

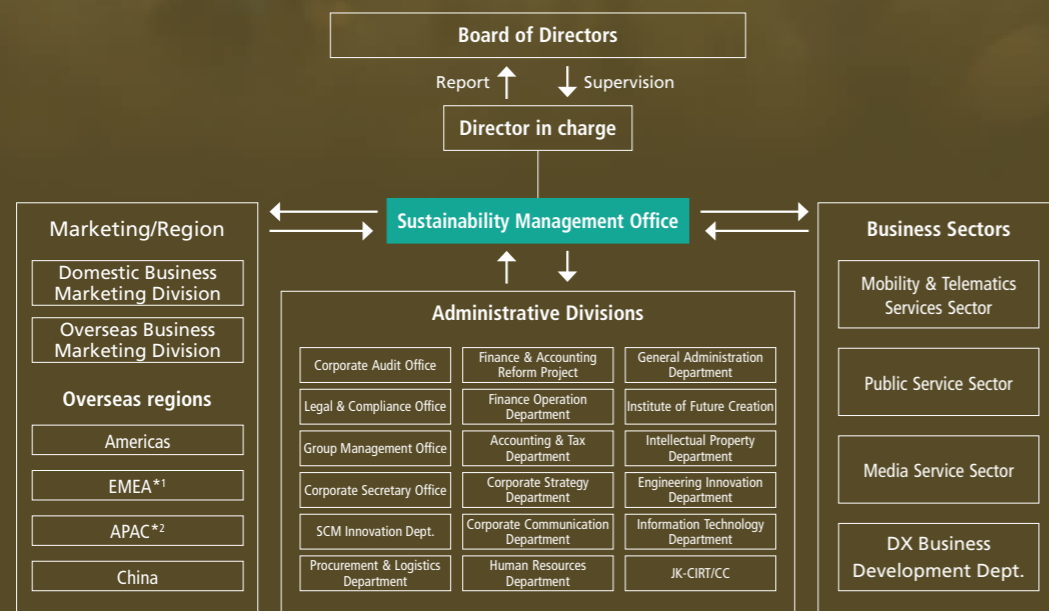
Foundation to Support Sustainable Growth Sustainability Strategy

Toward sustainable growth

Based on our corporate vision, the JVCKENWOOD Group aims to continuously enhance its corporate value and contribute to society through "profitable growth" and "solving social issues on a global scale" while building deep relationships of trust with all stakeholders.

Positioning and Role of the Sustainability Management Office

JVCKENWOOD has established the Sustainability Management Office under the supervision of the Board of Directors, with a responsible executive officer also serving as a director. The Sustainability Management Office is responsible for implementing the company-wide sustainability promotion strategy and managing its progress.

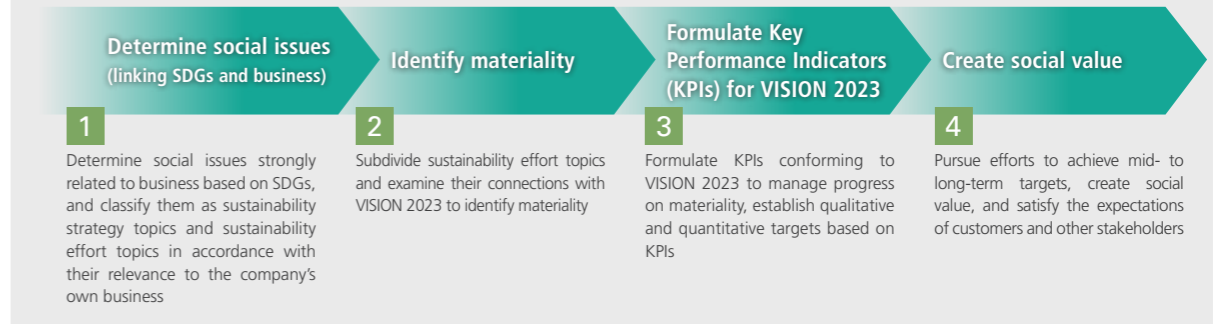


*1: Europe, Middle East and Africa
*2: Asia Pacific

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

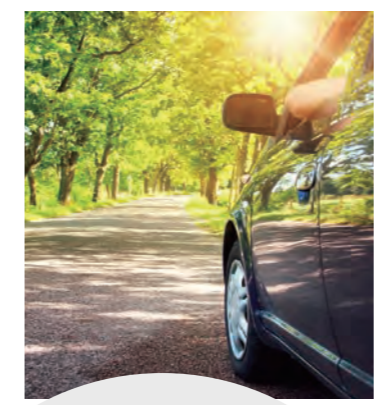
Materiality for the realization of profitable growth and the solution of social issues

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.

Please visit our website for KPIs, goals and actual results for FY 2021.
<https://www.jvckenwood.com/en/sustainability/group/materiality.html>

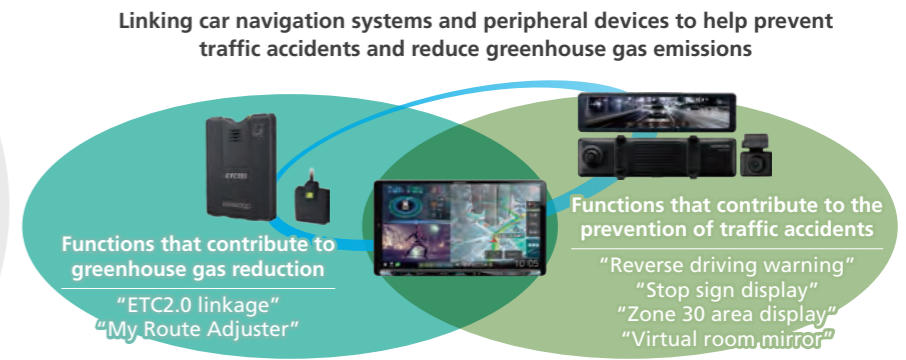


No.	Materiality	FY 2022 KPIs & Target	SDGs
1	Reduce greenhouse gas emissions (Scope 1+2)	• Reduce greenhouse gas emissions (Scope 1+2): Reduce by 25.2% by FY 2025 compared to FY 2019	
2	Reduce greenhouse gas emissions (Scope 3)	• Reduce greenhouse gas emissions (Scope 3): Scope 3 Calculation and reduction for categories 1, 4, and 11	13 CLIMATE ACTION
3	Manage water use	• Manage water consumption: 6% reduction from FY 2019 levels by FY 2025	
4	Reduce wastewater and waste	• 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	• Reduce the amount of plastic used	
6	Prohibiting forced labor and child labor	• Conducted human rights due diligence activities	5 GENDER EQUALITY
7	Promoting active roles for women	• Ratio of women in executive positions: Over 6.5%	
8	Corporate governance	• Enhance deliberations at Board of Directors meetings • Hold training courses for external directors • Hold off-site meetings for directors	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
9	Information security	• IT security training attendance rate: 92% or higher • Number of cyber security incidents: 2 or less	
10	Create value through mobility products & services	• Expansion of market share in the navigation market • Become the No. 1 manufacturer in the dashcam market in 2023	3 GOOD HEALTH AND WELL-BEING
11	Manage/utilize intellectual property	• 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.	3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
12	Collaborate with stakeholders	• Work with external business partners to bring portable power supplies that reuse car batteries to market	17 PARTNERSHIPS FOR THE GOALS



1 Prevention of traffic accidents and global warming

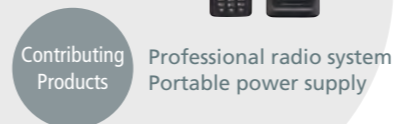
The "Saisoku Navi" car navigation system series helps prevent traffic accidents through safety- and security-conscious functions, such as "reverse run warning" (which warns the user in real time when a reverse run condition is detected while driving on an expressway), "temporary stop display" (which notifies the driver of temporary stop information at an intersection), and "virtual room mirror" (which ensures rearward vision in conjunction with a drive recorder). The Road Traffic Act has been revised in recent years in response to tragic traffic accidents caused by drunk driving. Many business establishments that use automobiles will be required to check for alcohol consumption using alcohol detectors. JVCKENWOOD is planning to launch a connected-type alcohol detector that works with smartphones to help record and manage results. Through providing such products and services, we intend to continue helping to prevent traffic accidents. Our Mileage Adjusters (linked to an Intelligent Transport System (ITS) through an ETC2.0 on-board unit) receive information on traffic congestion, weather, disasters, traffic signals, etc., and freely set routes to destinations according to various conditions, such as tolls and road width, to support safe eco-driving. These systems support safe eco-driving and help reduce greenhouse gas emissions from automobiles.



Contribution to SDGs through business activities

2 Response to disaster prevention and mitigation

A self-owned communication system that can respond quickly to extreme weather events and resulting economic, social, and environmental damage and disasters is indispensable. JVCKENWOOD offers specified low-power transceivers with anti-bacterial and anti-virus treatment that require no licenses, qualifications, or official applications; incur no basic or call charges; and are for outdoor and business use. We also provide professional radio equipment for use at disaster sites where high quality and robustness are required. Portable power stations can also be used during power outages and disasters, helping to reduce the damage caused by disasters.



3 Creating a safe and secure community

The risk of crime continues to increase with increased urbanization and the widening gap between rich and poor. Security systems for crime prevention and surveillance are therefore a necessity for keeping cities safe and secure. JVCKENWOOD is leveraging its strengths in audio, visual, and communication technologies to develop security systems, such as crime prevention and surveillance cameras, to help deter crime and make living environments safer. We also contribute to improving the safety of public transportation through our work on intelligent video analysis systems to detect abandoned bundles, falls from station platforms, and human features.



Environment

Our approach to the environment

When doing business, developing products, and providing services, the JVCKENWOOD Group continually strives to keep our environmental impact to a minimum. In FY 2021, we formulated a new environmental vision and basic environmental policy, called "JK Green 2025."

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)

<ul style="list-style-type: none"> ■ Improvement of the waste recycling rate <ul style="list-style-type: none"> • Achieve a recycling rate of at least 90% by FY 2025 (global) 	<ul style="list-style-type: none"> ■ Reduction of the use of plastics <ul style="list-style-type: none"> • Monitor and reduce plastic consumption 	<ul style="list-style-type: none"> ■ Reduction of water utilization <ul style="list-style-type: none"> • 6% reduction by FY 2025 from the FY 2019 level (total, global)
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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 efforts to achieve these targets, we have been monitoring power consumption at business centers, upgrading production/air-conditioning equipment to high-efficiency models, and installing energy-saving equipment. We are also focusing on environmental education for our 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



Installation of energy-saving equipment (solar power generation)

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. The Company appointed a director in charge of sustainability under the supervision of the Board of Directors, and established the Sustainability Management Office in April 2018 to establish a system for quickly implementing sustainability promotion strategies including those related to climate change.

The Sustainability Management Office is responsible for coordinating the implementation of company-wide climate change initiatives and progress management. It works with relevant divisions 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.

Risks and opportunities related to climate change

The JVCKENWOOD Group will analyze risks and opportunities related to climate change, with regard to multiple scenarios including the "1.5°C scenario" in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. In response to the physical risk of severe natural disasters and the transition risk arising from various regulations introduced to mitigate damage, we plan to expand product development in a manner that contributes to decarbonization, reduce costs associated with energy and resource conservation, and study opportunities that will contribute to further growth.

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 Disclosures (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.

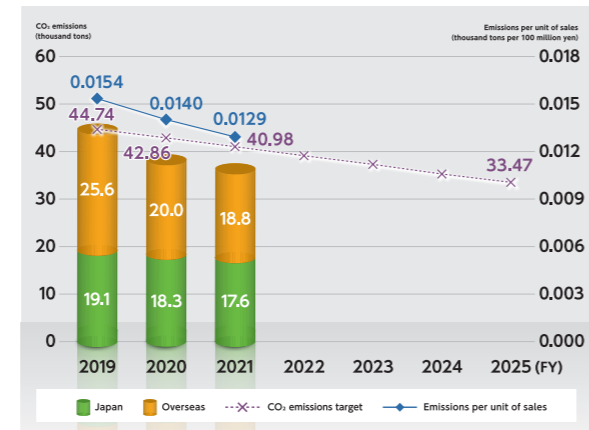
Scopes 1 + 2

The JVCKENWOOD Group's CO₂ emissions (Scope 1 + 2) were reduced to 36,411 tons in FY 2021 (down 18.6% from FY 2019).

Scope 3

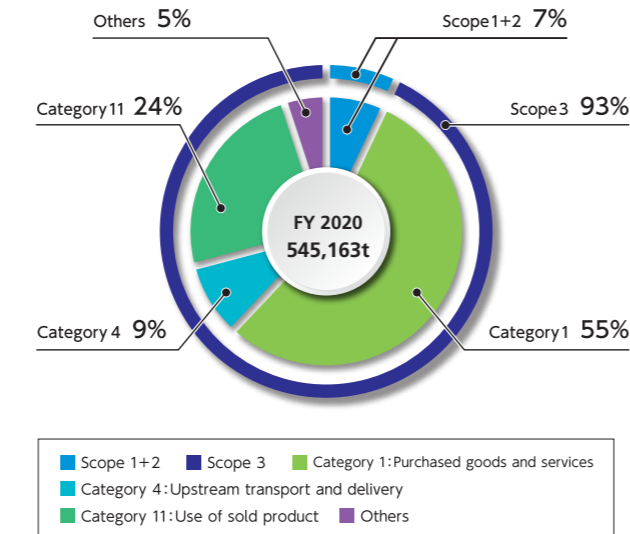
We calculate indirect CO₂ emissions from various processes of corporate activities, from raw material procurement to manufacturing, transportation, use and disposal. Actual emissions are calculated based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain published 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 2019-FY 2021)



Coverage: All Group companies in Japan and certain overseas companies

Scopes 1, 2 & 3 of CO₂ emissions (FY 2020)



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 achieved a global recycling rate of 92% in FY 2021. 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.

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. Ever since the Aichi Targets were adopted at COP 10 in 2010, the international framework for biodiversity conservation has been strengthened in Japan and overseas, with consideration given to the Post-2020 Global Biodiversity Framework at COP 15. Under such circumstances, the role of corporations has become increasingly important, and as a result, business activities that take biodiversity into consideration are required along with systematic efforts for biodiversity conservation.

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 is not only taking environmental considerations into account in its products, but also actively working with other companies. For example, we are working with Nissan Motor Co., Ltd. and 4R Energy Corporation to recycle used rechargeable batteries from the Nissan Leaf electric vehicle for use in portable power stations. We are responsible for designing and developing products optimized for reusing used batteries as well as safety, utilizing the technology and expertise we have accumulated in the development of in-vehicle equipment such as car navigation systems and dashcams, as well as portable power stations. In order to preserve our precious natural environment for the future, we will work toward realizing a low-carbon and sustainable society by utilizing recycled batteries from electric vehicles.

Development of portable power stations using recycled batteries



In the Media Service Sector, we have been working to reduce the amount of plastic used in headphone product packaging, and in FY 2021, we completely eliminated the use of plastic packaging materials in all models developed. We will continue to reduce the amount of plastic used in other products to reduce our environmental impact.

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/220215_jvckenwood_human_rights_policy_en.pdf



Promoting sustainable 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 2022, we revised the detailed questions on the Self-Assessment Questionnaire (SAQ) for suppliers. This SAQ was sent to all suppliers to collect responses. Issues identified in the responses will be considered for improvement in the future.


Diversity & inclusion

Our approach to diversity & inclusion

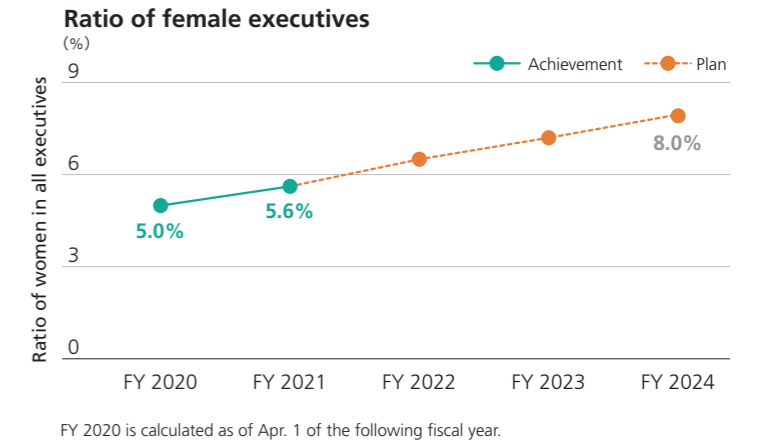
JVCKENWOOD recognizes the Promotion of Diversity & Inclusion as a key initiative. In order for us to make a further leap forward, it is essential that all employees exercise their skills to the maximum in their respective positions. We believe that the organization will be revitalized and performance 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 this effort, as shown in the figure below, we have

set a goal of increasing the ratio of women in executive positions to 8.0% by FY 2024. As a result of the implementation of rank-specific development training for female employees and training for executives, the ratio of female executives rose from 2.1% in FY 2015 to 5.6% by the end of FY 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 heading to the future together. With an image people of differing races, genders, and values coming together 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 established the JVCKENWOOD Health Policy Statement as a message from top management. We promote efforts to create a "workplace environment that enables all employees to stay healthy and motivated to work" and work to create safe and healthy workplaces so that each and every employee can demonstrate their full potential.

For safety, the Safety and Health Committee patrols workplaces to prevent occupational accidents. For health, we are working on mental health training for managers, health promotion activities in collaboration with the Health Insurance Association, measures for long working hours and employee care, and on strengthening regular and secondary health checkups. We have been recognized for these initiatives under Certified Health & Productivity Management Outstanding Organizations for the fifth consecutive year since 2018. In 2022, we were selected for the "White 500" for the fourth time.

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

Governance

Message from External Directors



We will apply the knowledge and careers we have developed over many years to our management duties.

Chairman of the Board, Nomination and Remuneration Advisory Committee member

Shinjiro Iwata

Chairman of Nomination and Remuneration Advisory Committee

Yuji Hamasaki

Nomination and Remuneration Advisory Committee member

Hiromi Onitsuka

It's awareness that plays a major role

Each company has its own unique climate and culture, and internal opinions are often bound by a single way of thinking. As an External Director of the Board, it is important to use the knowledge and experience gained through diverse activities to provide advice from a wide range of perspectives within the Company. We believe that providing awareness from various angles is a major role of an External Director of the Board.

In order to do this, it is necessary to understand the Company's history, actual situation, and external environment. And we believe that the Company provides ample opportunities for information-sharing, such as off-site meetings, for this purpose. Since 2016, the Company has had an External Director serving as chairman of the Board of Directors, with the aim of holding "fairly open Board of Directors meetings" and we believe that open and frank discussions are improving the effectiveness of the Board of Directors.

How to create a management structure that can flexibly respond to the changing times

Companies vary greatly depending on who runs the company, but the Nomination and Remuneration Advisory Committee plays an important role in the appointment, dismissal, and evaluation of corporate officers, including managers.

There are three major components to the nomination process: composition, nomination, and succession. "Composition," considers what kind of skill map will be needed for the future direction of management in terms of what the staffing structure of the Board of Directors should be. "Nomination" is the process of determining who will be selected as the

next top management candidates and corporate officers, and to this end, we routinely provide many opportunities for interviews with corporate officers and executive candidates. "Succession" is when and what kind of management structure is brought to the table.

It is important to create a system of corporate officer remuneration that allows everyone to work hard and to reach lofty goals. For this reason, we have established a brand new remuneration structure that includes STI and LTI* in the Company. We will review the system after one year and make further improvements.

The main role of the Nomination and Remuneration Advisory Committee is to create a system and structure that can flexibly respond to changes over time and within individuals, and we intend to play a major role in the sustainable growth of the Company.

Toward further growth

The Company has been vigorously promoting "Change for Growth" as set forth in the Medium-Term Management Plan VISION 2023 and we are making steady progress in restructuring our business portfolio and strengthening our earnings base, which we have defined as "Change." On the other hand, the challenge is how to identify the seeds of our next "Growth" and concentrate resources on them. This is not an easy task, but we believe we have sufficient potential.

In a turbulent industrial world, companies that are profitable but do not operate soundly will be weeded out. First, we will ensure we achieve VISION 2023, and then we will play a unique role in overseeing various activities with a sense of urgency in order to reach even greater goals.

*STI: Short Term Incentive
LTI: Long Term Incentive

Message from Audit and Supervisory Board Members



Contributing to the enhancement of corporate value through diverse perspectives and new ideas.

Audit and Supervisory Board Member

Masaki Imai

External Audit & Supervisory Board Member

Katsumi Saito

External Audit & Supervisory Board Member

Katsumi Kurihara

External Audit & Supervisory Board Member

Tetsuya Fujioka

Since the General Meeting of Shareholders was held in June 2021, the Company has increased the ratio of External Audit and Supervisory Board Members by decreasing the number of Audit and Supervisory Board Members from two to one from within the Company, and increasing the number of External Audit & Supervisory Board Members from two to three. Each of the members of the External Audit & Supervisory Board has a very different background and skill set, and many different opinions from diverse perspectives have emerged regarding the challenges and risks the Company faces as identified through audits. The effect of increasing the ratio of External Audit & Supervisory Board Members was immediately apparent.

Each year we conduct inspections of approximately 40 departments and group companies, both internal and external. During an on-site inspection, we try to together accurate information on employees' achievements and job performance, as well as on site-specific issues and concerns. This is because we believe that company-wide governance functions only when it is accompanied by the discipline of individual organizations and the actions of employees that support day-to-day corporate activities. By understanding the actual state of governance through these on-site inspections, we audit whether there are any violations in the duty of care

of Directors of the Board and Executive Officers, and recommend what the Board of Directors should strengthen and improve. In addition, we are always conscious of enhancing cooperation with External Directors, the Internal Audit Division, and Accounting Auditors.

Confirming the levels of understanding and progress of each division in relation to the Medium-Term Management Plan VISION 2023 disclosed in May 2021, is one of the most important points of an audit, and we are always mindful of the balance between the progress of short-term performance and medium-term growth. Another important item to audit is the level of preparedness for the various risks surrounding the Company.

While we recognize that there are no major risks that could shake our credibility at this time, a series of unexpected events have occurred, including the COVID-19 pandemic, supply chain disruptions, and geopolitical risks such as the situation in Ukraine. The success stories and solutions of the past no longer apply. Companies need new ideas and the ability to implement them quickly. We also want to help enhance corporate value through a taking a variety of perspectives and implementing new ideas, without adhering to conventional approaches.

Comments from an Investor

We would like to see a continuation of active dialogue in management.

Sumitomo Mitsui Trust Asset Management Co., Ltd.
Stewardship Development Department
Senior Stewardship Officer

Hiroki Sawashima



As investors place greater emphasis on corporate sustainability, they are demanding dialogue and disclosure from a more multifaceted perspective than ever before, including ESGs and non-financial information. They are also demanding that companies do a better job at communicating messages related to the company's purpose, vision, and materiality, such as what company management values and what its objectives are. It is also becoming increasingly important to have diversity and objectivity, and a transparent governance structure to discuss and promote this.

Ever since management was integrated in 2008, the Company has continued to restructure its business portfolio, and I believe that

the Board of Directors is also becoming more diverse. Through dialogue with President and CEO Eguchi and External Directors, I am also aware of the challenges facing your governance structure and the progress being made in addressing them. On the other hand, reform is still in progress and there are still issues (including information disclosure) that need to be improved.

Just as the business environment is changing, so too are the interests and desires of investors. I hope that you will continue to actively engage in dialogue with investors and incorporate any insights you gain through this dialogue into management.

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. For this reason, 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

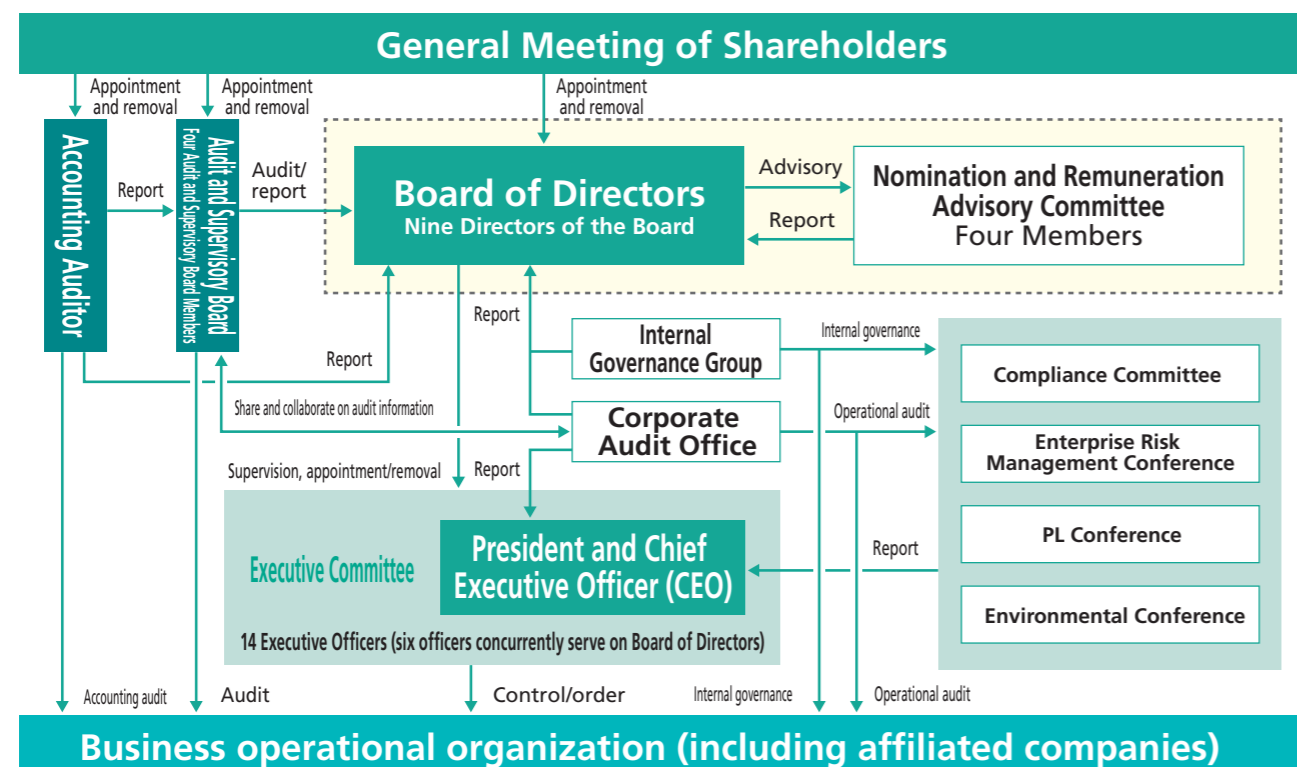
1. Reasons for adopting an Executive Officer System with the organizational structure of a company with an Audit & Supervisory Board as a corporate governance system

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 24, 2022, Mr. Shinjiro Iwata, 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.

Corporate Governance Structure



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 Chief Executive Officer (CEO) was added as a member 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 that is responsible for new business development, 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, each Executive Officer is responsible for the Chief Financial Officer (CFO), Chief Technology Officer (CTO), Chief Information Security Officer (CISO), and administrative divisions to support the Chief Executive Officer (CEO) in the execution of his/her responsibilities.

Skill Matrix

In order to solve JVCKENWOOD's management challenges and enhance medium- to long-term corporate value, and to ensure diversity and balance on the Board of Directors, the areas of expertise and skills expected of the management team are as follows.

Director of the Board

Name	Years of service	Expected areas of expertise	Nomination and Remuneration Advisory Committee	Skills				
				Corporate management	Overseas business International business	Manufacturing and technology, R&D	IT Digital	Finance and M&As
Shinjiro Iwata	5 years	Corporate management, telecommunications	Chairman of the Board	●	●	●	●	●
Shoichiro Eguchi	11 years in total	Corporate strategy, marketing	●	●	●	●	●	●
Masao Nomura	4 years	ICT*, business growth strategy	●	●	●	●	●	●
Masatoshi Miyamoto	5 years	Finance and accounting, business management	●	●	●	●	●	●
Akira Suzuki	2 years	Technology development, supply chain	●	●	●	●	●	●
Naokazu Kurihara	6 years in total	Human resources, human resource development, risk management	●	●	●	●	●	●
Yoshio Sonoda	3 years	Intellectual property, research and development	●	●	●	●	●	●
Yuji Hamasaki	3 years	Corporate management, technology development	Chairman	●	●	●	●	●
Hiromi Onitsuka	1 year	Business management, diversity	●	●	●	●	●	●

Audit & Supervisory Board Member

Name	Years of service	Expected areas of expertise	Audit & Supervisory Board	Skills				
				Corporate management	Overseas business International business	Manufacturing and technology, R&D	IT Digital	Finance and M&As
Masaki Imai	2 years	Management audits, production management	Chairman	●	●	●	●	●
Katsumi Saito	2 years	Corporate planning, legal, risk management	●	●	●	●	●	●
Katsumi Kurihara	2 years	Technical development, quality control	●	●	●	●	●	●
Tetsuya Fujioka	1 year	Finance and accounting, accounting audits	●	●	●	●	●	●

*: Information and communication technology

Corporate Governance

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 2022, 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, as shown in the table on the p.49.

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"> Adopted a stock issuance trust system. Shares are delivered upon resignation of the officer in principle. Shares (points) are granted according to position and other factors.
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.

Issues found upon evaluation on effectiveness of the Board of Directors

	Fiscal Year	FY 2019 (the 5th evaluation)	FY 2020 (the 6th evaluation)	FY 2021 (the 7th evaluation)	Measures in and after FY 2022
Issues	Training for officers	<ul style="list-style-type: none"> Provided opportunities to train officers *Introduction of training programs *Distribution of training materials A comprehensive and systematic training structure needed to be established 	<ul style="list-style-type: none"> Conducted two training sessions during the fiscal year *On the Medium-Term Management Plan *On the succession plan 	<ul style="list-style-type: none"> Conducted two training sessions during the fiscal year. *Trends in Corporate Governance Reform *SDGs and ESG investment 	<ul style="list-style-type: none"> Discuss and select a training program for the year at meetings of the Board of Directors
	Practical and in-depth discussion	<ul style="list-style-type: none"> Lack of deliberation time due to an environment that allows active discussion Clarified issues and points to be discussed 	<ul style="list-style-type: none"> Secure time for practical and in-depth discussion Identified topics to be discussed 	<ul style="list-style-type: none"> Conducted seven off-site meetings during the fiscal year. Reduction and simplification of reporting items to ensure more time for deliberation. Revision of the criteria for agenda items, including the scope of Authorization for execution. 	<ul style="list-style-type: none"> Review and refinement of items to be discussed and reported Provide information for discussion Utilization of Off-Site Meetings
	Diversity	<ul style="list-style-type: none"> Commitment to diversity needs to be improved 	<ul style="list-style-type: none"> Commitment to diversity needs to be improved 	—	<ul style="list-style-type: none"> Train successors with consideration for diversity
	Training of successors	<ul style="list-style-type: none"> Established a succession plan for Directors and train prospective Directors Established and implement a set of plans for evaluation, discovery, recruitment and development of human resources 	<ul style="list-style-type: none"> Conducted interviews with management officers and Executive Officers at the Nomination and Remuneration Advisory Committee and consider successors 	<ul style="list-style-type: none"> Conducted interviews with management officers and Executive Officers at the Nomination and Remuneration Advisory Committee and consider successors 	<ul style="list-style-type: none"> Report and share the status of activities of the Nomination and Remuneration Advisory Committee periodically
	Evaluation of investment projects	<ul style="list-style-type: none"> Conducted a PMI* report of investment projects periodically 	<ul style="list-style-type: none"> Conducted a PMI report of investment projects periodically 	<ul style="list-style-type: none"> Conducted a PMI report of investment projects periodically 	<ul style="list-style-type: none"> Conduct a report of investment projects periodically
	New issues	—	—	<ul style="list-style-type: none"> PDCA of mid-term management plan and enhancement of discussion from mid- to long-term perspectives 	<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

Directors of the Board, Audit & Supervisory Board Members, and Executive Officers (as of Jul.1, 2022)

Directors of the Board



Shinjiro Iwata

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. 2016 Chairman of the Board (External Director), Benesse Holdings, Inc.
Jun. 2017 External Director of JVCKENWOOD Corporation



Shoichiro Eguchi

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
Apr. 2004 General Manager, Car Electronics Commercial Business Division of Kenwood Corporation, President and Director of Kenwood Electronics Europe B.V.
Oct. 2011 Representative Director of the Board, Executive Vice President
Jun. 2012 President and Representative Director, Executive Officer, CEO



Masao Nomura

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

Career
Jul. 1998 Director of the Board of Benelux N.V.(subsidiary of Sojitz Corporation)
Apr. 2002 President and Representative Director, ITX E-Globaleed Corporation
Apr. 2017 Executive Officer, General Executive of OEM Business Division, Automotive Sector
Jun. 2021 Representative Director of the Board, Senior Managing Executive Officer, COO Mobility & Telematics Services Sector



Masatoshi Miyamoto

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

Career
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
Jun. 2021 Representative Director of the Board, Senior Managing Executive Officer, CFO



Akira Suzuki

Title
Director of the Board, Senior Managing Executive Officer, COO Public Service Sector, In Charge of Supply Chain Management (SCM) Reform

Career
Oct. 2006 Chief Engineer of Communications Business Division of Kenwood Corporation
Jun. 2009 Director of the Board, General Executive and Chief Engineer of Radio System Business Division of Kenwood Corporation
Jun. 2013 Managing Executive Officer In Charge of IT, General Executive of Communications Business Division
Jun. 2020 Director of the Board, Senior Managing Executive Officer, COO Public Service Sector, General Manager of Management Base Reform Office



Naokazu Kurihara

Title
Director of the Board, Managing Executive Officer, Head of Administrative Division, COO EMEA

Career
Oct. 2002 President of JVC Company of America
Oct. 2011 Board of Director, Managing Executive Officer, Assistant to Chief Operating Officer (COO) of Home & Mobile Business Division Group (Imaging Business, Projector Business, Overseas Business)
Apr. 2017 Managing Executive Officer, COO Americas
Jun. 2021 Director of the Board, Managing Executive Officer, Head of Administrative Division, COO EMEA (Europe, Middle East, and Africa)



Yoshio Sonoda

Title
Director of the Board, Managing Executive Officer, Chief Technology Officer (CTO), Chief Information Security Officer (CISO)

Career
Jul. 2014 General Manager of Technology Strategy, Car Electronics Segment
Apr. 2018 Executive Officer, General Executive, Automotive Engineering & Design Division
Jun. 2019 Director of the Board, Executive Officer, Chief Technology Officer (CTO), General Executive of Automotive Engineering & Design Division
Apr. 2022 Director of the Board, Managing Executive Officer, Chief Technology Officer (CTO), Chief Information Security Officer (CISO)



Yuji Hamasaki

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.
Apr. 2010 Executive Vice President 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, Director of the Japan Electrical Manufacturers' Association



Hiromi Onitsuka

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. 2018 Audit & Supervisory Board Member of eBook Initiative Japan Co., Ltd.
Jun. 2021 External Director of JVCKENWOOD Corporation

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

Audit & Supervisory Board Members



Masaki Imai

Title
Audit & Supervisory Board Member



Katsumi Saito

Title
External Audit & Supervisory Board Member



Katsumi Kurihara

Title
External Audit & Supervisory Board Member



Tetsuya Fujioka

Title
External Audit & Supervisory Board Member

Career
Oct. 2002 General Executive of Consolidated Management Division 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. 2019 Director of Administrative Division, COO EMEA (Europe, Middle East, and Africa), General Manager of Internal Governance Office, of JVCKENWOOD Corporation

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

Concurrent Post
External Director of the Board of CHUCHIKU

Career
Apr. 2006 General Manager of Development Process Innovation Center, MFP Business Group of Ricoh Company, Ltd. / Jun. 2012 Managing Executive Officer, General Manager of Process Innovation Division / 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., Part-time Engineering Adviser of CMK Corporation

Executive Officers



Shinichi Takada

Title
Managing Executive Officer, General Executive of Aftermarket Business Division, Mobility & Telematics Services Sector, Assistant to COO Mobility & Telematics Services Sector

Career
Feb. 2013 General Executive of Car Electronics Business Group / Apr. 2017 Executive Officer, COO Asia Oceania / Apr. 2019 Managing Executive Officer, Assistant to Head of Administrative Division / Apr. 2022 Managing Executive Officer, General Executive of Aftermarket Business Division, Mobility & Telematics Services Sector, Assistant to COO Mobility & Telematics Services Sector



Akihiko Terada

Title
Managing Executive Officer, COO China

Career
Jul. 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. / Apr. 2018 Executive Officer, COO China / Apr. 2022 Managing Executive Officer, COO China



Kazuyoshi Hayashi

Title
Executive Officer, General Manager of Corporate Strategy Department, In Charge of Corporate Communication Department, In Charge of New Business Development

Career
Dec. 2004 General Manager of Camcorder Category, AV&Multimedia Company of Victor Company of Japan, Limited / Apr. 2018 Executive Officer, COO Media Service Sector, General Executive of Media Business Division / Apr. 2022 Executive Officer, General Manager of Corporate Strategy Department



Osamu Muraoka

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

Career
Jun. 2012 Operating Officer, General Executive of Business Solution Division / Apr. 2019 Executive Officer, General Executive of Communications Systems Division, Public Service Sector / Apr. 2020 Executive Officer, COO Americas / Apr. 2022 Executive Officer, General Manager of APAC (Asia Pacific), In Charge of Strengthening International Business, General Executive of Overseas Business Marketing Division



Naoki Sekiya

Title
Executive Officer, General Executive of Domestic Business Marketing Division

Career
Jul. 2014 General Manager of Domestic Sales Department, Consumer Business Management Operation, Car Electronics Segment / Apr. 2020 Executive Officer, General Executive of Automotive Aftermarket Business Division / Apr. 2022 Executive Officer, General Executive of Domestic Business Marketing Division



Hatsuhiko Iwasaki

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 / Oct. 2015 President of Kenwood Home Electronics Corporation (currently JVCKENWOOD Corporation) / Apr. 2020 General Executive of Media Business Division / Apr. 2021 Executive Officer, COO Media Service Sector



Katsuya Sato

Title
Executive Officer, General Executive of Communications Systems Division, Public Service Sector, Assistant to COO Public Service Sector

Career
Apr. 2015 Director of EF Johnson Technologies, Inc. / Jul. 2018 Senior General Manager of Engineering & Design Division, Communications Systems Division / Apr. 2020 General Executive of Communications Systems Division, Public Service Sector / Apr. 2021 Executive Officer, General Executive of Communications Systems Division, Public Service Sector



Hiroaki Kamata

Title
Executive Officer General Executive of Telematics Service Division, Mobility & Telematics Services Sector, General Manager of DX Business Development Department

Career
May. 2011 Director of Sojitz Indonesia / Nov. 2017 Joined JVCKENWOOD Corporation, Senior Manager of Solution Development Department / Apr. 2019 General Executive of DX Business Division / Apr. 2022 Executive Officer, General Executive of Telematics Service Division, Mobility & Telematics Services Sector, General Manager of DX Business Development Department

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 Legal & Compliance 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 the transparency of our corporate activities, and will continue to disclose information, including donations to specific political parties and organizations. (Political donations made in FY 2021: 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

Compliance training is principally the responsibility of the Legal & Compliance 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. Training is conducted on topics covered by the Compliance Code of Conduct and other related regulations, as well as on prohibiting facilitation payments and the bribery of foreign officials, preventing corruption (such as giving or accepting excessive gifts) and corporate scandals, and on the whistle-blowing system. In the event of any violation of the Compliance Code of Conduct, corruption, or any other violation of corporate ethics, measures are required to be taken to prevent recurrence of similar incidents promptly. In FY 2021, there were no internal violations.

■ 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.

■ Internal whistle-blowing system

The JVCKENWOOD Group has two whistleblower systems (a JVCKENWOOD Helpline ("Helpline") established in the Internal Control Office and an auditing informer system established in the Audit & Supervisory Board Office) for use by all executives and employees (including contract employees) anonymously. The Helpline consists a telephone helpline and an online reporting system, operated by an external whistleblowing service company, which acts as a third-party contact (services are available in Japanese, English, Chinese, and Korean).

Any concerns about corporate ethics in general and compliance, such as human rights violations, harassment, and all forms of corruption (embezzlement, bribery, etc.) are directly reported to the Helpline based on Internal Reporting Rules, and corrective measures will be taken under the leadership of the Compliance Committee. Misconduct by officers is reported directly to the auditing informer system and appropriate action is taken. Both systems employ a dedicated communications system run by selected personnel to protect the whistleblower's name and maintain the confidentiality of the report.

We will continue using both systems to detect and rectify compliance violations (behaviors that deviate from social norms) as early as possible.

■ Compliance awareness survey

In order to check the level of compliance awareness in the JVCKENWOOD Group, we have been conducting a compliance awareness survey among employees of domestic Group companies every year since 2017 when conducting e-learning. 3,758 employees responded to the survey conducted in 2021. Ever since the survey was launched, employee interest in compliance has increased every year.

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.

Risk management system

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. The Risk Management Division serves as the secretariat, and each business site actively and regularly identifies risks that it is likely to face and takes measures (including gaining a prior understanding of these risks and promptly responding to them materializing) under the initiative of managers in each business sector, group company, and Administrative Division based on our risk management process.

Risk management process

- We conduct annual risk surveillance that covers all divisions of the Group. We important risks faced in each business division and region; define them as "Business Site Risks"; evaluate these risks based on their degree of impact, frequency of occurrence, and status of response; and formulate and implement measures to deal with the risks. In addition, a cycle of monitoring and improving the progress of measures will be implemented in each department.
- The Enterprise Risk Management Conference is organized by the Chief Executive Officer (CEO) and chaired by the Risk Management Officer, and consists of division heads at our Head Office and company executives in charge of their respective business divisions appointed by the chairperson. Based on the "Business Site Risks" and management and business issues identified in each division and region, the Enterprise Risk Management Conference is used to define risk issues as "global important risks to be addressed with the highest priority," taking into consideration the degree of impact on management, urgency, and the status of incidents. Then, measures to resolve these risks are formulated, and a Risk Management Officer is appointed in charge for promoting response from a company-wide perspective at the management level.
- The person in charge of promoting response implements an improvement cycle by incorporating measures for "Globally Important Risks" into each business division and region, in order to achieve business results for the consolidated fiscal year and to monitor progress.

Image of risk management structure

