

## Corporate Governance Report

Last Update: December 23, 2021

**JVCKENWOOD Corporation**

EGUCHI Shoichiro

Representative Director of the Board, President and Chief Executive Officer (CEO)

Contact: Corporate Secretary Office 045-444-5233

Securities Code: 6632

<https://www.jvckenwood.com/>

The corporate governance of JVCKENWOOD Corporation (the “Company”) is described below.

### I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile, and Other Basic Information

**Updated**

The Company 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. To this end, 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 Company’s internal control system on a Group-wide basis.

The Company has established its basic views and policy for corporate governance, based on each of the principles of the Corporate Governance Code, as the “JVCKENWOOD Corporate Governance Policy” (hereinafter referred to as “CG Policy”), and posted the CG Policy on the Company’s website.

[CG Policy:]

[https://www.jvckenwood.com/en/corporate/governance/corporate\\_governance.html](https://www.jvckenwood.com/en/corporate/governance/corporate_governance.html)

**Updated**

[Relevant Codes]

The following is described in line with the Company’s Corporate Governance Code (including the Prime market principles) revised in June 2021.

The Company does not implement certain principles of its Corporate Governance Code as of the submission of this report. The principles not implemented and the reasons are as follows:

[Supplementary Principles 3-1 3) Sustainability initiatives]

For the Group’s sustainability policy, refer to Paragraphs 11 and 12, Article 14 of the CG Policy. As for our specific sustainability efforts, etc., please refer to our corporate website.

[URL of the website for sustainability disclosure]

<https://www.jvckenwood.com/en/sustainability.html>

In addition, the Board of Directors periodically receives reports on the efforts for investments in intellectual property rights. For detailed intellectual property activities, refer to our corporate website.

[URL of the website for intellectual property management and utilization disclosure]

<https://www.jvckenwood.com/en/sustainability/economy/evolution/property.html>

However, the Group recognizes that collecting and analyzing the necessary data on how climate change risks and revenue opportunities may affect the Group’s business activities and revenues, etc., and disclosing information in accordance with TCFD or an equivalent framework, are issues to be addressed in the future. Based on the purpose of the items required by these Supplementary Principles, the Group will prepare for the implementation of incomplete items to enhance the disclosure of sustainability-related information.

Specifically, the Group takes into consideration multiple scenarios including the “2°C or lower scenario” in

line with the TCFD recommendations. It intends to examine and analyze opportunities that could potentially contribute to growth, such as rising demand for products that contribute to decarbonization and cost reduction by way of energy-saving and resource-saving efforts. Through this, the Group aims to promote information disclosure.

[Supplementary Principle 4 -11 1) Concept, etc. on the diversity of the Board of Directors]

The Company does not disclose the Skills Matrix as of the submission of this report. With regard to the Skills Matrix, toward the achievement of the Medium-term Management Plan VISION 2023, the Company defines abilities required to promote key themes presented in the Plan as skill items. The Company plans to hire appropriate human resources in consideration of the diversity and balance of individual characteristics for building its management system. Based on this policy, the Company is preparing to disclose the Skills Matrix in May 2022.

In addition, the persons assigned as the Company's External Directors of the Board have business relationships with the Company and business and management experience in adjacent fields (including experience, knowledge, expertise and personal relationships). They supervise its management by giving advice and recommendations that ensure the appropriateness and validity of the Board of Directors' decisions from the standpoint of an objective third party who is independent from the Company's business execution. For our concept of the balance of knowledge, diversity, and size of the Board of Directors as a whole, as well as a policy and procedures for assignment, refer to Paragraph 4, Article 16 of the CG Policy.

**Updated**

[Disclosure Based on the Principles of the Corporate Governance Code]

The Company makes the following disclosure based on the principles of the Corporate Governance Code. The Company has established its basic views and policy for corporate governance based on the principles of the Corporate Governance Code, as the CG Policy. For disclosure of some items regarding the principles of the Corporate Governance Code, please refer to each provision of the CG Policy.

[CG Policy:]

[https://www.jvckenwood.com/content/dam/pdf/Corporate\\_Governance\\_Policy.pdf](https://www.jvckenwood.com/content/dam/pdf/Corporate_Governance_Policy.pdf)

#### 1. Principle 1.4 Strategic shareholdings

Please refer to Article 6 of the CG Policy.

As a result of having progressively reduced the number of shares that the Company no longer needs to hold as much, the Company holds, as of March 31, 2021, four shares of strategic shareholdings (limited to listed shares), worth approximately 1.8 billion yen in total on the balance sheet. With regard to the shares held at this point in time, the Board of Directors verifies the Company's need to hold them on an annual basis and disposes of shares that it is less significant to hold by comprehensively examining the benefits, risks, capital costs and other factors associated with holding for each individual share. Based on the policy above, the Corporate Strategy Department regularly verifies the Company's need to hold investment shares held for a purpose other than net investment on an annual basis and reports the results to the Board of Directors to verify the feasibility of continuously holding investment shares.

For the details of the status of shares held, please refer to our securities reports.

[Securities reports are available on the Company's website:]

<https://www.jvckenwood.com/jp/ir/library/securities.html> (Japanese-only)

#### 2. Principle 1.7 Related-party transactions

Please refer to Article 7 of the CG Policy.

#### 3. Supplementary Principle 2-4 1) Ensuring diversity in the appointment of core human resources

Refer to Article 11 of the CG Policy.

For the Group's concept of respect for the diversity of individual employees and the utilization of employees (including measurable targets and the current status concerning, among others, the appointment of women, foreigners and mid-career employees), and the policy of human resource development, see the Company's corporate website.

[URL of the website for diversity and inclusion]

<https://www.jvckenwood.com/en/sustainability/social/diversity-inclusion.html>

[URL of the website for the Company's human resource development]

[https://www.jvckenwood.com/en/sustainability/social/human\\_resources.html](https://www.jvckenwood.com/en/sustainability/social/human_resources.html)

4. Principle 2.6 Roles of corporate pension funds as asset owners  
Please refer to Article 12-2 of the CG Policy.
5. Principle 3.1 Full disclosure  
Please refer to Article 15 and 16, Paragraph 1 through 3 and 6 of the CG Policy.
6. Supplementary Principle 4.1.1 Specification of the scope and content of the matters delegated to management and disclosure of the summary thereof  
Please refer to Paragraph 5, Article 14 of the CG Policy.
7. Principle 4.9 Independence standards and qualifications for Independent External Directors  
Please refer to Article 18 of the CG Policy.
8. Supplementary Principle 4-10 1) Authority and roles, etc. of the Nomination Committee and the Remuneration Committee  
Refer to 2 and 3 of Paragraph 8, Article 14 of the CG Policy.  
For an overview of the Nomination and Remuneration Advisory Committee and the status of its activities, refer to “II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Management, 1. Organizational Composition and Operation, Directors, Supplementary Explanation”.
9. Supplementary Principle 4.11.2 Disclosure of the status of the concurrent holding of position of Directors and Audit & Supervisory Board Members  
Please refer to Paragraph 1, Article 21 of the CG Policy.
10. Supplementary Principle 4.11.3 Analysis and evaluation of the effectiveness of the Board of Directors as a whole and disclosure of the summary of the results thereof  
The Company disclosed a summary of the results of an evaluation on the effectiveness of the Board of Directors on February 26, 2021. For details of the method of effectiveness evaluation and a summary of the results of evaluation, please refer to the Company’s website.  
[Summary of the results of effectiveness evaluation of the Board of Directors is available on:]  
[https://www.jvckenwood.com/content/dam/pdf/en\\_210226\\_directors.pdf](https://www.jvckenwood.com/content/dam/pdf/en_210226_directors.pdf)
11. Supplementary Principle 4.14.2 Disclosure of the training policy of Directors and Audit & Supervisory Board Members  
Please refer to Article 22 of the CG Policy.
12. Principle 5.1 Policy for constructive dialogue with shareholders  
Please refer to Article 4 of the CG Policy.

## 2. Capital Structure

Percentage of Foreign Shareholders <b>Updated</b>	more than 30%
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**Updated**

Name/Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,216,900	13.55
Custody Bank of Japan, Ltd. (Trust Account)	8,498,300	5.18
INTERACTIVE BROKERS LLC	4,237,425	2.58
DFA INTL SMALL CAP VALUE PORTFOLIO	2,570,630	1.57
THE BANK OF NEW YORK MELLON 140040	2,482,000	1.51
THE BANK OF NEW YORK MELLON 140044	2,241,990	1.37
STATE STREET BANK AND TRUST COMPANY 505103	2,207,900	1.35
JP MORGAN CHASE BANK 385781	2,203,956	1.34
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	2,183,200	1.33
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	2,168,087	1.32

Controlling Shareholder (Except for Parent Company)	—
Parent Company	None

Supplementary Explanation
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## 3. Corporate Profile

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-end	March
Category of Industry	Electric appliances
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	100 billion yen to less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 or more to less than 100

## 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholders

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## 5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

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## II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Structure of Organization	Company with an Audit & Supervisory Board
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#### Directors

Maximum Number of Directors Stipulated in Articles of Incorporation	9
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	External Director
Number of Directors	9
Appointment of External Directors	Appointed
Number of External Directors	3
Number of External Directors Designated as Independent Directors	3

#### External Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
IWATA Shinjiro	From Other Company									△			
HAMASAKI Yuji	From Other Company												
ONITSUKA Hiromi	From Other Company									○			

\* Categories for "Relationship with the Company":

“○” When the Audit & Supervisory Board Member currently falls or has recently fallen under the category. “△” When the Audit & Supervisory Board Member fell under the category in the past

“●” When a close relative of the Audit & Supervisory Board Member currently falls or has recently fallen under the category.

“▲” When a close relative of the Audit & Supervisory Board Member fell under the category in the past

a Executive of the Company or its subsidiary

b Non-executive Director or executive of a parent company of the Company

c Executive of a fellow subsidiary company of the Company

d A party whose major client or supplier is the Company or an executive thereof

e Major client or supplier of the Company or an executive thereof

f Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company other than compensation as a Director/Audit & Supervisory Board Member

g Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)

h Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)

i Executive of a company with which the Company's External Directors/Audit & Supervisory Board Members are mutually appointed (the Director himself/herself only)

j Executive of a company or an organization that receives a donation from the Company (the Director himself/herself only)

k Others

External Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
IWATA Shinjiro	○	<p>Director (Outside Director) of A. L. I. Technologies Inc.</p> <p>No mutual relationship exists between A. L. I. Technologies Inc., where Mr. IWATA Shinjiro concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>Regarding companies where Mr. Iwata previously served as an executive, Hitachi, Ltd. and the Company had in the past and currently have business relations with regard to purchases and sales. Hitachi Automotive Systems, Ltd. (currently, Hitachi Astemo, Ltd.) and the Company had in the past and currently have business relations with regard to sales. Hitachi Kokusai Electronic Inc. and the Company had business relations with regard to sales in the past (no business relations in the consolidated fiscal year under review). And Hitachi Transport System, Ltd. and the Company had business relations with regard to purchases and sales in the past (no business relations in the consolidated fiscal year under review). However, the transactions with the Company in the past and the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or each of these companies in each corresponding fiscal year and do not fall under major transactions for any of the companies. Moreover, no other mutual relationship exists between these companies and the Company, including donations, mutual dispatch of directors or shareholding. Mr. Iwata resigned as an executive of Hitachi, Ltd., Hitachi Automotive Systems, Ltd., Hitachi Kokusai Electronic Inc., and Hitachi Transport System, Ltd. about three (3) years ago, four (4) years ago, seven (7) years ago, and about three (3) years ago, respectively, and currently has no relationship with any of these companies. No mutual relationship exists between NACHI-FUJIKOSHI CORP., Hitachi Data Systems Corporation, Hitachi Global Storage Technologies, Inc. (currently, HGST, Inc.), Hitachi Koki Co., Ltd. (currently, Koki Holdings Co., Ltd.), or Benesse Holdings, Inc., where Mr. Iwata previously served as an executive, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>In addition, Mr. Iwata has not been an operating officer or the like of the Company's major business partners and major shareholders in the past other than that stated above.</p> <p>For these reasons, the Company regards him as independent.</p>	<p>The Company proposes to elect Mr. IWATA Shinjiro as an external director and expects his extensive experience, knowledge, professional views and personal relationships with regard to information &amp; communication area, automobile-related area, and other areas obtained from his work at and management of listed companies outside the Group, will be utilized in the Company's management. The Company also expects that he will be active in a position supervising the Company's management by providing advice and proposals to the Company as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.</p>

<p>HAMASAKI Yuji</p>	<p>○</p>	<p>Director &amp; Chairman of MEIDENSHA CORPORATION</p> <p>Director of The Japan Electrical Manufacturers' Association</p> <p>No mutual relationship exists between MEIDENSHA CORPORATION or The Japan Electrical Manufacturers' Association, where Mr. HAMASAKI Yuji concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>Sumitomo Electric Industries, Ltd., where Mr. Hamasaki previously served as an executive, and the Company had business relations in the past with regard to purchases (no business relations in the consolidated fiscal year under review). However, the transactions amounted to less than one (1) percent of the consolidated net sales in each corresponding fiscal year of the Company or Sumitomo Electric Industries, Ltd., and do not fall under major transactions for either the Company or Sumitomo Electric Industries, Ltd. Moreover, no other mutual relationship exists between Sumitomo Electric Industries, Ltd. and the Company, including donations, mutual dispatch of directors or shareholding. Mr. Hamasaki resigned as an executive of Sumitomo Electric Industries, Ltd. more than ten (10) years ago and currently has no relationship with the company.</p> <p>Furthermore, Mr. Hamasaki has not been an operating officer or the like of the Company's major business partners and major shareholders in the past other than that stated above.</p> <p>For these reasons, the Company regards him as independent.</p>	<p>The Company proposes to elect Mr. HAMASAKI Yuji as an external director and expects his extensive experience, knowledge, professional views and personal relationships with regard to information &amp; communication area, heavy electric-related area, and other areas obtained from his work at and management of listed companies outside the Group, will be utilized in the Company's management. The Company also expects that he will be active in a position supervising the Company's management by providing advice and proposals to the Company as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.</p>
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<p>ONITSUKA Hiromi</p>	<p>○</p>	<p>Auditor of eBook Initiative Japan Co., Ltd. Auditor of Yahoo Japan Corporation Outside Director (Independent Director) of Tokyo Electron Device Limited Tokyo Electron Device Limited, where Ms. ONITSUKA Hiromi concurrently holds office, had in the past and currently has business relations with the Company with regard to sales. However, the transactions with the Company in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or Tokyo Electron Device Limited in each corresponding fiscal year, and do not fall under major transactions for either the Company or Tokyo Electron Device Limited. Moreover, no other mutual relationship exists between Tokyo Electron Device Limited and the Company, including donations, mutual dispatch of directors or shareholding. Moreover, no other mutual relationship exists between eBook Initiative Japan Co., Ltd. or Yahoo Japan Corporation and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>Tokyo Shibaura Electric Co., Ltd. (currently, Toshiba Corporation, “Toshiba”), where Ms. Onitsuka previously served as an executive, had in the past and currently has business relations with the Company with regard to purchases, and the transactions between the Company and Toshiba in the fiscal year ended March 2013 amounted to about 4 billion yen, which was more than one (1) percent of the consolidated net sales of the Company at the time and less than one (1) percent of the consolidated net sales of Toshiba at the time. However, the transactions between Toshiba and the Company in the consolidated fiscal year under review are less than one (1) percent of the consolidated net sales of the Company or Toshiba in the consolidated fiscal year under review, and do not fall under major transactions for either the Company or Toshiba. Moreover, no other mutual relationship exists between Toshiba and the Company, including donations, mutual dispatch of directors or shareholding. Ms. Onitsuka resigned as an executive of Toshiba more than ten (10) years ago and currently has no relationship with the company.</p> <p>Toshiba Medical Systems Corporation (currently, Canon Medical Systems Corporation, “Toshiba Medical Systems”), where Ms. Onitsuka previously served as an executive, had in the past and currently has business relations with the Company with regard to purchases, and the transactions between the Company and Toshiba Medical Systems in the past and the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or Toshiba Medical Systems in each corresponding fiscal year, and do not fall under major transactions for either the Company or Toshiba Medical Systems. Moreover, no other mutual relationship exists between Toshiba Medical Systems and the Company, including donations, mutual dispatch of directors or shareholding. Ms. Onitsuka resigned as an executive of Toshiba Medical Systems nine (9) years ago and currently has no relationship with the company. No mutual relationship exists between Z Holdings Corporation, where Ms. Onitsuka previously served as an executive, and the Company, such as business transactions including donations,</p>	<p>The Company proposes to elect Ms. ONITSUKA Hiromi as an external director and expects her extensive experience, knowledge, professional views and personal relationships with regard to electric, information industry, and other areas obtained through her work at and management of listed companies outside the Group, will be utilized in the Company’s management. The Company also expects that she will be active in a position supervising the Company’s management by providing advice and proposals to the Company as an objective third party not involved in the Group’s business execution in order to ensure the appropriateness and properness of the decision-making process by the Board of Directors.</p>
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		<p>mutual dispatch of directors or shareholding.</p> <p>In addition, Ms. Onitsuka has not been an operating officer or the like of the Company's major business partners and major shareholders in the past other than that stated above.</p> <p>For these reasons, the Company regards her as independent.</p>	
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<p>Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee</p>	<p>Established</p>
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination and Remuneration Advisory Committee	Nomination and Remuneration Advisory Committee
All Committee Members	4	4
Full-time Members	0	0
Directors	1	1
External Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	External Director	External Director

## Supplementary Explanation

The Company 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. Since its establishment, the Nomination and Remuneration Advisory Committee has made proposals to JVCKENWOOD regarding candidate representatives for the Board of Directors, and reviewed the appropriateness of director candidates and directors' compensation plans proposed by the representatives and others, and reported its opinions. The Board of Directors has determined director candidates and directors' compensation, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee.

In accordance with the foregoing procedures, the Company determined, according to the reports submitted by the Nomination and Remuneration Advisory Committee, that the execution system was effective as of April 1, 2021 and determined candidates for Directors and Audit & Supervisory Board Member to be referred to the 13th Ordinary General Meeting of Shareholders held on June 25, 2021 as a corporate proposal, at the Board of Directors meeting held on February 26, 2021.

With regard to executive compensation, the Company has provided for a method of determining the amount of remuneration for Directors and Executive Officers in accordance with internal rules. As to the establishment, revision and abolition of internal rules, the Nomination and Remuneration Advisory Committee comprised of a majority of Independent External Directors will review the appropriateness, etc. of proposals discussed by the Representative Director of the Board, etc. and submit a report to the Board of Directors, and the Board of Directors will determine the establishment, revision and abolition of the internal rules taking into consideration the details of the report. Details of individual remuneration for Directors, etc. will not be determined at the discretion of the Representative Director of the Board again.

In the fiscal year ended March 2021, meetings of the Nomination and Remuneration Advisory Committee were held 17 times in total, and each committee member's number of meetings attended and the attendance rate are as follows:

- Mr. ABE Yasuyuki	Number of Meetings Attended:	17	(Attendance Rate: 100.0%)
- Mr. IWATA Shinjiro	Number of Meetings Attended:	17	(Attendance Rate: 100.0%)
- Mr. HAMASAKI Yuji	Number of Meetings Attended:	17	(Attendance Rate: 100.0%)

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 for External Directors who serve as committee members to share accurate internal information in a timely manner and to improve the effectiveness of the Nomination and Remuneration Advisory Committee. The procedures for deliberating a proposal and making determination regarding candidate representatives for the Board of Directors by the Nomination and Remuneration Advisory Committee are performed by three committee members who serve as External Directors except for the committee member who is the CEO.

As of June 25, 2021, Mr. IWATA Shinjiro, Mr. HAMASAKI Yuji and Ms. ONITSUKA Hiromi, who serve as External Directors, and Mr. EGUCHI Shoichiro, who serves as CEO, serve as committee members, and Mr. HAMASAKI Yuji chairs the Nomination and Remuneration Advisory Committee by resolution of the Nomination and Remuneration Advisory Committee as of the same date.

### Audit & Supervisory Board Members

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	6
Number of Audit & Supervisory Board Members	4

### Coordination Among Audit & Supervisory Board Members, Accounting Auditors, and Internal Audit Division

External Audit & Supervisory Board Members receive reports at the Audit & Supervisory Board meetings on monthly regular reports on the status of internal audits in which Full-time Audit & Supervisory Board Members interview with the Internal Audit Division (Corporate Audit Office), and ask questions and express their opinions at the Board of Directors meetings about internal audit result reports as necessary.

External Audit & Supervisory Board Members also attend regular meetings with Accounting Auditors and Audit & Supervisory Board Members, receive reports from Accounting Auditors on Accounting Auditors' annual audit plans and the status of accounting audits, and express their opinions as necessary.

In addition, External Audit & Supervisory Board Members attend visiting audits of the division in charge of internal control (Internal Governance Office), and hear and express opinions as necessary about the status of construction and operation of the internal control system.

Appointment of External Audit & Supervisory Board Members	Appointed
Number of External Audit & Supervisory Board Members	3
Number of External Audit & Supervisory Board Members Designated as Independent Audit & Supervisory Board Members	3

External Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
SAITO Katsumi	From Other Company													
KURIHARA Katsumi	From Other Company										○			
FUJIOKA Tetsuya	From Other Company										△			

\* Categories for "Relationship with the Company":

“○” When the Audit & Supervisory Board Member currently falls or has recently fallen under the category.

“△” When the Audit & Supervisory Board Member fell under the category in the past

“●” When a close relative of the Audit & Supervisory Board Member currently falls or has recently fallen under the category.

“▲” When a close relative of the Audit & Supervisory Board Member fell under the category in the past

a Executive of the Company or its subsidiary

b Non-executive Director or accounting advisor of the Company or its subsidiaries

c Non-executive Director or executive of a parent company of the Company

d Audit & Supervisory Board Member of a parent company of the Company

e Executive of a fellow subsidiary company of the Company

f A party whose major client or supplier is the Company or an executive thereof

g Major client or supplier of the Company or an executive thereof

h Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company other than compensation as an Audit & Supervisory Board Member

i Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)

j Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board Member himself/herself only)

k Executive of a company with which the Company's External Directors/Audit & Supervisory Board Members are mutually appointed (the Audit & Supervisory Board Member himself/herself only)

l Executive of a company or an organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)

m Others

External Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
SAITO Katsumi	○	Director (Outside Director) of CHUCHIKU  No mutual relationship exists between CHUCHIKU, where Mr. SAITO Katsumi concurrently holds office, and the Company, including donations, mutual dispatch of directors or shareholding. Furthermore, Idemitsu Kosan Co., Ltd. and Showa Shell Sekiyu K.K., where he previously served as a management executive, have no mutual relationship with the Company, including donations, mutual	Mr. SAITO Katsumi was elected as an External Audit & Supervisory Board Member as he is expected to utilize his extensive experience, knowledge, professional views and personal relationships that were obtained through his work at and management of listed companies outside the Group for enhancement of the Company's auditing. He is also expected to play an active role

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
		<p>dispatch of directors or shareholdings.</p> <p>Furthermore, Mr. Saito has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above.</p> <p>For these reasons, the Company regards him as independent.</p>	<p>in auditing the Company's management by providing proper advice and proposals at the Board of Directors and the Audit &amp; Supervisory Board as an objective third party, separate from the Group.</p>
KURIHARA Katsumi	○	<p>Director (Outside Director) of NIPPON ANTENNA Co., Ltd.</p> <p>NIPPON ANTENNA Co., Ltd. ("NIPPON ANTENNA"), where Mr. KURIHARA Katsumi concurrently holds office, had in the past and currently has business relations with the Company with regard to purchases and Ricoh Company, Ltd. ("Ricoh"), where he previously served as a management executive, had in the past and currently has business relations with the Company with regard to purchases and sales. However, the respective companies' transactions with the Company in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or the respective companies in each corresponding fiscal year, and do not fall under major transactions for either the Company or NIPPON ANTENNA and Ricoh. Moreover, no other mutual relationship exists between these companies and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>Furthermore, Mr. Kurihara has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above.</p> <p>For these reasons, the Company regards him as independent.</p>	<p>Mr. KURIHARA Katsumi was elected as an External Audit &amp; Supervisory Board Member as he is expected to utilize his extensive experience, knowledge, professional views and personal relationships that were obtained through his work at and management of listed companies outside the Group for enhancement of the Company's auditing. He is also expected to play an active role in auditing the Company's management by providing proper advice and proposals at the Board of Directors and the Audit &amp; Supervisory Board as an objective third party, separate from the Group.</p>
FUJIOKA Tetsuya	○	<p>NEC Corporation ("NEC"), where Mr. FUJIOKA Tetsuya previously served as a management executive, had in the past and currently has business relations with the Company with regard to purchases and sales. However, NEC's transactions with the Company in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or NEC in each corresponding fiscal year, and do not fall under major transactions for either the Company or NEC. Moreover, no other mutual relationship exists between NEC and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>In addition, no other mutual relationship exists between NEC Capital Solutions Limited, NEC Europe Ltd. (London), The NEC C&amp;C Foundation, Council on Competitiveness-Nippon, or Public Interest Incorporated Association Shiba Houjinkai and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>Furthermore, Mr. Fujioka has not been an operating officer or the like of our major business partners and major shareholders in the past other than that stated above.</p> <p>For these reasons, the Company regards him as independent.</p>	<p>Mr. FUJIOKA Tetsuya was elected as an External Audit &amp; Supervisory Board Member as he is expected to utilize his extensive experience, knowledge and professional views that were obtained through his extensive work at the finance &amp; accounting division of listed companies outside the Group as well as management experience as Audit &amp; Supervisory Board Member. He is also expected to play an active role in auditing the Company's management by providing proper advice and proposals at the Board of Directors and the Audit &amp; Supervisory Board as a third party, separate from the Group.</p>

## Independent Directors/Audit & Supervisory Board Members

Number of Independent Directors/Audit & Supervisory Board Members	6
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### Matters Relating to Independent Directors/Audit & Supervisory Board Members

The Company has designated all of its External Directors and External Audit & Supervisory Board Members as Independent Directors and Independent Audit & Supervisory Board Members who satisfy the qualifications therefor.

The Company, when electing candidates for External Director and External Audit & Supervisory Board Members, works to ensure the effectiveness of the supervisory function of management based on experience, achievements, professional expertise, insights, and other attributes, as well as independence which avoids conflicts of interest with general shareholders. To this end, it elects candidates by confirming their business backgrounds and ensuring that they are not major shareholders of the Company or have never been engaged in the execution of business at the Company's main business partners (whose transactions with the Company exceed 1% of the Company's consolidated net sales) based on its criteria and policies for independence set out in accordance with the "Guidelines for the Governance of Listed Companies (III 5. (3)-2)," established by Tokyo Stock Exchange, Inc. On June 25, 2021, the Company appointed Mr. IWATA Shinjiro, Mr. HAMASAKI Yuji and Ms. ONITSUKA Hiromi as External Directors, and Mr. SAITO Katsumi, Mr. KURIHARA Katsumi and Mr. FUJIOKA Tetsuya as External Audit & Supervisory Board Members.

## Incentives

Incentive Policies for Directors

Introduction of performance-based remuneration system

### Supplementary Explanation

With regard to remuneration for Directors, the Company has provided for a method of determining the amount of remuneration in internal rules within the total amount of remuneration approved by resolution at the General Meeting of Shareholders. To be more specific, the amount of base remuneration of individual Directors is determined and paid after the amount of remuneration of individual Directors is set according to the base remuneration, position (such as Chairman, President, Deputy President, Senior Management Executive Officer and Senior Vice President) as well as job title (such as authority of representation, Chief Executive Officer, Chairman of the Board and Nomination and Remuneration Advisory Committee Member).

With regard to remuneration for Executive Officers who do not concurrently serve as Directors, the Company has provided for a method of determining the amount of remuneration in internal rules resolved by the Board of Directors. To be more specific, the amount of base remuneration of individual Executive Officers is determined and paid after the amount of remuneration of individual Executive Officers is set according to the base remuneration, position (such as Senior Management Executive Officer and Senior Vice President) as well as job title.

Internal rules only provide for the method of determining the amount of monetary remuneration, and the Company does not pay Directors and Executive Officers any remuneration other than money, such as stock or stock acquisition rights, as consideration for execution of their duties.

As for Executive Officers including those who serve concurrently as Directors, the amount of remuneration of individual Executive Officers reflecting the factors linked to performance is paid as remuneration for Executive Officers by adjusting incentives by multiplying the individual base remuneration calculated in accordance with internal rules by a coefficient linked to profit and performance (the amount of change in core operating income and profit (loss)). The said method has been employed because the index is clear and it can promote incentives since the remuneration will be increased or decreased according to an increase or decrease in the company profit. The Board of Directors has made a decision on this method after the Nomination and Remuneration Advisory Committee has concluded in its deliberations that it is appropriate.

No incentive adjustment is made for External Directors and Directors who do not concurrently serve as Executive Officers.

In setting targets for incentive adjustment with regard to remuneration of Executive Officers in the consolidated fiscal year under review (the fiscal year ended March 2021), the Company has revised the internal rules and froze the implementation of such incentive adjustment in consideration of the impact of the spread of COVID-19 on performance. In addition, all Executive Officers voluntarily returned part of their fixed remuneration, and the Company promoted the COVID-19 Emergency Measures (CEM) project and the enhancement of business structure throughout the company as urgent countermeasures to promote control of cash outflows and cost reduction assuming the risk of a lower limit to sales.

As a result of the implementation of such measures, the consolidated full-year results for the consolidated fiscal year under review exceeded the term-beginning earnings forecast (disclosed on August 3, 2020) due to company-wide urgent countermeasures, and all profit indicators showed a profit increase despite a year-on-year decrease in sales.

The General Meeting of Shareholders has resolved not to pay bonuses to Directors of the Company. However, comprehensively taking into consideration performance in the consolidated fiscal year under review, the freeze on the incentive adjustment for Executive Officers, and the voluntary return of part of fixed remuneration as mentioned earlier, the 13th Ordinary General Meeting of Shareholders held on June 25, 2021 approved that five (5) Directors who concurrently serve as Executive Officers as of the end of the consolidated fiscal year under review (External Directors and four (4) Directors who do not concurrently serve as Executive Officers are not eligible for these bonuses to Directors) are paid bonuses to Directors, up to a total of 33.3 million yen (the total amount for up to three (3) months of the monthly remuneration for Executive Officers eligible for the bonuses), apart from the remuneration for Directors that was approved at the 11th Ordinary General Meeting of Shareholders held on June 20, 2019. Following the approval by this General Meeting of Shareholders, the specific amount to be paid to each Director was determined by the Board of Directors, within the limit approved by this General Meeting of Shareholders, based on the performance evaluation, etc. of each Director as an Executive Officer for the consolidated fiscal year under review, in accordance with an advisory procedure by the Nomination and Remuneration Advisory Committee comprised of a majority of Independent External

Directors.

In addition, the Nomination and Remuneration Advisory Committee comprised of a majority of Independent External Directors has reported an opinion to the effect that the said bonuses to Directors are appropriate.

In addition to the payment of the bonuses to Directors mentioned above, the Board of Directors of the Company has determined to pay bonuses to seven (7) Executive Officers who do not concurrently serve as Directors as of the end of the consolidated fiscal year under review in a maximum total amount of 38.4 million yen (the total amount for up to three (3) months of the monthly remuneration for Executive Officers eligible for the bonuses).

Further, Directors and Executive Officers join the Executive Shareholding Association, and contribute a certain percentage of money from the determined monthly remuneration to the Executive Shareholding Association and acquire the stock of the Company corresponding to a certain amount of money on a monthly basis, whereby they manage the company from the perspective of shareholders, focusing on mid- to long-term performance.

The Company has clarified the process for determining remuneration of individual Directors and Executive Officers within the amount of remuneration resolved by the General Meeting of Shareholders, following the report of the Nomination and Remuneration Advisory Committee and in accordance with internal rules resolved by the Board of Directors. Details of remuneration for individual Directors and Executive Officers have not been determined at the discretion of the Representative Director of the Board again. In addition, as to the establishment, revision and abolition of internal rules, the Nomination and Remuneration Advisory Committee comprised of a majority of Independent External Directors will review the appropriateness, etc. of proposals discussed by the Representative Director of the Board, etc. and submit a report to the Board of Directors, and the Board of Directors will determine the establishment, revision and abolition of the internal rules taking into consideration the details of the report. Details of individual remuneration for Directors, etc. will not be determined at the discretion of the Representative Director of the Board again.

Moreover, with regard to remuneration, etc. of individual Directors, etc. for the consolidated fiscal year under review, the Board of Directors of the Company has confirmed that the details of remuneration, etc., the method of determination and the details of determined remuneration, etc. are consistent with the internal rules resolved by the Board of Directors, and that reports from the Nomination and Remuneration Advisory Committee have been respected, and concluded that they are in line with said determination policy.

Recipients of Stock Options	
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Supplementary Explanation
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#### Remuneration for Directors

Disclosure of Individual Directors' Remuneration	No individual disclosure
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Supplementary Explanation
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In the previous fiscal year ended March 31, 2021, the amount of remuneration and other financial benefits paid as consideration for business execution to Directors and Audit & Supervisory Board Members and the number of persons subject to payment for the year were 259 million yen and 17 persons in total.

This breaks down to about 194 million yen for ten (10) Directors (with 48 million yen for three (3) External Directors) and 64 million yen for seven (7) Audit & Supervisory Board Members (with 18 million yen for four (4) External Audit & Supervisory Board Members).

The Company does not pay bonuses, retirement benefits, or other monetary remuneration other than the above remuneration to Directors and Audit & Supervisory Board Members. However, the 13th Ordinary General Meeting of Shareholders held on June 25, 2021, approved that five (5) Directors who concurrently serve as Executive Officers as of the end of the consolidated fiscal year under review (External Directors and four (4) Directors who do not concurrently serve as Executive Officers are not eligible for these bonuses to Directors) are paid bonuses to Directors, up to a total of 33.3 million yen (the total amount for up to three (3) months of the monthly remuneration of Executive Officers eligible for the bonuses), apart from the remuneration of Directors resolved by the 11th Ordinary General Meeting of Shareholders held on June 20, 2019.



Following the approval by this General Meeting of Shareholders, the specific amount to be paid to each Director was determined by the Board of Directors, within the limit approved by this General Meeting of Shareholders, based on the performance evaluation, etc. of each Director as an Executive Officer for the consolidated fiscal year under review, in accordance with an advisory procedure by the Nomination and Remuneration Advisory Committee comprised of a majority of Independent External Directors. However, this amount is not included in a total amount of the remuneration mentioned above, because the bonuses will be paid in July 2021.

In the consolidated fiscal year under review, the Company only pays monetary remuneration to Directors as consideration for execution of their duties, and has not introduced a system to grant the Company's shares or stock acquisition rights as consideration for execution of their duties. Therefore, non-monetary remuneration, etc. will not be paid.

The above compensation for Directors does not include salaries of those who are also company employees. In accordance with internal rules, the Company makes a distinction between compensation for Directors and compensation for Executive Officers who are employees. The number of Directors concurrently serving as employees who received salaries as employees was five (5) and the amount of salaries as employees paid by the Company to those five (5) Directors totaled 75 million yen. In addition to the payment of the bonuses to Directors who concurrently serve as Executive Officers mentioned above, the Board of Directors of the Company has determined to pay bonuses to seven (7) Executive Officers who do not concurrently serve as Directors as of the end of the consolidated fiscal year under review in a maximum total amount of 38.4 million yen (the total amount for up to three months of the monthly remuneration of Executive Officers eligible for the bonuses).

As for Executive Officers including those who serve concurrently as Directors, the Company pays the amount of remuneration of individual Executive Officers reflecting the factors linked to performance as remuneration for Executive Officers by adjusting incentives by multiplying the individual base remuneration calculated in accordance with internal rules by a coefficient linked to profit and performance (the amount of change in core operating income and profit (loss)). To be more specific, the amount of remuneration provided for in internal rules according to positions and job titles of Executive Officers is adjusted with the performance evaluation for the previous fiscal year (the fiscal year ended March 2020) (reduced by the amount for 1.5 months at the maximum, or increased by the amount for 3 months at the maximum), and based on this amount, the fixed amount of remuneration for individual Executive Officers for the consolidated fiscal year under review (the fiscal year ended March 2021) is determined and paid as monthly remuneration (the fixed remuneration includes factors linked to performance and is paid in money). Regarding the results of the entire company in the previous fiscal year, the consolidated core operating income was approximately 5.6 billion yen, down from approximately 8.5 billion yen in the fiscal year ended March 2019, a decrease of approximately 2.9 billion yen year on year. Consolidated profit (loss) (profit attributable to owners of the parent company) was approximately 0.9 billion yen, down from approximately 3.8 billion yen in the fiscal year ended March 2019, a decrease of approximately 2.9 billion yen year on year. These led to the decrease in incentives as provided for in internal rules. The result of calculating the incentive adjustment for the previous fiscal year was reported at the Board of Directors meeting held on May 29, 2020. The individual fixed remuneration was determined after the adjusted incentives are deducted from the individual base remuneration for the consolidated fiscal year under review.

None of the Directors or Audit & Supervisory Board Members of the Company receive 100 million yen or more in consolidated remuneration.

Policy on Determining Remuneration Amounts or Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts or Calculation Methods
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Please refer to Article 15 of the CG Policy for the policy on determining remuneration amounts or calculation methods.

[CG Policy:]

[https://www.jvckenwood.com/content/dam/pdf/Corporate\\_Governance\\_Policy.pdf](https://www.jvckenwood.com/content/dam/pdf/Corporate_Governance_Policy.pdf)

At the 11th Ordinary General Meeting of Shareholders held on June 20, 2019, a proposal for the remuneration for Directors of the Company was approved by resolution, setting the amount of monthly remuneration to up to

36 million yen (monthly remuneration for External Directors accounting for up to 8 million yen). The number of Directors at the close of the 11th Ordinary General Meeting of Shareholders held on June 20, 2019 was nine (9) (of which, the number of External Directors was three (3)).

In order to pay bonuses in money in addition to fixed remuneration and to enable future agile operation of remuneration for Directors integrated with bonuses, the 13th Ordinary General Meeting of Shareholders held on June 25, 2021 resolved to change the amount of remuneration for Directors, including bonuses and other monetary remuneration, from a monthly to an annual basis up to 432 million yen per year (of which, the remuneration for External Directors is up to 96 million yen per year). The above remuneration for Directors includes salaries as employees for Directors who concurrently serve as employees (including remuneration for Executive Officers), apart from stock remuneration, etc. The number of Directors at the close of the 13th Ordinary General Meeting of Shareholders held on June 25, 2021 was nine (9) (of which, the number of External Directors was three (3)), and the number of Directors who concurrently serve as Executive Officers was six (6).

With regard to remuneration for Directors, the Company has provided for a method of determining the amount of remuneration in internal rules up to a total amount of remuneration approved by resolution at the General Meeting of Shareholders. To be more specific, the amount of base remuneration of individual Directors is determined and paid after the amount of remuneration of individual Directors is set according to the base remuneration, position (such as Chairman, President, Deputy President, Senior Management Executive Officer and Senior Vice President) as well as job title (such as authority of representation, Chief Executive Officer, Chairman of the Board and Nomination and Remuneration Advisory Committee Member).

With regard to remuneration for Executive Officers who do not concurrently serve as Directors, the Company has provided for a method of determining the amount of remuneration in internal rules resolved by the Board of Directors. To be more specific, the amount of base remuneration of individual Executive Officers is determined and paid after the amount of remuneration of individual Executive Officers is set according to the base remuneration, position (such as Senior Management Executive Officer and Senior Vice President) as well as job title.

Internal rules only provide for the method of determining the amount of monetary remuneration, and the Company does not pay Directors and Executive Officers any remuneration other than money, such as stock or stock acquisition rights, as consideration for execution of their duties.

As for Executive Officers including those who serve concurrently as Directors, the amount of remuneration of individual Executive Officers reflecting the factors linked to performance is paid as remuneration for Executive Officers by adjusting incentives by multiplying the individual base remuneration calculated in accordance with internal rules by a coefficient linked to profit and performance (the amount of change in core operating income and profit (loss)). The said method has been employed because the index is clear and it can promote incentives since the remuneration will be increased or decreased according to an increase or decrease in the company profit. The Board of Directors has made a decision on this method after the Nomination and Remuneration Advisory Committee has concluded in its deliberations that it is appropriate.

No incentive adjustment is made for External Directors and Directors who do not concurrently serve as Executive Officers.

<Partial amendment of the policy on details of remuneration, etc. for Directors, etc.>

At the Board of Directors meeting held on May 14, 2021, the Company formulated VISION 2023, a new medium-term management plan with FY2021 as the start year. In addition, expecting that each Director will become better aware of achieving the VISION 2023 goals by reviewing the director remuneration system in conjunction with the formulation of VISION 2023, the Company determined to alter the remuneration system, such as introducing an effective incentive system to realize sustainable performance improvement over the short and medium to long term, in addition to fixed remuneration according to management responsibility and roles.

The amended policy on details of remuneration, etc. for Directors, etc. is as follows.

- Policy, etc. concerning the determination of the amount of remuneration, etc. for Directors, etc. and its calculation method

The Company will make a 3-tiered director remuneration system consisting of fixed remuneration, short-term incentives ("STI"\*1) and medium- to long-term incentives ("LTI"\*2), and clarify the breakdown of the remuneration. To be more specific, the Company pays Directors fixed remuneration and STI up to the amended limit of remuneration for Directors approved at the 13th Ordinary General Meeting of Shareholders held on June 25, 2021 ("this General Meeting of Shareholders") (up to 432 million yen per year (of which, the remuneration for External Directors is up to 96 million yen per year), including salaries as employees for Directors who concurrently serve as employees (including remuneration for Executive Officers)). In

addition, LTI is paid as stock remuneration (non-monetary remuneration, etc.) apart from the limit of remuneration for Directors described above. However, STI and LTI are not applicable to External Directors who independently monitor and supervise management, and Directors who do not concurrently serve as Executive Officers. The Company also pays the same fixed remuneration, STI and LTI to Executive Officers who do not concurrently serve as Directors.

\*1 STI: Short Term Incentive.

\*2 LTI: Long Term Incentive.

With regard to remuneration for Directors, the Company has provided for a method of determining the amount of remuneration in internal rules resolved by the Board of Directors up to a total amount of remuneration approved by resolution at the General Meeting of Shareholders. To be more specific, for fixed remuneration, the amount of base remuneration of individual Directors is determined and paid as monthly remuneration after the amount of remuneration of individual Directors is set according to the base remuneration and job title (such as authority of representation, Chairman of the Board and Nomination and Remuneration Advisory Committee Member) of Directors.

With regard to remuneration for Executive Officers, the Company has provided for a method of determining the amount of remuneration in internal rules resolved by the Board of Directors. To be more specific, with regard to fixed remuneration, the amount of base remuneration for individual Executive Officers is determined and paid as monthly remuneration after the amount of remuneration of individual Executive Officers is set according to the position (President, Deputy President, Senior Management Executive Officer and Senior Vice President, etc.) and job title (Chief Executive Officer, etc.).

As bonuses, the Company plans to pay STI that is subject to adjustment linked to performance in each year (revenue, operating profit, capital efficiency indicators (ROE) and qualitative evaluation) between 0% (no payment) and 200% (twice as much as the base amount for calculation) of the base amount for calculation, calculated based on the amount of individual base remuneration. The Company adopted this method, considering it as appropriate for incentives because indicators can be clarified at the time of setting performance goals for each year and the amount of remuneration fluctuates according to changes in performance. The Board of Directors determined it after the Nomination and Remuneration Advisory Committee discussed and concluded it is appropriate, including the determination of specific indicators and adjustment coefficients linked to performance.

STI is applicable to Executive Officers including those who concurrently serve as Directors. External Directors and Directors who do not concurrently serve as Executive Officers are not eligible for STI.

In addition to the monetary remuneration under the internal rules (fixed remuneration and STI), the Company resolved to introduce a stock remuneration system using trusts ("this system") as LTI for Directors of the Company (excluding External Directors and Directors who do not concurrently serve as Executive Officers). The introduction of this system was approved by this General Meeting of Shareholders.

The purpose of this system is to raise Directors' awareness of contributing to the improvement of medium-to long-term performance and the enhancement of corporate value by further clarifying the linkage between the remuneration for Directors and the value of the Company's shares, and enabling Directors to share profit and risks arising from share price fluctuation with shareholders. The Company also plans to introduce a similar stock remuneration system for Executive Officers who do not concurrently serve as Directors.

An outline of this system is as follows.

[1] Eligibility for this system

Directors of the Company (excluding External Directors and Directors who do not concurrently serve as Executive Officers)

[2] Initial covered period

From the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024

[3] The maximum amount of money that the Company contributes as funds necessary for the acquisition of the Company's shares to be granted to the eligible Directors under [1] during the covered period under [2] (three (3) fiscal years)

Total amount: 96 million yen

[4] Method of acquiring the Company's shares

Disposition of treasury shares or acquisition from a stock exchange (including off-hours trading)

[5] Limit to the total number of points and number of shares to be granted to the eligible Directors under [1] 290,000 points per fiscal year

(One (1) point is equivalent to one (1) share of the Company, and the maximum number of points per fiscal year is equivalent to 290,000 shares. However, in the event of a share split or share consolidation involving the Company's shares, adjustment shall be made in accordance with the relevant split ratio, consolidation ratio, etc.)

[6] Criteria for granting points

Points are granted according to the position, etc.

[7] Timing of granting the Company's shares to the eligible Directors under [1]

Generally at the time of resignation

In addition to the remuneration system described above, the Company has established an environment in which Directors and Executive Officers can voluntarily acquire the Company's shares corresponding to a certain amount of money each month through the Executive Shareholding Association in order to enable management from the perspective of shareholders with an emphasis on medium- to long-term performance.

### Support System for External Directors and/or Audit & Supervisory Board Members

Since June 2016, JVCKENWOOD has appointed an 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 External Director, chairs the Board of Directors. The Chairman of the Board determines agendas for a meeting of the Board of Directors in consultation with the Chief Executive Officer (CEO) and Head of Administrative Division prior to deliberations of the Board of Directors. 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.

Information is delivered to Directors and Audit & Supervisory Board Members by the Secretariat of the Board of Directors (Corporate Secretary Office) in coordination with members of the Audit & Supervisory Board Office, and in a timely manner. For example, the notice for matters to be discussed at Board of Directors' meetings and meeting documents are distributed by electromagnetic or other means in advance. In addition, meeting documents for the Executive Officers Committee are distributed by the Secretariat of the Executive Officers Committee (Corporate Secretary Office) when needed, with a view to enhancing the supervisory function of business execution.

Further, the Nomination and Remuneration Advisory Committee composed of all three (3) External Directors and the Chief Executive Officer (CEO) has also appointed the Secretariat (Corporate Secretary Office) to support the duties of the committee such as preparation of minutes of the Nomination and Remuneration Advisory Committee meeting.

### Status of Persons Who Retired from the Position of President and Representative Director, etc.

Names, etc. of former President and Representative Director, etc. currently serving as Corporate Counselor or Corporate Advisor, etc.
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Name	Title/Position	Description of duties	Work Style and Conditions (full-time/part-time, paid/unpaid, etc.)	Date of retirement from position of President, etc.	Term
TSUJI Takao	Special Adviser	Public relations activities with a focus on the region and industry; provision of knowledge for seminars and educational support for the Company's executives; and support for management and	<ul style="list-style-type: none"> <li>•Part-time</li> <li>•Remunerated</li> </ul>	June 25, 2021	1 year

		operations based on the Company's request. However, limited to activities that do not exercise influence on or have responsibility for corporate management and business execution.			
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Total number of former President and Representative Director, etc. currently serving as Corporate Counselor or Corporate Advisor, etc.	1
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Other Matters
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## 2. Functions of Business Execution, Auditing, Oversight, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

### 1. Matters concerning the Board of Directors

The Company shall regard the Board of Directors as the fundamental and strategic decision-making body, as well as the supervisory body for business execution. The Board of Directors shall have a regular meeting once a month and an extraordinary meeting as necessary to discuss and resolve basic policies and important matters relating to management, as well as supervise and monitor the status of business execution. The term of office of Directors is one year to ensure the clarification of their responsibilities and swift management decision-making. The Board of Directors shall also actively appoint External Directors to promote highly transparent decision-making and take the initiative in corporate reform and governance.

Nine Directors—Mr. IWATA Shinjiro (Chairman of the Board and External Director), Mr. EGUCHI Shoichiro (Representative Director of the Board), Mr. NOMURA Masao (Representative Director of the Board), Mr. MIYAMOTO Masatoshi (Representative Director of the Board), Mr. SUZUKI Akira, Mr. KURIHARA Naokazu, Mr. SONODA Yoshio, Mr. HAMASAKI Yuji (External Director) and Ms. ONITSUKA Hiromi (External Director)—were elected at the 13th Ordinary General Meeting of Shareholders held on June 25, 2021.

Since June 2016, JVCKENWOOD has appointed an 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 External Director, chairs the Board of Directors. The Chairman of the Board determines agendas for a meeting of the Board of Directors in consultation with the Chief Executive Officer (CEO) and Executive Officer in charge of Administrative Division, etc. prior to deliberations of the Board of Directors. 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.

### 2. Matters concerning the Audit & Supervisory Board

The Company 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 meetings once a month, and extra meetings as needed.

Three Audit & Supervisory Board Members—Mr. IMAI Masaki (Audit & Supervisory Board Member), Mr. SAITO Katsumi (External Audit & Supervisory Board Member) and Mr. KURIHARA Katsumi (External Audit & Supervisory Board Member)— were elected at the 12th Ordinary General Meeting of Shareholders held on June 19, 2020, and Mr. FUJIOKA Tetsuya was elected at the 13th Ordinary General Meeting of Shareholders held on June 25, 2021.

### 3. Matters concerning the Nomination and Remuneration Advisory Committee

The Company 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. Since its establishment, the Nomination and Remuneration Advisory Committee has made proposals to the Board of Directors regarding candidate representatives for JVCKENWOOD, and reviewed the appropriateness of director candidates and directors' compensation plans proposed by the representatives and others, and reported its opinions. The Board of Directors has determined director candidates and directors' compensation, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee.

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 for External Directors who serve as committee members to share accurate internal information in a timely manner and to improve the effectiveness of the Nomination and Remuneration Advisory Committee. The procedures for deliberating a proposal and making determination regarding candidate representatives for the Company by the Nomination and Remuneration Advisory Committee are performed by three committee members who serve as External Directors except for the committee member who is the CEO.

As of June 25, 2021, Mr. IWATA Shinjiro, Mr. HAMASAKI Yuji and Ms. ONITSUKA Hiromi, who serve as External Directors, and Mr. EGUCHI Shoichiro, who serves as CEO, serve as committee members, and Mr. HAMASAKI Yuji chairs the Nomination and Remuneration Advisory Committee by resolution of the Nomination and Remuneration Advisory Committee as of the same date.

### 4. Matters concerning Executive Officer System

The Company has introduced an Executive Officer System under which the management supervisory function is separated from the business execution function to clarify management responsibility and business execution responsibility since its establishment in October 2008.

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 directors 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 Automotive Sector (AM Sector), Public Service Sector (PS Sector), or Media Service Sector (MS Sector) or serves as General Executive of the Business Division in those 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 businesses in the four regions, the Americas, EMEA (Europe, Middle East, and Africa), APAC (Asia Pacific), and China as the general manager 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.

On April 1, 2021, 13 Executive Officers (6 serving concurrently as Directors) named below were appointed:

- EGUCHI Shoichiro  
Representative Director of the Board, President, Chief Executive Officer (CEO)
- NOMURA Masao  
Representative Director of the Board, Senior Managing Executive Officer, COO Automotive Sector, In Charge of Information Technology Department, In Charge of Business Reform
- MIYAMOTO Masatoshi  
Representative Director of the Board, Senior Managing Executive Officer, Chief Financial Officer (CFO)
- SUZUKI Akira  
Director of the Board, Senior Managing Executive Officer, COO Public Service Sector, General Manager of Management Base Reform Office
- KURIHARA Naokazu  
Director of the Board, Managing Executive Officer, Head of Administrative Division (In Charge of Human Resources Department, General Administration Department, Secretary Office, Sustainability Management Office), COO EMEA (Europe, Middle East and Africa)
- TAKADA Shinichi

Managing Executive Officer, Assistant to Head of Administrative Division (In Charge of Corporate Communications Department), General Manager of Corporate Strategy Department

- SONODA Yoshio  
Director of the Board, Managing Executive Officer, Chief Technology Officer (CTO), In Charge of R&D Department, In Charge of Engineering Innovation Department, In Charge of Intellectual Property Department, In Charge of Legal Affairs Department, In Charge of Procurement & Logistics Department
  - TERADA Akihiko  
Executive Officer, COO China
  - HAYASHI Kazuyoshi  
Executive Officer, Assistant to COO Automotive Sector (In Charge of DX\* Business Division), In Charge of Organizational Reform in Business
  - MURAOKA Osamu  
Executive Officer, COO Americas, COO APAC (Asia Pacific), In Charge of Overseas Business Expansion
  - SEKIYA Naoki  
Executive Officer, General Executive of Automotive Aftermarket Business Division, General Executive of Domestic Business Marketing Division
  - IWASAKI Hatsuhiko  
Executive Officer, COO Media Service Sector, General Executive of Media Business Division, Media Service Sector
  - SATO Katsuya  
Executive Officer, General Executive of Public Service Communications Systems Division, Public Service Sector
- (Note) DX: Digital Transformation

#### 5. Matters concerning Accounting Auditor

- Name of audit corporation: Deloitte Touche Tohmatsu LLC
- Number of continuous audit years: Since 1994  
\* Refers to the timing when Kenwood Corporation, the acquiring enterprise in terms of business combination in the stock transfer conducted at the founding of the Company, appointed the Accounting Auditor.
- Certified public accountants who executed audit duties

Mr. SON Nobuo:	Number of continuous audit years:	2
Mr. SHIMODAIRA Takafumi:	Number of continuous audit years:	5
Mr. ONO Yohei	Number of continuous audit years:	1
- Composition of assistants who supported audit duties  
Assistants who supported audit duties are composed of 45 persons in total: 15 certified public accountants and 30 other assistants.
- Reason for and policy on determining audit corporation  
When Victor Company of Japan, Limited and Kenwood Corporation established the Company as a joint holding company (JVC KENWOOD Holdings, Inc.) through a stock transfer on October 1, 2008, the Company's current Accounting Auditor, Deloitte Touche Tohmatsu LLC was appointed as the Accounting Auditor for the Company from the perspective of the continuity of accounting audits because it was the accounting auditor for Kenwood Corporation, the acquiring enterprise in terms of business combination accounting.

JVC KENWOOD Holdings, Inc. changed its trade name to the present name, JVCKENWOOD Corporation, on August 1, 2011, and completed an absorption-type merger of its subsidiaries—Victor Company of Japan, Limited, Kenwood Corporation and J&K Car Electronics Corporation—on October 1, 2011.

The reasons why Kenwood Corporation, the acquiring enterprise in terms of business combination through a stock transfer, appointed Tohmatsu & Co. (currently, Deloitte Touche Tohmatsu LLC) as its accounting auditor in June 1994 are that under the circumstances where overseas sales accounted for most of the sales of Kenwood Corporation at that time and the share of overseas production in overseas sales rose, Tohmatsu & Co. was a leading Japanese audit corporation having an international network organized

together with overseas audit corporations and that the majority of Kenwood Corporation's subsidiaries outside Japan entrusted their audits to Deloitte Touche (at that time), an affiliate of Tohmatsu & Co., which was highly recognized by each such subsidiary.

In addition, the Company has established the "Policy on Determining Dismissal or Refusal of Reappointment of the Accounting Auditor" as follows:

"The Audit & Supervisory Board shall dismiss the Accounting Auditor with the unanimous consent of Audit & Supervisory Board Members when any of the matters set out in each item of Paragraph 1, Article 340 of the Companies Act applies to the Accounting Auditor. In addition, when the Accounting Auditor receives an order to suspend its auditing operations from the regulatory authorities or any other similar event occurs that would materially interfere with the Company's audit duties, the Audit & Supervisory Board shall, as a general rule, decide on the details of a proposal on dismissal or refusal of reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

- Evaluation of the audit corporation by Audit & Supervisory Board Members and the Audit & Supervisory Board

Audit & Supervisory Board Members and the Audit & Supervisory Board evaluate the audit corporation each year in accordance with the "Criteria for Evaluation of Appointment and Dismissal of Accounting Auditor" established by the Audit & Supervisory Board, and further examine and consider whether it is necessary to appoint or dismiss the audit corporation also based on the aforementioned "Policy on Determining Dismissal or Refusal of Reappointment of the Accounting Auditor." The Audit & Supervisory Board has determined that it is appropriate to reappoint the current audit corporation, Deloitte Touche Tohmatsu LLC, concluding that there is no problem as a result of qualification evaluation under the said criteria as well as the examination and consideration under the "Policy on Determining Dismissal or Refusal of Reappointment of the Accounting Auditor."

#### 6. Summary of the Contents of an Agreement Limiting Liability for Damages

With a view to recruiting and retaining outstanding personnel as External Directors and External Audit & Supervisory Board Members, the Articles of Incorporation of the Company stipulate, pursuant to Paragraph 1, Article 427 of the Companies Act, that the Company may enter into an agreement with an External Director or External Audit & Supervisory Board Member to limit the liability for damages due to his/her negligence of duties within a certain level.

As of June 25, 2021, with respect to the liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act, the Company and the three External Directors and the three External Audit & Supervisory Board Members have concluded an agreement limiting liability for damages arising from the execution of their duties in good faith and without gross negligence. The maximum liability under the agreement will be either 5 million yen or a minimum liability amount stipulated by laws and regulations, whichever is greater.

#### 7. Compensation Agreements with Executives as the Insured

The Company has not entered into a compensation agreement with any of its executives (Directors of the Board, Audit & Supervisory Board Members, and Accounting Auditors).

#### 8. Liability Insurance Contracts for Executives as the Insured

The Company has concluded executive liability insurance (D&O insurance) contracts as prescribed in Paragraph 3, Article 430 of the Companies Act for all Directors of the Board, Audit & Supervisory Board Members and Executive Officers of the Company and its subsidiaries as the insured so that the executives can fully play their expected roles in the execution of their duties and so that the Company can attract useful human resources. These insurance contracts indemnify the insured against losses that may occur as a result of being held liable for the execution of his/her duties or receiving a claim related to the pursuit of the said liability through a shareholder lawsuit or a third party action.

The Company pays all the insurance premiums including those for riders, and the insured pays in effect no insurance premiums. However, there are certain exemptions. For example, the insurance does not cover damage caused by acts committed with the recognition that they are in violation of laws and regulations. These insurance contracts also include provisions for a deductible and provide that the insurance does not cover damage up to the deductible.

These insurance contracts are renewed every October.

#### 9. Quorum of and Requirements for Resolution to Elect and Dismiss Directors

The Articles of Incorporation stipulate that the number of Directors shall be nine or less, and that



resolutions for electing Directors at the General Meetings of Shareholders shall require the presence of shareholders holding one-third or more of the exercisable voting rights of shareholders and the majority of votes thereof. Moreover, no cumulative voting shall be accepted.

#### 10. Matters to be Determined by Resolutions at the General Meetings of Shareholders that may be Determined by Resolution of the Board of Directors

Corporate decisions are made at the General Meetings of Shareholders, the highest decision-making body of the Company, regarding fundamental matters stipulated in the Companies Act. However, unless otherwise specified in laws and regulations, matters stipulated in each item of Paragraph 1, Article 459 of the Companies Act, including dividends of surplus, may be determined by resolutions of the Board of Directors, instead of resolutions at the General Meetings of Shareholders, in accordance with the Articles of Incorporation to enable the formulation of flexible capital and dividend policies.

Further, with a view to limiting the scope of liability assumed by Directors and Audit & Supervisory Board Members to reasonable levels, the Articles of Incorporation of the Company stipulate, pursuant to Paragraph 1, Article 426 of the Companies Act, to exempt Directors, including those who served in the past, and Audit & Supervisory Board Members, including those members who served in the past, from liability, subject to approval by resolution of the Board of Directors, for damages due to negligence of duties and to the extent permitted by laws and regulations.

#### 11. Matters Concerning Compliance

JVCKENWOOD views compliance as a response to social needs, not merely as adherence to laws and regulations. This means that the objective of compliance is not merely to comply with laws and regulations, but to respond to social needs behind them through adherence to them. With the recognition of this objective, the Company enhances compliance activities of the Group comprehensively through the Compliance Committee chaired by the Chief Executive Officer (CEO).

The Regulation for JVCKENWOOD Group Compliance Code of Conduct that targets the entire Group was established in March 2010. The contents of the said regulation were circulated to all Group officers and employees by distributing booklets (in three languages) as well as via the Group's intranet and the compliance officers appointed by the Board of Directors of the Company at all affiliated companies to ensure full awareness of all Group members.

Compliance education is supervised by the Internal Governance Office. Compliance training by using e-learning training programs via the intranet and practical training is provided to officers and employees of the Company and its major affiliated companies.

If any suspicions about compliance matters arise, they will be directly reported to the Internal Whistle-blowing System (Helpline) set up by the Internal Governance Office via the liaison for third-party reporting, dedicated email reception/transmission devices, dedicated phone/fax, documents, etc. in accordance with the Regulation for JVCKENWOOD Group Whistle-blowing system and the said regulation, and corrective measures will be taken under the leadership of the Compliance Committee. In addition, the Auditing Informer System is in place at the Audit & Supervisory Board Office, and if suspicions arise about accounting or auditing operations, they will be directly reported to the system. These systems serve as infrastructure for exclusive communication to protect the confidentiality of reported contents and reporters' names, and are operated by assigned staff to detect and correct activities that do not adhere to the needs of society.

### 3. Reasons for Adoption of Current Corporate Governance System

The Company's basic corporate governance policy "separates management from the execution of operations," "recruits External Directors and Audit & Supervisory Board Members," and "improves the function of acting as a check by establishing the Internal Audit Division." The Company has concluded that in order to effectively implement the policy, the most effective corporate governance system is to adopt the organizational structure of a company with an Audit & Supervisory Board and to introduce an Executive Officer System. This would enable institutions within the Company to collaborate with each other.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Shareholder Meeting and Facilitate the Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company, as a general rule, provides notices via the Internet and through other media immediately following a resolution of convocation of the Ordinary General Meeting of Shareholders (about four weeks prior to the date of the meeting) and sends a notice of convocation of the Ordinary General Meeting of Shareholders promptly (about three weeks prior to the date of the meeting). This gives shareholders sufficient time to review the proposals.
Scheduling Annual General Meeting to Avoid the Peak Time	The Company determines the date to hold a General Meeting of Shareholders to avoid so-called peak time in scheduling the date to hold a General Meeting of Shareholders. The latest 13th Ordinary General Meeting of Shareholders was held on June 25, 2021.
Allowing the Electronic Exercise of Voting Rights	The Company has made it possible for shareholders to exercise their voting rights by electromagnetic means (e.g., the Internet). In addition, voting rights can be exercised using mobile phones and smartphones.
Participation in Electronic Voting Platform	The Company participates in the voting platform for institutional investors operated by ICJ, Inc. Even nominal shareholders including custody and trust banks, standing proxies, and other institutions can use the platform to exercise their voting rights.
Providing Convocation Notice in English	The English version of convocation notices is available on the Company's website and elsewhere, so as to facilitate the smooth exercise of voting rights at the General Meeting of Shareholders.
Others	Pursuant to the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc., the Company discloses resolution results of proposals at the General Meeting of Shareholders, including the number of "for" and "against" votes (the Extraordinary Report).  In addition to posting convocation notices and other information of General Meetings of Shareholders, the Company's website provides a form to receive questions in advance and explanations about matters attracting a lot of attention from shareholders among questions submitted in advance, as well as contents such as narrated business reports, live distribution of General Meeting of Shareholders, notices of resolution, and results of resolution (the Extraordinary Report).

#### 2. IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company disclosed its policy for "ensuring appropriate disclosure of information and transparency" under Article 13 of the Corporate Governance (CG) Policy. [CG Policy:] <a href="https://www.jvckenwood.com/content/dam/pdf/Corporate_Governance_Policy.pdf">https://www.jvckenwood.com/content/dam/pdf/Corporate_Governance_Policy.pdf</a>	
Regular Investor Briefings for Analysts and Institutional Investors	As a general rule, the Company holds briefings for analysts and institutional investors four times a year, after the close of its quarterly accounts.	Yes
Posting of IR Materials on Website	The Company posts securities reports, accounting reports, annual reports, press releases, and other materials, on its website in a timely manner.	
Establishment of Department and/or Appointment of Manager in Charge of IR	The Public & Investor Relations Group is established within the Corporate Communication Department to provide individual explanations for analysts, institutional investors, and other parties, as necessary, and to serve as a contact point to handle inquiries from investors including individual shareholders.	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>The Group will promote active and careful dialogue with various stakeholders in order to strongly promote sustainable business operations and enhancement of corporate value. In so doing, the Group identifies stakeholders of particular importance and discloses engagement with each of them (building trust relationships) on the Company's website.</p> <p>Its details are available on the "Stakeholder Engagement" page of the Company's website.</p> <p>[Website address of the Stakeholder Engagement webpage]  <a href="https://www.jvckenwood.com/en/sustainability/group/engagement.html">https://www.jvckenwood.com/en/sustainability/group/engagement.html</a></p>
Undertaking Environmental Activities, CSR Activities, etc.	<p>The JVCKENWOOD Group discloses the concept of and efforts to sustainability, etc. on the Company's website.</p> <p>[Details of our concept of sustainability are available on the Sustainability page of the Company's website:]  <a href="https://www.jvckenwood.com/en/sustainability.html">https://www.jvckenwood.com/en/sustainability.html</a></p>
Development of Policies on Information Provision to Stakeholders	<p>The Company has established the Regulations for Timely Disclosure, which are established internally.</p> <p>The Information Disclosure Committee examines the content and means of information disclosure on matters decided or identified within the Company, and it provides accurate information to stakeholders in a timely manner.</p>

## IV. Matters Related to the Internal Control System

### 1. Basic Views on Internal Control System and the Progress of System Development

The Company has established an internal control system and risk management system as described below with the aim of ensuring the appropriateness of business operations.

1. Frameworks for ensuring that the execution of duties of the Directors, employees, and other personnel of the corporate group consisting of the Company and its major subsidiaries (hereinafter the "Group") conforms to laws and regulations and the Articles of Incorporation
  - (1) The corporate vision, management policies and conduct guide are prepared and followed, while being shared and fully recognized by all officers and employees of the Group under the leadership of a division in charge of compliance.
  - (2) Various internal rules, regulations, guidelines, and other guidance, for the entire Group are prepared and updated as the guidelines for the execution of duties by employees.
  - (3) The JVCKENWOOD GROUP Compliance Code of Conduct is established and followed.
  - (4) Each of the Group companies establishes the "Board of Directors Rules" to properly supervise management's decision-making and Directors' execution of duties.
  - (5) Internal audits on the entire Group are conducted. In addition, the "JVCKENWOOD Group Internal Whistle-blowing Rules" are stipulated as a means of enabling internal reporting by all employees of the Group to establish the procedures for internally notifying any act that deviates from the "JVCKENWOOD GROUP Compliance Code of Conduct," carrying out corrective measures against such act and protecting the whistle-blowers from unfair treatment.
  - (6) Audit & Supervisory Board Members audit the execution of duties by the Group's Directors, employees, and other personnel from an independent standpoint.
  
2. Frameworks for storing and managing information in relation to the execution of duties by the Company's Directors
  - (1) The minutes of the Board of Directors' meetings are created in accordance with the "Board of Directors Rules" and stored at the main office in accordance with the relevant laws and regulations and internal rules.
  - (2) The "Regulation for Information Security" are established to define the basic rules to be observed in managing confidential information whether in print or in electronic form, and are handled determinately.

3. Regulations and other frameworks for managing the risk of loss of the Group
  - (1) The Group regulations for compliance and risk management are established, together with an across-the-board organization for monitoring them with responsibilities being clearly defined, thereby promoting the Group's risk management efforts in a proper manner.
  - (2) The risk management rules by type of risk are prepared and updated to prevent various risks that might occur in the Group and clarify the actions to be taken in the event of such risks, as well as measures for restoration, thereby preventing the damage from spreading and minimizing the loss should a critical issue arise.
4. Frameworks for ensuring the efficient execution of duties of the Group's Directors
  - (1) The Company formulates business and other plans on a Group-wide basis, thereby clarifying management targets, promoting awareness thereof in the Group and evaluating the status of achievement thereof.
  - (2) The Company has in place the Executive Officer System to entrust the duty of business execution to the Executive Officers, thereby separating management oversight functions from business execution functions and clarifying the realms of oversight responsibility and business execution responsibility.
  - (3) The Company establishes the "Board of Directors Rules" and the "Executive Officers Committee Rules," as well as the "Administrative Authority Regulation," the "Standards for Decision-making and Authority," and the "Approval List" for the entire Group, to clarify the method of making decisions for the entire Group management.
  - (4) The rules regarding segregation of duties for each division of the Group are established to clarify the scope of duties and execute them determinately.
5. Frameworks for ensuring the propriety of business operations in the Group
  - (1) Based on the "Basic Policy of Consolidated Business Management," the corporate philosophy and management policies are shared among Group companies. In addition, the "Administrative Authority Regulation," the "Standards for Decision-making and Authority," and the "Approval List" are established as the regulations applying to the entire Group to ensure the propriety of business operations on a Group-wide basis.
  - (2) The Company dispatches officers or business supervising officers to major subsidiaries to ensure the propriety of business operations.
  - (3) The Company executes the internal audits of the Group subsidiaries through its Internal Audit Division.
6. Frameworks for reporting to the Company on matters concerning the execution of duties of Directors, business executing employees, and other personnel, of the Group subsidiaries
  - (1) The Company assigns a responsible division in each subsidiary to ensure that the subsidiary reports important information to such division, which in turn has responsibility for the overall management of that subsidiary.
  - (2) If necessary, the Company dispatches officers and/or administrative staff members to a subsidiary so that the Company's business execution team can grasp the status of business operation of that subsidiary.
  - (3) The Company keeps in place a reporting system to ensure that reports of any abnormal situation occurring internally and possibly affecting the operations of the Group's businesses will be delivered to the top management of the Company through an appropriate procedure and without delay.
7. Systems concerning employees who assist the Company's Audit & Supervisory Board Members in performing their duties, matters concerning the independence of such employees from the Company's Directors and matters concerning how to ensure the effectiveness of directions given to such employees
  - (1) The Company assigns employees as dedicated staff members who assist the Company's Audit & Supervisory Board Members in performing their auditing duties.
  - (2) The Company lets Audit & Supervisory Board Members evaluate the performance of employees exclusively assigned as staff of Audit & Supervisory Board Members and has prior discussion with Audit & Supervisory Board Members with regard to the assignment of such staff.
  - (3) The Company's Audit & Supervisory Board Members clarify the necessary matters to ensure the independence of the employees assisting them, including the Audit & Supervisory Board Members' authority to give orders to the supporting staff. The Company respects such matters.

8. Frameworks for giving reports to the Company's Audit & Supervisory Board Members by Directors and employees of the Company, Directors, Audit & Supervisory Board Members, business operating employees and employees of the Company's subsidiaries, or persons who have received reports therefrom
  - (1) The Company's Audit & Supervisory Board Members attend the Board of Directors' meetings and other important meetings to receive reports on the status of business execution of the Group and other important matters.
  - (2) The Company's Directors and General Managers of head office divisions report their business execution status to the Company's Audit & Supervisory Board Members periodically and as needed.
  - (3) The Company's Audit & Supervisory Board Members execute auditing of the Company's business units and subsidiaries according to the annual audit plan, including the above, and receive reports and hear opinions therefrom.
  - (4) The Group's Directors and employees and persons who have received reports therefrom promptly respond whenever the Company's Audit & Supervisory Board Members ask for reports on the businesses or investigate the status of the Group's business and property.
  - (5) A Group-wide notification system is provided, by which parties such as Group employees can directly notify any fraudulent activities and concerning issues regarding accounting and auditing that might arise within the Group to the Audit & Supervisory Board.
  - (6) The Company's Audit & Supervisory Board Members periodically receive reports on the audit plans and audit results of the Internal Audit Division.
  
9. Frameworks for ensuring that Directors and employees of the Company, Directors, Audit & Supervisory Board Members, business operating employees and employees of the Company's subsidiaries, or persons who have received reports therefrom do not receive unfair treatment due to the act of delivering reports provided for in 8. above
  - (1) It is prohibited to unfairly treat a person within the Group who has delivered reports to the Company's Audit & Supervisory Board Members on account of said act of delivering notification. This is fully recognized among the Directors and employees of the Group.
  - (2) The Company's Audit & Supervisory Board Members who have received notification through the whistle-blowing system ask the related divisions not to unfairly treat that whistle-blower due to the act of notification. Should the Audit & Supervisory Board Members be informed by that whistle-blower that he/she is having unfair treatment, they call on the Company and the Group's Personnel Division to stop such unfair treatment.
  
10. Matters concerning the policies on the procedures for advance payment or redemption of expenses arising from the execution of the duties of the Company's Audit & Supervisory Board Members and any other treatment of expenses or liabilities arising from the execution of such duties
  - (1) When the Company's Audit & Supervisory Board Members ask the Company for advance payment or other treatment of expenses that arise in relation to their execution of duties, the Company will immediately address such expenses or liabilities, unless such expenses or liabilities are proved to be unnecessary for the execution of the duties of the Company's Audit & Supervisory Board Members.
  - (2) The Company's Audit & Supervisory Board Members pay audit expenses while giving due consideration to the efficiency and appropriateness of the audit.
  
11. Other frameworks for ensuring effective auditing of the Company's Audit & Supervisory Board Members
  - (1) The Company's Directors prepare conditions to enable the execution of effective audits in accordance with the audit plan made up by the Company's Audit & Supervisory Board Members.
  - (2) The Company's Representative Directors and Audit & Supervisory Board Members have periodic meetings in order to enhance mutual communication.
  - (3) The Company's Directors prepare conditions to enable the Company's Audit & Supervisory Board Members to cooperate with the divisions in charge of legal affairs, accounting and internal audit as well as external experts for the implementation of their duties.
  - (4) The appointment of the Company's External Audit & Supervisory Board Members is made with consideration to their independence and professional expertise.

## 12. Frameworks for ensuring the propriety of financial reports

- (1) In accordance with the Financial Instruments and Exchange Act and related laws and regulations, systems are provided to ensure the propriety of financial reports of the corporate group, which consists of the Company and its subsidiaries.
- (2) The enhancement and operation of the system to ensure propriety of financial reports is periodically evaluated and improvements thereof are made.

## 13. Basic policy for the elimination of antisocial forces

The Group shall block any and all transactions, including the provision of funds and backstage deals, with all antisocial organizations which could possibly cause damage to the entire Group, including its stakeholders by making unjustifiable requests to the Group's officers and employees or by obstructing healthy business activities, by means of tying up with external professional organizations as necessary and taking appropriate measures including legal actions. The Group recognizes that the exclusion of such antisocial forces is essential for ensuring the propriety of the Company's businesses.

<Summary of the major efforts made by the Company in the consolidated fiscal year under review based on the aforementioned internal control and risk management systems>

### 1. Efforts on Compliance

The Compliance Committee chaired by the Chief Executive Officer (CEO) and responsible divisions take the lead in updating relevant regulations, providing in-house education and distributing information related to compliance, etc. In addition, the Company ensures that every employee is fully aware of the Helpline and the Internal Whistle-blowing System, which is the Auditing Informer System.

### 2. Efforts on Risk Management

The risk surveillance and business continuity plan have been updated, and each division conducts training on dealing with possible emergencies. Further, the Company ensures that every employee is fully aware of reporting and response systems in case of abnormal conditions.

### 3. Efforts on Management of the Board of Directors

In addition to the Executive Officer System, the Company appoints an External Director as the Chairman of the Board to manage the Board of Directors, thereby strengthening governance and having in place a management system to entrust the duty of business execution to the Executive Officers, and clarifying the realms of oversight responsibility and business execution responsibility.

Furthermore, the Company established the Nomination and Remuneration Advisory Committee, for which all of its External Directors and President, Chief Executive Officer (CEO) serve as committee members, with the aim of strengthening the independence and objectivity of the functions of the Board of Directors. The Nomination and Remuneration Advisory Committee has made proposals to JVCKENWOOD regarding candidate representatives for the Board of Directors, and reviewed the appropriateness of director candidates and directors' compensation plans proposed by the representatives and others, and reported its opinions. The Board of Directors has determined director candidates and directors' compensation, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee.

As of June 25, 2021, Mr. HAMASAKI Yuji, who serves as External Director, chairs the Nomination and Remuneration Advisory Committee, and Mr. IWATA Shinjiro and Ms. ONITSUKA Hiromi, who serve as External Directors, and Mr. EGUCHI Shoichiro, who serves as CEO, serve as committee members.

### 4. Efforts on Management of Subsidiaries

The Corporate Audit Office conducts audits on operations of affiliates inside/outside Japan every two to three years. Due to the spread of COVID-19, one affiliate performs joint audits with Audit & Supervisory Board Members in coordination with them. In addition, a follow-up is provided for the issues identified during business audits regarding the implementation status of improvement actions.

### 5. Audits by Audit & Supervisory Board Members

Audit & Supervisory Board Members attend Board of Directors' meetings and Executive Officers Committee's meetings and other important meetings to receive reports on the status of business execution and other important matters, as well as receive reports on the status of business execution, etc. from

Directors, Executive Officers and General Managers of divisions, etc. of the Company and the Group subsidiaries through interviews and visiting audits. In addition, in the consolidated fiscal year under review, Audit & Supervisory Board Members performed visiting audits on 44 offices in total including affiliated companies inside/outside Japan as well as head office divisions, operational divisions, and other domestic sales offices (including 6 offices remotely audited by using the internet conference system), and received reports on annual internal audit plans at the beginning of the term and results of monthly internal audits from the Corporate Audit Office.

## 2. Basic Policy for the Elimination of Antisocial Forces and the Progress of System Development

The Company’s basic policy against antisocial forces is stated in “13. Basic policy for the elimination of antisocial forces” under the heading “1. Basic Views on Internal Control System and the Progress of System Development,” as shown above.

In accordance with the above policy, the Group stipulates in the “JVCKENWOOD GROUP Compliance Code of Conduct” that it will not be involved with any antisocial forces or organizations that pose a threat to social order and safety and not to accept unlawful or unreasonable claims from them, and that it acts accordingly.

## V. Others

### 1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	Not adopted
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Supplementary Explanation
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### 2. Other Matters Concerning Corporate Governance System

#### 1. Recent Status of Implementation of Initiatives towards the Enhancement of the Company’s Corporate Governance

The Company disclosed a summary of the results of an evaluation on the effectiveness of the Board of Directors on February 26, 2021.

[The details of the method of effectiveness evaluation and the summary of the results of evaluation thereof are available on the Company’s website:]

[https://www.jvckenwood.com/en/corporate/governance/evaluation\\_of\\_effectiveness.html](https://www.jvckenwood.com/en/corporate/governance/evaluation_of_effectiveness.html)

#### 2. Status of the Internal System for Timely Disclosure of the Company’s Corporate Information

The Company ensures that every employee fully understands its basic policy and procedures for timely disclosure of information, and at the same time, it discloses important information about the Company, its subsidiaries and affiliates in a fair, timely, and proper manner, so that shareholders, investors, and all stakeholders are able to make appropriate evaluations and judgments.

A summary of the Company’s Regulations for Timely Disclosure concerning information disclosure procedures is as described below.

##### (1) Method of timely disclosure

As a general rule, the Company will make timely disclosure via the Timely Disclosure network (TDnet) run by Tokyo Stock Exchange, Inc. and then promptly notify the press and follow other disclosure procedures via the methods stipulated by laws and regulations. The disclosed information will be posted on the Company’s website, immediately following the disclosure.

##### (2) Divisions responsible for timely disclosure

- There is no particular division solely responsible for timely disclosure; it is regarded as a Company-wide task and every business unit bears the responsibility for it.
- In each Division in charge of incidents that are required to be disclosed in a timely manner, the responsible Executive Officer is appointed as a chief responsible person for timely disclosure,

while the Senior Manager is designated as a responsible person for timely disclosure. The chief responsible person for timely disclosure is responsible for drafting procedures for in-house approval, including the Board of Directors and the Executive Committee, for matters involving information subject to timely disclosure and managing information subject to timely disclosure.

- The chief responsible person for timely disclosure and responsible person for timely disclosure take responsibility for formulating, maintaining, and supervising the timely disclosure framework within their Division to ensure that no important information fails to be disclosed. Inquiries concerning timely disclosure must be referred to the Information Disclosure Committee. One issue pertaining to this matter is whether the information is important enough to be disclosed on a timely basis.
- The Information Disclosure Committee is responsible for supervising the entire Company's timely disclosure in accordance with the Regulations for Timely Disclosure. No other division but the said Committee acts as the liaison for making timely disclosure.

(3) Information Disclosure Committee

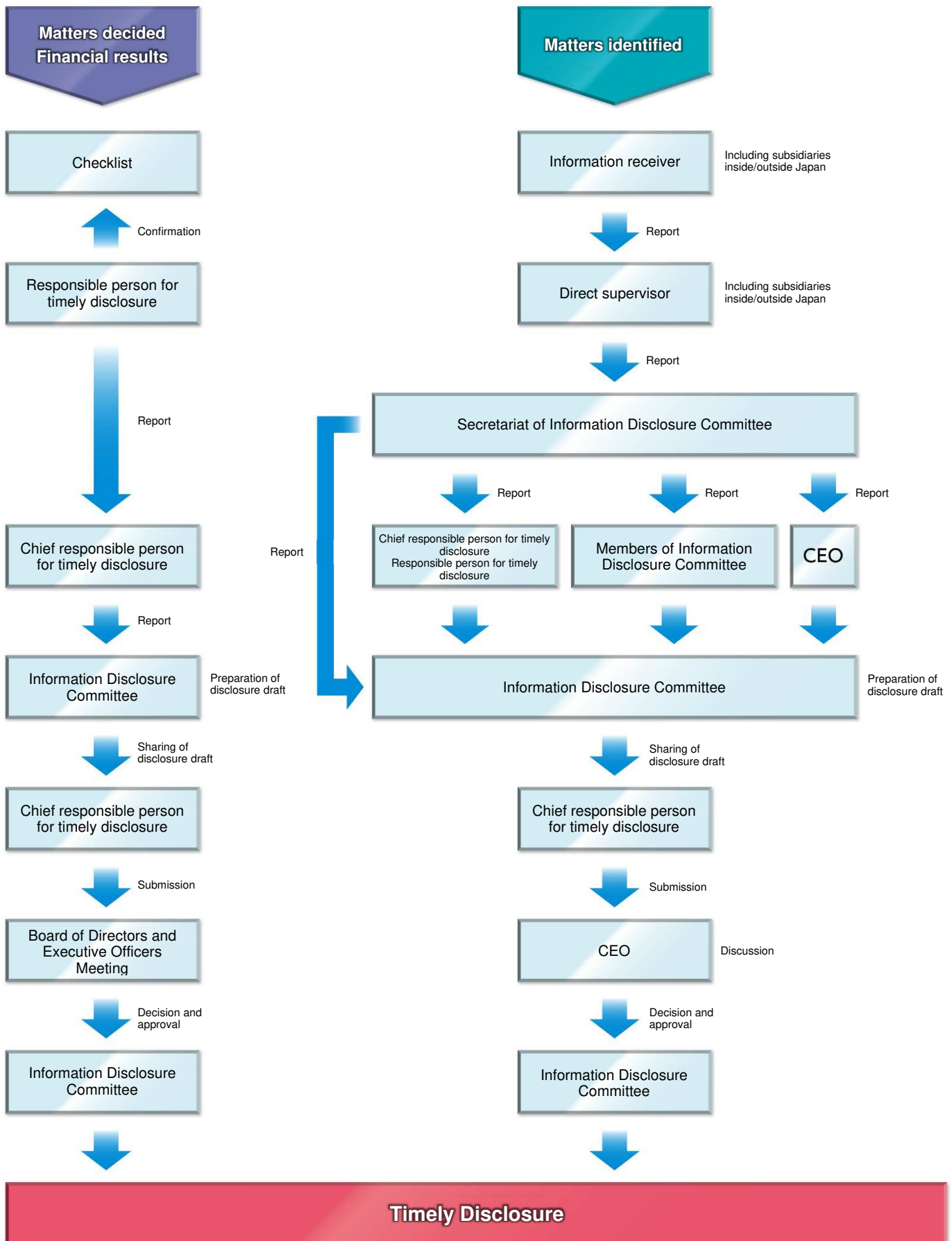
- The Information Disclosure Committee is responsible for maintaining and supervising the Company-wide timely disclosure framework.
- Any disclosed information concerning the Company is to be consolidated and managed by the Information Disclosure Committee, which acts as the contact point of external disclosure.
- The Information Disclosure Committee collaborates with Company lawyers or the Accounting Auditor regarding timely disclosure whenever necessary.
- Main roles of the Information Disclosure Committee are as follows:
  - (1) Determination of necessary information disclosure and support and advice to a chief responsible person for timely disclosure in drafting in-house approval procedures for matters involving information subject to timely disclosure
  - (2) Formulation, development, revision and abolition of the Regulations for Timely Disclosure
  - (3) Formulation, maintenance, and supervision of internal systems for timely disclosure
  - (4) Designing and securing the effectiveness of procedures for timely disclosure
  - (5) In-house education on timely disclosure (promotion of understanding and dissemination)
  - (6) Preparation of disclosure documents and implementation of timely disclosure
- The Information Disclosure Committee consists of the following members.

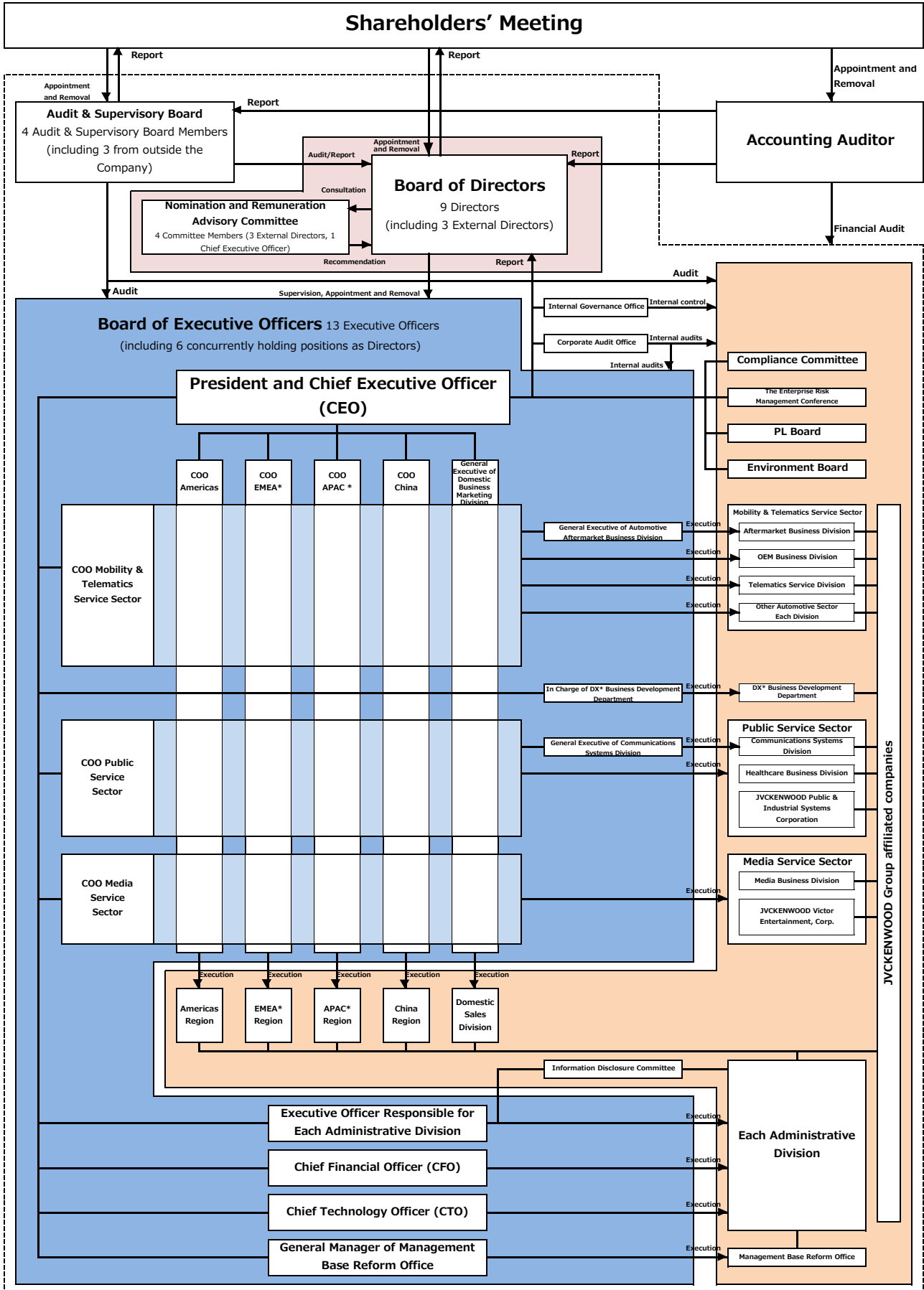
Chairman:	Executive Officer In charge of Administrative Division
Members:	Chief Financial Officer (CFO), General Manager of Corporate Strategy Department, General Manager of Corporate Communication Department
Secretariat Head:	General Manager of Corporate Secretary Office
Secretariat:	Corporate Communication Department (Public & Investor Relations Group), Corporate Secretary Office (Corporate Affairs Group)



# Overview of Timely Disclosure Framework (Pattern Diagram)

## Information Disclosure Flowchart





(Note) EMEA : EMEA: Europe, Middle East and Africa  
 APAC: Asia Pacific  
 DX: Digital Transformation