

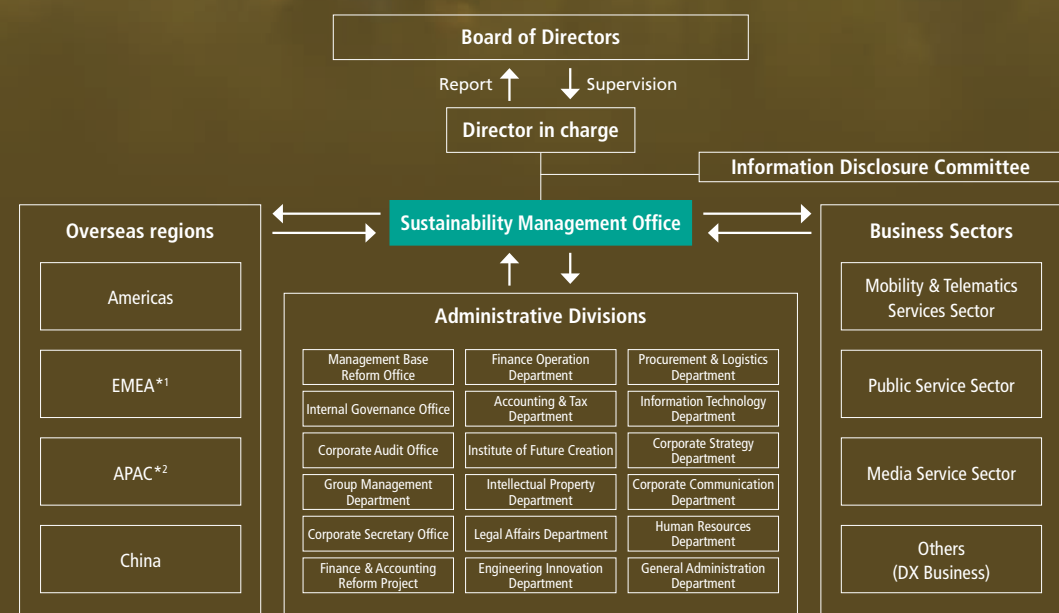
Foundation to Support Sustainable Growth Sustainability Strategy

Toward sustainable growth

Based on its corporate vision, the JVCKENWOOD Group aims to continuously increase its corporate value and contribute to society by working to solve social issues through its business while building deep relationships of trust with all stakeholders involved in the Group.

Positioning and role of the Sustainability Management Office

JVCKENWOOD appointed a director in charge under the supervision of the Board of Directors and established the Sustainability Management Office under its umbrella. The Sustainability Management Office is responsible for implementing the company-wide sustainability promotion strategy and managing its progress.



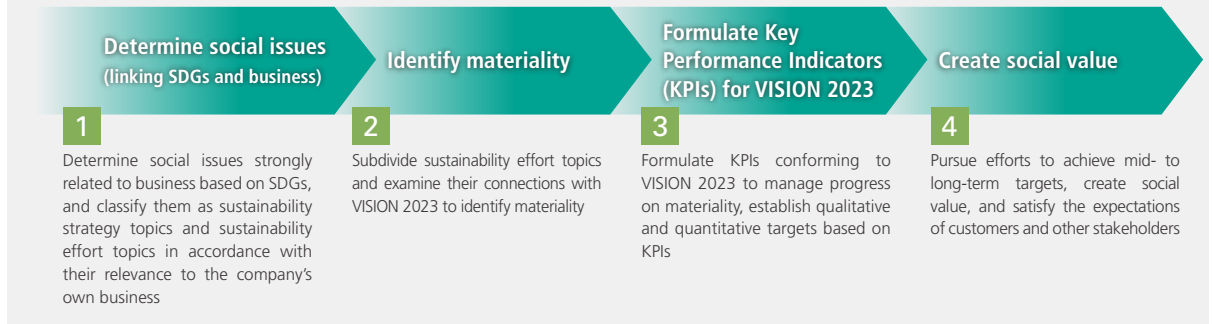
Note
In April 2018, the JVCKENWOOD Group appointed a director in charge under the supervision of the Board of Directors and established the Sustainability Management Office under its umbrella in order to quickly and steadily advance the sustainability promotion strategy.

*1: Europe, Middle East and Africa
*2: Asia Pacific

Process for identifying materiality

Four steps to identify materiality

JVCKENWOOD has determined social issues strongly connected with its business on the basis of the Sustainable Development Goals (SDGs) and identified materiality set up Key Performance Indicators (KPIs) to manage the progress of our efforts to solve challenges.



Materiality of the JVCKENWOOD Group

In VISION 2023, we will further strengthen our efforts in sustainability management, which focuses on both "profitable growth" and "solving social issues on a global scale" as key themes. In promoting sustainability management, we have identified eight social issues: I. Society, II. Labor, III. Environment, IV. Quality, V. Economy, VI. Safety, VII. Governance, VIII. Value Creation.

For each of these eight social issue themes, we are identifying materiality and setting KPIs to manage the progress of our efforts to solve the issues, while taking into consideration the connection with VISION 2023.



Top Priority key issues

- I. Society**
Prevent traffic accidents
 - Create value through mobility products and services
- II. Labor**
Diversity & inclusion
 - Promote active roles for women
 - Corporate culture and work style reforms
- III. Environment**
Address climate change
 - Reduce greenhouse gas emissions (Scope 1, 2, 3)
 - Develop environmental management systems
- Initiatives for disaster prevention and mitigation**
 - Create value with disaster-prevention and disaster-mitigation products & services
- IV. Quality**
Sustainable manufacturing
 - Identify and reduce the amount of plastic used
 - Conserve resources/energy in production processes
- V. Economy**
Accelerate innovation
 - Create innovation through products and services
 - Manage/utilize intellectual property
- VI. Safety**
Secure and safe community development
 - Create value with security products & services
- Ensure a safe and secure transportation system**
 - Create value through telematics services
- VII. Governance**
Initiatives for risk management
 - Corporate governance
 - Code of conduct for compliance
 - Product quality & safety
- VIII. Value Creation**
Stakeholder partnership
 - Collaborate with stakeholders (government/business partners/local communities)

Key issues

- I. Society**
Expand access to medical care
 - Create value with healthcare products & services
- Access to suitable education**
 - Create value by contributing to social issues of low birthrate and longevity
- II. Labor**
Promote active roles for employees
 - Human resources development
 - Employee health management
 - Occupational safety and health
 - Fair labor-management relations
- Supply chain management**
 - Prohibit child labor
 - Prohibit forced labor
 - Pursue sustainable procurement
 - Respond to conflict minerals
- III. Environment**
Conserve water resources
 - Manage water utilization
- Conserve natural environment**
 - Preserve biodiversity
- IV. Quality**
Reduce environmental impact
 - Proper management of chemical substances
 - Reduce wastewater and waste

Sustainability Strategy

Materiality for the realization of profitable growth and the solution of social issues

The JVCKENWOOD Group has established indicators (KPIs) associated with each materiality and has been working on them in order to understand the status of efforts toward materiality and to make further improvements. In FY 2021, we will strive to further improve or maintain our performance based on the following KPIs.

No	Materiality	FY 2020		FY 2021		SDGs
		KPIs & Target	Result	KPIs & Target	Result	
1	Reduce greenhouse gas emissions (Scope 1+2)	• Greenhouse gas emissions (Scope 1+2): 18,900t-CO ₂ (Emissions only, covering domestic business sites/production sites)	○	• Reduce greenhouse gas emissions (Scope 1+2): Reduce by 25.2% by FY 2025 compared to FY 2019	○	13 CLIMATE ACTION
2	Reduce greenhouse gas emissions (Scope 3)	• Greenhouse gas emissions (Scope 3): FY 2019 Improve accuracy of results disclosure	○	• Reduce greenhouse gas emissions (Scope 3): Scope 3 Calculation and reduction for categories 1, 4, and 11	○	13 CLIMATE ACTION
3	Manage water use	• Number of violations of water quality laws and regulations: Maintain 0	○	• Manage water consumption: 6% reduction from FY 2019 levels by FY 2025	○	
4	Reduce wastewater and waste	• Amount of hazardous waste generated (control of 28 hazardous substances under the Water Pollution Prevention Act): Less than 0.1443t (for domestic business sites/overseas production sites)	○	• Improve waste recycling rate: 90% or more recycling rate by FY 2025	○	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
5	Identify and reduce the amount of plastic used	• New environmentally friendly products: Reduced 11.6t of plastic	○	• Reduce the amount of plastic used	○	
6	Prohibiting forced labor and child labor	• Formulation of human rights policy: Formulation of the JVCKENWOOD Group's human rights policy	○	• Conducted human rights due diligence activities	○	5 GENDER EQUALITY
7	Promoting active roles for women	• Ratio of women in executive positions: 5.0% or more	○	• Ratio of women in executive positions: 5.8% or more	○	
8	Product quality & safety	• Number of recalls and response costs: Maintain 0 cases/0 yen	○	• Number of recalls and response costs: Maintain 0 cases/0 yen	○	
9	Corporate governance	• Evaluation of the effectiveness of the Board of Directors: Conducted once a year	○	• Evaluation of the effectiveness of the Board of Directors: Conducted once a year	○	16 GOOD GOVERNANCE
10	Information security	• IT security training participation rate (domestic): 90% or higher	○	• IT security training attendance rate: 92% or higher • Number of cyber security incidents: 2 or less	○	
11	Create value through mobility products & services	• Actively provide the market with driving recorders equipped with new functions, such as two cameras, from FY 2020	○	• Expansion of market share in the navigation market • Market development of dashcams equipped with new functions	○	3 GOOD HEALTH AND WELL-BEING
12	Create value with disaster-prevention and disaster-mitigation products & services	• Plan to introduce new disaster prevention and mitigation products and services: 40	○	• Received one project order for disaster prevention solutions	○	13 CLIMATE ACTION
13	Create value with security products & services	• Plan to introduce new security products and services: 20	○	• Solve customer issues through image analysis and introduce products and systems that address the risk of COVID-19 infection	○	3 GOOD HEALTH AND WELL-BEING 11 SUSTAINABLE CITIES AND COMMUNITIES
14	Create value through telematics services	• Plan to launch new telematics services: 5 projects (plus contribution to emerging countries through orders for ODA projects)	○	• Introduce telematics services • Market introduction of CABmee, a next-generation IoT vehicle dispatch system	○	13 CLIMATE ACTION
15	Accelerate innovation	• Number of results of Innovation Act: 3 new business initiatives through collaboration	○	• Develop new genre products • Introduce new edge AI cameras	○	3 GOOD HEALTH AND WELL-BEING
16	Manage/utilize intellectual property	• Conducted patent idea meetings: 175 times/year • Conducted training to improve IP skills: 20 times/year	○ △	• The number of patent applications related to SDGs 3 (Good health and well-being), 9 (Industry, innovation and infrastructure), and 11 (Sustainable cities and communities) will account for at least 10% of all patent applications.	○	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
17	Collaborate with stakeholders	• Implemented a social implementation project in collaboration with industry, government, and academia: Planned to address social issues caused by COVID-19	○	• Succeed and construct a social implementation platform inside and outside the university to continuously create innovation through industry-government-academia collaboration	○	17 PARTNERSHIPS FOR THE GOALS

1 Prevention of traffic accidents and global warming



JVCKENWOOD's car navigation systems are equipped with functions such as reverse driving warning, which warns the driver in real time when driving in reverse, and stop sign display, which informs the driver of intersections with stop sign information. It is also equipped with safety and security features such as a virtual room mirror that ensures a clear view of the rear of the vehicle in conjunction with a dashcam, contributing to the prevention of traffic accidents. In addition to easing traffic congestion through linkage with Intelligent Transport System (ITS) via ETC2.0 on-board equipment, there is also a driving support function that reduces unnecessary acceleration and deceleration by receiving information on traffic congestion, weather, and disasters, and My Route Adjuster that allows the driver to freely set the route to the destination under various conditions such as toll priority, road width priority, and signal consideration. These features enable eco-driving without wasting fuel and reduce greenhouse gases emitted by the car.

Linking car navigation systems and peripheral devices to help prevent traffic accidents and reduce greenhouse gas emissions



Contributing Products: Car navigation system, Dashcam



Contribution to SDGs through business activities

2 Response to disaster prevention and mitigation



Extreme weather events, which are assumed to be caused by global warming and other factors, are becoming more frequent. A communication system that enables rapid response to extreme weather events related to climate change and other economic, social, and environmental impacts and disasters is essential. JVCKENWOOD has developed a specific low-power transceiver that not only requires no license, qualification, or application, and has no basic fees or call charges, but also has an antibacterial and antiviral treatment*. In addition to outdoor and business applications, the system is expected to be used for rescue and relief in disaster-stricken areas, and we believe it will contribute to reducing the number of deaths, missing persons, and direct injuries in disasters.



Contributing Products: Specific low-power transceiver

3 Creating a safe and secure community



As global urbanization progresses and the disparity between the rich and the poor widens, the risk of crime occurring is increasing, and there is a growing need for security systems to prevent and monitor crime in order to create a safe and secure city. JVCKENWOOD is developing security systems such as security and surveillance cameras that utilize its strengths in audio, visual and communication technologies. In addition, the intelligent video analysis system contributes to the improvement of safety in public transportation by detecting marooning, falling off station platforms, and detecting human characteristics. Through these systems, we hope to deter crime and contribute to the creation of a safe living environment.



Contributing Products: Security system

*Air catalyst SELFEEL® process. It is not effective against all bacteria and viruses. Antiviral treatment is not intended to treat or prevent diseases. SELFEEL® is a registered trademark of Nichirin Chemical Co., Ltd.

Environment

Our approach to the environment

In conducting business activities, developing products and providing services, the JVCKENWOOD Group continually strives to keep the environmental impact to a minimum. In place of the Eco Promotion Plan 2020, which we had promoted so far, we newly established the Policy for Environmental Vision and the Basic Environmental Policies in FY 2021.

Policy for environmental vision

Through the creation of products and services based on advanced technologies and through environmental activities, the JVCKENWOOD Group, together with all stakeholders, protects the global environment and contributes to the realization of a healthy and sustainable society not only today but towards the future.

Basic environmental policies (JK Green 2025)

Based on the Policy for Environmental Vision, the JVCKENWOOD Group complies with environmental laws and regulations in all of its products and business activities, and contributes to the sustainable use of, and co-existence with, energy, resources and the biosphere, which are the assets of the earth. To achieve this goal, we establish and implement goals focusing on the following four important environmental items.

Addressing climate change → Achieve carbon neutrality by 2050

- **Reduction of CO₂ emissions associated with business activities**
 - Scopes 1 + 2 Target: 25.2% reduction by FY 2025 from the FY 2019 level (total and global)
 - Scope 3 Target: Calculation of CO₂ emissions under Scope 3 and reduction of CO₂ emissions associated with business activities (global)
- **Reduction of emissions from the use of purchased, transported, and sold products**
 - CO₂ reduction through collaboration with business partners (upstream and downstream) for Scope 3 Categories 1, 4, and 11* (global)

*Category 1: Emissions associated with raw materials, parts, and purchased products; Category 4: Emissions associated with transportation of raw materials and products; Category 11: Emissions associated with assumed electric power consumption for the use of products sold

Effective use of resources → Achieve zero emissions (promotion of 3R management)

- **Improvement of the waste recycling rate**
 - Achieve a recycling rate of at least 90% by FY 2025 (global)
- **Reduction of the use of plastics**
 - Monitor and reduce plastic consumption
- **Reduction of water utilization**
 - 6% reduction by FY 2025 from the FY 2019 level (total, global)

Environmental conservation and management → Proper management of environmental load chemical substances

- **Proper management of chemical substances (toxic chemicals)**
 - Define and manage environmental control substances based on in-house standards that have been judged to have a significant impact (aspect) on the global environment and human body.

Preservation of biodiversity → Conservation of ecosystems

- **Actively promote activities to realize the Basic Environmental Policies at each stage of the life cycle of our and the supply chain's products and services, contribute to the realization of a sustainable society, and preserve biodiversity.**

Addressing climate change

The JVCKENWOOD Group is implementing various energy-saving initiatives set out under its Basic Environmental Policies. In 2019, we participated in the Ministry of the Environment's program designed to support companies that use internal carbon pricing and started efforts to raise in-house awareness about the environmental cost of carbon.

We have set a long-term global carbon reduction target, aiming to reduce Scope 1 + Scope 2 CO₂ emissions by 25.2% against FY 2019 emissions through FY 2025 in order to achieve carbon neutrality by 2050. As the Scope 3 target, we are also working to calculate CO₂ emissions under Scope 3 on a global basis and to reduce CO₂ emissions associated with our business activities.

As part of our initiatives aimed at achieving this target, we have been monitoring power consumption at business centers, upgrading production/air-conditioning equipment to high-efficiency models, introducing LED lighting, and promoting environmental education among employees.

As a member of the Japan Electronics and Information Technology Industries Association (JEITA), we have joined Keidanren (the Japan Business Federation) in its Commitment to a Low Carbon Society and have been working to not only reduce total CO₂ emissions but also improve energy intensity.



Upgrading production/air-conditioning equipment to high-efficiency models



Introducing LED lighting

Organizational structure for addressing climate change

The JVCKENWOOD Group recognizes that addressing climate change is one of the important issues in its sustainability promotion strategy. We set up the Sustainability Management Office that is overseen by one of our corporate officers (a director since June 2021), who reports to the Board of Directors, in order to swiftly implement our Sustainability Management Strategy, which addresses climate change among other things.

The Sustainability Management Office is responsible for coordinating the implementation of company-wide climate change initiatives and progress management. It works with relevant departments to periodically review material issues and key performance indicators (KPIs), study and collect information about the potential effects of climate change on our operations, and enhance the disclosure of sustainability-related information.

In addition, the Sustainability Management Office actively communicates with relevant departments and sections and takes the lead in efforts to make sustainability part of our business operations, all with an eye to fostering awareness and understanding of climate change issues within the Group.

Environment

Approach to initiatives in reducing CO₂ emissions

At the JVCKENWOOD Group, we are gathering relevant information, including the Task Force on Climate-related Financial Information Disclosure (TCFD) and science-based targets (SBT), and engaging in in-depth discussions on setting targets in addressing climate change. We will continue to implement measures as necessary to ensure the appropriate setting and management of targets as well as disclosure of information.

Scopes 1 + 2

Total CO₂ emissions from the entire JVCKENWOOD Group (Scopes 1 and 2) have been in a general downtrend over the past six years. In FY 2020, our CO₂ emissions fell to 39,904 tons, well below the target of 69,000 tons.

Scope 3

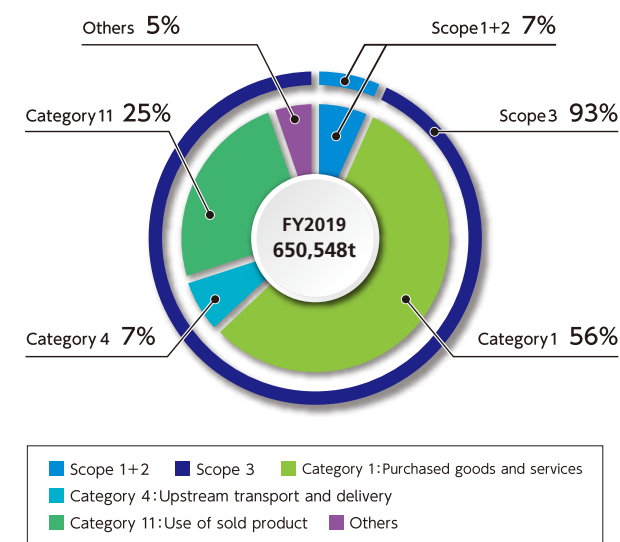
We calculate indirect CO₂ emissions from various processes of corporate activities, from raw material procurement to manufacturing, transportation, use and disposal. Actual emissions are calculated based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. Going forward, we will continue working to cut CO₂ emissions by reducing the number of parts per product and developing power-saving products.

Scopes 1, 2 of CO₂ emissions (FY 2012-FY 2020)



Coverage: All Group companies in Japan and certain overseas companies

Scopes 1, 2 & 3 of CO₂ emissions (FY 2019)



Coverage: All Group companies in Japan and certain overseas companies

Effective use of resources

Waste reduction

Aiming at a recycling rate of 90% by FY 2025 on a global basis, the JVCKENWOOD Group is actively engaged in waste reduction, diligently disassembling and sorting waste generated in the production processes and reusing it within the company or turning it into valuables. As a result, the Group's business in Japan has achieved a recycling rate of 99.7%. Going forward, we will continue to further reduce waste generation and promote recycling to achieve zero emissions by expanding efforts for 3R* management.

*Reduce, Reuse, and Recycle

Management of water utilization

Ascertaining water risks for corporate business activities and taking suitable countermeasures are growing in significance. The JVCKENWOOD Group has been working to reduce its water usage, and, as a result, water intake at production bases has been on a downtrend. As there is concern about global water shortage in the future, we are aiming to reduce water use by 6% from the FY 2019 level by FY 2025. The JVCKENWOOD Group also continues endeavoring to ensure as far as possible that the water used and the wastewater generated in its business activities become reusable water resources.

Environmental conservation and management

Proper management of chemical substances

At the JVCKENWOOD Group, we recognize that we should ensure proper management of chemical substances contained in products in the processes of both procurement and business activities and comply with expanding regulations.

Therefore, we believe that it is particularly important to share information on chemical substances contained in products in the supply chain. The JVCKENWOOD Group was involved from the beginning in the establishment and introduction of chemSHERPA, an information-sharing scheme led by the Ministry of Economy, Trade and Industry, and has been making active efforts to facilitate the sharing of information on chemical substances contained in products across the private sector.

In addition, it is responsible as a global corporation for minimizing the impact of chemical substances on people and ecosystems by properly managing chemical substances. Therefore, by defining environmental management substances based on the internal criteria, we work to monitor and control the use of toxic chemicals, look for alternative chemicals, and review and improve the working environment. These efforts also involve our suppliers.

Preservation of biodiversity

With the deterioration of the habitat environment of living creatures and the destruction of ecosystems becoming increasingly serious concerns, more effective and rapid efforts to realize a world where people can live in co-existence with nature are needed. The strengthening of frameworks for biodiversity preservation both inside and outside Japan, including the Aichi Targets adopted by COP10 in 2010 and the Biodiversity National Strategy 2012-2020, has given companies an increasingly significant role, and systematic efforts are required to ensure that business activities are considerate of biodiversity and to preserve biodiversity.

Against this backdrop, the JVCKENWOOD Group has identified preservation of biodiversity as one of the four important environmental items in its Basic Environmental Policies. Based on these policies, we will actively promote activities aimed at the realization of the Basic Environmental Policies at each stage of the life cycle of our and the supply chain's products and services, and contribute to the realization of a sustainable society and the preservation of biodiversity.

Development of environmentally friendly products

The JVCKENWOOD Group recognizes that it is responsible as a manufacturer for reducing environmental loads caused by the production, sale, and use of its products. At present, we focus our efforts on displaying the J-Moss green mark and reducing packaging materials to more environmentally friendly materials.

JVCKENWOOD has changed the packaging of Gumy Wireless HA-FX9BT headphones, launched in the Americas and Europe in May 2019, from blister packaging (made of plastics) to a paper box. While our FY 2020 target aimed to reduce plastic use in this product by 11.6 tons via a shift to paper packaging, we were able to cut plastic consumption by 11.9 tons due to an increase in shipment volumes. This packaging change has enabled the company to reduce its annual plastic consumption and mitigate environmental loads in Europe, where plastic waste regulations have been recently tightened, and in Canada, where single-use plastics will soon be banned.



Conventional model: blister packaging (made of plastics)



Current model: paper box

Society

Our approach to society

In our social initiatives, we are committed to protecting the human rights of our employees and stakeholders and promoting diversity and inclusion by implementing various measures. We also recognize product quality and safety, which are the most essential to a manufacturer, as our issues to focus on, and are implementing various measures.

Human rights initiatives

The JVCKENWOOD Group respects the human rights of all stakeholders who are concerned with its business activities and supply chain. The Guiding Principles on Business and Human Rights were issued by the United Nations Human Rights Council in 2011 against a backdrop of growing concern over the impact of globalizing corporate operations on human rights. They provide steps that a business should take to prevent or mitigate the negative impacts on human rights that could happen within its business operations and supply chains. In addition, the Government of Japan launched Japan's National Action Plan (NAP) on Business and Human Rights (2020-2025) for promoting respect for human rights in the context of business activities in October 2020. To be in line with the principles and NAP, the Group established the JVCKENWOOD Group Human Rights Policy to clearly express its commitment to respect human rights in its business operations. In accordance with the established policy, we will continue to promote activities to respect human rights within its business operations.



For the JVCKENWOOD Group Human Rights Policy, please see:
https://www.jvckenwood.com/content/dam/pdf/210126_JVCKENWOOD_Group_Human_Rights_Policy_en.pdf

Promoting sustainability procurement

The JVCKENWOOD Group recognizes that constructing a sustainable supply chain is the key for realizing not only company growth but also a sustainable society. Based on this recognition, the Group established the JVCKENWOOD Group Procurement Policy in October 2018 in pursuit of sustainable procurement via its comprehensive supply chain including suppliers. In addition, the Group established the JVCKENWOOD CSR Procurement Guidelines in 2017 (revised in 2020) in compliance with the code of conduct set out by the Japan Electronics and Information Technology Industries Association (JEITA). We aim to contribute to the development of a sustainable society by promoting effective sustainability procurement through the implementation of the guidelines. In March 2021, we sent a self-assessment questionnaire sheet (SAQ) to all of our suppliers, and over 90% of our major suppliers responded.

Diversity & inclusion


Our approach to diversity & inclusion

JVCKENWOOD recognizes the Promotion of Diversity & Inclusion as a key initiative. In order for us to make a further leap forward, it is essential that all employees exercise their skills to the maximum in their respective positions. We believe that the organization will be revitalized and performance will be improved by realizing an organization that empowers employees with diverse backgrounds, including race, nationality, religion, culture, disability, work style, age, gender, sexual orientation, and gender identity, and enhancing the engagement of each and every employee. As part of these efforts, we have set a

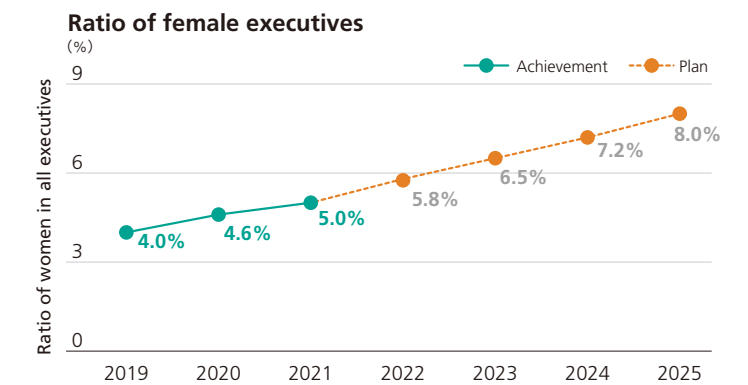


target of increasing the ratio of female executives to 8.0% in FY 2025, as shown below. As a result of providing stratified training for female staff and training for executives, the ratio of female executives rose from 2.1% in FY 2015 to 5.0% in April 2021. We will continue striving to foster an organizational climate that respects diversity whereby we aim to create innovation and contribute to a sustainable society through business activities.

Diversity logo mark



The logo depicts people with a diversity of values joining hands and making way for the future as one. With the image of a fusion of differing races, genders, and values in mind, we designed the logo using a broad range of colors, including JVCKENWOOD's corporate color of blue.



Occupational safety and health, and productivity management

In order to realize the corporate vision of "Creating excitement and peace of mind for the people of the world," the JVCKENWOOD Group published the JVCKENWOOD Health Policy Statement as a message from top management. We thereby promote efforts to create a "workplace environment that enables all employees to stay healthy and motivated to work" and works to create a safe and healthy workplace so that each and every employee can demonstrate their full potential. For safety, we hold Safety and Health Committee meetings and carry out Safety Patrol campaigns every month to reduce work-related accidents. For health, we are working on mental health training for managers, health promotion activities in collaboration with the Health Insurance Association, measures against working long hours and care of employees, and enhanced regular health checkups and re-examinations, among others. The JVCKENWOOD Group has been recognized as an enterprise under the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition (Large Enterprise Category) program for four consecutive years since 2018.

Product quality & safety

Basic policy on product quality and safety

The JVCKENWOOD Group has set out the quality policies, the Basic Policy on Product Safety, and the Basic Policy on Product Security. Based on them, the Group has been working to improve product quality and safety across its supply chains, in all activities from procurement to sales, and has also been active in after-sales customer support.

Initiatives to improve product quality and safety

The JVCKENWOOD Group has established a company-wide quality management system based on its quality policies. We are making group-wide efforts that include resolving quality issues through collaboration between business units and relevant departments as well as taking expert approaches to product quality improvement at every step, from design and procurement to manufacturing. We see people who engage in product quality work as the key to improving quality. The Group has established guidelines for employees about the quality-related knowledge and skills they need depending on the type of job they do as well as their experience and position, and regularly provides education and training in line with those guidelines. We are also striving to reduce product safety risks and promptly implement improvements in collaboration with the Head Office's product safety management department and other relevant in-house departments.



Group discussion during quality training

Corporate Governance

JVCKENWOOD 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. 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 internal control system on a Group-wide basis.

Overview of the corporate governance system

1. Reasons for adopting an Executive Officer System with the organizational structure of a company with an Audit & Supervisory Board as a corporate governance system

JVCKENWOOD believes that the most efficient way to embody its corporate governance principles of “separation of management from the execution of businesses,” “appointment of External Directors and External Audit & Supervisory Board Members” and “improvement of the function of checking by establishing an Internal Audit Division” is to introduce an executive officer system along with the organizational structure of a company with an Audit & Supervisory Board. This would enable institutions within the Company to collaborate with each other. Therefore, we have established the following management structure.

2. Matters concerning the Board of Directors

Since June 2016, JVCKENWOOD has appointed an Independent 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 25, 2021, Mr. IWATA Shinjiro, who serves as an External Director of the Board, chairs the Board of Directors. The Chairman of the Board determines agendas for a meeting of the Board of Directors through prior consultation with the Chief Executive Officer (CEO), the Executive Officer in charge of Administrative Division and any other relevant persons. In addition, the Chief Executive Officer (CEO) is responsible for convening meetings of the Board of Directors and preparing minutes of meetings of the Board of Directors, etc. as the Representative Director of the Board.

3. Matters concerning the Audit & Supervisory Board

JVCKENWOOD 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 a meeting once a month, and any extra meetings as needed from time to time.

4. Matters concerning the Nomination and Remuneration Advisory Committee

JVCKENWOOD 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. 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 to share accurate internal information in a timely manner and to improve the effectiveness of the Nomination and Remuneration Advisory Committee. The Nomination and Remuneration Advisory Committee has made proposals to the Board of Directors regarding candidate representatives of the Company, and reviewed the appropriateness of corporate officer candidates and corporate officer’s remuneration plans proposed by the representatives and others, and reported its opinions. The Board of Directors has determined corporate officer candidates and corporate officer’s remuneration, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee.

5. Matters concerning executive officer system

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 officers 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 is in charge of the three sectors (the Mobility & Telematics Services Sector, Public Service Sector, and Media Service Sector) and serves as a General Executive of a division belonging to any of these sectors while being in charge of the DX (Digital Transformation) Business Division, which continues growing in the other sector, and assumes responsibility for the overall operations of all business in the four regions (the Americas, EMEA (Europe, Middle East, and Africa), APAC (Asia Pacific), and China) as COO or representative, 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.

Actions to improve the effectiveness of the Board of Directors

1. Overview of evaluation on effectiveness

Upon evaluation on effectiveness of the Board of Directors carried out in January 2021, individual interviews with each Director and Audit & Supervisory Board Member were conducted in addition to their self-evaluations in order to improve the quality of the evaluation while ensuring consistency.

Persons subject to evaluation	Directors and Audit & Supervisory Board Members
Evaluation method	Persons subject to evaluation draft their answers to the “Self-Evaluation Questionnaire” and are interviewed individually by a third-party organization. The answers and contents of the interviews are compiled and analyzed by the third-party organization.
Content of the Self-Evaluation and Questionnaire	Proposed evaluation items were created in light of the appropriate roles of the Board of Directors of the Company and its functional enhancement. Then the questionnaire was prepared by narrowing down the evaluation items, with consideration given to the opinions of an outside expert, which is a third-party organization, and based on the analysis and consideration of factors such as the internal and external environment surrounding the Company.

2. Results of evaluation on effectiveness and measures taken against issues

It is concluded that JVCKENWOOD as a whole has achieved a satisfactory level of effectiveness. The Directors and Audit & Supervisory Board Members, both internal and external, were well aware of issues of the Board of Directors, management and other aspects of the Company from their respective perspectives. Judging from their evaluations and comments on individual questions of the questionnaire, multiple Directors and Audit & Supervisory Board Members shared the same awareness of issues. However, the trends of scores they gave were not necessarily identical. The Company has taken the following measures against the issues found in the past.

Issues found upon evaluation on effectiveness of the Board of Directors

Fiscal Year	Issues		
	Training for officers	Practical and in-depth discussion	Diversity
FY 2018 (the 4th evaluation)	<ul style="list-style-type: none"> Lack of opportunities to train officers 	<ul style="list-style-type: none"> Reflect progress and degree of achievement of the Medium-Term Management Plan and the analysis of factors of failure to achieve the Medium-Term Management Plan to modification of the plan 	<ul style="list-style-type: none"> Commitment to diversity needs to be improved
FY 2019 (the 5th evaluation)	<ul style="list-style-type: none"> Provide opportunities to train officers *Introduction of training programs *Distribution of training materials A comprehensive and systematic training structure needs to be established 	<ul style="list-style-type: none"> Lack of deliberation time due to an environment that allows active discussion Clarify issues and points to be discussed 	<ul style="list-style-type: none"> Commitment to diversity needs to be improved
FY 2020 (the 6th evaluation)	<ul style="list-style-type: none"> Conduct classroom training twice within the fiscal year *On the Medium-Term Management Plan *On the succession plan 	<ul style="list-style-type: none"> Secure time for practical and in-depth discussion Identify topics to be discussed 	<ul style="list-style-type: none"> Commitment to diversity needs to be improved
Measures in and after FY 2021	<ul style="list-style-type: none"> Discuss and select a training program for the year at meetings of the Board of Directors 	<ul style="list-style-type: none"> Utilize off-site meetings Review and narrow down reporting methods Reconsider how to hold a discussion in meetings Provide information for discussion 	<ul style="list-style-type: none"> Elect female Directors Train successors with consideration for diversity Disclose skills matrix

Corporate Governance

Issues found upon evaluation on effectiveness of the Board of Directors

Fiscal Year	Issues		
	Training of successors	Evaluation of investment projects	New issues
FY 2018 (the 4th evaluation)	<ul style="list-style-type: none"> The Nomination and Remuneration Advisory Committee functions appropriately Consider introduction of medium- and long-term incentive remuneration 	<ul style="list-style-type: none"> Degree of completion, analysis of factors of failure to complete the project, and frequency of reporting those factors need to be improved 	—
FY 2019 (the 5th evaluation)	<ul style="list-style-type: none"> Establish a succession plan for Directors and train prospective Directors Establish and implement a set of plans for evaluation, discovery, recruitment and development of human resources 	<ul style="list-style-type: none"> Conduct a PMI* report of investment projects periodically 	—
FY 2020 (the 6th evaluation)	<ul style="list-style-type: none"> Conduct interviews with management officers and Executive Officers at the Nomination and Remuneration Advisory Committee and consider successors 	<ul style="list-style-type: none"> Conduct a PMI report of investment projects periodically 	—
Measures in and after FY 2021	<ul style="list-style-type: none"> Report and share the status of activities of the Nomination and Remuneration Advisory Committee periodically 	<ul style="list-style-type: none"> Conduct a report of investment projects periodically 	<ul style="list-style-type: none"> Identify topics to be discussed PDCA cycle for a Medium-Term Management Plan Risk management Business portfolio IR/SR, etc.

*Abbreviation of Post-Merger Integration

Corporate officer's remuneration

How to determine the amount of remuneration of Directors of the Company is specified in internal regulations set by the Board of Directors upon obtaining the opinions of the Nomination and Remuneration Advisory Committee. In conjunction with establishment of our Medium-Term Management Plan VISION 2023, JVCKENWOOD reviews its corporate officer's remuneration structure and clarifies a breakdown of the remuneration which consists of the following three tiers: fixed remuneration, short-term incentive ("STI"*1) and medium- and long-term incentive ("LTI"*2).

Outline of the new corporate officer's remuneration system

Remuneration Structure	(1) Fixed remuneration and (2) STI are paid up to or less than the maximum amount of remuneration for Directors (432 million yen per year). (3) LTI is paid separately.
(1) Fixed remuneration	<ul style="list-style-type: none"> The amount of remuneration specified in internal regulations for each position (such as President, Deputy President, Senior Managing Executive Officer and Managing Executive Officer) as well as job title (such as authority of representation, Chairman of the Board of Directors, and the Nomination and Remuneration Advisory Committee Member). Fixed remuneration is paid in cash monthly.
(2) Short-term incentive	<ul style="list-style-type: none"> Short-term incentive is paid as a bonus in order to reflect the business performance of the then-current fiscal year in the then-current fiscal year. The base amount for calculation of the short-term incentive shall be a certain amount calculated based on the amount of monthly remuneration. In conjunction with the annual business performance (such as profit and capital efficiency indicators), the amount of short-term incentive is determined and paid in cash within the range from 0% (no payment) to 200% (double the base amount for calculation) of the base amount for calculation.
(3) Medium- and long-term incentive	<ul style="list-style-type: none"> A stock issuance trust system is adopted. Shares will be issued upon resignation of the officer. Shares (points) are granted stably by determining the number of points to be granted for each position and job title. Payment of the medium and long-term incentive is triggered by an increase in stock prices and points to be granted will not increase based on business performance.
Remarks	<ul style="list-style-type: none"> LTI is not paid to External Directors and Directors not serving concurrently as Executive Officers. The ratio of fixed remuneration, STI and LTI will be determined by the Board of Directors within the range from "75:15:10" to "85:8:7."

*1: Abbreviation of Short-Term Incentive.

*2: Abbreviation of Long-Term Incentive.

Message from the External Director

Operating the Board of Directors with an open and positive atmosphere to support the achievement of the Medium-Term Management Plan VISION 2023.

External Director of the Board,
Chairman of the Board (Former Chairman of the
Nomination and Remuneration Advisory Committee)

IWATA Shinjiro



In June 2017, I was appointed as an External Director of the Company. This was just at a time when there was an atmosphere in the Company to change itself for growth, and in particular, the Nomination and Remuneration Advisory Committee was already making contributions to the process for appointing the next candidates for leadership. I later became Chairman of the Nomination and Remuneration Advisory Committee, and invited our President to join the committee as a member. While always keeping practical execution in mind, I proceeded with various discussions to establish systems as target ideals for the state of executive compensation and the procedures for appointing leadership candidates.

As an External Director, I also provided advice in various forms to change its profit structure. One example of this was sharing information on various standards from around the world according to my own experience from a global point of view, to offer suggestions on concepts for the optimal state of selling, general and administrative expenses and development expenses according to the nature and scale of business, such as whether they are involved in selling goods or providing services. I also introduced external experts, allowing "management reforms through manufacturing reform" to proceed, and concepts and activities such as "phase gate reform," "total cost reform," and "business processes and IT reform" to take root. The progress of these transformations has now taken on a different shape and is being carried over to the basic strategy of "Change for Growth" in the Medium-Term Management Plan VISION 2023 which was started from this fiscal year.

When formulating this medium-term management plan, the members of the Board of Directors, including External Directors like myself, confirmed its general direction from an early stage and offered our advice, but it is actually being brought into shape by front-line members who are putting it into action at work sites with the CEO at its center. As a result, I believe we have successfully created motivation for each employee in the field to work on it with enthusiasm and the real feeling of "This is my plan," where each person considers it to be something they created by themselves. Since measures for the implementation of plans begin from the day after they are created, I think this is also important in the sense that it allows personnel to immediately begin discussions toward its execution. Additionally, the element

of its target state which has been given the highest level of attention is our business portfolio. We must create a portfolio that can survive for the next five to ten years, and from that standpoint it is our intention for new business and adjacent business to make up 25% of the total, which we believe is a good way of establishing our initial momentum. The Company creates outstanding products in the three business sectors we are involved in, with a huge number of diligent, hard-working employees. If we can fully apply our strengths and support its open atmosphere so that people who work earnestly can produce positive output, we believe it will definitely be possible to realize our plan.

While working to achieve our current plan, an essential element in building the future of the Company will be the promotion of DX. We will need management personnel who understand the data-driven business of DX, so while considering steps such as recruiting External Directors who possess such skills, it will also be necessary to provide future opportunities for executive personnel even within the company to obtain DX-related expertise and knowledge. We furthermore consider it important to promote education on DX even to levels below management in order to actively utilize IT and AI in each business, while having employees accumulate cross-business experience through personnel rotation to train and develop the next management class.

We can say that after achieving the core operating income ratio target of this medium-term management plan, we can first become a normal company. We must go through the steps of first becoming a normal company and then advancing to become a super company. In that sense, I believe the next three years will be a very important time for us.

In June 2021, I was transferred from the position of Chairman of the Nomination and Remuneration Advisory Committee and appointed as Chairman of the Board of Directors. While constantly keeping in mind the goal I believe to be most important, which is the operation of the Board of Directors in an open and positive atmosphere that encourages members to voice their opinions and hold thorough discussions, I intend to provide support in various forms so that the Company can succeed at "Creating excitement and peace of mind for the people of the world" through its strategy of "Change for Growth."

Directors of the Board, Audit & Supervisory Board Members, and Executive Officers (As of Jul.1, 2021)

Directors of the Board



IWATA Shinjiro

Title
External Director of the Board, Chairman of the Board, Nomination and Remuneration Advisory Committee member

Career
Apr. 2009 Vice President and Executive Officer, CEO of Service & Global Business, Information & Telecommunication Systems Group of Hitachi, Ltd.
Apr. 2013 Representative Executive Officer, Executive Vice President and Executive Officer CIO and CISO of Hitachi Group
Jun. 2015 Chairman of the Board & Director of Hitachi Koki Co., Ltd. (Outside Director)
Jun. 2017 External Director of JVCKENWOOD Corporation

Concurrent Post
Outside Director of A.L.I. Technologies Inc.



EGUCHI Shoichiro

Title
Representative Director of the Board, President and CEO, Nomination and Remuneration Advisory Committee member

Career
Jun. 2003 Senior Vice President & Executive Officer of Kenwood Corporation
Oct. 2005 President and Director of Kenwood U.S.A. Corporation
May. 2014 Representative Director of the Board, Executive Officer, Regional CEO (Europe)
Apr. 2018 Representative Director of the Board, President, COO
Apr. 2019 Representative Director of the Board, President, CEO



NOMURA Masao

Title
Representative Director of the Board, Senior Managing Executive Officer, COO Mobility & Telematics Services Sector, In Charge of Information Technology Department, In Charge of Business Reform

Career
Jul. 1998 Director of the Board of Benelux N.V.(subsidiary of Sojitz Corporation)
May. 2014 General Executive of OEM Business, Car Electronics Segment of JVCKENWOOD Corporation
Apr. 2017 Executive Officer, General Executive of OEM Business Division, Automotive Sector, Senior General Manager of Option Business Unit
Jun. 2018 Director of the Board, Managing Executive Officer in Charge of Automotive Sector General Executive of Automotive OEM Business Division, COO EMEA
Apr. 2019 Director of the Board, Senior Managing Executive Officer, COO Automotive Sector, General Executive of Automotive OEM Business Division, In Charge of DX Business Division, In Charge of Information Technology Department



MIYAMOTO Masatoshi

Title
Representative Director of the Board, Senior Managing Executive Officer, CFO

Career
Oct. 2002 Head of Finance Planning Office, Finance Department of Kenwood Corporation
Jun. 2007 Director and President, Kenwood Electronics Trading (Shanghai) Co., Ltd.
May. 2014 Senior Vice President & Executive Officer, Head of Car Electronics Segment
Jun. 2017 Director of the Board, Managing Executive Officer, CFO
Apr. 2018 Director of the Board, Senior Managing Executive Officer, CFO



SUZUKI Akira

Title
Director of the Board, Senior Managing Executive Officer, COO Public Service Sector, General Manager of Management Base Reform Office

Career
Jun. 2013 Managing Executive Officer of IT, General Executive of Communications Division
Jul. 2016 Managing Executive Officer Deputy COO Americas (Public Service Sector)
Apr. 2019 Managing Executive Officer, COO Public Service Sector
Apr. 2020 Senior Managing Executive Officer, COO Public Service Sector, General Manager of Management Base Reform Office
Jun. 2020 Director of the Board, Senior Managing Executive Officer, COO Public Service Sector, General Manager of Management Base Reform Office



KURIHARA Naokazu

Title
Director of the Board, Managing Executive Officer, Head of Administrative Division (Human Resources Department, General Administration Department, Secretary Office, Sustainability Management Office), COO EMEA

Career
Oct. 2002 President of JVC Company of America
Jun. 2010 Director of the Board, General Executive of Digital Imaging Business Division of Victor Company of Japan, Limited
Sep. 2013 Director of the Board, Senior Managing Executive Officer, Assistant to CRO, Administrative Manager, Senior Manager of Imaging Business Division
Apr. 2017 Managing Executive Officer, COO Americas
Apr. 2020 Managing Executive Officer, Head of Administrative Division (Human Resources Department, General Administration Department, Secretary Office, Sustainability Management Office), COO EMEA



SONODA Yoshio

Title
Director of the Board, Managing Executive Officer, Chief Technology Officer (CTO), In Charge of Prospective Creation Research Laboratory, In Charge of Engineering Innovation Department, In Charge of Intellectual Property Department, In Charge of Legal Affairs Department, In Charge of Procurement & Logistics Department

Career
Jan. 2006 General Manager of Element Technology Development, Consumer Business Development Center of Kenwood Corporation
Apr. 2017 General Executive of Automotive Engineering & Design Division
Apr. 2018 Executive Officer, General Executive, Automotive Engineering & Design Division
Apr. 2019 Executive Officer, CTO, General Executive of Automotive Engineering & Design Division, General Executive of Automotive Business Planning Division, In Charge of R&D Department, In Charge of Intellectual Property Department
Apr. 2020 Director of the Board, Executive 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



HAMASAKI Yuji

Title
External Director of the Board, Chairman of Nomination and Remuneration Advisory Committee

Career
Jun. 2004 Executive Officer, Deputy Vice President, Infocommunications Business Unit of Sumitomo Electric Industries, Ltd.
Jun. 2006 Managing Director, Vice President, Broadband Solutions Business Unit of Sumitomo Electric Industries, Ltd.
Jun. 2010 Director & Senior Managing Executive Officer of MEIDENSHA CORPORATION
Jun. 2013 Representative Director, President of MEIDENSHA CORPORATION
Jun. 2018 Representative Director, Chairman of MEIDENSHA CORPORATION
Jun. 2019 External Director of JVCKENWOOD Corporation

Concurrent Post
Director, Chairman of MEIDENSHA CORPORATION, Chairman of the Japan Electrical Manufacturers' Association



ONITSUKA Hiromi

Title
External Director of the Board, Nomination and Remuneration Advisory Committee member

Career
Apr. 2005 General Manager, Clinical Laboratory Systems Division of Toshiba Medical Systems Corporation
Jun. 2009 Vice President, Chief Marketing Executive and General Manager, Clinical Laboratory Systems Division, Toshiba Medical Systems Corporation
Jun. 2012 Full-time Audit and Supervisory Board Member of Yahoo Japan Corporation (Independent Auditor)
Jun. 2015 Outside Director, Full-time Audit and Supervisory Committee Member of Yahoo Japan Corporation
Jun. 2021 External Director of JVCKENWOOD Corporation

Concurrent Post
Audit & Supervisory Board Member of eBook Initiative Japan Co.,Ltd., Audit & Supervisory Board Member of Yahoo Japan Corporation, Outside Director (Independent Director) of the Board of Tokyo Electron Device Limited

Audit & Supervisory Board Members



IMAI Masaki

Title
Audit & Supervisory Board Member

Career
Apr. 2001 General Executive of President's Office, Manager of Corporate Planning Section of Kenwood Corporation / Jun. 2010 Director of the Board, General Manager of Corporate Planning Department, General Executive of Entertainment Software Division of Victor Company of Japan, Limited / Jul. 2012 Senior Vice President & Executive Officer, General Executive of Corporate Planning & Production Strategy Planning Division, General Executive of the Human Resources Management Division / Apr. 2018 Director of the Board, Executive Vice President, CSO, CAO, General Manager of Internal Governance Office



SAITO Katsumi

Title
External Audit & Supervisory Board Member

Career
Apr. 2010 Executive Officer and General Manager of Agrbio Department of Idemitsu Kosan Co.,Ltd / Jun. 2013 Director of Idemitsu Kosan Co.,Ltd / Mar. 2018 External Audit & Supervisory Board Members of Showa Shell Sekyuu K.K. / Jun. 2020 External Audit & Supervisory Board Member of JVCKENWOOD Corporation

Concurrent Post
External Director of the Board of CHUCHIKU



KURIHARA Katsumi

Title
External Audit & Supervisory Board Member

Career
Apr. 2010 Corporate Vice President of Ricoh Company, Ltd / Apr. 2012 Corporate Senior Vice President of Ricoh Company, Ltd. / Apr. 2015 General Manager of Manufacturing Quality Assurance Center, Manufacturing Division of Ricoh Company, Ltd. / Jun. 2016 Audit & Supervisory Board Members of Ricoh Company, Ltd. / Jun. 2020 External Audit & Supervisory Board Member of JVCKENWOOD Corporation

Concurrent Post
Outside Director of NIPPON ANTENNA Co.,Ltd.



FUJIOKA Tetsuya

Title
External Audit & Supervisory Board Member

Career
Jun. 2010 External Director of the Board of NEC Capital Solutions Limited / Apr. 2013 Vice President, General Manager, Corporate Finance Division of NEC Corporation / Jun. 2014 Audit & Supervisory of NEC Corporation, Auditor of The NEC C&C Foundation, Auditor of Council on Competitiveness Nippon, Vice Chairman of Public Interest Incorporated Association Shiba Houjinkai / Jun. 2018 NEC Capital Solutions Limited (Commissioned Executive Consultant) / Jun. 2021 External Audit & Supervisory Board Member of JVCKENWOOD Corporation

Executive Officers



TAKADA Shinichi

Title
Managing Executive Officer, Assistant to Head of Administrative Division (Corporate Communication Department), General Manager of Corporate Strategy Department

Career
Apr. 2006 President and Director of JVC Mobile Company of America / Jun. 2013 Operating Officer, General Executive of Car Electronics Consumer Division / Apr. 2017 Executive Officer, COO Asia Oceania



TERADA Akihiko

Title
Executive Officer, COO China

Career
Jun. 1997 Director of the Board, Administrative Manager, Accounting Manager of Nippon Computer Systems Corp. / Jun. 2001 Director of the Board, Financial Controller, Shinwa Co., Ltd. / Jan. 2011 CED of Shinwa International Holdings Ltd. (Current JVCKENWOOD Hong Kong Holdings Ltd.)



HAYASHI Kazuyoshi

Title
Executive Officer, Assistant to COO Mobility & Telematics Services Sector, In Charge of DX (Digital Transformation) Business Development Department

Career
Dec. 2004 General Manager of Camcorder Category, AV&Multimedia Company of Victor Company of Japan, Limited / Oct. 2011 Chief Engineer of HM Business Group / Apr. 2018 Executive Officer in charge of Media Service Sector



MURAOKA Osamu

Title
Executive Officer, COO Americas, COO APAC (Asia Pacific), In Charge of Overseas Business Expansion

Career
Jun. 2012 Operating Officer, Professional Systems Business Group, General Executive of Business Solution Division / Apr. 2016 Vice President, General Executive of Healthcare Business Division / Apr. 2018 Senior Vice President, General Executive of Communications Systems Division



SEKIYA Naoki

Title
Executive Officer, General Executive of Aftermarket Business Division, Mobility & Telematics Services Sector, General Executive of Domestic Business Marketing Division

Career
Apr. 2017 General Manager of Domestic Sales & Marketing Department, Automotive Aftermarket Business Division / Apr. 2019 Senior Vice President, General Manager of Domestic Sales & Marketing Department, Automotive Aftermarket Business Division / Jun. 2020 Executive Officer, General Executive of Automotive Aftermarket Business Division, In charge of domestic sales reform



IWASAKI Hatsuhiro

Title
Executive Officer, COO Media Service Sector, General Executive of Media Business Division, Media Service Sector

Career
Jun. 2013 General Manager Engineering Operation, Audio Division / Apr. 2018 General Manager of Lifestyle Business Unit, Media Business Division / Apr. 2020 General Executive of Media Business Division, Media Service Sector



SATO Katsuya

Title
Executive Officer, General Executive of communications systems Division, Public Service Sector

Career
Apr. 2016 General Manager of P25 Strategy Development Center, Communications Systems Division / Jul. 2018 Senior General Manager of Engineering & Design Division Communications Systems Division / Apr. 2020 General Executive of communications systems Division, Public Service Sector

For more information, please visit our website at <https://www.jvckenwood.com/en/corporate/management.html>

Compliance

Basic concept and promotion system

The JVCKENWOOD Group understands that compliance requires companies to go beyond adherence to laws and regulations and to also address issues of great public concern stemming from rapid changes that have yet to be dealt with in legislation. Accordingly, we have established “Complying with laws and regulations and engaging in sincere and responsible behavior” as one of our conduct guides, and the Compliance Committee headed by the Chief Executive Officer (CEO) and the Internal Governance Office are leading company-wide efforts aimed at ensuring full compliance in keeping with the JVCKENWOOD Group Compliance Code of Conduct.

We also place importance on ensuring transparency of our corporate activities, and will continue to disclose information, including donations to specific political parties and organizations (political donations made in FY 2020: 0 yen).

Specific initiatives to promote compliance

■ Compliance code of conduct

The JVCKENWOOD Group Compliance Code of Conduct (established in March 2010) has been promulgated among all executives and employees within the Group through pamphlets (available in three languages) and an intranet site. Employees at affiliate companies under the Group’s purview are being familiarized with Standards by Compliance Officers selected by the Board of Directors.

■ Compliance training

Education on compliance is principally the responsibility of the Internal Governance Office, which endeavors under the CEO’s guidance to thoroughly inform all executives and employees, including those of 41 group companies in Japan and overseas, about compliance matters in order to construct a robust compliance structure. New employees are provided with training in face-to-face sessions while other employees are provided with regular training through e-learning on the intranet. Compliance Officers conduct annual training for division heads under their direct supervision and other executives. The training is on the topics covered by the Compliance Code of Conduct and other related regulations as well as on the prohibition against facilitation payments and bribery of foreign officials, prevention of corruption, such as giving or accepting excessive gifts, corporate scandals and the whistle-blowing system. In the event of any violation of the Compliance Code of Conduct, any corruption, or any other violation of corporate ethics, measures are required to be taken to prevent recurrence of similar incidents promptly. In FY 2020, there was no internal violation.

■ Anti-corruption initiatives

The JVCKENWOOD Group clearly states in the JVCKENWOOD Group Compliance Code of Conduct and its internal rules that it prohibits all forms of bribery and corruption and that no illegal or inappropriate means shall be employed that may be used to influence the actions of others. The Group complies with anti-corruption laws and regulations and prohibits bribery and inappropriate benefits such as gifts and entertainment that are contrary to laws, regulations, and social conventions. The Compliance Committee looks into major incidents of noncompliance, such as bribery and corruption, and discusses measures to prevent their recurrence. All incidents of misconduct, including bribery and corruption, are reported to the Board of Directors. There was no legal action taken against us in relation to corruption in FY 2020.

■ Internal whistle-blowing system

The JVCKENWOOD Group has two whistle-blowing systems—the Whistle-blowing System (Helpline) and the Auditing Informer System—available in Japanese and English to all executives and employees (including contract employees).

Employees having concerns about corporate ethics or compliance can directly report such concerns through the Whistle-blowing System (Helpline) established within the Internal Governance Office in line with “Regulation for JVCKENWOOD Group Whistle-Blowing System,” and corrective measures will be taken at the direction of the Compliance Committee. When accounting or auditing concerns arise, employees may use the Auditing Informer System set up at the Audit & Supervisory Board Office to directly report them. A dedicated communications system has been organized and operated for both systems to keep the notifier’s name and the reported contents confidential. The system is run by selected personnel. We will continue using both systems to detect at an early stage and rectify compliance violations (behaviors that deviate from social norms).

■ Compliance awareness survey

The JVCKENWOOD Group has been implementing a compliance awareness survey on employees in group companies in Japan once a year since 2017, in order to confirm the degree to which compliance awareness has taken root within the Group. The fourth survey held in 2020, answered by 3,057 employees, shows that compliance awareness has been increased since the beginning of this survey.

Risk Management

Basic concept and initiatives

The JVCKENWOOD Group regards risks as factors that could inhibit the achievement of business plans. All business sites of the Group around the world implement measures to recognize risks clearly. Specifically, we at the Group regularly identify risks faced by those business sites in the course of our day-to-day corporate activities, set issues to tackle to prevent the identified risks from materializing and minimize their impact or damage, and, through collaboration between those business sites and the management, resolve those issues systematically. Particularly, the management takes the initiative in addressing risks that are likely to affect the Group entirely.

While we will continue to commit to global risk management actively, we recognize risks as opportunities to ensure corporate sustainable growth and enhance our corporate value.

1. Risk management system of the Group






The Group has established a system to identify any and all risks related to its corporate activities accurately, to minimize their impact and damage, and to convert those risks into opportunities. An officer has been appointed to manage and promote risk management from a company-wide perspective. In the system, the Risk Management Division plays a role as the secretariat, and each business site actively and regularly identifies risks that are likely to be faced by itself and takes measures, including prior understanding of those risks and prompt responses to materialization of those risks, under the initiative of managers of each business sector, group company, and Administrative Division based on our risk management process.

2. Risk management process of the Group

- At the Enterprise Risk Management Conference, which is organized by the Chief Executive Officer (CEO) and attended by division heads at our Head Office, the Risk Management Officer and company executives in charge of their respective business divisions, risks are identified, analyzed and assessed.
- Based on the results of risk analysis and assessment at the Enterprise Risk Management Conference, with consideration for the management environment of the Group and situation at other companies, risks that will affect the Group entirely and that need to be addressed on a company-wide basis are selected as “global important risks to be addressed with the highest priority” and an annual plan to resolve those risks is established and managed.
- At each business site, including overseas sites, risk surveillance that covers all divisions of the Group is conducted every year. Important risks selected by each business division and region are considered as “Business Site Risks.” Through a cycle consisting of assessment, monitoring and improvement with consideration given to the implementation status of countermeasures and frequency of occurrence, the latest risks are shared and recognized anew within the Group and feedback is provided to help us achieve the business goals of each consolidated fiscal year.

Awards & Recognitions

The JVCKENWOOD Group’s sustainability activities have been highly evaluated outside the company.

Major Awards & Recognitions		
<p>Selected as a constituent of the ESG Index “FTSE Blossom Japan Index”</p>  <p>FTSE Blossom Japan</p> <p><small>*FTSE Russell (registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that JVCKENWOOD has been found to fulfill, as a result of a third-party survey, the requirements for inclusion in the FTSE Blossom Japan Index and has become a constituent of the index concerned. FTSE Blossom Japan Index was created and designed by FTSE Russell, a global index provider, to measure the performance of Japanese companies demonstrating outstanding performance in environment, social and governance (ESG). FTSE Blossom Japan Index is widely used to create and assess sustainable investment funds and other financial products.</small></p>	<p>Received the Donor Recruitment Award of the Emperor Showa Memorial Fund for Blood Programme from the Japanese Red Cross Society</p> 	<p>Selected as an enterprise under the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition (Large Enterprise Category) program</p>  <p>2021 健康経営優良法人 Health and productivity</p>
	<p>Obtained the highest rank of “Eruboshi” certification under the Act on the Promotion of Female Participation and Career Advancement in the Workplace</p> 	<p>Received the highest ranking “Gold” in the PRIDE Index, an evaluation index for initiatives related to LGBT and other sexual minorities</p>  <p>work with Pride PRIDE Gold 2020</p>