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Change in Specified Subsidiary Due to Transfer of Equity Interests in Subsidiary

Yokohama, March 24, 2023 — JVCKENWOOD Corporation ("JVCKENWOOD") has entered into a share purchase agreement, dated as of March 23, 2023, to transfer its entire equity interest in a specified subsidiary JVC Technical Services Europe GmbH ("JTSE") to German Funding Solutions Deutschland FSD GmbH ("FSD"). Following the transfer of all equity interests in JTSE, the Company will cease to be a JVCKENWOOD subsidiary.

1. Reason for transfer of equity interests

JTSE is a specified subsidiary that took over the pension obligations of local employees at the former JVC Video Europe GmbH ("JVE"), a production site for video-related products in Germany.

In recent years, German legal reforms have established a scheme whereby investment management companies assume the remaining pension obligations of companies through corporate acquisitions, and thereafter invest and manage the funds.

FSD is an established provider for onboarding, administration and processing of pension schemes with profound governance standards. JVCKENWOOD decided to use FSD to manage JTSE's lifetime pension obligations and future risks as part of a pension buyout, and to stabilize pension payments to former JVE employees.

2. Outline of the subsidiary to be transferred (as of March 31, 2022)

(1) Company name	JVC Technical Services Europe GmbH
(2) Address	Konrad-Adenauer-Allee 1-11, 61118 Bad Vilbel, Germany
(3) Name and title of representative	UMAKOSHI Kenji, Managing Director
(4) Date of establishment	July 7, 1981
(5) Principal business	Pension administration
(6) Capital	12,997,000 euro
(7) Major shareholders and shareholding ratio	JVCKENWOOD Corporation 100%

(8) Relationship between JVCKENWOOD and the concerned company	Capital Relationship	JVCKENWOOD owns 100% of the equity of JTSE.		
	Personnel relationship	Two directors of JTSE are concurrently serving as executives and employees of JVCKENWOOD.		
	Business relationship	JVCKENWOOD borrows funds from JTSE.		
(9) Financial conditions for the past three years (in million yen)		FYE 3/2020	FYE 3/2021	FYE 3/2022
Net assets		-1,546	-1,663	-1,476
Total assets		1,070	929	790
Net sales		—	—	—
Profit		-46	-42	-32

Note: All figures are converted at the exchange rate prevailing at the end of February 2023 (1 euro =144.61 yen).

3. Outline of the party to which the equity interest will be transferred

(1) Company name	Funding Solutions Deutschland FSD GmbH		
(2) Address	Telemannstreet 12, 60323 Frankfurt am Main, Germany		
(3) Name and title of representatives	Magnus Schmagold (Management Director) Felix Siegle (Management Director)		
(4) Date of establishment	March 27, 2018		
(5) Principal business	Acquisition of pension companies, pension administration services, and asset composition management for pension companies		
(6) Capital	625,000 Euro		
(7) Major shareholders and shareholding ratio	Magnus Schmagold (70.0%) Felix Siegle (30.0%)		
(8) Relationship between JVCKENWOOD and the concerned company	Capital relationship	There is no capital relationship between JVCKENWOOD and FSD that should be noted. In addition, no noteworthy capital relationships exist between JVCKENWOOD's related persons and affiliated companies and FSD.	
	Personnel relationship	There is no personnel relationship between JVCKENWOOD and FSD that should be noted. In addition, no noteworthy personnel relationships exist between JVCKENWOOD's related persons and affiliated companies and FSD.	
	Business relationship	There is no business relationship between JVCKENWOOD and FSD that should be noted. In addition, no noteworthy transactional relationships exist between JVCKENWOOD's related persons and affiliated companies and FSD.	
	Status of classification as related party	FSD is not a related party of JVCKENWOOD. In addition, JVCKENWOOD's related persons and affiliated companies are not related parties of FSD.	

4. Equity interest transferred, transfer price and status of equity interest before and after transfer

(1) Equity interest before the transfer	12,997,000 Euro Number of voting rights: 12,997,000 shares Percentage of voting rights held: 100%
(2) Equity interest transferred	12,997,000 euro (Number of voting rights: 12,997,000 shares)
(3) Transfer price	1 euro (planned)
(4) Equity interest after the transfer	None Number of voting rights: None Percentage of voting rights held: 0%

5. Impact on JVCKENWOOD and its consolidated financial results

The impact of this transfer of equity interests on JVCKENWOOD's consolidated financial results has been incorporated in the Consolidated Earnings Forecast for the Fiscal Year Ending March 2023, which was announced on February 1, 2023.

6. Outlook

JVCKENWOOD will proceed with procedures for the transfer of its equity stake by the end of March 2023.