

Last Update: June 23, 2020

**JVCKENWOOD Corporation**

EGUCHI Shoichiro

Representative Director of the Board, President, Chief Executive Officer (CEO)

Contact: KURIHARA Naokazu

Managing Executive Officer, Head of Administrative Division

Securities Code: 6632

<https://www.jvckenwood.com/>

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

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

### **1. Basic Views**

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

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

[CG Policy:]

[https://www.jvckenwood.com/en/corporate/governance/corporate\\_governance.html](https://www.jvckenwood.com/en/corporate/governance/corporate_governance.html)

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

[Principle 4.11      Preconditions for ensuring effectiveness of the Board of Directors and the Audit & Supervisory Board]

In order to achieve a well-balanced composition in terms of knowledge, experience and skills as a whole to effectively fulfill the roles and responsibilities of Directors and Audit & Supervisory Board Members, the Company appoints persons with experience of a director of a listed company from outside and elects candidates in consideration of their international capabilities such as persons with experience working overseas, and expertise in finance, accounting, legal affairs and technical fields, etc. and other attributes.

As of the date of submission of this report, no female director has been elected by the Company and therefore this Principle has not been implemented. However, we recognize the importance of having diversity, including gender diversity, in the composition of the Board of Directors and the Audit & Supervisory Board, and will consider director candidates so as to ensure diversity to include female candidates.

JVCKENWOOD sets out action plans to promote diversity. By designating now as the period for achieving numerical targets and developing the 2025 vision, we are promoting various measures to achieve the target of a female executive ratio of 5.0% (as of April 2021). As a result, we raised the female executive ratio from 2.1% in FY2015 to 4.6% in April 2020, surpassing the target. In addition, with an eye to the enactment of a new law against power harassment in June 2020, we conducted training on harassment at regional offices around the nation to instill in our members throughout the company an awareness that it is a business owner’s duty to prevent harassment.

### **Disclosure Based on the Principles of the Corporate Governance Code Updated**

[Disclosure Based on the Principles of the Corporate Governance Code]

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

[CG Policy:]

[https://www.jvckenwood.com/content/dam/pdf/Corporate\\_Governance\\_Policy.pdf](https://www.jvckenwood.com/content/dam/pdf/Corporate_Governance_Policy.pdf)

1. Principle 1.4 Strategic shareholdings

Please refer to Article 6 of the CG Policy.

As a result of having progressively reduced the number of shares that the Company no longer needs to hold as much, the Company holds, as of March 31, 2020, eight shares of strategic shareholdings (limited to listed shares), worth approximately 2.0 billion yen in total on the balance sheet. With regard to the shares held at this point in time, the Board of Directors verifies the Company's need to hold them on an annual basis and disposes of shares that it is less significant to hold by comprehensively examining the benefits, risks, capital costs and other factors associated with holding for each individual share. Based on the policy above, the Corporate Strategy Department regularly verifies the Company's need to hold investment shares held for a purpose other than net investment on an annual basis and reports the results to the Board of Directors to verify the feasibility of continuously holding investment shares.

For the details of the status of shares held, please refer to our securities reports.

[Securities reports are available on the Company's website:]

<https://www.jvckenwood.com/jp/ir/library/securities.html> (Japanese-only)

2. Principle 1.7 Related-party transactions

Please refer to Article 7 of the CG Policy.

3. Principle 2.6 Roles of corporate pension funds as asset owners

Please refer to Article 12-2 of the CG Policy.

4. Principle 3.1 Full disclosure

Please refer to Article 15 and 16, Paragraph 1 through 3 and 6 of the CG Policy.

5. Supplementary Principle 4.1.1 Specification of the scope and content of the matters delegated to management and disclosure of the summary thereof

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

6. Principle 4.9 Independence standards and qualifications for Independent External Directors

Please refer to Article 18 of the CG Policy.

7. Supplementary Principle 4.11.1 View on the appropriate balance between knowledge, experience, and skills of the Board of Directors as a whole, and also on diversity and appropriate board size

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

8. Supplementary Principle 4.11.2 Disclosure of the status of the concurrent holding of position of Directors and Audit & Supervisory Board Members

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

9. Supplementary Principle 4.11.3 Analysis and evaluation of the effectiveness of the Board of Directors as a whole and disclosure of the summary of the results thereof

The Company disclosed a summary of the results of an evaluation on the effectiveness of the Board of Directors on February 21, 2020. For the details of the method of effectiveness evaluation and the summary of the results of evaluation thereof, please refer to the Company's website.

[Summary of the results of effectiveness evaluation of the Board of Directors is available on:]

[https://www.jvckenwood.com/en/corporate/governance/evaluation\\_of\\_effectiveness.html](https://www.jvckenwood.com/en/corporate/governance/evaluation_of_effectiveness.html)

10. Supplementary Principle 4.14.2 Disclosure of the training policy of Directors and Audit & Supervisory Board Members

Please refer to Article 22 of the CG Policy.

11. Principle 5.1 Policy for constructive dialogue with shareholders

Please refer to Article 4 of the CG Policy.

## 2. Capital Structure

|                                    |             |
|------------------------------------|-------------|
| Percentage of Foreign Shareholders | 30% or more |
|------------------------------------|-------------|

### Status of Major Shareholders Updated

| Name/Company Name                                    | Number of Shares Owned | Percentage (%) |
|--|------------------------|----------------|
| The Master Trust Bank of Japan, Ltd. (trust account) | 11,660,900             | 7.11           |
| Japan Trustee Services Bank, Ltd. (trust account)    | 11,146,800             | 6.80           |
| JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT      | 4,304,400              | 2.63           |
| DENSO CORPORATION                                    | 4,171,000              | 2.54           |
| THE BANK OF NEW YORK MELLON 140044                   | 3,773,725              | 2.30           |
| Japan Trustee Services Bank, Ltd. (trust account 5)  | 3,313,400              | 2.02           |
| JP MORGAN CHASE BANK 385151                          | 3,014,583              | 1.84           |
| DFA INTL SMALL CAP VALUE PORTFOLIO                   | 2,924,330              | 1.78           |
| THE BANK OF NEW YORK MELLON 140040                   | 2,784,700              | 1.70           |
| STATE STREET BANK WEST CLIENT - TREATY 505234        | 2,553,830              | 1.56           |

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

|                           |
|---------------------------|
| Supplementary Explanation |
|---------------------------|

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## 3. Corporate Profile

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

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

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

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

### 1. Organizational Composition and Operation

|                           |   |
|---------------------------|---|
| Structure of Organization | Company with an Audit & Supervisory Board |
|---------------------------|---|

#### Directors

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

|  |
|--|
| External Directors' Relationship with the Company (1) <b>Updated</b> |
|--|

| Name           | Attributes         | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |  |
|----------------|--------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|--|
|                |                    | a                              | b | c | d | e | f | g | h | i | j | k |  |
| ABE Yasuyuki   | From Other Company |                                |   |   |   |   |   |   |   | ○ |   |   |  |
| IWATA Shinjiro | From Other Company |                                |   |   |   |   |   |   |   | △ |   |   |  |
| HAMASAKI Yuji  | From Other Company |                                |   |   |   |   |   |   |   |   |   |   |  |

\* Categories for "Relationship with the Company":

“○” When the Audit & Supervisory Board Member currently falls or has recently fallen under the category. “△” When the Audit & Supervisory Board Member fell under the category in the past

“●” When a close relative of the Audit & Supervisory Board Member currently falls or has recently fallen under the category.

“▲” When a close relative of the Audit & Supervisory Board Member fell under the category in the past

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

External Directors' Relationship with the Company (2) **Updated**

| Name         | Designation as Independent Director | Supplementary Explanation of the Relationship  | Reasons for Appointment  |
|--------------|-------------------------------------|--|--|
| ABE Yasuyuki | ○                                   | <p>Outside Director of SUBARU CORPORATION Advisor of Orange and Partners Co., Ltd. SUBARU CORPORATION (“SUBARU”), where Mr. ABE Yasuyuki 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, including donations, mutual dispatch of directors or shareholding.</p> <p>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 ten (10) years ago and currently has no relationship with the company.</p> <p>Sumitomo Corporation (“Sumitomo”), where he previously served as an executive, had business relations with the Company with regard to sales. However, Sumitomo’s transactions with the Company at the time amounted to less than one (1) percent of the consolidated net sales of the Company or Sumitomo at the time, 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 two (2) years ago and currently has no relationship with the company.</p> <p>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.</p> | <p>The Company proposes to elect Mr. ABE Yasuyuki 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 be active in a position to supervise the Company’s management by giving the Company advice and proposals as an objective third party not involved in the Group’s business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.</p> |

|                           |          |   |   |
|---------------------------|----------|---|---|
| <p>IWATA<br/>Shinjiro</p> | <p>○</p> | <p>Director and Chairman (Outside Director) of Benesse Holdings, Inc.</p> <p>Director (Outside Director) of A.L.I. Technologies Inc.</p> <p>No mutual relationship exists between Benesse Holdings, Inc. or A. L. I. Technologies Inc., where Mr. IWATA Shinjiro concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>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 the Company had in the past and currently have business relations with regard to sales. Hitachi Transport System, Ltd. and the Company had business relations with regard to purchases in the past and sales in the consolidated fiscal year under review. And Hitachi Automotive Systems, Ltd. and the Company had business relations with regard to sales in the past. 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 two (2) years ago, six (6) years ago, three (3) years ago, and about two (2) years 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. (currently, Koki Holdings 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.</p> <p>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.</p> | <p>The Company proposes to elect Mr. IWATA Shinjiro as an external director and expects his proper advice as a corporate manager based on his extensive experience, knowledge, professional views and personal relationships in management, information &amp; communication area and automobile-related area of listed companies outside the Group, will be utilized in the Company's management, and that he will be active in a position supervising the Company's management by providing advice and proposals to the Company as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.</p> |
|---------------------------|----------|---|---|

|               |   |   |  |
|---------------|---|---|--|
| HAMASAKI Yuji | ○ | <p>Representative Director, Chairman of MEIDENSHA CORPORATION</p> <p>Chairman of the Japan Electrical Manufacturers' Association</p> <p>No mutual relationship exists between MEIDENSHA CORPORATION or The Japan Electrical Manufacturers' Association, where Mr. HAMASAKI Yuji concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>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. ten (10) years ago and currently has no relationship with the company.</p> <p>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.</p> | <p>The Company proposes to elect Mr. HAMASAKI Yuji 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.</p> |
|---------------|---|---|--|

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

|  |
|--|
| Committee's Name, Composition, and Attributes of Chairperson |
|--|

| Committee's Name      | Committee Corresponding to Nomination Committee     | Committee Corresponding to Remuneration Committee   |
|-----------------------|---|---|
| All Committee Members | Nomination and Remuneration Advisory Committee<br>4 | Nomination and Remuneration Advisory Committee<br>4 |
| Full-time Members     | 0   | 0   |
| Directors             | 1   | 1   |
| External Directors    | 3   | 3   |
| Outside Experts       | 0   | 0   |
| Other                 | 0   | 0   |
| Chairperson           | External Director                                   | External Director                                   |

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

In accordance with the foregoing procedures, the Company determined, according to the reports submitted by the Nomination and Remuneration Advisory Committee, the execution system effective as of April 1, 2020 and director candidates to be referred to the 12th Ordinary General Meeting of Shareholders held on June 19, 2020 as a corporate proposal, at the Board of Directors meeting held on February 21, 2020.

With regard to executive compensation, the Company has provided for a method of determining the amount of remuneration for Directors and Executive Officers in accordance with internal rules. As to the establishment, revision and abolition of internal rules, the Nomination and Remuneration Advisory Committee comprised of a majority of Independent External Directors will review the appropriateness, etc. of proposals discussed by the Representative Director of the Board, etc. and submit a report to the Board of Directors, and the Board of Directors will determine the establishment, revision and abolition of the internal rules taking into consideration the details of the report. Details of individual remuneration for Directors, etc. will not be determined at the discretion of the Representative Director of the Board again.

In the fiscal year ended March 2020, meetings of the Nomination and Remuneration Advisory Committee were held 20 times in total, and each committee member's number of meetings attended and the attendance rate are as follows:

|                      |                              |    |                           |
|----------------------|------------------------------|----|---------------------------|
| - Mr. ABE Yasuyuki   | Number of Meetings Attended: | 20 | (Attendance Rate: 100.0%) |
| - Mr. IWATA Shinjiro | Number of Meetings Attended: | 20 | (Attendance Rate: 100.0%) |
| - Mr. HAMASAKI Yuji  | Number of Meetings Attended: | 16 | (Attendance Rate: 94.1%)  |

Note: The number of meetings attended and attendance rate of Mr. HAMASAKI Yuji refer to the data from June 2019 when he became a Director and a member of the Nomination and Remuneration Advisory Committee to March 2020.

In addition, in April 2019, the Company added the Chief Executive Officer (CEO) to committee members of the Nomination and Remuneration Advisory Committee in order for External Directors who serve as committee members to share accurate internal information in a timely manner and to improve the effectiveness of the Nomination and Remuneration Advisory Committee. The procedures for deliberating a proposal and making determination regarding candidate representatives for the Board of Directors by the Nomination and Remuneration Advisory Committee are performed by three committee members who serve as External Directors except for the committee member who is the CEO.

As of June 19, 2020, Mr. ABE Yasuyuki, Mr. IWATA Shinjiro and Mr. HAMASAKI Yuji, who serve as External Directors, and Mr. EGUCHI Shoichiro, who serves as CEO, serve as committee members, and Mr. IWATA Shinjiro chairs the Nomination and Remuneration Advisory Committee by resolution of the Nomination and Remuneration Advisory Committee as of the same date.



## Audit & Supervisory Board Members

|   |             |
|---|-------------|
| Establishment of Audit & Supervisory Board  | Established |
| Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation | 6           |
| Number of Audit & Supervisory Board Members   | 4           |

**Updated**

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

- Organization, personnel and procedures of internal audits

At JVCKENWOOD, the Corporate Audit Office conducts internal audits on the overall business execution of the entire Group and internal control evaluations (J-SOX evaluations) of financial reports, in accordance with the audit plan approved by the Board of Directors, and reports the audit results to the Board of Directors, which serves as an oversight organization. The Corporate Audit Office consists of 10 staff members engaged in internal audits and J-SOX evaluations. The Corporate Audit Office performs a broad range of onsite inspections of activities of the Company, as well as affiliated companies of the Group, and monitors the operations of the internal control systems in an integrated fashion. As a result, the Corporate Audit Office contributes to ensuring consistency between execution of business and management policies, strengthening management structure, protecting important assets, and preventing losses.

- Mutual collaboration among internal audits, audits by Audit & Supervisory Board Members and accounting audits, and relationship between these audits and the internal control division

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

The Corporate Audit Office and Audit & Supervisory Board Members mutually exchange information about the annual audit plan, as well as conduct, in principle, a joint audit regarding the office for which a visiting audit is to be commonly performed in the relevant fiscal year. In addition, they mutually exchange information about the results of internal audits and audits performed by Audit & Supervisory Board Members, and exchange opinions at monthly regular meetings, etc.

Further, the Corporate Audit Office meets with the Accounting Auditor on a regular basis to exchange opinions regarding the status of their respective audits.

Audit & Supervisory Board Members perform visiting audits on the Internal Governance Office, a division in charge of internal control, and at the same time, other than visiting audits, regularly have a meeting to hear and exchange opinions regarding the status of development and operation of the internal control systems.

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

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

| Name             | Attributes         | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |   |   |
|------------------|--------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
|                  |                    | a                              | b | c | d | e | f | g | h | i | j | k | l | m |
| SAITO Katsumi    | From Other Company |                                |   |   |   |   |   |   |   |   |   |   |   |   |
| KURIHARA Katsumi | From Other Company |                                |   |   |   |   |   |   |   |   | ○ |   |   |   |

\* Categories for "Relationship with the Company":

“○” When the Audit & Supervisory Board Member currently falls or has recently fallen under the category.

“△” When the Audit & Supervisory Board Member fell under the category in the past

“●” When a close relative of the Audit & Supervisory Board Member currently falls or has recently fallen under the category.

“▲” When a close relative of the Audit & Supervisory Board Member fell under the category in the past

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

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

| Name          | Designation as Independent Director | Supplementary Explanation of the Relationship   | Reasons for Appointment   |
|---------------|-------------------------------------|---|---|
| SAITO Katsumi | ○                                   | <p>Director (Outside Director) of CHUCHIKU</p> <p>No mutual relationship exists between CHUCHIKU, where Mr. SAITO Katsumi concurrently holds office, and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>Furthermore, Idemitsu Kosan Co., Ltd. and Showa Shell Sekiyu K.K., where he previously served as a management executive, have no mutual relationship with the Company, including donations, mutual dispatch of directors or shareholdings.</p> <p>Furthermore, Mr. Saito has not been an operating officer or the like of our major business partners and</p> | <p>Mr. SAITO Katsumi was elected as an Audit &amp; Supervisory Board Member as he is expected to utilize his extensive experience, knowledge, professional views and personal relationships that were obtained through management of listed companies outside the Group as a Director, and he is expected to play an active role in supervising the Company's management by providing proper advice and proposals at the Board of Directors and the Audit &amp; Supervisory Board</p> |

| Name             | Designation as Independent Director | Supplementary Explanation of the Relationship  | Reasons for Appointment   |
|------------------|-------------------------------------|--|---|
|                  |                                     | major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.  | as an objective third party, separate from the Group.   |
| KURIHARA Katsumi | ○                                   | <p>Audit &amp; Supervisory Board Member of Ricoh Company, Ltd. (scheduled to retire in June 2020)</p> <p>Director (Outside Director) of NIPPON ANTENNA Co., Ltd. (scheduled to assume the position in June 2020)</p> <p>Ricoh Company, Ltd. (“Ricoh”), where Mr. KURIHARA Katsumi concurrently holds office, had in the past and currently has business relations with the Company with regard to purchases and sales and NIPPON ANTENNA Co., Ltd. (“NIPPON ANTENNA”) had in the past and currently has business relations with the Company with regard to purchases. However, the respective companies’ 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 the respective companies in each corresponding fiscal year, and do not fall under major transactions for either the Company or Ricoh and NIPPON ANTENNA. Moreover, no other mutual relationship exists between these companies and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>Furthermore, Mr. Kurihara has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above. For these reasons, the Company regards him as independent.</p> | Mr. KURIHARA Katsumi was elected as an Audit & Supervisory Board Member as he is expected to utilize his extensive experience, knowledge, professional views and personal relationships that were obtained through his work at and management of listed companies outside the Group, and he is expected to play an active role in supervising the Company’s management 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. |

### Independent Directors/Audit & Supervisory Board Members

|  |   |
|--|---|
| Number of Independent Directors/Audit & Supervisory Board Members <b>Updated</b> | 5 |
|--|---|

### Matters Relating to Independent Directors/Audit & Supervisory Board Members

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

The Company, when electing candidates for External Director and External Audit & Supervisory Board Members, works to ensure the effectiveness of the supervisory function of management based on experience, achievements, professional expertise, insights, and other attributes, as well as independence which avoids conflicts of interest with general shareholders. To this end, it elects candidates by confirming their business backgrounds and ensuring that they are not major shareholders of the Company or have never been engaged in the execution of business at the Company’s main business partners (whose transactions with the Company exceed 1% of the Company’s consolidated net sales) based on its criteria and policies for independence set out in accordance with the “Guidelines for the Governance of Listed Companies (III 5. (3)-2),” established by the Tokyo Stock Exchange, Inc. On June 19, 2020, the Company appointed Mr. ABE Yasuyuki, Mr. IWATA Shinjiro, and Mr. HAMASAKI Yuji as External Directors, and Mr. SAITO Katsumi and KURIHARA Katsumi as External Audit & Supervisory Board Members.

## Incentives

Incentive Policies for Directors **Updated**

Introduction of performance-based remuneration system

Supplementary Explanation **Updated**

With regard to remuneration for Directors, the Company has provided for a method of determining the amount of remuneration in internal rules within the total amount of remuneration approved by resolution at the General Meeting of Shareholders. To be more specific, the amount of base remuneration of individual Directors is determined and paid after the amount of remuneration of individual Directors is set according to the base remuneration, position (such as Chairman, President, Deputy President, Senior Management Executive Officer and Senior Vice President) as well as job title (such as authority of representation, Chief Executive Officer, Chairman of the Board and Nomination and Remuneration Advisory Committee Member).

Internal rules only provide for the method of determining the amount of monetary remuneration, and the Company does not pay Directors and Executive Officers any remuneration other than money, such as stock or stock acquisition rights, as consideration for execution of their duties.

As for Directors serving concurrently as Executive Officers, apart from the remuneration for Directors, fixed remuneration reflecting the factors linked to performance is paid as remuneration for Executive Officers by adjusting incentives by multiplying the individual base remuneration calculated in accordance with internal rules by a coefficient linked to profit and performance (the amount of change in core operating income and net income (loss)). The said method has been employed because the index is clear and it can promote incentives since the remuneration will be increased or decreased according to an increase or decrease in the company profit. The Board of Directors has made a decision on this method after the Nomination and Remuneration Advisory Committee has concluded in its deliberations that it is appropriate. No incentive adjustment is made for Non-executive Directors including External Directors.

The incentives for remuneration for Executive Officers mentioned above are adjusted based on the change in actual results in the previous fiscal year. Regarding the results of the entire company in the consolidated fiscal year under review, the consolidated core operating income was approximately 5.6 billion yen, down from approximately 8.5 billion yen in the previous fiscal year, a decrease of approximately 2.9 billion yen year on year. And consolidated net income (loss) (net income attributable to owners of the parent company) was approximately 0.9 billion yen, down from approximately 3.8 billion yen in the previous fiscal year, a decrease of approximately 2.9 billion yen year on year. These led to the decrease in incentives as provided for in internal rules. The result of calculating the incentive adjustment for the consolidated fiscal year under review was reported at the Board of Directors meeting held on May 29, 2020. The individual fixed remuneration will be determined after the adjusted incentives are deducted from the individual base remuneration for the next fiscal year (FY2020).

Further, Directors join the Executive Shareholding Association, and contribute a certain percentage of money from the determined monthly remuneration to the Executive Shareholding Association and acquire the stock of the Company corresponding to a certain amount of money on a monthly basis, whereby they manage the company from the perspective of shareholders, focusing on mid- to long-term performance.

As to the establishment, revision and abolition of the internal rules providing for the remuneration for Directors, the Nomination and Remuneration Advisory Committee comprised of a majority of Independent External Directors will review the appropriateness, etc. of proposals discussed by the Representative Director of the Board, etc. and submit a report to the Board of Directors, and the Board of Directors will determine the establishment, revision and abolition of the internal rules taking into consideration the details of the report. Details of individual remuneration for Directors, etc. will not be determined at the discretion of the Representative Director of the Board again.

No revision of internal rules related to changes in the remuneration calculation method was made during the consolidated fiscal year under review.

|                             |  |
|-----------------------------|--|
| Recipients of Stock Options |  |
|-----------------------------|--|

|                           |
|---------------------------|
| Supplementary Explanation |
|---------------------------|

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**Remuneration for Directors**

|  |                          |
|--|--------------------------|
| Disclosure of Individual Directors' Remuneration | No individual disclosure |
|--|--------------------------|

|   |
|---|
| Supplementary Explanation <span style="border: 1px solid red; padding: 2px;">Updated</span> |
|---|

In the previous fiscal year ended March 31, 2020, the amount of remuneration and other financial benefits paid as consideration for business execution to Directors and Audit & Supervisory Board Members and the number of persons subject to payment for the year were 279 million yen and 15 persons in total.

This breaks down to about 212 million yen for eleven (11) Directors (with 48 million yen for four (4) External Directors) and 67 million yen for four (4) Audit & Supervisory Board Members (with 18 million yen for two (2) External Audit & Supervisory Board Members).

The above compensation for Directors does not include salaries of those who are also company employees. In accordance with internal rules, the Company makes a distinction between compensation for Directors and compensation for Executive Officers who are employees. The number of Directors concurrently serving as employees who received salaries as employees was five (5) and the amount of salaries as employees paid by the Company totaled 115 million yen. The Company does not pay bonuses, retirement benefits, or other monetary remuneration other than the above remuneration to Directors and Audit & Supervisory Board Members.

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

|   |             |
|---|-------------|
| Policy on Determining Remuneration Amounts or Calculation Methods <span style="border: 1px solid red; padding: 2px;">Updated</span> | Established |
|---|-------------|

|   |
|---|
| Disclosure of Policy on Determining Remuneration Amounts or Calculation Methods |
|---|

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

[CG Policy:]

[https://www.jvckenwood.com/content/dam/pdf/181201\\_governance.pdf](https://www.jvckenwood.com/content/dam/pdf/181201_governance.pdf)

At the 11th Ordinary General Meeting of Shareholders held on June 20, 2019, a proposal for the remuneration for Directors of the Company was approved by resolution, setting the amount of monthly remuneration to up to 36 million yen (monthly remuneration for External Directors accounting for up to 8 million yen). The number of Directors at the close of the 11th Ordinary General Meeting of Shareholders held on June 20, 2019 was nine (9) (of which the number of External Directors was three (3)).

With regard to remuneration for Directors, the Company has provided for a method of determining the

amount of remuneration in internal rules within the total amount of remuneration approved by resolution at the General Meeting of Shareholders. To be more specific, the amount of base remuneration of individual Directors is determined and paid after the amount of remuneration of individual Directors is set according to the base remuneration, position (such as Chairman, President, Deputy President, Senior Management Executive Officer and Senior Vice President) as well as job title (such as authority of representation, Chief Executive Officer, Chairman of the Board and Nomination and Remuneration Advisory Committee Member).

Internal rules only provide for the method of determining the amount of monetary remuneration, and the Company does not pay Directors and Executive Officers any remuneration other than money, such as stock or stock acquisition rights, as consideration for execution of their duties.

As for Directors serving concurrently as Executive Officers, apart from the remuneration for Directors, fixed remuneration reflecting the factors linked to performance is paid as remuneration for Executive Officers by adjusting incentives by multiplying the individual base remuneration calculated in accordance with internal rules by a coefficient linked to profit and performance (the amount of change in core operating income and net income (loss)). The said method has been employed because the index is clear and it can promote incentives since the remuneration will be increased or decreased according to an increase or decrease in the company profit. The Board of Directors has made a decision on this method after the Nomination and Remuneration Advisory Committee has concluded in its deliberations that it is appropriate. No incentive adjustment is made for Non-executive Directors including External Directors.

The incentives for remuneration for Executive Officers mentioned above are adjusted based on the change in actual results in the previous fiscal year. Regarding the results of the entire company in the consolidated fiscal year under review, the consolidated core operating income was approximately 5.6 billion yen, down from approximately 8.5 billion yen in the previous fiscal year, a decrease of approximately 2.9 billion yen year on year. And consolidated net income (loss) (net income attributable to owners of the parent company) was approximately 0.9 billion yen, down from approximately 3.8 billion yen in the previous fiscal year, a decrease of approximately 2.9 billion yen year on year. These led to the decrease in incentives as provided for in internal rules. The result of calculating the incentive adjustment for the consolidated fiscal year under review was reported at the Board of Directors meeting held on May 29, 2020. The individual fixed remuneration will be determined after the adjusted incentives are deducted from the individual base remuneration for the next fiscal year (FY2020).

Further, Directors join the Executive Shareholding Association, and contribute a certain percentage of money from the determined monthly remuneration to the Executive Shareholding Association and acquire the stock of the Company corresponding to a certain amount of money on a monthly basis, whereby they manage the company from the perspective of shareholders, focusing on mid- to long-term performance.

As to the establishment, revision and abolition of the internal rules providing for the remuneration for Directors, the Nomination and Remuneration Advisory Committee comprised of a majority of Independent External Directors will review the appropriateness, etc. of proposals discussed by the Representative Director of the Board, etc. and submit a report to the Board of Directors, and the Board of Directors will determine the establishment, revision and abolition of the internal rules taking into consideration the details of the report. Details of individual remuneration for Directors, etc. will not be determined at the discretion of the Representative Director of the Board again.

No revision of internal rules related to changes in the remuneration calculation method was made during the consolidated fiscal year under review.

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

Since June 2016, JVCKENWOOD has appointed an External Director independent from and neutral to the management of the Company as the Chairman of the Board of Directors, and established a place for active exchange of opinions and discussions at meetings of the Board of Directors. The Chairman of the Board determines agendas for a meeting of the Board of Directors in consultation with the Chairman and the Chief Executive Officer (CEO) prior to deliberations of the Board of Directors. In addition, the Chairman is responsible for convening meetings of the Board of Directors and preparing minutes of meetings of the Board of Directors, etc. as head of the Board of Directors.

Information is delivered to Directors and Audit & Supervisory Board Members by the Secretariat of the Board of Directors (Corporate Secretary Office) in coordination with members of the Auditing Office, and in a timely manner. For example, the notice for matters to be discussed at Board of Directors' meetings and meeting documents are distributed by electromagnetic or other means in advance. In addition, meeting documents for the Executive Officers Committee are distributed by the Secretariat of the Executive Officers



Committee (Corporate Secretary Office) when needed, with a view to enhancing the supervisory function of business execution.

Further, the Nomination and Remuneration Advisory Committee composed of all three (3) External Directors and the Chief Executive Officer (CEO) has also appointed the Secretariat (Corporate Secretary Office) to support the duties of the committee such as preparation of minutes of the Nomination and Remuneration Advisory Committee meeting.

**Status of Persons Who Retired from the Position of President and Representative Director, etc.**

Names, etc. of former President and Representative Director, etc. currently serving as Corporate Counselor or Corporate Advisor, etc.

| Name | Title/Position | Description of duties | Work Style and Conditions (full-time/part-time, paid/unpaid, etc.) | Date of retirement from position of President, etc. | Term |
|------|----------------|-----------------------|--|---|------|
| ---- | ----           | ----                  | ----   | ----  | --   |

|  |   |
|--|---|
| Total number of former President and Representative Director, etc. currently serving as Corporate Counselor or Corporate Advisor, etc. | 0 |
|--|---|

Other Matters

The Company has no former President and Representative Director, etc. currently serving as Corporate Counselor or Corporate Advisor, etc. to be stated in this item.

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

1. Matters concerning the Board of Directors

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

Nine Directors—Mr. TSUJI Takao (Representative Director of the Board and Chairman), Mr. ABE Yasuyuki (Chairman of the Board, External Director), Mr. EGUCHI Shoichiro (Representative Director of the Board), Mr. MIYAMOTO Masatoshi, Mr. NOMURA Masao, Mr. SONODA Yoshio, Mr. SUZUKI Akira, Mr. IWATA Shinjiro (External Director) and Mr. HAMASAKI Yuji (External Director)—were elected at the 12th Ordinary General Meeting of Shareholders held on June 19, 2020.

Since June 2016, JVCKENWOOD has appointed an External Director independent from and neutral to the management of the Company as the Chairman of the Board of Directors, and established a place for active exchange of opinions and discussions at meetings of the Board of Directors. As of June 19, 2020, Mr. ABE Yasuyuki, who serves as External Director, chairs the Board of Directors. The Chairman of the Board determines agendas for a meeting of the Board of Directors in consultation with the Chairman and the Chief Executive Officer (CEO) prior to deliberations of the Board of Directors. In addition, the Representative Director of the Board and Chairman is responsible for convening meetings of the Board of Directors and preparing minutes of meetings of the Board of Directors, etc. as head of the Board of Directors.

2. Matters concerning the Audit & Supervisory Board

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

For Audit & Supervisory Board Members, Mr. FUJITA Satoshi (Full-time Audit & Supervisory Board Member, Chairman of the Audit & Supervisory Board) was elected at the 9th Ordinary General Meeting of Shareholders held on June 23, 2017, and three members—Mr. IMAI Masaki (Full-time Audit & Supervisory Board Member), Mr. SAITO Katsumi (External Audit & Supervisory Board Member) and Mr. KURIHARA Katsumi (External Audit & Supervisory Board Member)— were elected at the 12th Ordinary General Meeting of Shareholders held on June 19, 2020.

Mr. FUJITA Satoshi, Audit & Supervisory Board Member, possesses considerable knowledge of finance and accounting based on approximately 10 years of experience of serving in the Finance & Accounting Division and other divisions of the Group. Mr. IMAI Masaki, Full-time Audit & Supervisory Board Member, possesses considerable knowledge of finance and accounting based on his experience as a certified internal auditor.

### 3. Matters concerning the Nomination and Remuneration Advisory Committee

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

In addition, in April 2019, the Company added the Chief Executive Officer (CEO) to committee members of the Nomination and Remuneration Advisory Committee in order for External Directors who serve as committee members to share accurate internal information in a timely manner and to improve the effectiveness of the Nomination and Remuneration Advisory Committee. The procedures for deliberating a proposal and making determination regarding candidate representatives for the Board of Directors by the Nomination and Remuneration Advisory Committee are performed by three committee members who serve as External Directors except for the committee member who is the CEO.

As of June 19, 2020, Mr. ABE Yasuyuki, Mr. IWATA Shinjiro and Mr. HAMASAKI Yuji, who serve as External Directors, and Mr. EGUCHI Shoichiro, who serves as CEO, serve as committee members, and Mr. IWATA Shinjiro chairs the Nomination and Remuneration Advisory Committee by resolution of the Nomination and Remuneration Advisory Committee as of the same date.

### 4. Matters concerning Executive Officer System

The Company has introduced an Executive Officer System under which the management supervisory function is separated from the business execution function to clarify management responsibility and business execution responsibility since its establishment in October 2008.

The Board of Directors, in order to lead the Company's initiatives in corporate reform and governance, is chaired by an External Director, holds discussions between External Directors as independent directors and Directors concurrently serving as Executive Officers to make highly transparent decisions, and entrusts the business execution to Executive Officers. In accordance with decisions made at meetings of the Board of Directors, the Chief Executive Officer (CEO), serving as the Chairman, takes the lead in the Executive Officers Committee's meetings.

Each of the Executive Officers assumes responsibility for the overall operations of all businesses in the Americas, EMEA (Europe, Middle East, and Africa), APAC (Asia Pacific), and China, and is in charge of the Automotive Sector (AM Sector), Public Service Sector (PS Sector), or Media Service Sector (MS Sector) while being in charge of the DX (Digital Transformation) Business Division, which continues growing in the other sector, and thus their responsibilities are clarified in both businesses and regions. Furthermore, we introduced an execution system under which each Executive Officer is appointed to the positions of CFO (Chief Financial Officer) or CTO (Chief Technology Officer) or is in charge of each corporate division to support the CEO, and performs their duties.

On April 1, 2020, 13 Executive Officers (5 serving concurrently as Directors) named below were



appointed:

- EGUCHI Shoichiro  
Representative Director of the Board, President, Chief Executive Officer (CEO)
- MIYAMOTO Masatoshi  
Director of the Board, Senior Managing Executive Officer, Chief Financial Officer (CFO)
- NOMURA Masao  
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
- SUZUKI Akira  
Director of the Board, Senior Managing Executive Officer, COO Public Service Sector, General Manager of Management Base Reform Office
- KURIHARA Naokazu  
Managing Executive Officer, Head of Administrative Division (Secretary Office, Human Resources Department, General Administration Department, Sustainability Management Office), COO EMEA (Europe, Middle East and Africa)
- ARAI Takuya  
Managing Executive Officer, COO APAC (Asia Pacific)
- TAKADA Shinichi  
Managing Executive Officer, Assistant to Head of Administrative Division (Corporate Strategy Department, Brand Promotion Division, Corporate Communication Department), General Manager of Corporate Strategy Department
- HAYASHI Kazuyoshi  
Executive Officer, In Charge of Media Service Sector
- TERADA Akihiko  
Executive Officer, COO China of JVCKENWOOD Corporation
- SONODA Yoshio  
Director of the Board, Executive Officer, Chief Technology Officer (CTO), In Charge of R&D Department, In Charge of Intellectual Property Department, In Charge of Legal Affairs Department, In Charge of Engineering Innovation Department, In Charge of Procurement & Logistics Department
- MURAOKA Osamu  
Executive Officer, COO Americas
- KOSHINO Junko  
Executive Officer, Assistant to CEO
- SEKIYA Naoki  
Executive Officer, General Executive of Automotive Aftermarket Business Division, In charge of domestic sales reform

#### 5. Matters concerning Accounting Auditor

- Name of audit corporation: Deloitte Touche Tohmatsu LLC
- Number of continuous audit years: Since 1994  
\* Refers to the timing when Kenwood Corporation, the acquiring enterprise in terms of business combination in the stock transfer conducted at the founding of the Company, appointed the Accounting Auditor.
- Certified public accountants who executed audit duties  
Mr. KAWASHIMA Shigeo: Number of continuous audit years: 2  
Mr. SON Nobuo: Number of continuous audit years: 1  
Mr. SHIMODAIRA Takafumi: Number of continuous audit years: 4
- Composition of assistants who supported audit duties  
Assistants who supported audit duties are composed of 39 persons in total: 14 certified public accountants and 25 other assistants.
- Reason for and policy on determining audit corporation  
When Victor Company of Japan, Limited and Kenwood Corporation established the Company as a joint holding company (JVC KENWOOD Holdings, Inc.) through a stock transfer on October 1, 2008,

the Company's current Accounting Auditor, Deloitte Touche Tohmatsu LLC was appointed as the Accounting Auditor for the Company from the perspective of the continuity of accounting audits because it was the accounting auditor for Kenwood Corporation, the acquiring enterprise in terms of business combination accounting.

JVC KENWOOD Holdings, Inc. changed its trade name to the present name, JVCKENWOOD Corporation, on August 1, 2011, and completed an absorption-type merger of its subsidiaries—Victor Company of Japan, Limited, Kenwood Corporation and J&K Car Electronics Corporation—on October 1, 2011.

The reasons why Kenwood Corporation, the acquiring enterprise in terms of business combination through a stock transfer, appointed Tohmatsu & Co. (currently, Deloitte Touche Tohmatsu LLC) as its accounting auditor in June 1994 are that under the circumstances where overseas sales accounted for most of the sales of Kenwood Corporation at that time and the share of overseas production in overseas sales rose, Tohmatsu & Co. was a leading Japanese audit corporation having an international network organized together with overseas audit corporations and that the majority of Kenwood Corporation's subsidiaries outside Japan entrusted their audits to Deloitte Touche (at that time), an affiliate of Tohmatsu & Co., which was highly recognized by each such subsidiary.

In addition, the Company has established the "Policy on Determining Dismissal or Refusal of Reappointment of the Accounting Auditor" as follows:

"The Audit & Supervisory Board shall dismiss the Accounting Auditor with the unanimous consent of Audit & Supervisory Board Members when any of the matters set out in each item of Paragraph 1, Article 340 of the Companies Act applies to the Accounting Auditor. In addition, when the Accounting Auditor receives an order to suspend its auditing operations from the regulatory authorities or any other similar event occurs that would materially interfere with the Company's audit duties, the Audit & Supervisory Board shall, as a general rule, decide on the details of a proposal on dismissal or refusal of reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

- Evaluation of the audit corporation by Audit & Supervisory Board Members and the Audit & Supervisory Board

Audit & Supervisory Board Members and the Audit & Supervisory Board evaluate the audit corporation each year in accordance with the "Criteria for Evaluation of Appointment and Dismissal of Accounting Auditor" established by the Audit & Supervisory Board, and further examine and consider whether it is necessary to appoint or dismiss the audit corporation also based on the aforementioned "Policy on Determining Dismissal or Refusal of Reappointment of the Accounting Auditor." The Audit & Supervisory Board has determined that it is appropriate to reappoint the current audit corporation, Deloitte Touche Tohmatsu LLC, concluding that there is no problem as a result of qualification evaluation under the said criteria as well as the examination and consideration under the "Policy on Determining Dismissal or Refusal of Reappointment of the Accounting Auditor."

#### 6. Summary of the Contents of an Agreement Limiting Liability for Damages

With a view to recruiting and retaining outstanding personnel as External Directors and External Audit & Supervisory Board Members, the Articles of Incorporation of the Company stipulate, pursuant to Paragraph 1, Article 427 of the Companies Act, that the Company may enter into an agreement with an External Director or External Audit & Supervisory Board Member to limit the liability for damages due to his/her negligence of duties within a certain level. With respect to the liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act, the Company and the three External Directors and the two External Audit & Supervisory Board Members have concluded an agreement limiting liability for damages arising from the execution of their duties in good faith and without gross negligence. The maximum liability under the agreement will be either 5 million yen or a minimum liability amount stipulated by laws and regulations, whichever is greater.

#### 7. Quorum of and Requirements for Resolution to Elect and Dismiss Directors

The Articles of Incorporation stipulate that the number of Directors shall be nine or less, and that resolutions for electing Directors at the General Meetings of Shareholders shall require the presence of shareholders holding one-third or more of the exercisable voting rights of shareholders and the majority of votes thereof. Moreover, no cumulative voting shall be accepted.

#### 8. Matters to be Determined by Resolutions at the General Meetings of Shareholders that may be Determined by Resolution of the Board of Directors

Corporate decisions are made at the General Meetings of Shareholders, the highest decision-making

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

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

#### 9. Matters Concerning Compliance

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

The Regulation for JVCKENWOOD Group Compliance Code of Conduct that targets the entire Group was established in March 2010. The contents of the said regulation were circulated to all Group officers and employees by distributing booklets (in three languages) as well as via the Group's intranet and the compliance officers appointed by the Board of Directors of the Company at all affiliated companies to ensure full awareness of all Group members.

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

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

### 3. Reasons for Adoption of Current Corporate Governance System

The Company's basic corporate governance policy "separates management from the execution of operations," "recruits External Directors and Audit & Supervisory Board Members," and "improves the function of acting as a check by establishing the Internal Audit Division." The Company has concluded that in order to effectively implement the policy, the most effective corporate governance system is to adopt the organizational structure of a company with an Audit & Supervisory Board and to introduce an Executive Officer System. This would enable institutions within the Company to collaborate with each other.

### III. Implementation of Measures for Shareholders and Other Stakeholders

**Updated**

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

|  | Supplementary Explanations   |
|--|--|
| Early Notification of General Shareholder Meeting        | The Company, as a general rule, provides notices via the Internet and through other media immediately following a resolution of convocation of the Ordinary General Meeting of Shareholders (about four weeks prior to the date of the meeting) and sends a notice of convocation of the Ordinary General Meeting of Shareholders promptly (about three weeks prior to the date of the meeting). This gives shareholders sufficient time to review the proposals.  |
| Scheduling Annual General Meeting to Avoid the Peak Time | The Company determines the date to hold a General Meeting of Shareholders to avoid so-called peak time in scheduling the date to hold a General Meeting of Shareholders. The latest 12th Ordinary General Meeting of Shareholders was held on June 19, 2020.   |
| Allowing the Electronic Exercise of Voting Rights        | The Company has made it possible for shareholders to exercise their voting rights by electromagnetic means (e.g., the Internet). In addition, voting rights can be exercised using mobile phones and smartphones.  |
| Participation in Electronic Voting Platform              | The Company participates in the voting platform for institutional investors operated by ICJ, Inc. Even nominal shareholders including custody and trust banks, standing proxies, and other institutions can use the platform to exercise their voting rights.  |
| Providing Convocation Notice in English                  | The English version of convocation notices is available on the Company's website and elsewhere, so as to facilitate the smooth exercise of voting rights at the General Meeting of Shareholders.   |
| Others   | Pursuant to the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc., the Company discloses resolution results of proposals at the General Meeting of Shareholders, including the number of "for" and "against" votes (the Extraordinary Report).<br><br>In addition to posting convocation notices and other information of General Meetings of Shareholders, the Company's website provides a form to receive questions in advance and explanations about matters attracting a lot of attention from shareholders among questions submitted in advance, as well as contents such as narrated business reports, live distribution of General Meeting of Shareholders, notices of resolution, and results of resolution (the Extraordinary Report). |

#### 2. IR Activities

|   | Supplementary Explanation   | Explanation by Representative |
|---|---|-------------------------------|
| Preparation and Publication of Disclosure Policy                          | The Company disclosed its policy for "ensuring appropriate disclosure of information and transparency" under Article 13 of the Corporate Governance (CG) Policy.<br>[CG Policy:]<br><a href="https://www.jvckenwood.com/content/dam/pdf/181201_governance.pdf">https://www.jvckenwood.com/content/dam/pdf/181201_governance.pdf</a> |                               |
| Regular Investor Briefings for Analysts and Institutional Investors       | As a general rule, the Company holds briefings for analysts and institutional investors four times a year, after the close of its quarterly accounts.   | Yes                           |
| Posting of IR Materials on Website  | The Company posts securities reports, accounting reports, annual reports, press releases, and other materials, on its website in a timely manner.   |                               |
| Establishment of Department and/or Appointment of Manager in Charge of IR | The Public & Investor Relations Group is established within the Corporate Communication Department to provide individual explanations for analysts, institutional investors, and other parties, as necessary, and to serve as a contact point to handle inquiries from investors including individual shareholders.                 |                               |

### 3. Measures to Ensure Due Respect for Stakeholders

|   | Supplementary Explanation  |
|---|--|
| Stipulation of Internal Rules for Respecting the Position of Stakeholders | The Company recognizes that the mission and purpose of a company that strives to achieve sustainable growth within society is to meet the expectations of all stakeholders, while gaining the trust of society and contributing to it. Therefore, the Company understands that its highest priority is to contribute to society through its business operations. This involves not just conducting every operation in compliance with laws and regulations, but also working to enhance corporate governance, promoting highly transparent corporate management, and accelerating the Company's environmental preservation activities for the next generation. |
| Undertaking Environmental Activities, CSR Activities, etc.                | The JVCKENWOOD Group discloses the concept of and efforts to sustainability, etc. on the Company's website.<br>[Details of our concept of sustainability are available on the Sustainability page of the Company's website:]<br><a href="https://www.jvckenwood.com/en/sustainability.html">https://www.jvckenwood.com/en/sustainability.html</a>  |
| Development of Policies on Information Provision to Stakeholders          | The Company has established the Regulations for Timely Disclosure, which are established internally.<br>The Information Disclosure Committee examines the content and means of information disclosure on matters decided or identified within the Company, and it provides accurate information to stakeholders in a timely manner.  |

## IV. Matters Related to the Internal Control System

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

The Company has established an internal control system and risk management system as described below with the aim of ensuring the appropriateness of business operations.

1. Frameworks for ensuring that the execution of duties of the Directors, employees, and other personnel of the corporate group consisting of the Company and its major subsidiaries (hereinafter the "Group") conforms to laws and regulations and the Articles of Incorporation
  - (1) The corporate vision, management policies and conduct guide are prepared and followed, while being shared and fully recognized by all officers and employees of the Group under the leadership of a division in charge of compliance.
  - (2) Various internal rules, regulations, guidelines, and other guidance, for the entire Group are prepared and updated as the guidelines for the execution of duties by employees.
  - (3) The JVCKENWOOD GROUP Compliance Code of Conduct is established and followed.
  - (4) Each of the Group companies establishes the "Board of Directors Rules" to properly supervise management's decision-making and Directors' execution of duties.
  - (5) Internal audits on the entire Group are conducted. In addition, the "JVCKENWOOD Group Internal Whistle-blowing Rules" are stipulated as a means of enabling internal reporting by all employees of the Group to establish the procedures for internally notifying any act that deviates from the "JVCKENWOOD GROUP Compliance Code of Conduct," carrying out corrective measures against such act and protecting the whistle-blowers from unfair treatment.
  - (6) Audit & Supervisory Board Members audit the execution of duties by the Group's Directors, employees, and other personnel from an independent standpoint.
2. Frameworks for storing and managing information in relation to the execution of duties by the Company's Directors
  - (1) The minutes of the Board of Directors' meetings are created in accordance with the "Board of Directors Rules" and stored at the main office in accordance with the relevant laws and regulations and internal rules.
  - (2) The "Regulation for Information Security" are established to define the basic rules to be observed in managing confidential information whether in print or in electronic form, and are handled determinately.

3. Regulations and other frameworks for managing the risk of loss of the Group
  - (1) The Group regulations for compliance and risk management are established, together with an across-the-board organization for monitoring them with responsibilities being clearly defined, thereby promoting the Group's risk management efforts in a proper manner.
  - (2) The risk management rules by type of risk are prepared and updated to prevent various risks that might occur in the Group and clarify the actions to be taken in the event of such risks, as well as measures for restoration, thereby preventing the damage from spreading and minimizing the loss should a critical issue arise.
  
4. Frameworks for ensuring the efficient execution of duties of the Group's Directors
  - (1) The Company formulates business and other plans on a Group-wide basis, thereby clarifying management targets, promoting awareness thereof in the Group and evaluating the status of achievement thereof.
  - (2) The Company has in place the Executive Officer System to entrust the duty of business execution to the Executive Officers, thereby separating management oversight functions from business execution functions and clarifying the realms of oversight responsibility and business execution responsibility.
  - (3) The Company establishes the "Board of Directors Rules" and the "Executive Officers Committee Rules," as well as the "Administrative Authority Regulation," the "Standards for Decision-making and Authority," and the "Approval List" for the entire Group, to clarify the method of making decisions for the entire Group management.
  - (4) The rules regarding segregation of duties for each division of the Group are established to clarify the scope of duties and execute them determinately.
  
5. Frameworks for ensuring the propriety of business operations in the Group
  - (1) Based on the "Basic Policy of Consolidated Business Management," the corporate philosophy and management policies are shared among Group companies. In addition, the "Administrative Authority Regulation," the "Standards for Decision-Making and Authority," and the "Approval List" are established as the regulations applying to the entire Group to ensure the propriety of business operations on a Group-wide basis.
  - (2) The Company dispatches officers or business supervising officers to major subsidiaries to ensure the propriety of business operations.
  - (3) The Company executes the internal audits of the Group subsidiaries through its Internal Audit Division.
  
6. Frameworks for reporting to the Company on matters concerning the execution of duties of Directors, business executing employees, and other personnel, of the Group subsidiaries
  - (1) The Company assigns a responsible division in each subsidiary to ensure that the subsidiary reports important information to such division, which in turn has responsibility for the overall management of that subsidiary.
  - (2) If necessary, the Company dispatches officers and/or administrative staff members to a subsidiary so that the Company's business execution team can grasp the status of business operation of that subsidiary.
  - (3) The Company keeps in place a reporting system to ensure that reports of any abnormal situation occurring internally and possibly affecting the operations of the Group's businesses will be delivered to the top management of the Company through an appropriate procedure and without delay.
  
7. Systems concerning employees who assist the Company's Audit & Supervisory Board Members in performing their duties, matters concerning the independence of such employees from the Company's Directors and matters concerning how to ensure the effectiveness of directions given to such employees
  - (1) The Company assigns employees as dedicated staff members who assist the Company's Audit & Supervisory Board Members in performing their auditing duties.
  - (2) The Company lets Audit & Supervisory Board Members evaluate the performance of employees exclusively assigned as staff of Audit & Supervisory Board Members and has prior discussion with Audit & Supervisory Board Members with regard to the assignment of such staff.
  - (3) The Company's Audit & Supervisory Board Members clarify the necessary matters to ensure the independence of the employees assisting them, including the Audit & Supervisory Board Members' authority to give orders to the supporting staff. The Company respects such matters.

8. Frameworks for giving reports to the Company's Audit & Supervisory Board Members by Directors and employees of the Company, Directors, Audit & Supervisory Board Members, business operating employees and employees of the Company's subsidiaries, or persons who have received reports therefrom
  - (1) The Company's Audit & Supervisory Board Members attend the Board of Directors' meetings and other important meetings to receive reports on the status of business execution of the Group and other important matters.
  - (2) The Company's Directors and General Managers of head office divisions report their business execution status to the Company's Audit & Supervisory Board Members periodically and as needed.
  - (3) The Company's Audit & Supervisory Board Members execute auditing of the Company's business units and subsidiaries according to the annual audit plan, including the above, and receive reports and hear opinions therefrom.
  - (4) The Group's Directors and employees and persons who have received reports therefrom promptly respond whenever the Company's Audit & Supervisory Board Members ask for reports on the businesses or investigate the status of the Group's business and property.
  - (5) A Group-wide notification system is provided, by which parties such as Group employees can directly notify any fraudulent activities and concerning issues regarding accounting and auditing that might arise within the Group to the Audit & Supervisory Board.
  - (6) The Company's Audit & Supervisory Board Members periodically receive reports on the audit plans and audit results of the Internal Audit Division.
  
9. Frameworks for ensuring that Directors and employees of the Company, Directors, Audit & Supervisory Board Members, business operating employees and employees of the Company's subsidiaries, or persons who have received reports therefrom do not receive unfair treatment due to the act of delivering reports provided for 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 divisions not to unfairly treat that whistle-blower due to the act of notification. Should the Audit & Supervisory Board Members be informed by that whistle-blower that he/she is having unfair treatment, they call on the Company and the Group's Personnel Division to stop such unfair treatment.
  
10. Matters concerning the policies on the procedures for advance payment or redemption of expenses arising from the execution of the duties of the Company's Audit & Supervisory Board Members and any other treatment of expenses or liabilities arising from the execution of such duties
  - (1) When the Company's Audit & Supervisory Board Members ask the Company for advance payment or other treatment of expenses that 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 pay audit expenses while giving due consideration to the efficiency and appropriateness of the audit.
  
11. Other frameworks for ensuring effective auditing of the Company's Audit & Supervisory Board Members
  - (1) The Company's Directors prepare conditions to enable the execution of effective audits in accordance with the audit plan made up by the Company's Audit & Supervisory Board Members.
  - (2) The Company's Representative Directors and Audit & Supervisory Board Members have periodic meetings in order to enhance mutual communication.
  - (3) The Company's Directors prepare conditions to enable the Company's Audit & Supervisory Board Members to cooperate with the divisions in charge of legal affairs, accounting and internal audit as well as external experts for the implementation of their duties.
  - (4) The appointment of the Company's External Audit & Supervisory Board Members is made with consideration to their independence and professional expertise.

## 12. Frameworks for ensuring the propriety of financial reports

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

## 13. Basic policy for the elimination of antisocial forces

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

Summary of the major efforts made by the Company in the consolidated fiscal year under review based on the aforementioned internal control and risk management systems:

### 1. Efforts on Compliance

The Compliance Committee chaired by the Chief Executive Officer (CEO) and responsible divisions take the lead in updating relevant regulations, providing in-house education and distributing information related to compliance, etc. In addition, the Company ensures that every employee is fully aware of the Helpline and the Internal Whistle-blowing System, which is the Auditing Informer System.

### 2. Efforts on Risk Management

The risk surveillance and business continuity plan have been updated, and each division conducts training on dealing with possible emergencies. Further, the Company ensures that every employee is fully aware of reporting and response systems in case of abnormal conditions.

### 3. Efforts on Management of the Board of Directors

In addition to the Executive Officer System, the Company appoints an External Director as the Chairman of the Board to manage the Board of Directors, thereby strengthening governance and having in place a management system to entrust the duty of business execution to the Executive Officers, and clarifying the realms of oversight responsibility and business execution responsibility.

Furthermore, the Company established the Nomination and Remuneration Advisory Committee, for which all of its External Directors and Representative Director of the Board, President, Chief Executive Officer (CEO) serve as committee members, with the aim of strengthening the independence and objectivity of the functions of the Board of Directors. The Nomination and Remuneration Advisory Committee has made proposals to JVCKENWOOD regarding candidate representatives for the Board of Directors, and reviewed the appropriateness of director candidates and directors' compensation plans proposed by the representatives and others, and reported its opinions. The Board of Directors has determined director candidates and directors' compensation, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee.

### 4. Efforts on Management of Subsidiaries

The Corporate Audit Office conducts audits on operations of affiliates inside/outside Japan every two to three years. Five affiliates perform joint audits with Audit & Supervisory Board Members in coordination with them. In addition, a follow-up is provided for the issues identified during business audits regarding the implementation status of improvement actions.

### 5. Audits by Audit & Supervisory Board Members

Audit & Supervisory Board Members attend Board of Directors' meetings and Executive Officers Committee's meetings and other important meetings to receive reports on the status of business execution and other important matters, as well as receive reports on the status of business execution, etc. from Directors, Executive Officers and General Managers of divisions, etc. of the Company and the Group subsidiaries through interviews and visiting audits. In addition, in the consolidated fiscal year under review, Audit & Supervisory Board Members performed visiting audits on 53 offices in total including



affiliated companies inside/outside Japan as well as head office divisions, operational divisions, and other domestic sales offices, and received reports on results of annual internal audit plans at the beginning of the term and monthly internal audits from the Corporate Audit Office.

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

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

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

## V. Others

### 1. Adoption of Anti-takeover Measures

|                                    |             |
|------------------------------------|-------------|
| Adoption of Anti-takeover Measures | Not adopted |
|------------------------------------|-------------|

|                           |
|---------------------------|
| Supplementary Explanation |
|---------------------------|

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### 2. Other Matters Concerning Corporate Governance System Updated

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

The Company disclosed a summary of the results of an evaluation on the effectiveness of the Board of Directors on February 21, 2020.

[The details of the method of effectiveness evaluation and the summary of the results of evaluation thereof are available on the Company's website:]

[https://www.jvckenwood.com/content/dam/pdf/20200221\\_directors.pdf](https://www.jvckenwood.com/content/dam/pdf/20200221_directors.pdf)

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

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

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

##### (1) Method of timely disclosure

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

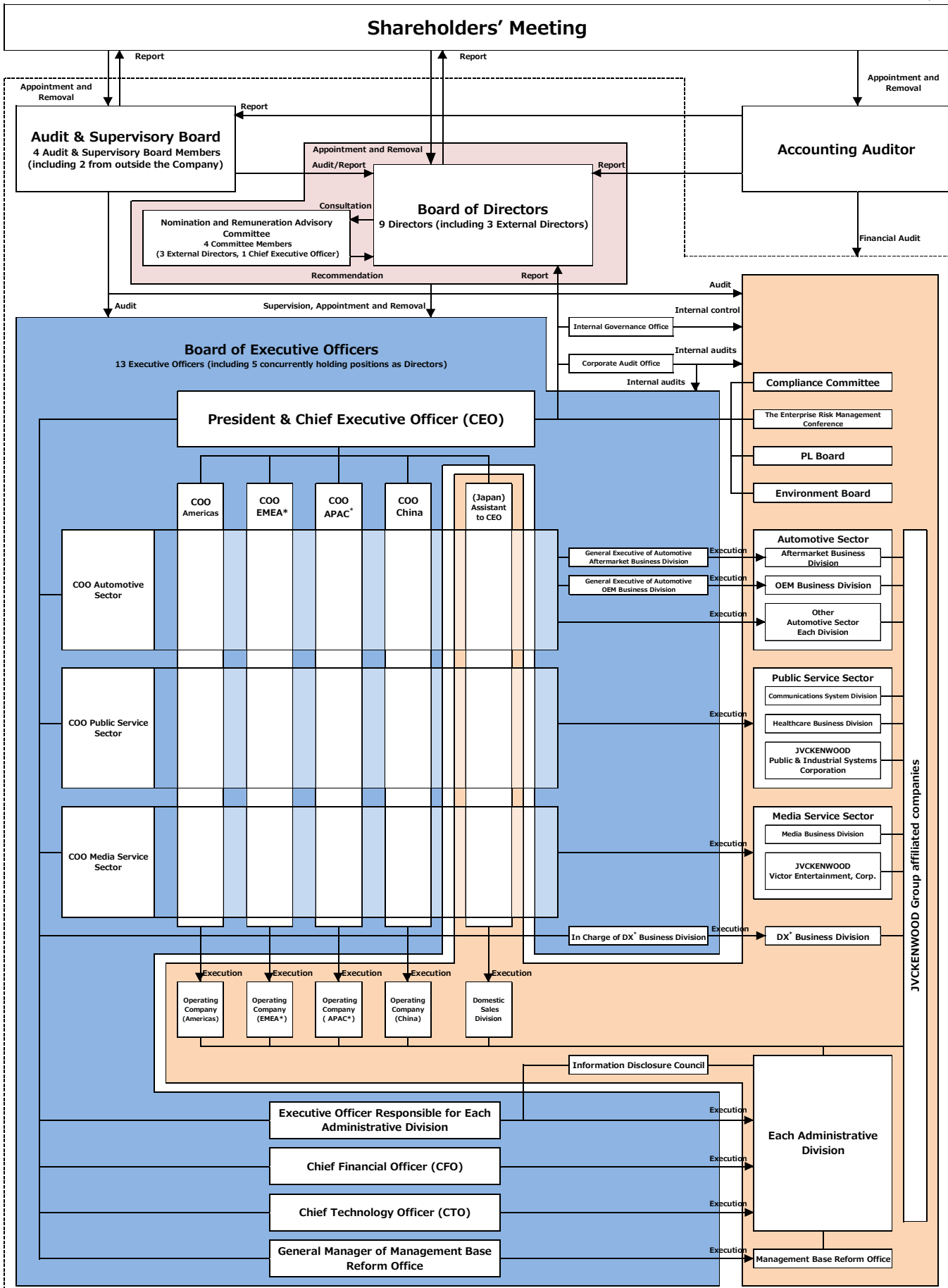
##### (2) Divisions responsible for timely disclosure

- There is no particular division solely responsible for timely disclosure; it is regarded as a Company-wide task and every business unit bears the responsibility for it.
- In each Division in charge of incidents that are required to be disclosed in a timely manner, the responsible Executive Officer is appointed as a chief responsible person for timely disclosure, while the Senior Manager is designated as a responsible person for timely disclosure. The chief responsible person for timely disclosure is responsible for drafting procedures for in-house approval, including the Board of Directors and the Executive Committee, for matters involving information subject to timely disclosure and managing information subject to timely disclosure.

- The chief responsible person for timely disclosure and responsible person for timely disclosure take responsibility for formulating, maintaining, and supervising the timely disclosure framework within their Division to ensure that no important information fails to be disclosed. Inquiries concerning timely disclosure must be referred to the Information Disclosure Committee. One issue pertaining to this matter is whether the information is important enough to be disclosed on a timely basis.
- The Information Disclosure Committee is responsible for supervising the entire Company's timely disclosure in accordance with the Regulations for Timely Disclosure. No other division but the said Committee acts as the liaison for making timely disclosure.

(3) Information Disclosure Committee

- The Information Disclosure Committee is responsible for maintaining and supervising the Company-wide timely disclosure framework.
- Any disclosed information concerning the Company is to be consolidated and managed by the Information Disclosure Committee, which acts as the contact point of external disclosure.
- The Information Disclosure Committee collaborates with Company lawyers or the Accounting Auditor regarding timely disclosure whenever necessary.
- Main roles of the Information Disclosure Committee are as follows:
  - (1) Determination of necessary information disclosure and support and advice to a chief responsible person for timely disclosure in drafting in-house approval procedures for matters involving information subject to timely disclosure
  - (2) Formulation, development, revision and abolition of the Regulations for Timely Disclosure
  - (3) Formulation, maintenance, and supervision of internal systems for timely disclosure
  - (4) Designing and securing the effectiveness of procedures for timely disclosure
  - (5) In-house education on timely disclosure (promotion of understanding and dissemination)
  - (6) Preparation of disclosure documents and implementation of timely disclosure
- The Information Disclosure Committee consists of the following members.  
 Chairman: Executive Officer Responsible for Administrative Division  
 Members: Chief Financial Officer (CFO), General Manager of Corporate Strategy Department,  
                   General Manager of Corporate Communication Department  
 Secretariat Head: General Manager of Corporate Secretary Office  
 Secretariat: Corporate Communication Department (Public & Investor Relations Group),  
                   Corporate Secretary Office (Corporate Affairs Group)



(Note) EMEA: Europe, Middle East and Africa  
 APAC: Asia - Pacific  
 DX: Digital Transformation

## Overview of Timely Disclosure Framework (Pattern Diagram)

### Information Disclosure Flowchart

