

JVCKENWOOD



April 27, 2023

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Introduction of Employee Stock Ownership Plan

JVCKENWOOD Corporation (“JVCKENWOOD” or the “Company”) approved a resolution at its Board of Directors Meeting today to establish a “Employee Stock Ownership Plan” (the “Plan,”) and the trust agreement to be executed with Resona Bank, Limited with respect to the Plan is referred to as the “Trust Agreement” and the trust to be established in accordance with the Trust Agreement is referred to as the “Trust”) as an incentive plan for JVCKENWOOD’s senior executive officers (“Senior Executives”).

1. Purpose of introducing the Plan

JVCKENWOOD has decided to introduce the Plan as part of its incentive plan for its Senior Executives, with the aim of enhancing their motivation and morale to contribute to improvement of the Company’s medium to long-term performance and increase of its corporate value.

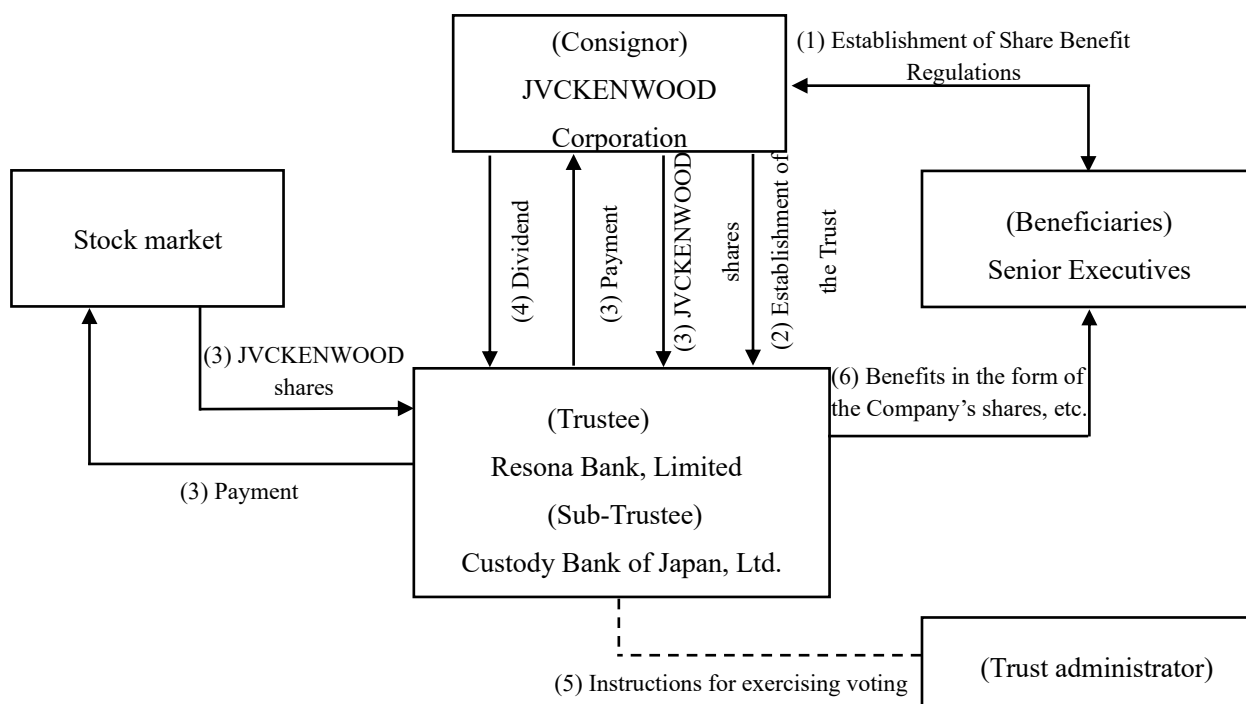
2. Outline of the Plan

Under this Plan, the Trust, which is established by JVCKENWOOD through monetary contribution, acquires the Company’s shares and grants the shares and money equivalent to the market value of the shares (collectively referred to as the “Company’s shares, etc.”) to Senior Executives who satisfy certain beneficiary requirements in accordance with the share benefit regulations that have been established in advance (the “Share Benefit Regulations”).

JVCKENWOOD will grant points to eligible Senior Executives in accordance with the Stock Benefit Regulations, and if they satisfy certain beneficiary requirements, the Company’s shares, etc., will be provided in proportion to the points granted to them by following the prescribed procedures. Since JVCKENWOOD will contribute the entire amount of money related to the establishment of the Trust, there will be no burden on the Senior Executives.

The introduction of this Plan will enable Senior Executives to receive economic benefits from an increase in the share price of JVCKENWOOD and is therefore expected to increase their morale to improve business performance with an awareness of the Company's share price. In addition, since the exercise of voting rights with respect to JVCKENWOOD's shares, which are the trust assets of the Trust, reflects the intentions of Senior Executives who satisfy the beneficiary requirements, the Trust is expected to enhance the awareness of participation in management by the Senior Executives.

3. Structure of the Plan



- (1) JVCKENWOOD will establish the Share Benefit Regulations upon introduction of the Plan.
- (2) JVCKENWOOD will contribute money to establish the Trust to implement the Plan.
- (3) The Trust will acquire JVCKENWOOD's shares through the stock market (including off-floor trading) or by subscribing to the disposal of the Company's treasury stock, using the money entrusted in (2) above as the source of funds. At the time of establishment of the Trust, shares will be acquired through the stock market (including off-floor trading).
- (4) Dividends will be paid to JVCKENWOOD's shares in the Trust in the same manner as other JVCKENWOOD shares.
- (5) With respect to voting rights pertaining to JVCKENWOOD's shares in the Trust, the trust administrator will instruct the trustee to exercise the voting rights, etc., and the trustee shall follow such instructions.
- (6) During the trust duration, points will be granted to the Senior Executives in accordance with the Share Benefit Regulations described in (1) above, and the Company's shares, etc., in proportion to the number of points granted will be distributed to those Senior Executives who satisfy certain beneficiary requirements stipulated in the Share Benefit Regulations.

*If no JVCKENWOOD shares remain in the Trust as a result of the distribution of the Company's shares, etc., to Senior Executives who satisfy the beneficiary requirements, the Company may entrust additional money to the Trust to fund the acquisition of Company shares.

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1. Details of the Trust Agreement

- (1) Company name : Employee Stock Ownership Plan
- (2) Consignor : JVCKENWOOD Corporation
- (3) Trustee : Resona Bank, Limited
Resona Bank, Limited will enter into a specific comprehensive trust agreement with Custody Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. will serve as the sub-trustee.
- (4) Beneficiaries : Senior Executives who meet the beneficiary requirements as stipulated in the Share Benefit Regulations.
- (5) Trust administrator : Selected among Senior Executives
- (6) Type of Trust : Trust of cash other than money trust (third-party benefit trust)
- (7) Date of execution of the Trust Agreement : April 28, 2023 (tentative)
- (8) Date on which money is placed in the Trust : April 28, 2023 (tentative)
- (9) Type of Trust : From April 28, 2023 (tentative) until the termination of the Trust
(No specific termination date is set, and the Trust will continue as long as the Plan continues.)

2. Details of acquisition of JVCKENWOOD shares at the time of establishment of the Trust

- (1) Type of shares to be acquired : Common stock of JVCKENWOOD
- (2) Amount entrusted as funds for stock acquisition : 500,000,000 yen
- (3) Total number of shares to be acquired (maximum) : 1,175,900 shares
- (4) Method of share acquisition : Through the stock market (including off-floor trading)
- (5) Period of share acquisition : Between April 28, 2023 and May 31, 2023 (tentative)