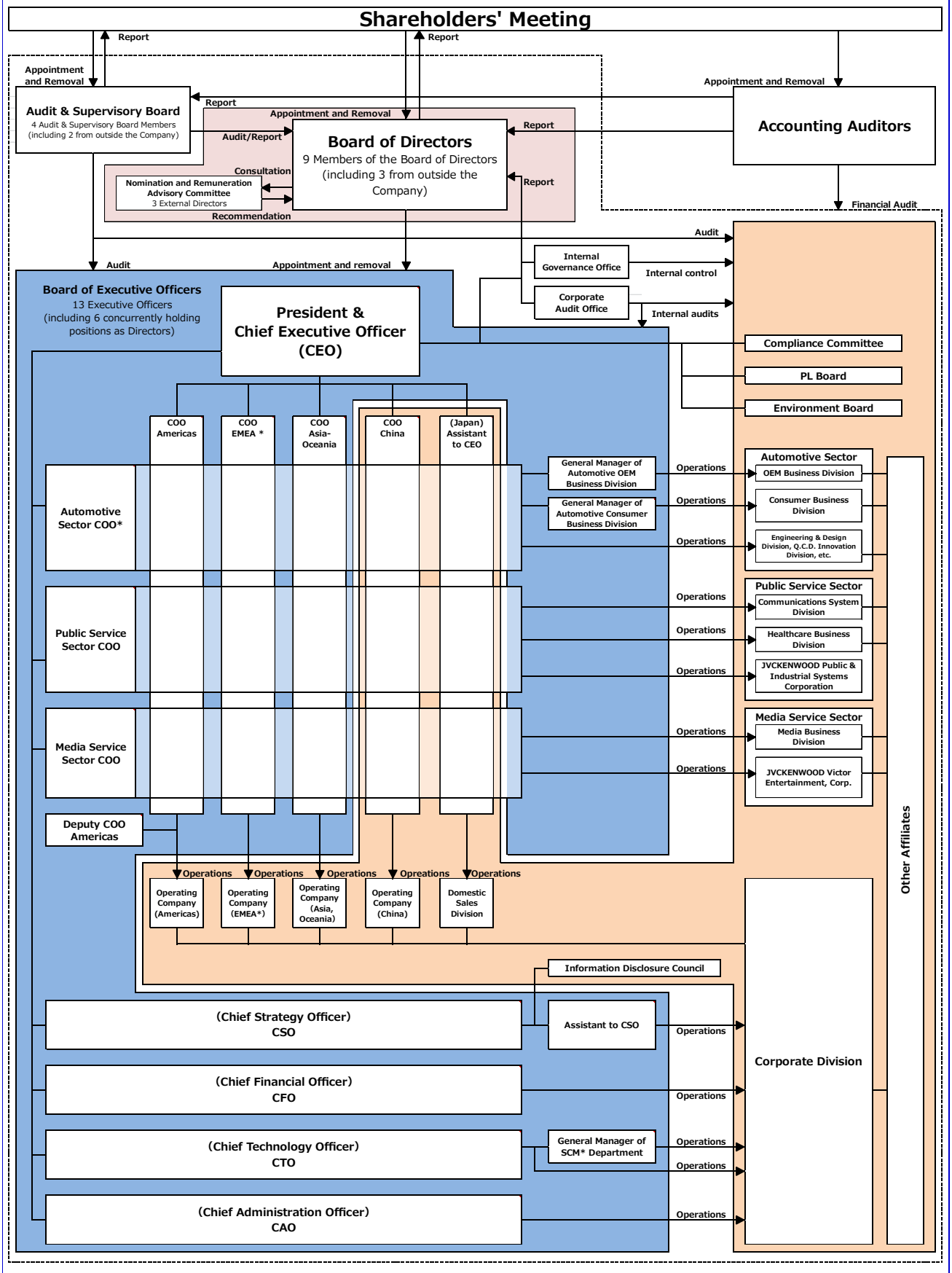
Members: Chief Financial Officer (CFO), Chief Administration Officer (CAO), Senior Manager of Corporate Communication Department, and Senior Manager of Corporate Strategy Department

Secretariat Head: General Manager of the Internal Governance Office

Secretariat: Corporate Affairs Group and Public & Investor Relations Group, Corporate Communication Department

Corporate Governance System

As of June 23. 2017



Note: EMEA: Europe the Middle East and Africa
COO : Chief Operating Offcer
SCM : Supply Chain Management

Overview of Timely Disclosure Framework (Pattern Diagram)

Information Disclosure Flowchart

