

JVCKENWOOD Integrated Report



Contents

INTRODUCTION

Corporate Vision, Management Principles, 4 Values	1
Business Areas	2
Financial Highlights	4

Part 1 JVCKENWOOD's Value Creation

Message from the CEO	6
Strengths of JVCKENWOOD	10
Value Creation Process	12

Part 2 Strategies to Enhance Corporate Value over the Medium to Long Term

Medium-Term Management Plan VISION 2023	
• Positioning of the Medium-Term Management Plan VISION2023	15
• Recognition of External Environment and Basic Strategies	16
• Outline of Medium-Term Strategy	18
• Message from the CFO	20
• At a Glance	22
• Business Strategy	24
• Manufacturing Reforms and Strengthening of Business Structure	32
• Technology Development Strategy	33
• Personnel Measures, Corporate Culture Reforms, and Work Style Reforms	34

Editorial policy

The JVCKENWOOD Integrated Report contains a review of the Group's strengths and processes for value creation up to fiscal year ended March, 2021. With a focus on the JVCKENWOOD's newly formulated Medium-Term Management Plan VISION 2023, the report explains the vision, strategies for each business sector, and the initiatives that contribute to a sustainable society.

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 that may cause the actual results to differ substantially from those discussed in the 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 the performance.

Part 3 Foundation to Support Sustainable Growth

Sustainability Strategy	36
Environment	40
Society	44
Governance	
• Corporate Governance	46
• Message from the External Director	49
• Directors of the Board, Audit & Supervisory Board Members, and Executive Officers	50
• Compliance	52
• Risk Management	53
Awards & Recognitions	53

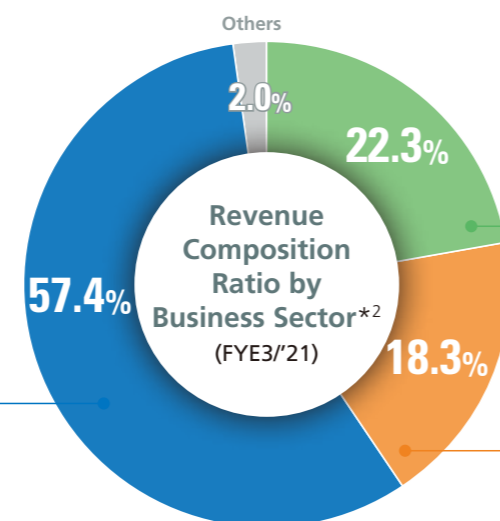
Part 4 Other Data

Company History	54
Facilities (Japan & Overseas)	56
Financial and Non-Financial Data	58
Company Profile/Stock Information	60



Business Areas

The JVCKENWOOD Group aims to provide products, services, and solutions that realize its corporate vision of “Creating excitement and peace of mind for the people of the world” in the three business sectors: Mobility & Telematics Services Sector*1, Public Service Sector, and Media Service Sector.



*1 Effective July 1, 2021, the Telematics Business of the Digital Transformation (DX) Business Division, which was included in the Others segment, was incorporated into the Automotive Sector and renamed the Mobility & Telematics Services Sector. The revenue composition ratio by business sector is calculated based on the new field classification for the fiscal year ended March 2021.

*2 Rounded to the first decimal place

Mobility & Telematics Services Sector

The Mobility & Telematics Services Sector consists of the OEM Business, which provides car navigation systems, dashcams, and other related products to customers through automobile manufacturers and dealers, and the Aftermarket Business, which provides products to customers through mass merchandisers and distributors. We are also developing the Telematics Service Business for automobile insurances by equipping dashcams, which boast top-class performance in the industry, with communication functions. Furthermore, by expanding our business areas to the data service business as an IoT platform business, we aim to provide solution services that contribute to a safer and more secure mobility.

Main products



Car navigation system



Dashcam



Telematics service



Display audio system



Car audio system



In-vehicle amplifier/Antenna/Speaker

Public Service Sector

The Public Service Sector consists of Communications Systems Business and Professional Systems Business. We provide products, services, and solutions that contribute to people's lives, livelihoods, and the creation of safe and secure cities through professional radio systems, wireless broadband solutions, security systems, professional broadcasting systems, and medical image display monitors.

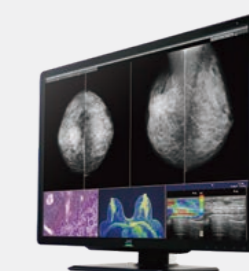
Main products



Professional radio system



Security system

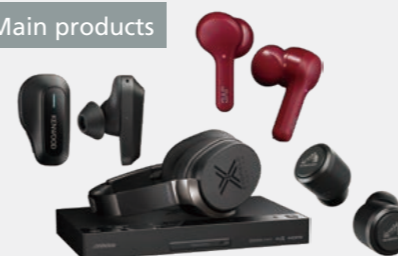


Medical image display monitor

Media Service Sector

The Media Service Sector consists of the Media Business and the Entertainment Business. The Media Business develops a wide range of products that respond to the stay-at-home demand due to the increase in time spent at home and the growing awareness of natural disasters and pandemics. We also aim to expand the business related to next-generation optical communications for the 5G and 6G era. In the Entertainment Business, with a number of popular artists, we are working to expand the share of the packaged and distributed music business and to strengthen the non-music business.

Main products



Headphones/Earphones



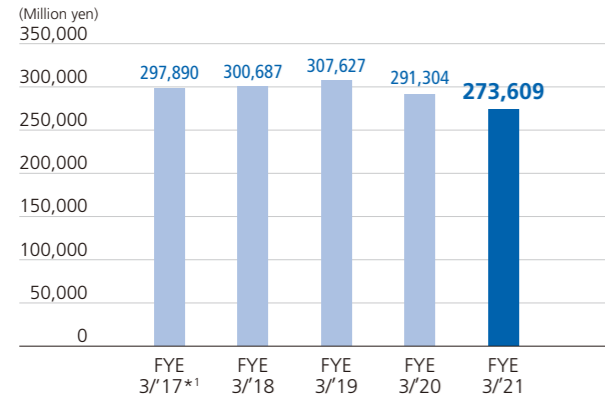
Portable power station



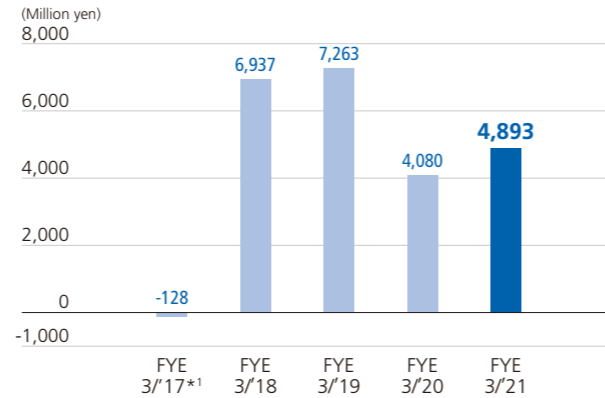
Music and video content

Financial Highlights

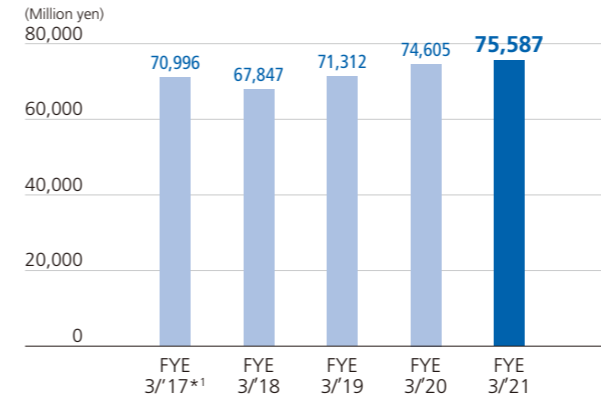
Revenue



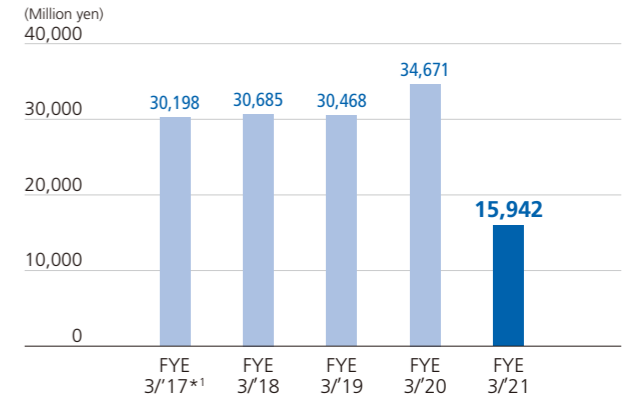
Operating profit (loss)



Interest-bearing debts

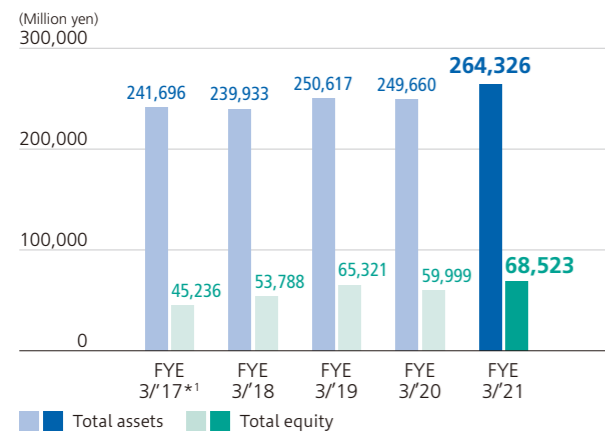


Net debt*

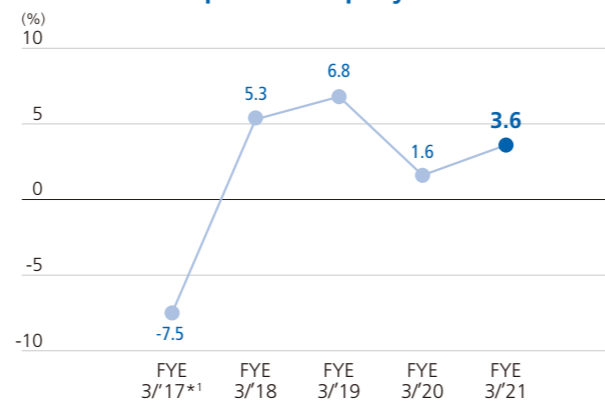


*Calculated using formula "Interest-bearing debt - Cash and deposits" for JGAAP and "Interest-bearing debt - Cash and cash equivalents at the end of the fiscal year" for IFRS

Total assets/Total equity

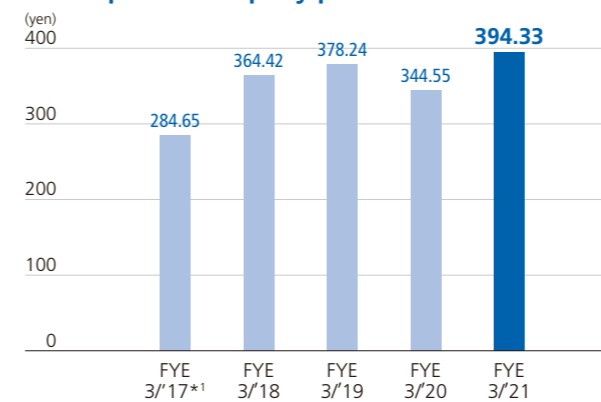


Ratio of profit (loss) attributable to owners of the parent company*



*Ratio of profit (loss) attributable to owners of the parent company (ROE) = Net income attributable to owners of the parent ÷ Average equity attributable to owners of the parent for the fiscal year x 100

Equity attributable to owners of the parent company per share*



*Equity attributable to owners of the parent per share = Total equity attributable to owners of the parent ÷ Number of shares issued

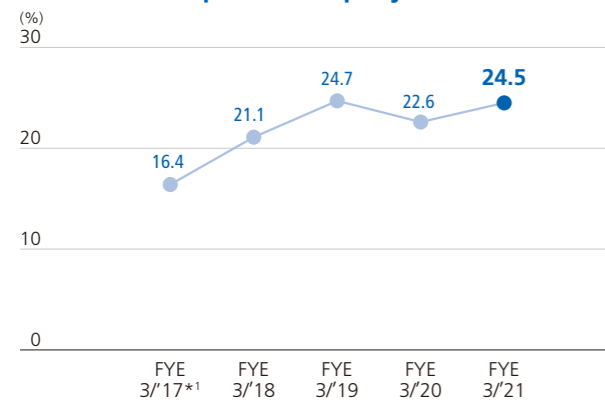
Capital investment/Depreciation expense/Research and development expenses

(Million yen)

	FYE 3/17*1	FYE 3/18	FYE 3/19	FYE 3/20	FYE 3/21
Capital investment*	9,069	8,287	8,700	11,837	10,269
Depreciation expense	15,417	16,862	17,794	20,200	19,316
Research and development expenses	19,282	17,890	18,309	17,445	15,720

*Tangible fixed assets only

Ratio of equity attributable to owners of the parent company*



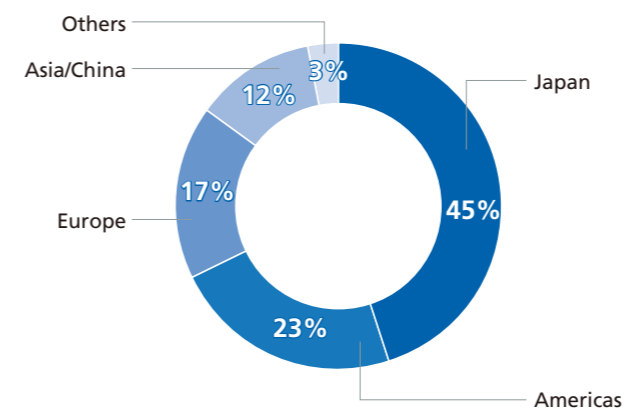
*Equity attributable to owners of the parent = Equity attributable to owners of the parent ÷ Total assets x 100

Cash flows

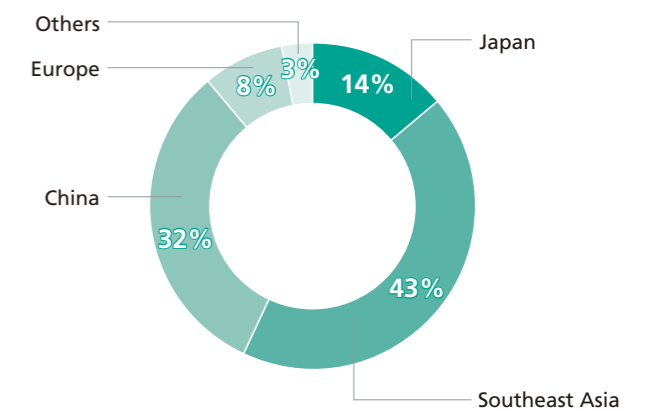
(Million yen)

	FYE 3/17*1	FYE 3/18	FYE 3/19	FYE 3/20	FYE 3/21
Cash flow from operating activities	19,624	18,379	20,983	21,642	35,829
Cash flows from investing activities	-17,690	-14,835	-25,768	-19,675	-11,804
Cash flows from financing activities	-2,052	-7,043	8,479	-1,665	-5,342
Free cash flows	1,934	3,544	-4,785	1,967	24,205

Revenue composition ratio by region (FYE 3/21)



Production ratio by region (FYE 3/21)



*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 ended March 2018.

Message from the CEO

Change for Growth

Full-fledged start on growth track

Representative Director of the Board,
President and CEO
EGUCHI Shoichiro




I would like to express my heartfelt sympathy to those who have been affected by COVID-19, their families, and other related persons, as well as my deepest condolences to those who have passed away. I would also like to express my respect and deep gratitude to all those who have been making efforts to prevent the spread of the infections and maintain social functions.

Review of the fiscal year ended March 2021

In the fiscal year ended March 2021, revenue decreased to 273,609 million yen from 291,304 million yen due to the impact of the spread of COVID-19 worldwide. However, thanks to a recovery in operating results in the second half of the fiscal year and cost reductions through the promotion of the CEM*¹ Project, core operating income*² at all stages below (profit/loss) exceeded the results of the previous period, and profit attributable to owners of the parent company increased to 2,154 million yen from 954 million yen. The total amount of dividends was 819 million yen, resulting in a dividend payout ratio of 38.0%. Also, with respect to our financial condition as of the end of March 2021, the ratio of equity attributable to owners of the parent company to total assets increased to 24.5% from 22.6%, and net debt decreased significantly to approximately 15.9 billion yen from approximately 34.7 billion yen at the end of the previous period.

Under the previous Medium-Term Management Plan Vision 2020, we had promoted management using ratio

of profit attributable to owners of the parent company (ROE) as the main indicator. ROE in the final fiscal year recovered to 3.6% from 1.6% in the previous period; however, it failed to reach the target of 10%. Meanwhile, in the second half of the current period*³, core operating income amounted to 10.2 billion yen, exceeding the 10 billion yen mark for the first time since the management integration in 2008. In particular, core operating income in the second half of the fiscal year at the Automotive Sector, which is our priority area, exceeded 5 billion yen, and strong sales in the Telematics Business, where the DX Business is growing rapidly, contributed to a significant increase in both sales and income for the full year. We believe this will provide a major impetus for kick-starting the Medium-Term Management Plan VISION 2023.

*1: Abbreviation of COVID-19 Emergency Measure

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

*3: Six months from Oct 2020 to March 2021

Medium-Term Management Plan VISION 2023: Change for Growth

Under its corporate vision of "Creating excitement and peace of mind for the people of the world," the Company aims to become an excellent company with both strength and toughness. It will anticipate changes and carve a path to the future in order to increase corporate value over the medium to long term in a rapidly changing business environment. In the Medium-Term Management Plan VISION 2023, we have positioned FY 2021 to FY 2023 as a three-year period of "Change for Growth" during which we aim to strengthen the revenue base of the existing business and establish new growth areas. By "Change for Growth," we mean to radically review our thinking and behavioral patterns, break away from conventions, and take on new challenges. The following four items were identified as key themes.

Key themes

- 1) Shift to an earnings structure that creates stable business profits
- 2) Redefine the business portfolio
- 3) Expand the Mobility & Telematics Services Business and create new Business
- 4) Promote sustainability management

In an era of rapid changes, business are required to always respond with flexibility and promptness to changes, ensuring that will lead to growth. We are committed to promoting sustainability management and strengthening ESG by the two goals of "Change" to strengthen the revenue base of the existing business, and "Growth" to expand our growth business even further through new products and new business.



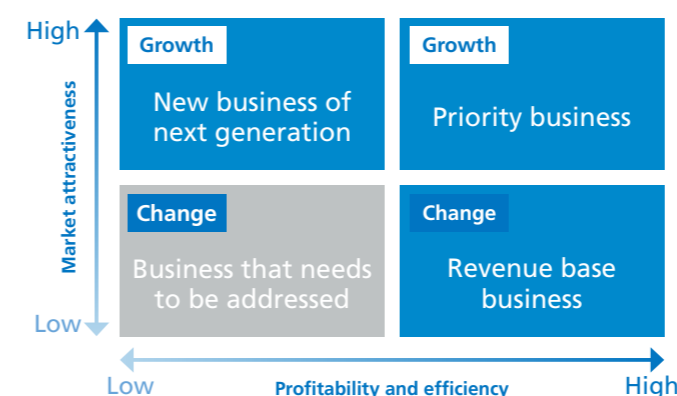
Signage on the west wall of the JVCKENWOOD head office building to show a strong commitment to Change for Growth

Redefining the business portfolio

We have redefined our business portfolio using market attractiveness (sales growth potential, etc.), profitability, and capital efficiency of the Company as indicators.

As for the "business that need to be addressed" and "revenue base business" which are the targets of "Change," we will carry out drastic business structural reforms. Meanwhile, we will accelerate the concentration of management resources in priority business and new business of the next generation with high market attractiveness, as we aim for "Growth." (*See page 18 for details.)

Business portfolio redefinition chart



Based on this redefinition of the business portfolio, effective on July 1, 2021, the Telematics Service Business of the DX Business, a high-growth area, was incorporated into the Automotive Sector, which is now reorganized as the Mobility & Telematics Services Sector. At the same time, from the perspective of SDGs, we aim to transform into new ways of the Company as we work to solve social issues such as reducing traffic accidents, easing traffic congestion, ensuring driver safety, and reducing environmental load. VISION 2023 aims to increase revenue from 273.6 billion yen in FY 2020 to more than 320 billion yen in FY 2023. In particular, the Mobility & Telematics Services Sector aims to achieve a scale of 200 billion yen in revenue, and is positioned as a core business that will account for 60% of our total revenue. In order to ensure an expansion of revenue, we plan to generate 25% of the 320 billion yen in revenue in new business domains (Telematics Service Business, IoT platform service business, and next-generation optical communications device business) and their adjacent fields (such as dash-cams with communication capability, broadband wireless systems, and portable power sources).

Message from the CEO

Expansion of Telematics Service Business

Dashcams have achieved remarkable growth, and I, as someone who has been involved in car electronics for many years, feel very emotionally attached to them. Since the launch targeting the Aftermarket Business in 2014, sales of dashcams have been steadily increasing through OEM sales. In addition, sales of dashcams with communication capability for automotive insurance companies increased sharply. As a result, total revenue of dashcams for the Aftermarket, OEM and automotive insurance company

areas exceeded 30 billion yen in the previous period. The Company forecasts that the global telematics service market will grow at a CAGR (average annual growth rate) of more than 9% toward 2030. In the future, it is expected that dashcams with communication capability for the telematics service will be used in a wide range of applications. Against this backdrop, as a new step we plan to expand our Telematics Service Business into a data service business that utilizes dashcams with communication capability.

VISION 2023 financial strategy

Our financial strategy positions the three years to FY 2023 as a phase to rebuild a strong revenue base that can respond to drastic changes in the market environment. We will allocate management resources in a timely and precise manner with an awareness of the cost of capital and with an emphasis on profitability and capital efficiency, and work to reduce interest-bearing debts and financial expenses. As a key measure to achieve this, we will implement budget and performance management by using cash flow and ROA*4 by business sector as key KPIs*5, and strive to improve the soundness and promote reduction of inventories.

Key measures and numerical targets (Final year of the plan)

- ROE: 10% or more
- Measures to return to shareholders: Dividend ratio of approx. 30%
- Net interest-bearing debt: 15 billion yen or less (end of FY2023)
- Strengthen budget and performance management using cash flow and return on asset (ROA) by business sector as key KPIs
- Improve the soundness and promote reduction of inventories

I believe that we will be able to achieve these goals by pushing through "Change for Growth."

*4: Ratio of return on total assets
*5: Abbreviation of Key Performance Indicator

Promoting sustainability management

Under VISION 2023, we will further strengthen our efforts for sustainability management that revolves around both "profitable growth" and "solving social issues on a global scale." In promoting sustainability management, the Company identified eight social issues (1. Society, 2. Labor, 3. Environment, 4. Quality, 5. Economy, 6. Safety, 7. Governance, and 8. Value creation) that are not only strongly related to its business but also that the Company believes it can contribute to solving, in light of the Sustainable Development Goals (SDGs). With regards to those eight social issues, we have then identified materiality (priority issues) and set KPIs to manage progress in the initiatives to resolve them. (*See page 38 for details of materiality.)

For example, the Company's efforts to contribute to "safety and security" and "resources and the environment" can be expected to reduce gasoline consumption by enabling the optimal route to be taken to a destination through the widespread use of car navigation systems provided by the Company, and to contribute to the prevention of traffic accidents through the widespread use of connected dashcams. They will lead to safety and security for drivers, as well as the reduction in CO₂ emissions if the reduction in the number of traffic accidents causes traffic jams to be alleviated, which will also lead to the conservation of resources and the environment.

Three Management Principles and Four Values

Since the establishment of JVCKENWOOD Corporation in 2011, we have been committed to the corporate vision of "Creating excitement and peace of mind for the people of the world." In order to move forward toward the realization of this vision, we have renewed our Management Principles and Action Guidelines when we formulated VISION 2023.

Management Principles

Creating new value through Monozukuri

The cornerstone of the Company's business is *Monozukuri*. Often translated as "manufacturing" or "making of things," the word *Monozukuri* in this context means not only technology, but also all the elements that span from planning, development design, design, branding, production, quality, cost, to creating added value that encompasses the full range of customer experience values. No matter how the business model changes due to new technologies, changes in the market environment, and other factors, we want to uphold the spirit that forms our basis as a *Monozukuri* company.

Building a corporate culture that adapts and embraces change

In recent years, and in the past year or so when we were affected amid the COVID-19 pandemic, the world changed much faster than we had imagined, becoming like a totally different world. Companies in the future will be required to be flexible and resilient to grow while responding promptly and flexibly to changes that are happening in front of them. We believe that such ability to respond to changes is the source of corporate growth, and we are determined to tackle a changing future in a robust and positive manner.

Investing in people to strengthen capabilities and push boundaries

Innovation is born from a combination of multiple elemental technologies. It requires not only core technologies such as those in the areas of audio, visual, and communications, but also diverse technologies and capabilities in areas such as knowledge, art, and design. For this reason, it is necessary for individual employees to hone their skills, ideas, and thinking while, at the same time, the organizational capabilities to share and utilize them cross-organizationally need to be strengthened. In order to create new value for the future society, we will work on human resource development, organizational design and management to stimulate innovation.

In addition to these Management Principles, we have established the following Action Guidelines as "4 Values" that support "Change for Growth."

4 Values

- Change** Making change happen with own awareness and action
- Create** Creating the future by creating new business
- Earning power** Strengthening earning power with an awareness of cash flows
- Connect** Achieving sustainable growth to connect it to the future

Through the implementation of these new Management Principles and Four Values, we are committed to making concerted efforts to increase its corporate value so as to meet the expectations of our stakeholders.



Strengths of JVCKENWOOD

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

STRENGTH

1

STRENGTH

2

STRENGTH

3

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



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

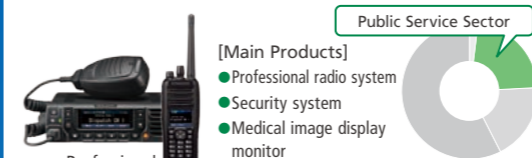
[Main Products]

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



Revenue Composition Ratio by Business Sector (FYE3'/21)

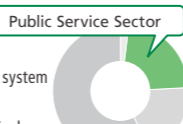
Public Service Sector



Professional radio system

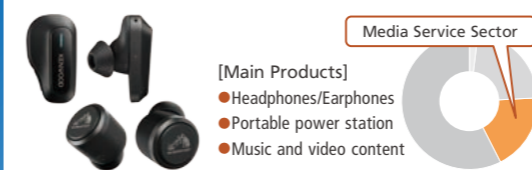
[Main Products]

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



Revenue Composition Ratio by Business Sector (FYE3'/21)

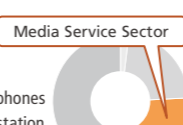
Media Service Sector



Headphones/Earphones

[Main Products]

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



Revenue Composition Ratio by Business Sector (FYE3'/21)

Three characteristic brands

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

KENWOOD



JVC



Victor



Value Creation Process

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.

Management capital

Capital input

- Financial capital
- Manufacturing capital
- Intellectual capital
- Human capital
- Social and relational capital
- Natural capital

Business activities

Basic strategies for VISION 2023

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

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

Research & Development Procurement & Manufacturing Planning & Design Sales After-sales service

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

Sustainability Management & Evolution of ESG

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

Products and services

Three business sectors and brands

Mobility & Telematics Services Sector

OEM Business, Aftermarket Business, Telematics Service Business



Three characteristic brands

KENWOOD
JVC
Victor

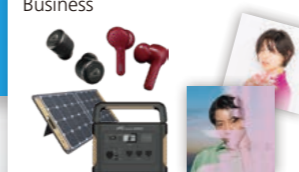
Public Service Sector

Communications Systems Business, Professional Systems Business



Media Service Sector

Media Business, Entertainment Business



Providing value for social issues

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



Cycle of value creation that contributes to profitable corporate growth

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

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.

Products and services

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.

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)**

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

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

- ▶ 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 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

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

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

Change

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

Growth

- Evolve DX Business
- Strategic products for the post COVID-19 era
- Improve profitability and ROE commensurate with invested capital

Sustainability management & evolution of ESG

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

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.

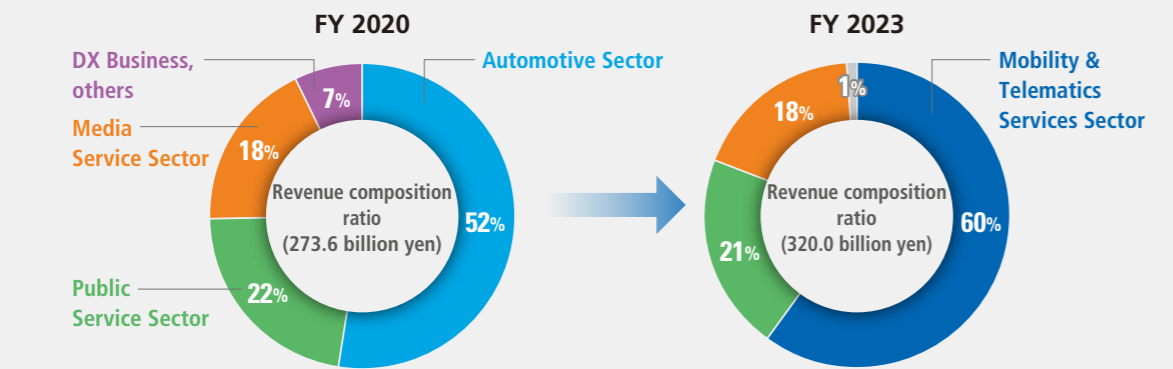
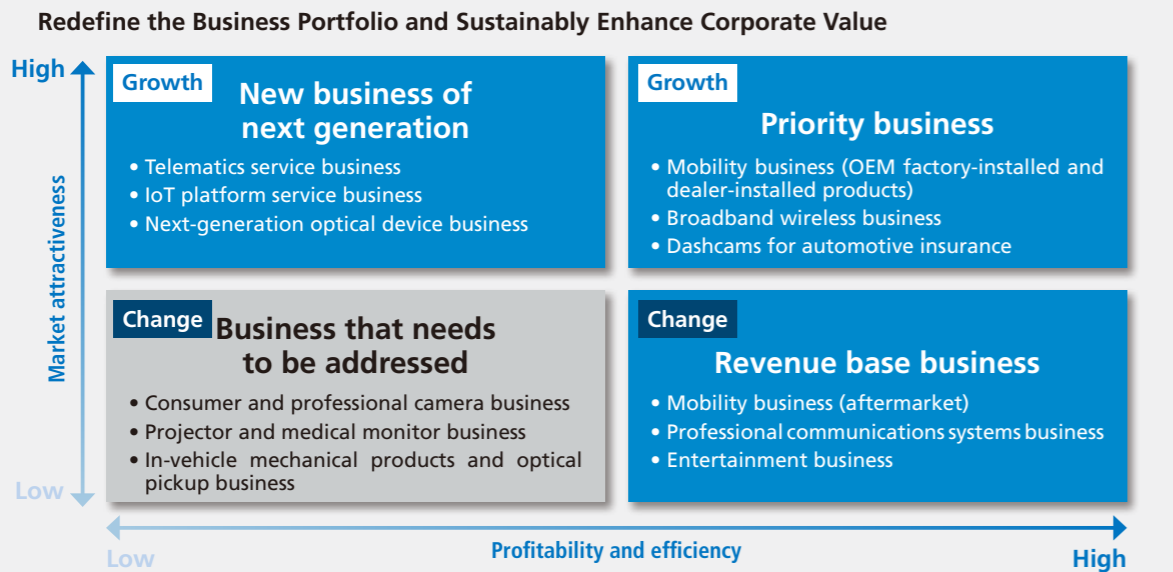
We will further evolve sustainability management and ESG based on “change” to strengthen the earnings base of existing business and “growth” to expand growth business by creating new products and new business.

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).



1 Change

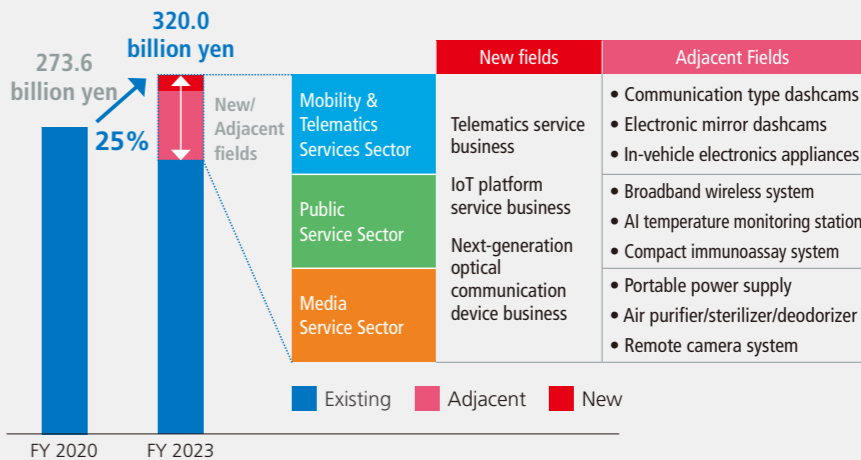
We will redefine our business portfolio based on both the attractiveness of the market and our own profitability and capital efficiency. For business that needs to be addressed, we will consider profit improvement, withdrawal or downsizing through a drastic strategic review, and reconfigure our profit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



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 communication-type dashcams, and the data service business as the IoT platform service business.



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)

MIYAMOTO Masatoshi



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

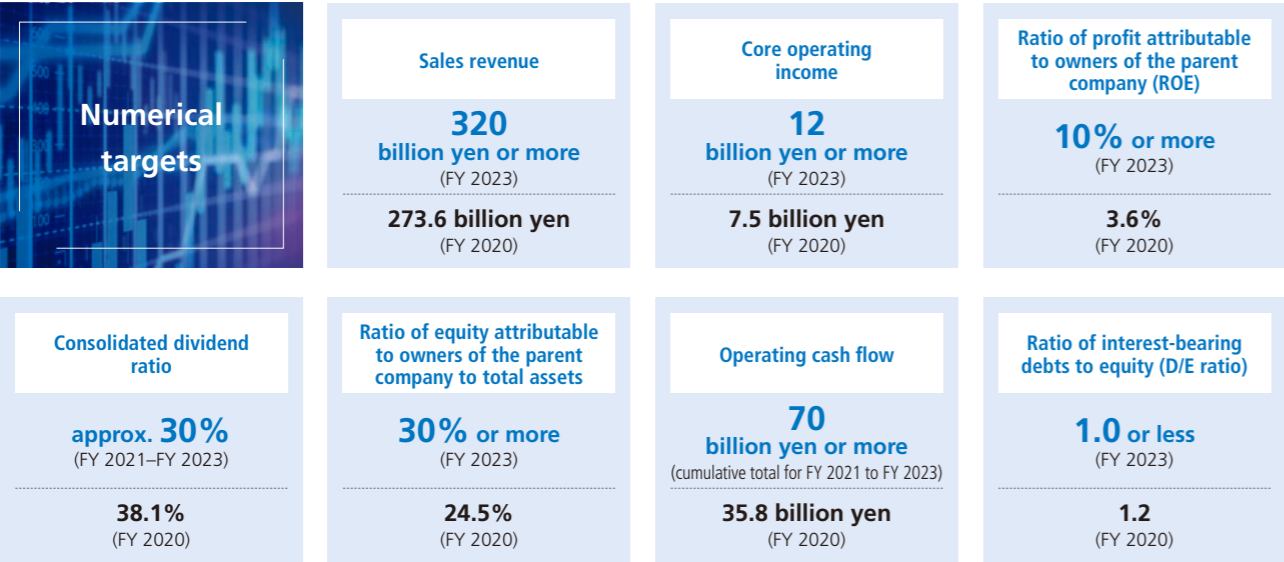
Performance results and review of the Vision 2020

In FY 2020, we were greatly affected by the spread of COVID-19 that had emerged during the immediately preceding fourth quarter of FY 2019, mainly during the first half. We were also affected by tight supply and demand of semiconductors in the fourth quarter. As a result, revenue for the full year decreased to 273.6 billion yen. However, thanks to cost-reduction efforts in addition to a recovery in sales in the second half, operating profit amounted to 4.9 billion yen, securing an increase in income. On the other hand, ROE was 3.6%, which was below the target of ROE 10% as set forth in the financial targets in the Medium- to Long-Term Management Plan VISION 2020.

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 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



Medium-Term Management Plan VISION 2023

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

As a measure to strengthen our business structure, we had been implementing the “management reform through manufacturing reforms” across the Company since 2018, and have further expanded the scope of our management base reform activities since 2020. In addition, in FY 2020, we promoted the COVID-19 Emergency Measure (CEM) project as an urgent countermeasure based on the

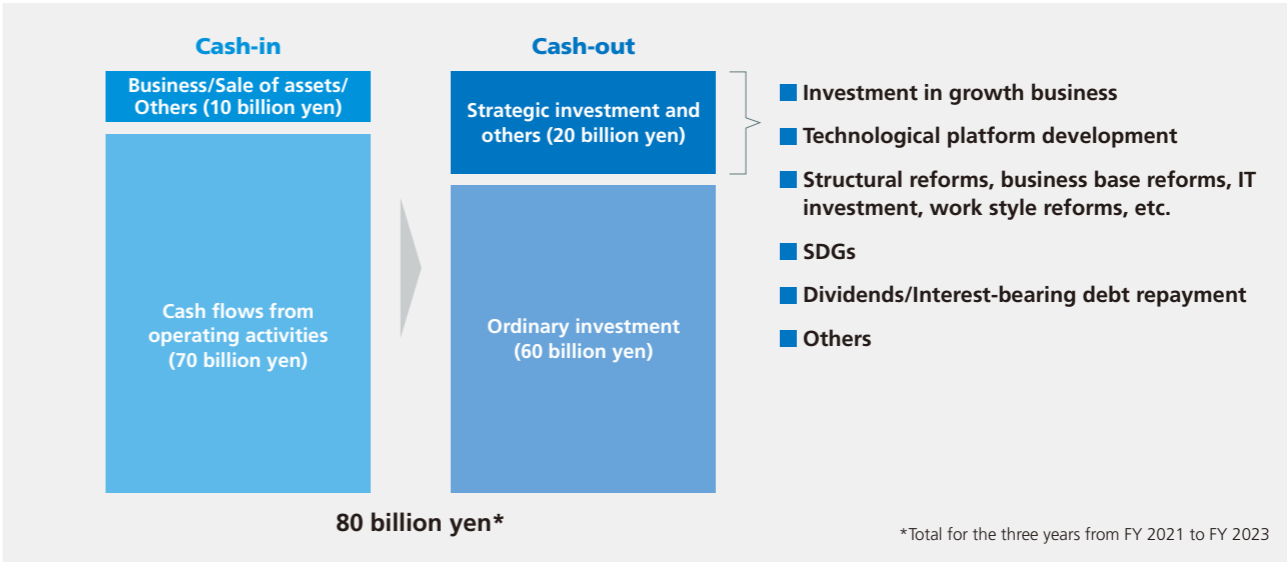
assumption of lower limit of sales risk due to the spread of COVID-19. In this project, all fixed costs, including inventories, capital investment, and development expenses, were reduced in order to thoroughly control outflows of cash. These measures produced results greater than expected at the beginning of the fiscal year. Some of these initiatives are related to the suspension or postponement of non-essential and non-urgent measures, however, others have led to the improvement of our management structure. We intend to continue those activities to get these structural reforms embraced deeply and promote the permanent transformation of our business structure.

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.

*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



At a Glance

We will aim to continuously enhance corporate value by redefining our business portfolio for “Change for Growth” from the perspective of market attractiveness (growth characteristics, etc.), profitability and capital efficiency of JVCKENWOOD.

<div><div>Mobility & Telematics Services Sector</div><div><div>Revenue composition ratio*2</div><div>57.4%</div></div></div>	<div><div>Outline of Business</div><div>The sector is composed of three businesses: the OEM Business which provides products through automobile manufacturers and dealers, the Aftermarket Business which provides products to customers through mass merchandisers and distributors, etc., and the Telematics Service Business that provides various solutions centered on communication-type dashcams in collaboration with automotive insurance companies and other service providers.</div><div><div>Theme of VISION 2023</div><div><div><div>Collection and analysis of vehicle data and development of data service business</div><div>Expansion and development of business through provision of telematics services based on communication-type dashcams</div></div><div><div><div><div></div><div></div><div></div></div></div></div></div></div></div>	<div><div>Business, Business Units (BU), and Major Sales Channels</div><div><div>OEM Business</div><div><div>Dealer-installed products</div><div>Automobile manufacturers and dealers in Japan, Southeast Asia, etc.</div><div>Factory-installed products</div><div>Automobile manufacturers and component manufacturers around the world</div></div><div>Aftermarket Business</div><div>Mass merchandisers, distributors, etc. in Japan and overseas</div><div>Telematics Service Business</div><div>Automotive insurance companies, ride-sharing service companies, taxi and transportation companies, etc.</div></div></div>	<div><div>Revenue</div><div><div>(Million yen)</div><div><div><div></div><div>148,123</div><div>171,435</div><div>169,532</div><div>149,790</div><div>157,131</div></div><div>2017/32018/32019/32020/32021/3*3</div></div></div></div>	<div><div>Core operating income*1</div><div><div>(Million yen)</div><div><div><div></div><div>1,914</div><div>7,601</div><div>5,607</div><div>1,190</div><div>5,610</div></div><div>2017/32018/32019/32020/32021/3*4</div></div></div></div>
<div><div>Public Service Sector</div><div><div>Revenue composition ratio*2</div><div>22.3%</div></div></div>	<div><div>Theme of VISION 2023</div><div><div><div>Increase in market share of the North American Public Safety Market (P25 Radio)</div><div>Strengthening of broadband business through collaboration</div><div>Creation of bio-device business</div></div><div><div><div><div></div><div></div><div></div></div></div></div></div></div>	<div><div>Communications Systems Business</div><div>Public safety market (for use by police, fire departments, ambulance services, etc.) Public service market (providers of electricity, water, gas, etc.) Private sector market (hotels, retailers, event companies, etc.)</div><div>Professional Systems Business</div><div><div>JVCKENWOOD Public & Industrial Systems Corporation</div><div>Companies, education, public services, distribution, social infrastructure, amusement facilities, etc.</div><div>Healthcare</div><div>Medical and research institutes</div></div></div>	<div><div>(Million yen)</div><div><div><div></div><div>73,382</div><div>65,035</div><div>70,944</div><div>70,676</div><div>60,881</div></div><div>2017/32018/32019/32020/32021/3</div></div></div>	<div><div>(Million yen)</div><div><div><div></div><div>1,829</div><div>-1,519</div><div>628</div><div>2,928</div><div>1,865</div></div><div>2017/32018/32019/32020/32021/3</div></div></div>
<div><div>Media Service Sector</div><div><div>Revenue composition ratio*2</div><div>18.3%</div></div></div>	<div><div>Theme of VISION 2023</div><div><div><div>Strengthening of well-being product lineups</div><div>Expansion of next-generation optical-communication-related business with an eye to 6G</div><div>Strengthening of streaming artist development</div></div><div><div><div><div></div><div></div><div></div></div></div></div></div></div>	<div><div>Media Business</div><div><div>Solution BU</div><div>Companies, local governments, broadcasting stations, distributors, etc. in Japan and overseas</div><div>Lifestyle BU</div><div>Mass merchandisers, distributors, etc. in Japan and overseas</div><div>Imaging Device BU</div><div>Video equipment manufacturers in Japan and overseas</div><div>Branding BU</div><div>TV and audio manufacturers overseas</div><div>Contract production business</div><div>Record companies, movie companies, publishing companies, etc. in Japan</div></div><div>Entertainment Business</div><div><div>Content business</div><div>CD shops, EC sites, music distribution sites, etc. in Japan</div></div></div>	<div><div>(Million yen)</div><div><div><div></div><div>71,397</div><div>58,972</div><div>58,795</div><div>55,402</div><div>50,093</div></div><div>2017/32018/32019/32020/32021/3</div></div></div>	<div><div>(Million yen)</div><div><div><div></div><div>2,599</div><div>374</div><div>2,217</div><div>841</div><div>503</div></div><div>2017/32018/32019/32020/32021/3</div></div></div>

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

*2: Revenue composition ratio for FYE3/2021. Calculated by rounding to the nearest first decimal place.

*3: For FYE3/2021, revenue from the Telematics Service Business of the former DX Business Division was added to that of the former Automotive Sector.

*4: For FYE3/2021, core operating income from the Telematics Service Business of the former DX Business Division was added to that of the former Automotive Sector.

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 communication-type dashcams via collaboration with service providers such as automotive insurance companies.

The OEM Business is carried out in two channels, namely the dealer-installed (dealer option) channel and the factory-installed (manufacturer option) channel. 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 communication-type dashcams to the automobile 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 automotive 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.

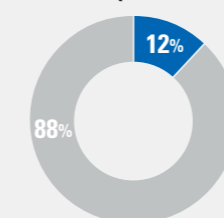
In OEM dealer-installed products, we will increase orders by proposing new products, in addition to the car navigation systems and dashcams for the mini and compact car market that is expected to remain firm in the domestic market. Orders including display audio systems for increasing Japanese automobile 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.

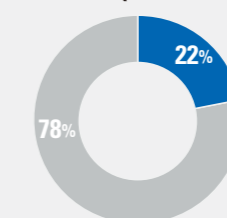
In the Telematics Service Business, we will further expand business by globally expanding the high-functioning dashcam business, already highly recognized in the market, and expanding product lineups. Furthermore, centering on communication-type dashcams, we will provide new telematics services by developing business for automotive insurance companies and data service business utilizing vehicle data.

FY 2023 (FYE3/2024) Target: Adjacent and new field sales ratio of 30%

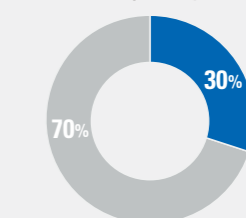
FY 2021 (FYE3/2022)



FY 2022 (FYE3/2023)



FY 2023 (FYE3/2024)



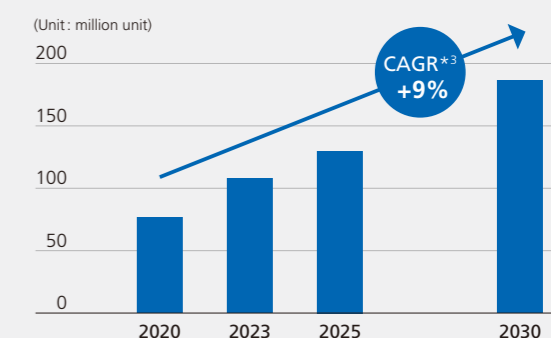
Major themes for adjacent and new fields

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

Priority strategy



Global telematics service market^{*2}



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

Medium- to long-term scenario of Telematics Service Business



We will expand the Telematics Service Business by extending the 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 communication-type dashcams with a scale of a cumulative total of one million units, 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 automotive insurance companies, etc.) in FY 2020. We will continuously expand product lineups and develop sales channels with the aim of further expanding the business.

Communication-type dashcams for automotive insurance companies are developed and supplied to automotive 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



■ Communication-type dashcam for automotive insurance

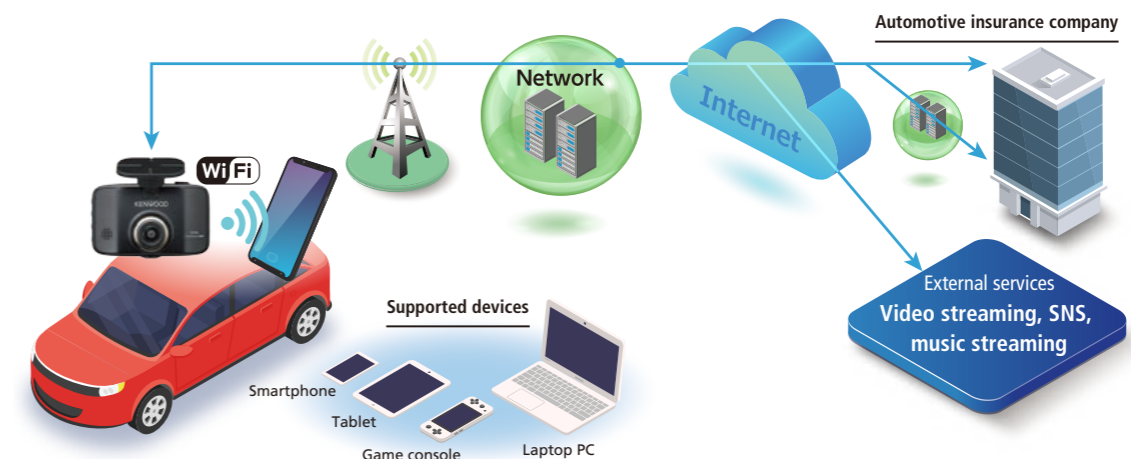
- ▶ Providing safety and security with rapid response to emergencies and driver assistance functions



Phase 2 High-functioning dashcam service business

By cooperating with automobile manufacturers and automotive insurance companies, we will launch into the high-functioning dashcam service business which will allow seamless response through utilization of communication-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.

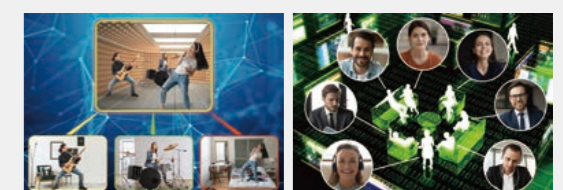
Specifically, we will consider providing a road diagnosis service that diagnoses/analyzes the status of deterioration of roads and utility poles, and supports road route management as well as repair plans. A service for drivers that analyzes their emotions and physical conditions and supports their optimal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



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 (P25), 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 (FYE3/2024) Target: Adjacent and new field sales ratio of 11%

FY 2021 (FYE3/2022)

96% 4%

FY 2022 (FYE3/2023)

93% 7%

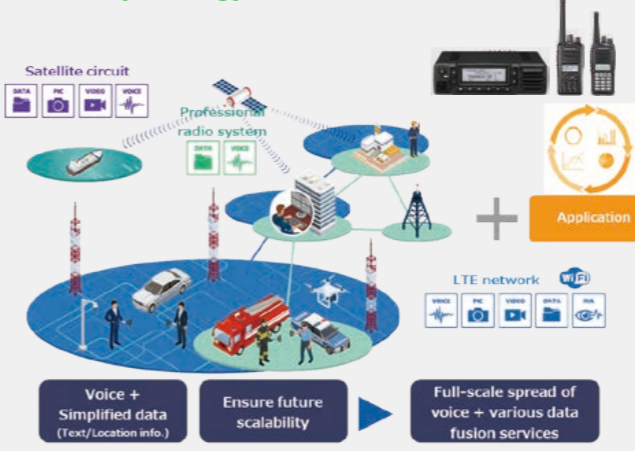
FY 2023 (FYE3/2024)

89% 11%

Major themes for adjacent and new fields

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

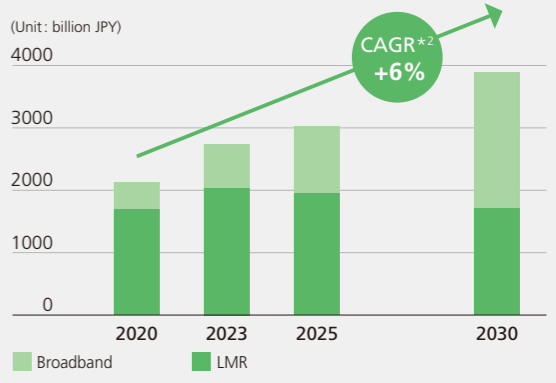
Priority strategy



Conceptual image of broadband solution business

Global professional communications systems market

(Unit: billion JPY)



CAGR*2 +6%

*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 units 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 Unit 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 Unit 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.

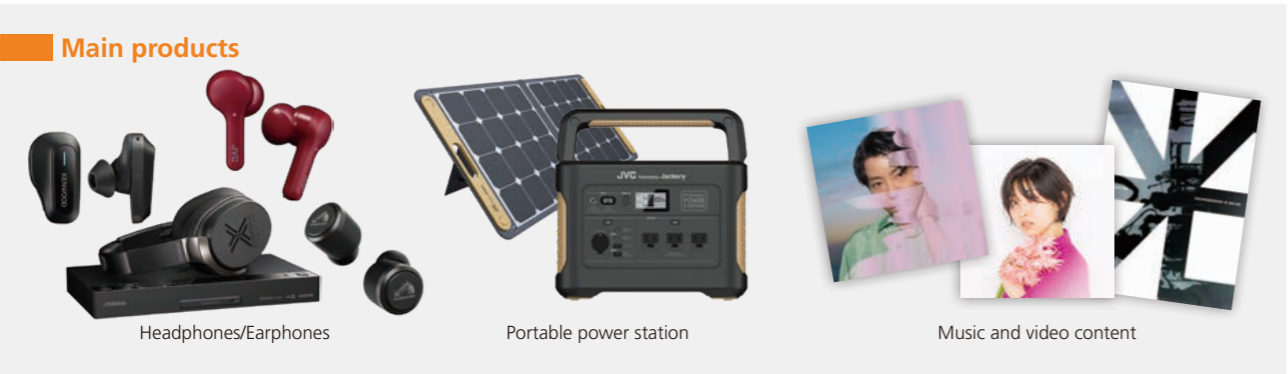
The Imaging Device Business Unit focuses on external sales of D-ILA*1 reflective LCD panel devices, and is expanding sales for application to optical communications, where demand for use in 5G communications infrastructure is rapidly expanding, in addition to projector applications.

The Branding Business Unit 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 Unit 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 BU 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 Unit 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 Unit 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 (FYE3/2024) Target: Adjacent and new field sales ratio of 15%

FY 2021 (FYE3/2022)

FY 2022 (FYE3/2023)

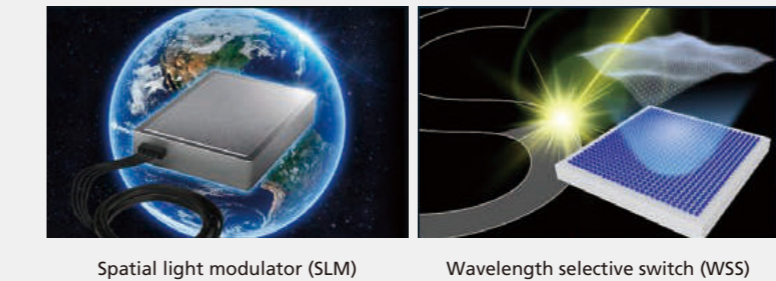
FY 2023 (FYE3/2024)

Major themes for adjacent and new fields

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

Priority strategy

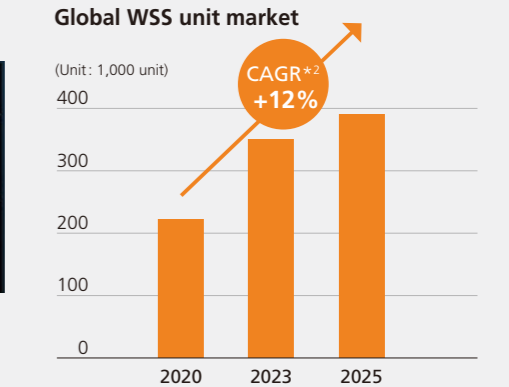
Application examples of reflective LCD panel D-ILA device



Spatial light modulator (SLM)

Wavelength selective switch (WSS)

Global WSS unit market



(Unit: 1,000 unit)

CAGR*2 +12%

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

Data source: Company estimates based on various secondary data

Manufacturing Reforms and Strengthening of Business Structure

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 reform, JVCKENWOOD aims to integrate production bases to a scale that is commensurate with total production volume and man-hours by returning to domestic production and promoting the automation of production bases. 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

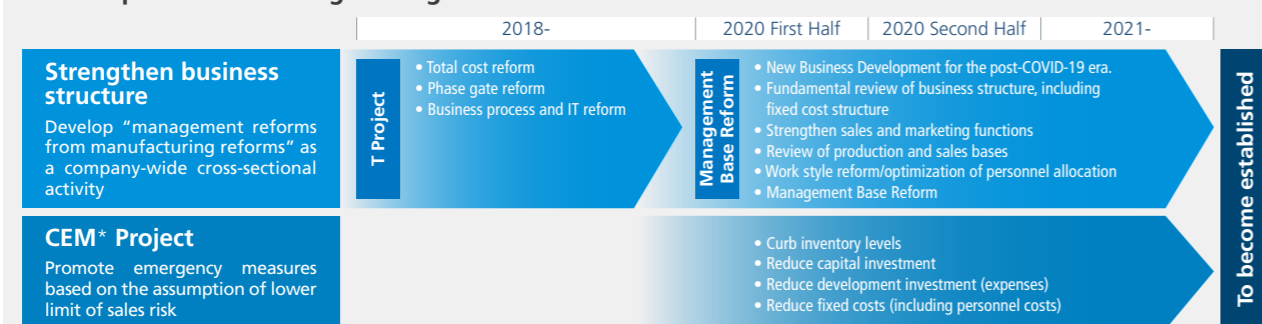
Strengthening business structure

Promoting total cost reform

JVCKENWOOD is implementing company-wide management base reform activities to strengthen our business structure. In the fiscal year 2020, we rolled out the CEM Project as an emergency measure against the COVID-19, and promoted initiatives to reduce inventory levels and

capital investments, as well as development investments (expenses), in anticipation of the lower limit of sales risks. In order to permanently strengthen our business structure in the fiscal year 2021 and beyond, we will establish these activities to strengthen our revenue base.

Toward permanent strengthening of business structure



*CEM: COVID-19 Emergency Measures

Technology Development Strategy

Medium-Term Management Plan VISION 2023

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.

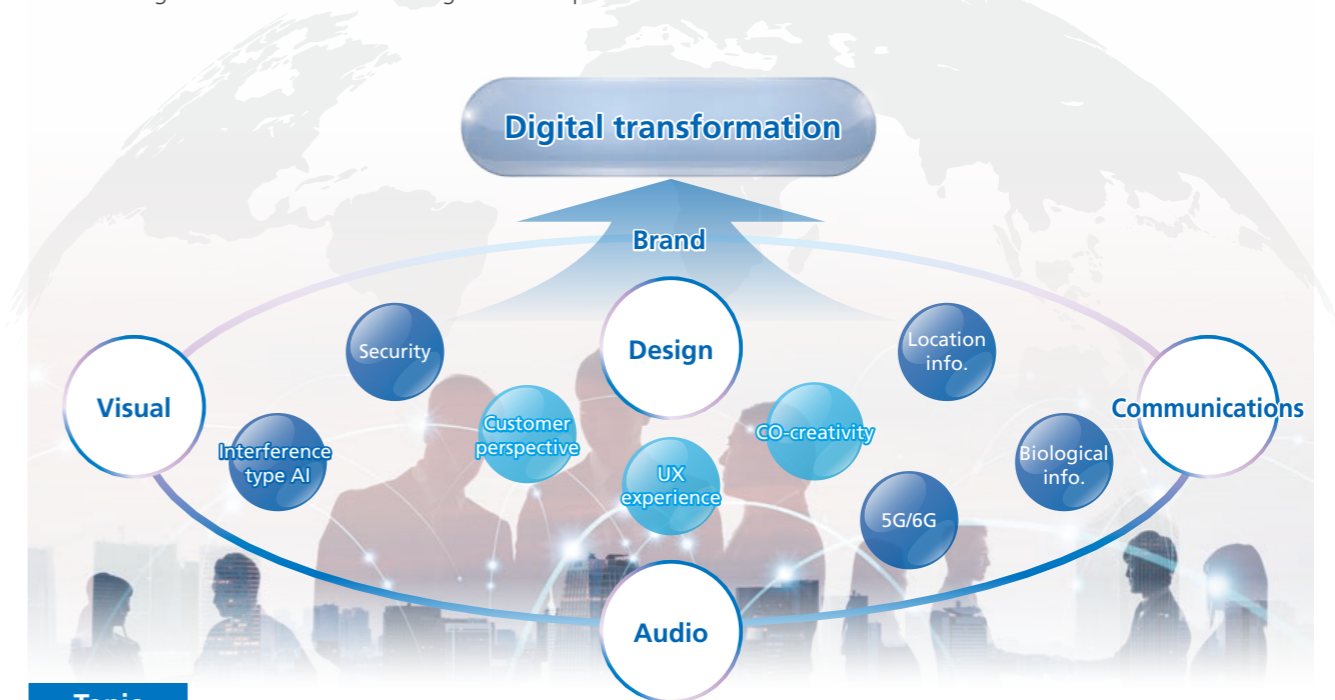
R&D²

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 VISION2023 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

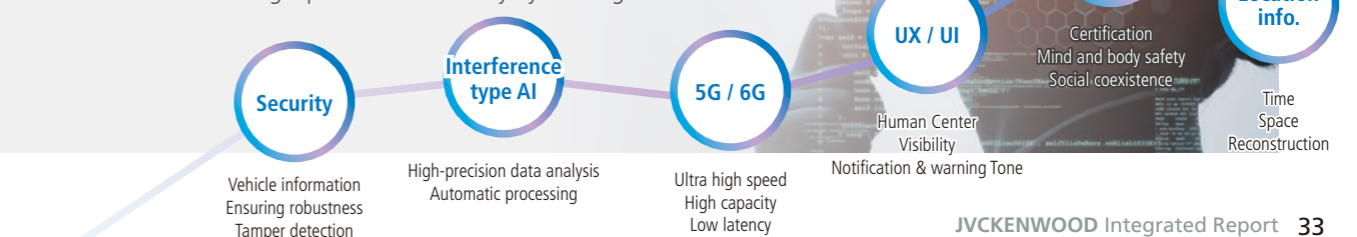
that focuses on the next generation and technology that responds to people's instincts and desires. By adding design to the traditional research & development, we will provide new value through user experience value and co-creation from the customer's perspective through our brands.



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.

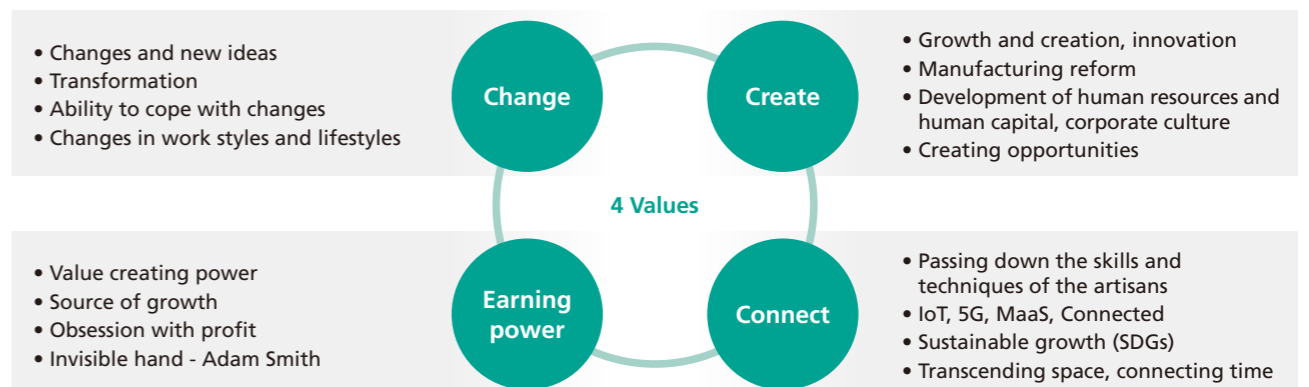
Personnel system (compensation and evaluation)

- ▶ 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.
- ▶ Rebuilding a compensation structure that reflects roles and achievements

Corporate culture reforms by revising the action guidelines

In line with Management Principles renewed along with the formulation of the new Medium-Term Management Plan VISION 2023 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

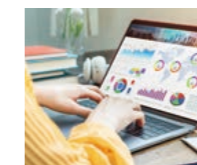
JVCKENWOOD will promote the realization of diverse and flexible work styles through the work style reforms. Specifically, teleworking will be promoted by establishing an efficient teleworking environment while accelerating digitization and shifting to electronic seals, with utilization of satellite offices and adopting hot desking are under consideration. In addition, short work hours will be expanded

to full-time employees, a system for promoting second and concurrent jobs will be introduced, a super flex system will be adopted, and employees will be recruited on the condition that they are free from transfers that involve them moving homes. 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



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)



Linkage with office strategies

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



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



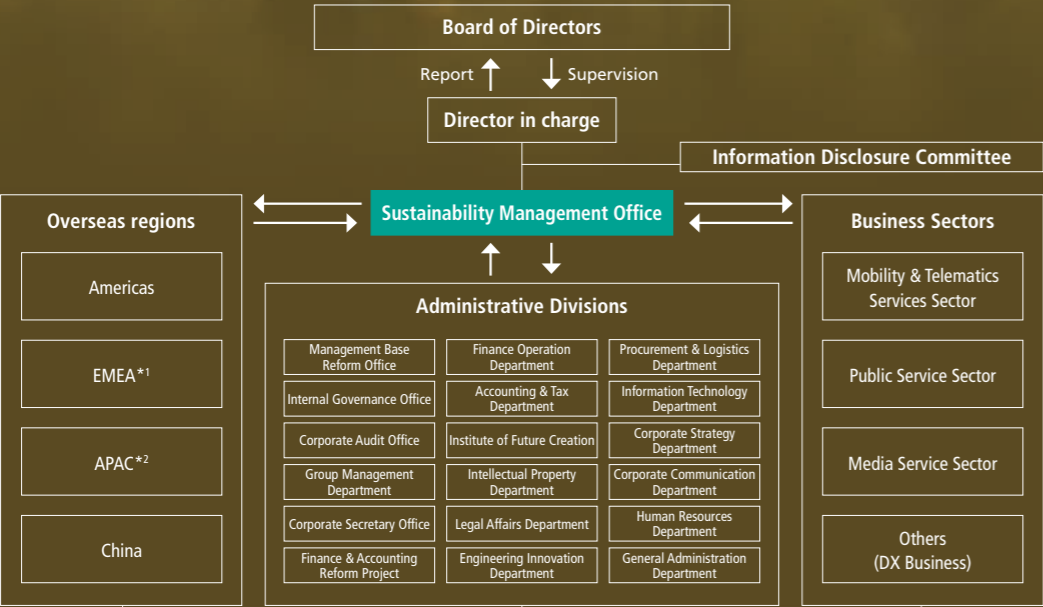
Foundation to Support Sustainable Growth
Sustainability Strategy

Toward
sustainable growth

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

Positioning and role of the Sustainability Management Office

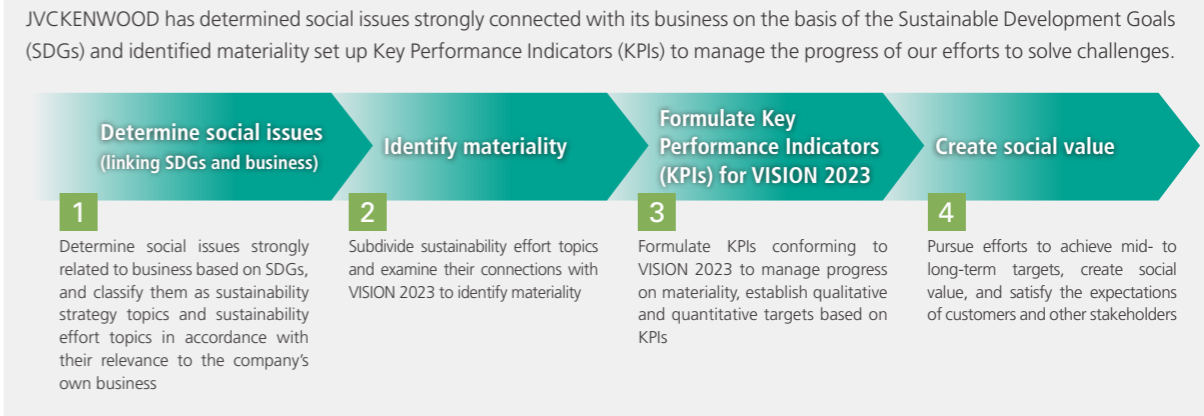
JVCKENWOOD appointed a director in charge under the supervision of the Board of Directors and established the Sustainability Management Office under its umbrella. The Sustainability Management Office is responsible for implementing the company-wide sustainability promotion strategy and managing its progress.



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

Process for identifying materiality

Four steps to identify materiality



Materiality of the JVCKENWOOD Group

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

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



Top Priority key issues

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

Key issues

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

Sustainability Strategy

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

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

No	Materiality	FY 2020		FY 2021		SDGs
		KPIs & Target	Result	KPIs & Target	Result	
1	Reduce greenhouse gas emissions (Scope 1+2)	• Greenhouse gas emissions (Scope 1+2): 18,900t-CO ₂ (Emissions only, covering domestic business sites/production sites)	○	• Reduce greenhouse gas emissions (Scope 1+2): Reduce by 25.2% by FY 2025 compared to FY 2019		13 CLIMATE ACTION
2	Reduce greenhouse gas emissions (Scope 3)	• Greenhouse gas emissions (Scope 3): FY 2019 Improve accuracy of results disclosure	○	• Reduce greenhouse gas emissions (Scope 3): Scope 3 Calculation and reduction for categories 1, 4, and 11		
3	Manage water use	• Number of violations of water quality laws and regulations: Maintain 0	○	• Manage water consumption: 6% reduction from FY 2019 levels by FY 2025		
4	Reduce wastewater and waste	• Amount of hazardous waste generated (control of 28 hazardous substances under the Water Pollution Prevention Act): Less than 0.1443t (for domestic business sites/ overseas production sites)	○	• Improve waste recycling rate: 90% or more recycling rate by FY 2025		12 RESPONSIBLE CONSUMPTION AND PRODUCTION
5	Identify and reduce the amount of plastic used	• New environmentally friendly products: Reduced 11.6t of plastic	○	• Reduce the amount of plastic used		5 GENDER EQUALITY
6	Prohibiting forced labor and child labor	• Formulation of human rights policy: Formulation of the JVCKENWOOD Group's human rights policy	○	• Conducted human rights due diligence activities		
7	Promoting active roles for women	• Ratio of women in executive positions: 5.0% or more	○	• Ratio of women in executive positions: 5.8% or more		
8	Product quality & safety	• Number of recalls and response costs: Maintain 0 cases/0 yen	○	• Number of recalls and response costs: Maintain 0 cases/0 yen		16 PEACE, JUSTICE AND STRONG INSTITUTIONS
9	Corporate governance	• Evaluation of the effectiveness of the Board of Directors: Conducted once a year	○	• Evaluation of the effectiveness of the Board of Directors: Conducted once a year • Attendance rate at Board of Directors meetings: 100%		
10	Information security	• IT security training participation rate (domestic): 90% or higher	○	• IT security training attendance rate: 92% or higher • Number of cyber security incidents: 2 or less		
11	Create value through mobility products & services	• Actively provide the market with driving recorders equipped with new functions, such as two cameras, from FY 2020	○	• Expansion of market share in the navigation market • Market development of dashcams equipped with new functions		3 GOOD HEALTH AND WELL-BEING
12	Create value with disaster-prevention and disaster-mitigation products & services	• Plan to introduce new disaster prevention and mitigation products and services: 40	○	• Received one project order for disaster prevention solutions		13 CLIMATE ACTION
13	Create value with security products & services	• Plan to introduce new security products and services: 20	○	• Solve customer issues through image analysis and introduce products and systems that address the risk of COVID-19 infection		3 GOOD HEALTH AND WELL-BEING
14	Create value through telematics services	• Plan to launch new telematics services: 5 projects (plus contribution to emerging countries through orders for ODA projects)	○	• Introduce telematics services • Market introduction of CABmee, a next-generation IoT vehicle dispatch system		11 SUSTAINABLE CITIES AND COMMUNITIES
15	Accelerate innovation	• Number of results of Innovation Act: 3 new business initiatives through collaboration	○	• Develop new genre products • Introduce new edge AI cameras		3 GOOD HEALTH AND WELL-BEING
16	Manage/utilize intellectual property	• Conducted patent idea meetings: 175 times/year • Conducted training to improve IP skills: 20 times/year	○ △	• The number of patent applications related to SDGs 3 (Good health and well-being), 9 (Industry, innovation and infrastructure), and 11 (Sustainable cities and communities) will account for at least 10% of all patent applications.		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
17	Collaborate with stakeholders	• Implemented a social implementation project in collaboration with industry, government, and academia: Planned to address social issues caused by COVID-19	○	• Succeed and construct a social implementation platform inside and outside the university to continuously create innovation through industry-government-academia collaboration		11 SUSTAINABLE CITIES AND COMMUNITIES



1 Prevention of traffic accidents and global warming



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

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



Contributing Products Car navigation system Dashcam



Contribution to SDGs through business activities

2 Response to disaster prevention and mitigation



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



Contributing Products Specific low-power transceiver

3 Creating a safe and secure community



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



Contributing Products Security system

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

Environment

Our approach to the environment


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

Policy for environmental vision

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

Basic environmental policies (JK Green 2025)

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



Addressing climate change

Achieve carbon neutrality by 2050

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

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



Effective use of resources

Achieve zero emissions (promotion of 3R management)

- **Improvement of the waste recycling rate**
 - Achieve a recycling rate of at least 90% by FY 2025 (global)

- **Reduction of the use of plastics**
 - Monitor and reduce plastic consumption

- **Reduction of water utilization**
 - 6% reduction by FY 2025 from the FY 2019 level (total, global)



Environmental conservation and management

Proper management of environmental load chemical substances

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



Preservation of biodiversity

Conservation of ecosystems

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

Addressing climate change

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

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

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

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

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

Introducing LED lighting

Organizational structure for addressing climate change

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

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

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

40 JVCKENWOOD Integrated Report

JVCKENWOOD Integrated Report 41

Environment

Approach to initiatives in reducing CO2 emissions

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

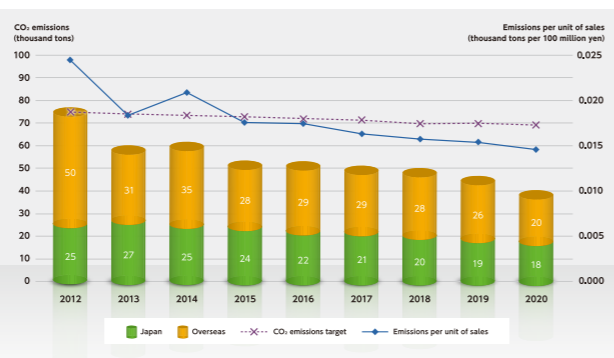
Scopes 1 + 2

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

Scope 3

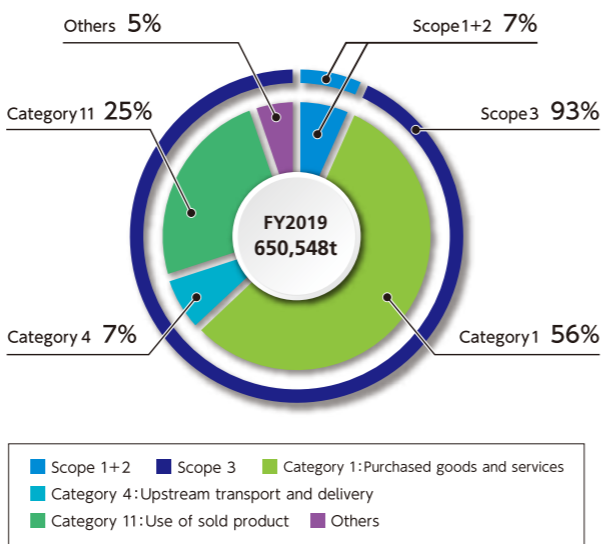
We calculate indirect CO2 emissions from various processes of corporate activities, from raw material procurement to manufacturing, transportation, use and disposal. Actual emissions are calculated based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain published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

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



Coverage: All Group companies in Japan and certain overseas companies

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



Coverage: All Group companies in Japan and certain overseas companies

Environmental conservation and management

Proper management of chemical substances

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

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

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

Preservation of biodiversity

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

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

Development of environmentally friendly products

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

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



Conventional model: blister packaging (made of plastics)



Current model: paper box

Effective use of resources

Waste reduction

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

*Reduce, Reuse, and Recycle

Management of water utilization

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


Society

Our approach to society

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

Human rights initiatives

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



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

Promoting sustainability procurement


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

Diversity & inclusion

Our approach to diversity & inclusion

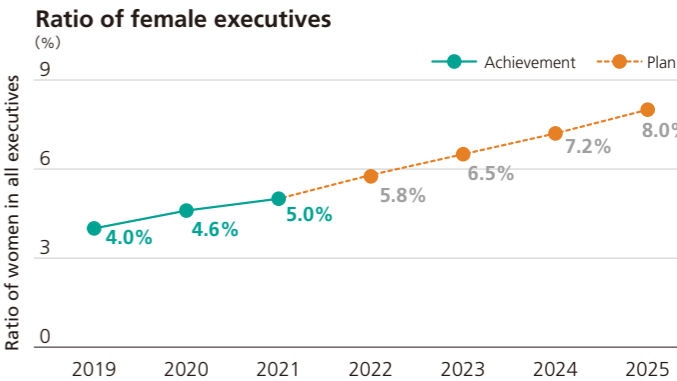
JVCKENWOOD recognizes the Promotion of Diversity & Inclusion as a key initiative. In order for us to make a further leap forward, it is essential that all employees exercise their skills to the maximum in their respective positions. We believe that the organization will be revitalized and performance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

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



Diversity logo mark

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



Occupational safety and health, and productivity management

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

Product quality & safety

Basic policy on product quality and safety

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

Initiatives to improve product quality and safety

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



Group discussion during quality training

Governance

Corporate Governance

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

Overview of the corporate governance system

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

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

2. Matters concerning the Board of Directors

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

3. Matters concerning the Audit & Supervisory Board

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

4. Matters concerning the Nomination and Remuneration Advisory Committee

JVCKENWOOD established the Nomination and Remuneration Advisory Committee, for which all of its External Directors serve as committee members, in December 2015, with the aim of strengthening the independence and objectivity of the functions of the Board of Directors. In addition, in April 2019, the Company added the Chief Executive Officer (CEO) to committee members of the Nomination and Remuneration Advisory Committee in order to share accurate internal information in a timely manner and to improve the effectiveness of the Nomination and Remuneration Advisory Committee. The Nomination and Remuneration Advisory Committee has made proposals to the Board of Directors regarding candidate representatives of the Company, and reviewed the appropriateness of corporate officer candidates and corporate officer’s remuneration plans proposed by the representatives and others, and reported its opinions. The Board of Directors has determined corporate officer candidates and corporate officer’s remuneration, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee.

5. Matters concerning executive officer system

The Board of Directors, in order to lead the Company’s initiatives in corporate reform and governance, is chaired by an External Director, holds discussions between External Directors as independent officers and Directors concurrently serving as Executive Officers to make highly transparent decisions, and entrusts the business execution to Executive Officers. In accordance with decisions made at meetings of the Board of Directors, the Chief Executive Officer (CEO), serving as the Chairman, takes the lead in the Executive Officers Committee’s meetings. Each of the Executive Officers is in charge of the three sectors (the Mobility & Telematics Services Sector, Public Service Sector, and Media Service Sector) and serves as a General Executive of a division belonging to any of these sectors while being in charge of the DX (Digital Transformation) Business Division, which continues growing in the other sector, and assumes responsibility for the overall operations of all business in the four regions (the Americas, EMEA (Europe, Middle East, and Africa), APAC (Asia Pacific), and China) as COO or representative, and thus their responsibilities are clarified in both businesses and regions. Furthermore, we introduced an execution system under which each Executive Officer is appointed to the positions of CFO (Chief Financial Officer) or CTO (Chief Technology Officer) or is in charge of each corporate division to support the CEO, and performs their duties.

Actions to improve the effectiveness of the Board of Directors

1. Overview of evaluation on effectiveness

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

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

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

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

Issues found upon evaluation on effectiveness of the Board of Directors

Fiscal Year	Issues		
	Training for officers	Practical and in-depth discussion	Diversity
FY 2018 (the 4th evaluation)	• Lack of opportunities to train officers	▶ Reflect progress and degree of achievement of the Medium-Term Management Plan and the analysis of factors of failure to achieve the Medium-Term Management Plan to modification of the plan	• Commitment to diversity needs to be improved
FY 2019 (the 5th evaluation)	▶ Provide opportunities to train officers *Introduction of training programs *Distribution of training materials • A comprehensive and systematic training structure needs to be established	• Lack of deliberation time due to an environment that allows active discussion ▶ Clarify issues and points to be discussed	• Commitment to diversity needs to be improved
FY 2020 (the 6th evaluation)	▶ Conduct classroom training twice within the fiscal year *On the Medium-Term Management Plan *On the succession plan	• Secure time for practical and in-depth discussion • Identify topics to be discussed	• Commitment to diversity needs to be improved
Measures in and after FY 2021	• Discuss and select a training program for the year at meetings of the Board of Directors	• Utilize off-site meetings • Review and narrow down reporting methods • Reconsider how to hold a discussion in meetings • Provide information for discussion	• Elect female Directors • Train successors with consideration for diversity • Disclose skills matrix

Corporate Governance

Issues found upon evaluation on effectiveness of the Board of Directors

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

*Abbreviation of Post-Merger Integration

Corporate officer’s remuneration

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

Outline of the new corporate officer’s remuneration system

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

*1: Abbreviation of Short-Term Incentive.

*2: Abbreviation of Long-Term Incentive.

Message from the External Director

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

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

IWATA Shinjiro



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

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

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

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

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

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

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

Directors of the Board, Audit & Supervisory Board Members, and Executive Officers

(As of Jul.1, 2021)

Directors of the Board



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

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

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



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

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



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

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



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

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



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

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



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

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



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

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



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

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

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



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

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

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

Audit & Supervisory Board Members



IMAI Masaki

Title
Audit & Supervisory Board Member

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



SAITO Katsumi

Title
External Audit & Supervisory Board Member

Career
Apr. 2010 Executive Officer and General Manager of 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



KURIHARA Katsumi

Title
External Audit & Supervisory Board Member

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

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



FUJIOKA Tetsuya

Title
External Audit & Supervisory Board Member

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

Executive Officers



TAKADA Shinichi

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

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



TERADA Akihiko

Title
Executive Officer, COO China

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



HAYASHI Kazuyoshi

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

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



MURAOKA Osamu

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

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



SEKIYA Naoki

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

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



IWASAKI Hatsuhiro

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

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



SATO Katsuya

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

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



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

Compliance

Basic concept and promotion system

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

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

Specific initiatives to promote compliance

■ Compliance code of conduct

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

■ Compliance training

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

■ Anti-corruption initiatives

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

■ Internal whistle-blowing system

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

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

■ Compliance awareness survey

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

Risk Management

Basic concept and initiatives

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

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

1. Risk management system of the Group






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

2. Risk management process of the Group

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

Awards & Recognitions

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

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

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



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)

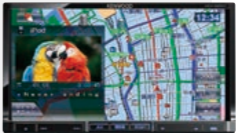
- 1957 Began exporting the FM-100 FM tuner for the first time as a Japanese manufacturer
- 1978 Entered the professional radio equipment field in Japan
- 1980 Entered the car audio field in the U.S. and launched the KENWOOD brand's car audio system in Japan
- 1992 Entered the car navigation system field, 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 WOOD series of inner-ear headphone, which feature wooden dome diaphragms
- 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 JVCKENWOOD's communication-type dashcams adopted by Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance for the automotive insurance with dashcam

Telematics solutions for automotive 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 communication-type dashcams.



- 2019 Commercialized a security service for drivers that uses dashcams with communication capabilities for Grab, Southeast Asia's top car-hailing service
- 2020 Provided JVCKENWOOD's dashcam with communication capabilities to F-dora, a telematics insurance service for fleet contracts by Mitsui Sumitomo Insurance

Facilities (Japan) (As of July 1, 2021)

Business Centers and R&D Facilities		
Names	Locations	Main R&D
Head Office & Yokohama Business Center	Yokohama, Kanagawa	Mobility & telematics equipment, projectors, video cameras, 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
Head Office & Yokohama Business Center	Yokohama, Kanagawa	Optical components
Kurihama Business Center	Yokosuka, Kanagawa	Optical components and projectors
Yokosuka Business Center	Yokosuka, Kanagawa	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	Undertaking of welfare program, general, personnel, accounting and other affairs, sales of goods, tour business, and building construction and contract
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, 2021)

Manufacturing Companies		
Names	Locations	Main Products
JVCKENWOOD Electronics Malaysia Sdn. Bhd.	Malaysia	Communications equipment
JVCKENWOOD Electronics (Thailand) Co., Ltd.	Thailand	Media equipment and professional products
JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.	Thailand	Mobility & telematics equipment
PT. JVC Electronics Indonesia	Indonesia	Mobility & telematics equipment
Shanghai Kenwood Electronics Co., Ltd.	China	Mobility & telematics equipment
Beijing JVCKENWOOD AV Equipment Co., Ltd.	China	Professional radio systems

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 (China) Investment Co., Ltd.	China
JVCKENWOOD Hong Kong Ltd.	China
JVCKENWOOD Trading (Shanghai) Co., Ltd.	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. JVC Electronics Indonesia



JVCKENWOOD Design Corporation



Shanghai Kenwood Electronics Co., Ltd.



EF Johnson Technologies, Inc.



ASK Industries S.p.A.

Financial and Non-Financial Data

(Millions yen)

	FYE 3/2012 JGAAP	FYE 3/2013 JGAAP	FYE 3/2014 JGAAP	FYE 3/2015 JGAAP	FYE 3/2016 JGAAP	FYE 3/2017 IFRS*1	FYE 3/2018 IFRS	FYE 3/2019 IFRS	FYE 3/2020 IFRS	FYE 3/2021 IFRS
Fiscal year										
Revenue	320,868	306,580	316,343	285,010	292,195	297,890	300,687	307,627	291,304	273,609
Operating profit (loss)	13,105	9,761	4,592	6,757	4,494	-128	6,937	7,263	4,080	4,893
Profit (Loss) before tax	6,331	1,524	6,418	6,816	4,148	-1,259	5,940	6,401	2,877	4,533
Profit (loss) attributable to owners of the parent company	6,213	1,243	-6,450	4,795	3,401	-3,114	2,389	3,847	954	2,154
Capital investment (Tangible fixed assets only)	5,600	7,082	4,243	5,385	9,267	9,069	8,287	8,700	11,837	10,269
Depreciation expense	11,356	10,441	10,986	10,465	11,631	15,417	16,862	17,794	20,200	19,316
Research and development expenses	20,630	21,350	21,454	21,591	20,713	19,282	17,890	18,309	17,445	15,720
Cash flows from operating activities	8,883	9,771	14,943	8,575	12,258	19,624	18,379	20,983	21,642	35,829
Cash flows from investing activities	-6,498	-13,356	-10,658	-3,857	-8,395	-17,690	-14,835	-25,768	-19,675	-11,804
Cash flows from financing activities	-1,522	-8,608	-9,581	-7,514	-14,967	-2,052	-7,043	8,479	-1,665	-5,342
Free cash flows	2,385	-3,585	4,285	4,718	3,863	1,934	3,544	-4,785	1,967	24,205
Equity attributable to owners of the parent company	55,617	65,894	52,124	72,321	52,324	39,551	50,634	62,009	56,485	64,645
End of fiscal year										
Total assets	241,650	246,735	267,380	279,041	256,334	241,696	239,933	250,617	249,660	264,326
Cash and cash equivalents at end of year	65,478	57,526	54,737	54,452	41,551	40,798	37,162	40,844	39,933	59,644
Total equity	57,253	67,518	60,224	79,762	57,565	45,236	53,788	65,321	59,999	68,523
Retained earnings	24,369	24,965	17,821	22,421	25,128	-16,611	2,913	6,634	5,547	7,574
Interest-bearing debt	92,369	86,467	81,664	73,618	69,202	70,996	67,847	71,312	74,605	75,587
Net debt*2	26,808	28,706	26,473	18,541	26,437	30,198	30,685	30,468	34,671	15,942
Per share information										
Basic earnings per share (yen)	44.81	8.97	-46.52	34.58	24.51	-22.42	17.20	25.00	5.82	13.14
Equity attributable to owners of the parent company per share (yen)	401.07	475.19	375.89	521.57	376.57	284.65	364.42	378.24	344.55	394.33
Dividend (yen)	5.00	5.00	-	5.00	5.00	5.00	6.00	6.00	5.00	5.00
Payout ratio (%)*3	11.2	55.7	-	14.5	20.4	~*3	34.9	24.0	85.9	38.0
Other index data										
Overseas sales ratio (%)	55.9	54.9	58.2	62.8	65.5	59.0	56.5	55.5	53.0	54.0
Operating profit margin (%)	4.1	3.2	1.5	2.4	1.5	-0.0	2.3	2.4	1.4	1.8
Ratio of profit (loss) attributable to owners of the parent company (ROE) (%)	11.2	2.0	-10.9	7.7	5.5	-7.5	5.3	6.8	1.6	3.6
Return on assets before tax (ROA) (%)	11.3	2.0	-10.1	6.9	5.0	-1.3	1.0	1.6	0.4	0.8
Ratio of equity attributable to owners of the parent company (%)	23.0	26.7	19.5	25.9	20.4	16.4	21.1	24.7	22.6	24.5
Non-Financial Data										
Number of employees (non-consolidated) (persons)	4,266	4,241	3,798	3,708	3,630	2,987	3,055	3,109	3,300	3,292
Average number of temporary employees (non-consolidated) (persons)	45	52	55	48	71	73	95	148	0	0
Number of employees (consolidated) (persons)	13,594	12,781	19,791	17,668	17,884	18,051	17,801	16,939	17,623	16,956
Average number of temporary employees (consolidated) (persons)	5,482	4,625	3,324	3,097	3,156	3,706	3,397	3,107	1,550	1,892
CO ₂ emissions (thousands tons)	76	75	58	60	52	51	50	49	45	38
Water usage (thousands tons)				329	262	304	305	285	256	204
Total waste (thousands tons)	2.5	2.6	3.1	2.5	2.2	2.0	2.1	1.9	2.0	1.4

*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 ended March 2018.

*2 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.

*3 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.

Company Profile/Stock Information

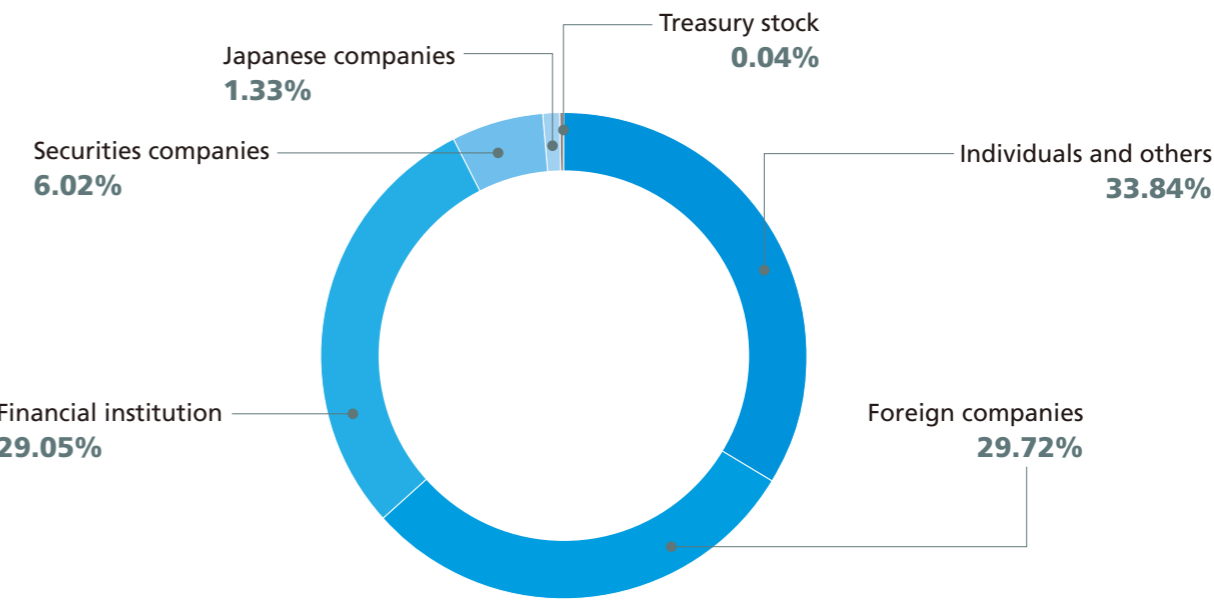
Company Profile (As of March 31, 2021)

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	EGUCHI Shoichiro, Representative Director of the Board, President and Chief Executive Officer (CEO)
Date of Incorporation	October 1, 2008
Capital	13,645,825,000 yen
Number of Employees (Consolidated)	16,956
Total Assets (Consolidated)	264,326 million yen
Equity (Consolidated)	68,523 million yen
Fiscal Year-End	March 31
Head Office	3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-0022, Japan

Stock Information (As of March 31, 2021)

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	Listed on the First Section of the Tokyo Stock Exchange
Security Code	6632
Trading Unit	100 shares
Total Number of Shares Issued	164,000,201 shares (including 59,758 treasury shares)
Total Number of Shareholders	49,122
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

Shareholder Composition (As of March 31, 2021)



Major Shareholders (Top 10)

Name	Number of stocks held	Ratio of shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	14,613,200	8.91
Custody Bank of Japan, Ltd. (Trust Account)	13,547,100	8.26
INTERACTIVE BROKERS LLC	4,229,125	2.58
STATE STREET BANK AND TRUST COMPANY 505103	2,775,000	1.69
Custody Bank of Japan, Ltd. (Trust Account 5)	2,654,200	1.62
DFA INTL SMALL CAP VALUE PORTFOLIO	2,570,630	1.57
THE BANK OF NEW YORK MELLON 140040	2,482,000	1.51
Custody Bank of Japan, Ltd. (Trust Account 6)	2,310,400	1.41
JPMBL RE NOMURA INTERNATIONAL PLC 1 COLL EQUITY	2,278,745	1.39
JP MORGAN CHASE BANK 385781	2,206,841	1.35

Note: The ratio of capital contribution is calculated after deducting treasury stock (59,758 shares) from the total number of issued shares.

JVCKENWOOD

JVCKENWOOD Corporation

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



● For further information, please contact:

Public and Investor Relations Group

Corporate Communication Department

Tel: +81-45-444-5232 Fax: +81-45-444-5319

E-mail: prir@jvckenwood.com

Sustainability Management Office

Tel: +81-45-444-5380 Fax: +81-45-450-2405

E-mail: SDGs@jvckenwood.com



©2021 JVCKENWOOD Corporation JK0042

Printed in Japan