(Translation)

Securities Code: 6632
May 28, 2019

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

NOTICE OF CONVOCATION OF THE 11th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 11th Ordinary General Meeting of Shareholders of JVCKENWOOD Corporation (the "Company"), to be held on Thursday, June 20, 2019. 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 6-26, please exercise your voting rights by 6 p.m. on Wednesday, June 19, 2019 (JST).

With Best Regards,

Takao Tsuji
Representative Director of the Board
Chairman

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: Thursday, June 20, 2019 at 10 a.m. (JST)
(Reception desk is scheduled to open at 9 a.m.)
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 11th Fiscal Year (From April 1, 2018 to March 31, 2019) 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 11th Fiscal Year (From April 1, 2018 to March 31, 2019)

Matters to be Resolved:
Proposal No. 1: Partial Amendments to the Articles of Incorporation
Proposal No. 2: Election of Nine (9) Directors of the Board
Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member
Proposal No. 4: Revision of the Amount of Compensation for External Directors

- 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 6 to page 66. 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 26.

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., Wednesday, June 19, 2019 (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 Wednesday, June 19, 2019 (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: https://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 Wednesday, June 19, 2019 (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.

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, cellular phones or smartphones.
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: Partial Amendments to the Articles of Incorporation

1. Reason for the proposal

(1) JVCKENWOOD's business title, "JVC KENWOOD Corporation," combines the names of its brands: "JVC" and "KENWOOD." Meanwhile, "JVCKENWOOD," the Company's English business title, has been used for the names of the Group's overseas affiliates. We have decided to remove the space between "JVC" and "KENWOOD" in the Japanese business title to unify the name to "JVCKENWOOD" with the objective of enhancing the sense of unity of the global corporate group. The change of business title will take effect on July 1, 2019. (Article 1 and the Supplementary Provision)

(2) The Company shall add "sales of automotive-related products," etc. to the purpose of business prescribed in Article 2 (Purpose) of the Articles of Incorporation in accordance with its current businesses, as well as to accommodate its future business development and diversification of business segments. (Article 2)

(3) The Company shall revise the provisions concerning the convener and the Chairman of the General Meeting of Shareholders, assuming the case where the post of Chairman is not established as the post of Director. (Article 14)

(4) The Company has aimed to separate execution and supervisory functions by adopting the Executive Officer System since it was established in October 2008. Taking the current situation in consideration, the Company shall aim to further clarify the governance structure, with a clear separation of the execution body and the supervisory body, by adding new provisions concerning Executive Officers to the Articles of Incorporation and prescribing that positions of responsibility shall be attached in principle to Executive Officers. (Article 21 and Article 27)

2. Details of the amendments

Details of the amendments are as follows.

(Underlined portions are to be amended.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1: General Rules (Business Title) Article 1: The business title of the Company is "Kabushiki Kaisha JVC Kenwood" and in English, it shall be "JVC KENWOOD Corporation."	Chapter 1: General Rules (Business Title) Article 1: The business title of the Company is "Kabushiki Kaisha JVC Kenwood" and in English, it shall be "JVCKENWOOD Corporation."
(Purpose) Article 2: (Provisions omitted) 1. (Provisions omitted) (1)-(2) (Provisions omitted) (3) Manufacture and sales of electric components for automobiles and other automobile parts. (4) Manufacture and sales of electric/electronic machines and devices. (5) (Provisions omitted) (6) Manufacture, sales, and repair of medical devices. (7)-(27) (Provisions omitted) 2. (Provisions omitted)	(Purpose) Article 2: (Same as present) 1. (Same as present) (1)-(2) (Same as present) (3) Manufacture, sales, and repair of electric components for automobiles, other automobile parts, and automotive-related products. (4) Manufacture, sales, and leasing of electric/electronic machines and devices. (5) (Same as present) (6) Manufacture, sales, and repair of medical equipment and devices. (7)-(27) (Same as present) 2. (Same as present)
Article 3 – Article 13 (Provisions omitted)	Article 3 – Article 13 (Same as present)

(Translation)

Current Articles of Incorporation	Proposed Amendments
(Convener and Chairman) Article 14:1. The Chairman and Director of the Company shall convene and preside at the General Meeting of Shareholders. 2. If the Chairman and Director of the Company is unable to so act due to absence or an accident, the President and Director of the Company or if the President and Director of the Company is unable to so act, another Director shall act in his place in accordance with the order predetermined by a resolution of the Board of Directors and shall convene and chair the General Meeting of Shareholders.	(Convener and Chairman) Article 14: 1. The Director of the Company designated by the Board of Directors shall convene and preside at the General Meeting of Shareholders. 2. If the Director of the Company in the preceding paragraph is unable to so act due to an accident, another Director shall act in his place in accordance with the order predetermined by a resolution of the Board of Directors and shall convene and chair the General Meeting of Shareholders.
Article 15 – Article 17 (Provisions omitted)	Article 15 – Article 17 (Same as present)
Chapter 4: Directors and Board of Directors Article 18 – Article 20 (Provisions omitted)	Chapter 4: Directors, Board of Directors, and Executive Officers Article 18 – Article 20 (Same as present)
(Directors Who are Executives and Representative Director) Article 21: 1. The Board of Directors may elect one person as Chairman and Director, one person as Representative Director, and several Vice Presidents, Managing Directors, and Executive Directors. 2. The Chairman and Director and the Representative Director shall each represent this Company. 3. In addition to the Directors listed in the preceding paragraph, other Directors may be elected to represent the Company by a resolution of the Board of Directors.	(Representative Director and Chairman and Director) Article 21: 1. The Board of Directors may elect Representative Directors. 2. The Board of Directors may elect one person as Chairman and Director; however, this shall not apply when Chairman and Executive Officer is elected pursuant to Article 27, Paragraph 2. (Deleted)
Article 22 – Article 26 (Provisions omitted)	Article 22 – Article 26 (Same as present)
(Newly established)	(Executive Officers) Article 27: 1. The Board of Directors may elect Executive Officers by its resolution and assign them to execute the Company's businesses. 2. The Board of Directors may elect, by its resolution, Chairman and Executive Officer, President and Executive Officer, Executive Vice President, Senior Managing Executive Officers, Managing Executive Officers, and other Executive Officers with title; however, this shall not apply to Chairman and Executive Officer when Chairman and Director is elected pursuant to Article 21, Paragraph 2 of the Articles of Incorporation. 3. Matters concerning Executive Officers shall be prescribed by the Articles of Incorporation, as well as the Regulation of the Executive Officers Committee prescribed by the Board of Directors.
Article 27 – Article 38 (Provisions omitted)	Article 28 – Article 39 (Same as present)
(Newly established)	Supplementary Provision Article 40: The amendment to Article 1 (Business Title) shall take effect on July 1, 2019. The supplementary provision shall be deleted after the amendment takes force.

(Translation)

Proposal No. 2: 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 (two(2) of whom are first-time candidates for director) including three (3) external directors to fill the quota of nine (9) directors prescribed in the Company's Articles of Incorporation.

Mr. Yasuyuki Abe, Mr. Shinjiro Iwata, and Mr. Yuji Hamasaki 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	Takao Tsuji	Representative Director of the Board, Chairman	Unchanged	10
2	Reappointment External Independent	Yasuyuki Abe	Director of the Board (Chairman of the Board), Member of Nomination and Remuneration Advisory Committee	Unchanged	11
3	Reappointment	Shoichiro Eguchi	Representative Director of the Board, President, Chief Executive Officer (CEO), Member of Nomination and Remuneration Advisory Committee	Unchanged	14
4	Reappointment	Masaki Imai	Director of the Board, Executive Vice President, Head of Administrative Division, Chief Operating Officer (COO) EMEA (Europe, Middle East and Africa), General Manager of Internal Governance Office	Unchanged	15
5	Reappointment	Masatoshi Miyamoto	Director of the Board, Senior Managing Executive Officer, Chief Financial Officer (CFO)	Unchanged	16
6	Reappointment	Masao Nomura	Director of the Board, Senior Managing Executive Officer, Chief Operating Officer(COO) Automotive Sector, General Executive of Automotive OEM Business Division, In Charge of DX (Digital Transformation) Business Division, In Charge of Information Technology Department	Unchanged	17
7	First-time Candidate	Yoshio Sonoda	Executive Officer, Chief Technology Officer (CTO), General Executive of Automotive Engineering & Design Division, General Executive of Automotive Business Planning Division, In Charge of R&D Department, In Charge of Intellectual Property Department	Director,of the Board, Executive Officer, Chief Technology Officer (CTO), General Executive of Automotive Engineering & Design Division, General Executive of Automotive Business Planning Division, In Charge of R&D Department, In Charge of Intellectual Property Department	18

(Translation)

8	Reappointment External Independent	Shinjiro Iwata	Director of the Board, Member of Nomination and Remuneration Advisory Committee	Unchanged	19
9	First-time Candidate External Independent	Yuji Hamasaki	-	Director of the Board, Member of Nomination and Remuneration Advisory Committee	21

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
1	 Takao Tsuji (September 28, 1949) Candidate for reappointment Tenure as Director: 6 years Attendance at Board of Directors' meetings during the current fiscal year: 15/15 (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), Apr. 2019 Representative Director of the Board, Chairman of JVCKENWOOD Corporation (current position) <Current positions and responsibilities> Representative Director of the Board, Chairman <Important concurrent duties> Outside Director of Dexerials Corporation (scheduled to assume the position in June 2019)	152,800
	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 Director of the Board and Chairman.		

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
2	 Yasuyuki Abe (April 17, 1952) Candidate for reappointment External Director Independent Director Tenure as Director: 4 years Attendance at Board of Directors' meetings during the current fiscal year: 15/15 (100%) Attendance at Nomination and Remuneration Advisory Committee meetings during the current fiscal year: 12/12 (100%)	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 Jun. 2015 Advisor of Sumitomo Corporation (retired 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, scheduled to retire in June 2019) <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 (scheduled to retire in June 2019) Outside Director of SUBARU CORPORATION (scheduled to assume the position in June 2019) Advisor of Orange and Partners Co., Ltd.	20,500
	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.		

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 four (4) 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

SUBARU CORPORATION ("SUBARU"), where Mr. Yasuyuki Abe concurrently holds office, had in the past and currently has business relations with the Company with regard to purchases and sales. However, SUBARU's transactions with the Company in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or SUBARU in each corresponding fiscal year, and do not fall under major transactions for either the Company or SUBARU. In addition, no mutual relationship exists between SUBARU and the Company, including donations, mutual dispatch of directors or shareholding.

No mutual relationship exists between 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"), where Mr. Abe previously served as an executive, had in the past and currently has business relations with the Company with regard to purchases. However, SCSK's transactions with the Company in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or SCSK in each corresponding fiscal year, and do not fall under major transactions for either the Company or SCSK. Moreover, no other mutual relationship exists between SCSK and the Company, including donations, mutual dispatch of directors or shareholding. Mr. Abe resigned as an executive of SCSK nine (9) years ago and currently has no relationship with the company.

Sumitomo Corporation ("Sumitomo"), where he previously served as an executive, currently has business relations with the Company with regard to sales. However, Sumitomo's transactions with the Company in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or Sumitomo, and do not fall under major transactions for either the Company or Sumitomo. Moreover, no other mutual relationship exists between Sumitomo and the Company, including donations, mutual dispatch of directors or shareholding. Mr. Abe resigned as an executive of Sumitomo about one (1) year ago and currently has no relationship with the company.

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

If the election of Mr. Abe 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 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 provided recommendations about compliance with the laws and regulations and internal controls whenever possible. After the detection of the said fact, he received reports as necessary about the initiatives to clarify the causes of the inappropriate cases and prevention of recurrence. He also provided various recommendations and based on the recommendations received from SUBARU CORPORATION's outside directors and auditors, including Mr. Abe, SUBARU established a new position, Chief Risk Management Officer (CRMO), on April 1, 2019 for the purpose of enhancing effectiveness of internal control and risk management. Not only at Board of Directors' meetings of SUBARU but also at roundtables between Directors and Corporate Auditors of SUBARU, during discussions about themes such as reform of the corporate culture and quality reform, as an Outside Corporate Auditor, Mr. Abe has vigorously provided recommendations necessary for the company's reform, including reform of the corporate culture including the Group companies, quality reform, and further enhancement and ensuring of compliance 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
3	 Shoichiro Eguchi (December 7, 1955) Candidate for reappointment Tenure as Director: 8 years in total Attendance at Board of Directors' meetings during the current fiscal year: 15/15 (100%)	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 Apr. 2019 Representative Director of the Board, President, Chief Executive Officer (CEO) of JVCKENWOOD Corporation (current position) <Current positions and responsibilities> Representative Director of the Board, President, Chief Executive Officer (CEO) Member of Nomination and Remuneration Advisory Committee <Important concurrent duties> Not applicable	128,770
	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 Executive Officer (CEO) of the new management structure.		

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
4	 Masaki Imai (December 10, 1952) Candidate for reappointment Tenure as Director: 2 years Attendance at Board of Directors' meetings during the current fiscal year: 15/15 (100%)	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 of JVCKENWOOD Corporation Apr. 2019 Director of the Board, Executive Vice President, Head of Administrative Division, COO EMEA (Europe, Middle East and Africa), General Manager of Internal Governance Office of JVCKENWOOD Corporation (current position) <Current positions and responsibilities> Director of the Board, Executive Vice President, Head of Administrative Division, COO EMEA (Europe, Middle East and Africa), General Manager of Internal Governance Office <Important concurrent duties> Not applicable	60,990
	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 Head of Administrative Division 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>5</td><td>
Masatoshi Miyamoto
(March 16, 1963)

Candidate for reappointment

Tenure as Director: 2 years

Attendance at Board of Directors' meetings during the current fiscal year:
15/15 (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>45,100</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>
Masao Nomura
(May 16, 1959)

Candidate for reappointment

Tenure as Director: 1 year

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

*Attendance between June 2018, when he took office as a Director, and March 2019</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 Graduate School of Science and 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
Jun. 2018 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) of JVCKENWOOD Corporation
Apr. 2019 Director of the Board, Senior Managing Executive Officer, COO Automotive Sector, General Executive of Automotive OEM Business Division, in Charge of DX (Digital Transformation) Business Division, in Charge of Information Technology Department of JVCKENWOOD Corporation (current position)
<Current positions and responsibilities>
Director of the Board, Senior Managing Executive Officer, COO Automotive Sector, General Executive of Automotive OEM Business Division, in Charge of DX (Digital Transformation) Business Division, in Charge of Information Technology Department
<Important concurrent duties>
Not applicable</td><td>12,200</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 director and 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)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
7	 Yoshio Sonoda (November 22, 1964) First-time Candidate Tenure as Director: - Attendance at Board of Directors' meetings during the current fiscal year: -	Apr. 1987 Joined Kenwood Corporation (currently JVCKENWOOD Corporation) Jan. 2006 General Manager of Element Technology Development, Consumer Business Development Center of Kenwood Corporation (currently JVCKENWOOD Corporation) Dec. 2012 General Manager of Element Technology Development, Engineering Division, Car Electronics Business Group of JVCKENWOOD Corporation Jul. 2014 General Manager of Technology Strategy, Car Electronics Segment of JVCKENWOOD Corporation Oct. 2015 Chief Product/Project Manager (CPM) of Dealer-installed Business, Car Electronics Segment of JVCKENWOOD Corporation Oct. 2016 Chief Product/Project Manager (CPM) of Dealer-installed Business, Car Electronics Segment of JVCKENWOOD Corporation Apr. 2017 General Executive of Automotive Engineering & Design Division of JVCKENWOOD Corporation Apr. 2018 Executive Officer, General Executive, Automotive Engineering & Design Division, JVCKENWOOD Corporation Apr. 2019 Executive Officer, Chief Technology Officer (CTO), General Executive of Automotive Engineering & Design Division, General Executive of Automotive Business Planning Division, In Charge of R&D Department, In Charge of Intellectual Property Department of JVCKENWOOD Corporation (current position) <Current positions and responsibilities> Executive Officer, Chief Technology Officer (CTO), General Executive of Automotive Engineering & Design Division, General Executive of Automotive Business Planning Division, In Charge of R&D Department, In Charge of Intellectual Property Department (current position) <Important concurrent duties> Not applicable	3,600
	Reasons for selecting him as a candidate for director The Company proposes the election of Mr. Yoshio Sonoda 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 Automotive Engineering & Design Division of the Group, as well as his corporate management experience as the Company's executive officer, will be utilized, and that he will continue to be active as the Chief Technology Officer (CTO).		

(Translation)

No.	Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's common shares held
8	 Shinjiro Iwata (June 6, 1948) Candidate for reappointment External Director Independent Director Tenure as Director: 2 years Attendance at Board of Directors' meetings during the current fiscal year: 14/15 (93.3%) Attendance at Nomination and Remuneration Advisory Committee meetings during the current fiscal year: 10/12 (83.3%)	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) (retired in June 2014) 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. (retired in June 2018) Director of Hitachi Automotive Systems, Ltd. (retired in March 2017) Jun. 2016 Director and Chairman (Outside Director) of Benesse Holdings, Inc. (current position) Chairman of the Board & Director of Hitachi Koki Co., Ltd. (retired in March 2017) Outside Director of the Board (Outside Director) Hitachi Transport System, Ltd. (retired in June 2018) Jun. 2017 External Director of the Board of JVCKENWOOD Corporation (current position) Feb. 2018 Director of the Board of NACHI-FUJIKOSHI CORP. (Outside Director) (retired in April 2019) Jul. 2018 Director of the Board of A. L. I. Technologies Inc. (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) Director of the Board of A. L. I. Technologies Inc. (Outside Director)	7,400
	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.		

	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. Iwata is currently an external director of the Company, and his tenure of office as an external director of the Company will be two (2) years at the conclusion of this General Meeting of Shareholders. **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** No mutual relationship exists between Benesse Holdings, Inc. or A. L. I. Technologies Inc., where Mr. Shinjiro Iwata concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding. Regarding companies where Mr. Iwata previously served as an executive, Hitachi, Ltd. and the Company had in the past and currently have business relations with regard to purchases and sales, Hitachi Kokusai Electronic Inc. and Hitachi Automotive Systems, Ltd. and the Company had in the past and currently have business relations with regard to sales, and Hitachi Transport System, Ltd. and the Company had business relations in the past with regard to purchases (no business relations in the consolidated fiscal year under review). However, the transactions with the Company amounted to less than one (1) percent of the consolidated net sales of the Company or each of these companies and do not fall under major transactions for any of the companies. Moreover, no other mutual relationship exists between these companies and the Company, including donations, mutual dispatch of directors or shareholding. Mr. Iwata resigned as an executive of Hitachi, Ltd., Hitachi Kokusai Electronic Inc., Hitachi Automotive Systems, Ltd., and Hitachi Transport System, Ltd. about one (1) year ago, five (5) years ago, two (2) years ago, and about one (1) year ago, respectively, and currently has no relationship with any of these companies. No mutual relationship exists between NACHI-FUJIKOSHI CORP., Hitachi Data Systems Corporation, Hitachi Global Storage Technologies, Inc. (currently HGST, Inc.) or Hitachi Koki Co., Ltd., where Mr. Iwata previously served as an executive, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding. Furthermore, Mr. Iwata has not been an operating officer or the like of the Company's major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent. If the election of Mr. Iwata 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.

(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>
Yuji Hamasaki
(February 4, 1952)

First-time Candidate

External Director

Independent Director

Tenure as Director: -

Attendance at Board of Directors' meetings during the current fiscal year:
-

Attendance at Nomination and Remuneration Advisory Committee meetings during the current fiscal year:
-</td><td>Apr. 1976 Joined Sumitomo Electric Industries, Ltd.
Jun. 2004 Executive Officer, Deputy Vice President, Infocommunications Business Unit of Sumitomo Electric Industries, Ltd.
Jun. 2005 Managing Executive Officer, Vice President, Broadband Solutions Business Unit, Deputy Vice President, R&D Unit of Sumitomo Electric Industries, Ltd.
Jun. 2006 Managing Director, Vice President, Broadband Solutions Business Unit of Sumitomo Electric Industries, Ltd.
Jun. 2008 Managing Director, Vice President, Infocommunications R&D Unit of Sumitomo Electric Industries, Ltd.
Apr. 2010 Senior Managing Executive Officer, MEIDENSHA CORPORATION
Jun. 2010 Director & Senior Managing Executive Officer of MEIDENSHA CORPORATION
Apr. 2011 Representative Director, Executive Vice President of MEIDENSHA CORPORATION
Jun. 2013 Representative Director, President of MEIDENSHA CORPORATION
May 2018 Director of the Japan Electrical Manufacturers' Association (current position)
Jun. 2018 Representative Director, Chairman of MEIDENSHA CORPORATION (current position)
<Current positions and responsibilities>
Not applicable
<Important concurrent duties>
Representative Director, Chairman of MEIDENSHA CORPORATION
Director of the Japan Electrical Manufacturers' Association</td><td>-</td></tr>
<tr><td></td><td colspan="3">Special notes on candidate for external director
Mr. Yuji Hamasaki 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>
<tr><td></td><td colspan="3">Reasons for selecting him as a candidate for external director
The Company proposes to elect Mr. Yuji Hamasaki 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 of listed companies outside the Group and in the information and communication field and the heavy electric-related field, 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. Hamasaki is a first-time candidate for external director.</td></tr>
</table>

(Translation)

	Outline of the liability limitation agreement If the election of Mr. Hamasaki is approved, the Company shall conclude a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Companies Act with Mr. Hamasaki. 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. **Matters concerning independence** No mutual relationship exists between MEIDENSHA CORPORATION or The Japan Electrical Manufacturers' Association, where Mr. Yuji Hamasaki concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding. Sumitomo Electric Industries, Ltd., where Mr. Hamasaki previously served as an executive, and the Company had business relations in the past with regard to purchases (no business relations in the consolidated fiscal year under review). However, the transactions amounted to less than one (1) percent of the consolidated net sales in each corresponding fiscal year of the Company or Sumitomo Electric Industries, Ltd., and do not fall under major transactions for either the Company or Sumitomo Electric Industries, Ltd. Moreover, no other mutual relationship exists between Sumitomo Electric Industries, Ltd. and the Company, including donations, mutual dispatch of directors or shareholding. Mr. Hamasaki resigned as an executive of Sumitomo Electric Industries, Ltd. nine (9) years ago and currently has no relationship with the company. Furthermore, Mr. Hamasaki has not been an operating officer or the like of the Company's major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent. If the election of Mr. Hamasaki is approved, the Company will designate him as an independent director as stipulated in the provisions of the Tokyo Stock Exchange, Inc.

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. 3: Election of One (1) Substitute Audit & Supervisory Board Member

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

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

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

Name (Date of birth)	Profile, title, position and important concurrent duties	Number of the Company's shares held
 Tsutomu Kuribayashi (May 30, 1964) First-time Candidate Substitute External Audit & Supervisory Board Member Tenure as Audit & Supervisory Board Member: - Tenure as Substitute External Audit & Supervisory Board Member: -	Apr. 1993 Registered as attorney-at-law (Tokyo Bar Association) Joined Asahi Law Office (currently Nishimura & Asahi) Nov. 1999 Registered as New York State attorney Apr. 2003 Opened Kuribayashi Sogo Law Office, General Partner (current position) Apr. 2009 Member of the Legislative Council of the Ministry of Justice (Non-Contentious Case Procedures Act & Domestic Relations Trial Act Session) (retired in March 2011) Apr. 2014 Vice Chairman of the Tokyo Bar Association (retired in March 2015) Jun. 2014 Outside Director of Kuze Co., Ltd. (scheduled to retire in June 2019) Mar. 2016 Supervisory Director of D&F Logistics REIT, Inc. (current position) Feb. 2017 Audit & Supervisory Board Member of Airhearse International Inc. (current position) Apr. 2018 Vice President of the Kanto Federation of Bar Associations (retired in March 2019) <Important concurrent duties> General Partner Kuribayashi Sogo Law Office Outside Director of Kuze Co., Ltd. (scheduled to retire in June 2019) Supervisory Director of D&F Logistics REIT, Inc. Audit & Supervisory Board Member of Airhearse International Inc.	-

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

Mr. Tsutomu Kuribayashi 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. Kuribayashi 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 career as an attorney-at-law and service as an outside director etc. of companies outside the Group, and by providing proper advice and proposals 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

If he assumes the position of 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. Kuribayashi. 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 Kuribayashi Sogo Law Office, Kuze Co., Ltd., Airhearse International Inc., or D&F Logistics REIT, Inc., where Mr. Tsutomu Kuribayashi concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.

The Ministry of Justice where Mr. Kuribayashi previously served as a member of a committee and the Company currently have business relations with regard to sales. However, the transactions amounted to less than one (1) percent of the consolidated net sales of the Company or the Ministry of Justice, and do not fall under major transactions for either the Company or the Ministry of Justice. Moreover, no other mutual

relationship exists between the Ministry of Justice and the Company, including donations, mutual dispatch of directors or shareholding. Mr. Kuribayashi resigned as a member of the committee of the Ministry of Justice nine (9) years ago and currently has no relationship with the ministry. No mutual relationship exists between Nishimura & Asahi, where he previously served as an executive, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.

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

If the election of Mr. Kuribayashi is approved and he actually assumes the position as Audit & Supervisory Board Member, the Company will designate him as an independent auditor 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

Kuze Co., Ltd., where Mr. Kuribayashi has held a concurrent position as Outside Director since June 2014, received a recommendation from the Fair Trade Commission in accordance with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors on April 27, 2017. Although Mr. Kuribayashi had been unaware of the violation in question in advance, he had regularly noted the importance of compliance with laws and regulations and thorough implementation. Moreover, he requested directors to report on this matter and made proposals about ensuring compliance with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and other relevant laws and regulations and prevention of recurrence and has been fulfilling his duties.

Reasons for judging that the candidate for substitute external Audit & Supervisory Board Member who was never involved in corporate management in the past other than by means of serving as an external director or an external audit & supervisory board member is capable of appropriately fulfilling duties as an external Audit & Supervisory Board Member

Although Mr. Kuribayashi has never been involved in corporate management other than by means of serving as an external director or an external audit & supervisory board member, the Company judges that, if he assumes office as external Audit & Supervisory Board Member, he is capable of appropriately fulfilling duties as an external Audit & Supervisory Board Member in view of his experience stated in the profile and the reasons for selecting him as a candidate for substitute external Audit & Supervisory Board Member stated above.

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)

Proposal No. 4: Revision of the Amount of Compensation for External Directors

It was resolved at the 1st Ordinary 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).

In order to enhance corporate governance, the Company has implemented measures, such as creating the establishment of the Nomination and Remuneration Advisory Committee mainly consisting of external directors and having an external director chair the Board of Directors' meetings.

In order to further enhance corporate governance and ensure that external directors make an even greater contribution, and based on the assumption that the scope of activities of external directors will be widened and that the number of external directors will increase, the Company proposes that the maximum amount of compensation for external directors be revised to 8 million yen a month, while leaving the total amount of compensation for directors unchanged (up to 36 million yen a month).

As previously, the amount of compensation for directors does not include the employee's portion of the salaries of directors who are also company employees. Moreover, bonuses, retirement benefits or any other monetary compensation will not be paid to directors.

The number of directors currently in office is nine (9) (three (3) of whom are external directors). The number of directors after the approval of Proposal No. 2 as proposed will remain unchanged.

(Translation)

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

BUSINESS REPORT

(From April 1, 2018 to March 31, 2019)

From the fiscal year ended March 31, 2019, the Company applied the International Financial Reporting Standards ("IFRS"), instead of the Japanese GAAP, with the aim of improving the international comparability of its financial information and strengthening the management foundation by integrating the accounting standards applied in the Group. In the business report and consolidated financial statements for the fiscal year under review, figures after the application of the IFRS are presented, including figures for the fiscal years ended on or after March 31, 2017.

1. Matters Concerning the Current Situation of the Group

[1] Course of Business and the Results

Revenue of the JVCKENWOOD Group for the fiscal year under review increased from the previous fiscal year because revenue in the Public Service Sector and Others increased while revenue in the Media Service Sector was virtually unchanged from the previous fiscal year, although revenue in the Automotive Sector decreased owing to lower sales in the fourth quarter. Operating income of the Group also increased due to significant increases in profit in the Public Service Sector and in the Media Service Sector despite the recording of an impairment loss.

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, 2018 to June 30, 2018)	2nd Quarter (from July 1, 2018 to September 30, 2018)	3rd Quarter (from October 1, 2018 to December 31, 2018)	4th Quarter (from January 1, 2019 to March 31, 2019)
Profit-and-loss exchange rates	U.S. dollar	approx. 109 yen	approx. 111 yen	approx. 113 yen	approx. 110 yen
	Euro	approx. 130 yen	approx. 130 yen	approx. 129 yen	approx. 125 yen
FY2017 (Reference)	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

*** Revenue**

307,627 million yen (up 2.3% YoY)

Revenue for the fiscal year under review increased about 6,900 million yen, or 2.3%, year on year to 307,627 million yen.

Revenue in the Automotive Sector decreased from the previous fiscal year because JVCKENWOOD Hong Kong Holdings Ltd. (formerly Shinwa International Holdings Limited) was affected by the deterioration of the Chinese economy in the fourth quarter and because the Aftermarket Business was affected by of lower sales due to a parts supply problem of a supplier. Revenue in the Public Service Sector increased owing to higher revenue in the Communication Systems Business due mainly to an increase in sales of the Group's US communication system subsidiaries. Meanwhile, revenue in the Media Service Sector was virtually unchanged from the previous fiscal year because revenue in the Entertainment Business increased although revenue in the Media Business decreased due partly to the change to the scheme of the brand licensing business.

*** Operating Income**

7,263 million yen (up 4.7% YoY)

Operating income for the fiscal year under review increased about 300 million yen, or 4.7%, year on year to 7,263 million yen.

Operating performance by customer industry sector is explained using core operating income, which is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue. For details, please refer to [9] Transition of Assets and Profit & Loss Profit (1) (Reference) Application of International Financial Reporting Standards (IFRS) on Page 38.

The Group's core operating profit soared 35.7% year on year to 8,562 million yen. Although core operating income in the Automotive Sector decreased, reflecting a decrease in revenue, the Public

Service Sector achieved significant profit/loss improvements and the Media Service Sector recorded a great increase in profit.

Core operating income in the Automotive Sector decreased because the OEM Business was affected by increased burden for upfront development investments for dealer-installed option products and a cost increase due to a supplier's parts supply problem. The Public Service Sector became profitable thanks to significant profit/loss improvements due to higher revenue and higher profit in the Communication Systems Business. In the Media Service Sector, core operating income increased as the Media Business became profitable and the Entertainment Business recorded higher revenue.

* Core operating income

Core operating income is a profit indicator calculated by subtracting cost of sales and selling, general and administrative expenses from revenue. Core operating income is used as a profit indicator to replace operating income under Japanese GAAP for the purpose of clarifying the results and forecast of each segment and evaluating the portfolio of continuing operations. Core operating income does not include nonrecurring items that mainly occur temporarily, such as other income, other expenses, and foreign exchange losses (gains), which are included in operating income under IFRS.

(Translation)

*** Profit Before Income Taxes**

6,401 million yen (an increase of approx. 500 million yen YoY)

Profit before income taxes for the fiscal year under review increased approximately 500 million yen, or 7.7%, year on year to 6,401 million yen.

*** Profit Attributable to Owners of the Parent Company**

3,847 million yen (an increase of approx. 1,500 million yen YoY)

Profit attributable to owners of the parent company for the fiscal year under review surged approximately 1,500 million yen, or 61.0%, year on year to 3,847 million yen, reflecting a decrease in tax expenses in addition to an increase in income before income taxes.

(Translation)

***Automotive Sector**

Revenue 169,532 million yen (down 1.1% YoY)

In the Aftermarket Business, sales of Saisoku-Navi series car navigation systems and dashcams remained strong in the domestic market. On the other hand, sales in overseas markets were affected by sales decreases mainly in the Europe, Middle East, and Africa (EMEA) region and also a sales decrease due to a supplier's parts supply problem in the fourth quarter. As a result, revenue in the Aftermarket Business as a whole decreased.

In the OEM Business, revenue increased from the previous fiscal year due to an increase in sales of factory-installed equipment despite a decrease in dealer-installed option products.

Core Operating Income 5,607 million yen (a decrease of approx. 2,000 million yen YoY)

In the Aftermarket Business, core operating income decreased owing to lower revenue.

In the OEM Business, core operating income decreased because of increased burden for upfront development investments for dealer-installed option products and a cost increase due to a supplier's parts supply problem.

***Public Service Sector**

Revenue 70,944 million yen (up 9.1% YoY)

Revenue in the Communication Systems Business increased due mainly to the growth in sales of the Group's US communication system subsidiaries.

Revenue in the Professional Systems Business increased due mainly to the effects of the consolidation of Rein Medical GmbH, which became a Group subsidiary in the healthcare field in May 2018, in addition to the recovery of sales of JVCKENWOOD Public & Industrial Systems Corporation in the second half.

Core Operating Income 628 million yen (an increase of approx. 2,100 million yen YoY)

In the Communication Systems Business, core operating income significantly increased owing to strong sales of professional communication systems in addition to the impact of higher revenue.

In the Professional Systems Business, profit/loss improved owing to reduction of the amount of loss due to the fixed cost reduction at JVCKENWOOD Public & Industrial Systems Corporation despite an increase in upfront development investments in the healthcare field.

(Translation)

***Media Service Sector**

Revenue 58,795 million yen (down 0.3% YoY)

In the Media Business, revenue decreased mainly because of a decrease in revenue from the brand licensing business resulting from the change in the business scheme from the fiscal year under review, despite robust sales of AV accessories and projectors.

In the Entertainment Business, revenue increased owing to strong sales of the content business despite a decrease in sales of the contracted business.

Core Operating Income 2,217 million yen (an increase of approx. 1,800 million yen YoY)

Despite lower revenue, the Media Business became profitable reflecting a change in sales mix and the effects of cost improvements.

In the Entertainment Business, core operating income increased due to the effects of higher revenue.

[2] Issues to be Addressed

Companies today are tested in terms of their ability to respond to rapid changes in consumer lifestyles and industrial transformation brought about by the progress of digital technology and other factors. In order to secure more business opportunities, deal with risks, and survive, it is crucial that we closely monitor changes in the environment, including society, in which we operate, and make pre-emptive strategic decisions. In order to continue growing together with society, we are strengthening our earnings power in the underlying existing businesses, while also actively collaborating with other companies and external organizations to create new solutions that resolve issues of customers and society.

(1) Strengthening the business in the health care field

In October 2018, the Group, jointly with Sysmex Corporation, established a new company, Creative Nanosystems Corporation, to develop and manufacture biodevices, which are testing devices that apply microfluidics to achieve rapid reactions among tiny amounts of specimens and reagents. We will promote early commercialization of biodevices that will realize fast, inexpensive, and portable POCT (Point Of Care Testing) systems, demand for which is expected to increase in the life sciences and primary care fields.

We are also promoting the medical use of Gazefinder, a gaze tracking system developed using the imaging and optical technology the Group has been cultivating for many years and its unique eye-tracking technology. Promising application examples of Gazefinder include use as a supplementary clinical tool for diagnosing autism spectrum disorder by measuring infants' focus when they are shown test movies. It is also expected to be useful for early diagnosis of dementia. By offering a simple and accurate screening device, the Group will help address one of the issues of the aging society.

At HOSPEC JAPAN 2018, held in November 2018, the Group proposed an Operating Room Visualization Solution. We are promoting commercialization of 8K/4K camera system solutions using the imaging technology we have cultivated over many years, in order to facilitate the development of a comprehensive imaging business. Our wide range of flat, wall-mountable operating room monitors can realize a streamlined operating room, making the preoperative preparation and postoperative cleanup easier, securing an efficient line of flow during the operation, and thus supporting improved safety, cleanliness, and efficiency from before the operation takes place until after it is finished.



Gaze tracking system "Gazefinder"



Operating Room Visualization Solution (conceptual impression)

(2) Strengthening initiatives for the broadband solutions business

● Expanding the telematics solutions business

Jointly with Grab Holdings Inc. (Grab), the largest car dispatching service provider in Southeast Asia, the Group tested a security system for drivers that utilizes dashcams with communication capabilities, and began offering a commercial service in Indonesia, Grab's largest market. Grab provides not only on-demand transportation services, including ride-sharing among individuals and a taxi-hailing service, but also various other services, such as food delivery. Ensuring safety of registered drivers has become an issue for Grab. The security system for drivers offered by JVCKENWOOD allows drivers to automatically transmit various data, such as video captured inside and outside their vehicles and location information, to the call center in an emergency. The security system enables support services to be provided quickly in an emergency and is expected to contribute to ensuring the safety of drivers by preventing crime. While monitoring major trends of connected smart cars in the automobile industry, we aim to expand the telematics solutions business for providing safety and security for drivers using various data obtained with dashcams and other in-vehicle equipment.



ドライバー向けセキュリティサービスのロゴ

Logo of the security service for drivers


通信機能を搭載したドライブレコーダー

Dashcam with communication capabilities

● Strengthening broadband solutions business in the professional radio systems market

The market for professional radio systems has reached a turning point, with the progress of digitization accompanying a worldwide shift from narrowband to broadband radios, and demand is increasing for solutions utilizing not only audio communication, but also image and video transmission. One of the Group's most urgent tasks is to establish a broadband solutions business as a new initiative to respond to this change in the market.

In the private sector, the market for professional radio systems utilizing the cellphone/telephone network is taking off. With this in mind, JVCKENWOOD entered into a capital and business alliance with Sonim Technologies Inc. (Sonim), a leading provider of LTE smartphone systems for professional use. Through this partnership, we will offer convenient solutions, such as security footage transmission systems, on-site staff location monitoring systems, and facial recognition and analysis.

Tait International Ltd. (Tait), with which JVCKENWOOD formed a capital and business alliance in August 2018, is advancing commercialization of broadband solutions utilizing LTE. Tait also has strengths in the development of systems integration solutions and software to address customers' issues. Going forward, the Group will integrate its technology, know-how, and sales channels with those of Sonim and Tait to facilitate early establishment of the broadband solutions business.



Tait radio products

3) Strengthening IP video production solutions

To cater to the needs of the asset-light model of film production that has developed in recent years along with advances in IT systems and the Internet, the Group has improved IP connectivity in its 4K memory camera recorder series, the second generation of its CONNECTED CAM line. We are pursuing collaboration with partner companies that are major players in such fields as video production and streaming and IP transmission infrastructure, with the aim of expanding the solutions business to meet customers' needs. For example, we have invested in Streamstar, a.s. (Streamstar), a Slovakian company specializing in the development, manufacture, and sales of IP-based live video production and streaming systems. Through linkage with Streamstar products, live video production and streaming using small and medium-sized systems is possible in sports/live event broadcasting. Moreover, remote control of several JVCKENWOOD cameras at distant locations enables downsizing of film crews and simplification of equipment. Also, every camera on the same network will automatically be shown on a list, and it is unnecessary to enter the camera's IP address, thus offering a high degree of compatibility with our camera recorders.



CONNECTED CAM



Streamstar's IP live video production and streaming system

4) Expanding the entertainment business in all directions

Our group company JVCKENWOOD Victor Entertainment Corporation (Victor Entertainment) plans to open "Veats Shibuya" on the 1st and 2nd basement levels of the Grand Tokyo Shibuya Building (tentative name) currently under construction in Udagawa-cho, Shibuya-ku, Tokyo. Scheduled to open late September 2019, this space will feature a cafe lounge where one can enjoy food and drinks and that will be a space for live performances. Victor Entertainment will vigorously cultivate new artists with great potential and foster them to become rising stars for the next generation with the aim of communicating the attractiveness of many artists, including artists under different labels, through thrilling live performances. The venue will become a new beacon of culture and information

As a diversified entertainment company, Victor Entertainment conducts business in all spheres of entertainment, including hosting and planning live performances, artist/talent management, merchandising, and development of game apps, in collaboration with other companies in the Group and seeks to continue steadily growing so as to contribute to development of the entertainment market.



Performance venue and cafe space (exterior image)

5) Maintenance and deepening of dynamic corporate culture

In order to ensure that all the Group's employees are physically and mentally healthy, respect diverse values, and bring their capabilities into full play, the Group provides various training and counselling services. In March 2019, we held Diversity Week, a company event intended to promote employee awareness of diversity through such themes as "Female Empowerment," "Working with the Disabled," and "LGBT."

To foster the creation of new solutions through innovation, the Group holds in-house technological idea contests and business idea auditions. We also run open innovation programs together with start-ups and various other programs facilitating the early establishment of next-generation businesses that will drive growth of JVCKENWOOD into the future.

[3] State of Capital Investments

The total amount of capital investments implemented in the consolidated fiscal year under review is about 8,700 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

Based on the resolution of the Board of the Directors made at its meeting held on May 31, 2018, the Company issued the 2nd series of subscription rights to shares as indicated below. Exercise of the subscription rights to shares was completed as of November 6, 2018. As a result, the Company secured a total of 7,291 million yen.

Date of allotment of subscription rights to shares	June 19, 2018
Number of subscription rights to shares	250,000
Class and number of shares to be issued upon exercise of the subscription rights to shares	25,000,000 shares of common stock (100 shares per subscription right to shares)
Amount of assets to be contributed upon exercise of the subscription rights to shares	134 yen per subscription right to shares (Total 33,500,000 yen)
Exercise price for the subscription rights to shares and conditions for revision of the exercise price	Initial exercise price: 361 yen The exercise price on and after June 20, 2018 will be revised to an amount equivalent to 92% of the closing price of the shares of common stock of the Company on the Tokyo Stock Exchange on the day immediately prior to the date on which the notice of a request for the exercise of the subscription rights to shares is made. However, if the amount after the revision is less than the minimum exercise price (289 yen), the minimum exercise price will be the exercise price after the revision.
Increases in capital stock and capital reserve as a result of the exercise of the subscription rights to shares	Capital stock: 3,645,825,000 yen Capital reserve: 3,645,825,000 yen
The period in which the subscription rights to shares can be exercised	From June 20, 2018 to June 18, 2021
Party to which the subscription rights to shares are allotted and the method of allocation	Third-party allotment to Nomura Securities Co., Ltd.

[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

Not applicable.

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

Not applicable.

(Translation)

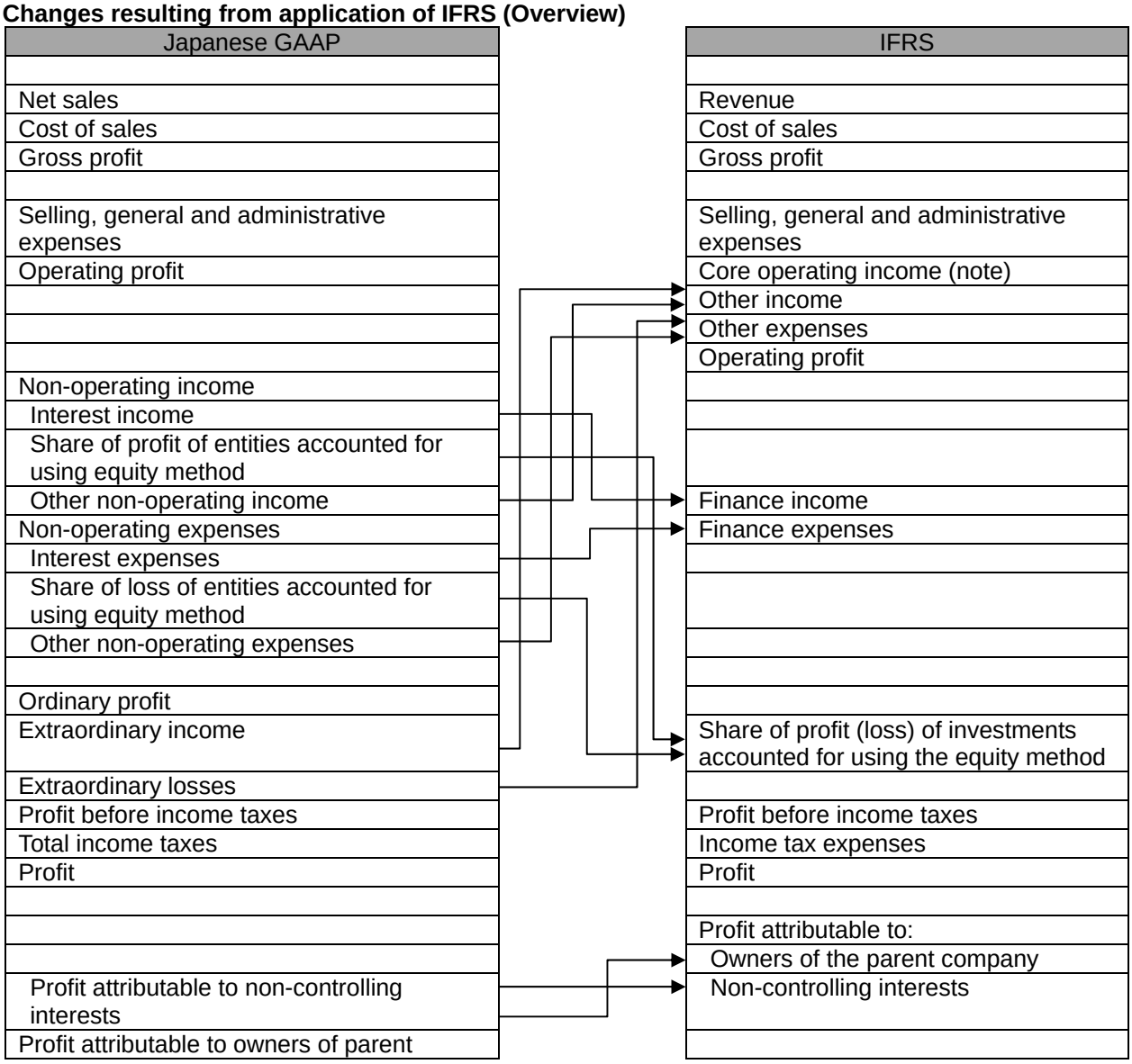
[9] Transition of Assets and Profit & Loss

(1) (Reference) Application of International Financial Reporting Standards (IFRS)

The Group has applied IFRS, in place of Japanese GAAP previously applied, starting in the fiscal year ended March 31, 2019 to improve the international comparability of our financial information and strengthen our business foundations by unifying accounting standards throughout the Group.

All figures in the business report and consolidated financial statements for the previous fiscal year were presented under Japanese GAAP. In the business report and consolidated financial statements for the fiscal year ended March 31, 2019, figures are presented under IFRS, including those for the fiscal year ended March 31, 2017 and thereafter.

Changes resulting from application of IFRS (Overview)



Core operating income

Core operating income is a profit indicator calculated by subtracting cost of sales and selling, general and administrative expenses from revenue. Core operating income has been used for the purposes of constantly monitoring performance and future outlook of each segment and continuously assessing our business portfolio, and as a profit indicator replacing operating profit under Japanese GAAP. Core operating income does not include nonrecurring items that mainly occur temporarily, such as other income, other expenses, and foreign exchange losses (gains) included in operating profit under IFRS.

(Translation)

(2) State of Assets and Profit & Loss (the Group)
(8th Term under the Japanese GAAP, 9th Term onward under IFRS)

(Millions of yen)

Items	8th Term (March 2016)	9th Term (March 2017)	10th Term (March 2018)	11th Term (March 2019)
Revenue	292,195	297,890	300,687	307,627
Core operating income	4,221	6,360	6,310	8,562
Operating income (loss)	–	(128)	6,937	7,263
Profit (loss) before income taxes	–	(1,259)	5,940	6,401
Profit (loss) attributable to owners of the parent company	3,194	(3,114)	2,389	3,847
Basic earnings per share (yen)	23.02	(22.42)	17.20	25.00
Diluted earnings per share (yen)	–	–	—	24.96
Total assets	255,859	241,696	239,933	250,617
Equity attributable to owners of the parent company	56,818	39,551	50,634	62,009
Equity attributable to owners of the parent company per share (yen)	371.19	284.65	364.42	378.24

Notes:

1. From the 10th term, the fiscal year ended March 31, 2018, the Company applied the IFRS. Figures for the 8th term are presented based on the Japanese GAAP and “Revenue,” “Core operating income,” “Profit attributable to owners of the parent company,” “Basic earnings per share,” “Equity attributable to owners of the parent company,” and “Equity attributable to owners of the parent company per share” correspond to “Net sales,” “Operating income,” “Net income attributable to owners of parent,” “Net income per share,” “Net assets,” and “Net assets per share,” respectively.
2. “Basic earnings per share” and “Diluted earnings per share” are 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.

(Translation)

(3) State of Assets and Profit & Loss (the Company) (Japanese GAAP)

(Millions of yen)

Items	8th Term (March 2016)	9th Term (March 2017)	10th Term (March 2018)	11th Term (March 2019)
Net sales	169,191	160,049	170,283	175,873
Operating income (loss)	(3,076)	(5,316)	586	(1,415)
Ordinary income (loss)	1,590	(5,026)	3,932	1,554
Net income (loss)	1,767	(12,422)	8,806	850
Net income (loss) per share (yen)	12.74	(89.40)	63.38	5.53
Diluted net income (loss) per share (yen)	–	–	–	5.52
Total assets	222,411	205,680	205,276	211,766
Net assets	74,151	63,792	71,387	79,561
Net assets per share (yen)	533.65	459.11	513.78	485.30

Note:
"Net income (loss) per share" and "Diluted net income (loss) per share" are 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.

(Translation)

(4) (Reference) Partial corrections to annual securities reports of previous years

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 for the fiscal year ended March 31, 2016, which were created under the Financial Instruments and Exchange Act, are as follows.

Items	8th Term (March 2016) (Consolidated)	8th Term (March 2016) (Non-consolidated)
Net sales	292,195	169,191
Operating income (loss)	4,494	(2,803)
Ordinary income (loss)	1,291	1,864
Profit (loss) attributable to owners of the parent company	3,401	–
Net income (loss)	–	1,974
Net income (loss) per share (yen)	24.51	14.23
Total assets	256,334	222,886
Net assets	57,565	74,898
Net assets per share (yen)	376.57	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.	EUR48,367 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
JVCKENWOOD Hong Kong Holdings Ltd.	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

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

Not applicable.

[11] Major Businesses (As of March 31, 2019)

Business Segment	Main Products
Automotive Sector	Manufacturing and sales of car audio systems, car navigation systems, dashcams, and devices for automotive applications, etc.
Public Service Sector	Manufacturing and sales of land mobile radio equipment, video surveillance equipment, professional audio equipment, medical image display monitors, etc.
Media Service Sector	Manufacturing and sales of professional video cameras, projectors, headphones, consumer video cameras, home audio, etc.; contracted business for content including audio and video software, CD/DVD (packaged software), etc.
Other	Service parts, etc.

(Translation)

[12] Main Offices and Factories (As of March 31, 2019)

(1) Head Office

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

(2) Japanese Business Centers and Manufacturing Sites

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
	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

(3) 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	Yokohama, Kanagawa

(4) Global Manufacturing Sites and Sales Bases

Name	Location
JVCKENWOOD USA Corporation	U.S.A.
Zetron, Inc.	U.S.A.
EF Johnson Technologies, Inc.	U.S.A.
JVCKENWOOD Europe B.V.	The Netherlands
ASK Industries S.p.A.	Italy
JVCKENWOOD Singapore Pte. Ltd.	Singapore
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
JVCKENWOOD（China）Investment Co., Ltd.	China
Shanghai Kenwood Electronics Co., Ltd.	China
Shinwa Industries (China) Limited	China

(Translation)

[13] State of Employees (As of March 31, 2019)

(1) State of Employees at the Group

Number of Employees	Increase or Decrease in Comparison with End of Previous Consolidated Fiscal Year
16,939	862 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
3,109	54 increase	48.3	22.4

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, 2019)

(Millions of yen)

Name of Lenders	Borrowings
Resona Bank, Limited.	8,853
The Bank of Yokohama, Ltd.	7,084
Shinsei Bank, Limited	6,301
Mizuho Bank, Ltd.	5,725
Aozora Bank, Ltd.	4,941
Sumitomo Mitsui Banking Corporation	4,835
MUFG Bank, Ltd.	4,178
Sumitomo Mitsui Trust Bank, Limited	3,963
The Shizuoka Bank, Ltd.	1,859
Showa Leasing Co., Ltd.	1,577

[15] Other Important Subsequent Events of the Consolidated Group

Not applicable.

(Translation)

2. Matters Regarding the Company's Shares (As of March 31, 2019)

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

[2] Total number of outstanding shares **164,000,201**
(including 56,643 shares of treasury stock)

[3] Number of shareholders **47,154**

[4] Major shareholders (Top 10)

Name of Shareholder	Number of Shares Held	Ratio of Capital Contribution
Japan Trustee Services Bank, Ltd. (Trust Account)	14,075,200	8.59
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,932,400	5.45
Japan Trustee Services Bank, Ltd. (Trust Account 9)	7,701,400	4.70
DENSO CORPORATION	4,171,000	2.54
THE BANK OF NEW YORK MELLON 140044	3,779,831	2.31
GOVERNMENT OF NORWAY	3,413,108	2.08
GOLDMAN SACHS INTERNATIONAL	3,294,540	2.01
JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT	3,277,500	2.00
J.P.MORGAN BANK LUXEMBOURG S.A.1300000	3,100,642	1.89
DFA INTL SMALL CAP VALUE PORTFOLIO	3,053,630	1.86

Note:
The ratio of capital contribution is calculated after deducting treasury stock (56,643 shares) from the total number of issued shares.

3. Matters Regarding the Company's Subscription Rights to Shares (As of March 31, 2019)

Not applicable.

(Translation)

4. Matters Regarding Company Officers

[1] State of Directors and Audit & Supervisory Board Members (As of March 31, 2019)

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 Orange and Partners Co., Ltd.
Takao Tsuji	Representative Director of the Board	Chairman & Chief Executive Officer (CEO)
Shoichiro Eguchi	Representative Director of the Board	President & Chief Operating Officer (COO)
Masaki Imai	Director of the Board	Executive Vice President, Chief Strategy Officer (CSO), Chief Administration Officer (CAO), General Manager of Internal Governance Office
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)
Masao Nomura	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)
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) Director of the Board of NACHI-FUJIKOSHI CORP. (Outside Director) Director of the Board of A.L.I. Technologies Inc. (Outside Director)
Name	**Position**	**Important concurrent duties**
Satoshi Fujita	Audit & Supervisory Board Member	—
Takayoshi Sakamoto	Audit & Supervisory Board Member	—
Shojiro Asai	Audit & Supervisory Board Member	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	Institute Professor, Institute of Innovative Research of the Tokyo Institute of Technology Member of the Medical Field Information Linkage Platform Discussion Committee and Deputy Chairman of the Social Security Deliberation Committee Pension Project Management Session of the Ministry of Health, Labour and Welfare Taskforce Member of the Supervisory Commission for Public-Private and Private-Private Competitive Tenderings of the Ministry of Internal Affairs and Communications Chairman of Information System Technology Verification Committee of Japan Patent Office Deputy Chairman of the Discussion Committee on Computerization of Automobile Inspection Certificates of the Ministry of Land, Infrastructure, Transport and Tourism Chairman of Management Council of Japan Agency for Local Authority Information Systems

(Translation)

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 12 years and about 11 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. There were no changes in title and position, etc. of Directors and Audit & Supervisory Board Members during the fiscal year under review.
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, 2019)

Name	Position	Responsibilities and important concurrent duties
Takao Tsuji	Representative Director of the Board	Chairman of the Board
Shoichiro Eguchi	Representative Director of the Board	President, Chief Executive Officer (CEO)
Masaki Imai	Director of the Board	Executive Vice President, Head of Administrative Division COO EMEA (Europe, Middle East and Africa), General Manager of Internal Governance Office
Masatoshi Miyamoto	Director of the Board	Senior Managing Executive Officer, Chief Financial Officer (CFO)
Masao Nomura	Director of the Board	Senior Managing Executive Officer, COO Automotive Sector, General Executive of Automotive OEM Business Division, In Charge of DX (Digital Transformation) Business Division, In Charge of Information Technology Department
Yasuyuki Tanida	Director of the Board	—

7. The Company adopts the Executive Officer System.
There are thirteen (13) Executive Officers as of April 1, 2019: Shoichiro Eguchi, Masaki Imai, Masatoshi Miyamoto, and Masao Nomura, who are among the Directors mentioned above, and the following nine (9) persons.

Name	Position and Responsibilities
Takuya Arai	Managing Executive Officer, General Executive of Automotive Aftermarket Business Division, COO APAC (Asia Pacific)
Naokazu Kurihara	Managing Executive Officer, COO Americas
Akira Suzuki	Managing Executive Officer in Charge of Public Service Sector
Shinichi Takada	Managing Executive Officer, Assistant to Head of Administrative Division (Corporate Strategy Department, Legal Affairs Department, Corporate Communication Department, Group Governance Department, Brand Strategy Department)
Kazuyoshi Hayashi	Executive Officer in Charge of Media Service Sector, General Executive of Media Business Division
Akihiko Terada	Executive Officer, COO China Senior Executive of Automotive, China Chairman of JVCKENWOOD Hong Kong Holdings Limited Chairman of JVCKENWOOD Hong Kong Limited Chairman of JVCKENWOOD (China) Investment Co., Ltd.
Yoshio Sonoda	Executive Officer, Chief Technology Officer (CTO), General Executive of Automotive Engineering & Design Division,

	General Executive of Automotive Business Planning Division, In Charge of R&D Department, In Charge of Intellectual Property Department
Osamu Muraoka	Executive Officer, General Executive of Communications Systems Division
Jyunko Koshino	Executive Officer, General Manager of Corporate Strategy Department

[2] Amount of Compensation for Directors and Audit & Supervisory Board Members (From April 1, 2018 to March 31, 2019)

Title	Number of Relevant (Personnel)	Amount of Compensation (Millions of yen)
Director	10	348
(External Director)	(3)	(48)
Audit & Supervisory Board Member	4	67
(External Audit & Supervisory Board Member)	(2)	(18)
Total	14	416

Notes:

1. The above table includes one (1) director who retired at the close of JVCKENWOOD's 10th Ordinary General Meeting of Shareholders on June 22, 2018.
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. At present, no directors of the Company concurrently serve as employees.
3. It was resolved, with regard to determination of compensation for directors and audit & supervisory board members, at the 1st General Meeting of Shareholders of the Company held on June 24, 2009, that compensation for directors is up to 36 million yen a month (of which, compensation for external directors is up to 4 million yen) and that compensation for audit & supervisory board members is up to 9 million yen a month. It was also resolved that bonuses, retirement benefits or any other monetary compensation will not be paid to directors and audit & supervisory board members.

[3]Policy for Determination of the Amounts of Compensation for Directors and the Method of Calculation

(1) Policy for determination of compensation for each director

The Company has an established method for determining the amounts of compensation for directors and executive officers based on the internal rules for compensation for officers. Specifically, the basic amount of compensation for each person is determined after setting the base compensation and the amount of compensation for each title (Chairman, President, Executive Vice President, Senior Managing Executive Officer, Managing Executive Officer, etc.) and each position (Representative, Chief Executive Officer, Chairman of the Board, Member of Nomination and Remuneration Advisory Committee, etc.) and paid.

The internal rules only provide the method of determination of monetary compensation and the Company does not provide non-monetary compensation, such as shares and subscription rights to shares, to officers (directors, auditors, and executive officers pursuant to the Companies Act; the same applies hereinafter) in exchange for officers' execution of duties.

The individual amounts of compensation for executive officers including employees who concurrently serve as directors are determined by multiplying the individual amounts of basic compensation calculated based on the internal rules by the coefficient linked with the profit performance (increases/decreases in core operating income and net income) to add/reduce incentives so that a performance-linked factor is reflected. This performance-linked factor is not introduced for compensation for non-executive directors including external directors.

Moreover, all directors and executive officers join the officer shareholding association. Each officer contributes a fixed percentage of his/her determined monthly compensation to the officer shareholding association and purchases a certain number of shares of the Company corresponding to the amount of his/her contribution every month, and thus, management from a shareholders' perspective emphasizing medium- to long-term performance is in place.

(2) Policy for determination of compensation for each audit & supervisory board member

The Company has an established method for determining the amounts of compensation for audit & supervisory board members based on the internal rules for determining compensation for audit & supervisory board members. Specifically, the amount of compensation for audit & supervisory board members consists of base compensation, which is set separately for full-time audit & supervisory board members and part-time audit & supervisory board members, and compensation set according to the position (Chairman of the Audit & Supervisory Board). The performance-linked factor is not introduced to compensation for audit & supervisory board members and their compensation is fixed compensation.

As in the case for directors and executive officers, all audit & supervisory board members join the officer shareholding association. Each officer contributes a fixed percentage of his/her determined monthly compensation to the officer shareholding association and purchases a certain number of shares of the Company corresponding to the amount of his/her contribution every month, and thus, auditing reflects a shareholders' perspective.

The details of the internal rules for determining compensation for audit & supervisory board members are finalized through discussion at the Audit & Supervisory Board meetings based on the report of the Nomination and Compensation Advisory Committee about appropriateness etc., in order to ensure consistency with the internal rules for compensation for directors and executive officers.

(3) Matters concerning entrustment of the determination of compensation based on the resolution by the Board of Directors

As described above, the Company has clarified the process for determining the compensation for each director within the maximum amount of compensation resolved by the General Meeting of Shareholders. Regarding establishment, revision, and abolition of the internal rules, the Nomination and Compensation Advisory Committee, of which independent external directors are a majority, examines the appropriateness of the draft provided by the Representative Director etc. for advice and submits a report to the Board of Directors, and the Board of Directors determines the internal rules, according due consideration and respect to the report of the Nomination and Compensation Advisory Committee. Details of the compensation for each director are not determined at the discretion of the Representative director.

(4) Matters concerning shares or subscription rights to shares granted by the Company in exchange for performance of duties

The Company's compensation for officers in exchange for their performance of duties is only monetary compensation. At present, the Company has not introduced a plan for granting shares of the Company or subscription rights to shares to officers in exchange for the officers' execution of duties.

(Translation)

[4] Matters Regarding External Officers

(1) State of Important Concurrent Office of External Officers (As of March 31, 2019)

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
		Orange and Partners Co., Ltd.	Advisor	
	Junichi Hikita	Hikita Consulting Co., Ltd.	President and Representative Director	
	Shinjiro Iwata	Benesse Holdings, Inc.	Director and Chairman	
		NACHI-FUJIKOSHI CORP.	Outside Director	
		A. L. I. Technologies Inc.	Outside Director	
External Audit & Supervisory Board Member	Shojiro Asai	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	Institute Professor of the Institute of Innovative Research	
		Ministry of Health, Labour and Welfare	Member of the Medical Field Information Linkage Platform Discussion Committee Deputy Chairman of the Social Security Deliberation Committee Pension Project Management Session	
		Ministry of Internal Affairs and Communications	Taskforce Member of the Supervisory Commission for Public-Private and Private-Private Competitive Tenderings	
		Japan Patent Office	Chairman of Information System Technology Verification Committee	
		Ministry of Land, Infrastructure, Transport and Tourism	Deputy Chairman of the Discussion Committee on Computerization of Automobile Inspection Certificates	
		Japan Agency for Local Authority Information Systems	Chairman of Management Council	

(2) Major Activities of External Officers

Position	Name	Major Activities
External Director	Yasuyuki Abe	Attendance at the Board of Directors' meetings in the current fiscal year: 15 (attendance rate: 100%) 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. Attendance at the Nomination and Remuneration Advisory Committee meetings in the current fiscal year: 12 (attendance rate: 100%)
	Junichi Hikita	Attendance at the Board of Directors' meetings in the current fiscal year: 14 (attendance rate: 93.3%) 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. Attendance at the Nomination and Remuneration Advisory Committee meetings in the current fiscal year: 12 (attendance rate: 100%)
	Shinjiro Iwata	Attendance at the Board of Directors' meetings in the current fiscal year: 14 (attendance rate: 93.3%) 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. Attendance at the Nomination and Remuneration Advisory Committee meetings in the current fiscal year: 10 (attendance rate: 83.3%)
External Audit & Supervisory Board Member	Shojiro Asai	Attendance at the Board of Directors' meetings in the current fiscal year: 15 (attendance rate: 100%) Attendance at the Audit & Supervisory Board meetings in the current fiscal year: 17 (attendance rate: 100%) 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: 15 (attendance rate: 100%) Attendance at the Audit & Supervisory Board meetings in the current fiscal year: 17 (attendance rate: 100%) 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.

Note: During the current fiscal year, there were 15 Board of Directors' meetings, 17 Audit & Supervisory Board meetings, and 12 Nomination and Remuneration Advisory Committee meetings.

(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	202
Total amount of money and other financial benefits to be paid by the Company and the Company's subsidiaries	232

Notes:

1. In addition to the above, the Company paid compensation for the audit certification services concerning voluntary adoption of the International Financial Reporting Standards (IFRS) by the Company's overseas consolidated subsidiaries for the current fiscal year amounting to 21 million yen to an accounting firm that belongs to the same network (Deloitte Touche Tohmatsu) as the Company's accounting auditor Deloitte Touche Tohmatsu LLC belongs via Deloitte Touche Tohmatsu LLC.
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) Compliance Activities

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

(2) Risk Management Activities

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

(3) Activities Regarding Operation of the Board of Directors

Through the operation of the Board of Directors with an external director elected as chair in addition to having the executive officer system in place, the Company has enhanced corporate governance and established a management system in which the duty of business execution is delegated to the Executive Officers, whereby management oversights and business executions are 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, 2019, 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.

(4) Subsidiary Management Activities

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

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

The Audit & Supervisory Board Members have attended important meetings, including those of the Board of Directors 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 domestic and overseas subsidiaries and affiliates and a total of 64 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, 2018 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 14, 2019 to pay a year-end dividend of 6 yen per share with capital surplus as funds.

(Translation)

Consolidated Statement of Financial Position

(As of March 31, 2019)

(Millions of yen)

Assets		Liabilities	
Accounting Items	Amount	Accounting Items	Amount
Assets		Liabilities	
Current assets	**153,894**	**Current liabilities**	**104,085**
Cash and cash equivalents	40,844	Trade and other payables	44,868
Trade and other receivables	59,138	Contract liabilities	2,261
Contract assets	2,022	Refund liabilities	4,237
Other financial assets	1,517	Short-term borrowings	24,447
Inventories	44,583	Other financial liabilities	1,539
Right to recover products	349	Income taxes payable	1,536
Income taxes receivable	838	Provisions	1,784
Other current assets	4,396	Other current liabilities	23,410
Sub total	153,690	**Non-current liabilities**	**81,210**
Assets classified as held for sale	203	Long-term borrowings	46,865
Non-current assets	**96,723**	Other financial liabilities	1,595
Property, plant and equipment	45,110	Net defined benefit liabilities	28,236
Goodwill	3,376	Provisions	1,471
Intangible assets	19,809	Deferred tax liabilities	1,843
Net defined benefit assets	4,237	Other non-current liabilities	1,196
Investment property	2,221	**Total Liabilities**	**185,296**
Investments accounted for using the equity method	4,293		
Other financial assets	11,183	Equity	
Deferred tax assets	5,267	**Equity attributable to owners of the parent company**	**62,009**
Other non-current assets	1,222	Capital stock	13,645
		Capital surplus	42,086
		Retained earnings	6,634
		Treasury stock	(38)
		Other components of equity	(318)
		Non-controlling interests	**3,311**
		Total Equity	**65,321**
Total Assets	**250,617**	**Total Liabilities and Equity**	**250,617**

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, 2018 to March 31, 2019)

(Millions of yen)

Accounting Items	Amount
Revenue	**307,627**
Cost of sales	**223,332**
Gross profit	**84,294**
Selling, general and administrative expenses	**75,732**
Other income	1,775
Other expenses	2,688
Foreign exchange losses	(386)
Operating profit	**7,263**
Finance income	304
Finance expenses	1,076
Share of profit of investments accounted for using the equity method	(90)
Profit before income taxes	**6,401**
Income tax expenses	2,099
Profit	**4,301**
Profit attributable to:	
Owners of the parent company	3,847
Non-controlling interests	454
Profit	**4,301**

(Translation)

Consolidated Statement of Changes in Equity

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Equity attributable to owners of the parent company			
	Capital stock	Capital surplus	Retained earnings	Treasury stock
Balance as of April 1, 2018	**10,000**	**38,466**	**3,328**	**(38)**
Profit			3,847	
Other comprehensive income				
Comprehensive income	—	—	3,847	—
Issuance of new shares	3,645	3,619		
Purchase of treasury stock				(0)
Disposal of treasury stock				0
Dividends			(833)	
Change in scope of consolidation				
Transfer from other components of equity to retained earnings			292	
Total transactions with owners	**3,645**	**3,619**	**(541)**	**(0)**
Balance as of March 31, 2019	**13,645**	**42,086**	**6,634**	**(38)**

	Equity attributable to owners of the parent company						Total	Non-controlling interests	Total equity
	Other components of equity					Total			
	Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Cash flow hedges	Fair value of investment property				
Balance as of April 1, 2018	**—**	**1,886**	**(2,642)**	**(590)**	**223**	**(1,122)**	**50,634**	**3,153**	**53,788**
Profit							3,847	454	4,301
Other comprehensive income	146	(857)	509	1,280	16	1,096	1,096	91	1,187
Comprehensive income	146	(857)	509	1,280	16	1,096	4,943	545	5,488
Issuance of new shares						—	7,265		7,265
Purchase of treasury stock						—	(0)		(0)
Disposal of treasury stock						—	0		0
Dividends						—	(833)	(438)	(1,272)
Change in scope of consolidation						—	—	51	51
Transfer from other components of equity to retained earnings	(146)	(145)				(292)	—		—
Total transactions with owners	**(146)**	**(145)**	**—**	**—**	**—**	**(292)**	**6,431**	**(387)**	**6,044**
Balance as of March 31, 2019	**—**	**883**	**(2,132)**	**690**	**239**	**(318)**	**62,009**	**3,311**	**65,321**

(Translation)

Non-consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Assets		Liabilities	
Accounting Items	Amount	Accounting Items	Amount
Assets		Liabilities	
Current assets	**58,026**	**Current liabilities**	**71,885**
Cash and cash equivalents	12,342	Notes payable-trade	560
Notes receivable-trade	394	Accounts payable-trade	15,376
Accounts receivable-trade	24,521	Short term loans payable	22,880
Merchandise and finished goods	9,674	Current portion of long-term loans payable	17,770
Work in process	471	Debt for lease	45
Raw materials and supplies	1,748	Other accounts payable	7,898
Advance payments-trade	7	Accrued expenses	5,588
Prepaid expenses	582	Income taxes payable	278
Short-term loans receivable	5,954	Advances received	285
Accrued revenue	3,233	Deposits received	629
Other	1,078	Provision for product warranties	192
Allowance for doubtful receivables	(1,983)	Reserves for loss on order received	251
		Other current liabilities	128
Fixed assets	**153,739**	**Long term liabilities**	**60,319**
Tangible fixed assets	**27,409**	Long-term loans payable	45,491
Buildings	6,113	Debt for lease	60
Structures	146	Deferred tax liabilities for land revaluation	1,461
Machinery and equipment	517	Deferred tax liabilities	2,525
Vehicles	103	Provision for retirement benefits	8,819
Tools, furniture and fixtures	2,798	Provision for loss on business of subsidiaries and associates	1,286
Land	17,479	Asset retirement obligations	526
Construction in progress	249	Other long term liabilities	147
Intangible fixed assets	**8,439**	**Total Liabilities**	**132,204**
Software	8,379		
Other	60	Net Assets	
		Shareholders' equity	**74,947**
Investments and other assets	**117,890**	**Paid-in capital**	**13,645**
Investment securities	7,841	**Capital surplus**	**52,140**
Investments in affiliated companies	97,659	Capital reserve	13,645
Investments in capital	1	Other capital surplus	38,494
Investments in capital of subsidiaries and affiliates	3,285	**Retained earnings**	**9,199**
Long-term loans receivable	54	Other retained earnings	9,199
Claims provable in bankruptcy, claims provable in rehabilitation and other	49	Cumulative retained earnings	9,199
Long-term prepaid expenses	515	**Treasury stock**	**(38)**
Prepaid pension cost	8,109	**Valuation and translation adjustments**	**4,614**
Other	479	Unrealized gain and loss on available-for-sale securities	600
Allowance for doubtful receivables	(105)	Deferred hedge gain and loss	696
		Land revaluation surplus	3,316
		Total Net Assets	**79,561**
Total Assets	**211,766**	**Total Liabilities and Net Assets**	**211,766**

(Translation)

Non-consolidated Statement of Income

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Accounting Items	Amount	
Net sales		**175,873**
Cost of sales		**152,649**
Gross profit		**23,223**
Selling, general and administrative expenses		**24,638**
Operating loss		**1,415**
Non-operating income		
Interest income	167	
Dividends income	3,762	
Reversal of allowance for doubtful accounts	20	
Reversal of provision for loss on business of subsidiaries and associates	74	
Gain on investments in partnership	436	
Other	523	4,985
Non-operating expense		
Interest expense	1,020	
Loan commission	354	
Foreign exchange losses	183	
Provision of allowance for doubtful accounts	161	
Other	296	2,016
Ordinary income		**1,554**
Extraordinary profit		
Gain on sales of fixed assets	2	
Gain on liquidation of subsidiaries and associates	0	2
Extraordinary loss		
Loss on sales of fixed assets	0	
Loss on disposal of fixed assets	154	
Loss on impairment of long-lived assets	26	
Loss on valuation of shares of subsidiaries and associates	2	183
Income before income taxes		**1,372**
Corporate tax, corporate inhabitant tax and corporate enterprise tax	(134)	
Corporate tax and other adjustment	656	521
Net income		**850**

(Translation)

Non-consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2018 to March 31, 2019)

(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, 2018	**10,000**	**10,000**	**38,494**	**48,494**	**8,932**	**(38)**	**67,388**
Cumulative effects of changes in accounting policies					250		250
Restated balance	**10,000**	**10,000**	**38,494**	**48,494**	**9,182**	**(38)**	**67,638**
Changes during the consolidated fiscal year							
Issuance of new shares	3,645	3,645		3,645			7,291
Dividends from surplus					(833)		(833)
Profit					850		850
Acquisition of treasury stocks						(0)	(0)
Disposal of treasury stocks						0	0
Changes of items other than shareholders' equity							
Total changes during the fiscal year	**3,645**	**3,645**	**—**	**3,645**	**17**	**(0)**	**7,308**
Balance as of March 31, 2019	**13,645**	**13,645**	**38,494**	**52,140**	**9,199**	**(38)**	**74,947**

	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, 2018	**1,032**	**(600)**	**3,316**	**3,748**	**71,136**
Cumulative effects of changes in accounting policies					**250**
Restated balance	**1,032**	**(600)**	**3,316**	**3,748**	**71,387**
Changes during the consolidated fiscal year					
Issuance of new shares					7,291
Dividends from surplus					(833)
Profit					850
Acquisition of treasury stocks					(0)
Disposal of treasury stocks					0
Changes of items other than shareholders' equity	(431)	1,297		866	866
Total changes during the fiscal year	**(431)**	**1,297**	**—**	**866**	**8,174**
Balance as of March 31, 2019	**600**	**696**	**3,316**	**4,614**	**79,561**

(Translation)

Accounting Audit Report regarding Consolidated Financial Statements

Independent Auditor's Report

May 13, 2019

JVCKENWOOD Corporation
The Board of Directors

Deloitte Touche Tohmatsu LLC

Designated and Engagement Partner	Certified Public Accountant Shigeo Kawashima (Seal)
Designated and Engagement Partner	Certified Public Accountant Yasuhiko Haga (Seal)
Designated and Engagement Partner	Certified Public Accountant Takafumi Shimodaira (Seal)

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of JVCKENWOOD Corporation (the "Company") applicable to the consolidated fiscal year from April 1, 2018 through March 31, 2019.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in conformity with the latter part of Article 120, paragraph 1 of the Company Accounting Ordinance that allows companies to prepare consolidated financial statements with the omission of a part of the disclosure items required under the International Financial Reporting Standards. It includes 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 the latter part of Article 120, paragraph 1 of the Company Accounting Ordinance that allows companies to prepare consolidated financial statements with the omission of a part of the disclosure items required under the International Financial Reporting Standards.

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 13, 2019

JVCKENWOOD Corporation
The Board of Directors

Deloitte Touche Tohmatsu LLC

Designated and Engagement Partner	Certified Public Accountant Shigeo Kawashima (Seal)
Designated and Engagement Partner	Certified Public Accountant Yasuhiko Haga (Seal)
Designated and Engagement Partner	Certified Public Accountant Takafumi Shimodaira (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 11th fiscal year from April 1, 2018 through March 31, 2019.

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 11th business period from April 1, 2018 to March 31, 2019. 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 13, 2019 The Audit & Supervisory Board, JVCKENWOOD Corporation

Audit & Supervisory Board Member (full time)	Satoshi Fujita (seal)
Audit & Supervisory Board Member (full time)	Takayoshi Sakamoto (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 https://www.smtb.jp/personal/agency/index.html

Contact

Public Relations and IR Department, Corporate Communication Division, JVCKENWOOD Corporation
Address: 3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-0022, Japan
Telephone: +81-45-444-5232 (direct)
E-mail: prir@jvckenwood.com
URL: http://www.jvckenwood.com

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.