

JVCKENWOOD Integrated Report 2022

JVCKENWOOD



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About the cover design

The cover design is based on the JVCKENWOOD's mid-term management plan VISION 2023 which was formulated in fiscal year 2021. The design expresses the company's commitment to solving social issues by utilizing diverse values and resources, and to creating new value for a sustainable society.

Corporate Vision

Creating excitement and peace of mind for the people of the world



Sustainability Awards & Recognitions

We aim for the sustainable improvement of our corporate value by incorporating external evaluation indicators and strengthening ESG.

- Selected for the ESG Index "FTSE Blossom Japan Index" for the second consecutive year
- Selected for the ESG Index "FTSE Blossom Japan Sector Relative Index"
- Received an overall rating of 3.5 stars in the 3rd Nikkei SDGs Management Survey
- Received an overall rating of 3 stars in the 5th Nikkei Smart Work Management Survey
- Selected for the "2021 Certified Health & Productivity Management Outstanding Organizations Recognition (Large Enterprise Category) Program" for the fifth consecutive year, and the fourth time for the "White 500"
- Received the highest rank of "Eruboshi" certification under the Act on the Promotion of Female Participation and Career Advancement in the Workplace
- Received a "Gold" ranking in the PRIDE index, an evaluation index for initiatives related to LGBT and other sexual minorities
- Received a Commendation Award in the Daiwa IR's Internet IR Award 2021 for the third consecutive year

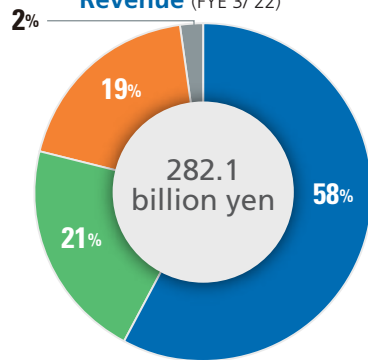


*FTSE Russell confirms that JVCKENWOOD has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social, and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

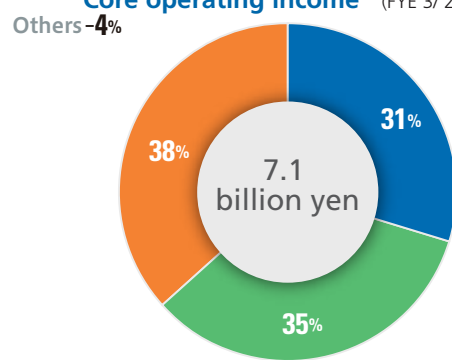
**FTSE Russell confirms that JVCKENWOOD has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

At a Glance

Revenue (FYE 3/'22)



Core operating income1** (FYE 3/'22)



■ Mobility and Telematics Services Sector
■ Public Service Sector
■ Media Service Sector
■ Others

*1: Operating profit less primarily temporary factors -net of other income, other expenses, and foreign exchange losses (gains)

Mobility & Telematics Services Sector

The Mobility & Telematics Services Sector offers solutions that contribute to a comfortable, safe, and secure cabin space, including car navigation systems, car audio systems, speakers, amplifiers, dashcams (including connected-type), antennas, cables, alcohol detectors, and sterilization/deodorization equipment.

OEM Business

- Dealer-installed products: Automobile manufacturers and dealers
- Factory-installed products: Automobile manufacturers and component manufacturers

Aftermarket Business

Mass merchandisers, distributors

Telematics Service Business

Auto insurance companies, ride-sharing service companies, taxi and transportation companies

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Public Service Sector

The Public Service Sector provides solutions that protect people's lives and livelihoods and contribute to the creation of safe and secure cities through professional radio systems, wireless broadband solutions, security systems, professional broadcasting systems, and medical image display monitors.

Communications Systems Business

- Police, fire department, ambulance services, providers of electricity/water/gas, hotels, retailers, event companies, etc.

Professional Systems Business

- JVCケンウッド Public & Industrial Systems Corporation: Companies, education, public services, distribution, social infrastructure, amusement facilities, etc.
- Healthcare: Medical and research institutes

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Communications Systems Business



Received the iF DESIGN AWARD 2022 in the Product Category, a world-renowned prize, for the VP8000, a new product in the Viking series of multi-band P25 digital professional radios for the public safety market.

Media Service Sector

We have developed a wide range of products in the Media Service Sector to meet demand for home entertainment, remote workers, and increased awareness of natural disasters and pandemics. In the Entertainment Business, we are working with a number of popular artists to expand our share of the packaged and distributed music business and to strengthen our non-music business.

Media Business

- Solution: Companies, local governments, broadcasting stations, distributors
- Lifestyle: Mass merchandisers, distributors
- Imaging Device: Video equipment manufacturers, optical communication system vendors
- Brand License: Mass merchandisers, TV and audio manufacturers overseas
- Contract production business: Record companies, movie companies, publishing companies in Japan

Entertainment Business

CD shops, EC sites, music distribution sites, etc. in Japan

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The Three Brands Familiar to Customers

JVC

KENWOOD



Victor

The JVCKENWOOD Group promotes a multi-brand strategy with multiple product brands under the corporate umbrella. Our three product brands, KENWOOD, JVC, and Victor^{*2}, have long been popular with customers. Even today, with AI and the IoT having become cutting-edge technologies, we flexibly respond to the changing times while providing products and services that meet and exceed our customers' expectations. The three brands will continue to evolve through Monozukuri.

*2: Victor brand is available only in Japan.



Telematics service



In-vehicle amplifier/antenna/speaker



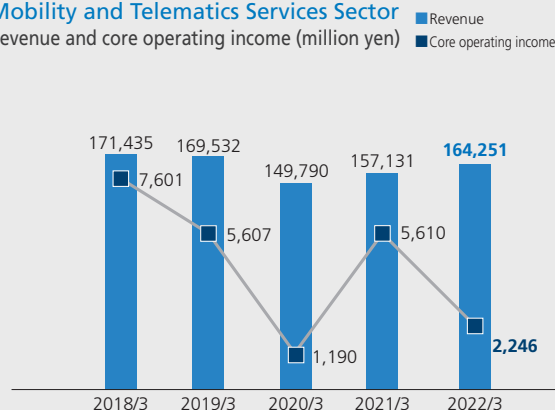
Alcohol detector



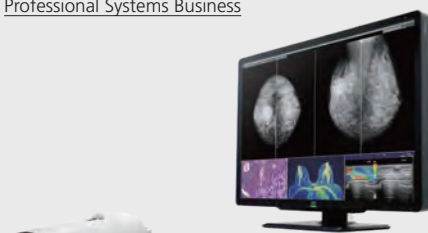
Sterilization and deodorization device

Mobility and Telematics Services Sector

Revenue and core operating income (million yen)



Professional Systems Business



Medical image display monitor



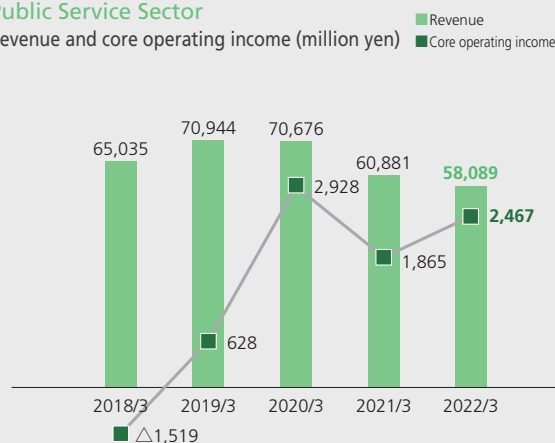
Security system



Professional broadcasting system

Public Service Sector

Revenue and core operating income (million yen)



Projector



Audio system



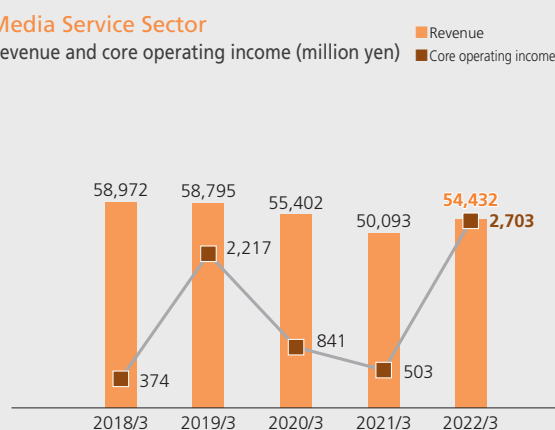
Portable power station



Music and video content

Media Service Sector

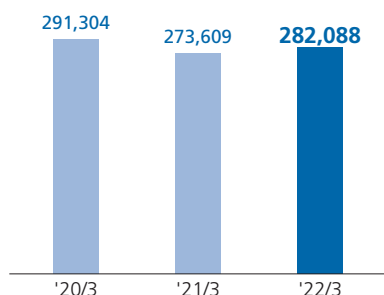
Revenue and core operating income (million yen)



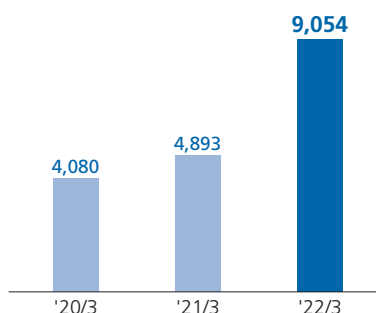
Three products from the Victor brand received the Good Design Award 2021: HA-FW1000T wireless stereo headset, EX-D6 compact component system, and "EXOFIELD THEATER" wireless theater system XP-EXT1

Financial and Non-Financial Highlights

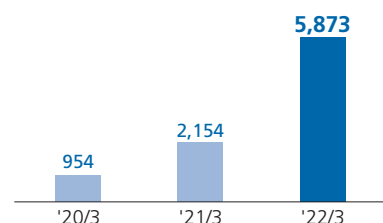
Revenue (million yen)



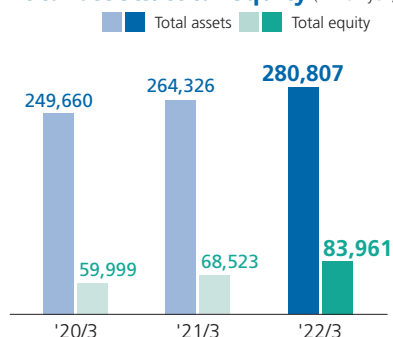
Operating profit (million yen)



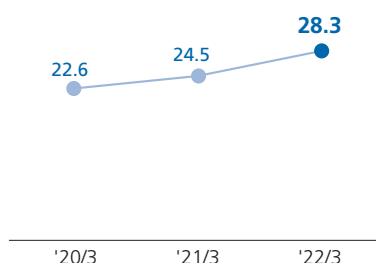
Equity attributable to owners of the parent company (million yen)



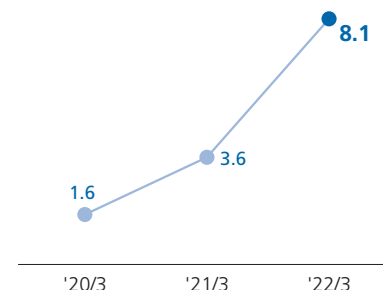
Total assets/total equity (million yen)



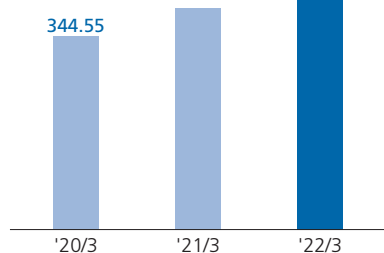
Ratio of equity attributable to owners of the parent company^{*1} (capital ratio) (%)



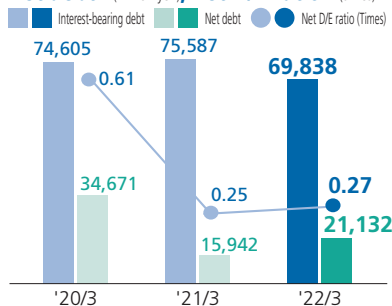
Ratio of profit (loss) attributable to owners of the parent company (ROE)^{*2} (%)



Equity attributable to owners of the parent company per share^{*3} (yen)



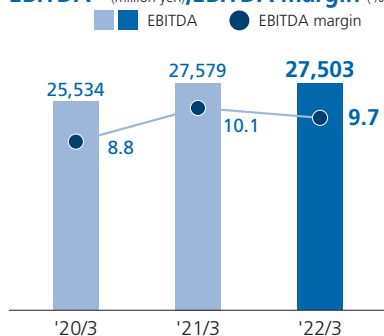
Interest-bearing debt^{*4} (million yen), net debt^{*5} (million yen), net D/E ratio^{*6} (times)



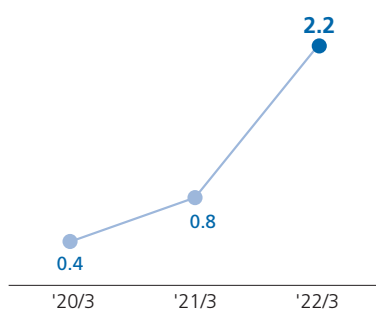
Cash flows (million yen)

	2020/3	2021/3	2022/3
Cash flows from operating activities	21,642	35,829	7,059
Cash flows from investing activities	△19,675	△11,804	△9,804
Cash flows from financing activities	△1,665	△5,342	△11,273
Free cash flows	1,966	24,024	△2,744

EBITDA^{*7} (million yen), EBITDA margin (%)



Return on assets before tax (ROA)^{*8} (%)



Capital investment^{*9}, depreciation expenses, research and development expenses (million yen)

	2020/3	2021/3	2022/3
Capital investment ^{*9}	11,837	10,268	12,354
Depreciation expenses	20,199	19,316	17,120
Research and development expenses	17,445	15,720	15,871

*1: Equity attributable to owners of the parent / Total assets x 100

*2: Profit (loss) attributable to owners of the parent company / Average equity attributable to owners of the parent for the fiscal year x 100

*3: Total equity attributable to owners of the parent / Number of shares issue

*4: Interest-bearing debt does not include lease liabilities

*5: Interest-bearing debt – Cash and cash equivalents at the end of the fiscal year

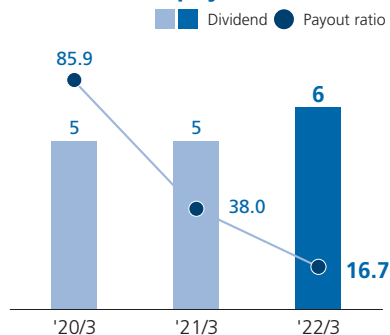
*6: Net Debt / Shareholders' Equity

*7: Profit before tax + Interest expenses + Depreciation expenses + Impairment losses

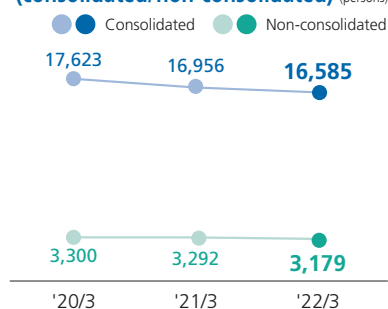
*8: Equity attributable to owners of the parent company / Total assets x 100

*9: Tangible fixed assets only

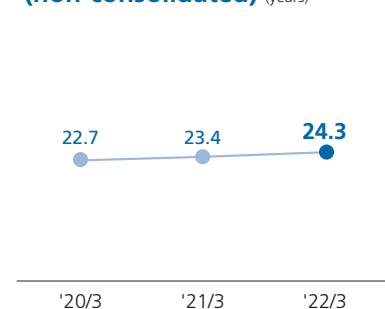
Dividend (yen), payout ratio (%)



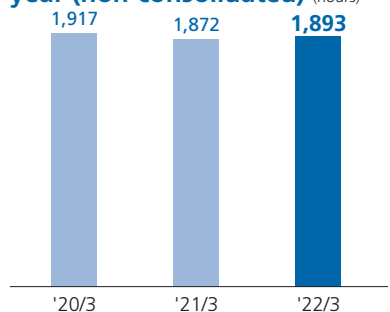
Number of employees (consolidated/non-consolidated) (persons)



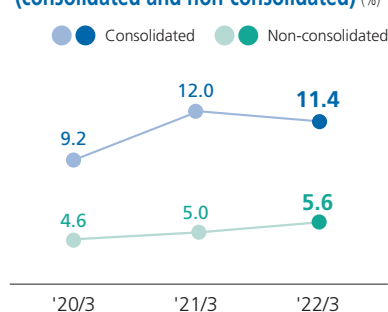
Average years of service (non-consolidated) (years)



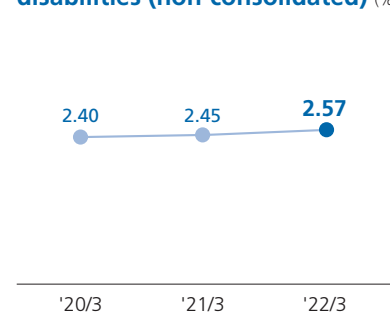
Total actual hours worked per year (non-consolidated) (hours)



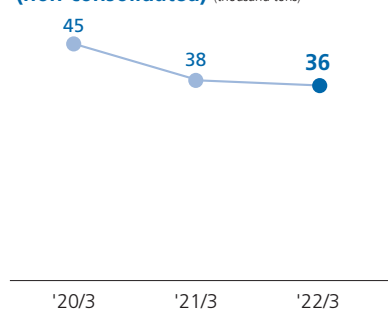
Ratio of female executives (consolidated and non-consolidated) (%)



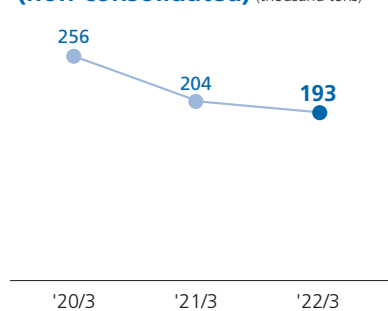
Ratio of employees with disabilities (non-consolidated) (%)



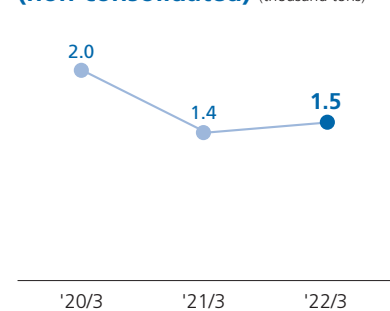
CO₂ emissions (scope 1+2) (non-consolidated) (thousand tons)



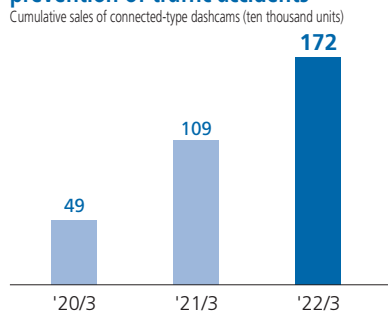
Water usage (non-consolidated) (thousand tons)



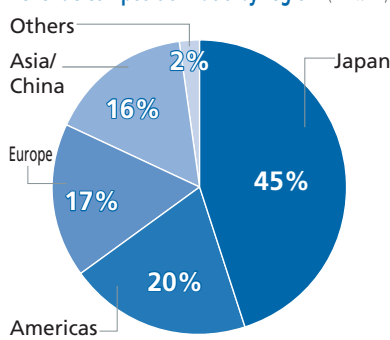
Total waste (non-consolidated) (thousand tons)



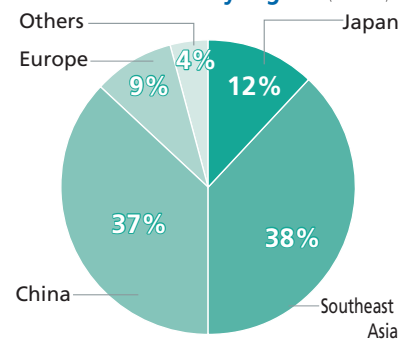
Telematics services contributing to the prevention of traffic accidents



Revenue composition ratio by region (FYE 3/22)



Production ratio by region (FYE 3/22)



Message from the CEO

Change for Growth

Towards the second year of the Medium-Term Management Plan, "VISION 2023"

Representative Director of the Board,
President and CEO
Shoichiro Eguchi



■ We achieved both sales and income growth during the fiscal year ended March 2022 in a rapidly changing business environment

Our fiscal year ended March 2022 was a very volatile year. Under VISION 2023 Medium-Term Management Plan for FY 2021 to FY 2023 (announced in May 2021), we have adopted "Change for Growth" as our basic strategy. We will fundamentally strengthen our corporate structure over the next three years, accelerate growth even further by overcoming the sense of stagnation caused by COVID-19,

and take the next step forward. However, due to a shortage in the supply of components such as semiconductors, price hikes in components, and distribution delays, I feel that we did not achieve full-scale acceleration of growth in the first fiscal year.

Results and review of the first fiscal year of VISION 2023

Redefine business portfolio	<ul style="list-style-type: none">• Reorganized in the Mobility & Telematics Services Sector and expanded our Telematics Service Business• Stopped producing consumer video cameras and shifted resources to growth businesses• Restructured our wireless business portfolio by selling subsidiaries
Strengthen revenue base	<ul style="list-style-type: none">• Ended production at Thailand production base (JKET^{*1})• Returned to domestic production in JVCKENWOOD Nagano Corporation and promoted automation• Continuously strengthened our business structure through CEM^{*2} projects
Respond to management issues	<ul style="list-style-type: none">• Strengthened response to supply chain issues by establishing the SCM^{*3} Innovation Department• Strengthened cyber security measures (JK-CIRT^{*4}/ CC^{*5})• Implemented factory security measures for automotive products at JVCKENWOOD Nagano Corporation

*1: JVCKENWOOD Electronics (Thailand) Co., Ltd.

*2: COVID-19 Emergency Measure

*3: Supply Chain Management

*4: JVCKENWOOD Central Incident Response Team (cross-company response team to strengthen cyber security resilience)

*5: Coordination Center

Despite such circumstances, we have been working to strengthen our revenue base by redefining our business portfolio. We have been reorganizing in the Mobility & Telematics Services Sector, expanding our Telematics Service Business, terminating production of consumer video cameras, shifting resources to growth businesses, and reorganizing our wireless business portfolio through selling subsidiaries. We also made design changes in response to the components shortage, returned domestic

production from Indonesia to Nagano, and promoted automation, resulting in significant recovery in production and sales in the fourth quarter. We believe that we have achieved some success in ensuring a more stable supply of products. Due in part to the reduced impact of COVID-19 compared with the previous fiscal year, we also increased sales and income for FY 2021.

■ Anticipate changes for the future

However, the components shortage (particularly for semiconductors) has exposed a new challenge—the vulnerability of the supply chain in our group. In FY 2021, we were able to recover by designing replacement components and launching an automation line; however, in April 2022, we established the position of Officer in Charge of SCM Reform and the SCM Innovation Department

because we believe that fundamental reform is necessary for important medium- to long-term company-wide risks. With the following agendas as its main mission, the department will optimize our supply chain by enhancing process visualization and monitoring, thereby reliably promoting business plans and accelerating management decision-making from the perspective of cash flow.

Main missions of the SCM Innovation Department

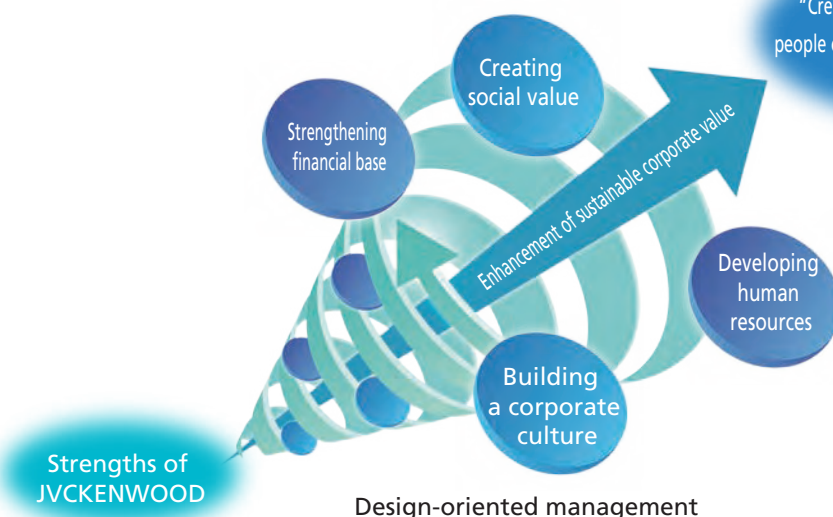
- (1) Set up and then monitor, track, and proactively manage a KPI tree related to SCM
- (2) Improve cash flow through activities to optimize inventories
- (3) Develop IT tools such as data visualization
- (4) Reform SPI* process into a supply chain process that connects the entire company

*Sales, Production, and Inventory

In this era of rapid change, a company must be flexible and quick in dealing with change and must ensure that it is committed to growth. Under our corporate vision of “Creating excitement and

peace of mind for the people of the world,” we aim to become a strong and resilient company that continues to anticipate change for the future, in order to enhance our corporate value over the medium-to-long term.

Medium-Term Management Plan and JVCKENWOOD's vision



“Creating excitement and peace of mind for the people of the world” Contribute to solving social issues
Leap forward for excellence

FYE 3/'23 Management Targets

Revenue	320 billion yen or more
Core operating income	12 billion yen or more
ROE	10 % or more
Dividend payout ratio (Consolidation)	30% as a guideline
Equity capital ratio	30% or more
CF from operating activities	70 billion yen or more (total of three years from 2021 to 2023)
Debt-to-equity ratio	1.0 or less

Message from the CEO

JVCKENWOOD's unique portfolio strategy

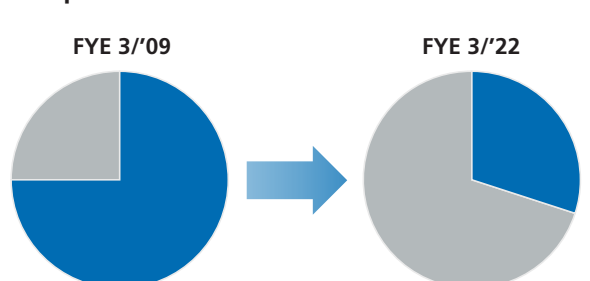
We have been transforming our business portfolio for more than 10 years since implementing management integration in 2008. At that time, more than 70% of sales were from B-to-C (business-to-consumer) businesses such as TV and video cameras. However, we liquidated unprofitable businesses in response to market changes, and now B-to-B business (in the three main sectors of Mobility & Telematics Services, Public Service, and Media Service) now account for approximately 70% of sales. Our Medium-Term Management Plan has also revealed the way forward in redefining our business portfolio. There are high risks involved in single stand-alone businesses, so we will continue to select and discard businesses within these three sectors in the future. We will continue to monitor our changing business environment as we review "businesses that need to be addressed" and "revenue base business" that we must reform, and "priority businesses" and "next generation businesses" that can accelerate the concentration of management resources toward growth.

p.18

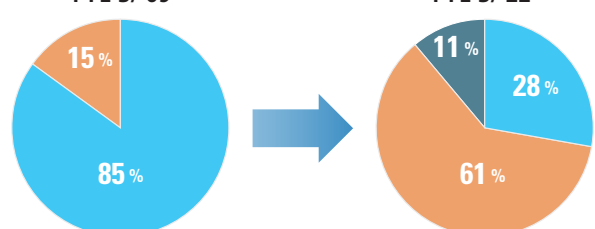
In the Mobility & Telematics Services Sector, the Group transitioned from focusing on the Aftermarket Business, and now focuses on the OEM Business for automobile manufacturers and Tier 1 manufacturers, and this business now accounts for approximately 60% of sales in this sector. Our car navigation systems have grown to have a market share of approximately 30%* in the dealer-installed (dealer options) business for Japanese automobile manufacturers. These changes are part of our business portfolio strategy. The brand power we have cultivated in the commercial market, our high sensitivity to the market, and our planning and design capabilities to quickly reflect customer needs in our products are major assets that form the strength of our group. In addition, the video and optical technologies we have developed through designing our video cameras and high-definition projectors give us an advantage over competitors and help to further solidify our position in the dashcams market.

*According to a survey by JVCKENWOOD Corporation

Composition ratio of BtoC and BtoB



Mobility & Telematics Services business portfolio transformation



Meeting the needs of the new world, such as autonomous driving and EVs

The automotive industry, one of our group's major customers, is seeing greater activity in trends such as CASE^{*1}, MaaS^{*2}, and EV. Even if automated driving and EVs become widespread, in-vehicle comfort and entertainment will remain essential as long as people continue to use cars. We believe that human-machine interfaces (HMI) outside of driving will come under greater focus. We are proud that our HMI planning and design capabilities, in addition to the high-quality sound and recording technologies we have cultivated over the years, will contribute toward upgrading vehicle interiors in the age of automated driving and EVs.

We are also already working with automobile manufacturers on various initiatives to support the shift to EVs. One such project is the development of a portable power station using recycled batteries from "Nissan Leaf"^{*3} vehicles, which was publicly announced in April 2022. With cumulative global sales of more than 500,000 units, we will utilize the technology and expertise we have developed through the design of in-vehicle devices such as car navigation systems and dashcams, as well as portable power stations, in order to design and develop products optimized for reusing used batteries as well as for safety.

*1: Connected, Autonomous, Shared & Services and Electric

*2: Mobility as a Service

*3: Electric Vehicle of Nissan Motor Co., Ltd.

*4: Key Performance Indicator

Companies are now expected to contribute to SDGs, and we will specifically promote this new business scheme as a way to reduce environmental impact and contribute to a low-carbon society. Waste reduction and reuse of auto components have a significant social impact. In our quest to be carbon neutral, we consider recycling efforts to be one of the core components of our business.

► For details, see "Development of environmentally friendly products" on page 41 "Environment."



Recycled Nissan LEAF battery cells that will be used in the product (left) and the product image under development (right)

■ Instilling sustainability management inside and outside the Company

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Our approach to sustainability is to first identify social issues that are not only closely related to our business, but also that we believe will contribute to society. We then identify material issues and set KPIs*⁴ for each topic, and promote initiatives to solve these issues, starting at the front lines of business. The key for us is to start nearby and expand outward. We believe that it is easy for employees to understand how our business is linked to solving social issues.

For example, dashcams generate annual sales revenue of approximately 30 billion yen, and we have heard that the connected-type dashcams that we supply to major auto insurance companies have led to a reduction in traffic accidents. In addition to outdoor and business applications, our commercial transceivers are expected to be used in rescue and relief efforts in disaster-stricken areas, and we believe that they will contribute

to reducing the number of deaths, missing persons, and directly injured people in disasters.

In order to expand these efforts, we believe it is important to know the Company's ranking in external evaluations, and to motivate our employees to aim for even higher positions within the Company. Furthermore, it is important that children become interested in SDGs and sustainability, and understand that our Group's activities are for this purpose. With this in mind, we are actively involved in the development of children, who will be responsible for the future, by providing on-site lectures aimed at promoting the understanding of SDGs through the Group's business activities, as well as workplace tours and work experience for students.

■ Continuing to ask, "What is purpose management?"

A major topic of VISION 2023 is "Change for Growth," and I feel that while there are some things that must be changed in order to transform and grow for the future, there are also some things that cannot be changed. In the words of the American theologian Reinhold Niebuhr, "God grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference." Some things, like upbringing, cannot be changed, but there are other things in the world that must be changed.

In this rapidly changing and highly uncertain world, we will verify whether our corporate vision is consistent with the conceptions of our many stakeholders and find a purpose that is satisfactory. We believe that purpose management means to constantly question our own *raison d'être*, and to make things better.

What should I accept and what should I change within a limited time frame? I see this as a major topic and mission that I must consider as CEO.

Strengths of JVCKENWOOD

The JVCKENWOOD Group creates new value based on its three strengths, transcending the boundaries of its business sectors.

STRENGTH



Core technologies in audio, visual, communications, and design management that create new corporate value

Visual

Visual technology that realizes high definition and high image quality in a wide range of products from dashcams to 8K projectors



Audio

Audio technology that realizes high quality sound reproduction in any usage situation to suit changing lifestyles



Communications

High-quality communication technology used in mission-critical areas such as police, fire, and emergency services



Design Management

Creating new corporate value by improving brand power and innovation through design management



2

STRENGTH

Developing products and solutions in three business sectors

Products that boast the top market share in each of the three business sectors

Mobility and Telematics Services Sector



Car navigation system



Dashcam

Main Products

- Car navigation system
- Dashcam
- In-vehicle amplifier/Antenna/Speaker
- Telematics Service



Revenue Composition Ratio (FYE 3'/22)

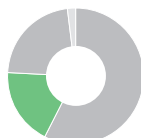
Public Service Sector



Professional radio system

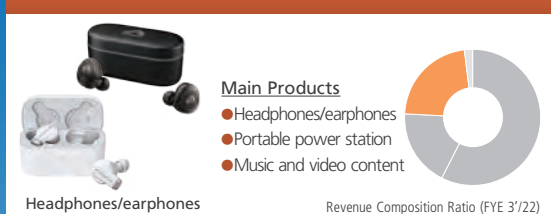
Main Products

- Professional radio system
- Security system
- Medical image display monitor



Revenue Composition Ratio (FYE 3'/22)

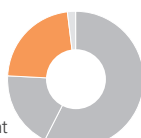
Media Service Sector



Headphones/earphones

Main Products

- Headphones/earphones
- Portable power station
- Music and video content



Revenue Composition Ratio (FYE 3'/22)

3

STRENGTH

Three Iconic brands

Developing the business activities by leveraging the uniqueness of the three brands

KENWOOD

The KENWOOD brand, with its red triangle brand logo that represents high quality, innovation, and sharpness, provides products based on audio and communications technologies. The brand continues to expand its range of in-vehicle products and services.



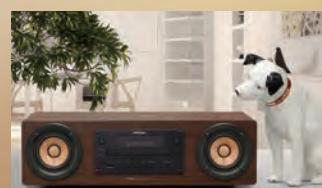
JVC

The JVC brand, which covers a wide range of areas from audio and visual products to healthcare systems (mainly in overseas markets), offers products and services that are closely related to people's lives.



Victor

The Victor brand, familiar to many thanks to Nipper, the dog depicted in "His Master's Voice," focuses on technologies and products that are appropriate for the times, based on out-of-the-box thinking.



Value Creation Process

INPUTS

Management capital

Financial capital

Total assets

280.8 billion yen*1

p.4-5

Manufacturing capital

Major manufacturing companies

9

p.56-57

Intellectual capital

R&D expenses

15.9 billion yen*2

SDG-related patents

More than **10%**

p.36

Human capital

Number of Group employees
(consolidated)

16,585

Social and relational capital

Major sales & marketing
bases

19

Natural capital

Total energy consumption

608,521 GJ*2

*1: End of March 2022

*2: FYE 3/22

Management capital

The Group possesses tangible and intangible management resources, including finances, technology and intellectual property, brands, and human resources. We work to strengthen our intellectual capital, human capital, and social and relational capital through research and development, the acquisition and development of human resources, and the development of collaborative partners, to improve the capabilities of our value-creating resources.

BUSINESS ACTIVITIES

Medium-Term Management Plan VISION 2023 p.14-19

Basic strategies

Change

- Rebuild the revenue base
- Further promote manufacturing reform
- Reorganize and consolidate production bases

Growth

- Evolution of DX business
- Strategic products for the post COVID-19 world
- Improve profitability and ROE commensurate with capital invested

Research & Development

Procurement & Manufacturing

Planning & Design

Sales

After-sales service

R&D² Research, Development and Design

Audio, visual, communication and design management
as the cornerstones of the company

JVCKENWOOD's Management Principles

Creation value through
Monozukuri

Building a corporate
culture that adapts and
embraces change

Investing in people to
strengthen capabilities
and push boundaries

"Profitable Growth" and "Solving Social Issues"

Sustainability Management & Evolution of ESG p.34-53

- Approach to profitable growth based on SDGs strategic themes
- Strengthen governance and further improve the effectiveness of the Board of Directors

Cycle of value creation that contributes

Business activities

The Group promotes the Medium-Term Management Plan VISION 2023 based on three Management Principles related to Monozukuri (manufacturing), building of a corporate culture, and strengthening human resources and organization. VISION 2023 aims to create business that will drive sustainable growth by addressing sustainability management and ESG evolution with "Change for Growth" as the two wheels.

The JVCKENWOOD Group aims to realize a sustainable society by providing value that contributes to solving various social issues through its business activities, utilizing its strengths in audio, visual, communications, and design management.

OUTPUTS

Products, Services, Solutions, etc

Three brands

KENWOOD

JVC

Victor

Three business sectors

Mobility & Telematics Services Sector

OEM Business, Aftermarket Business, Telematics Service Business

Public Service Sector

Communications Systems Business, Professional Systems Business

Media Service Sector

Media Business, Entertainment Business

- Diversity & Inclusion
- Climate Change
- Sustainable Monozukuri
- Accelerated Innovation
- Risk Management Initiatives
- Stakeholder Partnerships

to profitable corporate growth

Products, services and solutions

The Group has three characteristic brands. We are expanding our business globally by creating products that enrich people's lives and help solve problems in three business sectors: Mobility & Telematics Services, Public Service, and Media Service.

OUTCOMES

Value we provide to society

Corporate Vision

Creating excitement and peace of mind for the people of the world

Providing value for social issues p.37

Contributing to the prevention of traffic accidents toward the realization of a safe and secure automotive society



Contributing to disaster prevention and mitigation in the event of abnormal weather and disasters caused by climate change



Contributing to the creation of safe and secure communities by deterring violent crime



Contributing to the realization of a sustainable society



Providing value that contributes to solving social issues

In order to realize the corporate vision of "Creating excitement and peace of mind for the people of the world," we create value for our stakeholders in a wide range of areas, including contribution to a sustainable society, profitable growth, the environment, and society (human resources).

Strategies to Enhance Corporate Value Over the Medium to Long Term

Medium-Term Management Plan VISION 2023

JVCKENWOOD has launched VISION 2023, a Medium-Term Management Plan to break through the stagnation due to COVID-19 and promote new steps toward corporate transformation under the keyword “Change for Growth” in order to realize its corporate vision of “Creating excitement and peace of mind for the people of the world.”

Corporate Vision

**Creating excitement and peace of mind
for the people of the world**

Management Principles

Creating value through Monozukuri

**Building a corporate culture that adapts
and embraces change**

**Investing in people to strengthen capabilities
and push boundaries**

4 Values



Positioning of the Medium-Term Management Plan VISION 2023

In recent years, the market environment has been changing at a faster pace than expected. The global spread of COVID-19 has accelerated technological innovation through Digital Transformation (DX), and the business environment surrounding our company is undergoing a major shift.

In this environment, we have formulated a new Medium-Term Management Plan VISION 2023, which aims to make a leap forward to become an excellent company with both strength and toughness in order to increase corporate value over the medium to long term even in a drastically changing business environment. To achieve this goal, we have positioned the period from FY 2021 to FY 2023 as a three-year period under the theme of "Change for Growth," with a focus on strengthening the revenue base of existing business and establishing new growth areas by redefining our business portfolio.

Creating excitement and peace of mind for the people of the world

Becoming an excellent company with strength and toughness

Change for Growth

VISION 2023
(2021-2023)

VISION 2020
(2018-2020)

- ▶ Implemented COVID-19 Emergency Measures
- ▶ Implemented company-wide fixed cost reforms
- ▶ Launched DX Business

Breaking through the stagnation of COVID-19 and taking new steps toward corporate reforms

- ▶ Transform into a structure capable of earning stable profits
- ▶ Redefine business portfolio
- ▶ Expand Mobility & Telematics Services Business

- ▶ Further strengthen the revenue base
- ▶ Accelerate growth through highly profitable business
- ▶ Sustainable enhancement of corporate value

Continue to promote both the resolution of social issues and sustainability (SDGs) management

Recognition of External Environment and Basic Strategies

Recognition of external environment and key themes for VISION 2023

Recognition of external environment

Opportunities

- ▶ Creation and innovation of new technologies and business models such as AI and IoT, substitution of existing business and stimulation of new demand.
- ▶ Acceleration of digitization and the convergence of reality and digital.
- ▶ Movement to seek solutions to social issues through corporate activities, such as the increase in ESG investors and the spread of the SDGs.

Risks

- ▶ Worsening of global supply chain risks for semiconductors.
- ▶ Business impact of prolonged spread of COVID-19.
- ▶ Growing global geopolitical risk.
- ▶ Supply chain disruptions due to climate change.
- ▶ Impact of U.S.-China trade friction on the global economy.
- ▶ Global economic impact of Russia's invasion of Ukraine

Key themes

- ▶ Respond to drastic changes in the market environment and shift to an earnings structure that earns stable business profits.
- ▶ Clarify strategies and allocate resources by redefining the business portfolio.
- ▶ Develop new business through expansion of the Mobility & Telematics Services Business and further evolution of the DX Business.
- ▶ Promote sustainability management based on “profitable growth” and “solving social issues on a global scale.”

As a result of analyzing the market environment surrounding our company, JVCKENWOOD believes that there are opportunities in the creation and innovation of business models through new technologies and DX such as AI and IoT, the substitution of existing business and the stimulation of new demand, the acceleration of digitalization and the fusion of real and digital.

We also see opportunities in management focusing on ESG and seeking solutions to social

issues. We also recognize that there are risks such as the business impact of the prolonged spread of COVID-19, the worsening risk of global supply networks for semiconductors, the expansion of global geopolitical risks and supply chain disruptions caused by climate change.

In formulating VISION 2023, we considered the above four key themes based on our awareness of the external environment regarding these opportunities and risks.

Basic strategies of the Medium-Term Management Plan VISION 2023



As a result of examining key themes based on our recognition of the external environment, we have set the basic strategy for VISION 2023 as “Change for Growth.”

In the area of “change,” we aim to (1) rebuild our revenue base by redefining our business portfolio, (2) further accelerate manufacturing reforms by promoting automation and returning to domestic production, and (3) enhance manufacturing cost competitiveness by reorganizing and consolidating production bases.

In the area of “growth,” we will take on the following challenges: (1) Evolution of the DX business by expanding into the IoT platform service business, (2) Expansion of new products and new sales channels for the post COVID-19 era, and (3) Improvement of capital efficiency and ROE with an awareness of capital costs.

We will further evolve sustainability management and ESG based on “change” to strengthen the earnings base of existing business and “growth” to expand growth business by creating new products and new business.

Outline of Medium-Term Strategy

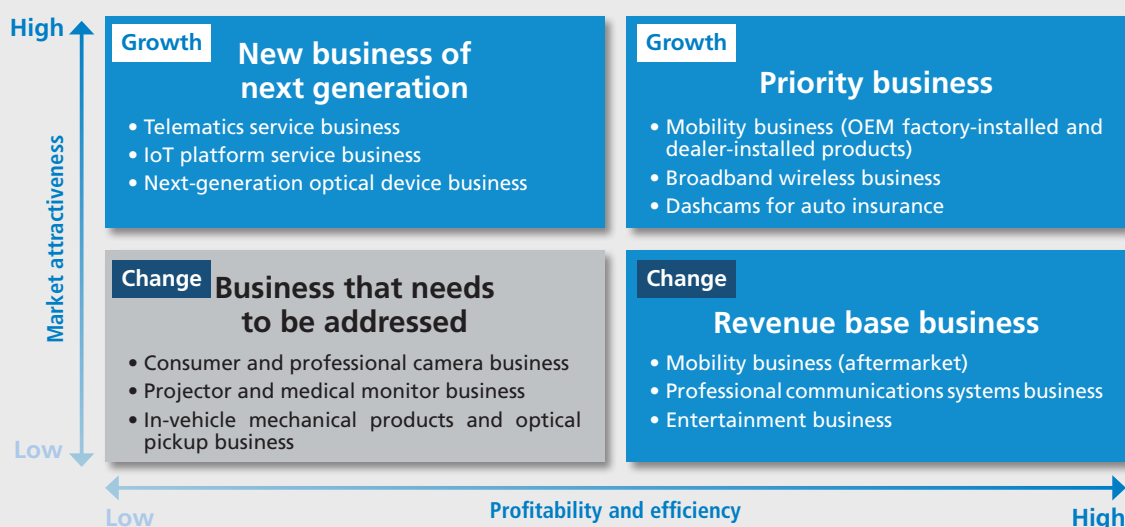
Under VISION 2023, we will strengthen our revenue base through structural reforms (“Change”), expand growth business by expanding new products and sales channels and creating new business (“Growth”), and pursue initiatives that combine “profitable growth” with “solving social issues on a global scale” (sustainability management and ESG evolution).



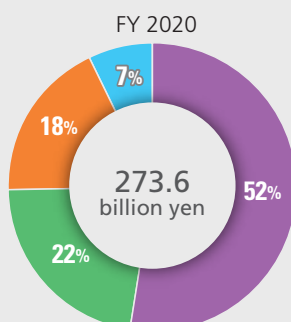
Change

We will redefine our business portfolio based on both the attractiveness of the market and our own profitability and capital efficiency. For business that needs to be addressed, we will consider profit improvement, withdrawal or downsizing through a drastic strategic review, and reconfigure our profit structure to focus on priority business and next-generation new business that can take advantage of our strengths and core competencies.

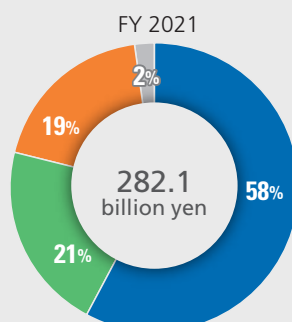
Redefine the Business Portfolio and Sustainably Enhance Corporate Value



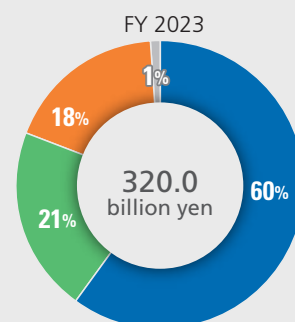
Change in sales revenue composition ratio



■ Automotive Sector
■ Public Service Sector
■ Media Service Sector



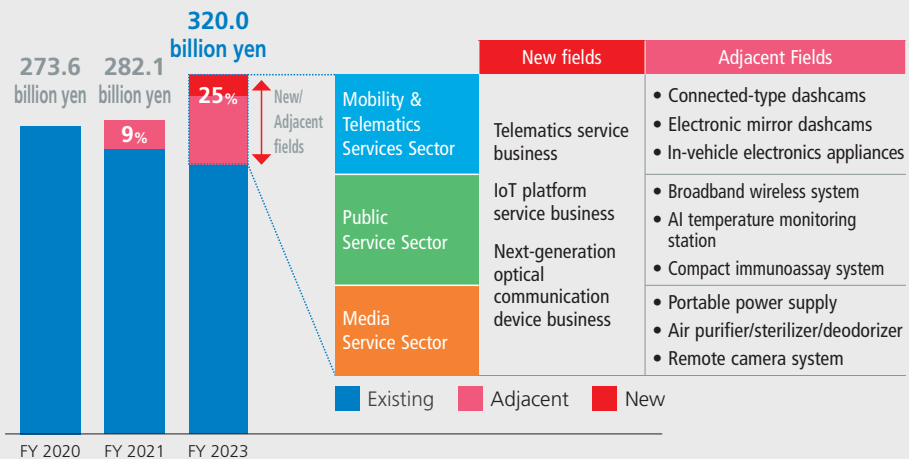
■ DX Business, others
■ Mobility & Telematics Services Sector
■ Others



2 Growth

New business to support growth

We are aggressively entering into areas adjacent to our existing business (new markets or new products) and new areas, aiming for a 25% revenue ratio in these two areas.



Telematics Service Business

We will expand the telematics service business by expanding the business area to include the dashcam business which boasts the top-class market share, the high-functioning dashcam service business that effectively utilizes connected-type dashcams, and the data service business as the IoT platform service business.

Expand the business domain by creating a data service business using connected-type dashcams



3 Sustainability management & evolution of ESG

In VISION 2023, we aim to enhance corporate value by further activating activities to promote sustainability management that focuses on both “profitable growth” and “solving social issues on a global scale.” In addition, we have formulated a new medium-term environmental plan linked to VISION 2023. We will comply with environmental laws and regulations in all of our products and business activities, and contribute to the realization of sustainable use and coexistence of energy, resources, and living things, which are assets of the Earth, including responses to climate change.

- Approaches to profitable growth based on SDG strategic themes
- Strengthen governance and further improve the effectiveness of the Board of Directors

Message from the CFO

While making investments with an emphasis on profitability and capital efficiency with an awareness of the cost of capital, we will work to reduce interest-bearing debts and financial expenses to achieve sustainable growth in corporate value.

Representative Director of the Board, Senior Managing Executive Officer,
Chief Financial Officer (CFO)

Masatoshi Miyamoto



Basic policy

- ▶ Allocate management resources in a timely and precise manner, with an awareness of the cost of capital and an emphasis on profitability and capital efficiency
- ▶ Reduce interest-bearing debts and financial expenses while equalizing repayments each fiscal year

Performance results and review of fiscal year ended March 2022

Although the entirety of FY 2021 was largely affected by a shortage in the supply of components such as semiconductors, net sales increased from the previous period to 282.1 billion yen due to a reduced impact of COVID-19 and a significant recovery in production and sales in the fourth quarter. Core operating income decreased 300 million yen from the previous period to 7.1 billion yen due to problems in the supply of components and cost increases. However, operating income and net income increased significantly from the previous period due to gains on sales of subsidiaries and valuation of financial assets, as well as new recognition of deferred tax assets, resulting in an ROE of 8.1%. On the other hand, cash flow from

operating activities decreased 28.8 billion yen from the previous period to 7.1 billion yen due to a large increase in inventories resulting from production disruptions caused by components shortages and prolonged logistics lead times.

Financial targets

Under the Medium-Term Management Plan VISION 2023, we aim to achieve revenue of 320 billion yen or more, core operating income*¹ of 12 billion yen or more, and ROE*² of 10% or more by FY 2023, the final year of the plan, by steadily implementing the business strategies set forth in "Change for Growth." In addition, we aim to both maintain growth and secure stability by achieving a ratio of equity attributable to owners of the

Numerical targets

Sales revenue

320
billion yen or more
(FY 2023)

282.1 billion yen
(FY 2021)

Core operating income

12
billion yen or more
(FY 2023)

7.1 billion yen
(FY 2021)

Ratio of profit attributable to owners of the parent company (ROE)

10% or more
(FY 2023)

8.1%
(FY 2021)

Consolidated dividend ratio

approx. 30%
(FY 2021–FY 2023)

16.7%
(FY 2021)

Ratio of equity attributable to owners of the parent company to total assets

30% or more
(FY 2023)

28.3%
(FY 2021)

Operating cash flow

70
billion yen or more
(cumulative total for FY 2021 to FY 2023)

7.1 billion yen
(FY 2021)

Ratio of interest-bearing debts to equity (D/E ratio)

1.0 or less
(FY 2023)

0.9
(FY 2021)

parent company to total assets, which is a measure of financial stability, of 30% or more at the end of FY 2023 while paying stable dividends with a target dividend payout ratio of 30%.

Meanwhile, by earning 70 billion yen or more in operating cash flow over the cumulative three years of the VISION 2023 period, we plan to reduce the ratio of interest-bearing debts to equity (D/E ratio) to 1.0 or less at the end of FY 2023.

Cash flow allocation

Under VISION 2023 we will focus on generating cash flow and ensure an effective outflow of cash after making the use of funds clear.

As for inflows of cash, 80 billion yen is expected with cash of 10 billion yen resulting from the business and sale of assets selected from the perspective of capital efficiency, in addition to operating cash flow.

On the other hand, with regard to outflows of cash, we will make strategic investments, pay dividends, and repay interest-bearing debts within the limit of 20 billion yen, after excluding ordinary investments of 60 billion yen that are necessary to maintain the business. In particular, strategic investments are expected to include investments in growth business, development of technological platforms, structural reforms, business base reforms, and IT investments. In addition, by using cash flow and ROA^{*3} by business sector as key KPIs^{*4}, we aim to improve the accuracy of investment judgment and post-investment budget and performance management.

Toward permanent strengthening of business structure

Since 2018, the Company has been reforming management through reforming manufacturing as a measure to strengthen its business structure across the Company. We achieved steady results in FY 2020 through the CEM (COVID-19 Emergency Measures) project launched to thoroughly curb cash outflows as a measure against the spread of COVID-19, and we

continued these activities in FY 2021 as well.

On the other hand, in FY 2021, production disruptions due to components shortages and prolonged logistics lead times had a significant impact on our business performance. It was also a year in which we became acutely aware of the major challenges in our supply chain management (SCM). In order to overcome these challenges, we established the position of Officer in Charge of SCM Reform and the SCM Innovation Department on April 1, 2022, and are working on promoting supply chain optimization by visualizing processes and strengthening monitoring in order to build a system that will enable us to steadily promote business plans and accelerate management decision-making from the perspective of cash flow.

Return to shareholders

One of the main pillars of our financial strategy is the stable distribution of profits to shareholders. At the same time, securing management resources for future growth is a top management priority. Accordingly, we will decide on dividend of surplus, etc. by considering our profitability and financial position comprehensively. Based on such policy, VISION 2023 plans to pay dividends with a target dividend payout ratio of 30%.

Meanwhile, in order to respond to future changes in the business environment, we will effectively utilize retained earnings to strengthen our financial structure, realize stable dividends on an ongoing basis, strengthen our management structure for future business development, and invest in growth areas.

Changes in dividend

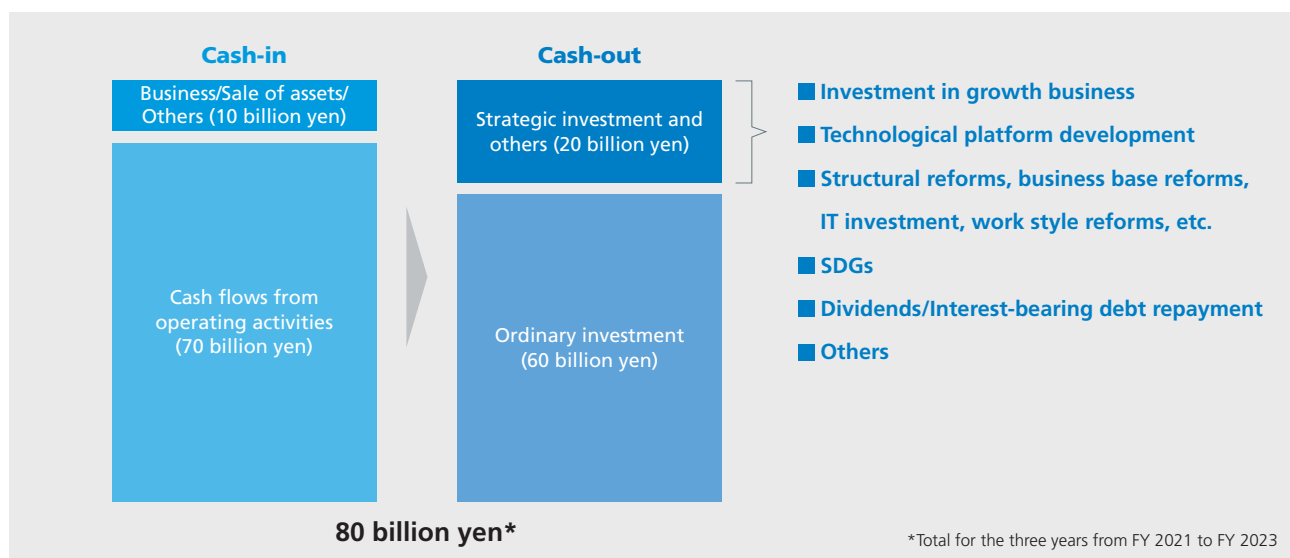
	FYE 3/'21	FYE 3/'22	FYE 3/'23 (Forecast)
Dividend	5 yen	6 yen	7 yen

*1: Operating profit, net of other income, other expenses, foreign exchange losses (gains), and other primarily temporary factors

*2: Ratio of profit attributable to owners of the parent company

*3: Ratio of return on total assets

*4: Abbreviation of Key Performance Indicators



Business Strategy

Mobility & Telematics Services Sector

Overview of segment

The Mobility & Telematics Services Sector is composed of three businesses: the OEM Business which provides products through automobile manufacturers and dealers, the Aftermarket Business which provides products through mass merchandisers and distributors, and the Telematics Service Business which deploys various solutions centered on connected-type dashcams via collaboration with service providers such as auto insurance companies.

The OEM Business is operated through two channels: the dealer-installed channel and the factory-installed channel (products installed on the vehicle production line). With respect to dealer-installed products, we continue to receive orders for large-scale projects, mainly from major Japanese automobile manufacturers. In addition to car navigation systems and display audio systems, orders are increasing in the in-vehicle optical-related field which includes dashcams and in-vehicle cameras with growing demand. With respect to factory-installed products, in-vehicle EMS^{*1}, speakers, amplifiers, antennas and cable products are mainly developed and provided to automobile manufacturers in Japan, the United States, Europe and China. This is done mainly through JVCKENWOOD Hong Kong Holdings Limited and ASK Industries S.p.A which became subsidiaries in 2013 and 2015, respectively.

The Aftermarket Business is experiencing a shrinking trend in the conventional car audio market both in Japan and overseas. But we have secured a top-class position in the car navigation systems where we have utilized our strength. In Japan, where dashcams are becoming increasingly popular, we propose products that realize high performance, high reliability, and high-quality video recording by merging our in-vehicle technology and video/optical technology cultivated in the past, securing a top-class share in the market.

The Telematics Service Business is centered on sales of connected-type dashcams to the auto insurance, ride-sharing and truck transportation industries based on knowledge of various technologies and insight into customer issues cultivated through global marketing. By disseminating telematics services to society, we contribute to solving various mobility-related issues of stakeholders, such as ensuring passenger safety, improving the quality of response by auto insurance companies in the event of an accident, and improving management efficiency of trucking companies.

*1: Abbreviation of Electronics Manufacturing Service; a contract manufacturing service for electronic equipment.

Main products



Car navigation system



Dashcam



In-vehicle amplifier/Antenna/Speaker

Future initiatives

In the Mobility & Telematics Services Sector, JVCKENWOOD aims to reach a business scale of 200 billion yen by FY 2023, the final year of the Medium-Term Management Plan VISION 2023, through restructuring of the business portfolio.

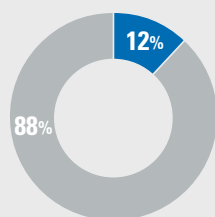
In OEM dealer-installed products, we will increase orders by proposing new products, in addition to the car navigation systems and dashcams for the mini and compact car market that is expected to remain firm in the domestic market. Orders including display audio systems for increasing Japanese automobile manufacturers will also be increased in the Southeast Asia market. As for factory-installed products, we will strengthen initiatives to increase sales through in-vehicle business involving eCall (vehicle emergency communication system) communications and acquisition of new customers in the European and Chinese markets by ASK.

In the Aftermarket Business, the conventional car audio market is experiencing a shrinking trend in both Japan and overseas. Nevertheless, we will work to increase sales of car navigation systems and dashcams by strengthening our approach to markets such as leasing and used car markets that have room for development. Furthermore, by introducing new products such as in-vehicle electronic appliances, air purifiers, sterilizers and deodorizers, we will work to maintain and expand the business scale.

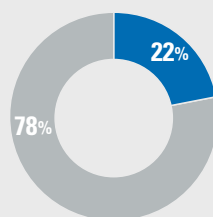
In the Telematics Service Business, we will further expand our business at a global level by expanding our highly respected high-functionality dashcam business, and by expanding product lineups and services. Furthermore, centering on connected-type dashcams, we will provide new telematics services by developing business for auto insurance companies and data service business utilizing vehicle data.

FY 2023 (FYE 3/2024) Target: Adjacent and new field sales ratio of 30%

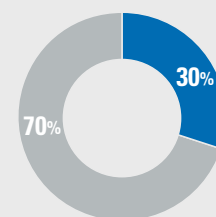
FY 2021 (FYE 3/2022)



FY 2022 (FYE 3/2023)



FY 2023 (FYE 3/2024)



Major themes for adjacent and new fields

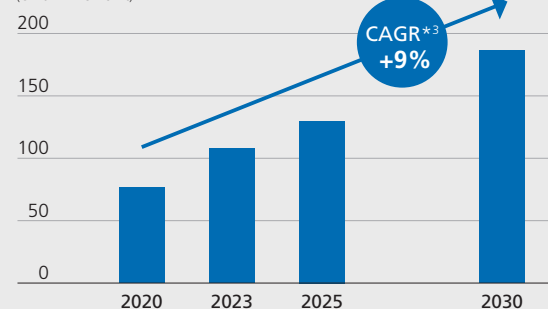
- Telematics service business
- IoT platform service business
- Connected-type dashcams
- Electronic mirror dashcams
- In-vehicle electronics appliances

Priority strategy



Global telematics service market^{**2}

(Unit: million unit)



Data source: Company estimates based on various secondary data

^{**2}: Cumulative total number of vehicles (passenger cars and commercial vehicles) that have access to a variety of information services in real time via a communications system

^{**3}: Abbreviation of Compound Average Growth Rate, meaning an annual average growth rate

Strategies to Enhance Corporate Value Over the Medium to Long Term

Mobility & Telematics Services Sector

Medium- to long-term scenario of Telematics Service Business



We will expand the Telematics Service Business by extending our business domain to data service businesses (namely, the dashcam device business which has achieved a top-class market share), the high-functioning dashcam service business (which effectively makes use of connected-type dashcams with a scale of a cumulative total of 1.7 million units [as of the end of March 2022]), and the IoT platform service business.

Phase 1

Dashcam device business

In the dashcam device business, we have acquired the top-class market share position in the dashcam market in Japan, achieving revenue of more than 30 billion yen company-wide (total for Aftermarket, OEM, DX business for auto insurance companies, etc.) in FY 2020. We will continuously expand product lineups and develop sales channels with the aim of further expanding the business.

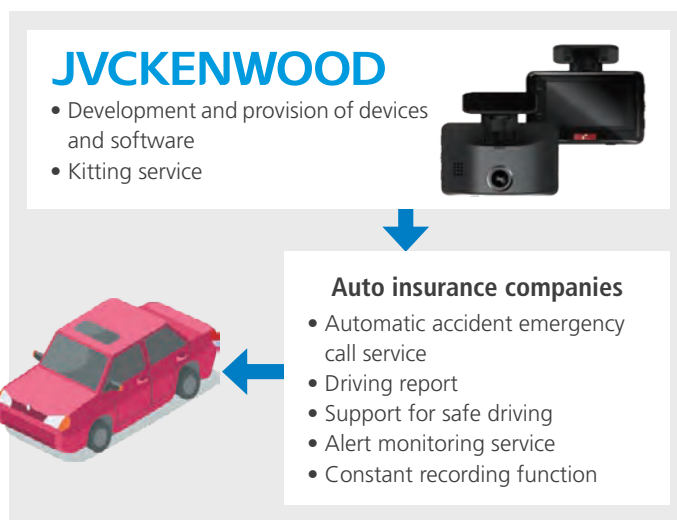
Connected-type dashcams for auto insurance companies are developed and supplied to auto insurance companies, providing safety and security through their rapid response and driver assistance functions in emergency situations.

■ Gained top-class share in the dashcam market



■ Connected-type dashcam for auto insurance

- ▶ Providing safety and security with rapid response to emergencies and driver assistance functions

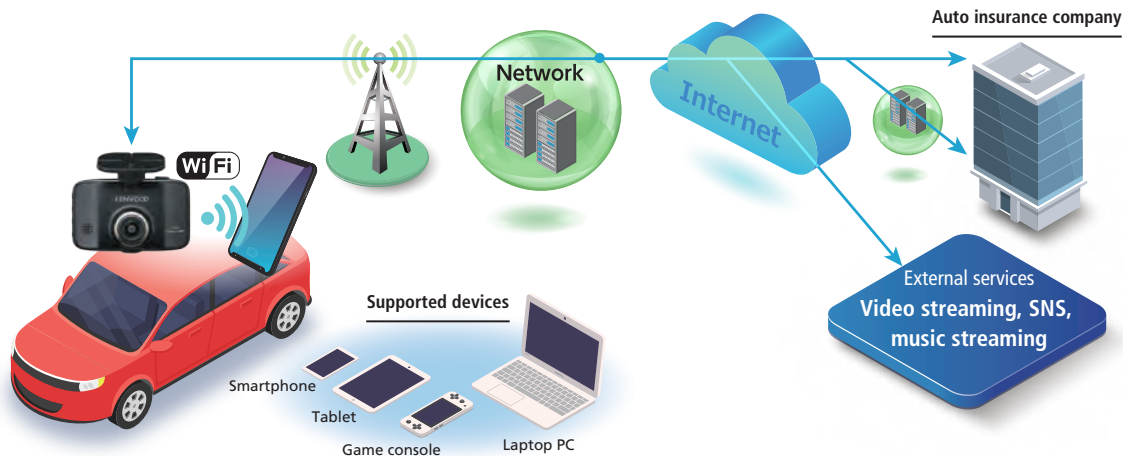


Phase 2

High-functioning dashcam service business

By cooperating with automobile manufacturers and auto insurance companies, we will launch into the high-functioning dashcam service business which will allow seamless response through utilization of connected-type dashcams in case of an accident.

In addition, in line with these services, we will provide a comfortable in-vehicle space through in-vehicle Wi-Fi functions, allowing the use of in-vehicle devices without having to be concerned about communications charges.

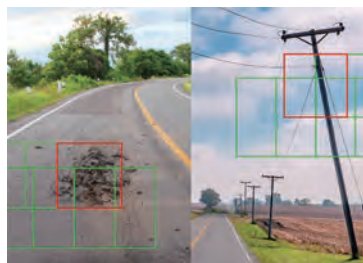


Phase 3

IoT platform service business

By expanding the business domain to the data service business for Telematics Service Business expansion, we will launch the IoT platform service business integrated with the high-functioning dashcam service business.

Specifically, we will consider providing a road diagnosis service that diagnoses/analyzes the status of deterioration of roads and utility poles, and supports road route management as well as repair plans. A service for drivers that analyzes their emotions and physical conditions and supports their optimal driving is also considered.



Road diagnosis service

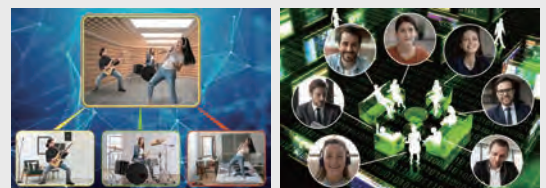


Driver assistance service

Development into a new IoT platform service business

Besides the telematics services, we are working to develop a next-generation IoT platform service with multipurpose communication that can be enjoyed and that connects people, time and space. Our core technologies such as a low-latency codec, sound field localization, multi-camera synchronization and studio engineering will be put to full use to create a cloud-based next-generation communication space platform. The platform, for example, will allow music creators and artists, whether professional or amateur, to post musical pieces on the cloud, have listeners listen to the music pieces and buy them, and be scouted by professionals. Online live performances connecting the real and the virtual can also be held. In addition, our unique and new IoT platform service business will be proposed by putting together company-wide management resources including each business sector, JVCKENWOOD Design Corporation, and JVCKENWOOD Victor Entertainment Corporation. The new business will provide virtual spaces in scenes of conferences, exhibitions and others.

Communication space service



- Virtual studios and virtual spaces connect different places to hold live performances and sessions.
- Provide a place to enjoy multipurpose communication.

Business Strategy

Public Service Sector

Overview of segment

The Public Service Sector comprises the Communication Systems Business, which provides professional and amateur radio systems, and the Professional Systems Business, which offers imaging solutions, audio solutions and healthcare.

The Communication Systems Business provides highly reliable professional digital radio systems to the public safety market (e.g., police, fire departments and ambulance services), the public service market (e.g., electricity, water, gas and transport) and the business industry market (e.g., hotels and retailers).

In the public safety market, EF Johnson Technologies, Inc., a group company in the U.S., furnishes total solutions comprised of professional radio systems and communications command and control consoles for North America, conforming to Project 25 (p.25), which is a digital audio format, and these total solutions have garnered a high reputation in the market. Similarly, in the public service market and the business industry market, the Communications Systems Business offers a range of solutions that link with face recognition security systems, leveraging broadband communications, and suspicious object detection systems for event venues as well as solutions to needs on the ground, such as in electricity, gas and water stations, and they are highly appreciated by customers.

The Professional Systems Business is developed and expanded by JVCKENWOOD Public & Industrial Systems Corporation, a group company ("JKPI") to provide security systems and imaging security solutions, including face recognition systems, for a broad range of markets from education and public facilities to wholesalers/retailers, social infrastructure, and amusement, as well as to offer audio solutions, such as disaster prevention broadcasting systems for municipalities and conference hall systems. The strength of JKPI lies in its total engineering system that plays the role of a one-stop shop to offer functions ranging from design to construction to maintenance and management, intended for solving customer problems.

In the healthcare field, in addition to high-precision medical image display monitors, as the main product category, that display mammography images and various types of radiographic medical images, the Professional Systems Business deploys its unique image and video processing technology and optical disc technology to provide Gazefinder, which assists in the diagnosis of autism spectrum disorders and early screening of dementia, and ExoCounter, an exosome*¹ measurement system that employs Blu-ray technology.

*1: Vesicles about 50 to 100 nm in diameter secreted by many types of cells found in body fluids, such as blood, saliva, and urine.

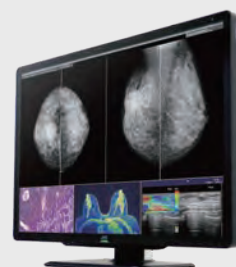
Main products



Professional radio system



Security system



Medical image display monitor

Future initiatives

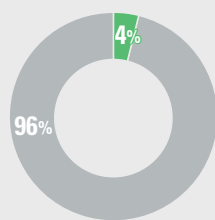
In the Public Service Sector, JVCKENWOOD aims to strengthen its earnings power by enhancing productivity and achieve sales growth by expanding its business areas into growth markets.

The Communication Systems Business will strengthen its broadband solution business by making full use of the management resources of its current wireless business, including cooperation with other companies. At the same time, it will strive to expand the market share of its conventional narrow-band radio business and rebuild the profit basis in the professional radio system market, in which the broadband market is projected to grow in the medium to long term.

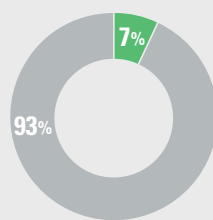
The Professional Systems Business will focus on expanding sales of network camera systems and launching the sensor business as well as engaging in sales expansion of imaging security solutions. Additionally, efforts will be made to grow business by putting AI body temperature stations and other merchandise for the pandemic and post-pandemic environments on the market and reinforce the earnings base through fixed cost reform. Furthermore, in the healthcare field, in addition to expanding sales of medical image display and pathological image display monitors, the Professional Systems Business will promote disposal services and expand sales through its early commercialization by utilizing a compact immunoassay device jointly developed with Sysmex Corporation, and expanding sales of test cartridges.

FY 2023 (FYE 3/2024) Target: Adjacent and new field sales ratio of 11%

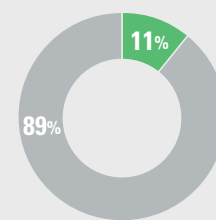
FY 2021 (FYE 3/2022)



FY 2022 (FYE 3/2023)



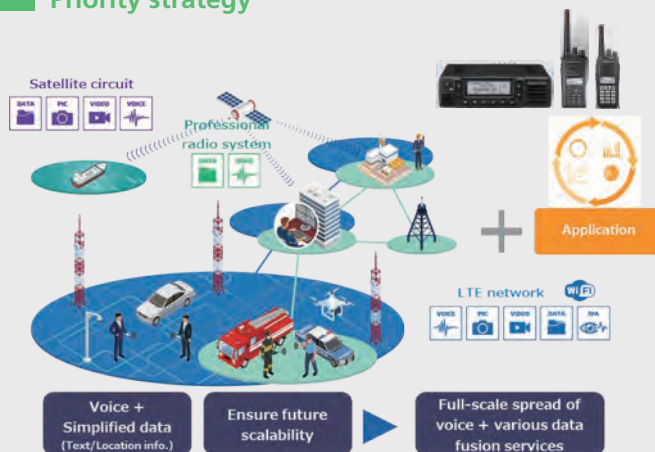
FY 2023 (FYE 3/2024)



Major themes for adjacent and new fields

- Broadband radio system
- Compact immunity measurement system, etc.
- AI body temperature measurement solution

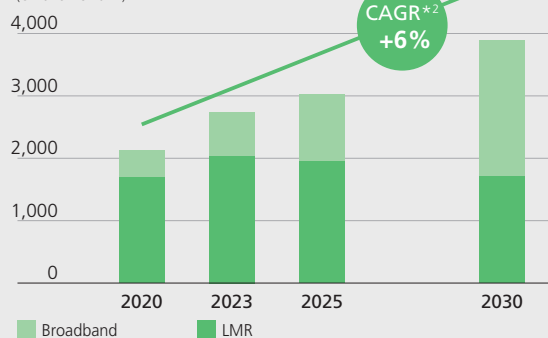
Priority strategy



Conceptual image of broadband solution business

Global professional communications systems market

(Unit: billion JPY)



*2: Abbreviation of Compound Average Growth Rate, meaning an annual average growth rate.

Data source: Company estimates based on various secondary data

Business Strategy

Media Service Sector

Overview of segment

The Media Service Sector consists of the Media Business, which deals with products, including headphones and earphones, portable power stations and imaging devices, and the Entertainment Business, in which the group company JVCKENWOOD Victor Entertainment Corporation (“Victor Entertainment”) plays the core role.

In the Media Business, JVCKENWOOD runs four business by utilizing three brand assets: KENWOOD, JVC, and Victor, and focuses on development of distinctive technologies and products, and a proposal-based business approach.

The Lifestyle Business offers portable power sources that can be used outdoors and for disaster prevention applications. It also offers Bluetooth®-compatible headphones and earphones that deliver high-quality sound reproduction wirelessly and specialized headphones and earphones for specific purposes and applications, such as sports models and high-resolution models. While it offers audio systems, such as the Wood Cone series that features wooden diaphragms, and long recording/playback models and all-weather video cameras for expected use in outdoor activities and sports.

The Solution Business expands the business of projectors and professional video cameras to meet the needs of professionals. Projectors are used not only in home

theaters, but also in flight simulators and planetariums by connecting with systems comprised of various pieces of equipment. Professional video cameras are highly evaluated for their ability to deliver high-quality videos from sites where the video is taken to studio stations by enhancing the immediacy and reliability of network connections. They have been employed broadly by broadcasting stations while expanding into the live sports broadcasting and live streaming markets.

The Imaging Device Business focuses on external sales of D-ILA*¹ reflective LCD panel devices, and is expanding sales for application to optical communications, where demand for use in 5G communications infrastructure is rapidly expanding, in addition to projector applications.

The Branding Business has earned stable revenues and profits from royalties from licensing the JVC brand, primarily for television and audio products in overseas markets.

In the Entertainment Business, Victor Entertainment, as the core, is looking to strengthen its sound source business by seeking and nurturing new artists and expand and reinforce its non-music business including live events.

*1: Direct drive Image Light Amplifier

Main products



Headphones/earphones



Portable power station



Music and video content

Future initiatives

In the Media Service Sector, JVCKENWOOD aims to improve the earnings base of its existing core businesses and expand its market share in growth markets.

The Lifestyle Business will promote the provision and strengthening of lineups of wellbeing products, such as portable power supplies, solar panels, and sterilizers/deodorizers for the markets that help consumers enjoy safe, secure, and comfortable living, which are growth markets. Simultaneously, the business will strengthen its proposals of strategic products, such as compact components, web conferencing devices, and smart headsets for stay-at-home demand that is expanding during the pandemic and remote work and telework that has taken root as workstyles in the new normal.

The Solution Business will shift resources of professional video cameras to the remote camera-related market, where demand is growing. In the projector business, development

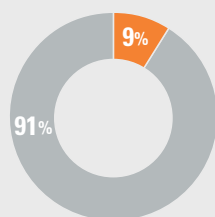
resources will be concentrated on high value-added models that leverage D-ILA high-definition reflective LCD panel devices in an effort to strengthen the capability to earn profits.

The Imaging Device Business is expanding the application of D-ILA high-definition reflective LCD panel devices into other fields, such as high-speed optical communication applications for 6G, and is working on new applications as the next-generation optical communication device business.

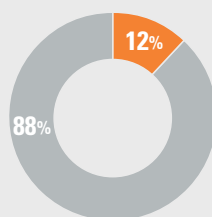
In the Entertainment Business, in addition to strengthening the sound source business, primarily focusing on packages, JVCKENWOOD will strive to raise its market share in the music streaming business by stepping up the effort to nurture streaming artists. Additionally, an initiative is underway to strengthen its non-music business, such as live events and artist management.

FY 2023 (FYE 3/2024) Target: Adjacent and new field sales ratio of 15%

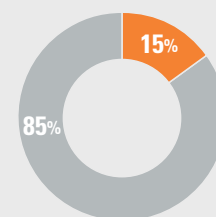
FY 2021 (FYE 3/2022)



FY 2022 (FYE 3/2023)



FY 2023 (FYE 3/2024)



Major themes for adjacent and new fields

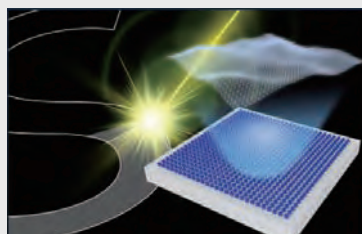
- Next-generation optical communication device business
- Portable power supply
- Remote camera system
- Air purifier/sterilizer/deodorizer

Priority strategy

Application examples of reflective LCD panel D-ILA device

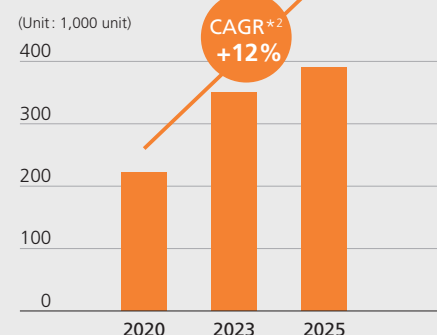


Spatial light modulator (SLM)



Wavelength selective switch (WSS)

Global WSS unit market



*2: Abbreviation of Compound Average Growth Rate, meaning an annual average growth rate.

Data source: Company estimates based on various secondary data

Strategies to Enhance Corporate Value Over the Medium to Long Term

Manufacturing Reforms

JVCKENWOOD is reviewing the production, design, and procurement processes, such as optimizing the number and scale of the production bases, to build a structure that can generate stable profits.

Manufacturing reforms

Consolidate production bases to a scale commensurate with total production volume and man-hours, with a focus on promoting automation, returning to domestic production, and building a supplier ecosystem

Creating value through Monozukuri

In the area of manufacturing reforms, we aim to integrate production bases into a scale commensurate with total production volume and total man-hours by returning to domestic production and promoting automation of production. In addition, by reviewing design process standards, we will minimize business-specific individual optimization and make efficient use of existing tools and equipment. At the same time,

we will strengthen our efforts to integrate value engineering and cost reduction design through procurement reforms, and to build an ecosystem with partner suppliers. Based on these activities, we will transform the Company into a structure that can earn stable profits.

Technology development, product design, and quality assurance

- ▶ Improve technological capabilities through integrated management across business sectors
- ▶ Reduce fixed costs through efficient use of facilities
- ▶ Improve the mobility of human resources to keep management resources “fresh”

Optimize production technology, product manufacturing, and production bases

- ▶ Integrated operation of production and manufacturing technologies at manufacturing sites
- ▶ Maintain appropriate manpower and reduce fixed costs by reorganizing bases
- ▶ Advance management resources through promotion of automation

Returning to domestic production

The stagnation of the global economy due to COVID-19, the difficulty in procuring parts and materials (especially semiconductors), and the disruption of logistics networks, caused great concerns with maintaining continuous production. In order to reform total costs, we therefore quickly decided to take up the challenge of realizing a production model based on local production for local consumption, accelerating our efforts to return to domestic production as part of our

manufacturing reform initiatives, and promoted automated production as a means of upgrading management assets. Full-scale production of car navigation systems for the domestic aftermarket began in February 2022 at JVCKENWOOD Nagano. In fiscal year 2022, we will produce more than 300,000 units per year, including dedicated navigation systems for domestic automakers. Beginning in fiscal year 2023, we will achieve a production scale of approximately 500,000 units per year.



JVCKENWOOD Nagano Corporation



Automated manufacturing line

Based on the JVCKENWOOD's strengths in audio, visual, communications, and design management, we aim to provide sustainable value through technology that responds to people's instincts and desires through research and technology development for the next generation.

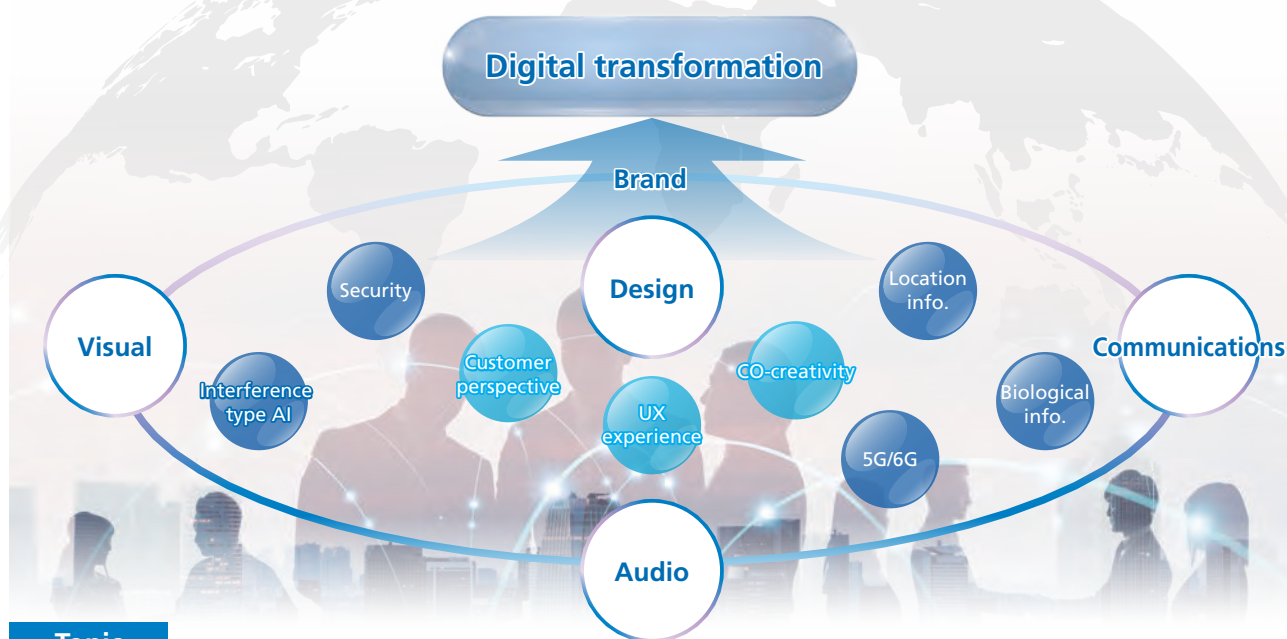
R&D²

Technology strategy

Creating the future by connecting people, time and space through research, development and design

The theme of our technology development strategy in the Medium-Term Management Plan VISION 2023 is "Connecting people, time and space to create the future." Based on our strengths in audio, visual, communications, and design management, we aim to provide sustainable value through research and technological development

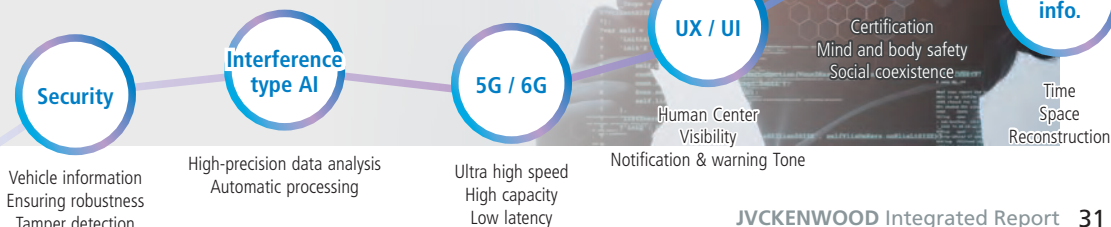
that focuses on the next generation and technology that responds to people's instincts and desires. By adding design to the traditional research & development, we will provide new value through user experience value and co-creation from the customer's perspective through our brands.



Topic

Establishment of the Perspective Creation Research Laboratory: A profitable laboratory

In order to adapt and embrace change, the R&D Department was newly established as the Perspective Creation Research Laboratory to promote free and open-minded activities that always focus on the future 10 years ahead. The laboratory will conduct research on the key themes of solving social issues, increasing incubation, and upgrading intellectual property and skills, with the aim of becoming a profitable laboratory by creating new services.



Strategies to Enhance Corporate Value Over the Medium to Long Term

Personnel Measures, Corporate Culture Reforms, and Work Style Reforms

JVCKENWOOD is promoting strategic personnel measures, corporate culture reforms, and work style reforms to achieve one of its Management Principles “Investing in people to strengthen capabilities and push boundaries.”

Reform of human resources management

The Medium-Term Management Plan VISION 2023 emphasizes the importance of strategic personnel measures and corporate culture reforms by holding up “Building a corporate culture that adapts and embraces change” and “Investing in people to strengthen capabilities and push boundaries” in its three Management Principles. Based on this thinking, as strategic personnel measures, a human resources management (HRM) strategy will be pursued toward a new normal era.

Regarding recruitment in the strategy, JVCKENWOOD will pursue an institutional reform that realizes diverse work styles and contributes to self-realization. In personnel allocation, the organization will be revitalized by rectifying the age distribution of employees and having personnel rotation, and measures for enhancing productivity will be carried out on the assumption of a personnel decrease in the future. On the other hand, a system for developing personnel abilities will be prepared to enable employees to demonstrate their skills to the maximum with an eye on diversification of career paths.

Additionally, revisions will also be made to the personnel system related to compensation, evaluation, etc. As a personnel system necessary to realize diversity in human resources, a system will be considered and adopted that can accommodate various needs including highly specialized jobs, shorter work days and shorter work hours. Based on trends in society, The Company will reorganize and shift to a compensation system that reflects the roles and achievements of its employees.

Optimization of human resources by utilizing Human Resource Management (HRM)



Recruitment, personnel allocation and ability development

- ▶ Institutional reform that can realize diverse work styles
- ▶ Revitalization of the organization by rectifying the age distribution of employees and having personnel rotation, and implementing measures for enhancing productivity on the assumption of a personnel decrease in the future.
- ▶ Establishment of a system for developing personnel abilities to meet diversification of career paths.

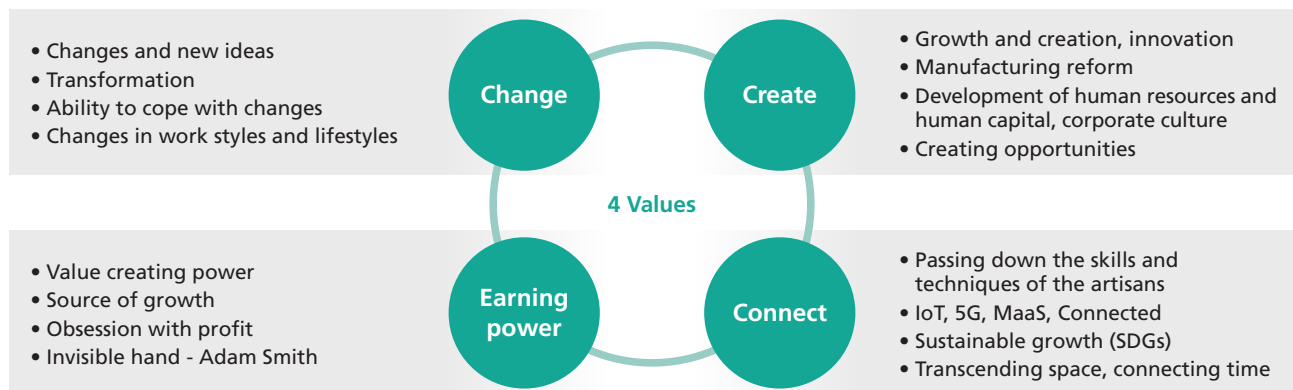
Personnel system (compensation and evaluation)

- ▶ Consideration and implementation of a personnel system reform necessary for realizing diversity
 - *Consideration of treatment of highly skilled jobs, short work days, short work hours, etc.
- ▶ Introduction of a compensation system for managers that reflects roles and performance.

Corporate culture reforms by revising the action guidelines

In line with our Management Principles, which were renewed along with the formulation of the new VISION 2023 Medium-Term Management Plan announced in May 2021, JVCKENWOOD has set four values as new action guidelines ("4 Values"): "Change," "Create," "Earning power" and "Connect." The 4 Values are what will become concrete rules and instructions for employees' behavior to realize the Corporate Vision "Creating excitement and peace of mind for the people of the world" and the Management Principles and are essential for each employee to continue working in their workplaces, and

they will lead to the creation of a corporate culture. The Company believes that employees will apply "What they can do," "Whom they aspire to be," and "Values" to various key words that will be created from the four values of "Change," "Create," "Earning power" and "Connect." Then employees will be encouraged to think in their own ways and act in their own ways, resulting in a corporate culture being fostered, leading to "Change for Growth" as the main theme in VISION 2023.



Work style reforms

JVCKENWOOD will promote the realization of diverse and flexible work styles through implementing work style reforms. We have focused especially on promoting teleworking by establishing an efficient teleworking environment while accelerating digitization and shifting to electronic signatures. We are also considering using satellite offices and adopting hot desking. Finally, we

are also considering expanding shorter working hours to full-time employees, introducing a system of side jobs and dual employment, adopting a super-flex system, and hiring employees within certain areas (with no possibility of being transferred). The Company will also advance a health management initiative that supports the activities of each employee.

Four approaches to workstyle reforms

Promoting telework

- ▶ Creating a more efficient telework environment
 - Support for improving IT skills
 - Labor management
- ▶ Promoting digitization and electronic stamps
- ▶ Eliminating single-employer assignments



Linkage with office strategies

- ▶ Utilization of satellite offices
 - Work at the nearest office
 - Use of shared offices and rental offices
- ▶ Free address system



Personnel system (measures to support the new system)

- ▶ Expansion of shorter days and shorter working hours to full-time employees
- ▶ System for second and concurrent jobs
- ▶ Super flex time
- ▶ Regional recruitment
- ▶ Hiring of remote workers (e.g., people with disabilities)



Promotion of health management

- ▶ Strengthening management education
- ▶ Measures to improve health literacy
 - Visualization of current issues
 - Effective utilization of stress check results
- ▶ Promoting collaborative health with health insurance associations

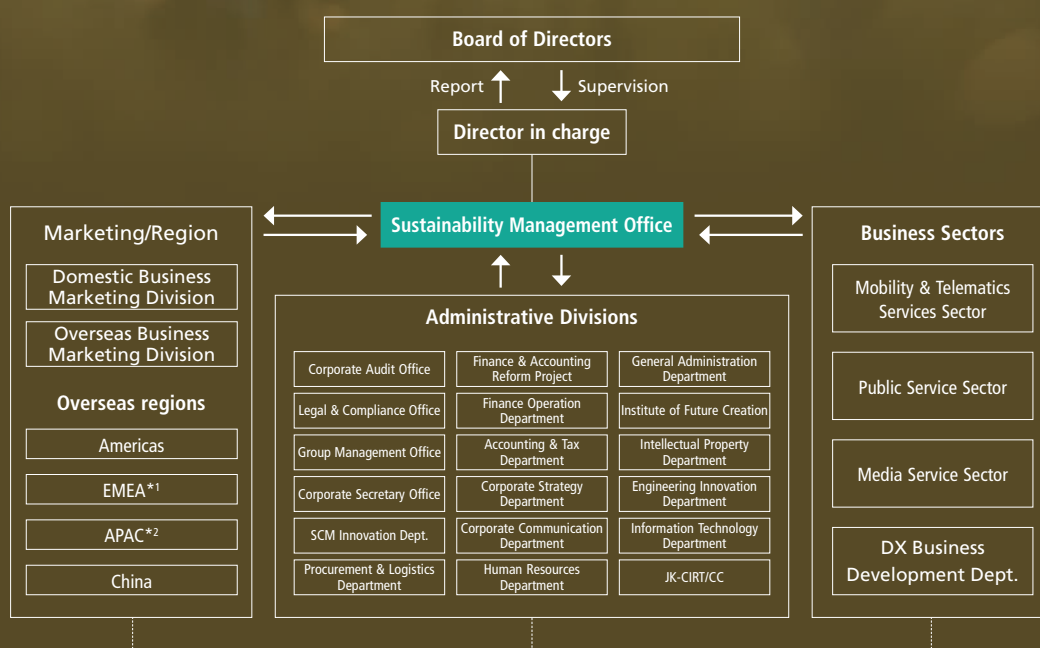


Toward sustainable growth

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.



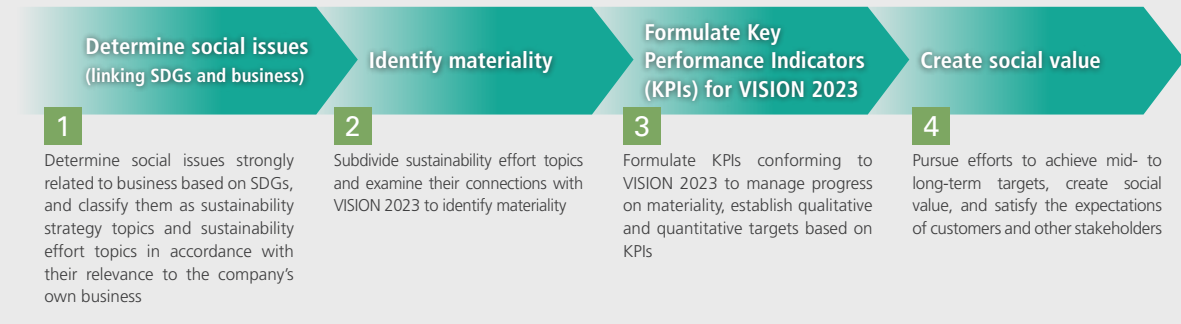
*1: Europe, Middle East and Africa

*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)	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> Reduce greenhouse gas emissions (Scope 3): Scope 3 Calculation and reduction for categories 1, 4, and 11 	13 CLIMATE ACTION
3	Manage water use	<ul style="list-style-type: none"> Manage water consumption: 6% reduction from FY 2019 levels by FY 2025 	
4	Reduce wastewater and waste	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Reduce the amount of plastic used 	
6	Prohibiting forced labor and child labor	<ul style="list-style-type: none"> Conducted human rights due diligence activities 	5 GENDER EQUALITY
7	Promoting active roles for women	<ul style="list-style-type: none"> Ratio of women in executive positions: Over 6.5% 	
8	Corporate governance	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> IT security training attendance rate: 92% or higher Number of cyber security incidents: 2 or less 	
10	Create value through mobility products & services	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

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

Contributing Products

Car navigation system
Dashcam
Alcohol detector

Functions that contribute to greenhouse gas reduction

"ETC2.0 linkage"
"My Route Adjuster"

Functions that contribute to the prevention of traffic accidents

"Reverse driving warning"
"Stop sign display"
"Zone 30 area display"
"Virtual room mirror"

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.



Contributing Products

Professional radio system
Portable power supply

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.



Contributing Products

Security system

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)**

■ **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 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.

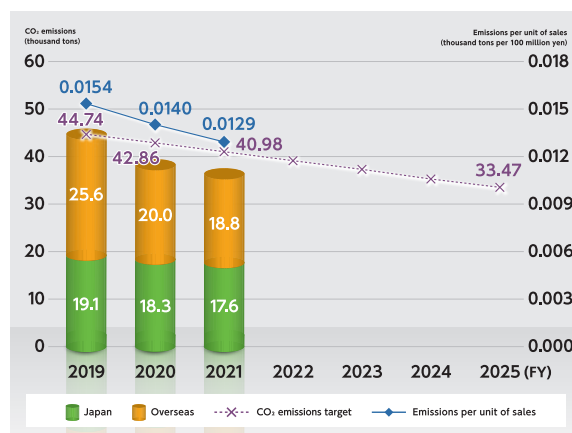
Scopes 1 + 2

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

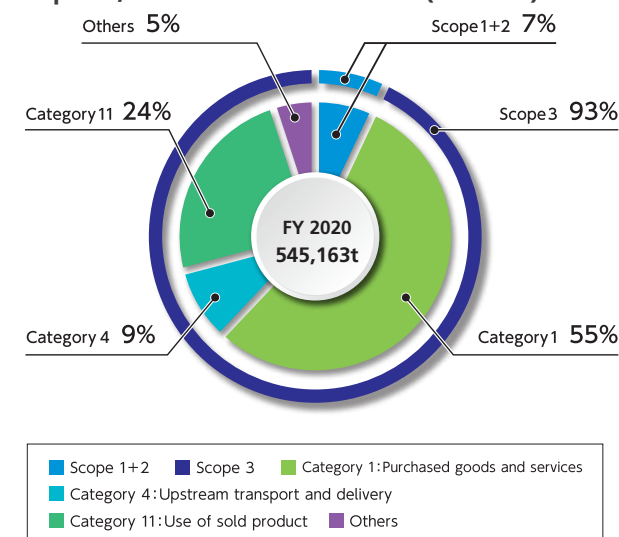
We calculate indirect CO₂ emissions from various processes of corporate activities, from raw material procurement to manufacturing, transportation, use and disposal. Actual emissions are calculated based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain published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

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.

Development of portable power stations using recycled batteries



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

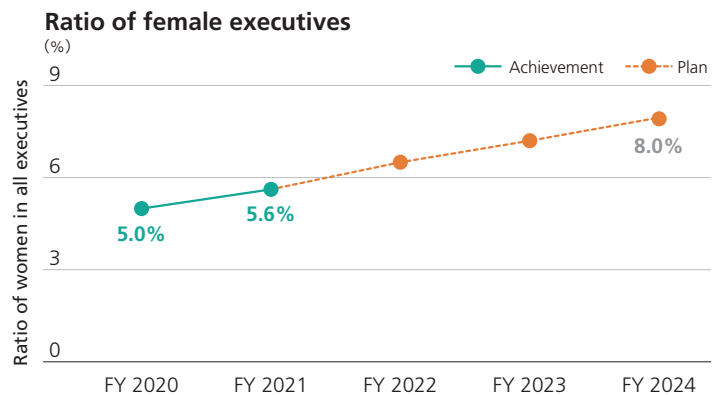
The JVCKENWOOD Group recognizes that constructing a sustainable supply chain is the key for realizing not only company growth but also a sustainable society. Based on this recognition, the Group established the JVCKENWOOD Group Procurement Policy in October 2018 in pursuit of sustainable procurement 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.



FY 2020 is calculated as of Apr. 1 of the following fiscal year.

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

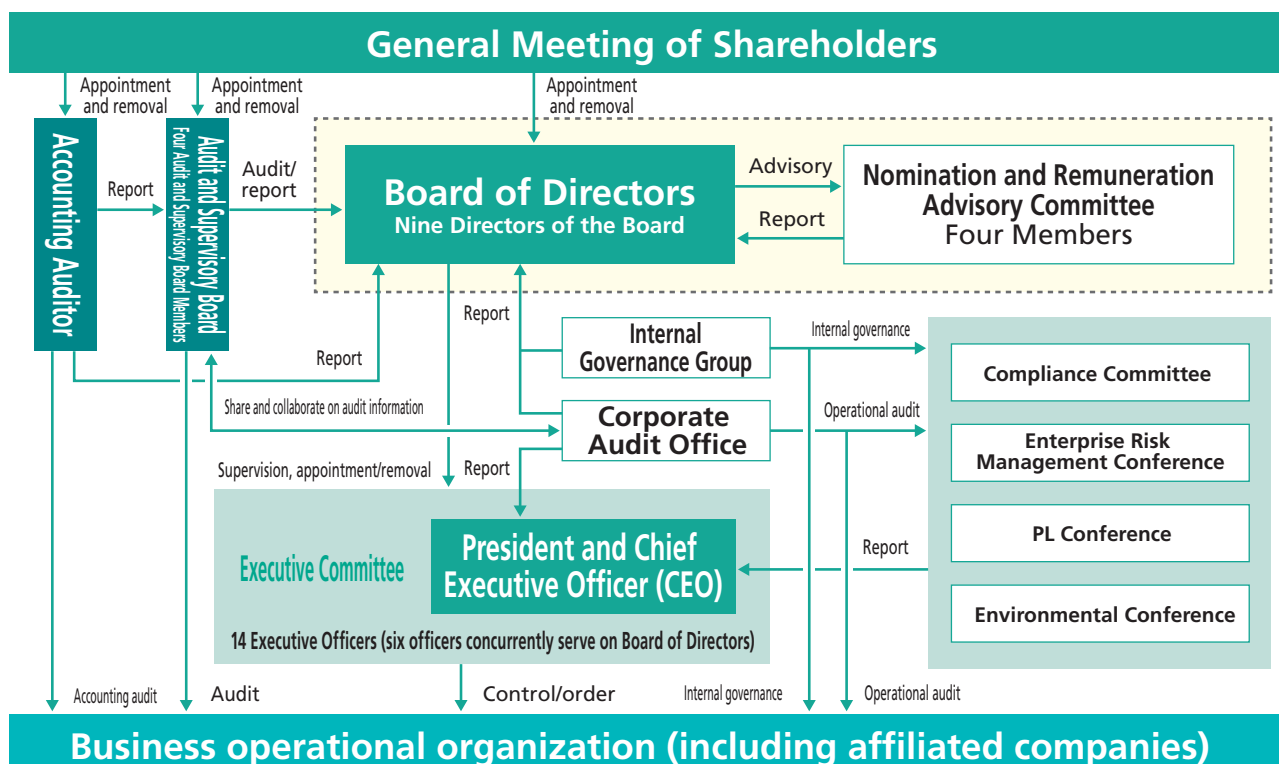
1. Reasons for adopting an Executive Officer System with the organizational structure of a company with an Audit & Supervisory Board as a corporate governance system

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	Male Non-executive External Independent	5 years	Corporate management, telecommunications	●	●	●		●	
Shoichiro Eguchi	Male Executive	11 years in total	Corporate strategy, marketing	●	●	●			●
Masao Nomura	Male Executive	4 years	ICT*, business growth strategy		●	●		●	●
Masatoshi Miyamoto	Male Executive	5 years	Finance and accounting, business management		●				●
Akira Suzuki	Male Executive	2 years	Technology development, supply chain			●	●		
Naokazu Kurihara	Male Executive	6 years in total	Human resources, human resource development, risk management		●	●			
Yoshio Sonoda	Male Executive	3 years	Intellectual property, research and development				●	●	
Yuji Hamasaki	Male Non-executive External Independent	3 years	Corporate management, technology development	● Chairman	●		●	●	
Hiromi Onitsuka	Female Non-executive External Independent	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	Male Full-time	2 years	Management audits, production management	● Chairman	●				●
Katsumi Saito	Male Part-time External Independent	2 years	Corporate planning, legal, risk management	●	●	●			
Katsumi Kurihara	Male Part-time External Independent	2 years	Technical development, quality control	●			●	●	
Tetsuya Fujioka	Male Part-time External Independent	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	—	—	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-Globaledge 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

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 the Board, Executive Vice President, Head of Administrative Division, COO EMEA (Europe, Middle East, and Africa), General Manager of Internal Governance Office, of JVCKENWOOD Corporation



Katsumi Saito

Title
External Audit & Supervisory Board Member

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



Katsumi Kurihara

Title
External Audit & Supervisory Board Member

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



Tetsuya Fujioka

Title
External Audit & Supervisory Board Member

Career
Apr. 2002 General Manager of Accounting Department and Sales Accounting Department of NEC Solutions, Ltd. / Apr. 2010 General Manager, Corporate Finance Division of NEC Corporation / Jun. 2014 Audit & Supervisory of NEC Corporation / Jun. 2021 External Audit & Supervisory Board Member of JVCKENWOOD 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, COO Americas, COO 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 Softjet 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.

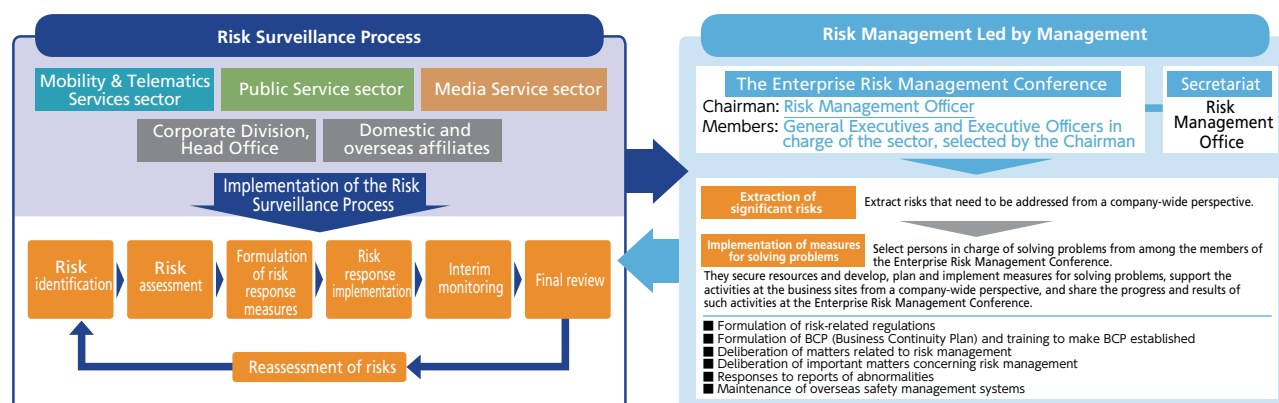
Risk management system

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



Other Data

Company History

JVCKENWOOD will continue to create products and solutions that provide “excitement” and “peace of mind” based on its strengths in the audio, visual, communications and design management fields which the Group has cultivated over 100 years of history.

Company History

Before management integration

Victor Company of Japan, Limited (JVC)

- 1927** Established Victor Talking Machine Company of Japan, Limited
- 1972** Established Victor Musical Industries, Inc. (current JVCKENWOOD Victor Entertainment Corp.)

Kenwood Corporation (KENWOOD)

- 1946** Established Kasuga Radio Co., Ltd.
- 1986** Renamed Kenwood Corporation

JVCKENWOOD Corporation

- 2008** JVC and Kenwood established the joint holding company JVC KENWOOD Holdings, Inc. through a stock transfer (JVCKENWOOD's shares were listed on the First Section of the Tokyo Stock Exchange)

Management integration of Victor Company of Japan, Limited and Kenwood Corporation

JVC and KENWOOD merged in October 2008 with the aim of quickly maximizing the car electronics business (currently the Mobility & Telematics Services Sector), which was the largest common business between the two companies and where the greatest synergy effects were expected.

JVCKENWOOD

- 2011** Completed an absorption-type merger of its three subsidiaries: Victor Company of Japan, Limited, Kenwood Corporation, and J&K Car Electronics Corporation
- 2013** Converted Shinwa International Holdings Limited (current JVCKENWOOD Hong Kong Holdings Ltd.), an in-car device manufacturing company in Hong Kong, into a consolidated subsidiary

- 2013** Took over all of the shares of TOTOKU Nagaoka Corporation through an absorption-type corporate split from TOTOKU Electric Co., Ltd., and changed the corporate name from TOTOKU Nagaoka to JVCKENWOOD Nagaoka Corporation

- 2014** Acquired all the shares issued by EF Johnson Technologies, Inc., a company focused on delivering mission-critical, digital P25 communications solutions to the North American market

- 2015** Converted ASK Industries S.p.A., a European in-vehicle component company, into a consolidated subsidiary

- 2016** Established JVCKENWOOD Public & Industrial Systems Corporation, aiming to expand the Professional Systems Business

- 2018** Acquired all the shares issued by Italy-based Radio Activity S.r.l., a developer and seller of digital radio relay systems that are compliant with Digital Mobile Radio (DMR), an international digital radio standard

- 2018** Concluded agreement for a share acquisition and a capital and business alliance with Tait International Ltd., a professional radio communication systems company in New Zealand

- 2021** Formulated the Medium-Term Management Plan VISION 2023 with fiscal 2021 as the starting year



- 2022** Moved from the First Section of the Tokyo Stock Exchange to the Prime Market due to a revision of the Tokyo Stock Exchange's market classification

Product History

Before management integration

Victor Company of Japan, Limited (JVC)

- 1939** Produced the first TV receiver in Japan
- 1958** Launched the STL-1S, the first stereo LP and stereo set in Japan
- 1976** Launched the HR-3300, the first VHS recorder
- 1986** Launched the GR-C7, the world's smallest and lightest VHS-C video camera
- 1995** Launched the GR-DV1, the world's first pocket-sized digital camcorder

Kenwood Corporation (KENWOOD)

- 1957** Began exporting the FM-100 FM tuner for the first time as a Japanese manufacturer
- 1978** Entered the professional radio equipment field in Japan
- 1980** Entered the car audio field in the U.S. and launched the KENWOOD brand's car audio system in Japan
- 1992** Entered the car navigation system field, launching the KNV-100, the industry's first 1DIN-size GPS car navigation system

JVCKENWOOD Corporation

- 2011** Launched the MDV-727DT and MDV-626DT, first-generation Saisoku-Navi devices that achieved high resolution and high-speed response

The first generation of Saisoku-Navi

Using visual technology, image compression technology, and other technologies cultivated over the years, JVCKENWOOD achieved beautiful, high-definition map rendering and comfortable operability with high-speed response. This concept has been carried over to the present day.



- 2013** Launched the DLA-VS4800, the world's first mass-production model of the professional-use D-ILA projector, which features an 8K high-definition display
- 2014** Launched the NX-5000 series, the NEXEDGE series of multi-mode digital radio systems compliant with both the NXDN™ and P25 standards

- 2014** Launched the KNA-DR300, a full HD dashcam that enables high resolution and clear recording pixels and entered into the dashcam market

The first-generation of dashcam

The combination of JVC and KENWOOD's in-vehicle technologies and visual and optical technologies have realized high functionality, high reliability, and high-quality recording. Currently enhancing our product lineup to include two-camera types and 360-degree shooting models



- 2016** Launched the "Gazefider" NP-100, an eye-tracking system developed for use in various research fields, equipped with unique eye measurement technology
- 2017** Announced the development of EXOFIELD, an out-of-head localization sound field processing technology which enables reproduction and localization of the sound field of speakers in a listening room with headphones

- 2019** Connected-type dashcams adopted by Mitsui Sumitomo Insurance Company, Limited and Aioi Nissay Dowa Insurance Co., Ltd. for use with auto insurance products for vehicles equipped with dashcams

Telematics solutions for auto insurance

In addition to the communication function via LTE line (4G), the system is equipped with driving support functions to help drivers drive safely. Plans to expand the business in the future through the creation of a data service business by utilizing connected-type dashcams



- 2019** Commercialized a security service for drivers that uses dashcams with communication capabilities for Grab, Southeast Asia's top car-hailing service
- 2021** Provided connected-type dashcams to Mitsui Sumitomo Insurance Company, Limited, for its "Mimamoru" auto insurance product for vehicles equipped with dashcams (Premium Dashcam Type)

Facilities (Japan) (as of July 1, 2022)

Business Centers and R&D Facilities

Names	Locations	Main R&D
Head Office & Yokohama Business Center	Yokohama, Kanagawa	Mobility & telematics equipment, projectors, audio equipment, and medical equipment, etc.
Hachioji Business Center	Hachioji, Tokyo	Mobility & telematics equipment
Hakusan Business Center	Yokohama, Kanagawa	Radio communication devices, video surveillance equipment, etc.
Kurihama Business Center	Yokosuka, Kanagawa	D-ILA devices, laser diodes, etc.

Major Production Bases and Production Companies

Names	Locations	Main Products
Kurihama Business Center	Yokosuka, Kanagawa	Optical components and projectors
Yokosuka Business Center	Yokosuka, Kanagawa	Projectors, medical cartridges, CD and DVD discs (prerecorded)
JVCKENWOOD Yamagata Corporation	Tsuruoka, Yamagata	Communications equipment and professional products
JVCKENWOOD Nagano Corporation	Ina, Nagano	Mobility & telematics equipment
JVCKENWOOD Nagaoka Corporation	Nagaoka, Niigata	Medical equipment, medical image display monitors and in-vehicle substrates

Major Affiliated Companies

Names	Locations	Main Operations
JVCKENWOOD Creative Media Corporation	Yokosuka, Kanagawa	Development, manufacture and sales of recorded optical disks, and manufacture and sales of medical machinery and appliances
JVCKENWOOD Victor Entertainment Corporation	Shibuya-ku, Tokyo	Planning, production and sales of audio and video software, live concert business, game business, studio business, etc.
JVCKENWOOD Video Tech Corporation	Shibuya-ku, Tokyo	Production, editing, localizing and sales of audio and video products, studio operation, and event planning and operation
JVCKENWOOD Public & Industrial Systems Corporation	Yokohama, Kanagawa	Development, manufacture, sales, installation, construction and maintenance of professional imaging, audio and communications equipment and system solutions
JVCKENWOOD Service Corporation	Yokosuka, Kanagawa	After-sales services of audio and imaging equipment
JVCKENWOOD Partners Corporation	Yokohama, Kanagawa	Insurance agency business, travel agency business, construction business, product sales business, business related to employee benefits, general affairs, human resources, accounting, etc.
JVCKENWOOD Engineering Corporation	Yokohama, Kanagawa	Development and design of software and hardware
JVCKENWOOD Design Corporation	Setagaya-ku, Tokyo	Planning and production of designs



Head Office &
Yokohama Business Center



Hachioji Business Center



Hakusan Business Center



Kurihama Business Center



JVCKENWOOD Yamagata Corporation



JVCKENWOOD Nagano Corporation



JVCKENWOOD Nagaoka Corporation

Facilities (Overseas) (as of July 1, 2022)

Manufacturing Companies

Names	Locations	Main Products
JVCKENWOOD Electronics Malaysia Sdn. Bhd.	Malaysia	Communications equipment
JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.	Thailand	Mobility & telematics equipment
PT JVCKENWOOD Electronics Indonesia	Indonesia	Mobility & telematics equipment
Shanghai Kenwood Electronics Co., Ltd.	China	Mobility & telematics equipment

Sales & Marketing Companies: Americas

Names	Locations
JVCKENWOOD USA Corporation	U.S.A.
JVCKENWOOD Canada Inc.	Canada
JVCKENWOOD Latin America, S.A.	Panama

Sales & Marketing Companies: EMEA (Europe, Middle East and Africa)

Names	Locations
JVCKENWOOD U.K. Limited	U.K.
JVCKENWOOD Deutschland GmbH	Germany
JVCKENWOOD Europe B.V.	Netherlands
JVCKENWOOD Italia S.p.A.	Italy
JVCKENWOOD RUS Limited Liability Company	Russia
JVCKENWOOD Gulf Fze	U.A.E.

Sales & Marketing Companies: APAC (Asia Pacific)

Names	Locations
JVCKENWOOD Singapore Pte. Ltd.	Singapore
JVCKENWOOD Malaysia Sdn. Bhd.	Malaysia
JVCKENWOOD (Thailand) Co., Ltd.	Thailand
PT JVCKENWOOD Indonesia	Indonesia
JVCKENWOOD Australia Pty. Ltd.	Australia

Sales & Marketing Companies: China

Names	Locations
JVCKENWOOD Hong Kong Limited	China

Major Affiliated Companies

Names	Locations	Main Operations
EF Johnson Technologies, Inc.	U.S.A.	Development, manufacture and sales of professional radio systems
ASK Industries S.p.A.	Italy	Development, manufacture, and sales of mobility & telematics equipment
Radio Activity S.r.l.	Italy	Development and sales of professional radio systems
Rein Medical GmbH	Germany	Development, sales and implementation of operating room imaging solutions
JVCKENWOOD Hong Kong Holdings Limited	Hong Kong, China	Manufacture and sales of mobility & telematics equipment Contract manufacturing service of electronics devices
JVCKENWOOD Technologies Singapore Pte. Ltd.	Singapore	Design and evaluation of mobility & telematics equipment and communications equipment



JVCKENWOOD Victor Entertainment Corporation (Victor Studio)



JVCKENWOOD Electronics Malaysia Sdn. Bhd.



JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.



PT JVCKENWOOD Electronics Indonesia



JVCKENWOOD Design Corporation



Shanghai Kenwood Electronics Co., Ltd.



EF Johnson Technologies, Inc.



ASK Industries S.p.A.

Financial and Non-Financial Data

	FYE 3/2013 JGAAP	FYE 3/2014 JGAAP	FYE 3/2015 JGAAP	FYE 3/2016 JGAAP
Financial Data				
P/L, cash flows, others (fiscal year)				
Revenue	306,580	316,343	285,010	292,195
Operating profit (loss)	9,761	4,592	6,757	4,494
Profit (loss) before tax	3,203	△2,438	6,816	4,148
Profit (loss) attributable to owners of the parent company	1,243	△6,450	4,795	3,401
Capital investment	7,082	4,243	5,385	9,267
Depreciation expenses ^{*2}	10,758	11,315	11,002	12,235
Research and development expenses	21,350	21,454	21,591	20,713
Cash flows from operating activities	9,771	14,943	8,575	12,258
Cash flows from investing activities	△13,356	△10,658	△3,857	△8,395
Free cash flows	△3,585	4,284	4,717	3,862
Cash flows from financing activities	△8,608	△9,581	△7,514	△14,967
B/S (end of fiscal year)				
Total assets	246,735	267,380	279,041	256,334
Cash and cash equivalents at end of fiscal year ^{*3}	57,760	55,191	55,077	42,764
Total equity	67,518	60,224	79,762	57,565
Equity attributable to owners of the parent company	65,893	52,122	72,320	52,324
Retained earnings	24,965	17,821	22,421	25,128
Interest-bearing debt ^{*4}	86,467	81,664	73,618	69,202
Net debt ^{*5}	28,706	26,473	18,541	26,437
Per share information				
Basic earnings (loss) per share (yen)	8.97	△46.52	34.58	24.51
Equity attributable to owners of the parent company per share(yen)	475.19	375.89	521.57	376.57
Dividend (yen) Base date basis	5.00	-	5.00	5.00
Payout ratio (%) ^{*6}	55.7%	-	14.5%	20.4%
Management indicators				
Ratio of profit (loss) attributable to owners of the parent company (ROE) (%)	2.0%	-10.9%	7.7%	5.5%
Return on assets before tax (ROA) (%)	0.5%	-2.5%	1.8%	1.3%
Operating profit margin (%)	3.2%	1.5%	2.4%	1.5%
Ratio of equity attributable to owners of the parent company (%)	26.7%	19.5%	25.9%	20.4%
EBITDA (million yen) ^{*7}	16,683	11,591	19,789	20,794
EBITDA margin (%)	5.4%	3.7%	6.9%	7.1%
EBITDA Liability multiplier (times)	5.2	7.0	3.7	3.3
Overseas sales ratio (%)	54.9%	58.2%	62.8%	65.5%
Non-Financial Data				
Number of employees (non-consolidated) (persons)	4,241	3,798	3,708	3,630
Average number of temporary employees(non-consolidated) (persons)	52	55	48	71
Number of employees (consolidated) (persons)	12,781	19,791	17,668	17,884
Average number of temporary employees(consolidated) (persons)	4,625	3,324	3,097	3,156
CO ₂ emissions (thousands tons)	75	58	60	52
Water usage (thousands tons)			329	262
Total waste (thousands tons)	2.6	3.1	2.5	2.2

*1: While disclosure was previously made under JGAAP, the amounts shown were calculated under IFRS to allow year-on-year comparisons, in preparation for disclosure under IFRS in the fiscal year ending March 2018.

*2: Depreciation expense in JGAAP includes amortization of goodwill

*3: Cash and deposits in the consolidated balance sheet in JGAAP

(million yen)

	FYE 3/2017 IFRS ^{*1}	FYE 3/2018 IFRS	FYE 3/2019 IFRS	FYE 3/2020 IFRS	FYE 3/2021 IFRS	FYE 3/2022 IFRS
	297,890	300,687	307,627	291,304	273,609	282,088
	△128	6,937	7,263	4,080	4,893	9,054
	△1,259	5,940	6,401	2,877	4,533	8,515
	△3,114	2,389	3,847	954	2,154	5,873
	9,069	8,287	8,700	11,837	10,268	12,354
	15,417	16,862	17,794	20,199	19,316	17,120
	19,282	17,890	18,309	17,445	15,720	15,871
	19,624	18,379	20,983	21,642	35,829	7,059
	△17,690	△14,835	△25,768	△19,675	△11,804	△9,804
	1,934	3,544	△4,785	1,966	24,024	△2,744
	△2,052	△7,043	8,479	△1,665	△5,342	△11,273
	241,696	239,933	250,617	249,660	264,326	280,807
	40,798	37,162	40,844	39,933	59,644	48,707
	45,236	53,788	65,321	59,999	68,523	83,961
	39,551	50,634	62,009	56,485	64,645	79,495
	△16,611	2,913	6,634	5,547	7,574	13,346
	70,996	67,847	71,312	74,605	75,587	69,838
	30,198	30,685	30,468	34,671	15,942	21,131
	△22.42	17.20	25.00	5.82	13.14	35.89
	284.65	364.42	378.24	344.55	394.33	486.26
	5.00	6.00	6.00	5.00	5.00	6.00
	-	34.9%	24.0 %	85.9%	38.0%	16.7%
	-7.5%	5.3%	6.8%	1.6%	3.6%	8.1%
	-1.3%	1.0%	1.6%	0.4%	0.8%	2.2%
	-0.0%	2.3%	2.4%	1.4%	1.8%	3.2%
	16.4%	21.1%	24.7%	22.6%	24.5%	28.3%
	22,276	25,322	26,076	25,534	27,579	27,503
	7.5%	8.4%	8.5%	8.8%	10.1%	9.7%
	3.2	2.7	2.7	2.9	2.7	2.5
	59.0%	56.5%	55.5%	53.0%	54.5%	54.9%
	2,987	3,055	3,109	3,300	3,292	3,179
	73	95	148	0	0	0
	18,051	17,801	16,939	17,623	16,956	16,585
	3,706	3,397	3,107	1,550	1,892	2,053
	51	50	48	45	38	36
	304	305	285	256	204	193
	2.0	2.1	1.9	2.0	1.4	1.5

*4: Interest-bearing debt does not include lease liabilities

*5: Calculation of JGAAP is based on interest-bearing debts (cash and deposits) and IFRS is based on interest-bearing debts (the balances of cash and cash equivalents) at the end of the fiscal year.

*6: The dividend payout ratio was not presented for the fiscal year ended March 2017 as the Company posted a net loss per share for the year.

*7: Profit (loss) before tax + Interest expense + Depreciation expense + Impairment loss

Company Profile/Stock Information (as of March 31, 2022)

Company Profile

Company Name	JVCKENWOOD Corporation
Business Segments	Develop business in the Mobility & Telematics Services Sector, the Public Service Sector, the Media Service Sector, and manage business by holding shares or equity interests in companies engaged in equivalent business
Representative Director	Shoichiro Eguchi, Representative Director of the Board, President and Chief Executive Officer (CEO)
Date of Incorporation	October 1, 2008
Capital	13,645 million yen
Number of Employees (Consolidated)	16,585
Total Assets (Consolidated)	280,807 million yen
Equity (Consolidated)	83,961 million yen
Fiscal Year-End	March 31
Head Office	3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-0022, Japan

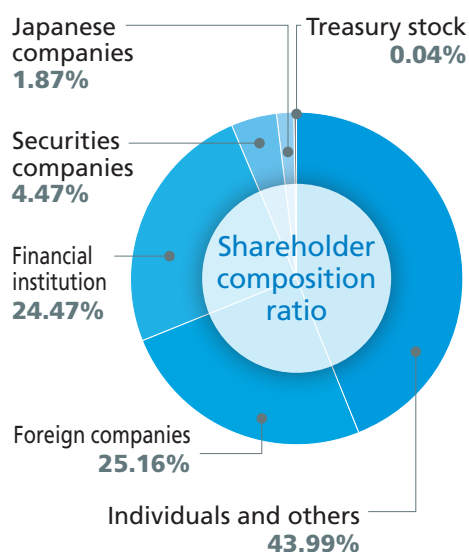
Stock Information

Ordinary General Meeting of Shareholders	Held every June
Record Date	Ordinary General Meeting of Shareholders: March 31 Year-end dividend: March 31 Mid-year dividend: September 30 <small>*Besides the above record dates, a dividend of surplus may be paid through specifying a record date separately</small>
Stock Exchange Listing	Prime Market of the Tokyo Stock Exchange
Security Code	6632
Trading Unit	100 shares
Total Number of Shares Issued	164,000,201 shares (including 515,100 treasury shares*)
Total Number of Shareholders	52,723
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Place for the Registration	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo

*Number of shares held in treasury: 60,900 shares

Number of shares held by the trust related to stock-based compensation: 454,200 shares

Shareholder Composition



Major Shareholders (Top 10)

Name	Number of stocks held	Ratio of shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	24,230,200	14.77%
Custody Bank of Japan, Ltd. (Trust Account)	9,551,000	5.82%
INTERACTIVE BROKERS LLC	4,222,825	2.57%
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	2,832,300	1.73%
THE BANK OF NEW YORK MELLON 140040	2,482,000	1.51%
JP MORGAN CHASE BANK 385781	2,145,056	1.31%
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/ACCT BP2S DUBLIN CLIENTS-AIFM	2,075,000	1.27%
ENDO Shiro	1,990,000	1.21%
The Dai-ichi Life Insurance Company, Limited	1,852,268	1.13%
STATE STREET BANK AND TRUST COMPANY 505103	1,696,900	1.03%

Note: The ratio of capital contribution is calculated after deducting treasury stock (60,900 shares) from the total number of issued shares.

Trends in Total Shareholder Return

	FYE 3/'17	FYE 3/'18	FYE 3/'19	FYE 3/'20	FYE 3/'21	FYE 3/'22
Share Price (JPY)	290	355	268	195	220	178
Dividends (JPY)	5	6	6	5	5	6
Accumulated Dividends (JPY)		6	12	17	22	28
Share Price + Accumulated Dividends (JPY)		361	280	212	242	206
Total Shareholder Return (%)		124.5%	96.6%	73.1%	83.4%	71.0%

Share price at the end of each fiscal year + Accumulated amount of dividends per share from four fiscal years prior to the current fiscal year to each fiscal year

Editorial policy

The JVCKENWOOD Integrated Report explains our vision, strategies in each business sector, and our initiatives contributing to a sustainable society, focusing on our Medium-Term Management Plan VISION2023 which was formulated in May 2021.

Notes on the outlook for the future

Statements in this report that are estimates about the future are forward-looking statements. These forward-looking statements are subject to known and unknown risks, uncertainties, and other factors, and actual results may differ substantially from those discussed in forward-looking statements. These statements are current as of the date of publication of this report. The Company is under no obligation to update and announce any forward-looking statements in the event that economic or market conditions affect results.

JVCKENWOOD

JVCKENWOOD Corporation

3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-0022, Japan
<https://www.jvckenwood.com/en/>



● For further information, please contact:

Public and Investor Relations Group
Corporate Communication Department
E-mail : prir@jvckenwood.com