(Translation)

Securities Code: 6632
May 29, 2018

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

NOTICE OF CONVOCATION OF THE 10th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 10th Ordinary General Meeting of Shareholders of JVCKENWOOD Corporation (the "Company"), to be held on Friday, June 22, 2018. 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 pages 3-5, as well as reviewing the reference documents on pages 6-21, please exercise your voting rights by 6 p.m. on Thursday, June 21, 2018 (JST).

With Best Regards,

Takao Tsuji
Representative Director of the Board
Chairman & Chief Executive Officer

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 22, 2018 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 10th Fiscal Year (From April 1, 2017 to March 31, 2018) 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 10th Fiscal Year (From April 1, 2017 to March 31, 2018)

   Matters to be Resolved:
   Proposal No. 1: Election of Nine (9) Directors of the Board
   Proposal No. 2: 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 22 to page 58. 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.
- Please note that no souvenir will be provided to shareholders attending this meeting.

(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 6 to page 21.

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
- 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 any of the following methods. Please exercise your voting rights by the following deadline.

Deadline for exercising voting rights
6 p.m., Thursday, June 21, 2018 (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 21, 2018 (JST).

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

Voting via smartphone
Please use “Smart Exercise” for exercising your voting rights via smartphone. See page 5 for details.

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 21, 2018 (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.7 or later.
(b) For PDF file browser, Adobe® Reader® Ver.9 or later (Internet Explorer is a registered trademark, trademark, and product name of Microsoft Corporation in the U.S., while Adobe® and 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)

Exercising the Voting Rights via Smartphone

“Smart Exercise” Instructions (Japanese-only)
You can access the smartphone voting site by reading the “QR code® for login to the smartphone voting site” without needing to enter the voting code and password.

*The above-mentioned method of exercising voting rights is one-time-only.
*If you wish to change your votes after completing the exercise of voting rights, please read the QR code® again and enter the voting code and password indicated on the Voting Rights Exercise Form.

1. Read the QR code®.
Turn on the camera of your smartphone and read the “QR code® for login to the smartphone voting site” indicated on the enclosed Voting Rights Exercise Form.

2. Select an option for exercising voting rights.
The voting site opens. Select an option for exercising voting rights.

3. For each proposal, select for or against.
For each proposal, select for or against by following the instructions displayed on the screen.

Follow the instructions on the screen to complete the exercise of voting rights.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

(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 (one of whom is a first-time candidate 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 a Director (External) 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		Current Position	Position (Planned)	Page
1	Reappointment External Independent	Yasuyuki Abe	Director of the Board (Chairman of the Board), Member of Nomination and Remuneration Advisory Committee	Unchanged	7
2	Reappointment	Takao Tsuji	Representative Director of the Board, Chairman & Chief Executive Officer (CEO), Chief Export Control Officer	Unchanged	9
3	Reappointment	Shoichiro Eguchi	Representative Director of the Board, President & Chief Operating Officer (COO)	Unchanged	10
4	Reappointment	Masaki Imai	Director of the Board, Executive Vice President, Chief Strategy Officer (CSO), Chief Administration Officer (CAO), General Manager of Internal Governance Office, Export Control Legal Audit Officer	Unchanged	11
5	Reappointment	Masatoshi Miyamoto	Director of the Board, Senior Managing Executive Officer, Chief Financial Officer (CFO)	Unchanged	12
6	Reappointment	Yasuyuki Tanida	Director of the Board, Managing Executive Officer, Chief Technology Officer (CTO)	Unchanged	13
7	First-time Candidate	Masao Nomura	Managing Executive Officer in Charge of Automotive Sector, General Executive of Automotive OEM Business Division, COO EMEA (Europe, Middle East and Africa)	Director of the Board, Managing Executive Officer in Charge of Automotive Sector, General Executive of Automotive OEM Business Division, COO EMEA (Europe, Middle East and Africa)	14
8	Reappointment External Independent	Junichi Hikita	Director of the Board, Chairman of Nomination and Remuneration Advisory Committee	Unchanged	15
9	Reappointment External Independent	Shinjiro Iwata	Director of the Board Member of Nomination and Remuneration Advisory Committee	Unchanged	17

(Translation)

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Profile, title, position and important concurrent duties</th><th>Number of the Company's common shares held</th></tr>
<tr><td rowspan="3">1</td><td>
Yasuyuki Abe
(April 17, 1952)

Candidate for reappointment

External Director

Independent Director

Tenure as Director: 3 years

Attendance at Board of Directors' meetings during the current fiscal year:
14/14 (100%)

Attendance at Nomination and Remuneration Advisory Committee meetings during the current fiscal year:
11/11 (100%)</td><td>Apr. 1977 Joined Sumitomo Corporation
Nov. 1980 Transferred to Houston Office, Sumitomo Corporation of Americas
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)
Apr. 2002 Corporate Officer and Assistant to General Manager, Network Division, Sumitomo Corporation
Jun. 2002 President and Representative Director of Sumisho Electronics Co., Ltd. (currently SCSK Corporation)
Apr. 2005 President and Representative Director of Sumisho Computer Systems Corporation (currently SCSK Corporation)
Jun. 2009 Representative Director, Managing Executive Officer and General Manager, Financial & Logistics Business Unit of Sumitomo Corporation
Apr. 2011 Representative Director, Senior Managing Executive Officer and General Manager, New Industry Development & Cross-Function Business Unit of Sumitomo Corporation
Apr. 2013 Representative Director, Senior Managing Executive Officer and General Manager, Corporate Planning & Coordination Group of Sumitomo Corporation
Apr. 2015 Representative Director and Assistant to President and CEO of Sumitomo Corporation
Jun. 2015 Advisor of Sumitomo Corporation (current position, scheduled to retire in June 2018)
External Director of JVCKENWOOD Corporation
Oct. 2015 Advisor of Orange and Partners Co., Ltd. (current position)
Jun. 2016 External Director of the Board (Chairman of the Board of JVCKENWOOD Corporation) (current position)
Outside Corporate Auditor of Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION) (current position)</td><td rowspan="2">14,600</td></tr>
<tr><td><Current positions and responsibilities>
Director of the Board (Chairman of the Board),
Member of Nomination and Remuneration Advisory Committee
<Important concurrent duties>
Outside Corporate Auditor of SUBARU CORPORATION
Advisor of Sumitomo Corporation (scheduled to retire in June 2018)
Advisor of Orange and Partners Co., Ltd.</td></tr>
<tr><td colspan="3">Special notes on candidate for external director
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.</td></tr>
</table>

	Reasons for selecting him as a candidate for external director 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. **Tenure of office as external director of the Company since he took office** Mr. Abe is currently an external director of the Company, and his tenure of office as an external director of the Company will be three (3) years at the conclusion of this General Meeting of Shareholders. **Outline of the liability limitation agreement** 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. **Matters concerning independence** 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 ("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 eight (8) 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. 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. 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. 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.
	Concerning the candidate's service over the past five years as Directors, Executive Officers, or Corporate 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 It came to light that at SUBARU CORPORATION, at which Mr. Abe has held a concurrent position as Outside Corporate Auditor since June 2016, there were cases of nonconforming final vehicle inspection and altering of fuel economy and emissions data during final vehicle inspection. Although Mr. Abe had been unaware of this fact in advance, drawing on his ample experience and deep insight, he had regularly noted the importance of internal controls and made proposals from the viewpoint of compliance with the laws and regulations as necessary. After the detection of the said fact, for instance, he kept himself informed of the progress of investigations into the facts behind the issue, etc. by receiving regular reports, and called for suitable measures to be taken within the company for timely and appropriate response and further strengthening and thorough promotion of compliance, as well as measures to prevent recurrence, and has been fulfilling his duties.

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
2	 Takao Tsuji (September 28, 1949) Candidate for reappointment Tenure as Director: 5 years Attendance at Board of Directors' meetings during the current fiscal year: 14/14 (100%)	Apr. 1973 Joined Nissho Iwai Corporation (currently Sojitz Corporation), Tokyo Head Office Jun. 1999 Director of NISSHO ELECTRONICS CORPORATION Mar. 2000 Director of FUSION COMMUNICATIONS CORPORATION (Part-time) Jun. 2001 Managing Director of NISSHO ELECTRONICS CORPORATION Jun. 2002 President and Representative Director of NISSHO ELECTRONICS CORPORATION 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, Kwansei Gakuin University Jun. 2009 Chairman of the Board of Directors of NISSHO ELECTRONICS CORPORATION Sep. 2009 Member of the Final Selection Committee for Japan Aerospace Exploration Agency (JAXA) Aerospace Open Laboratory Jun. 2013 External Director of JVCKENWOOD Corporation May 2014 President, Representative Director of the Board, Chief Operating Officer (COO), Chief Risk Officer (CRO), Chief Innovation Officer (CIO) of JVCKENWOOD Corporation Jun. 2016 President, Representative Director of the Board, Chief Executive Officer (CEO) of JVCKENWOOD Corporation Apr. 2018 Representative Director of the Board, Chairman & Chief Executive Officer (CEO), Chief Export Control Officer of JVCKENWOOD Corporation (current position) <Current positions and responsibilities> Representative Director of the Board, Chairman & Chief Executive Officer (CEO), Chief Export Control Officer <Important concurrent duties> Not applicable	117,600
	Reasons for selecting him as a candidate for director 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.		

(Translation)

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Profile, title, position and important concurrent duties</th><th>Number of the Company's common shares held</th></tr>
<tr><td>3</td><td>
Shoichiro Eguchi
(December 7, 1955)

Candidate for reappointment

Tenure as Director: 7 years in total

Attendance at Board of Directors' meetings during the current fiscal year:
14/14 (100%)</td><td>Apr. 1979 Joined Trio Electronics, Inc. (currently JVCKENWOOD Corporation)
Jun. 2003 Senior Vice President & Executive Officer of Kenwood Corporation (currently JVCKENWOOD Corporation)
Apr. 2004 General Executive of Car Electronics Sales Div. of Kenwood Corporation (currently JVCKENWOOD Corporation); President and Director of Kenwood Electronics Europe B.V. (currently JVCKENWOOD Europe B.V.)
Jun. 2004 Director, Senior Vice President & Executive Officer of Kenwood Corporation (currently JVCKENWOOD Corporation)
Oct. 2005 President and Director of Kenwood U.S.A. Corporation (currently JVCKENWOOD USA Corporation)
Jun. 2007 Executive Officer, Senior Managing Officer, Assistant to CEO (Car Electronics Overseas Sales Strategy) of Kenwood Corporation (currently JVCKENWOOD Corporation)
Jun. 2010 Director of the Board, Senior Vice President & Executive Officer of JVCKENWOOD Holdings, Inc.
Oct. 2011 Representative Director of the Board, Deputy President & Executive Officer, General Executive of Strategic Corporate Planning Division, Group Management Office, Chief Operating Officer (COO) of Car Electronics Business Group of JVCKENWOOD Corporation
Jun. 2012 President, Representative Director of the Board, Chief Executive Officer (CEO) of JVCKENWOOD Corporation
May 2014 Representative Director of the Board, Executive Officer, Chief Executive Officer (CEO) - Europe Region of JVCKENWOOD Corporation
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
Apr. 2018 Representative Director of the Board, President & Chief Operating Officer (COO) of JVCKENWOOD Corporation (current position)
<Current positions and responsibilities>
Representative Director of the Board, President & Chief Operating Officer (COO)
<Important concurrent duties>
Not applicable</td><td>111,270</td></tr>
<tr><td colspan="4">Reasons for selecting him as a candidate for director
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 as the Chief Operating Officer (COO) of the new management structure.</td></tr>
</table>

(Translation)

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Profile, title, position and important concurrent duties</th><th>Number of the Company's common shares held</th></tr>
<tr><td>4</td><td>
Masaki Imai
(December 10, 1952)

Candidate for reappointment

Tenure as Director: 1 year

Attendance at Board of Directors' meetings during the current fiscal year:
11/11 (100%)</td><td>Apr. 1976 Joined Trio Electronics, Inc. (currently JVCKENWOOD Corporation)
Jan. 1998 General Executive of Business Management Department, Home Audio Division, Kenwood Corporation (currently JVCKENWOOD Corporation)
Apr. 2001 General Executive of President's Office, Manager of Corporate Planning Section
Oct. 2002 General Executive of Consolidated Management Division
Oct. 2005 General Executive of Corporate Audit Department
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)
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)
Jul. 2012 Senior Vice President & Executive Officer, General Executive of Corporate Planning & Production Strategy Planning Division, General Executive of the Human Resources Management Division of JVCKENWOOD Corporation,
Apr. 2017 Senior Managing Executive Officer, Chief Administration Officer (CAO), Chief Strategy Officer (CSO) of JVCKENWOOD Corporation
Jun. 2017 Director of the Board, Senior Managing Executive Officer, Chief Administration Officer (CAO), Chief Strategy Officer (CSO) of JVCKENWOOD Corporation
Apr. 2018 Director of the Board, Executive Vice President, Chief Strategy Officer (CSO), Chief Administration Officer (CAO), General Manager of Internal Governance Office, Export Control Legal Audit Officer of JVCKENWOOD Corporation (current position)
<Current positions and responsibilities>
Director of the Board, Executive Vice President, Chief Strategy Officer (CSO), Chief Administration Officer (CAO), General Manager of Internal Governance Office, Export Control Legal Audit Officer
<Important concurrent duties>
Not applicable</td><td>47,790</td></tr>
<tr><td></td><td colspan="3">Reasons for selecting him as a candidate for director
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 director and executive officer, will be utilized, and that he will continue to be active as the Chief Strategy Officer (CSO) and Chief Administration Officer (CAO) of the new management structure.</td></tr>
</table>

(Translation)

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Profile, title, position and important concurrent duties</th><th>Number of the Company's common shares held</th></tr>
<tr><td>5</td><td>
Masatoshi Miyamoto
(March 16, 1963)

Candidate for reappointment

Tenure as Director: 1 year

Attendance at Board of Directors' meetings during the current fiscal year:
11/11 (100%)</td><td>Apr. 1986 Joined Trio Electronics, Inc. (currently JVCKENWOOD Corporation)
Oct. 2002 Head of Finance Planning Office, Finance Department of Kenwood Corporation (currently JVCKENWOOD Corporation)
Jan. 2004 General Executive of Business Development Department, Car Electronics Business Division
Jun. 2007 Director and President, Kenwood Electronics Trading (Shanghai) Co., Ltd.
Jun. 2011 General Manager, Business Planning Division, (HM) Home & Mobile Electronics Business Group of JVCKENWOOD Corporation
Jun. 2012 Operating Officer of HM Electronics Business Group, General Executive of Sound & Acoustic Division, General Executive of AV Communications Operation, Sound & Acoustic Division of JVCKENWOOD Corporation
May 2014 Senior Vice President & Executive Officer, Head of Car Electronics Segment of JVCKENWOOD Corporation
Jul. 2015 Senior Vice President & Executive Officer, General Executive of Finance & Accounting Division, Assistant to COO (Automotive Direct Marketing) of JVCKENWOOD Corporation
Apr. 2017 Managing Executive Officer, Chief Financial Officer (CFO) of JVCKENWOOD Corporation
Jun. 2017 Director of the Board, Managing Executive Officer, Chief Financial Officer (CFO) of JVCKENWOOD Corporation
Apr. 2018 Director of the Board, Senior Managing Executive Officer, Chief Financial Officer (CFO) of JVCKENWOOD Corporation (current position)
<Current positions and responsibilities>
Director of the Board, Senior Managing Executive Officer, Chief Financial Officer (CFO)
<Important concurrent duties>
Not applicable</td><td>33,300</td></tr>
<tr><td></td><td colspan="3">Reasons for selecting him as a candidate for director
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 director and executive officer, will be utilized, and that he will continue to be active as the Chief Financial Officer (CFO) of the new management structure.</td></tr>
</table>

(Translation)

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Profile, title, position and important concurrent duties</th><th>Number of the Company's common shares held</th></tr>
<tr><td>6</td><td>
Yasuyuki Tanida
(May 8, 1966)

Candidate for reappointment

Tenure as Director: 3 years

Attendance at Board of Directors' meetings during the current fiscal year:
14/14 (100%)</td><td>Apr. 1989 Joined Victor Company of Japan, Limited (currently JVCKENWOOD Corporation)
Apr. 2008 Engineering Manager of Camcorder Category, Mobile AV Business Group, Victor Company of Japan, Limited
Oct. 2010 Manager of Product Design, Imaging Division, Victor Company of Japan, Limited
Oct. 2011 Engineering Executive of Home & Mobile (HM), HM Electronics Business Group of JVCKENWOOD Corporation
Jul. 2013 General Manager of Sensing Device Business Operation, i-ADAS* Business Taskforce, Deputy General Executive of Engineering, Imaging Division of JVCKENWOOD Corporation
May 2014 Senior Vice President & Executive Officer, Co-leader of New Imaging Business Development Task Force, Head of Optical & Audio Segment of JVCKENWOOD Corporation
Jun. 2015 Director of the Board, Executive Officer, Chief Innovation Officer (CIO), Assistant to COO (Automotive Sector) of JVCKENWOOD Corporation
Jul. 2016 Director of the Board, Managing Executive Officer, Chief Technology Officer (CTO), General Manager of Technology & Manufacturing Strategy Division of JVCKENWOOD Corporation
Apr. 2017 Director of the Board, Managing Executive Officer, Chief Operating Officer (COO) - Media Service Sector, Chief Technology Officer (CTO), General Manager, R&D Department of JVCKENWOOD Corporation
Apr. 2018 Director of the Board, Managing Executive Officer, Chief Technology Officer (CTO) of JVCKENWOOD Corporation (current position)
* innovative Advanced Driver Assistance System
<Current positions and responsibilities>
Director of the Board, Managing Executive Officer, Chief Technology Officer (CTO)
<Important concurrent duties>
Not applicable</td><td>37,100</td></tr>
<tr><td></td><td colspan="3">Reasons for selecting him as a candidate for director
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 as the Chief Technology Officer (CTO) of the new management structure.</td></tr>
</table>

(Translation)

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Profile, title, position and important concurrent duties</th><th>Number of the Company's common shares held</th></tr>
<tr><td>7</td><td>
Masao Nomura
(May 16, 1959)

First-time Candidate

Tenure as Director: – years

Attendance at Board of Directors' meetings during the current fiscal year:
– / – (–%)</td><td>Apr. 1984 Joined Nissho Iwai Corporation (currently Sojitz Corporation)
Jul. 1998 Director of the Board of Benelux N.V, a subsidiary of Nissho Iwai Corporation
Apr. 2002 President of ITX E-Globaledge Corporation (currently E-Globaledge Corporation)
Jun. 2002 Part-time Director of TechMatrix Corporation
Jun. 2003 Part-time Director of NGC Corporation
Mar. 2010 Part-time Director of Nextgen, Inc.
Mar. 2010 Part-time Director of Sojitsu Systems Corporation (currently NISSHO ELECTRONICS CORPORATION)
Jun. 2012 Part-time Director of SAKURA Internet Inc.
Jun. 2013 Part-time lecturer of Faculty of Engineering, Yamagata University
May 2014 Joined JVCKENWOOD Corporation. General Executive of OEM Business, Car Electronics Segment of JVCKENWOOD Corporation
Apr. 2017 Executive Officer, General Executive of OEM Business Division, Automotive Sector, Senior General Manager of Option Business Unit of JVCKENWOOD Corporation
Apr. 2018 Managing Executive Officer in Charge of Automotive Sector,
General Executive of Automotive OEM Business Division,
COO EMEA (Europe, Middle East and Africa) of JVCKENWOOD Corporation (current position)
<Current positions and responsibilities>
Managing Executive Officer in Charge of Automotive Sector,
General Executive of Automotive OEM Business Division,
COO EMEA (Europe, Middle East and Africa)
<Important concurrent duties>
Not applicable</td><td>3,200</td></tr>
<tr><td></td><td colspan="3">Reasons for selecting him as a candidate for director
The Company proposes the election of Mr. Masao Nomura as a director and expects that his extensive experience, knowledge, professional views and personal relationships in the electronics and information industry fields obtained through his work at and management of companies and organizations outside the Group and those related to the Company's business that were obtained through his work in the automotive sector, as well as his corporate management experience as the Company's executive officer, will be utilized, and that he will be active as the officer in charge of the Automotive Sector, the largest business field of the Company, among other responsibilities.</td></tr>
</table>

(Translation)

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Profile, title, position and important concurrent duties</th><th>Number of the Company's common shares held</th></tr>
<tr><td>8</td><td>
Junichi Hikita
(January 16, 1949)

Candidate for reappointment

External Director

Independent Director

Tenure as Director: 6 years

Attendance at Board of Directors' meetings during the current fiscal year:
14/14 (100%)

Attendance at Nomination and Remuneration Advisory Committee meetings during the current fiscal year:
11/11 (100%)</td><td>Mar. 1971 Joined Toyo Electronics Industry Corporation (currently ROHM Co., Ltd.)
Jun. 1991 Director, General Manager of LSI Operations Headquarters
Jun. 1993 Managing Director, General Manager of LSI Operations Headquarters
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
Jun. 1999 Managing Director, General Manager of LSI Product Development Headquarters, Advanced Research and Development Headquarters, LSI Operations Headquarters, and Administrative Headquarters
Jan. 2008 Senior Corporate Adviser
Jun. 2008 Established Hikita Consulting Co., Ltd., President and Representative Director of the said company (current position)
Jun. 2012 Director (External) of the Board of JVCKENWOOD Corporation (current position)
<Current positions and responsibilities>
Director of the Board,
Chairman of Nomination and Remuneration Advisory Committee
<Important concurrent duties>
President and Representative Director of Hikita Consulting Co., Ltd.</td><td>39,600</td></tr>
<tr><td colspan="4">Special notes on candidate for external director
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.
Reasons for selecting him as a candidate for external director
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.
Tenure of office as external director of the Company since he took office
Mr. Hikita is currently an external director of the Company and his tenure of office as external director of the Company will be six (6) years at the conclusion of this General Meeting of Shareholders.</td></tr>
</table>

(Translation)

	Outline of the liability limitation agreement 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. **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. Transactions of ROHM Co., Ltd. with the Company amounted to approximately 3.0 billion yen in the consolidated fiscal year under review, which exceed one (1) percent of the consolidated net sales of the Company and is less than one (1) percent of the consolidated net sales of ROHM Co., Ltd. However, he resigned as Senior Corporate Advisor of ROHM Co., Ltd. ten (10) 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)

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Profile, title, position and important concurrent duties</th><th>Number of the Company's common shares held</th></tr>
<tr><td>9</td><td>
Shinjiro Iwata
(June 6, 1948)

Candidate for reappointment

External Director

Independent Director

Tenure as Director: 1 year

Attendance at Board of Directors' meetings during the current fiscal year:
11/11 (100%)

Attendance at Nomination and Remuneration Advisory Committee meetings during the current fiscal year:
9/10 (90.0%)</td><td>Apr. 1972 Joined Hitachi, Ltd.
Sep. 2001 CEO (Chief Executive Officer) of Hitachi Data Systems Corporation
Oct. 2007 Executive Vice President of Hitachi Global Storage Technologies, Inc. (currently HGST, Inc.)
Apr. 2009 Vice President and Executive Officer, CEO of Service & Global Business, Information & Telecommunication Systems Group of Hitachi, Ltd.
Apr. 2011 Senior Vice President and Executive Officer, President & CEO of Information & Communication Systems Company
Apr. 2013 Representative Executive Officer, Executive Vice President and Executive Officer
CIO and CISO*1 of Hitachi Group
Jun. 2013 Outside Director of Hitachi Transport System, Ltd.
Outside Director of Hitachi Kokusai Electric Inc. (Member of Nomination Committee, Compensation Committee)
Jun. 2014 Outside Director of Benesse Holdings, Inc.
Oct. 2014 Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd.
CIO, CTrO*2, and General Manager of Smart Transformation Project Initiatives Division
Jun. 2015 Chairman of the Board & Director of Hitachi Koki Co., Ltd. (Outside Director)
Apr. 2016 Adviser (part-time) of Hitachi, Ltd. (current position, scheduled to retire in June 2018)
Director of Hitachi Automotive Systems, Ltd.
Jun. 2016 Director and Chairman (Outside Director) of Benesse Holdings, Inc. (current position)
Chairman of the Board & Director of Hitachi Koki Co., Ltd.
Outside Director of the Board (Outside Director) Hitachi Transport System, Ltd. (current position)
Jun. 2017 Director (External) of the Board of JVCKENWOOD Corporation (current position)
Feb. 2018 Director of the Board of NACHI-FUJIKOSHI CORP. (Outside Director) (current position)
*1 : CISO (Chief Information Security Officer)
*2 : CTrO (Chief Transformation Officer)

<Current positions and responsibilities>
Director of the Board,
Member of Nomination and Remuneration Advisory Committee
<Important concurrent duties>
Director and Chairman of Benesse Holdings, Inc.
Outside Director of the Board of Hitachi Transport System, Ltd.
Adviser of Hitachi, Ltd. (scheduled to retire in June 2018)
Director of the Board of NACHI-FUJIKOSHI CORP. (Outside Director)</td><td>2,700</td></tr>
<tr><td colspan="4">Special notes on candidate for external director
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.</td></tr>
</table>

	Reasons for selecting him as a candidate for external director 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 & 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. **Tenure of office as external director of the Company since he took office** Mr. Shinjiro Iwata is currently an external director of the Company, and his tenure of office as an external director of the Company will be one (1) year at the conclusion of this General Meeting of Shareholders. **Outline of the liability limitation agreement** 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. 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. When the reappointment of Mr. Iwata is approved, the Company shall extend this agreement with him. **Matters concerning independence** 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. or NACHI-FUJIKOSHI CORP., 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 in the consolidated fiscal year under review and do not fall under major transactions for each of these companies and the Company. 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. 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. 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. 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.
	Concerning the candidate's service over the past five years as Directors, Executive Officers, or Corporate 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 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.

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) 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
 Akihiko Washida (November 5, 1942) Candidate for reappointment Substitute External Audit & Supervisory Board Member Tenure as Audit & Supervisory Board Member: 7 years and 9 months (till June 2016) Tenure as Substitute External Audit & Supervisory Board Member: 2 years	May 1992 Deputy President, Management Strategy, General Strategy Group, Sony Corporation Aug. 1994 Vice President of Consumer A.V. Company, and Manager of Business Administration of General Strategy Group, Sony Corporation Apr. 1996 Senior Vice President of Semiconductor Company, Sony Corporation Jul. 1998 General Manger, Audit Department, Sony Corporation Feb. 2003 Executive Officer, Business Promotion Division, Mitsui High-tec. Inc. Feb. 2004 Manager of Strategic Corporate Planning Division, Mitsui High-tec, Inc. Jun. 2006 External Corporate Auditor of Kenwood Corporation (currently JVCKENWOOD Corporation) Dec. 2007 External Corporate Auditor of Cool.revo Inc. Oct. 2008 Audit & Supervisory Board Member (External) of JVCKENWOOD Corporation Jun. 2016 Retired from Audit & Supervisory Board Member (External) of JVCKENWOOD Corporation <Important concurrent duties> Not applicable	32,230

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 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)

BUSINESS REPORT

(From April 1, 2017 to March 31, 2018)

1. Matters Concerning the Current Situation of the Group

[1] Course of Business and the Results

The global economy in the fiscal year under review saw a steady economic expansion in the U.S., owing to improvements in the employment environment and income conditions. In Europe, major EU nations maintained solid economy, while the UK economy also remained steady. Economic expansion continued in China although the pace of growth slowed. Japan continued to experience a moderate recovery trend.

Net sales of the JVCKENWOOD Group for the fiscal year under review increased from the previous fiscal year due to a significant increase in sales in the Automotive Sector despite lower sales in the Public Service Sector, which were affected by business sell-offs, and lower sales in the Media Service Sector, in which the Entertainment Business had benefited from major works in the previous fiscal year. Operating income for the entire Company also increased due to a significant increase in profit in the Automotive Sector.

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

		1st Quarter (from April 1, 2017 to June 30, 2017)	2nd Quarter (from July 1, 2017 to September 30, 2017)	3rd Quarter (from October 1, 2017 to December 31, 2017)	4th Quarter (from January 1, 2018 to March 31, 2018)
Profit-and-loss exchange rates	U.S. dollar	approx. 111 yen	approx. 111 yen	approx. 113 yen	approx. 108 yen
	Euro	approx. 122 yen	approx. 130 yen	approx. 133 yen	approx. 133 yen
FY2016 (Reference)	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

*** Consolidated Net Sales**

302,434 million yen (up 1.1% YoY)

Net sales for the fiscal year under review increased about 3,200 million yen, or 1.1%, year-on-year to 302,434 million yen.

Sales in the Automotive Sector greatly increased from the previous fiscal year, reflecting significantly 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 Professional Systems Business, affected by business sell-offs. Meantime, sales decreased in the Media Service Sector due to lower sales in the Media Business, and also in the Entertainment Business, which benefited from major works in the previous fiscal year.

*** Consolidated Operating Income**

6,682 million yen (up 15.6% YoY)

Operating income for the fiscal year under review increased about 900 million yen, or 15.6%, year-on-year to 6,682 million yen.

Profit grew sharply in the Automotive Sector because the OEM Business saw a significant increase in profit and became profitable. Profit decreased in the Public Service Sector, reflecting lower profit recorded in the Communication Systems Business and in the Professional Systems Business. Profit decreased in the Media Service Sector due to a profit decrease in the Entertainment Business, although the loss amount of the Media Business decreased despite lower sales because of improvement of profitability of professional video cameras and image devices.

*** Consolidated Ordinary Income**

5,803 million yen (up 60.5% YoY)

Ordinary income for the fiscal year under review increased about 2,200 million yen, or 60.5%, year-on-year to 5,803 million yen because non-operating income/loss improved, coupled with the increase in operating income.

(Translation)

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

3,936 million yen (an increase of approx. 10,700 million yen YoY)

Net income attributable to owners of parent for the fiscal year under review amounted to 3,936 million yen, an improvement of about 10,700 million yen for the previous fiscal year. Major factors for this improvement included an increase in ordinary income, a decrease in extraordinary loss, and recording of extraordinary profit and reversal of deferred tax liabilities owing to “Shifting between Different Retirement Benefit Programs”, as well as reversal of deferred tax assets and liabilities pertaining to U.S. subsidiaries and a decrease in tax expenses.

(Translation)

***Automotive Sector**

Net Sales　172,760 million yen (up 15.9% YoY)

In the Aftermarket Business, although sales in overseas markets were affected by lower sales in the US market, sales of Saisoku-Navi series car navigation systems and dashcams were strong in the domestic market. As a result, net sales in the Aftermarket Business as a whole were virtually unchanged from a year ago.

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

Operating Income　8,115 million yen (up 264.3% YoY)

In the Aftermarket Business, operating income for the fiscal year under review decreased from a year ago, due mainly to lower sales in the US market despite a strong performance in the domestic market.

In the OEM Business, a significant increase in sales resulted in a significant increase in profit, and turned the loss in the previous fiscal year to profit.

***Public Service Sector**

Net Sales 64,951 million yen (down 11.0% YoY)

Net sales in the Communication Systems Business decreased from the previous fiscal year, due to the impact of lower sales of professional radio systems in Chinese and other Asian markets despite higher sales posted by Group's US communication system subsidiaries and in the domestic market. Net sales in the Professional Systems Business, operated mainly by JVCKENWOOD Public & Industrial Systems Corporation (JKPI), declined from a year ago, reflecting the sale-off of a card printer business in the previous year.

Operating Income 1,158 million yen (a decrease of approx. 2,300 million yen YoY)

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

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

(Translation)

***Media Service Sector**

Net Sales 59,471 million yen (down 17.8% YoY)

In the Media Business, net sales decreased from the previous fiscal year, affected by lower sales of consumer video cameras and AV accessories.

In the Entertainment Business, net sales decreased from the previous year, affected by decrease in content sales as the Entertainment Business had benefited from major works in the previous fiscal year.

Operating Loss 196 million yen (a decrease of approx. 2,500 million yen YoY)

Despite the impact of lower sales, the Media Business became profitable in the second half because of improvement of profitability of professional video cameras and image devices, and the amount of loss decreased from the previous fiscal year.

In the Entertainment Business, operating income decreased from the previous fiscal year, due to the effects of the decrease in sales.

[2] Issues to be Addressed

(1) Mid- to long-term management strategies

We, JVCKENWOOD Corporation, launched a mid- to long-term management plan, Vision 2020, with fiscal year ending March 2020 (FY2020) as the target year, on May 18, 2015, and have since been carrying out our business activities by using return on equity (ROE) as a major management indicator and focusing on fields where we can capitalize on our strengths. In view of the results of analysis and review of the progress made so far, which were announced on January 31, 2018, we will work toward achieving ROE of 10% in FY2020, the final year of Vision 2020, by further accelerating our initiatives.

Our long-term vision toward FY2020 is “transformation into a customer value creator” that focuses on providing solutions to customers’ issues. In order to achieve this vision, we are focusing on the three initiatives: (1) shifting from a product vendor to a solution provider, (2) shifting from sales companies to business operation companies, and (3) shifting from closed innovation to open innovation. In addition to continuing the pursuit of these three initiatives, we have introduced the following new initiatives.

1) Evolution into a “Technology Based Company” founded on intellectual property

We own a number of intellectual properties mainly in the fields of video, audio, and communications cultivated through our business activities over the years. We will aim to become a technology based company that makes a variety of proposals to solve customers’ issues and social issues by making the maximum use of our intellectual properties.

2) Initiative designed to increase the brand value

To coincide with the release of “EXOFIELD”, our unique out-of-head localization sound processing technology, in March 2017, we redefined and revived Victor as a brand that “explores a new era with pride.” We will continue to come up with innovative solutions that create customer value.

3) Initiative designed to solve social issues through business activities

We will incorporate sustainability in our basic strategy, and will link our business with the issues to be addressed by the SDGs* and work toward solving social issues through business activities, while continuously seeking to improve corporate value by implementing innovation that anticipates the needs of society.

*: Abbreviation of Sustainable Development Goals adopted by the United Nations General Assembly in September 2015

For details of the Vision 2020 mid- to long-term management plan, please refer to the Company’s website (http://www.jvckenwood.com/).

(2) Automotive Sector's growth strategy

Make investments for strengthening the in-vehicle optical device-related business and expanding the customer base in anticipation of greater demand for in-vehicle optical devices following the transition to self-driving vehicles and connected vehicle technologies.

In the Automotive Sector, by utilizing our technologies in imaging, audio, and communications cultivated over the years, as well as technologies, know-how, and points of contact with customers acquired in the development process, we will strengthen our efforts, especially in the in-vehicle optical device-related business, such as dashcams and car-mounted cameras, for which demand is expected to expand as the transition to EVs[*1], self-driving vehicles, and connected vehicle technologies occurs. At the same time, we will expand the business and reinforce the customer base in the North American and Chinese markets through ASK Industries S.p.A. (ASK), an in-vehicle equipment manufacturer in Italy, and JVCKENWOOD Hong Kong Holdings Limited (JKHL), manufacturer and seller of CD and DVD mechanisms for car AV equipment in Hong Kong, both of which are our subsidiaries and stably generating profit. We will make aggressive investments to support these initiatives to pursue growth of the Automotive Sector as a whole.

1) Expansion of the in-vehicle device business

- In-vehicle optical device-related business
  Aim to maintain the top market share in dashcams and capture the top position in car-mounted cameras by leveraging our imaging technologies.
- Make proposals of next-generation vehicle interior space
  Aim to expand business in the Human Machine Interface-related field by leveraging the strengths in audio and imaging technologies.

2) Expansion of customer base in the OEM Business

- ASK
  Aim to expand business to the U.S. market in FY2018 or thereafter to achieve further growth.
- Strategy for the Chinese market
  Aim to increase the local-production-for-local-consumption business by utilizing JKHL and our production bases in China. Plan to expand the Chinese business centered on car-mounted cameras, electronic mirrors, and premium sound systems.

*1 : Electric Vehicles

(3) Public Service Sector's growth strategy

Shift to the provision of total system solutions in the Communications Systems Business and venture into new business fields utilizing our technologies in the Healthcare Business.

In the Communications Systems Business, we are strengthening investment in the public safety field to shift away from business operation centered on sales of radio terminals to the IP[*1] radio solutions business in anticipation of the progress of the shift to broadband in professional digital radio infrastructure.

In March 2017, we entered into a capital and business alliance agreement with U.S.-based Sonim Technologies Inc., which leads the industry with its robust professional LTE[*2] smartphone systems, acquiring technology components necessary for shifting to IP-based networks and solutions for digital radio systems. In January 2018, we converted Radio Activity S.r.l., an Italy-based developer and seller of digital radio relay systems that are compliant with DMR[*3] standards, into a consolidated subsidiary to strengthen the lineup of digital radio system solutions for the growing market for DMR. We will proactively take measures, such as executing M&As and establishing partnerships with other companies, to acquire technologies and customer bases necessary to expand our business.

In the Healthcare Business, we will seek to move into the OR[*4] imaging system solution market and roll out the OR imaging system solution business through a collaboration with Rein Medical GmbH in Germany, with the aim of expanding business from selling stand-alone medical displays into the medical imaging and information solution field. In addition, we are venturing to branch out into new business fields through research collaboration with external research institutions and partner companies, such as a blood diagnosis solution that enables early detection of cancer by applying the microfabrication technology cultivated through production of Blu-ray discs, as well as a solution useful for the early assessment of social developmental disabilities. Going forward, JVCKENWOOD will make continuous investment, including execution of M&As, to promote commercialization of such new solutions and work toward solving social issues through business activities.

JKPI took over the business from the Company through a company split in April 2016 to establish a business framework for providing one-stop solutions, ranging from sales of equipment to system proposal, design, installation, maintenance, and management. JKPI is currently striving to strengthen its solution-proposal capability, technological capability, and engineering capability that lead to customer value creation by optimizing organization structure and human resources. In addition, JVCKENWOOD will share the customer base and service systems of JKPI in the effort by the Healthcare Division to move into the OR imaging system solution market, and make a Group-wide effort to tap into a new solution market.

*1 : Internet protocol
*2 : Long Term Evolution (a transmission line standard for mobile phones)
*3 : Digital Mobile Radio (an international standard for digital radio)
*4 : Operating room

(4) Media Service Sector's growth strategy

Create new markets by utilizing our technologies and assets (brands) and accelerate the shift toward the provision of solutions.

In the BtoC domain of the Media Service Sector, in March 2017, we launched "EXOFIELD" that gives headphones the same real sound-effect as if listening by a speaker in an audio room through the sound field processing technology based on individual characteristics measurement, as the first product marketed under the new Victor brand.

In the BtoB domain, we have introduced "CONNECTED CAM," a new concept for professional video cameras featuring a news-over-IP workflow solution. We will also create unique imaging solutions in line with the latest technology trends, such as 8K/4K[*1], HDR[*2], and VR[*3]/ AR[*4]. In the field of projectors, we will provide systems that link with products that boast unparalleled high definition and connectivity to customers' equipment to continue to reinforce our response to customers' needs for simulators and other solutions. In regard to creation, in the growing sports-related market, we will enhance our offerings of unique services and systems, mainly applying our imaging technology.

In the imaging device field, we developed a high-performance LCOS[*5] device in-house for high-resolution projectors and incorporated the device in our projectors. In addition, we started sales of this technology to external customers for use in switches for optical communication systems. We will boost sales of this technology in the communication device business.

In the Entertainment Business, JVCKENWOOD will further advance its transition to the total entertainment business, by strengthening the audio data source business and enhancing movies, games, and other content, as well as by expanding the peripheral business, such as live concert/event business and merchandising business.

*1 : 8K (7680 x 4320 pixels), 4K (3840 x 2160 pixels)
*2 : High Dynamic Range
*3 : Virtual reality
*4 : Augmented reality
*5 : Liquid Crystal on Silicon

New market creation: "EXOFIELD"
Released "WiZMUSIC", which uses "EXOFIELD", the industry's first technology that measures personal characteristics of users as well as acoustic characteristics of speakers. In this way, we provide sound fields optimized for individual users. These are the first products marketed under the new Victor brand.

Shift toward provision of solutions/technical application to other fields
Shifting from selling products only to providing systems and solutions.
Expand business into other fields by utilizing the strengths of our technologies.

(Translation)

[Reference] Topics
The Group's Concept of Sustainability

For our company to achieve sustainable development by upholding our corporate vision of "creating excitement and peace of mind for the people of the world," JVCKENWOOD believes that it is important to have the trust of society and to continue to contribute to society in order to meet the expectations of all of our stakeholders.

We place importance on promoting sustainability activities through our business activities. Accordingly, we will continue to create products and services that will solve social issues, while endeavoring to forge deep ties of trust not only with our customers, but also with all of our stakeholders. We will, therefore, work toward achieving sustainable growth and enhancing corporate value by contributing to solving social issues through our businesses, for the purpose of contributing to the development of a sustainable society.

1) Management Strategy Underpinned by Business Strategy and Sustainability Initiatives

We will extract eight priority goals and five relevant goals associated with our businesses from among the 17 goals of SDGs[*1], and work to achieve these goals through Society 5.0[*2].

*1: Abbreviation of Sustainable Development Goals adopted by the United Nations General Assembly in September 2015.

*2: Proposed in the 5th Science and Technology Basic Plan approved by the cabinet in January 2016 as a future society to which Japan should aspire. It follows the hunting society (Society 1.0), agricultural society (Society 2.0), industrial society (Society 3.0), and information society (Society 4.0).

2) Initiatives for Solving Social Issues Through Business Activities

By upholding sustainability as our basic strategy, we will endeavor to solve social issues through our business activities by linking our businesses with achieving the targets of SDGs. In addition, we aim to create sustainable corporate value through innovations that pre-empt the needs of society.

3) Policy for Sustainability Initiatives

- Top management will promote the initiatives.
- Set targets and KPI* in accordance with the "Vision 2020" mid- to long-term management plan.
- Promote the participation of all Group employees by linking the sustainability initiatives with all our business activities.
- Achieve SDGs by contributing to Society 5.0.
- Proactively and comprehensively disclose the initiatives to our stakeholders on the Company website, etc.
- Established the Sustainability Management Office effective April 1, 2018, as the department responsible for promoting sustainability across the Company.

*: Key Performance Indicator

[3] State of Capital Investments

The total amount of capital investments implemented in the consolidated fiscal year under review is about 8,300 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

Not applicable.

[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

(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.

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

The Company owned 76% of the issued shares of Shinwa International Holdings Limited, an in-car device manufacturing company. The Company concluded share transfer agreements with Oasis Island Holdings Limited and Total Riches Limited and acquired an additional 24% of the issued shares of Shinwa effective November 20, 2017. As a result, Shinwa International Holdings Limited became a wholly owned subsidiary of the Company.

Note:

Shinwa International Holdings Limited changed its trade name to JVCKENWOOD Hong Kong Holdings Limited on April 9, 2018.

(Translation)

[9] Transition of Assets and Profit & Loss

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

(Millions of yen)

Items	7th Term (March 2015)	8th Term (March 2016)	9th Term (March 2017)	10th Term (March 2018) (Consolidated fiscal year under review)
Net sales	285,010	292,195	299,278	302,434
Operating income (loss)	6,570	4,221	5,781	6,682
Ordinary income (loss)	3,176	1,018	3,616	5,803
Net income (loss) attributable to owners of parent	4,654	3,194	(6,727)	3,936
Net income (loss) per share (yen)	33.56	23.02	(48.42)	28.33
Total assets	278,669	255,859	262,297	254,342
Net assets	79,221	56,818	61,514	65,816
Net assets per share (yen)	517.67	371.19	403.31	451.64

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 fiscal year ended March 31, 2016, the cumulative effect from the said amendments to the previous fiscal years’ results is handled in the consolidated and non-consolidated statements of changes in shareholders’ equity of the fiscal year ended March 31, 2017, 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 fiscal year ended March 31, 2016, which were created under the Financial Instruments and Exchange Act, are as follows.

Items	7th Term (March 2015)	8th Term (March 2016)
Net sales	285,010	292,195
Operating income (loss)	6,757	4,494
Ordinary income (loss)	3,362	1,291
Net income (loss) attributable to owners of parent	4,795	3,401
Net income (loss) per share (yen)	34.58	24.51
Total assets	279,041	256,334
Net assets	79,762	57,565
Net assets per share (yen)	521.57	376.57

(Translation)

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

(Millions of yen)

Items	7th Term (March 2015)	8th Term (March 2016)	9th Term (March 2017)	10th Term (March 2018) (Current fiscal year)
Net sales	175,667	169,191	160,049	170,283
Operating income(loss)	287	(3,076)	(5,316)	586
Ordinary income (loss)	4,642	1,590	(5,026)	3,932
Net income (loss)	4,579	1,767	(12,422)	8,806
Net income (loss) per share (yen)	33.03	12.74	(89.40)	63.38
Total assets	220,023	222,411	205,680	206,434
Net assets	74,154	74,151	63,792	71,136
Net assets per share (yen)	534.79	533.65	459.11	511.98

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 fiscal year ended March 31, 2016, the cumulative effect from the said amendments to the previous fiscal years' results is handled in the consolidated and non-consolidated statements of changes in shareholders' equity of the fiscal year ended March 31, 2017, 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 fiscal year ended March 31, 2016, which were created under the Financial Instruments and Exchange Act, are as follows.

Items	7th Term (March 2015)	8th Term (March 2016)
Net sales	175,667	169,191
Operating income (loss)	474	(2,803)
Ordinary income (loss)	4,829	1,864
Net income (loss)	4,721	1,974
Net income(loss) per share (yen)	34.05	14.23
Total assets	220,395	222,886
Net assets	74,695	74,898
Net assets per share (yen)	538.69	539.03

[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 Creative Media Corporation	¥1,207 million	100.0%	Development, manufacturing and sales of recorded optical disk
JVCKENWOOD Public & Industrial Systems Corporation	¥300 million	100.0%	Development, manufacturing, sales, installation, maintenance, etc. of professional audio, imaging and telecommunications equipment
JVCKENWOOD USA Corporation	US$94,600 thousand	100.0%	Wholesale (U.S.A and other countries)
JVCKENWOOD Europe B.V.	EUR13,084 thousand	100.0%	Wholesale (Netherlands and other countries)
PT. 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
Shinwa International Holdings Limited	US$29,090 thousand	100.0%	Manufacturing and sales of car AV mechanisms and painted plastic parts, etc.
ASK Industries S.p.A.	EUR13,000 thousand	100.0%	Development, manufacturing and sales of car electronics related products
EF Johnson Technologies, Inc.	US$0 thousand	100.0%	Development, manufacturing and sales of professional wireless communications systems

Note:

Shinwa International Holdings Limited changed its trade name to JVCKENWOOD Hong Kong Holdings Limited on April 9, 2018.

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

Not applicable.

[11] Major Businesses (As of March 31, 2018)

Business Segment	Main Products
Automotive Sector	Manufacturing and sales of car AV systems, car navigation systems, camera equipment for car, 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, home audio, etc.; planning, production and sales of audio and video software, etc.; manufacturing of CD and DVD (packaged software), etc.
Other	Service parts, etc.

(Translation)

[12] Main Offices and Factories (As of March 31, 2018)

(1) Head Office

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

(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 Corporation		Yokosuka, Kanagawa

(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	Setagaya-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
PT. 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 Europe B.V.	Netherlands
JVCKENWOOD Singapore Pte. Ltd.	Singapore
JVCKENWOOD (China) Investment Co., Ltd.	China

(Translation)

[13] State of Employees (As of March 31, 2018)

(1) State of Employees at the Group

Number of Employees	Increase or Decrease in Comparison with End of Previous Consolidated Fiscal Year
17,801	250 decrease

Note:
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
3,055	68 increase	48.0	22.6

Note:
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.

[14] State of Major Lenders (As of March 31, 2018)

(Millions of yen)

Name of Lenders	Loan Balance
Resona Bank, Limited.	8,478
The Bank of Yokohama, Ltd.	7,326
Shinsei Bank, Limited	6,301
Aozora Bank, Ltd.	6,280
Sumitomo Mitsui Banking Corporation	5,944
Sumitomo Mitsui Trust Bank, Limited	4,182
Mitsubishi UFJ Trust and Banking Corporation	4,182
The Shizuoka Bank, Ltd.	1,709
NEC Capital Solutions Limited	1,456
Showa Leasing Co., Ltd.	1,327

[15] Other Important Subsequent Events of the Consolidated Group

Not applicable.

(Translation)

2. Matters Regarding the Company's Shares (As of March 31, 2018)

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

[2] Total number of outstanding shares **139,000,201**
(including 55,050 shares of treasury stock)

[3] Number of shareholders **47,462**

[4] Major shareholders (Top 10)

Name of Shareholder	Number of Shares Held	Ratio of Capital Contribution
Japan Trustee Services Bank, Ltd. (Trust Account 9)	6,975,800	5.02%
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,490,100	3.95%
Japan Trustee Services Bank, Ltd. (Trust Account)	5,091,800	3.66%
DENSO CORPORATION	4,171,000	3.00%
THE BANK OF NEW YORK MELLON 140044	3,397,740	2.45%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,799,100	2.01%
THE BANK OF NEW YORK MELLON 140040	2,798,700	2.01%
GOLDMAN SACHS INTERNATIONAL	2,616,981	1.88%
JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT	2,575,200	1.85%
DFA INTL SMALL CAP VALUE PORTFOLIO	2,475,100	1.78%

Note:
The ratio of capital contribution is calculated after deducting treasury stock (55,050 shares) from the total number of issued shares.

3. Matters Regarding the Company's Subscription Rights to Shares (As of March 31, 2018)

Not applicable.

(Translation)

4. Matters Regarding Company Officers

[1] State of Directors and Audit & Supervisory Board Members (As of March 31, 2018)

Name	Position	Responsibilities and important concurrent duties
Yasuyuki Abe	Director of the Board	Chairman of the Board, Member of Nomination and Remuneration Advisory Committee Outside Corporate Auditor of 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), Chief Export Control Officer
Shoichiro Eguchi	Representative Director of the Board	Executive Vice President, Chief Operating Officer (COO) – Automotive Sector, COO EMEA (Europe, Middle East and Africa)
Kazuhiro Aigami	Representative Director of the Board	Executive Vice President, COO – Public Service Sector
Masaki Imai	Director of the Board	Senior Managing Executive Officer, Chief Administration Officer (CAO), Chief Strategy Officer (CSO), General Manager of Internal Governance Office, Export Control Legal Audit Officer
Yasuyuki Tanida	Director of the Board	Managing Executive Officer, COO – Media Service Sector, Chief Technology Officer (CTO)
Masatoshi Miyamoto	Director of the Board	Managing Executive Officer, Chief Financial Officer (CFO)
Junichi Hikita	Director of the Board	Chairman of Nomination and Remuneration Advisory Committee President and Representative Director of Hikita Consulting Co., Ltd.
Shinjiro Iwata	Director of the Board	Member of Nomination and Remuneration Advisory Committee Director and Chairman of Benesse Holdings, Inc. (Outside Director) Outside Director of the Board of Hitachi Transport System, Ltd. Adviser of Hitachi, Ltd. Director of the Board of NACHI-FUJIKOSHI CORP. (Outside Director)
Name	**Position**	**Important concurrent duties**
Takayoshi Sakamoto	Audit & Supervisory Board Member	—
Satoshi Fujita	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 Member of JST-Mirai R&D Program Management Committee
Nagaaki Ohyama	Audit & Supervisory Board Member	Professor, Tokyo Institute of Technology Chairman of Management Council of Japan Agency for Local Authority Information Systems Chairman of Machine Promotion Subsidy Program Screening and Evaluation Committee of JKA Foundation Chairman of Information System Technology Verification Committee of Japan Patent Office

Notes:

1. Directors Yasuyuki Abe, Junichi Hikita and Shinjiro Iwata 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 Members Takayoshi Sakamoto and Satoshi Fujita had been in charge of finance and accounting operations and the like at the Group for about 11 years and about 10 years, respectively, and have sufficient knowledge concerning finance and accounting.
4. The Company designated Directors Yasuyuki Abe, Junichi Hikita and Shinjiro Iwata, 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 February 1, 2018)

Name	Position	Responsibilities and important concurrent duties
Masaki Imai	Director of the Board	Senior Managing Executive Officer, Chief Administration Officer (CAO), Chief Strategy Officer (CSO), General Manager of Internal Governance Office, Export Control Legal Audit Officer

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, 2018)

Name	Position	Responsibilities and important concurrent duties
Takao Tsuji	Representative Director of the Board	Chairman & Chief Executive Officer (CEO) Chief Export Control Officer
Shoichiro Eguchi	Representative Director of the Board	President & Chief Operating Officer (COO)
Kazuhiro Aigami	Representative Director of the Board	Executive Vice President, Assistant to CEO – Healthcare Business
Masaki Imai	Director of the Board	Executive Vice President, Chief Strategy Officer (CSO), Chief Administration Officer (CAO), General Manager of Internal Governance Office, Export Control Legal Audit Officer
Masatoshi Miyamoto	Director of the Board	Senior Managing Executive Officer, Chief Financial Officer (CFO)
Yasuyuki Tanida	Director of the Board	Managing Executive Officer, Chief Technology Officer (CTO)

7. The Company adopts the Executive Officer System.
   There are fourteen (14) Executive Officers as of April 1, 2018: Takao Tsuji, Shoichiro Eguchi, Kazuhiro Aigami, Masaki Imai, Masatoshi Miyamoto, and Yasuyuki Tanida, who are among the Directors mentioned above, and the following eight (8) persons.

Name	Position and Responsibilities
Naokazu Kurihara	Managing Executive Officer, COO Americas
Masao Nomura	Managing Executive Officer in Charge of Automotive Sector, General Executive of Automotive OEM Business Division, COO EMEA (Europe, Middle East and Africa)
Takuya Arai	Managing Executive Officer, General Executive of Automotive Aftermarket Business Division
Akira Suzuki	Executive Officer in Charge of Public Service Sector
Shinichi Takada	Executive Officer, COO APAC (Asia-Pacific)
Akihiko Terada	Executive Officer, COO China; Chairman of Shinwa International Holdings Limited*; Chairman and Director of JVCKENWOOD Hong Kong Ltd; Chairman of JVCKENWOOD (China) Investment Co., Ltd.
Kazuyoshi Hayashi	Executive Officer in Charge of Media Service Sector, General Executive of Media Business Division
Yoshio Sonoda	Executive Officer, General Executive, Automotive Engineering & Design Division

Note:
* Shinwa International Holdings Limited changed its trade name to JVCKENWOOD Hong Kong Holdings Limited on April 9, 2018.

(Translation)

[2] Amount of Compensation for Directors and Audit & Supervisory Board Members (From April 1, 2017 to March 31, 2018)

Title	Number of Relevant (Personnel)	Amount of Compensation (Millions of yen)
Director	12	238
(External Director)	(4)	(48)
Audit & Supervisory Board Member	4	61
(External Audit & Supervisory Board Member)	(2)	(18)
Total	16	300

Notes:

1. The above table includes three (3) directors who retired at the close of JVCKENWOOD's 9th Ordinary General Meeting of Shareholders on June 23, 2017.
2. The above compensation of directors does not include salaries of those who are also company employees. In accordance with internal rules for executive compensation, the Company makes a distinction between compensation for directors and compensation for executive officers who are employees. Four (4) directors of the Company who concurrently serve as employees received payment of employee salaries and the total amount of employee salaries paid to them by the Company was 62 million yen.
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.

(Translation)

[3] Matters Regarding External Officers

(1) State of Important Concurrent Office of External Officers (As of March 31, 2018)

Position	Name	Company of Concurrent Office	Responsibilities of Concurrent Office	Relationship
External Director	Yasuyuki Abe	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	
	Shinjiro Iwata	Benesse Holdings, Inc.	Director and Chairman	
		Hitachi Transport System, Ltd.	Outside Director of the Board	
		Hitachi, Ltd.	Adviser	
		NACHI-FUJIKOSHI CORP.	Outside Director	
External Audit & Supervisory Board Member	Shojiro Asai	Rigaku Corporation	Special Advisor	
		The Japan Science and Technology Agency	ACCEL Research Area Advisor Member of JST-Mirai R&D Program Management Committee	
	Nagaaki Ohyama	Tokyo Institute of Technology	Professor	
		Japan Agency for Local Authority Information Systems	Chairman of Management Council	
		JKA Foundation	Chairman of Machine Promotion Subsidy Program Screening and Evaluation Committee	
		Japan Patent Office	Chairman of Information System Technology Verification Committee	

(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: 14 (attendance rate: 100.0%) 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: 14 (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 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 Chairman of Nomination and Remuneration Advisory Committee.
	Shinjiro Iwata	Attendance at the Board of Directors' meetings in the current fiscal year: 11 (attendance rate: 100.0%) Mr. Iwata 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 information communication and automotive-related fields as an engineer and manager. 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: 14 (attendance rate: 100.0%) Attendance at the Audit & Supervisory Board meetings in the current fiscal year: 14 (attendance rate: 100.0%) 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: 14 (attendance rate: 100.0%) Attendance at the Audit & Supervisory Board meetings in the current fiscal year: 14 (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 14 Board of Directors' meetings and 14 Audit & Supervisory Board meetings.
2. Director Shinjiro Iwata took office as a Director since the conclusion of the 9th Ordinary General Meeting of Shareholders held on June 23, 2017, and therefore, his attendance rate is calculated from 11 Board of Directors' meetings held after he assumed his position.

(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	267
Total amount of money and other financial benefits to be paid by the Company and the Company's subsidiaries	297

Notes:

1. The amount of compensation based on the audit certification services for the current fiscal year includes the amount of compensation for the audit related to voluntary adoption of the International Financial Reporting Standards (IFRS) by the Company and its domestic consolidated subsidiaries.
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 Creative Media Corporation and JVCKENWOOD Public & Industrial Systems Corporation 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.

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)

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 principles 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., for the Group, 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 and Authority Standards" and the "Authorization 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 principles are shared among the Group companies. In addition, the "Administrative Authority Regulations," the "Decision-Making and Authority Standards" and the "Authorization 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.

(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 reports described in (8) above

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 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) Revisions to the Management Principles and the Action Guidelines

The Company revised the Management Principles and the Action Guidelines as stated below in order to articulate the Group's current policy and vision and to strongly propel implementation of the growth strategy pursued by the "Vision 2020" mid- to long-term management plan.

Management Principles	Transform into a customer value creator
	Evolve as a technology based company
	Contribute to a sustainable society through our business
Action Guidelines	Refine our senses regularly to create products and services that offer a moving experience
	Provide solutions that make a real difference through innovation and collaboration
	Strive for sincere, responsible corporate behavior as our commitment to compliance

(2) 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.

(3) 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.

(4) 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 clearly separated.

The Company established the Nomination and Remuneration Advisory Committee, in which all of its External Directors serve as committee members, to strengthen the independence and objectivity of the functions of the Board of Directors. The Nomination and Remuneration Advisory Committee makes proposals to the Company regarding candidate representatives for the Board of Directors, and reviews the appropriateness of director candidates and directors' compensation plans proposed by the

representatives and others, and reports its opinions. The Board of Directors determines director candidates and directors' compensation, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee.

As of March 31, 2018, 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.

(5) Subsidiary Management Activities

The Corporate Audit Office conducts operational audits of domestic and overseas subsidiaries in a two to three-year cycle. Regarding six 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.

(6) Regarding Audits Performed by Audit & Supervisory Board Members

The Audit & Supervisory Board Members have attended important meetings, including those of the Board of Directors and the Board of Executive Officers, 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 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 26 domestic and overseas subsidiaries and affiliates and a total of 56 sites, including head office departments, business departments, and domestic sales bases 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, 2017 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 15, 2018 to pay a year-end dividend of 6 yen per share with capital surplus as funds.

(Translation)

Consolidated Balance Sheet

(As of March 31, 2018)

(Millions of yen)

Assets		Liabilities	
Accounting Items	Amount	Accounting Items	Amount
Assets		Liabilities	
Current assets	**155,182**	**Current liabilities**	**110,321**
Cash and cash equivalents	37,316	Trade notes and accounts payable	36,212
Trade notes and accounts receivable	59,789	Short term loans payable	4,429
Merchandise and finished goods	28,664	Current portion of long-term loans payable	24,561
Work in process	5,018	Other accounts payable	10,943
Raw materials and supplies	12,914	Accrued expenses	19,448
Deferred tax assets	3,638	Income taxes payable	1,631
Other current assets	9,016	Provision for product warranties	1,315
Allowance for doubtful receivables	(1,175)	Provision for sales returns	1,431
		Reserves for loss on order received	678
Fixed assets	**99,159**	Other current liabilities	9,668
Tangible fixed assets	**50,216**		
Buildings and structures	12,582	**Long term liabilities**	**78,205**
Machinery and equipment	8,592	Long-term loans payable	38,388
Tools, furniture and fixtures	6,744	Deferred tax liabilities for land revaluation	1,461
Land	21,041	Deferred tax liabilities	8,127
Construction in progress	1,255	Net defined benefit liability	26,676
Intangible fixed assets	**17,757**	Other long term liabilities	3,550
Goodwill	4,483	**Total Liabilities**	**188,526**
Software	10,844		
Other intangible fixed assets	2,429	Net Assets	
Investments and other assets	**31,185**	**Shareholders' equity**	**77,600**
Investment securities	8,808	**Paid-in capital**	**10,000**
Net defined benefit asset	16,555	**Capital surplus**	**38,285**
Deferred tax assets	3,105	**Retained earnings**	**29,353**
Other investments	3,207	**Treasury stock**	**(38)**
Allowance for doubtful receivables	(491)	**Other comprehensive income**	**(14,848)**
		Unrealized gain and loss on available-for-sale securities	1,305
		Deferred hedge gain and loss	(588)
		Land revaluation surplus	3,316
		Foreign currency translation adjustments	(16,203)
		Remeasurements of defined benefit plans	(2,678)
		Non-controlling interests	**3,063**
		Total Net Assets	**65,816**
Total Assets	**254,342**	**Total Liabilities and Net Assets**	**254,342**

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, 2017 to March 31, 2018)

(Millions of yen)

Accounting Items	Amount	
Net sales		**302,434**
Cost of sales		**220,637**
Gross profit		**81,797**
Selling, general and administrative expenses		**75,114**
Operating income		**6,682**
Non-operating income		
Interest income	163	
Dividends income	84	
Equity in earnings of affiliates	148	
Gain on investments in partnership	197	
Other non-operating income	710	1,305
Non-operating expense		
Interest expense	913	
Loan commission	348	
Foreign exchange losses	310	
Other non-operating expenses	611	2,184
Ordinary income		**5,803**
Extraordinary profit		
Gain on sales of fixed assets	1,024	
Gain on sales of investment securities	749	
Gain on revision of retirement benefit plan	1,143	
Gain on transfer of business	225	3,144
Extraordinary loss		
Loss on sales of fixed assets	6	
Loss on disposal of fixed assets	122	
Loss on impairment of long-lived assets	1,057	
Business structural reform expenses	14	
Employment structural reform expenses	235	
Other extraordinary loss	7	1,444
Income before income taxes		**7,503**
Corporate tax, corporate inhabitant tax and corporate enterprise tax	2,379	
Corporate tax and other adjustment	400	2,779
Net income		**4,723**
Profit attributable to non-controlling interests		787
Net income attributable to owners of parent		**3,936**

(Translation)

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2017	**10,000**	**45,573**	**17,722**	**(37)**	**73,258**
Changes during the consolidated fiscal year					
Transfer from capital surplus to retained earnings		(7,282)	7,282		—
Dividends from surplus		(694)			(694)
Income attributable to owners of parent			3,936		3,936
Acquisition of treasury stocks				(1)	(1)
Disposal of treasury stock				0	0
Change in ownership interest of parent due to transactions with non-controlling interests		688			688
Change of scope of equity method			286		286
Reversal of revaluation reserve for land			126		126
Changes (net amount) of items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	**—**	**(7,288)**	**11,631**	**(1)**	**4,342**
Balance as of March 31, 2018	**10,000**	**38,285**	**29,353**	**(38)**	**77,600**

	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	Remeasure-ments of defined benefit plans	Total other comprehen-sive income		
Balance as of April 1, 2017	**1,007**	**445**	**3,442**	**(15,320)**	**(6,794)**	**(17,219)**	**5,474**	**61,514**
Changes during the consolidated fiscal year								
Transfer from capital surplus to retained earnings								—
Dividends from surplus								(694)
Income attributable to owners of parent								3,936
Acquisition of treasury stocks								(1)
Disposal of treasury stock								0
Change in ownership interest of parent due to transactions with non-controlling interests								688
Change of scope of equity method								286
Reversal of revaluation reserve for land								126
Changes (net amount) of items other than shareholders' equity during the fiscal year	297	(1,033)	(126)	(882)	4,115	2,370	(2,411)	(40)
Total changes during the fiscal year	**297**	**(1,033)**	**(126)**	**(882)**	**4,115**	**2,370**	**(2,411)**	**4,301**
Balance as of March 31, 2018	**1,305**	**(588)**	**3,316**	**(16,203)**	**(2,678)**	**(14,848)**	**3,063**	**65,816**

(Translation)

Non-consolidated Balance Sheet

(As of March 31, 2018)

(Millions of yen)

Assets		Liabilities	
Accounting Items	Amount	Accounting Items	Amount
Assets		Liabilities	
Current assets	**56,458**	**Current liabilities**	**83,477**
Cash and cash equivalents	10,593	Notes payable-trade	644
Notes receivable-trade	478	Accounts payable-trade	17,377
Accounts receivable-trade	23,596	Short term loans payable	23,963
Merchandise and finished goods	9,079	Current portion of long-term loans payable	23,798
Work in process	1,604	Debt for lease	40
Raw materials and supplies	1,783	Other accounts payable	8,605
Advance payments-trade	138	Accrued expenses	5,019
Prepaid expenses	689	Income taxes payable	374
Short-term loans receivable	5,042	Advances received	1,204
Accrued revenue	3,406	Deposits received	682
Deferred tax assets	1,158	Provision for product warranties	227
Other	728	Reserves for loss on order received	678
Allowance for doubtful receivables	(1,840)	Other current liabilities	860
Fixed assets	**149,976**	**Long term liabilities**	**51,820**
Tangible fixed assets	**27,579**	Long-term loans payable	37,059
Buildings	6,345	Debt for lease	60
Structures	138	Deferred tax liabilities for land revaluation	1,461
Machinery and equipment	573	Deferred tax liabilities	3,228
Vehicles	83	Provision for retirement benefits	7,903
Tools, furniture and fixtures	2,087	Provision for loss on business of subsidiaries and associates	1,361
Land	17,529	Asset retirement obligations	536
Construction in progress	820	Other long term liabilities	209
Intangible fixed assets	**9,530**	**Total Liabilities**	**135,297**
Software	9,438		
Other	92	Net Assets	
		Shareholders' equity	**67,388**
Investments and other assets	**112,865**	**Paid-in capital**	**10,000**
Investment securities	6,872	**Capital surplus**	**48,494**
Investments in affiliated companies	93,035	Capital reserve	10,000
Investments in capital	1	Other capital surplus	38,494
Investments in capital of subsidiaries and affiliates	4,049	**Retained earnings**	**8,932**
Long-term loans receivable	81	Other retained earnings	8,932
Long-term loans receivable from subsidiaries and affiliates	565	Cumulative retained earnings	8,932
Claims provable in bankruptcy, claims provable in rehabilitation and other	49	**Treasury stock**	**(38)**
Long-term prepaid expenses	555	**Valuation and translation adjustments**	**3,748**
Prepaid pension cost	7,344	Unrealized gain and loss on available-for-sale securities	1,032
Other	440	Deferred hedge gain and loss	(600)
Allowance for doubtful receivables	(129)	Land revaluation surplus	3,316
		Total Net Assets	**71,136**
Total Assets	**206,434**	**Total Liabilities and Net Assets**	**206,434**

(Translation)

Non-consolidated Statement of Income

(From April 1, 2017 to March 31, 2018)

(Millions of yen)

Accounting Items	Amount	
Net sales		**170,283**
Cost of sales		**146,442**
Gross profit		**23,840**
Selling, general and administrative expenses		**23,253**
Operating income		**586**
Non-operating income		
Interest income	175	
Dividends income	5,248	
Reversal of allowance for doubtful accounts	87	
Reversal of provision for loss on business of subsidiaries and associates	20	
Other	804	6,336
Non-operating expense		
Interest expense	1,027	
Loan commission	293	
Foreign exchange losses	241	
Provision of allowance for doubtful accounts	940	
Provision for loss on business of subsidiaries and associates	125	
Other	362	2,990
Ordinary income		**3,932**
Extraordinary profit		
Gain on sales of fixed assets	836	
Gain on sales of investment securities	749	
Gain on exchange for in-kind capital reduction	32	
Gain on extinguishment of tie-in shares	118	
Gain on revision of retirement benefit plan	1,143	
Other	24	2,905
Extraordinary loss		
Loss on sales of fixed assets	6	
Loss on disposal of fixed assets	12	
Loss on impairment of long-lived assets	29	
Loss on extinguishment of tie-in shares	11	
Other	8	67
Income before income taxes		**6,770**
Corporate tax, corporate inhabitant tax and corporate enterprise tax	(20)	
Corporate tax and other adjustment	(2,014)	(2,035)
Net income		**8,806**

(Translation)

Non-consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2017 to March 31, 2018)

(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		
Balance as of April 1, 2017	**10,000**	**10,000**	**46,471**	**56,471**	**(7,282)**	**(37)**	**59,152**
Changes during the consolidated fiscal year							
Transfer from capital surplus to retained earnings			(7,282)	(7,282)	7,282		—
Dividends from surplus			(694)	(694)			(694)
Profit					8,806		8,806
Acquisition of treasury stocks						(1)	(1)
Disposal of treasury stocks						0	0
Reversal of revaluation reserve for land					126		126
Changes of items other than shareholders' equity							
Total changes during the fiscal year	**—**	**—**	**(7,977)**	**(7,977)**	**16,214**	**(1)**	**8,236**
Balance as of March 31, 2018	**10,000**	**10,000**	**38,494**	**48,494**	**8,932**	**(38)**	**67,388**

	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	
Balance as of April 1, 2017	**765**	**431**	**3,442**	**4,639**	**63,792**
Changes during the consolidated fiscal year					
Transfer from capital surplus to retained earnings					—
Dividends from surplus					(694)
Profit					8,806
Acquisition of treasury stocks					(1)
Disposal of treasury stocks					0
Reversal of revaluation reserve for land					126
Changes of items other than shareholders' equity	266	(1,032)	(126)	(891)	(891)
Total changes during the fiscal year	**266**	**(1,032)**	**(126)**	**(891)**	**7,344**
Balance as of March 31, 2018	**1,032**	**(600)**	**3,316**	**3,748**	**71,136**

(Translation)

Accounting Audit Report regarding Consolidated Financial Statements

Independent Auditor's Report

May 14, 2018

JVCKENWOOD Corporation
The Board of Directors

Deloitte Touche Tohmatsu LLC

Designated and Engagement Partner	Certified Public Accountant Taisei Kunii (Seal)
Designated and Engagement Partner	Certified Public Accountant Yasuhiko Haga (Seal)
Designated and Engagement Partner	Certified Public Accountant 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, 2017 through March 31, 2018.

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, 2018 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 14, 2018

JVCKENWOOD Corporation
The Board of Directors

Deloitte Touche Tohmatsu LLC

Designated and Engagement Partner	Certified Public Accountant Taisei Kunii (Seal)
Designated and Engagement Partner	Certified Public Accountant Yasuhiko Haga (Seal)
Designated and Engagement Partner	Certified Public Accountant 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 10th fiscal year from April 1, 2017 through March 31, 2018.

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, 2018 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)

Audit & Supervisory Board Members' Report

Audit Report

The Audit & Supervisory Board audited the Directors' performance of duties for the 10th business period from April 1, 2017 to March 31, 2018. 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, allocation of duties, 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 compliance with the auditing policies for Audit & Supervisory Board Members which were established by the Audit & Supervisory Board, and in accordance with auditing standards and allocation of duties, etc., 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 authorization documents, etc. 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 and Audit & Supervisory Board Members, etc. 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 audit 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 14, 2018

The Audit & Supervisory Board, JVCKENWOOD Corporation

Audit & Supervisory Board Member (full time)	Takayoshi Sakamoto (seal)
Audit & Supervisory Board Member (full time)	Satoshi Fujita (seal)
Audit & Supervisory Board Member (external)	Shojiro Asai (seal)
Audit & Supervisory Board Member (external)	Nagaaki Ohyama (seal)

(Translation)

SHAREHOLDERS' MEMO

- Fiscal year	From April 1 of each year to March 31 of the following year
- Ordinary general meeting of shareholders	June of each year
- Record date with respect to voting rights to be exercised at the ordinary general meeting of shareholders	March 31 of each year
- Record dates for dividends from surplus	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.
- Method of public notice	Public notices will be made electronically. Electronic public notices will be posted on our website: (http://www.jvckenwood.com) 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)
- Stock listing market	First Section of Tokyo Stock Exchange
- Securities code	6632
- Number of shares constituting one trading unit	100 shares
- Administrator of shareholder registry	4-1, 1-chome, Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited
Service location	4-1, 1-chome, Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
Contact (Inquires/Sending address)	8-4, 2-chome, Izumi, Suginami-ku, Tokyo, 168-0063 Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited Telephone inquiries: 0120-782-031 http://www.smtb.jp/personal/agency/index.html

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.