

JVCKENWOOD

Change for Growth

Integrated Report 2023



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Editorial Policy for the Integrated Report 2023

With the formulation of our new medium-term management plan "VISION 2025," we have incorporated our corporate philosophy "Creating Peace of Mind for People Around the World" into our Articles of Incorporation. Taking this opportunity, we have endeavored to enhance the report to include as much information as possible on the sustainable enhancement of corporate value that we aim to achieve.

In this report, we focused on two points in particular. The first is Value Creation Story. With a strong focus on the Integrated Thinking, we drew an ideal picture of what kind of value we can provide to the social issues surrounding us from a long-term perspective, and working backward from there, reviewed our management capital and business activities to redefine our material issues.

The second is the enhancement of medium- to long-term KPI and their initiatives. Through active discussions linked to management strategies at the Sustainability Committee, which was established in April 2023 under the direct control of the CEO, we have organized chapters around material issues to express how and when we will specifically address material issues and how our efforts to resolve material issues will lead to the enhancement of our corporate value. The chapters are organized around material issues, and KPI and specific initiatives are linked to each other.

Through dialogue with stakeholders using this integrated report as a tool, we will strive to further enhance corporate value.

Integrated Report 2023 Editors

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*Manufacturing

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The expressions contained in this presentation referring to the Company's future plans, intentions and expectations are categorized as future forecast statements. Such statements reflect management expectations of future events, and accordingly, are inherently susceptible to risk, uncertainty and other factors, whether known or unknown, and may be significantly different from future performance. These statements represent management's targets as of the time of issuance of these presentation materials, and the Company is under no obligation, and expressly disclaims any such obligation, to update, alter or publicize its future forecast statements in the event there are changes in the economic climate and market conditions affecting the performance of the Company. Risk factors and other uncertainty which may affect the Company's actual performance include: (1) violent fluctuations in economic circumstances and supply and demand systems in major markets (Japan, the U.S, the EU and Asia); (2) restrictions including trade regulations applicable to major markets including Japan and other foreign countries; (3) sharp fluctuations in the exchange rate of the U.S. dollar, euro, and such like against the yen; (4) market price fluctuations in capital markets; and (5) changes in social infrastructure due to short-term changes in technology and such like. Please note, however, that the above is not a comprehensive list of all the factors that may exert a significant influence on the Company's performance.

Our Philosophy

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

We share our philosophy of providing "excitement and peace of mind for the people of the world" as the fundamental belief of JVCKENWOOD Group's corporate behavior.

Based on this philosophy, each of us will share with all our stakeholders the richness of life and diverse values that lead to inspiration and peace of mind.

Corporate Philosophy

- Creating value through Monozukuri
- Building a corporate culture that adapts and embraces change
- Investing in people to strengthen capabilities and push boundaries

4 Values



At a Glance

JVCKENWOOD aims to contribute to the resolution of various social issues by "Creating excitement and peace of mind for the people of the world" through audio, visual and communication.



Create excitement for people's lives through the power of entertainment



Create excitement and peace of mind for mobility life

In the mobility society, where EVs and autonomous driving are becoming increasingly common, the vehicle interior space will be transformed into a more diverse scene. In people's mobility lives, the Company aims to make the vehicle interior space a more "thrilling" and "exciting" entertainment space through our "audio" and "visual" solutions, and contribute to "safe and secure" driving with the car navigation systems and dashcams.



Prevent traffic accidents and ensure safe and secure transportation systems



Provide a safe, secure and exciting mobility life



Realize safe and secure communities

Professional radio systems have been adopted by many police stations, fire stations and emergency medical services (EMS) to facilitate smooth communication in various situations and contribute to disaster prevention and mitigation. Security camera systems contribute to the suppression of crime and the creation of safe residential environments by monitoring people and communities at all times. The Company aims to create "safe and secure" communities based on "sound," "visual" and "communication" technologies.

Create excitement for people's lives

Together with many artists, the Group has been creating high-quality music and visual contents, and places of "excitement" including live events where people can experience them directly. In addition, by providing high sound quality audio equipment that explores the original sound and visual equipment that enables users to experience the ultimate visual beauty, we deliver "excitement" created by the power of music and visual to people's lives.



Stably and continuously provide highly reliable communication systems



Contribute to disaster prevention and mitigation



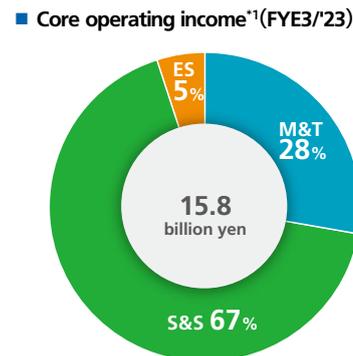
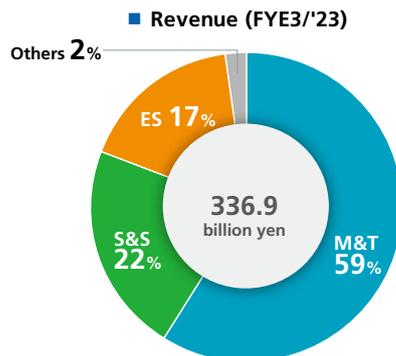
Suppress crime and create safe and secure communities



At a Glance

We provide products, services and solutions that realize our corporate philosophy "Creating peace of mind for the people of the world" in three business sectors.

- Mobility & Telematics Services Sector (M&T)
- Safety & Security Sector (S&S)
- Entertainment Solutions Sector (ES)
- Others



Mobility & Telematics Services Sector



Develops products, services, and solutions that contribute to a comfortable, safe, and secure vehicle interior through the OEM Business, Aftermarket Business, and Telematics Service Business.

- **OEM Business**
For car dealers, automakers, and components manufacturers
- **Aftermarket Business**
For mass merchandisers, retailers and distributors
- **Telematics Service Business**
For Auto insurance companies, ride-sharing service companies, taxi companies, and transportation companies

Safety & Security Sector



Develops products and solutions to protect people's lives and livelihoods and to contribute to the creation of safe and secure communities through the Communications Systems Business and Professional Systems Business.

- **Communications Systems Business**
Provides highly reliable professional digital radio systems for the public safety market (police, fire, EMS, etc.) and the private market. Also offers products for individuals such as amateur radio equipment and license-free transceivers.
- **Professional Systems Business**
Provides security systems, professional broadcasting systems, and audio solutions for the domestic market, and high-precision medical image display monitors for hospitals and clinics in the healthcare business.

Entertainment Solutions Sector



Develops products, solutions, and content that enrich people's minds and lives through music and visuals through the Media Business and Entertainment Business.

- **Media Business**
Develops audio and visual equipment such as headphones, earphones, professional cameras, and projectors, as well as solution business with these products at the core. Also provides portable power stations for emergencies and outdoor activities.
- **Entertainment Business**
Distributes music and video content of popular artists, CD/DVD/Blu-ray package sales, live concerts, and non-music related merchandise sales, mainly in Japan.

*1: Calculated by deducting cost of sales, selling and general administrative expenses from revenue, and does not include other income, other expenses, and foreign exchange gains and losses, which are nonrecurring items that mainly occur temporarily.

Our three distinctive brands

KENWOOD

The red triangle brand logo represents its desire for high quality, advanced, and sharpness, and the products are focused on audio and communication technology, expanding the development of professional radio systems and in-vehicle products and services.

JVC

The brand offers audio/visuals products and in-vehicle products mainly in overseas, always proposing solutions that are close to people's lives.

Victor

The brand is known for its "His Master's Voice" and its dog, Nipper, pursuing technologies and products that are appropriate for the times, without being bound by preconceived ideas. (Used only in Japan)

Main products and services

■ OEM & Aftermarket Businesses



Car navigation system



Display audio system

Portable power station using recycled batteries from electric vehicles



Dashcam



Alcohol detector

■ OEM Business

In-vehicle amplifier/antenna/speaker



■ Telematics Service Business



Connected-type dashcam



Dustproof and waterproof connected-type dashcam

Main products and services

■ Communications Systems Business



Professional radio system



License-free transceiver

Amateur radio

■ Professional Systems Business



Professional broadcasting system



Security system



Medical image display monitor

Main products and services

■ Media Business



Headphones/earphones



Portable power station



Audio system



Projectors



PTZ^{*2} Remote Camera

■ Entertainment Business



Music & video content

*2: Abbreviations for Pan (P), Tilt (T), and Zoom (Z) Operations.

Message from Our CEO



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

Shoichiro Eguchi

Toward the Next Stage for Further Change for Growth

Highest profit after the management integration achieved in FY2022

Fifteen years are about to pass since the management integration for survival between Kenwood and JVC in 2008. The global financial crisis that began just before the management integration in 2008, as well as the subsequent sluggish consumer electronics market, rapid digitalization, intensifying price competition due to the rise of Chinese and Asian manufacturers into the market, and the advent of smartphones, severely damaged our company's consumer product business. In response to these changes in the business environment, we carried out consolidation of redundant production factories and sales offices, such as withdrawal from or downsizing of unprofitable businesses, including televisions and video cameras, which used to be our main businesses at the time of the integration. In this process, we have worked to improve the soundness of our balance sheet by disposing of negative legacies, while our business portfolio has shifted significantly from the consumer electronics business to the professional product business. These 15 years were like the blink of an eye in the eternal history of mankind, but for the new JVCKENWOOD, it can be said that our company experienced a series of hardships and truly dramatic changes.

Business reforms after integration	FY2008		FY2022
Professional product business (B to B) composition (%)	25%	➡	72%
Number of Group bases	139	➡	74
Number of employees - consolidated	23,089	➡	16,277

In FY2022 (the fiscal year ended March 2023), we achieved the highest profit since the management integration and met our major management targets of the medium-term management plan "VISION 2023" one year ahead of schedule. I believe this is due, first of all, to the strengthening of the management base that has been built up by controlling cash outflows and fundamentally reviewing capital investment, fixed costs, and variable costs as a response to the critical situation that has arisen since COVID-19. In addition, although the business environment continued to be difficult, including the invasion of Ukraine, the Shanghai lockdowns, and high infrastructure costs and raw material prices, we successfully normalized the supply chains and recovered production and sales through rapid response to the component supply issue, and design change and utilization of alternative components, resulting in improved earnings. On the business side, the Communications Systems Business performed very well, especially in the North American market, which greatly boosted the Company's performance.

Achievement of major management targets of "VISION 2023" ahead of schedule

	FY2023 targets	FY2022 results
Revenue	320 billion yen or more	336.9 billion yen
Core operating income	12 billion yen or more	15.8 billion yen
ROE	10% or more	18.2%
Equity ratio	30% or more	33.0%
D/E ratio	1.0 or less	0.63

Although the future of the market remains uncertain due to further rises in energy costs caused by increased geopolitical risks, fluctuations in foreign exchange rates, and interest rate hikes, we are determined to appropriately manage the risks and opportunities we face and to start with renewed determination for the next stage of growth, without settling for the current level of performance. We will ask ourselves the following three questions as we strive for further Change for Growth.

- **Are we a sustainable company for value creation?**
- **Do we have real earning power?**
- **Have we identified any business areas where we can win over the medium to long term?**

"Creating excitement and peace of mind for the people of the world": Include the philosophy in the Articles of Incorporation

In conjunction with the formulation of the new medium-term management plan "VISION 2025," we decided to include the corporate philosophy in the Articles of Incorporation, which is the constitution of the Company, by a special resolution at the Ordinary General Meeting of Shareholders held on June 23, 2023. In order to vigorously survive in an uncertain and rapidly changing market environment, we must position our corporate philosophy firmly at the core of management and continue to evolve and grow tirelessly based on it. Today, companies are required, more than ever, to take a long-term perspective and pursue social value. I believe that this corporate philosophy will surely be effective for activities that capture global megatrends, think through how JVCKENWOOD can contribute to society, and lead to the creation of corporate value for the entire Group.

Of course, it is not enough to just include the corporate philosophy in the Articles of Incorporation. It is also important for management to continue to speak with enthusiasm to employees and other stakeholders, and to create a mechanism that generates empathy by disseminating information widely. In addition, I believe that it is most important for each employee to be aware of the relationship between the philosophy and themselves in their daily work, so that this philosophy can spread throughout the entire Group and lead to improvement of corporate value in some way. In other words, the most

important thing is "activities to internalize the philosophy." In this sense, we will make FY2023 the "First Year of our Purpose," in which we will give life to the corporate philosophy that is the source of growth of the Company.

Thoughts on the new medium-term management plan "VISION 2025"

The requirement of the new medium-term management plan "VISION 2025," which is the next step toward the long-term vision, is to move away from the inward perspective. A point of reflection in the conventional process of formulating mid-term management plans is that the main focus has tended to be on accumulating what came out from each business sector. With the idea of the Ptolemaic theory in which the business we are in charge of is the center of the world, we will not survive in a fast-flowing and severely competitive environment. I believe that it is essential to have an "objective point of view," or to strictly apply our business structure and portfolios to the perspective of the future and reconsider the business we are in charge of while denying ourselves, in a sense.

So, in formulating the new vision, we adopted an external point of view (that of investors) for increasing the true corporate value, and to embody it in our strategy. In particular, "management with awareness of capital costs and share prices" is a major theme for companies listed on the Prime Market of the Tokyo Stock Exchange, and we formulated "VISION 2025" such that it takes such demands of the capital market seriously and expresses the concept and direction of our company's strategy clearly.

As drivers for improvement of corporate value, we have positioned the following three points as our major strategic pillars: the "optimization of business portfolio" taking into account "growth potential" and "capital efficiency" in the business strategy; the "optimization of capital allocation" including aggressive shareholder returns in the financial strategy; and "profitable growth" and "solving social issues on a global scale" in tandem in the sustainability strategy.

- **Business strategy** — Optimization of business portfolio
- **Financial strategy** — Optimization of capital allocation
- **Sustainability strategy** — Profitable growth and solving social issues on a global scale

In the business strategy, we aim to achieve a price book-value ratio (P/B ratio) above 1.0 as soon as possible by projecting the concept of maximizing corporate value onto our business portfolio and optimizing our business portfolio based on the indicators of "growth potential" and "capital efficiency." Based on accurate understanding of the Company's capital cost*, we allocated businesses to a four-quadrant business matrix along the axes of the growth potential of business and capital efficiency, according to

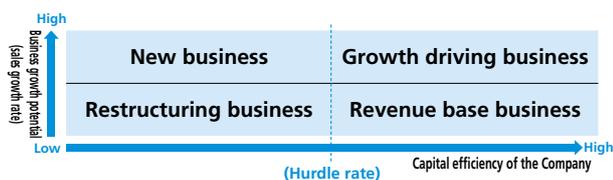
*Capital cost (WACC): 6.29% (based on figures as of March 31, 2023)

Message from Our CEO



the minimum criterion that ROIC (return on invested capital) does not fall below capital costs as defined in the business portfolio. In addition, we have revised the direction of our strategy to take advantage of our company's strengths in response to changes in our business environment, and positioned the Communications Systems Business as a "profit-generating driver" that will lead the entire Company. This way, we are

putting different importance on different businesses.



As for shareholder returns, we basically aim for stable dividends and continuous dividend increases. What is still very important, however, is the amount of resources to allocate to growth investments. We plan to increase the total payout ratio by flexibly acquiring treasury shares while keeping the balance between maintaining financial soundness and investing in growth businesses.

The indicator of capital efficiency, which is an important factor for improving corporate value, measures how much return was generated on invested capital. We set ROIC as a target since, while ROE (return on equity) is of course important, we believe that showing the ratio of "operating profit from the core business," which is the profit obtained by utilizing the entire financing cost including interest-bearing debt, will allow us to more accurately align investors' eyes from the perspective of our company's business characteristics.

In order to continuously improve P/B ratio in the future, it is important to continuously and thoroughly redefine our business portfolio from the perspective of profit growth, improvement of capital efficiency, and optimization of capital costs, which are the components of P/B ratio. The company's management issues and areas for improvement will become clearer, and it will be possible to take appropriate measures to address essential management issues through agile and strategic initiatives in response to market changes, rather than one-time efforts.

Creating new value with backcast thinking - starting with the future we want to achieve

In order for our company to grow sustainably toward 2030, we must constantly challenge ourselves to create value. Our company is promoting business activities

centered around audio, visual, and communications, which are our strengths, and incorporating the management of "design thinking." We were aware of "integrated thinking" in constructing this story of value creation. "Integrated thinking" and "design thinking" share a major point in common. That is, both adopting the idea of backcasting from the future and implementing forward-looking strategies to create a cycle of value creation. Based on this concept, we have taken into consideration the relationships with our various stakeholders from a long-term perspective and how we can provide value to the social issues surrounding our planet, in order to reexamine our own management capital and business activities from a holistic viewpoint.

By forecasting changes in the world 3, 5, and 10 years from now, and taking the future as a starting point, we will always sort out what we should do, what we lack, and what we should discard, and clarify the future plan to aim for. In so doing, we will draw a cycle of value creation through our business activities.

"Design management" with customers as the starting point

"Design management" is characterized by management with customers as the starting point incorporating approaches unique to design. This means we are more sensitive than ever to the sensibilities and preferences of humans and use them in our business. Sensibilities and preferences include touch, sound, and usability. We incorporate them starting from the upstream process of product development.

Generally, new products and services stem from seeds (technology as the starting point) or needs (customer demand). If you do not find out what your customers really desire, you cannot create a new technological way out.

Japanese companies have a strong commitment to high quality, high definition, miniaturization, and high speed, and focus on product-out based on the concept of technology as the starting point. For example, we can visually tell the difference between 4K, 8K and other visual technologies in TVs and projectors. While the appeal of

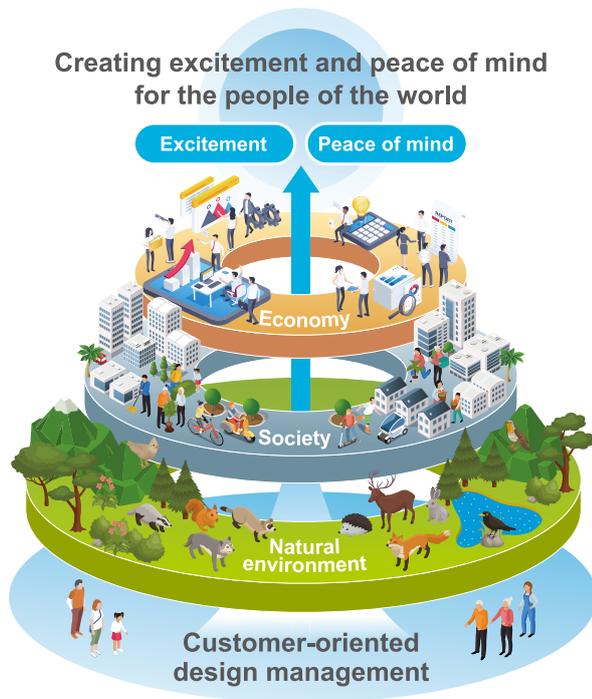
The design division participates starting from the most upstream to enhance customer experience value in business strategy, and product and service development.



Design-specific approaches
(Human sensitivity and taste)

technology is of course necessary, it is only customers who evaluate it, and it is also important to have the perspective of business profitability, i.e., whether the invested development funds can be recovered. No matter how much performance is improved, users will not accept products unless they keep a balance between affordability and improved functionality. We need to go back to the starting point that it is not engineers but customers who evaluate technology.

What is the value only our company can create? What is the basis of our advantage in creating that value? And will that advantage continue? Is that advantage competitive enough to withstand change? We must always keep our antennae up and look for the best solutions, identifying the real needs and trends in the world.



Be the base of value creation — Establishment of the Value Creation Square

As part of our efforts to embody medium- to long-term value creation, we will establish a base for value creation, the Value Creation Square. This new base, which is scheduled to be completed in the summer of 2024, will strengthen technology development according to global megatrends by linking the technological divisions, which have been divided into sectors and bases, with the administrative division of the head office, the Future Creation Research Laboratory, and design divisions. We

will also promote further workstyle reform by developing an office environment that enables hybrid work.

We intend to take this opportunity to create a place for "Co-Creation" that will foster ideas that anticipate the future, root innovation thinking, and differentiate ourselves from the competition.



Image of new building at Value Creation Square (Head Office & Yokohama Business Center Area) (scheduled for completion in late summer 2024)

Final remarks

There is a quote by George Herbert: "Storms make oaks take deeper root." I am convinced that a company that has withstood the wind and snow and put down firm roots will have a strong management foundation. The entire Group has united together to face and overcome the many crises that followed the management integration and the unprecedented difficulties caused by COVID-19. We have also learned firsthand that the results of our efforts are commensurate with our sweat and toil. I feel that we are fostering a corporate culture that is truly tough and tenacious.

Our goal for the time being in "VISION 2025" is to put the Company on a strong track, but this is only a passing point. We will always be conscious of drawing up what the Group should be and the creation of value from a long-term perspective. I believe that my greatest mission is to evolve the Group into a powerful corporate group in which each and every employee strives forward with great aspirations and dreams, based on the noble corporate philosophy, "Creating excitement and peace of mind for the people of the world."

To create value over the medium to long term and realize our vision, we will continue to engage in dialogue with investors and other stakeholders as we transform ourselves into an even more attractive JVCKENWOOD.

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

Value Creation Story: Medium-To Long-Term Vision

Our history of value creation from business integration to the present and the future we aim for

By overcoming a series of hardships that occurred after the business integration, we have built a strong management foundation.

Since 2018, we have been improving our business performance by anticipating the future and establishing a profitable revenue base.

By backcasting from the future envisioned through design thinking, we have established three materialities. Now, with the corporate philosophy of "providing excitement and peace of mind for the people of the world," we aim to maximize our corporate value and make a leap forward to become an excellent company that has both strength and toughness to anticipate change and pioneer the future by resolving the three material topics.

Three material issues



Utilizing the strengths of JVCKENWOOD in visuals, audio, and communications through design thinking

*1: JVCKENWOOD Hong Kong Holdings Limited (formerly Shinwa International Holdings Limited)

*2: EF Johnson Technologies, Inc.

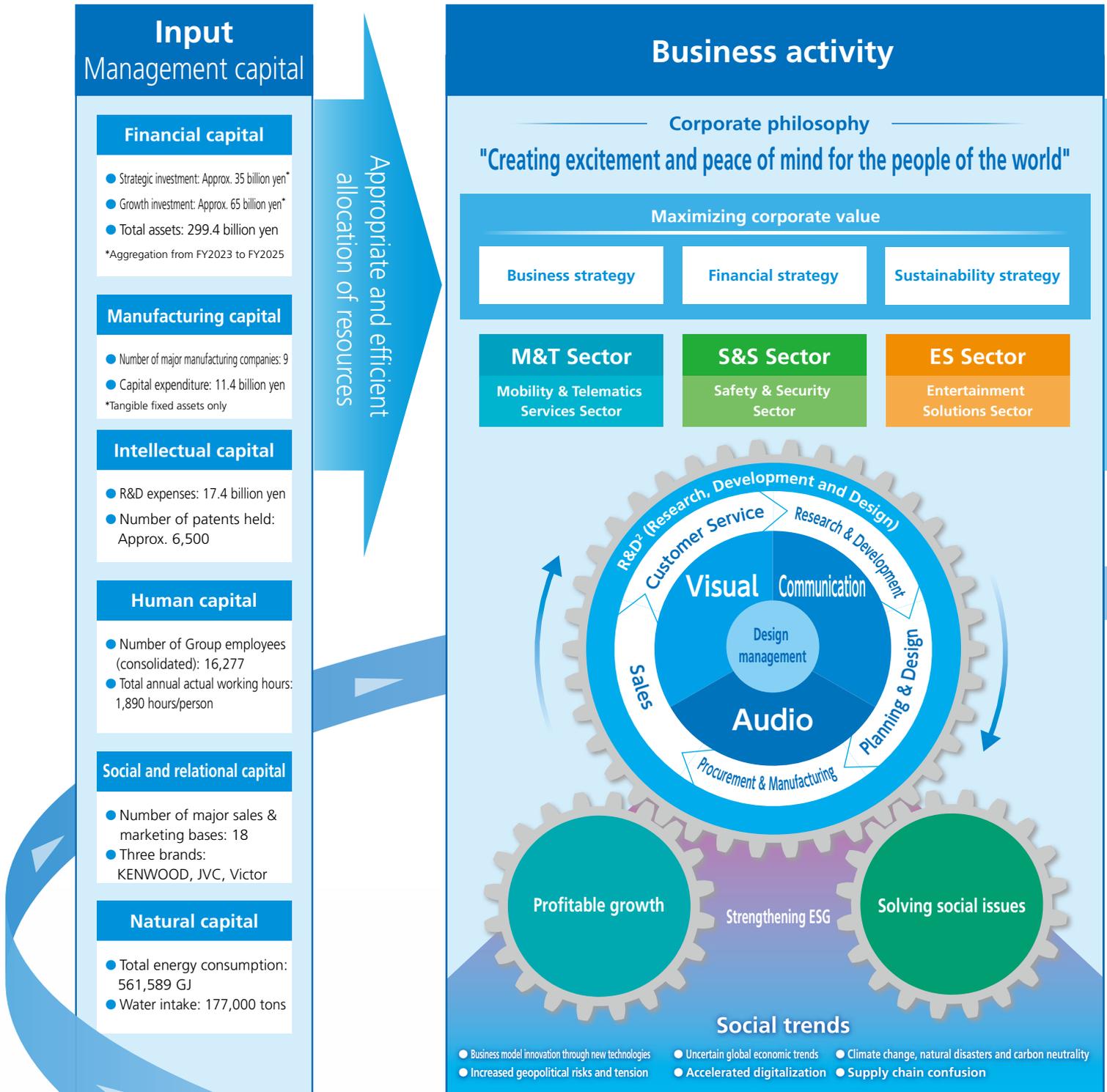
*3: ASK Industries S.p.A.

*4: Tait International Ltd.

*5: Abbreviation of volatility, Uncertainty, complexity, ambiguity

Value Creation Story: Value Creation Process

Based on integrated thinking, JVCKENWOOD will improve sustainability by appropriately allocating equity and circulating within the Group the decision-making and behavior that are conscious of medium- to long-term value creation.



Reestablish invested capital to strengthen management capital

Implement forward-looking strategies with

Predict the future from short-, medium-, and long-term perspectives, sort out what should be done, what is missing, what should be discarded, and draw a future map.

Output Business performance

Mid-term financial indicators

	FY2025 targets	FY2030 targets
ROE	10% or more	Stably 10% or more
ROIC	9% or more	10% or more
Revenue	370 billion yen or more	400 billion yen or more
Core operating income ratio	5% or more	5 to 7%
Cash flows from operating activities	Approx. 90 billion yen*	

*Aggregation from FY2023 to FY2025



Material issues (non-financial)

Safety & Security Initiatives ⇒ P.32

- (1) Reduction and prevention of traffic accidents
- (2) Creating safe and secure communities

Environmental Response ⇒ P.34

- (1) Responses to climate change
- (2) Reduction of environmental loads

Sustainable Monozukuri

- (1) Responsible supply chain ⇒ P.38
- (2) Monozukuri reform ⇒ P.40
- (3) Accelerating innovation ⇒ P.42

Outcome Creation of social value

Each of us will share with all our stakeholders the richness of life and diverse values that lead to inspiration and peace of mind.



Leap to an excellent company with both "strength" and "toughness"

Realize safety and security in social life through the evolution of advanced safety technologies



Reduce CO₂ emissions and contribute to carbon neutrality



Promote effective use of resources by the Company and suppliers

Create unique and diverse value to provide richness and excitement to people



Sort out positive (+) and negative (-) outcomes and reconsider invested capital

backcasting and create a cycle of value creation

New Medium-Term Management Plan "VISION 2025"

Basic strategies

In the new medium-term management plan "VISION 2025" we will further strengthen the management base to maximize corporate value with "Change for Growth" as the basic strategy. Specifically, we will optimize our business

portfolio and capital allocation and promote sustainability management. Through the promotion of "VISION 2025," we will establish a structure that ensures a stable ROE of 10% and early realization of a P/B ratio above 1.0.

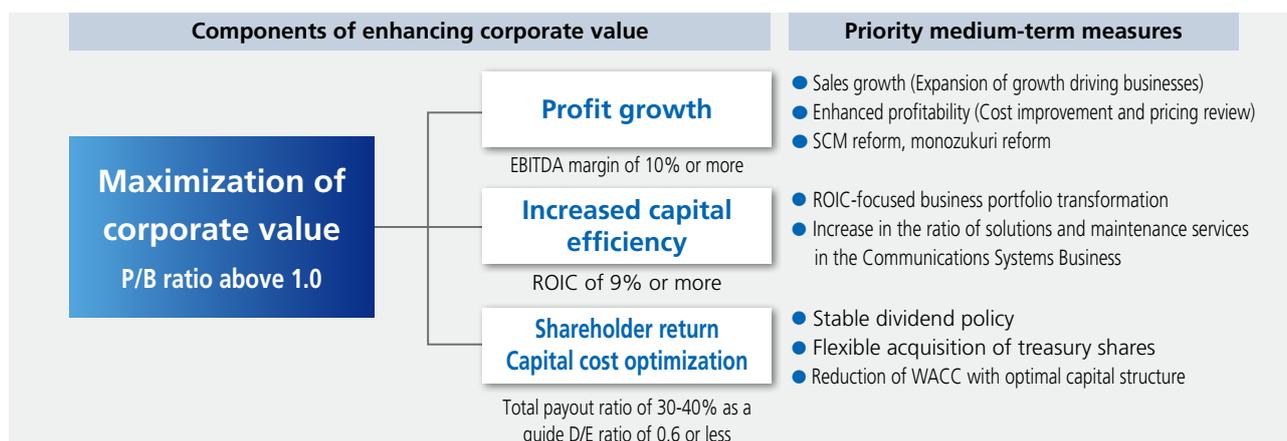


*: Supply Chain Management

Priority medium-term measures

As the components for maximizing corporate value and achieving a P/B ratio of more than 1.0 times, we set forth "profit growth," "increased capital efficiency," "shareholder return" and "capital cost optimization." For each component, we set a target for FY2025 and established priority medium-term measures to achieve those targets. For "profit growth," with a target of an EBITDA margin of 10% or more, we will achieve sales growth and better profitability simultaneously, mainly in the Communications Systems Business, which is positioned as a growth driving business. For "increased capital efficiency," with a target of an ROIC of 9%

or more, we will transform our business portfolio through growth potential and capital efficiency with an emphasis on capital costs, and aim to improve the quality of profits by increasing the ratio of sales of solutions and maintenance services in the Communications Systems Business. For "shareholder return," we will target a total payout ratio of 30 to 40% by promoting stable dividend policy and agile acquisition of treasury shares. For "capital cost optimization," with a target of a D/E ratio of 0.6 times or less, we will promote reducing WACC through optimal equity components.

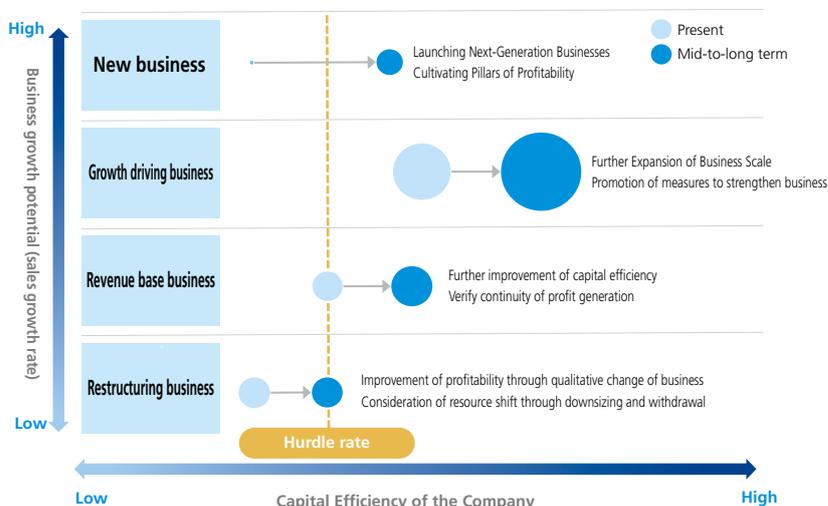


Redefinition and optimization of the business portfolio

"VISION 2025" redefined our business portfolio for "Change for Growth." In redefining the portfolio, we took into account the net sales growth rate over 3 years from FY2023 to FY2025 (the medium-term growth potential of our business) and our own capital efficiency from the perspective of maximizing corporate value.

In order to analyze how the net sales growth rate, capital efficiency, and earning power of our businesses will change from the current position over the medium to long term, and to build a business portfolio that can demonstrate strengths over the medium to long term, we categorized businesses into "growth driving business," "revenue base businesses," "new business" and "restructuring business."

Business portfolio analysis

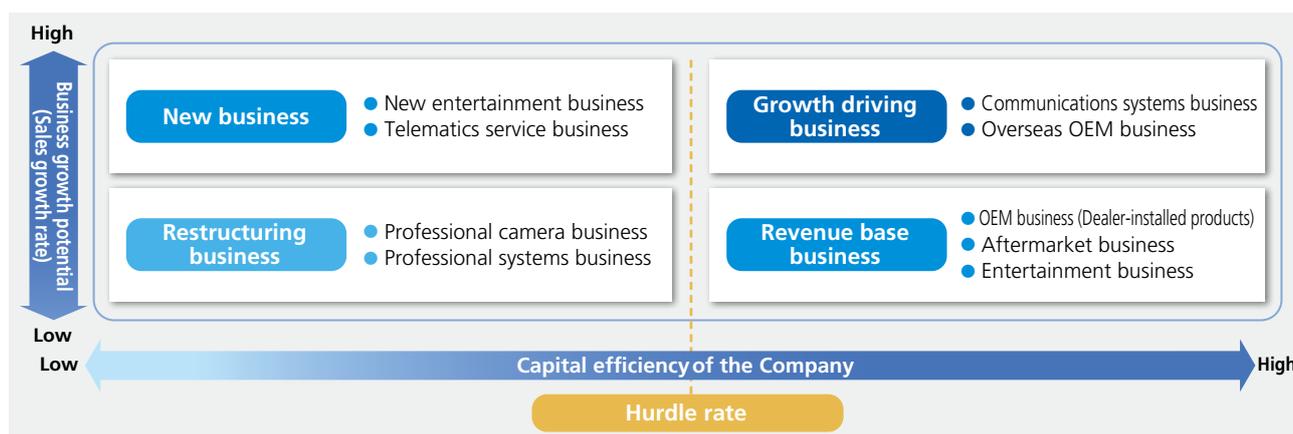


"New business": In the new entertainment business, we will take on the challenge of expanding markets worldwide, such as games, animation and metaverse. In the telematics service business, we will expand not only into the mobility sector but also into ships, construction equipment, and other areas, centering on the connected-type dashcam.

"Growth driving business": In the Communications Systems Business, we will further strengthen our business in North America, which is a growing market. In the Overseas OEM business, we will strengthen the sale of products that meet market changes mainly caused by the shift of automobiles to EVs, such as in-vehicle speakers, amplifiers, antennas and cables.

"Restructuring business": In the professional camera and professional systems businesses, which currently suffers from low profitability, we will drastically revise our strategies to improve profitability, keeping withdrawal from the business and reduction in the size of the business in mind.

"Revenue based business": In the OEM business (dealer-installed products) and the aftermarket business, we expect markets to shrink in the future, but will take advantage of positions we have established so far in those markets as a strength to capture the benefit of survivors with the minimum necessary development investment. The entertainment business supports the Group as a stable business.



New Medium-Term Management Plan "VISION 2025"

Direction for strategy enhancement

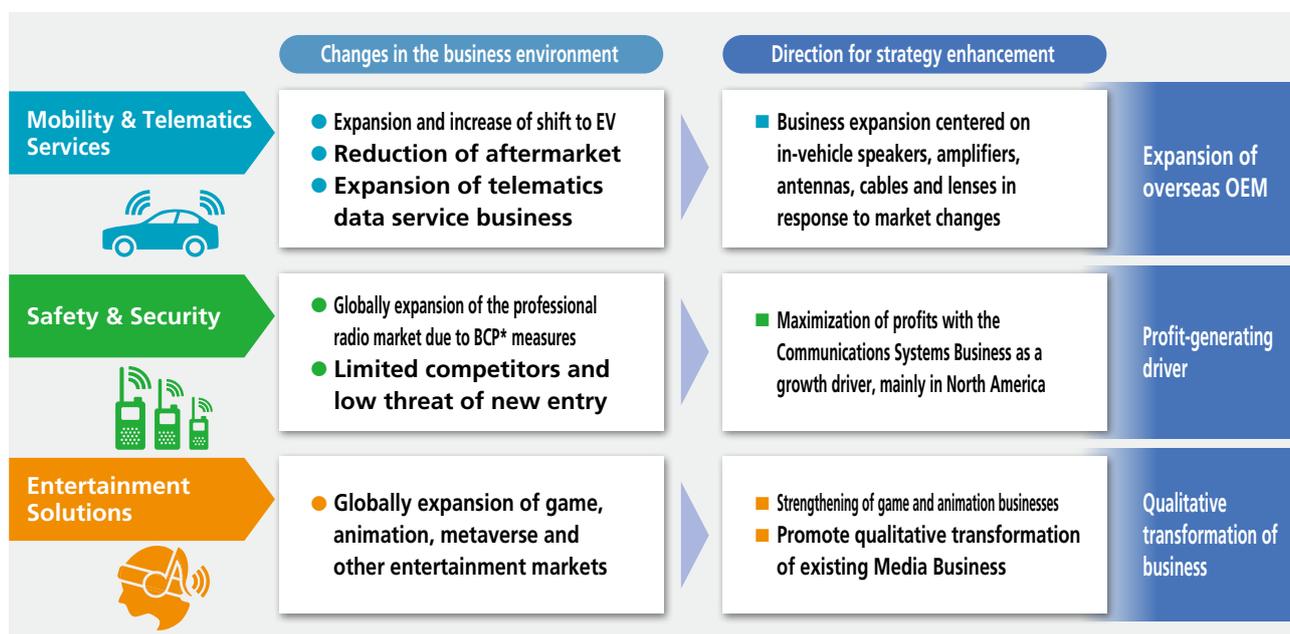
In "VISION 2025," we revised the direction for strategy enhancement from the previous medium-term management plan "VISION 2023," from the perspective of changes in the business environment surrounding the Company and maximization of corporate value. And we changed the name of sectors in order to more clearly express the business strategies the Company aims at.

In the Mobility & Telematics Services Sector, we will direct the direction for strategy enhancement to the expansion of our overseas OEM business in light of changes in the business environment, such as the expansion of the EV

market and the reduction of aftermarket.

In the Safety & Security Sector, we will position the Communications Systems Business as a growth driver and aim to maximize profits, particularly in the North American market.

In the Entertainment Solutions Sector, we will promote the qualitative transformation of our traditional media business, strengthen our game and animation businesses, which are expanding globally, and aim to create synergies with our existing businesses.



*Business Continuity Plan

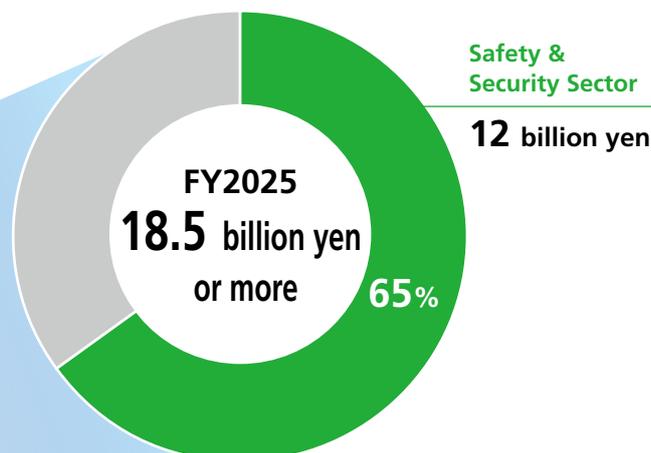
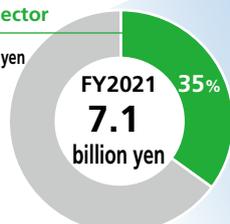
Change in profit-generating drivers due to business portfolio review

In the Communications Systems Business, which is the main business in the Safety & Security Sector, we expect the continuous generation of stable profits, because of the limited number of global competitors, high barriers to entry, and our highly competitive advantage. In FY2025, this business will lead the entire Company as a profit-generating driver, generating 65% of the Company's total core operating income.

The Communications Systems Business will generate 65% of the core operating income of the entire Company

■ Composition of core operating income

Safety & Security Sector
2.5 billion yen



Quantitative target

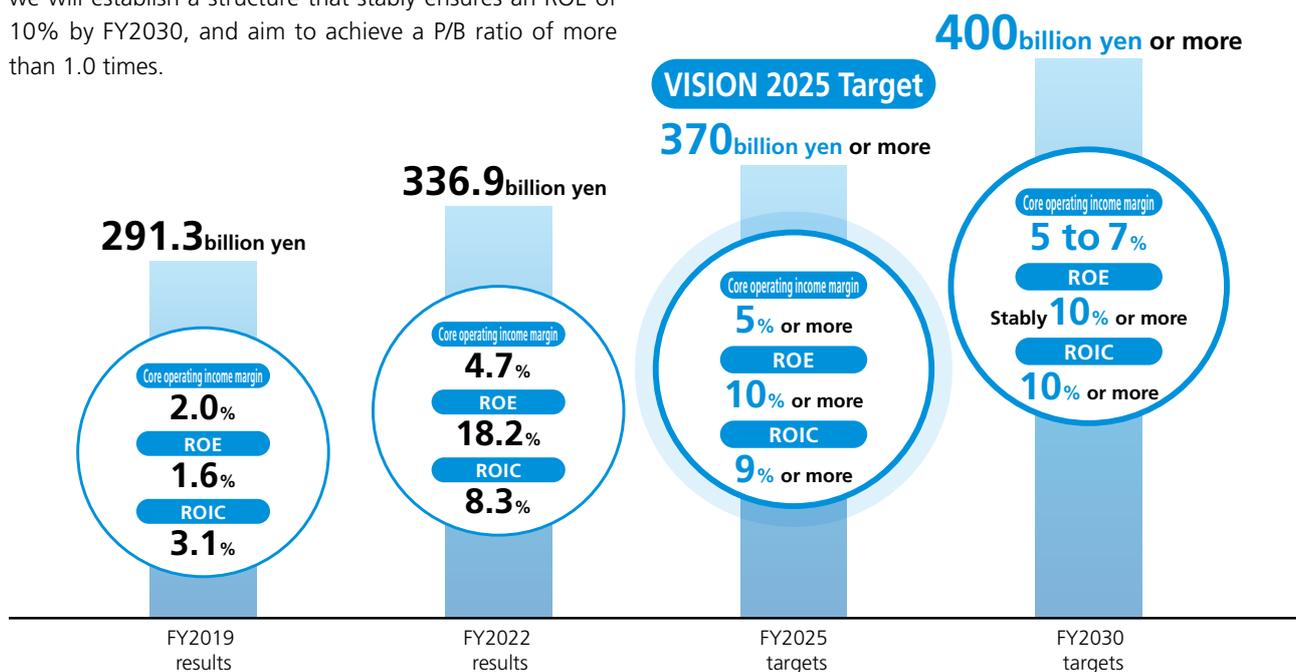
In "VISION 2025," we target a revenue of 370 billion yen or more, a core operating income margin of 5% or more, and an ROE of 10% or more for FY2025, the final year. With an emphasis on the generation of cash flow, we also target an EBITDA margin of 10%

or more, as well as an operating cash flow of 90 billion yen or more in total for 3 years during the applicable period. In addition, we have set a new target of an ROIC of 9% or more, aiming to improve capital efficiency with an emphasis on capital costs.

	FY2022 (Result)	FY2023 (Announced on April 27, 2023)	FY2025 (Target)
Revenue	336.9 billion yen	350 billion yen	370 billion yen or more
Core operating income margin	4.7%	4.2%	5.0% or more
EBITDA margin	12.5%	10.3%	10% or more
Operating cash flow	26.6 billion yen	32.5 billion yen	90 billion yen or more Cumulative total of three years from 2023 to 2025
ROE	18.2%	8.0%	10% or more
ROIC	8.3%	7.6%	9% or more

Medium- to long-term business growth image toward FY2030

As the image of medium- to long-term business growth, we will establish a structure that stably ensures an ROE of 10% by FY2030, and aim to achieve a P/B ratio of more than 1.0 times.



Message from Our CFO: Financial Strategy

Aim to achieve a P/B ratio above 1.0 by improving capital efficiency and enhancing shareholder return

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

Masatoshi Miyamoto



Toward P/B ratio above 1.0

The new medium-term management plan "VISION 2025" has a basic strategy of achieving a P/B ratio above 1.0 by improving capital efficiency and enhancing shareholder returns.

Under the previous medium-term management plan "VISION 2023," we aimed to achieve revenue of 320 billion yen or more, core operating income of 12 billion yen or more, ROE of 10% or more, and a ratio of equity attributable to owners of the parent company to total assets of 30% or more by FY2023, the final year of the plan, by steadily implementing the business strategies set forth in "Change for Growth." In light of the fact that we were able to achieve these targets one year ahead of schedule in FY2022 and the significant changes in the business environment surrounding the Company, we decided to formulate the "VISION 2025," whose first year is FY2023.

Under the "VISION 2025," toward management that is aware of share prices, we will aim to strengthen our business foundation by improving business performance, to improve capital efficiency by implementing financial and equity strategies, and to maximize corporate value by promoting sustainability management, in order to achieve a P/B ratio above 1.0.

Realization of management with awareness of capital costs

Under "VISION 2025," we set forth targets of ROE of 10% or more, a ratio of interest-bearing debts to equity (D/E ratio) of 0.6 or less, and a ratio of equity attributable to owners of the parent company to total assets of 35% or more in FY2025, the final year. This way, we will further promote the improvement of our business structure that we promoted in the "VISION 2023." In addition, in order to realize management with awareness of capital costs, we will implement more aggressive measures for shareholder return and improve capital efficiency by adding ROIC as a new financial indicator.

For the purpose of the Company, ROIC is defined as "the fiscal-year

average of (core operating income after tax + equity method profit or loss)/invested capital (shareholders' equity + interest-bearing debts)." By setting a simplified ROIC target for each business sector, however, we will promote business operation with awareness of capital costs also for each business sector, in order to achieve an ROIC of 9% or more in FY2025.

Hedging foreign exchange risk to avoid profit/loss impact

As the Company operates globally, its revenue and profits are affected by exchange rate fluctuations. At present, a depreciation by one yen against the U.S. dollar causes a loss of about 300 million yen. In order to avoid (hedge) the impact of such exchange rate fluctuations on earnings, we conclude exchange contracts.

The purpose of exchange contracts is to stabilize earnings by reducing the impact of exchange rate fluctuations. For orders such as ones in the OEM Business in the M&T^{*1} Sector, we conclude exchange contracts at the time orders are confirmed. For the Communications Systems Business in the S&S^{*2} Sector and the Aftermarket Business in the M&T Sector, we conclude contracts about one year ahead on a regular basis.

This means that even if there is a large immediate change in the exchange rate, there will be little impact on earnings during the period of those exchange contracts. By taking measures against foreign exchange during that period, including changing production locations and taking price measures, we hedge future foreign exchange risks.

*1: Mobility & Telematics Services Sector

*2: Safety & Security Sector

Capital allocation optimization

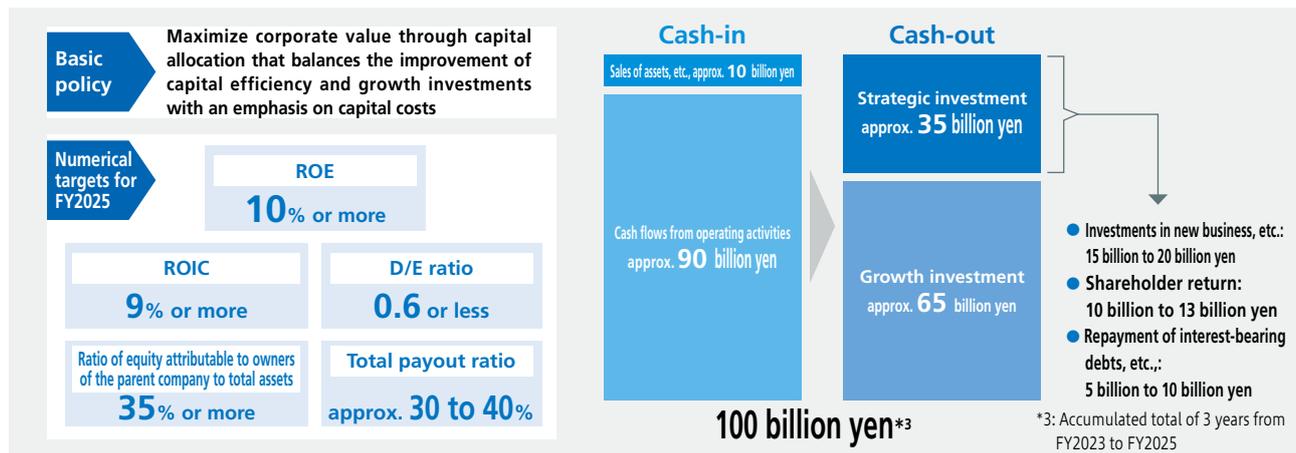
Under "VISION 2025" we will continue to focus on generating cash flow and ensure an effective outflow of cash after making the use of funds clear. Inflows of cash over 3 years are expected to be 100 billion yen, including cash of about 10 billion yen resulting from the sale of businesses and

assets, in addition to about 90 billion yen in operating cash flow. On the other hand, with respect to outflows of cash, we plan to use about 65 billion yen as growth investments to expand and maintain our existing businesses, and about 35 billion yen as strategic investments.

Strategic investments are expected to include 15 billion to 20 billion yen as investments in new businesses, 10 billion to 13 billion yen as shareholder

returns, and 5 billion to 10 billion yen as loan repayments. We intend, however, to make flexible investments within the framework of strategic investments, such as prioritizing investments in new businesses when investments are needed for growth such as M&As, and appropriating funds for shareholder returns and repayment of interest-bearing debts when there are no specific growth investment projects.

Capital Allocation Concept



New shareholder return policy

In formulating "VISION 2025," we changed our shareholder return policy based on the expectations of shareholders and investors, as well as the Company's business environment and status of equity.

Under the new shareholder return policy, we will flexibly acquire treasury shares while balancing the utilization of equity for medium- to long-term profit growth and the effect of improvement of capital efficiency, in addition to the existing dividends. In so doing, we will change the guidelines for shareholder return from the conventional dividend payout ratio to the total payout ratio, and set the standard for the total payout ratio at 30 to 40%, in order to enhance shareholder return more than ever. For the time being, we plan to allocate approximately 40% of the

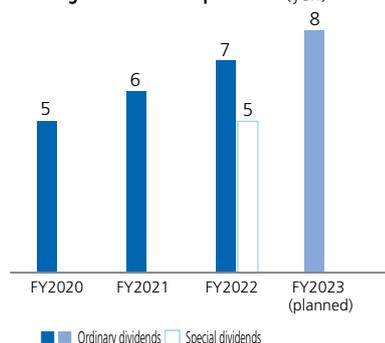
total return to dividends and approximately 60% to acquisition of treasury share. Based on this concept, the dividend for FY2022 was 12 yen in total, including 7 yen of the ordinary dividend and 5 yen of the special dividend resulting from the highest-ever business performance for the period since the management integration in 2008 and the gains on the transfer of non-current assets. In addition, as a result of acquiring 4 billion yen in treasury shares between May 8 and June 8, 2023, the total return amount was approximately 6 billion yen, and the total payout ratio to profit (loss) attributable to owners of the parent company in FY2022 was approximately 37%.

The Company plans an ordinary dividend of 8 yen for FY2023, and plans to continue increasing the dividend by 1 yen each year from the ordinary dividend of 5 yen in FY2020.

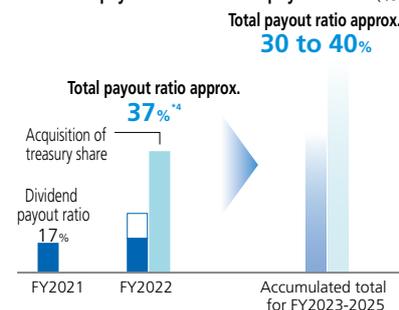
Shareholder return policy

- Return policy: Total payout ratio of approx. 30 to 40%
- Dividends: Aim for stable dividends and continuous dividend increase
- Acquisition of treasury shares: Agile implementation within the limit of the total payout ratio while maintaining financial soundness and ensuring investment in growth businesses

Changes in dividends per share (yen)

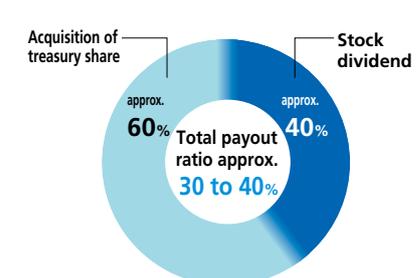


Dividend payout ratio and total payout ratio (%)



*4: Total payout ratio to profit (loss) attributable to owners of the parent company for FY2022

Shareholder return ratio



Mobility & Telematics Services Sector

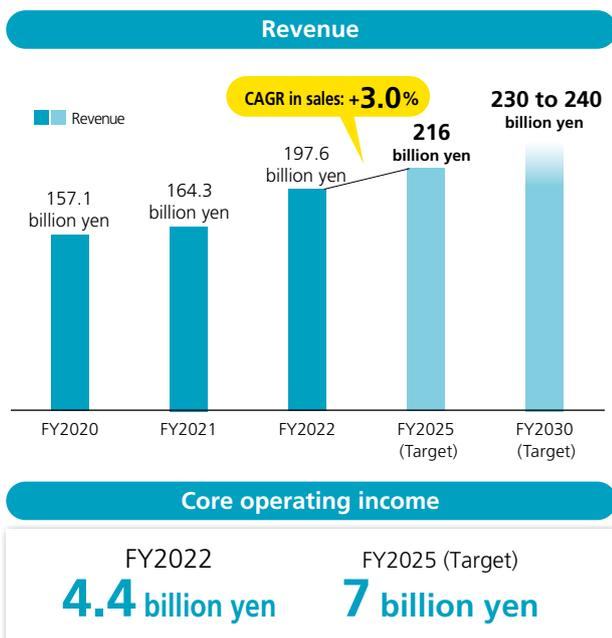


In order to respond to changes in the mobility industry, such as the shift to EVs and autonomous driving, the Company will redefine mobility in the new normal and expand our business by adding additional elements to automobiles.



Representative Director of the Board,
Senior Managing Executive Officer,
COO Mobility & Telematics Services Sector
Masao Nomura

● Revenue and core operating income



■ SWOT analysis

<ul style="list-style-type: none"> ● In-vehicle audio and visual technologies ● Providing solutions for connected products ● Safe and secure products with high reliability 	<ul style="list-style-type: none"> ● Shortage of development resources ● Profitability of existing business ● Presence of OEM business in the Americas market
Strength	Weakness
Opportunity	Threat
<ul style="list-style-type: none"> ● Mobility industry under transformation including the spread of EVs ● Expansion of needs for prevention of traffic accidents ● Expansion of the non-automotive mobility market 	<ul style="list-style-type: none"> ● Medium- to long-term contraction of existing businesses ● Increased competition due to the entry of global companies and start-ups ● Divergence between market prices and costs due to exchange rate fluctuations and price hikes

Medium-to long-term growth scenario

The mobility industry is globally undergoing a period of allegedly once-in-a-century major transformation with the shift to EVs, autonomous driving, and support for Mobility as a Service (MaaS). In this period of transformation, the Company has set "Change for Growth" as the theme of its medium-term management plan "VISION 2025." The Mobility & Telematics Services (M&T) Sector aims to evolve into a business recognizable from a global perspective by providing audio, visual and data services making the most of assets such as the brand power, technological capabilities, and global sales channels that the Company has cultivated to date.

In addition, by redefining mobility in the new normal, we will expand our business by adding additional elements to automobiles and further evolve our business based on the Company's sustainability initiatives

including environmental contribution and growth sustainability. Creating a sense of excitement in mobility life is this business's origin and the Company's mission.

Specifically, we will strengthen the overseas OEM Business based on products that respond to changes in the market, mainly including the shift to EVs, and build highly profitable business models by shifting to the service business. And we aim to maximize revenue by accelerating mobility entertainment proposals, which are our origin, and optimizing the balance of investment in the OEM Business, the Aftermarket Business and the Telematics Service Business.

By providing all stakeholders with "excitement and peace of mind" in social infrastructure and mobility life through these business activities, we will contribute to the sustainable improvement of corporate value.



Car navigation system



Dashcam



In-vehicle amplifier/
antenna/speaker

OEM Business

The Company sells mainly car navigation systems and dashcams as products for the domestic option (dealer-installed option) market. Over the long term, however, this market is expected to gradually shrink as more of those products are installed on the vehicle production line (factory-installed). Under these circumstances, it is likely that suppliers will further decrease, but the Company will seek to increase its market share while establishing a firm position.

Regarding car navigation systems for the domestic market, we will work to improve profitability by reducing total costs including logistics costs through domestic production, controlling exchange rate fluctuation risks through strengthening domestic procurement of parts, and reducing costs through design improvement in response to production line automation.

The Company seeks to maximize revenue from our business as a whole by expanding revenue through strengthening the overseas OEM Business, which develops and sells in-vehicle audio systems (speakers and amplifiers), in-vehicle antenna systems for connectivity (antennas and cables) and in-vehicle optical lenses, as the business development taking the expansion of the business domain due to the shift to EVs into account, in addition to maintaining the size of revenue from products for the domestic dealer-installed option market by expanding our market share. (See p. 22 for details)

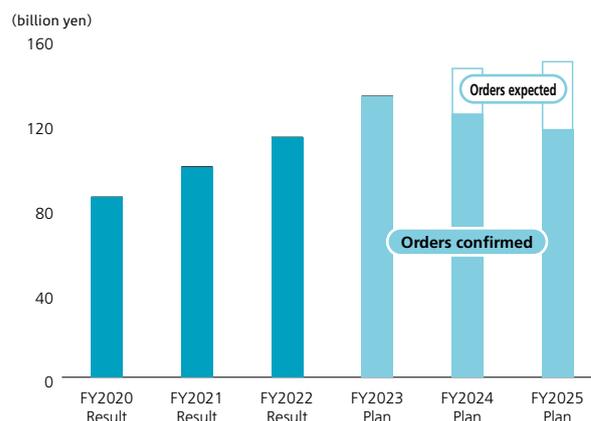
Aftermarket Business

We aim to lay a sustained revenue base by providing a wide range of product lines that enrich mobility life, such as car navigation systems, dashcams and car audio systems that take advantage of our strengths in the visual and audio fields, and making the most of the brand power we have cultivated and our global sales network.

Telematics Service Business

Based on the cumulative actual sales of more than 2.3 million connected-type dashcams (as of the end of March 2023), we aim to increase the added value of the M&T Sector by shifting to the service business through developing data business, proposing non-automotive solutions, and expanding our business overseas. Specifically, we will try to develop new business models, including service businesses such as the utilization of visuals technology for connected-type dashcams and accumulated data, and the provision of social infrastructure in the edge AI market.

Results and forecasts of sales revenue in OEM business



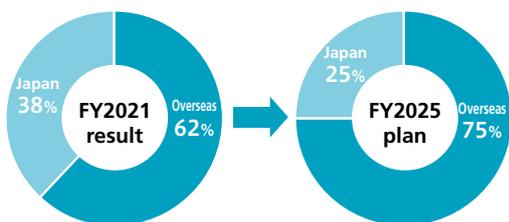
	Change in the market environment	Mid- to long-term growth scenario
OEM	<ul style="list-style-type: none"> Rising ratio of EVs in Europe, the United States, China and emerging markets Shift from car navigation systems to display audio systems 	<ul style="list-style-type: none"> Expansion of the overseas OEM business centered on in-vehicle speakers, amplifiers, antennas, cables, optical lenses, and display audio systems in response to changes in the market
Aftermarket	<ul style="list-style-type: none"> There is room for growth in sales of dashcams The market as a whole is on a gradually shrinking trend 	<ul style="list-style-type: none"> Achieve qualitative transformation while reaping profit of the remaining players and maintaining a high market share
Telematics Service	<ul style="list-style-type: none"> The market will grow toward 2030 	<ul style="list-style-type: none"> Expand data business based on cumulative actual sales of 2.3 million of connected-type dashcams Global business expansion

Priority strategy

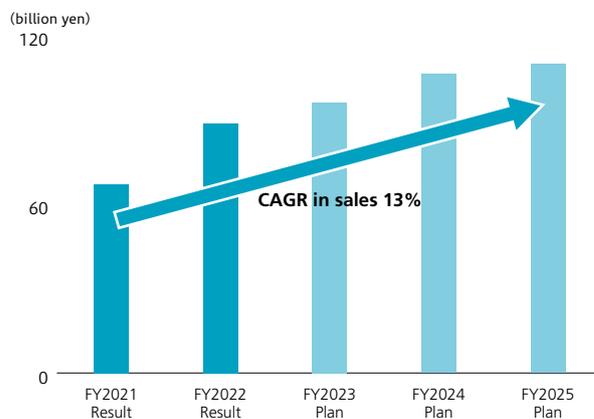
Expansion of the overseas OEM Business

Under "VISION 2025," in the M&T Sector, we will position the overseas OEM Business as a growth-leading business in light of changes in the business environment such as the expansion of the EV market and the contraction of the aftermarket services market, and aim to increase revenue focusing on the development of in-vehicle audio systems (speakers and amplifiers), in-vehicle antenna systems for connectivity (antennas and cables), in-vehicle optical lenses, and display audio systems.

• Domestic and overseas sales ratio of OEM business



• Results and forecasts of sales revenue for overseas OEM business



(1) Increased orders for in-vehicle audio systems and in-vehicle antenna systems for connectivity

One of drivers of the OEM Business is ASK Industries S.p.A. (ASK), which became a subsidiary in 2015. ASK is an Italian company that has engaged in the development, manufacturing and sale of automotive parts related to audio and communication since its foundation in 1965. Through a long and strong partnership mainly with major European automotive manufacturers, it supplies in-vehicle audio systems (speakers and amplifiers), in-vehicle antenna systems for connectivity (antennas and cables), etc. ASK operates globally with its subsidiaries in Germany, Poland, Tunisia, the United States, Brazil and China, in addition to Italy, where it is based. In China in particular, ASK has been in line with the entry of major European automakers, which are its customers, into the Chinese market, and has since been expanding its own business while acquiring new customers that are local manufacturers. Recently, ASK

has also been working to expand its business in the North American market in response to its European customers' global sourcing. The Company is also promoting receiving orders from Japanese automakers for factory-installed products using products made by ASK, and will aim to expand sales channels in Japan.



(2) Global business expansion

The OEM Business is expanding globally by maximizing the Group's synergies. The Company has strong partnerships with Japanese automakers, while ASK has strong partnerships with European and Chinese automakers. In addition, JVCKENWOOD Hong Kong Holdings Ltd., which develops and manufactures in-vehicle optical lenses, has established a network mainly in China and also in Europe with the starting point in Hungary.

As for the Group's in-vehicle audio systems (speakers and amplifiers) and in-vehicle antenna systems for connectivity (antennas and cables), all customers are involved from the product design phase, ranging from basic systems for vehicles with affordable prices to

high-end systems for luxury vehicles. Even in the era of EVs, we will meet customer needs and support all types of vehicles through our manufacturing technology with high development capabilities and highly automated production lines.



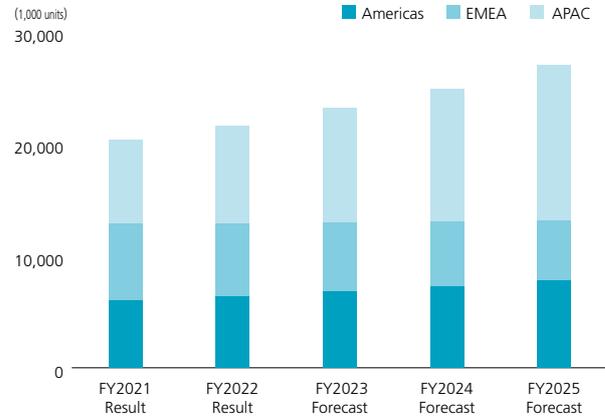
(3) Expanding orders for display audio systems

In the overseas OEM Business, display audio systems have been sold mainly to Japanese automakers for their products sold in the Southeast Asian market. In FY2022, we received an order for a new large-scale project of approximately 170 million US dollars (the delivery is scheduled to start in early 2024) from a manufacturer that operates in the North American market. As the demand for display audio systems is expected to continue growing in overseas OEM markets, particularly in the Americas, we aim to increase orders while leveraging our track record and assets we have accumulated in the Southeast Asian market.



Product image of display audio systems

Overseas OEM (dealer-installed products) market forecast based on JVCKENWOOD's survey: Car navigation and display audio sales by region



Building new highly profitable business models in the Telematics Service Business

In the Telematics Service Business, there have been various cases of implementation, such as the delivery of connected-type dashcams for auto insurances and provision of telematics services based on them, the business for fleet management, and the development of telematics solutions such as cloud-type taxi-hailing systems. By making connected-type dashcams and other Internet-connected products and services equipped with or supporting more intelligent functionality, we aim to increase their added value and expand the business domain from automobiles to living

spaces.

We aim to develop new markets and build highly profitable business models by providing services utilizing various data acquired by connected-type dashcams, such as services for the elderly, advanced driving diagnosis, support for urban development, and support for remote operation of construction machinery.

In this business, we will continue to provide customers with new added value and services by leveraging AI, IoT and other latest digital technology and big data through the utilization of open innovation in addition to technological assets the Company has cultivated.

Services for the elderly	Advanced driving diagnosis	Support for urban development	Support for remote operation of construction machinery
 <p>Services to contribute to extending driving life of the elderly by detecting driving behavior and deterioration of cognitive functions specific to the elderly based on data from dashcams</p>	 <p>Driving diagnosis that can predict accident risks based on driving behavior and the driver's condition and provide feedback that leads to improvement of driving behavior</p>	 <p>The dashcam detects abnormalities in urban facilities such as road damage and bird nests on utility poles. Detected matters are shared with the local government and facility companies to contribute to labor-saving in urban development</p>	 <p>Support for remote operation of construction machinery by utilizing dust-proof and water-proof dashcams that can withstand use in harsh field environments</p>

Safety & Security Sector

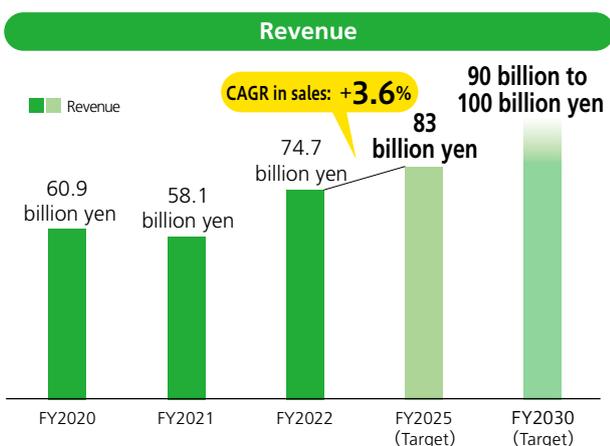


The Company aims to acquire the second largest market share to grow to sales of 100 billion yen by positioning the Communications Systems Business as a growth-leading business in order to make it our profit-generating driver.



Director of the Board,
 Senior Managing Executive Officer,
 COO Safety & Security Sector
Akira Suzuki

● Revenue and core operating income



■ SWOT analysis

- Support for customization for higher quality, higher functionality and optimization for customers
- Network of approximately 900 distributors in North America
- Clear sound quality and noise cancelling function
- Sales structure and past performance in comparison with market leaders
- Sales structure dependent on distributor networks

Strength	Weakness
Opportunity	Threat
<ul style="list-style-type: none"> ● Rapid expansion of demand for switching to digital radios in the United States ● Expansion of demand for wireless systems for crisis management around the world ● Expansion of the market share through stable product supply 	<ul style="list-style-type: none"> ● More severe competition due to the entry of new players from outside the existing professional wireless market into the broadband market

Medium-to long-term growth scenario

Communications Systems Business

Today, disaster prevention and business continuity planning (BCP) are increasingly attracting attention from around the world, and the demand for wireless systems for crisis management is expanding. In the United States, in particular, the demand for switching from analog to digital radios has increased and is expected to continue increasing, and large government budgets have been allocated to private security at educational institutions and to the public safety sector as a whole including police and fire services, which has driven the demand.

Going forward, we aim to increase our market share in the North American public safety market and achieve net sales of 100 billion yen in the Communications Systems Business by providing the following two customer value propositions.

(1) Stably and continuously provide highly reliable communication methods

The wireless systems industry is an industry with high barriers to entry due to the need to ensure communication security (confidentiality). In this industry, the Company has over 40 years of experience and a strong customer base. In January 2023, we began selling our new tri-band¹⁾ P25²⁾ digital portable radio "VP8000,"

and orders and sales are increasing in North America. VP8000 covers three band frequencies (VHF, UHF and 700-800 MHz) and two digital radio protocols (P25 and DMR³⁾) in a single unit. As an example, it can enable mutual emergency communication between the police and fire services and the school security (private security companies) in the same municipality. The quality level and functionality of this model have already been highly evaluated by the market, and we expect it to be a catalyst for accelerating the expansion of our market share in the North American public safety market. We believe that the Company can grow in the market it has entered by continuing development of such highly reliable products and solutions.

(2) Broadband technology provides new added value to communication methods

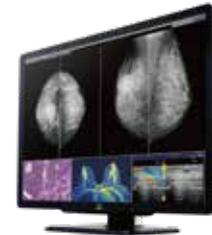
In the professional radio system market, although the broadband market is expected to grow in the medium to long term, the pace is not rapid. Since response to the broadband market requires significant investment, the Company will strengthen the broadband solutions business, partly by collaborating with other companies, while expanding its share of the



Professional radio system



Security system

Medical image
display monitor

conventional narrowband wireless business and rebuilding the revenue base.

*1: Support for VHF/UHF and 700/800 MHz frequency bands

*2: A digital radio standard developed for the US public safety market

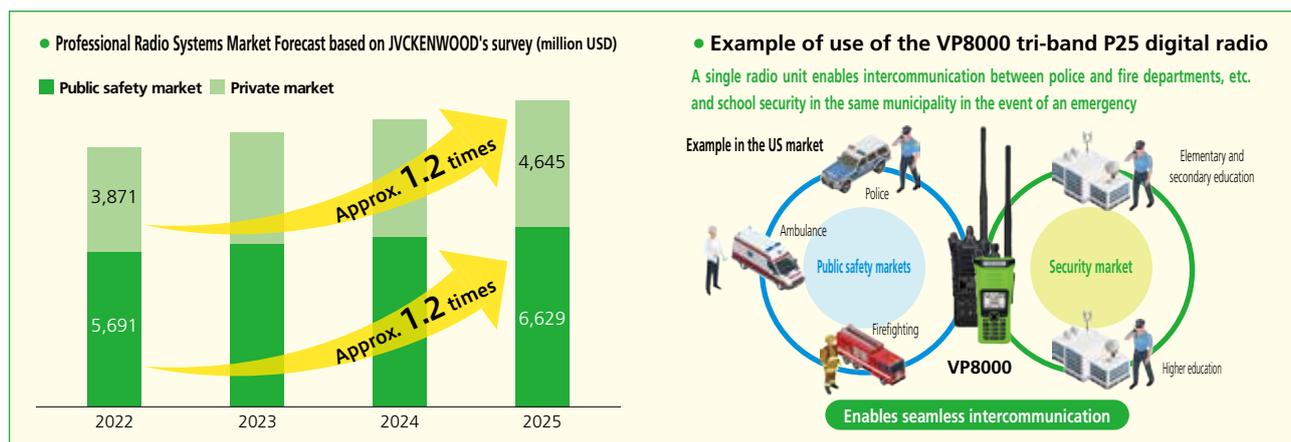
*3: Short for Digital Mobile Radio, an international digital radio standard

Professional Systems Business

In Japan, the Company develops and sells visual system solutions (security camera systems and image analysis solutions) and audio system solutions (broadcasting systems, conference systems, etc.). We are working to strengthen our business of software and application services.

Visual system solutions help customers solve business problems such as prevention of accidents and crime and safety management. Audio system solutions contribute to safety and security in society, in places ranging from public facilities to offices, commercial spaces and schools by supporting "talk," "communicate" and "listen" in business and education. We will strive for the recovery and expansion of the business by building on our strengths in the integration of development, manufacturing, sale, construction and maintenance.

In the healthcare business, we aim to increase sales of Rein Medical's visual system integration for operating rooms, which has been introduced in more than 1,000 projects mainly in Europe, in addition to high-definition medical image displays that display mammography images and various types of radiographic medical images.



Priority strategy

Communications Systems Business

In order to achieve net sales of 100 billion yen, we will focus on the following three pillars of growth as our priority.

(1) Aim for net sales of 400 million dollars and a share of 10% in the North American public safety market

There are more than 3,000 counties in the United States, and the demand for switching from analog to digital radios, and replacement of old digital radios with new digital ones, is expected to continue. Focusing on small and medium-sized local government agencies and cities, customer segments in which the Company excels, we will achieve the sales target of 400 million dollars by taking advantage of the track record we have cultivated for over 40 years in North America.

(2) Overcoming supply chain problems and realizing stable supply

Due to the COVID-19 pandemic and the global shortage in semiconductor supplies since FY2020, the market has been suffering from shortages of products. The Company has successfully restored production by making design changes and securing replacement parts,

and is also working to increase production to eliminate the backlog of orders for the private sector market as soon as possible. By rebuilding supply chain management and realizing stable production of products, we will strive to supply products that provide customers with peace of mind.

(3) Expand business in the area of disaster prevention and contribute to the SDGs

In Japan, which is hit by many natural disasters, both the government and the people are becoming more and more aware of disaster prevention. The Company will leverage its know-how in the professional radio system business in North America to expand the business in the area of emergency radio systems in Japan. We regard it as an important initiative that also assists social contribution based on SDGs ((11) Sustainable cities and communities and (13) Climate action).

Professional Systems Business

In rebuilding the business, we aim to transform it into a growth business through selection and concentration of developed businesses and improvement of the business structure.



Safety & Security Sector

Cases of system development in cooperation with customers in the Communications Systems Business

Direct interaction with overseas customers leads to future solutions and products

Customer-Oriented Business Immersion Initiative for Youth

To young employees who are important players in the creation of solutions and innovation and dare to leave Japan and work in the United States and other countries around the world, the Communications Systems Division provides a program that dispatches such employees to customers who are actually using our products or systems. This program aims to increase customer contacts and create products and businesses that contribute to solving problems from customers' points of view.

Case 1 The Venetian Resort Las Vegas

“KENWOOD's professional radio system has all required basic features and quality, and is more reasonably priced than other products. And training and daily support are provided sufficiently. That is why we have been using it for many years.”

The Venetian Resort Las Vegas, a luxury hotel in Las Vegas, United States, is the first customer to install the Company's first digital professional radio system, NEXEDGE®*1. The customer has continued using our

products and systems since the initial deployment, and is currently using about 3,000 portable radios and 20 repeaters for voice communication by receptionists, security staff, and other staff in the hotel.

*1: NEXEDGE® is a registered trademark of Kenwood Corporation in the U.S.A. and some other countries.

Comments from a dispatched employee

As many as 20 repeaters (NXR-5800) in actual operation were appropriately assigned as call channels through trunking operation*2, and the LED lamps on the front panel indicating transmission/reception operation were turned on and off. This scene was impressive and I realized that a large-scale system was playing an active role in the field. (Person in charge of development)

*2: To automatically assign a vacant channel each time a call is made, instead of permanently assigning a specific band frequency channel to a user or terminal.



External view of The Venetian Resort Las Vegas



A repeater installed in the hotel's server room



The status of communication is indicated by numbers and lamp color

Case 2

Distributor to US local government agencies

"VP8000 is not just a home run, but a grand slam"

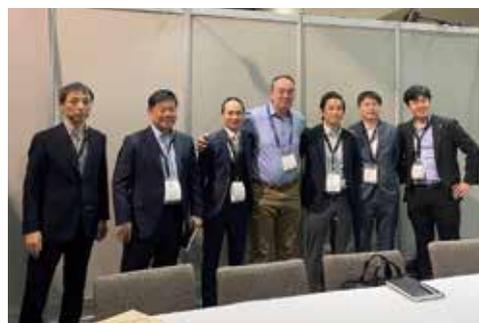
This is exquisite praise we received from our distributor who has been looking forward to our new tri-band P25 digital portable radio "VP8000," which we started selling in January 2023. In addition to "reasonable price," "versatility" and "meticulous service and support," which have been points about KENWOOD products highly recognized

for a long time, the distributor recognized "the multi-protocol system that enables mutual communication among different communication standards" as the greatest point of differentiation. We are working on an order from this distributor for a tri-band system, and we discussed a new business proposal on the occasion of our visit.

Comments from a dispatched employee

This was the first time I had a direct exposure to customer feedback, including that of end users and dealers in the United States, and the program was fruitful. Through customer feedback, I realized and was reminded that expectations for VP8000 are very high, and if we sell a good product, we will receive high regard. I also found that users use systems in diverse areas, and multi-protocol systems such as P25 + NXDN™*3 are the very point of differentiation from our competitors. (Person in charge of product planning)

*3: "NXDN™" is a trademark and/or registered trademark of ICOM INCORPORATED and JVCKENWOOD Corporation.



Distributor (center)

Case 3

Fire station near Los Angeles

"The design, size and operability of VP8000 have improved compared to the previous model, and I got a good impression. As many Americans are large people, I hope you will understand their physical characteristics well to further improve products."

We visited a fire station near Los Angeles to discuss VP8000 and check the installation of the KENWOOD professional radio system in the fire station.

Comments from a dispatched employee

The vehicle in which the end user actually installed radio systems was crowded with various installed devices. In such an in-vehicle environment, I felt an important point was the flexibility of installation that allowed for installation in any location, at any angle, in any direction. (Person in charge of development)



A fire engine stored in a garage of the fire station



KENWOOD professional mobile radio used in the fire engine



Checking the operational feeling of the radio system

Employees who participated in this program have been able to gain awareness for future product development by listening directly to customer feedback. In addition, employees were very happy and got great energy for future development work when they happened to see users using the models they developed.

Entertainment Solutions Sector

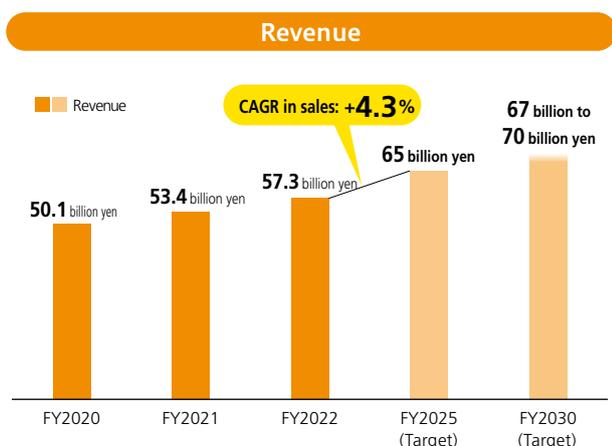


The Company will also strengthen the game and animation business by linking our Media Business and Entertainment Businesses to build our status as a luxury brand.



Executive Officer
 COO Entertainment Solutions Sector
 General Executive of Media Business Division,
 Entertainment Solutions Sector
Hatsuhiro Iwasaki

Revenue and core operating income



SWOT analysis

- Three brands (KENWOOD, JVC, Victor)
- "Visual" and "audio" technologies that achieve high image quality and high sound quality
- Expertise in music business
- Primarily a one-time sale business, development of a XaaS^{*1} business structure
- Market share in the digital market

Strength	Weakness
<p>Opportunity</p> <ul style="list-style-type: none"> • Worldwide expanding trend in the entertainment market, including gaming, anime and metaverse • Favorability for sustainable products and services from an ESG perspective 	<p>Threat</p> <ul style="list-style-type: none"> • Maturation of key business markets • Market oligopoly by global IT and music entertainment companies

*1: X as a Service

Medium-to long-term growth scenario

The Entertainment Solutions Sector consists of the Media Business, which deals with products, including headphones, earphones, portable power station and imaging devices, and the Entertainment Business, in which the Group company JVCKENWOOD Victor Entertainment Corporation plays the core role.

The Media Business will expand the development of remote and virtual-related products and services by utilizing three brand assets: KENWOOD, JVC, and Victor, and focusing on development of distinctive technologies and products, and a

proposal-based business approach.

In the Entertainment Business, we will unearth next-generation artists who are strong in the streaming market and manage them in-house, and grow the business through expanding live performances and streaming hits. In terms of our efforts in new business areas, we will enter the game applications market, strengthen our IP^{*2} Peripheral Business, including the use of anime IP, and build a New Entertainment Business by linking our Media Business and Music-related Business.

*2: Intellectual Property

Priority strategy

Media Business

As demand for remote and virtual-related products and services expands due to changes in the market environment

triggered by COVID-19, we aim to secure our status as a luxury brand in audio and visual by establishing key audio



and visual technologies suited to that demand and expanding our range of high-priced and value-added products. In order to achieve the expected value creation, we will bridge the real space and the virtual space with high sound

quality, high image quality, realistic feeling, and comfort, and provide a deeply moving experience through music and visual content.

● Priority measures and initiatives for growth

<p>Headphones and earphones</p> <ul style="list-style-type: none"> ● Expansion of high-price-range lineups ● Proposal of strategic products by application 	<p>Portable power station</p> <ul style="list-style-type: none"> ● Safety, security, and preparedness ● Convenient and enjoyable in daily living and outdoor activities 	<p>PTZ³ remote camera</p> <ul style="list-style-type: none"> ● Deployment of remote camera including peripheral devices and applications that realizes customer requirements 	<p>Projector</p> <ul style="list-style-type: none"> ● Deployment of high value-added models utilizing D-ILA 	<p>Imaging device</p> <ul style="list-style-type: none"> ● Development of next-generation communication device business leveraging D-ILA devices
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Advance development for further growth ● 3D engine ● Low-latency IP⁴ transmission system ● Cloud services ● Music service platform

*3: Abbreviation for pan (P), tilt (T), and zoom (Z) *4: Internet Protocol

Music-Related Business

Setting the growing streaming market as our top target, we will focus on developing new artists who are strong in streaming, while utilizing the know-how we have nurtured through the management of hit songs and artists that have resonated with Generation Z, in order to expand our business. As a cross-border user approach, we will establish overseas sales channels, including concluding agreements with leading local DSPs^{*5}, and also work to increase sales through globally distributing anime-related and J-pop hits. In the peripheral business, in conjunction with the recovery of the live market, we will work to expand the artist management business in which we own rights, and increase sales and profit margins by expanding revenues from live music, merchandise sales, and the number of fan club members.

We will continue to invest in the development of artists with the aim of becoming an entertainment company with a strong presence that continues to disseminate artists, music and trends that represent the times.

*5: Digital Service Provider

IP² Peripheral Business

We will strengthen and expand our IP peripheral business by developing IP that we own rights to, IP of virtual artists such as TV anime, theatrical anime, and Internet idols that can be utilized through partnerships, and original large games. As the first step, we developed the first all-new 3D action RPG^{*6} for the "Tokyo Revengers" TV anime series, and announced our plan to begin distribution of the game in the winter of 2023 (public relations announcement June 18, 2023). We will further expand our business, particularly in the entertainment sector, where the market is growing rapidly, by advancing the development for distribution release. Following the first step, we will strengthen the visual business, expand production investment, and acquire visual production personnel to achieve full operation of this business in FY2025 and beyond.

*6: Role-Playing Game



"Walküre," a music unit created from the Macross series



Music and visual content



© Ken Wakui, Kodansha Ltd./Production Committee of the anime "Tokyo Revengers"



Toward Sustainable Management



Managing Executive Officer
 Assistant to Head of Administrative Division
 General Manager of Corporate Strategy Department
 In Charge of New Business Development
Kazuyoshi Hayashi

JVCKENWOOD believes it important to meet the expectations of all stakeholders through its business activities in keeping with its corporate philosophy of "Creating excitement and peace of mind for the people of the world." Continuing to be a company that is trusted by, and that contributes to, society will ensure our sustained growth.

In April 2023, we formulated a new medium-term management plan "VISION 2025" aimed at improving sustainable corporate value and shareholder value by further evolving our change for growth as a company. Specifically, we aim to realize sustainability management that simultaneously achieves "profitable growth" and "solving social issues on a global scale" by organizing our corporate social responsibility into Fundamental CSR such as thorough compliance and risk management, and Strategic CSR including a CSV perspective on ESG in our business strategies.

Action policy for sustainability initiatives

JVCKENWOOD has established the following five-point action policy to realize sustainability management. These points are reflected in specific sustainability promotion activities for implementation throughout the JVCKENWOOD Group under the sustainability promotion system.

1. **Top management promotes initiatives**
2. **Set KPI and targets consistent with the medium-term management plan**
3. **Encourage the participation of all employees by linking the sustainability initiatives to all business activities**
4. **Achieve SDGs by contributing to Society 5.0**
5. **Proactively disclose the initiatives in an easy-to-understand manner to stakeholders via websites and other means**



JK Sustainability

We have developed a new logo that expresses our intention to grow into the future through sustainability management with a motif of branches and colors of the eight social issues of the SDGs that our Group can contribute to solving.



Sustainability promotion system

JVCKENWOOD established the Sustainability Management Office in April 2018 under the supervision of the Board of Directors to quickly implement its sustainability strategy. In FY2023, we also established the Sustainability Committee, an organization that promotes sustainability in general, as a governance structure under the direct control of the CEO to formulate sustainability strategies and examine measures. The Committee meets regularly twice a year plus holds extraordinary meetings as necessary and reports the content of discussions to

the Executive Officers Committee and the Board of Directors. In addition, as a subordinate organization of the committee, we established specialized subcommittees headed by the director in charge of each theme to set climate change initiatives as well as identify other issues related to various themes, formulate targets and implementation plans to achieve them, and discuss and work on concrete measures. The Board of Directors monitors and oversees the Sustainability Committee and subcommittees, and makes decisions.

• Promotion Structure

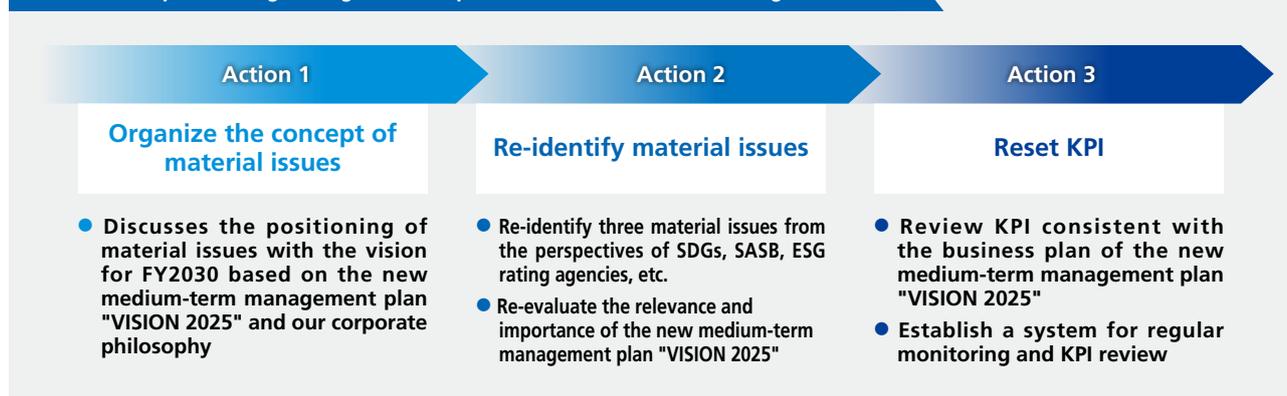


Process for identifying material issues

With the value underpinned by our corporate philosophy of “Creating excitement and peace of mind for the people of the world” at the core, the Company has determined social issues strongly connected with its business on the basis of the Sustainable Development Goals (SDGs) and identified material issues. KPI is set for each material issues to monitor

the progress of efforts to resolve the issues. In September 2023, in conjunction with changes in the social environment and the formulation of the new medium-term management plan "VISION 2025" among other factors, the Sustainability Committee reorganized the concept of materialities, and revised the materialities and the KPI.

Three steps from organizing the concept of material issues to resetting KPI



Our three material issues

Considering the importance to both the JVCKENWOOD Group and its stakeholders and the consistency with our corporate philosophy, business strategy, and sustainability strategy, and looking ahead to our vision in 2030, we have reidentified the following three material issues: (1) Safety & security initiatives (2) Environmental response, and (3) Sustainable Monozukuri (manufacturing). In addition, we have established sub-material issues linked to each material issues, and have broken them down into themes and KPI for each material issues to deepen the connection with our business.

It is also important to strengthen our corporate base so that the Group can work together as one to address the three issues. This is why we set sub-material issues, themes, and KPI to strengthen our corporate base.

Material issues	Sub-material issues
(1) Safety & Security Initiatives	<ul style="list-style-type: none"> Reduction and prevention of traffic accidents Creating safe and secure communities
(2) Environmental response	<ul style="list-style-type: none"> Response to climate change Reduction of environmental loads
(3) Sustainable Monozukuri	<ul style="list-style-type: none"> Responsible supply chain manufacturing reform Accelerating innovation
Strengthening the corporate base	<ul style="list-style-type: none"> Promoting active roles for employees Diversity & inclusion Strengthening governance

Material Issue 1: Safety & Security Initiatives

Reduction and prevention of traffic accidents

Theme 1	KPI	 <p data-bbox="975 544 1082 600">Contributing products</p> <p data-bbox="1114 544 1313 600">Car navigation and display audio systems</p>
<p data-bbox="164 414 402 616">Contribute to reducing and preventing traffic accidents by providing information to support safe driving and congestion information</p>	<p data-bbox="430 427 903 483">Number of car navigation and display audio system units sold</p> <p data-bbox="430 488 871 573">FY2023: 1.5 million units FY2023 - FY2025: 5.2 million units (cumulative) FY2023 - FY2030: 13 million units (cumulative)</p> <p data-bbox="453 577 866 600">*Number of units sold up to FY2022 (cumulative)</p> <p data-bbox="879 562 938 622">P.63</p>	

The "Saisoku Navi" AV navigation system series with enhanced car navigation functions contributes to reducing and preventing traffic accidents. In addition to its high image quality, high-speed response performance, user-friendly operation system, and high-precision car navigation functions, the following safety and security support functions assist safe driving.

Main functions that support safe and secure driving

Reverse run warning guidance: Gives a warning on dangerous driving on the display screen and in voice when a reverse run condition is detected in an interchange, service area, parking area, etc., while driving on an expressway.

30 km zone display: Indicates areas where the speed limit of 30 km/h is enforced, such as residential areas, on the map to ensure the safe passage of pedestrians and cyclists.

Voice control: Allows the driver to speak out without taking his/her hands off the steering wheel to control the necessary navigation and entertainment functions while driving (2023 models* only)

*MDV-M910HDF, MDV-M910HDL, MDV-S810F, etc.

The "Saisoku Navi" series deployed in the Aftermarket Business has been recognized for its high-quality technology and product capabilities that support these functions, as well as for its industry-leading market share performance. In the OEM Business, automotive manufacturers are increasingly adopting the series.

Theme 2	KPI	 <p data-bbox="979 1442 1070 1498">Contributing products</p> <p data-bbox="1238 1498 1345 1525">Dashcams</p>
<p data-bbox="164 1359 402 1503">Contribute to reducing traffic accidents and supporting safe driving by expanding the use of dashcams</p>	<p data-bbox="430 1359 759 1388">Number of dashcam units sold</p> <p data-bbox="430 1393 812 1476">FY2023: 1.3 million units FY2023 - FY2025: 3 million units (cumulative) FY2023 - FY2030: 8 million units (cumulative)</p> <p data-bbox="517 1480 866 1503">*Number of units sold up to FY2022 (cumulative)</p> <p data-bbox="879 1464 938 1525">P.63</p>	

The Company's dashcam contributes to reducing and preventing traffic accidents with various driver support functions, including a recording function that protects the user in the case of an accident or tailgating.

For example, our dashcams offer an AI-sensing feature, which automatically detects sudden approaches from behind and meandering driving and starts recording, as a recording function to reduce the occurrence of traffic accidents. We also offer products with forward collision and lane departure warnings as functions to assist safe driving.

In addition, we provide connected-type dashcams that comes with communication functions for automobile insurance services of auto insurance companies. The communication function allows automatic reporting in the event of a traffic accident, enabling prompt and accurate initial response and contributing to preventing multiple traffic accidents.

The Company combines visual and optical technologies cultivated over many years with its in-vehicle technology to achieve the high performance, high reliability, and high quality recording that are essential in dashcams. In the domestic aftermarket, we have a top-



class market share in the industry. Given our strong reputation and product capabilities in the aftermarket, our products have been adopted by many Japanese automakers also in the OEM Business. Ever since our connected-type dashcams were first adopted for the automobile insurance services provided by MS&AD Insurance Group Holdings in 2018, they have been continuously used for the

automobile insurance services provided by the said group, and have been highly recognized.

Creating safe and secure communities

Theme 3	KPI	
<p>Provide a stable means of communication even at the site of a disaster or accident or in an emergency</p>	<p>Number of professional radio system units sold FY2023: 1.2 million units FY2023 - FY2025: 4 million units (cumulative) FY2023 - FY2030: 12 million units (cumulative) *Number of units sold up to FY2022 (cumulative)</p>	 <p>Contributing products</p> <p>Professional radio systems</p>

In the Safety & Security Sector, the Company has developed a number of products tailored to each industry and application for the sake of creating safe and secure communities, and we engage in a total solution business utilizing a wide range of distribution channels.

In the Communications Systems Business, in particular, we are focusing on providing professional radio systems for the public safety market, such as police, fire, and emergency medical services (EMS), where the safety and security of people's lives and living must be secured at the time of initial response to a large-scale natural disaster or suchlike, in addition to ensuring the safety and security in everyday life.

Professional radio systems are essential for creating safe and secure communities as a means of communication in the event of a disaster, etc. because they enable us to create proprietary communication networks that do not rely on the existing mobile phone infrastructure and to transmit information accurately and quickly. Especially at a disaster site where every minute counts, accurate information transmission is required to save lives and prevent secondary damage. To meet these needs, our radio terminals are designed to offer robustness and low latency transmission, and to be used in any unforeseen situation, such as for direct communication between terminals without the use of a repeater. Furthermore, in order to support the execution of operations that are directly linked to safe and secure living, we pay attention not only to communication performance but also to excellent operability based on ergonomic design. For example, our VP8000 tri-band P25 digital portable radio, launched in January 2023, has been further enhanced to offer both functionalities that assist demanding tasks and ergonomics, in terms of shape and motion to prevent operational error, protection from impact, and display equipment that allows users to check communication status even while wearing the device, so that firefighters wearing thick gloves at a fire scene or police officers wearing a lot of equipment on their waists can surely operate the radio.

The Group's radio systems are widely used not only in the public safety market such as police, fire, and EMS, but also in the private sector markets such as public utilities (e.g., electricity, water, gas and public transportation) and general businesses (e.g., hotels, casino resorts, and retail). For example, the systems are adopted by railway companies in North America, South Africa, and China. In Japan, our products are used for mobile disaster prevention administrative radio, etc. The Company is recognized worldwide for its high quality and reliability, underpinned by our expertise and know-how accumulated over the years, and for its flexible system proposals that meet customer needs and budgets.

⇒ See p.26-27



Material Issue 2: Environmental Response

JVCKENWOOD continues to minimize environmental impact in all our business activities, product development, and service provision. In FY2021, we formulated our environmental vision and basic environmental policy "JK Green 2025." We have now revised the basic environmental policy to "JK Green 2030" in order to achieve carbon neutrality by 2050.

Environmental vision

Through the creation of products and services based on advanced technological capabilities and our environmental activities, we will work with all stakeholders to preserve the global environment and contribute to the realization of a sound and sustainable society, not only now but also into the future.

Basic environmental policy, "JK Green 2030"

Following our environmental vision, we comply with environmental laws and regulations in all our products and business activities and contribute to the sustainable use of and coexistence with energy, resources, and organisms that are the property of the earth. To achieve this goal, we set and implement goals that focus on the following four key environmental objectives.



Responses to climate change → Achieve carbon neutrality by 2050

■ Reduction of CO₂ emissions generated from business activities

- Scope 1 + 2 target: 46.2% reduction from FY2019 levels by FY2030

■ Reduction of CO₂ emissions through the use of purchased, transported, and sold products

- Scope 3 target: 13.5% reduction from FY2019 levels by FY2030 (Categories 1, 4, 11)



Effective use of resources → Achieving Zero Emissions (Promotion of 3R*1 Management)

■ Improvement of waste recycling rate

- Maintain the recycling rate of at least 90%

■ Reduction of waste emissions (per unit of net sales)

- 11% reduction from FY2019 levels by FY2030

■ Reduction of plastics

- Plastic consumption volume for containers and packaging 35.9% reduction from FY2019 levels by FY2030

■ Reduction in water consumption

- 11% reduction from FY2019 levels by FY2030



Environmental conservation and management → Proper management of environmentally hazardous chemical substances

■ Proper management of chemical substances (hazardous chemical substances)

- Define and manage "environmentally controlled substances" based on in-house standards determined to have significant impacts (aspects) on the global environment and the human body.



Conservation of biodiversity → Maintenance of ecosystems

- Seeing nature-related risks as opportunities, we will actively promote activities aimed at the realization of the basic environmental policy at each stage of the life cycles of our own products and services in the supply chain, contribute to the realization of a sustainable society, and conserve biodiversity.

*1: Collective term for Reduce, Reuse, and Recycle

Responses to climate change

Theme	KPI		
	FY2023	FY2025	FY2030
Reduction of CO ₂ emissions (Scope 1 + 2) (compared to FY2019)	-16.8%	-25.2%	-46.2%
Reduction of CO ₂ emissions (Scope 3) (Categories 1, 4, 11) (compared to FY2019)	-1.23%	-4.92%	-13.5%

Approach to the initiatives to reduce CO₂ emissions

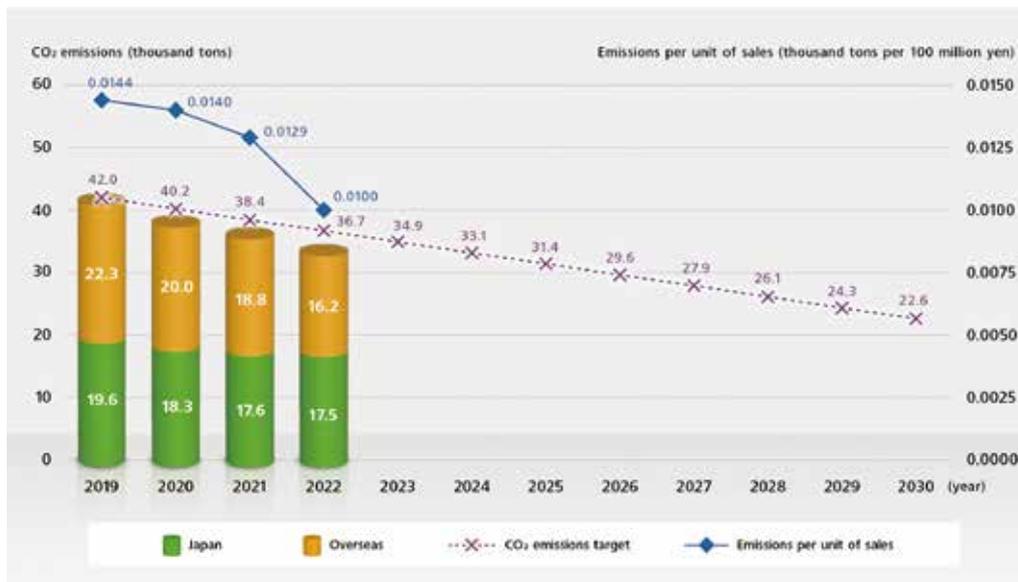
To respond to climate change, we are working on initiatives as needed that can be initiated by setting targets through management and information disclosure.

CO₂ emissions (Scope 1, 2 and 3)

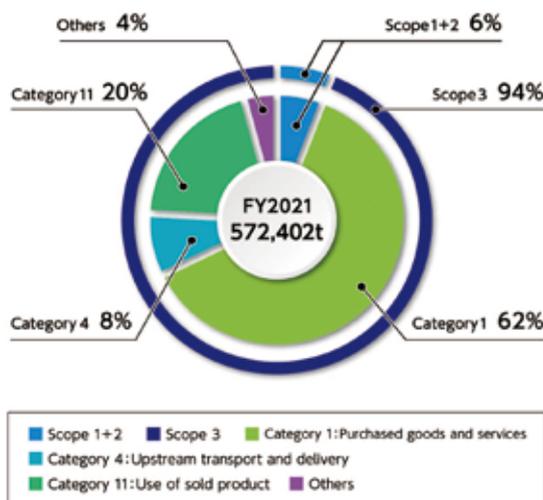
The total amount of CO₂ emissions (Scope 1 + 2) associated with our business activities has been set in consideration of the reduction target set by the Paris Agreement, and has decreased since FY2019.

We calculate indirect CO₂ emissions (Scope3) generated from various processes in our corporate activities, from procurement to manufacturing, transportation, use, and disposal of raw materials. Actual CO₂ emission volume is calculated in accordance with the "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain" issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. We will continue to endeavor to reduce CO₂ emissions by reducing the number of parts and developing energy-saving products with the utilization of life cycle assessments.

CO₂ emission reduction targets (Scope1 + Scope2) and emission trends



CO₂ emissions (Scope 1 + 2 + 3) (FY2021)



Activities to achieve CO₂ emission reduction targets

At our head office in the Yokohama area, we are constructing Value Creation Square, a base for value creation, with the aim of completing it in the summer of 2024. We have acquired ZEBReady certification¹ and adopted CASBEE (Comprehensive Assessment System for Built Environment Efficiency).

*1: Building energy conservation performance labeling system, which is a certification system led by the Ministry of Land, Infrastructure, Transport and Tourism by a third-party evaluation organization specializing in building energy conservation performance.

In the first half of FY2024, we will significantly reduce CO₂ emissions by eliminating fossil fuel boilers at all domestic sites by replacing them with electric air conditioning systems.



Fossil fuel boiler before decommission (JVCKENWOOD Nagano Corporation)

Material Issue 2: Environmental Response

Reduction of environmental loads

Theme	KPI		
	FY2023	FY2025	FY2030
Reduction of waste			
•Waste recycling rate	90% or more	90% or more	Maintain at least 90%
•Reduction in waste generation (per unit sales) (compared to FY2019)	-4%	-6%	-11%
Effective use of resources			
•Reduction in water consumption (compared to FY2019)	-4%	-6%	-11%
•Reduction of plastic consumption volume for containers and packaging (compared to FY2019)	-13.1%	-19.6%	-35.9%

■ Reduction of waste

Aiming to maintain a global recycling rate of at least 90%, we are actively working to recycle and monetize wastes generated from our business activities by sorting and decomposing them frequently within the company.

As a result, we have achieved a global recycling rate of 91% in FY2022. Going forward, we will strengthen our 3R management initiatives to achieve zero emissions and further promote the reduction of the total amount of waste and the recycling of resources.

■ Control of water usage

It is becoming increasingly important to understand the impact of water risks on corporate business activities and to take countermeasures against the risks. The Company is also working to reduce its water consumption, and as a result, water intake at production bases has decreased. Due to concerns about ongoing global water shortages, we are aiming to reduce water consumption by 11% from FY2019 levels by FY2030. At the same time, we will continue to treat wastewater generated from our business activities and make it a reusable water resource to the extent possible.

TCFD initiatives

In April 2023, the Group expressed its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB). Accordingly, in order to promote the four items of governance, strategy, risk management, and indicators and targets, we are restructuring our governance structure and analyzing and examining risks and opportunities through scenario analysis.



Governance	Restructuring the governance structure ⇒ See P.30
Strategy	<p>The scenario analysis was conducted in accordance with the TCFD recommendations to identify risks and opportunities, and to analyze and examine impact levels and countermeasures.</p> <ul style="list-style-type: none"> • Consider transition risks, physical risks, and opportunities • Quantifying the impact of each risk and opportunity on the Company's business • Consider countermeasures for each risk <p>Work to reduce energy consumption by promoting manufacturing reforms linked to the new medium-term management plan "VISION 2025."</p> <ul style="list-style-type: none"> • "Returning to domestic production" for the Japanese domestic market products • Optimization of the layout of production bases in consideration of the total production volume • Product development considering reduction of environmental loads, consideration of substitution of natural resource facilities, and use of renewable energy power
Risk management	Risk Management ⇒ See P.48
Indicators and targets	To achieve carbon neutrality by 2050, we will promote various energy conservation activities based on the Basic Environmental Policy, "JK Green 2030" ⇒ See P.34

Environmental response in products

We believe it is crucial as a manufacturing company to contribute to reducing environmental loads through the manufacturing process, sales process, and use of products.

Reduction of CO₂ emissions through evolution of Car Navigation performance

Advances in Car Navigation performance will contribute to the reduction of CO₂ emissions by providing optimal route guidance and traffic information, thereby promoting travel loss and congestion mitigation. Under the theme of providing products to reduce environmental loads by proposing functions on a sustainable basis, we will use the number of shipments of car navigation and display audio system as KPI. → See P.32

Launch of portable power station using recycled batteries in electric vehicles

Three companies, Nissan Motor Co., Ltd., 4R Energy Corporation and the Company, have jointly developed a portable power station using recycled batteries from the Nissan LEAF electric vehicle, which will be released by the end of 2023. It is resistant to heat and cold, can be mounted in a vehicle, and can be stored for a long time, so it can be used as an emergency power source in times of disaster.

With design and development to optimize the safety and reuse of used batteries, it is now possible to reduce CO₂ emissions produced from manufacturing.

In order to preserve the beautiful natural environment for the future and realize a low-carbon and sustainable society, we, as the three companies, will continue to work together to promote initiatives.



Portable power station using recycled batteries of EVs

Reduction of environmental loads of product packaging

We are expanding the use of cushioning and fixing materials with low environmental loads. For example, by changing from petroleum-derived styrofoam to pulp mold, we have improved recyclability, and by changing to bio-based materials, we have contributed to the reduction of CO₂ emissions.

Reduction of environmental impact by miniaturization of products

The NXR-1700/1800, a new repeater for professional digital radio system catered for overseas use, contributes to reducing environmental loads through miniaturization.



This product is 1/5 smaller in volume than the existing NXR-710/810 repeater. This increases the number of vehicles that can be loaded per volume during transportation, thereby improving transportation efficiency and reducing the environmental impact of the transportation.

Reduce power consumption of Bluetooth® headphones

All Bluetooth® headphones are designed to reduce power consumption. With the evaluation of the environmental load of Bluetooth® compatible headphone products, we set a five-year plan to reduce the environmental loads.



Responsible parts procurement (packing paper for headphones)

We are promoting responsible parts procurement (Protecting forest biodiversity and the rights of local communities, indigenous peoples and workers) by increasing the usage rate of FSC* certified packaging materials for all headphones. We set KPI for each fiscal year to reduce the usage rate of FSC-compliant materials.

*: A certification granted by the Forest Stewardship Council to timber produced from properly managed forests.

We will continue to monitor international trends and actively work to develop products that reduce environmental load.

Sustainability-linked loan

Sustainability-linked loans aim to promote environmentally and socially sustainable economic activity and growth by setting Sustainability Performance Targets (SPTs) based on the borrower's sustainability strategy and linking loan terms to the achievement of the SPTs, thereby strengthening the

incentive to achieve the targets. In FY2022, the Company concluded a sustainability-linked loan agreement with the Group's CO₂ emission reduction rate (Scope 1 + 2) as SPTs, financing the loan. In FY2022, we achieved the SPTs.

Material Issue 3: Sustainable Monozukuri

Responsible supply chain

By building a sustainable supply chain, the Company contributes not only to our growth but also to realizing a sustainable society.



Director of the Board
Senior Managing Executive Officer
in charge of SCM Reform
Akira Suzuki

SCM*1 reform

In JVCKENWOOD, operating cash flow worsened in the fiscal year ended March 2022 from a year earlier due to an increase in material inventories brought by political and military tensions in certain regions, as well as global shortages in semiconductor supplies and COVID-19. In response to this situation, the Corporate Risk Management Committee identified SCM risks (such as loss of profit due to excess inventory and loss of customer satisfaction due to delays in product delivery) as important risks for the

Company. In April 2022, we appointed an officer in charge of Supply Chain Management Reform and established the SCM Innovation Department to start SCM reform for risk mitigation. In October 2023, in order to accelerate SCM reform, the SCM Innovation Department and the Procurement & Logistics Department were integrated into the SCM Department.

The department has two main missions to strengthen the supply chain.

■ Main missions and specific activities of the SCM Department

Main missions	Initiative
<ul style="list-style-type: none"> Construct a supply chain that enables supplying the necessary goods to customers and markets when needed and in the necessary volume at the appropriate cost (SCM reform) Promote S&OP*2 management through SCM reform and achieve the business plan 	<ul style="list-style-type: none"> Maximize cash flows from operating activities <ul style="list-style-type: none"> Proper management of inventories Reduction of sales opportunity losses by strengthening SCM Reduction of total cost by improving the efficiency of SCM-related operations Manage SCM Risk (Obstacle for Business Plans) <ul style="list-style-type: none"> Assessment and management of procurement, production, and logistics risks Development of inventory strategy and strengthening supply chain for stable supply Optimization of lead time for supply chain-related processes

We anticipate diversifying risks such as natural disasters and geopolitical risks and build supply chains that can tolerate emergencies, as well as adapt to changes in the external environment surrounding the Company. Furthermore, we will restructure the entire supply chain, from the arrangement of raw materials to the supply of goods to final customers, from perspectives of optimality for the whole company.

We aim to improve corporate value by achieving business plans through S&OP management, maximizing profits, and maximizing operating cash flow while achieving to enhance data analysis by SCM reform, visualizing the reality of SPI*3, revamping the SPI process, ensuring stable product supply, and minimizing opportunity loss in sales.



*1: Supply Chain Management
*2: Sales and Operations Planning
*3: Abbreviations for Sales, Production, and Inventory

Promotion of sustainable procurement

Theme	Ideal state for FY2030 (KPI)
Respect for human rights	<ul style="list-style-type: none"> ● Conducting training on human rights in procurement and logistics-related divisions (continuing) ● Conducting training on human rights for business partners (continuing) ● Establishing and operating an external consulting desk
Promotion of sustainable procurement	<ul style="list-style-type: none"> ● Obtaining signatures in support of our CSR procurement guidelines when opening a new account ● Requesting the implementation of CSR self-audits by business partners and implementing corrective measures for business partners with identified problems ● Participating in alliances such as RBA and taking advantage of global frameworks

We recognize that building sustainable supply chains is important not only for pursuing corporate growth but also for contributing to realizing a sustainable society. Based on this recognition, we established the JVCKENWOOD Group Procurement Policy (the "Procurement Policy") in October 2018 to promote sustainable procurement in a comprehensive supply chain that includes our business partners. Prior to this, the JVCKENWOOD CSR Procurement Guidelines (the "CSR Procurement Guidelines") were established in 2017 (revised in 2020) in accordance with the Code of Conduct of the Japan Electronics and Information Technology Industries Association (JEITA).

We request business partners to accept the conclusion of contracts using our Master Agreement based on the Procurement Policy and also ask for their understanding and cooperation of the CSR Procurement Guidelines. We aim to contribute to the development of a sustainable society by promoting effective sustainable procurement through the implementation of the Guideline.

Initiatives for business partners

The "Regulation for Selecting New Business Partner," which is used for determining new business partners, sets forth the items concerning sustainability including human rights and labor safety in addition to environmental aspects such as sustainable resource use and chemical substance management, as well as quality, cost, delivery time, technical capability, and stable supply capability. For existing business partners, as a process of evaluating these items, we sent a self-assessment sheet (SAQ^{*4}: FY2022 revised version), which is developed in accordance with the CSR Procurement Guidelines and received responses from more than 90% of those business partners.

We analyze the responses to the SAQ and provide feedback to existing business partners who are identified as having a high risk of response to the items that could lead to significant violations of laws and regulations, particularly regarding human rights, making written requests to improve in the relevant risks. Through these continuous requests for improvement, we will work to avoid, prevent, and mitigate risks related to human rights and other sustainability issues.

*4: Self-Assessment Questionnaire

Communication with business partners

The Group has been strengthening communication with business partners to realize sustainable procurement together with them. At the annual Partners' Meeting, we promote awareness and understanding of the Procurement Policy and the CSR Procurement Guidelines. In addition, we explain our commitment to developing a sustainable supply chain by confirming the status of business partners' sustainable procurement efforts and making continuous improvement activities with the use of the SAQ, and request their understanding and cooperation.



Declaration of building partnership

The Company has declared that it will work to build new partnerships by promoting cooperation, co-existence, and co-prosperity with suppliers in the supply chain and businesses that are striving to create value.

Declaration of building partnership

1. Co-existence and co-prosperity of the entire supply chain and new cooperation across the boundaries of business size and affiliation
2. Compliance with the Promotion Standards based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises

Material Issue 3: Sustainable Monozukuri

Manufacturing reforms and accelerating innovation

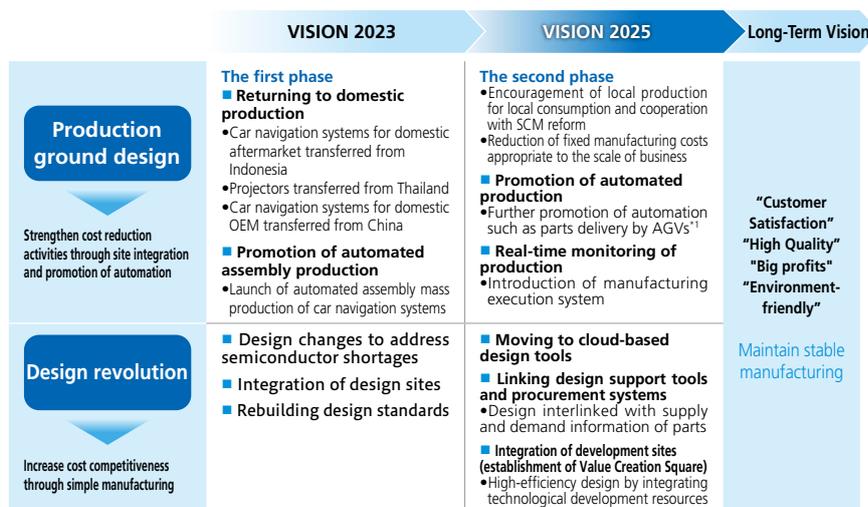
Through production reforms, IT reforms, improvement in the research and technology development environment, and intellectual property strategy, the Company will establish manufacturing standards and data-driven management to realize stable and sustainable manufacturing that responds promptly to changes in the business environment.



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

Basic strategy for manufacturing reforms

Focusing on the integration of production bases, promotion of automated production, encouragement of local production for local consumption, and establishment of a supplier ecosystem, we have been working on "production ground design" and "design revolution" that fit the total production volume and total man-hours. We aim to establish manufacturing standards in which anyone is enabled to design, any place is suited to produce, production systems are optimized and standardized, shipping quality is ensured, and work styles are diversified.



*1: Automatic Guided Vehicles

Progress in manufacturing reforms

In efforts to return to domestic production, for which we have been working as a part of production ground design, we made decisions at an earlier stage to take on the challenge of realizing a production model based on local production for local consumption, and promoted automated production aiming to enhance our management assets. To begin with, we started with reviewing the product structure of car navigation systems for the domestic aftermarket, which had been produced at a factory in Indonesia, to make them suitable for assembly and manufacturing on an automated line. In February 2022, we began full-scale production transfer to a factory in Nagano. Thereafter, we transferred the production of projectors from

a Thai plant to the Yokosuka Business Center. In addition, we transferred the production of car navigation systems for domestic OEM from a factory in China (Shanghai) to a factory in Nagano, and in September 2023 we ceased production in China (Shanghai). In March 2023, we transferred the car audio development functions from Singapore to Japan. While we proceed to reorganize production bases in an accelerated manner, we aim to manufacture products in a way in which the "design environment is standardized and products of any categories can be designed" as well as so that "products of any categories can be produced independent of a particular base."

Timing	Contents	Readiness for geopolitical risk	Foreign exchange measures	SCM optimization	Security enhancement	Returning to Japan	Efficiency Automation	SDGs ESG
February 2022	Production transfer of car navigation systems for domestic aftermarket Indonesia to Japan (Nagano)	●	●	●	●	●	●	●
March 2022	Production transfer of projectors Thailand to Japan (Yokosuka)	●	●	●	●	●	●	●
March 2022	Production transfer of professional cameras Thailand (JKET ^{*2}) → Thailand (JKOT ^{*3}) Termination of JKET production activities	●		●			●	●
November 2022	Production transfer of car navigation system for domestic OEM China (Shanghai) to Japan (Nagano)	●	●	●	●	●	●	●
March 2023	Transfer of M&T development functions from Singapore to Japan Close of development sites in Singapore					●	●	
September 2023	Termination of production activity in the Shanghai plant in China	●	●	●	●	●	●	●

*2: JVCKENWOOD Electronics (Thailand) Co., Ltd. *3: JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.

Initiatives for product quality and safety in manufacturing

The Group established a Group-wide quality management system based on the Quality Philosophy and the Quality Policy, and has been working together to improve the quality and safety of products in all activities from procurement to sales, including the resolution of quality issues by mutual collaboration among each business division and others concerned, and a specialized approach to improving product quality in each business area of design, procurement, and manufacturing.

In the OEM Business in the M&T Sector in particular, our business activities need to meet the quality requirements of automotive manufacturers, and we are regarded as superior quality suppliers by Japanese automakers and Tier1 global-scaled manufacturers.

Company-wide Quality Management

The Company holds a Company-wide Quality Management Committee every six months. Under the leadership of the Chief Executive Officer (CEO), personnel in charge of quality management throughout the Group, including Executive Officers and business managers, share the quality status of all business areas and make prompt decisions to resolve quality issues. In

addition, in order to realize the policies and measures decided at the meeting, the Quality Managers Conference, which is composed of quality assurance managers from all divisions, decides on specific quality activities and forms organizations such as working groups, projects, and subcommittees as necessary to resolve quality issues.

Company-wide quality management organizational structure



For more information, visit our website. <https://www.jvckenwood.com/en/sustainability/social/safety.html>

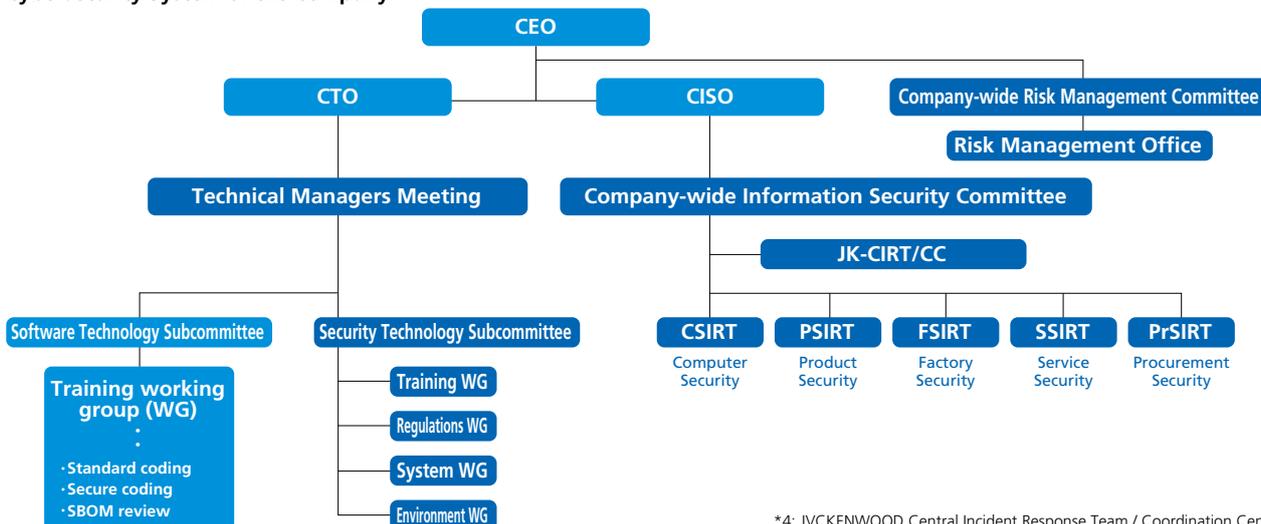


Strengthening the cybersecurity system

We recognize that the management of confidential information and the protection of personal information in our business activities are important issues for the Company and are working to build a stronger information management system, with all employees constantly maintaining risk awareness and engaging in daily operations.

We established JK-CIRT/CC*4 to clarify the Group's security system and proceed to strengthen the system, believing that it is important to protect information assets entrusted to us by our clients around the world and stakeholders such as business partners, shareholders, and employees, as well as the information assets of the entire Group.

Cybersecurity System of the Company



*4: JVCKENWOOD Central Incident Response Team / Coordination Center

Material Issue 3: Sustainable Monozukuri

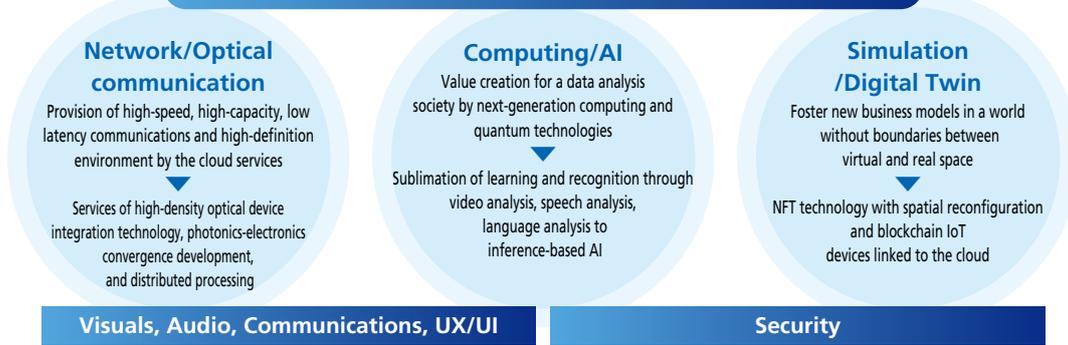
Accelerating innovation

We aim to realize the basic technology development strategy of "Connecting People with Space and Time to Create the Future," striving to provide sustainable value by technology that responds to people's instincts and desires through future-oriented research and technology development based on the Company's strengths in visuals, audio, communications, and design

management. In addition, with the theme of "The Beginning of Challenges for the Future" originating from "Interface," we will realize user experience from the customers' perspective and the provision of new value by co-creation, through the activities of the Future Creation Research Laboratory, which promotes open-minded activities focusing on the future 10 years ahead.

Basic strategy: Connecting People with Space and Time to Create the Future

"The Beginning of Challenges for the Future" originating from "Interface"



Creating new value/Strengthening customer-oriented design management

In October 2023, we established the Innovation Design Center as a new organization to develop an interface for the creation and discovery of new business opportunities and implement the development of service infrastructure.

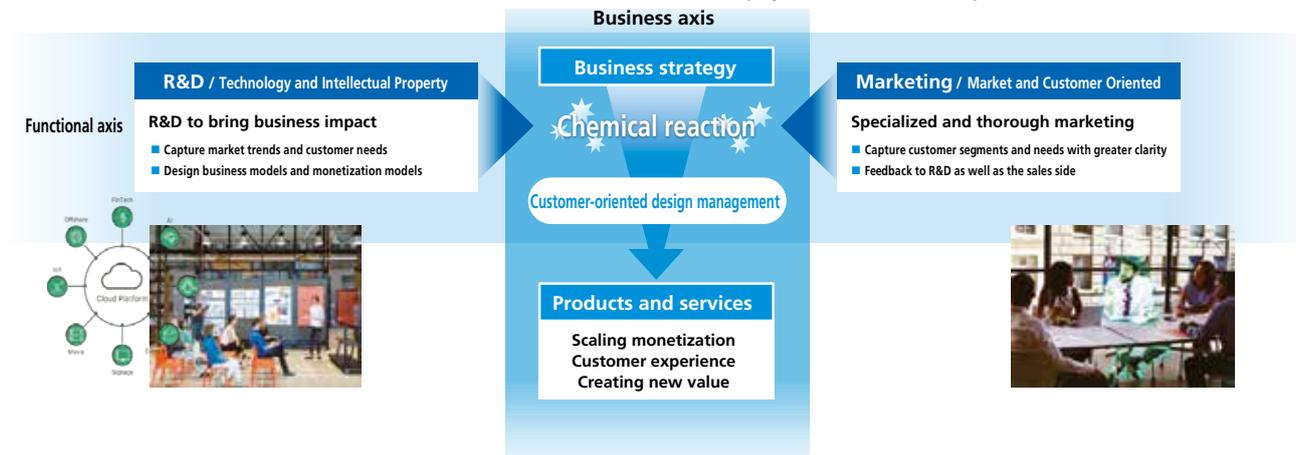
By multiplying the new ideas generated from friction at the interface with people through thorough marketing by the Company's technological capabilities, we will implement customer-oriented design management, creating a chemical reaction in an accelerated manner and realizing customer needs.

"The Power to Realize Real Customer Needs "

- Creating customer value through technology and marketing
- Creating an interface that works for people around the world
- Building a digital service infrastructure

Accelerating innovation

We move the starting point of ideas from "ownership value" to "experience value" and create an environment where hypothesis testing can be carried out in search of "winning games," so that employees act as internal entrepreneurs.



Intellectual property strategy

Theme	KPI		
	FY2023	FY2025	FY2030
Percentage of patent applications related to the Company's material issues that contribute to ESG enhancement	10% or more	15% or more	25% or more

We will continue to conduct activities in line with our intellectual property strategy and aim to maximize corporate value by creating innovation and strengthening business competitiveness.

Intellectual Property System

The Company continues to develop a patent portfolio that supports its business and promotes activities in line with its intellectual property strategy utilizing the IP landscape* (IPL).

These intellectual property activities are regularly reported to the Board of Director, and a system has been established in which the Board of Directors effectively supervise them.

*: Techniques for developing management and business strategies using intellectual property information

Patent portfolio to support business

In light of the Company's business structure, we have acquired patents to support our business since FY2017, by increasing the number of patent applications in the Mobility & Telematics Services Sector (M&T), while maintaining the number of the applications in the Entertainment Solutions Sector (ES) and the Safety & Security Sector (S&S).

In addition, since the establishment of the R&D Division in 2018, the division has strengthened its applications and has been continuously engaged in patent-creation activities that contribute to the creation of customer value in the future.

Patent portfolio that enhances competitive advantage

By collaboration between business and R&D strategies, we proceed to optimize the patent portfolio through intellectual property activities based on KPI set forth by the use of the IPL.

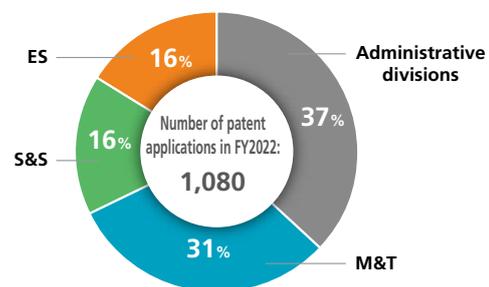
In addition, we expand invention and creation activities by all employees to understand customer needs at each phase in the value chain and to create patents focusing on the provision of customer value.

Utilization of intellectual property to connect "creation" and "earning"

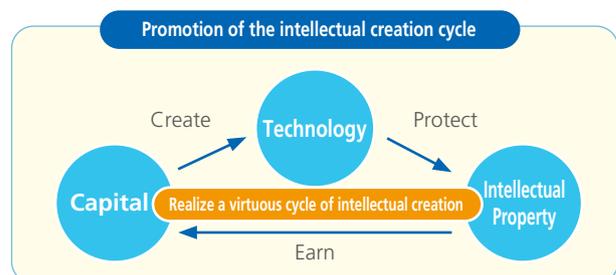
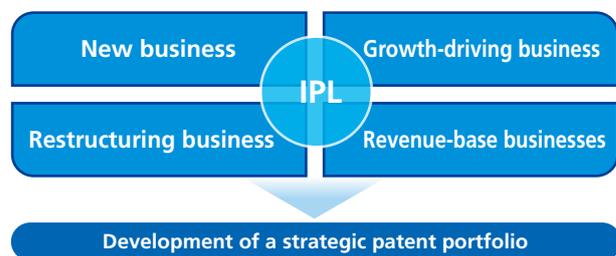
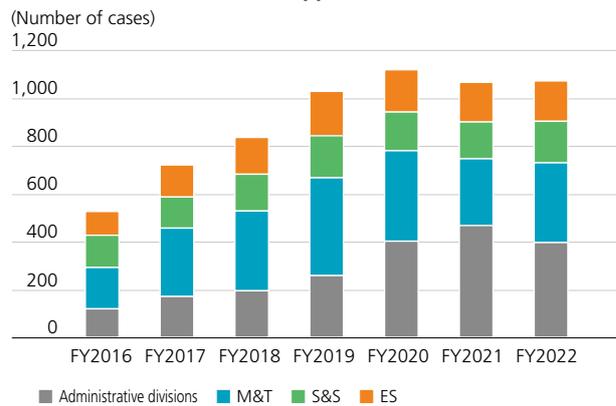
We analyze and assess the value of the Company's intellectual property (intangible assets) in a broad sense, including data and know-how, leading to strengthening its business competitiveness.

Creating intellectual property by investing in intellectual capital and generating profits by increasing customer value will promote our intellectual creation cycle of "Create," "Protect," and "Earn," which brings a virtuous cycle for reinvestment.

Breakdown of patent applications in FY2022



Trends in the number of applications



Promoting Employee Engagement, Diversity & Inclusion

Initiatives for employees to increase corporate value

The Company promotes human resources strategies that increase corporate value through individual and organizational growth.



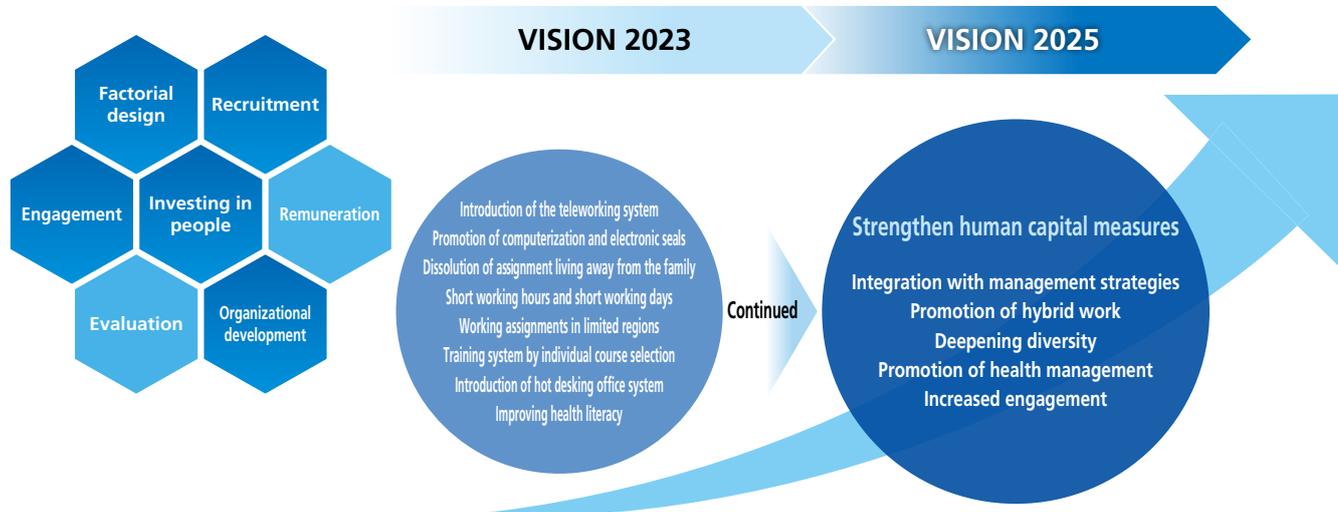
Director of the Board
Managing Executive Officer
Head of Administrative Division
Naokazu Kurihara

Themes: Corporate culture and work style reform, occupational health and safety, employee health management, respect for human rights, and fair labor-management relations

Positioning of human resources strategy in "VISION 2025"

Following the previous medium-term management plan "VISION 2023," we are implementing strategic human resources measures to realize our management policy of "developing human resources to realize innovation and strengthening organizational capabilities." In "VISION 2025," the new medium-term management plan, we will continue to implement these measures and actively promote strengthening human capital to realize our business plan by incorporating "linking management strategies with human resources strategies" into our personnel policies.

In addition, as a major company-wide theme, under the slogan of "Creating a rewarding workplace," we will establish "Value Creation Square" in the Yokohama headquarters area as a base for creating new value. We will deepen our work style reforms in preparation for its launch in the second half of FY2024. Specifically, in line with the development and relocation of offices in the Tokyo metropolitan area, we will realize "hybrid work" by combining office work and teleworking/mobile working, and will realize innovation by developing work environments and systems that enable diverse working styles.



■ Strategic personnel measures

We have been working on the following five pillars: Recruitment, Investing in people, Ability development, Systems and organizational structure, and Increased engagement of employees.

Recruitment	Activating recruitment in line with business strategies, regardless of whether new graduates or mid-career hires, to evolve diversity and correct age structure
Investing in people	Activating rotation, especially among young employees, and strengthening initiatives to promote understanding of the Company's business portfolio and broaden its talent pool
Ability development	Improving the contents and efforts of existing human resource development, and examining and implementing development plans linked to management strategies
Systems and organizational structure	Continuing to revise the system necessary to realize diversity, such as introducing the super flex-time system, strengthening efforts to promote career opportunities for people with disabilities, and responding to same-sex partners
Increased engagement of employees	Expanding communication measures, focusing on dialogue with management and information dissemination, to improve employee engagement indicators and keep the voluntary retirement rate low and stable

■ Initiatives to realize the human capital strategy

Theme	Ideal state	Measures	KPI
HR strategy Diversity	<ul style="list-style-type: none"> Linkage between management and human resource strategies Enhanced ability of each employee to create value Rewarding workplace Realization of flexible working styles Increased engagement 	<ul style="list-style-type: none"> Formulate human resource requirements and ability development plans in conjunction with management strategies Strengthen strategic recruitment efforts for new graduates and mid-career hires Activate rotation, especially among younger employees Cultivate "Customer orientation" through design management training Introduce a stock trust system for executive senior management Enhance communication measures, including management dialogue Develop systems such as a super flex-time system Promote new ways of working in the Value Creation Square Promote employment and career opportunities for people with disabilities Respond to same-sex partners 	<ul style="list-style-type: none"> Number of recruits Number of trainees Engagement indicators Voluntary retirement rate
Promotion of health management	<ul style="list-style-type: none"> Established healthy and productive work styles 	<ul style="list-style-type: none"> Health management reporting Enhancing measures to improve health literacy 	<ul style="list-style-type: none"> Productivity indicators Rate of employees on administrative leave

Health management

The JVCKENWOOD Health Declaration was established as a message from top management, and we have been working to create a safe and healthy workplace by promoting the development of a "healthy and vibrant work environment" for each employee to maximize their abilities.

Specifically, we have been working on "mental health training for managers," "health promotion activities in collaboration with health insurance associations," "measures for long-hour working and employee care," and "strengthening periodical medical examination and follow-up examination."

In recognition of these activities, we have been recognized as a Certified Health & Productivity Management Outstanding Organizations for six consecutive years since 2018. In 2023, we received the White 500 certification

for the fifth time.

In "VISION 2025," we set forth the goal of establishing healthy and productive working styles and aim to contribute to our business by increasing output to business activities. To this end, we monitor productivity indicators (Presenteeism*) and the leave of absence rate (Absenteeism), and share the results with management to strive to improve measures.

*: Quantified working productivity by using the results of WLQ-J (the Japanese version of the Work Limitations Questionnaire).



JVCKENWOOD Health Management Declaration

JVCKENWOOD strives to create a work environment where all employees can work healthily and vividly in order to realize its corporate philosophy of "excitement and peace of mind for the people of the world."

Creation of rewarding workplace

Creation of Value Creation Square as a base for new value creation

(A new building is under construction in the Yokohama area of the headquarters, to be completed in summer 2024.)

Diversified work locations and environments
Achieving hybrid work



Promoting Employee Engagement, Diversity & Inclusion

Diversity & inclusion

Theme	KPI	
	FY2023	FY2024
Ratio of female managers	7.2%	8.0%

The Company considers the promotion of diversity and inclusion as one of its key initiatives to strengthen its corporate foundation.

We believe that creating an organization in which employees from various backgrounds such as race, nationality, religion, culture, disability, work style, age, gender, sexual orientation, and gender identity can play active roles, and increasing the engagement of each employee will lead to revitalization of the organization and improvement of performance.

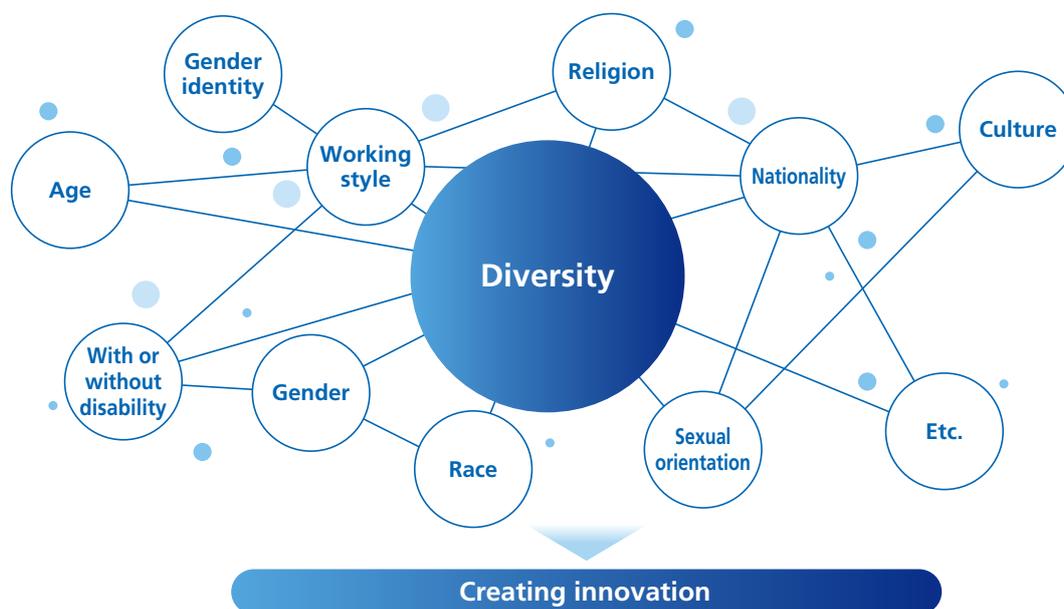
For example, we support female employees by conducting training and enhancing systems such as parental leave so that they can play active roles. The Company has also been recognized by the Minister of Health, Labor and Welfare as an "Eruboshi," a certification in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life. The "Eruboshi"

certification was evaluated by the following five categories: "Recruitment," "Continuous employment," "Work styles including working hours," "Ratio of female managers," and "Diverse career tracks." We received the highest rating (the third level), satisfying all evaluation categories.

In addition, following the revision of the Act in 2022, we are also strengthening the promotion of parental leave taken by male employees, aiming to achieve 100% of the acquisition rate.

We recognize that the ratio of female managers is a medium- to long-term issue for the Company, and will continue our efforts to develop people who can play an active role in the organization for a long time and increase the number of candidates for management positions, with the goal of achieving 8.0% in FY2024.

• Conceptual diagram of Diversity & Inclusion



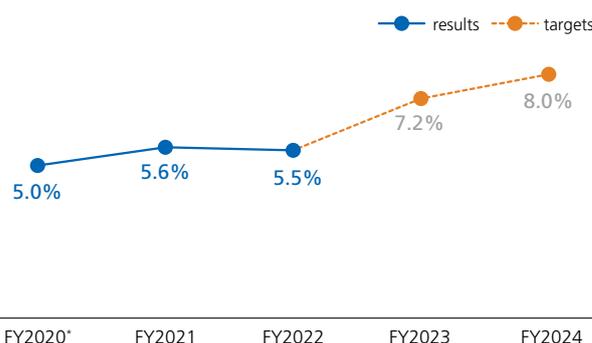
Diversity logomark



JVCKENWOOD DIVERSITY

The logomark expresses how people with diverse values join hands and move toward the future together. With the image of integration of diverse races, genders, and values, the logomark adopted a wide color gamut including blue, which is a corporate color of JVCKENWOOD.

• Trends in the ratio of female managers (non-consolidated)



*: In FY2020, the figures were compiled on the day following the end of the fiscal year (i.e. as of April 1 of the following fiscal year).

Occupational health and safety

Based on the recognition that "safety" and "health" are the foundation of promoting employee activity, we strive to create a work environment in which employees can work safely, comfortably, and healthily. In addition to complying with the Industrial Safety and Health Act and related laws, we also regularly hold Safety and Health Committees and conduct monthly safety patrols to prevent industrial accidents by employees.

With regard to workplace safety issues that have been identified during safety patrols, we take corrective measures while listening to the opinions of employee representatives. Furthermore, in order to raise employees' awareness of safety, we conduct occupational health and safety training sessions for domestic employees in addition to statutory training, and continuously strive to improve safety and health activities.



Implementation of safety patrols

Human rights initiatives

The Group respects the human rights of all stakeholders involved in its business activities and supply chain. Against the backdrop of growing concern about the impact of globalized business operations on human rights, we formulated the "JVCKENWOOD Group Human Rights Policy" to express more clearly our intention to respect human rights in our business activities. The policy requires compliance not only by the Group's directors and employees, but also by all external partners in the value chain, including business partners and suppliers who may have an influence through the business, and actively encourages appropriate action through stakeholder engagement. Based on the policy, we will continue to make further efforts to respect human rights in our business activities.

In order to identify, prevent, or mitigate the impacts on human rights and continually consider how to address them, we implement human rights due diligence. As part of this effort, we

conduct annual risk surveillance focusing on human rights risks, identify significant human rights risks that have been revealed, and respond by a company-wide cooperation system to the risks that require action. In the Company-wide Risk Management Committee in January 2023, we identified four significant human rights risks and conducted an interim review of our efforts in June 2023.

- 1) Labor management of employees
- 2) Protection of consumers' personal information
- 3) Discrimination and harassment against employees
- 4) Forced labor and child labor in the supply chain

As a human rights training for employees, we also conducted online and e-learning training to thoroughly communicate with employees about the United Nations Guiding Principles on Business and Human Rights and the Group's initiatives.



The JVCKENWOOD Group Human Rights Policy is available on our website.

https://www.jvckenwood.com/en/sustainability/social/human_rights.html



Risk Management

Key philosophy

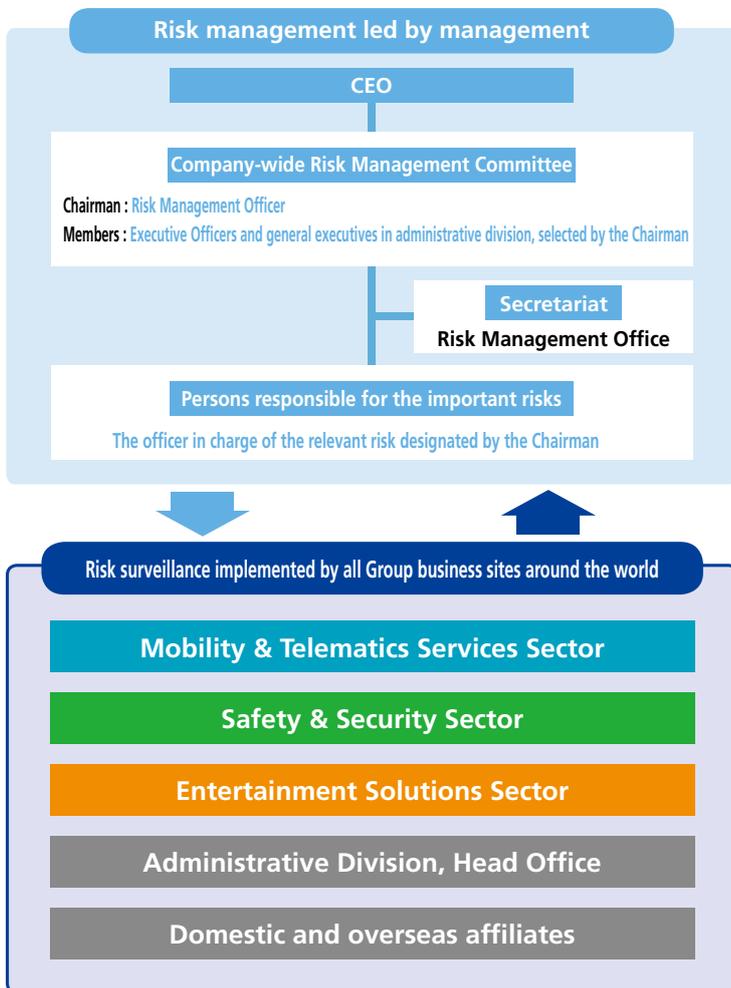
The Group regards risks as “factors that could inhibit the achievement of business plans” and works to minimize impact or damage by accurately identifying all risks associated with our business activities worldwide. We are establishing a system based on the belief that it is also an important risk management activity to positively take advantage of these risks as opportunities to maximize returns. With a director who supervises and promotes risk management from a company-wide perspective, and a risk management division serving as the secretariat, the heads of Business Sectors, Group companies and the Administrative Division take the lead in identifying risks to the Company proactively and regularly. In so doing, we understand risks in advance and consider rapid countermeasures in the event of the realization of those risks in order to manage risks and opportunities appropriately.

Since FY2023, we have been strengthening our risk management system to address climate change risks in line with the TCFD recommendations. Transition risks^{*1} and physical risks^{*2} arising from climate change issues are classified separately from general risks and assessed in terms of material issues, and managed in an integrated manner with other risks.

*1: Risks arising from the transition to a low-carbon society

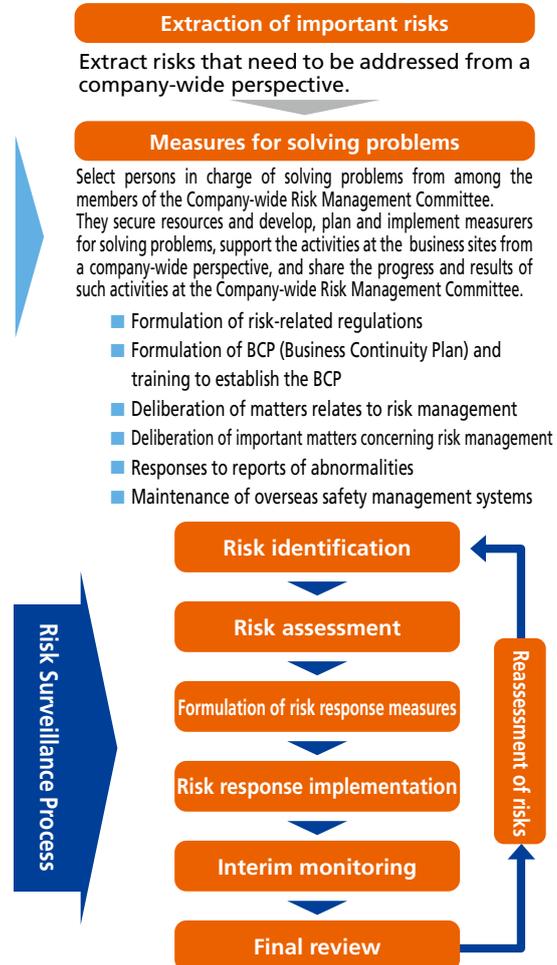
*2: Risks arising from physical changes due to climate change

• Risk management system



Risk management system and risk surveillance

- We have established the Company-wide Risk Management Committee hosted by the Chief Executive Officer (CEO), chaired by the director in charge of risk management, and composed of directors and heads of administrative divisions designated by the chairman. Based on business risks faced by business sites and identified by each business unit and region, as well as management issues and business issues, we will formulate measures to resolve “global important risks that should be addressed with the highest priority” extracted in light of their impact on business, urgency, and degree of incident, and designate an officer in charge of managing the relevant risks as the officer responsible for promoting countermeasures as a company-wide measure at the management level.
- The officer responsible for promoting countermeasures implements a cycle to deploy and improve measures against “global important risks” to business units and regions and monitors progress as business initiatives to be achieved during the current consolidated business year.
- All the divisions in the Group implement annual risk surveillance to assess “business base risks” based on their impact on the business, frequency of occurrence, and status of response, and formulate and implement countermeasures. In addition, each division implements a cycle of monitoring and improving the progress of countermeasures.



■ Mapping by risk assessment and countermeasures

Risks identified through risk surveillance are evaluated and mapped according to "Impact," "Urgency" and "Response Level" and classified as follows.

Countermeasure risks: Risks to be avoided by developing a response implementation plan (see below table (1) to (11))

Monitoring risks: Risks to be deterred or transferred **Recording risks:** Risks to be retained

Impact			Urgency		Response level	
5	Significant	More than 1 billion yen	5	Within 1 year	Already taken measures	
4	Serious	More than 100 million yen	4	Within 3 year	Mostly taken measures	
3	Standard	More than 10 million yen	3	Within 5 year	Taken measures to a certain extent	
2	Minor	More than 1 million yen	2	Within 10 year	Taken some measures	
1	Ignore	Less than 1 million yen	1	Beyond 10 years	None	

Impact	Urgency	Urgency				
		Long	Mid-to-long	Medium	Short	Urgent
Significant	5			Countermeasure risks		1,7
Serious	4	Monitoring risks		5,8	2,10,11	3,6
Standard	3				9	4
Minor	2	Recording risks		Monitoring risks		
Ignore	1					

■ Global important risks for the Group

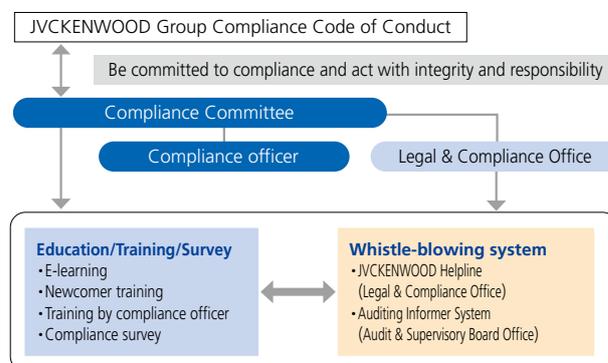
The Company-wide Risk Management Committee, based on management issues and business issues, identifies global important risks ((1) and (7) in the table below) from addressed risks and formulates measures against them along with other addressed risks.

	Risk item	Impact	Urgency	Risk assessment	Countermeasures
Changes in the business environment	(1) Changes in supply chain management	Significant	Urgent	Important risk	Take measures such as backing up development, securing multiple business partners, holding BCP inventory, adopting general-purpose parts, and securing inventory through the use of intermediary agents, in order to prevent sudden deterioration of cost and suspension of domestic and overseas production plants. In particular, in response to shortages in the supply of semiconductors and other parts, take new measures including stockpiling parts and continuing production and sales with designs alternative to problem parts.
	(2) Economic fluctuations and changes in preferences	Serious	Short-term	Countermeasure risk	Monitor changes and take measures according to the scale of risk ranging from daily operational measures to contingency plans
	(3) Exchange rate fluctuation	Serious	Urgent	Countermeasure risk	Implementation of hedging transactions such as exchange contracts
	(4) Technological innovation	Standard	Urgent	Countermeasure risk	Revise the technology development and commercialization road map in a timely manner, including changing market environments, social demands and technology trends, and systematically develop engineering human resources and their skills
	(5) Rapid evolution and transformation of the industry	Serious	Medium-term	Countermeasure risk	Promote development of proprietary products and services and establish a position not affected by industry changes
	(6) Overseas business activities	Serious	Urgent	Countermeasure risk	Implement contingency plans in cooperation with affiliates and subsidiaries in each country, regional economic organizations, authorities, lawyers, consultants, etc.
Business operations	(7) Information security	Significant	Urgent	Important risk	Establish the JVCKENWOOD Central Incident Response Team/Coordination Center under the control of the CISO (Chief Information Security Officer) to clarify the Company's security system in light of the government's request to strengthen cyber security measures. Strengthen the security system to protect the Group's information assets and information assets entrusted by customers around the world and stakeholders including business partners, shareholders, and employees of the Group
	(8) Quality problem	Serious	Medium-term	Countermeasure risk	Implement thorough checks to prevent quality problems by complying with the standards of each process with an emphasis on quality in the processes of planning, development, and production and establishing effective phase gates. Across the whole Company, promote product safety assessments of new models, reinforcement of management of critical safety parts, reconstruction of the product safety management system (e.g., database of PL information), design assessments for quality improvement and safety assurance, and company-wide sharing of know-how
	(9) Loss and shortage of human resources	Standard	Short-term	Countermeasure risk	Secure diverse human resources through "expansion of recruitment of new graduates" and "diversified implementation of mid-career recruitment," facilitate career development by establishing the employee development system, and promote retention, appropriate age structure and rebalancing of employees through synergies with workstyle reform
	(10) Business tie-up with other companies	Serious	Short-term	Countermeasure risk	Risk analysis through business tie-ups, and sufficient examination of potential synergies with the Group
Disasters, etc.	(11) Natural disasters, pandemics, and human disasters	Serious	Short-term	Countermeasure risk	Promote business continuity management including business continuity and early recovery from disasters by establishing various manuals assuming crisis response, implementing disaster prevention drills, business continuity plan training, and safety confirmation drills in preparation for emergencies, as well as rapid resumption of production, shipment, and services

Basic policy and promotion systems

We understand that compliance requires companies to go beyond simply adhering to laws and regulations and to also address issues of great public concern stemming from rapid changes that have yet to be dealt with by legislation. So, the Compliance Committee headed by the Chief Executive Officer (CEO) and the Legal & Compliance Office took the lead in developing the JVCKENWOOD Group Compliance Code of Conduct. In order to achieve one conduct guide stipulated in the Code of Conduct, “Strive for sincere, responsible corporate behavior as our commitment to compliance,” we are taking the following company-wide initiatives.

We also place importance on ensuring transparency in our corporate activities, and will continue to disclose information, including donations to specific political parties and organizations (political donations made in FY2022: 0 yen).



Specific initiatives to promote compliance

Compliance Code of Conduct

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

Compliance training

Education on compliance is provided to inform all executives and employees including those of 39 Group companies in Japan and overseas on compliance matters in order to construct a robust compliance structure. New employees are provided with training in face-to-face sessions while other employees are provided with regular training through e-learning. Compliance Officers conduct annual training for division heads under their direct supervision and other executives. The training is on the topics covered by the JVCKENWOOD Group Compliance Code of Conduct and other related regulations as well as on the prohibition against facilitation payments and bribery of foreign officials, prevention of corruption, such as giving or accepting excessive gifts, corporate scandals and the whistle-blower system. In the event of violations of the Code of Conduct, corruption, or other violations of corporate ethics, we will promptly take measures to prevent the recurrence of similar incidents.

Anti-corruption initiatives

The JVCKENWOOD Group Compliance Code of Conduct and its internal rules state that the Company prohibits all forms of bribery and corruption and that no illegal or inappropriate means should be employed that may be used to influence the actions of others. The Group complies with anti-corruption laws and regulations and prohibits bribery and inappropriate benefits such as gifts and entertainment that are contrary to laws, regulations, and social conventions.

The Compliance Committee looks into major incidents of noncompliance, such as bribery and corruption, and discusses measures to prevent their recurrence. All incidents of misconduct, including bribery and corruption, are reported to the Board of Directors.

Whistle-blowing system

The JVCKENWOOD Group has two whistle-blowing systems (a JVCKENWOOD Helpline and an Auditing Informer System) for use by all executives and employees including contract employees anonymously.

Any concerns about corporate ethics in general and compliance, such as human rights violations, harassment, and corruption (embezzlement, bribery, etc.) are directly reported to the JVCKENWOOD Helpline established in the Legal & Compliance Office based on the Regulation for JVCKENWOOD Group Whistle-blowing system, and corrective measures will be taken under the leadership of the Compliance Committee. Any concerns about misconduct by officers or Helpline contacts such as violations of laws are reported directly to the Auditing Informer System established in the Audit & Supervisory Board Office. Both systems employ a dedicated communications system run by selected personnel to protect the whistle-blower’s name and maintain the confidentiality of the report. We will continue using both systems to detect and rectify compliance violations (behaviors that deviate from social norms) as early as possible.

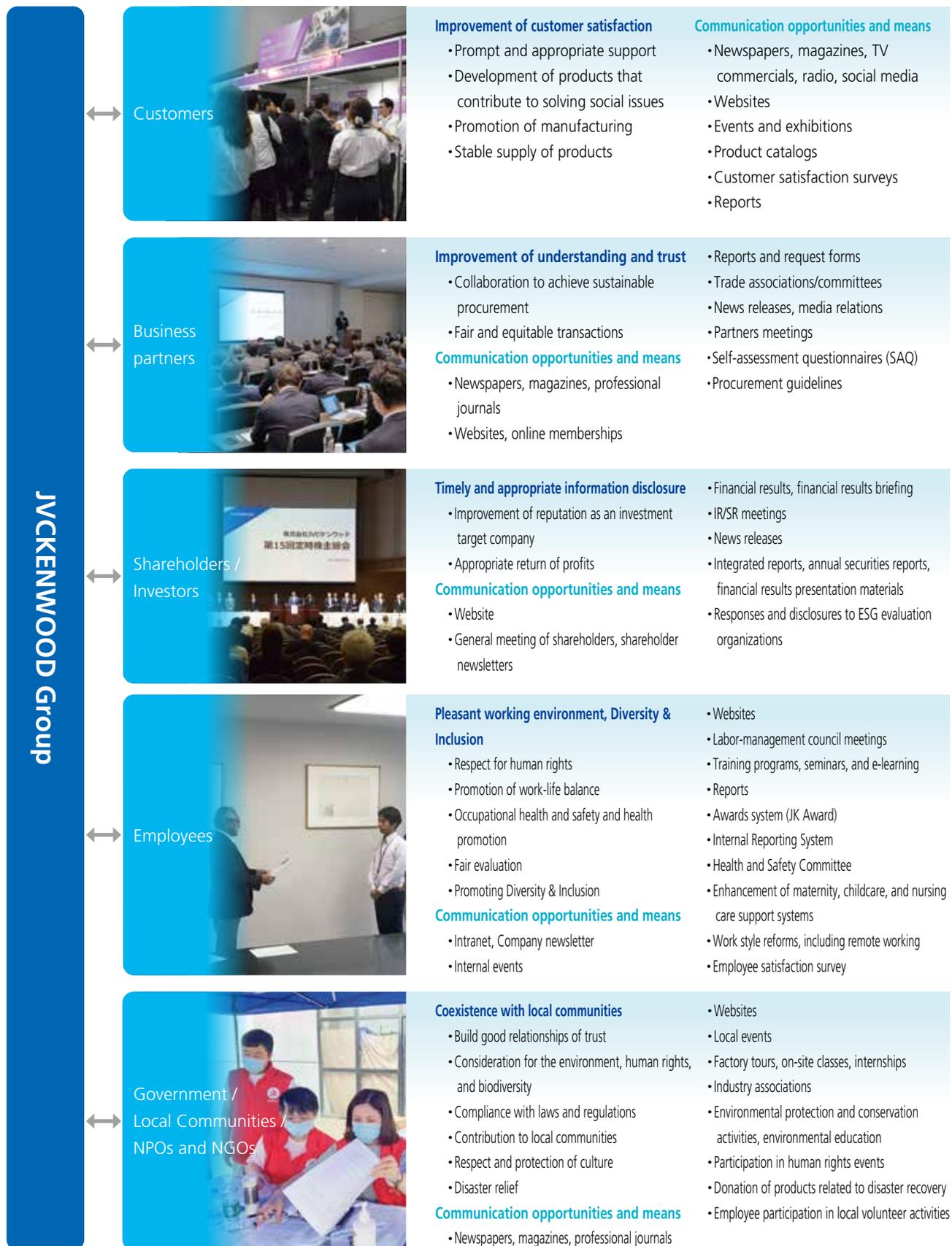
Compliance survey

In order to check how far the awareness of compliance has been embedded in the Company, we have been implementing an annual survey of Group company employees in Japan during e-learning since 2017. In 2022, 4,350 employees responded to the survey. Since the start of the survey, employees’ interest in compliance has increased over the years.

Foundation for Value Creation

Stakeholder Engagement

The Group will deal proactively and honestly with diverse stakeholders to ensure sustainable business operations and strengthen our corporate value.



External Directors Roundtable Discussion



Chairman of
Nomination and
Remuneration Advisory
Committee
Yuji Hamasaki

Chairman of the Board
Nomination and
Remuneration Advisory
Committee member
Shinjiro Iwata

Nomination and
Remuneration Advisory
Committee member
Hiromi Onitsuka

Enhance the quality of management through extensive experience and insight

JVCKENWOOD from the perspective of External Directors of the Board

Iwata: I accepted the offer for the position of External Director of the Board of JVCKENWOOD because the former President had just assumed office and was actively engaged in management, and I wanted to cooperate with him. Also, I had a friendly feeling toward the Company, as the first stereo I bought was a TRIO* product.

*The then trademark of KENWOOD

Hamasaki: When I was a student, KENWOOD was the star audio brand. Like Director Iwata, I was asked by the former President four years ago, and I accepted the offer for the position of External Director of the Board because I sympathized with his positive thoughts on management.

Onitsuka: Like you two, I felt attached to the brands KENWOOD and Victor. When

I received an offer for the position of External Director of the Board, I felt candid and sincere integrity from Directors' explanation and had an impression that the Company was trustworthy and had room for growth. I also had a positive feeling about the bold banner of "Change for Growth."

Iwata: From the management integration in 2008 until today, JVCKENWOOD has seemingly faced various challenges such as consolidating the differences in corporate culture, attitudes toward manufacturing, and systems between Victor and Kenwood. Under such circumstances, the perspective of a manager who makes top-down decisions and the perspective of another type of manager who organizes and develops them steadily, that is, the skill and execution of the management team with diverse perspectives and ideas, have resulted in the characteristics of JVCKENWOOD today.

Roles of External Directors of the Board, the structure and effectiveness of the Board of Directors

Hamasaki: I believe that one role of External Directors of the Board is to infuse global trends from outside the company. The Company has experts who are familiar with the industry and business, but the organizations have duties, chains of command, and human relations. It may be difficult for internal people alone to create a new atmosphere.

Onitsuka: The responsibility of External Directors of the Board is to engage in management from the perspective of the outside including a variety of stakeholders. In my case, I think I am also expected to provide opinions as the first female Director of the



**Infusing the
world's currents
from outside the
company**



Outside directors chairing the meeting will stimulate discussions

Board of JVCKENWOOD.

Hamasaki: I agree. I expect the Company to dig up issues from the advice only External Directors of the Board can think of and provide.

So, we need to understand the Company in terms of business, strategy, performance, and field activities. It is important for us to understand the current situation and express appropriate opinions while maintaining a certain distance from the Company. As part of such efforts, off-site meetings are held separately from the Board of Directors meetings. As a result, I have heard that discussions at the Board of Directors meetings have become more active than before.

Iwata: Previously, only the Chairman of the Board had been briefed in advance and finalized the agendas for Board of Directors meetings. But since then, other External Directors of the Board have also been invited to participate in briefings as much as possible. This has enabled the sharing of information with External Directors of the Board prior to the Board of Directors meetings and facilitated their understanding of it, resulting in more active discussions at the Board of Directors meetings. The efficiency of meetings has also been improved by narrowing down and categorizing agenda items by genre and priority based on matters pointed out by External Audit & Supervisory Board Members in addition to External Directors of the Board.

Hamasaki: I believe that the Board of Directors of JVCKENWOOD is highly effective beyond a certain level. There are opportunities to hear the status of execution in addition to the Board of Directors meetings, which have led to more active discussions and enhanced effectiveness, I believe.

What matters is the long-term perspective. The medium-term management plan is for three years, but transformation and growth will not be completed within that period alone. The accumulation of planning, execution, and review has solidified the foundation for management and raised expectations for long-term growth. I think JVCKENWOOD is at that stage right now.

Onitsuka: Another responsibility of External Directors of the Board is to contribute to sustainable growth and medium- to long-term improvement of corporate value. The Board of Directors meetings of JVCKENWOOD used to discuss reporting items a lot, but recently agenda items on growth strategies from a medium- to long-term perspective have increased, and in FY2022, the number was about 3 times more than the previous year. I believe that this is largely due to the efforts of executives based on the assessment of effectiveness.

At JVCKENWOOD, an External Director of the Board serves as the Chairman of the Board. I feel that the neutrality of the Chairman has led to frank and lively discussions.

Hamasaki: I also agree that it is advantageous for an External Director of the Board to serve as the Chairman of the Board. I think one possible structure of the Board of Directors meetings would be that an External Director of the Board serves as the

Chairman and sets agenda while internal Representative Directors of the Board keep a certain distance. That way, External Directors of the Board can exercise restraint from the perspective of third parties.

Iwata: I agree. If an External Director of the Board serves as the Chairman of the Board, discussions become frank, keeping a distance from the internal management team. I am trying to create an atmosphere where it is easy to talk so that everyone can speak as much as possible, and over the past six years, the number of speeches has increased, and I feel discussions are getting better.

Onitsuka: On the other hand, a challenge for the Board of Directors of JVCKENWOOD is to ensure the diversity of its members. The current composition of External Directors of the Board is skewed toward those from the manufacturing industry. So, following discussions by the Nomination and Remuneration Advisory Committee and the development of a skills matrix, we invited one External Director of the Board with a background in a non-manufacturing industry in June 2023. Nevertheless, I am still the only female Director of the Board. I would like you to consider increasing female directors in the future. In addition, there are currently no Directors of the Board with foreign nationality. This is an urgent issue for a global company, and I hope for more active efforts to work on recruiting and educating foreign employees.

Iwata: Following the success stories of other companies, I have proposed including the CEO in the Nomination and Remuneration Advisory Committee. Depending on the topic, it can be productive to ask the CEO's intentions or ideas. When it comes to the method to select External Directors of the Board, it used to rely heavily on the President's personal connections in the past, but I believe we can now search for candidates using a skill matrix that combines skills and knowledge necessary for JVCKENWOOD. In addition, in order to increase the proportion of External Directors of the Board, the quota of Directors of the Board has been increased, and the term of office of External Directors of the Board has been set to six to eight years, as we proposed.

Hamasaki: The expansion of the quota of External Directors of the Board and their areas of expertise is a significant achievement of the Nomination and Remuneration Advisory Committee. In addition, we have adopted STI (short-term incentive) and LTI (long-term incentive) for the remuneration system. Since their operation has just started, we will further deepen discussion and improve them.

Changes within the Company revealed by the formulation of the New medium-term management plan

Onitsuka: We were able to achieve the targets of the previous medium-term management plan "VISION 2023" one year ahead of schedule. I believe this is the result of efforts by all employees and executives. I was not involved in the formulation

Constant discussion on long-term management strategies for sustainable growth



External Directors Roundtable Discussion

of the previous medium-term management plan, but when the new medium-term management plan "VISION 2025" was developed, I received an explanation about the review of the previous medium-term management plan, approaches and strategies from the management team, and I fed back my opinions. Specifically, I proposed that the explanation to the inside and outside of the Company about strategic investments in growth in the previous medium-term management plan was insufficient and that the acceleration of growth, strategies, and measures be shared with employees, in other words, the content of the plan should enable employees to think of dreams and be explained adequately.

I frequently remind members of human capital, especially about diversity and promotion including women, and we are beginning to see the results of our efforts, such as a female director, as an employee position, selected from managers who developed their careers only within the Company.

Hamasaki: The business environment has been quite severe for the past few years, including changes in society amid the COVID-19 pandemic, disruptions in the international community and economy caused by the invasion of Ukraine, problems in the procurement of semiconductors and other parts, and exchange rate fluctuations. But JVCKENWOOD has dealt with them appropriately, continuing to perform well in the fiscal year ended March 2023. In particular, it is great that the Safety & Security Sector, which supports the foundation of society, performed very well. I think it is the fruit of various challenges within the Company, rather than accumulated accidents. Now that we have a large portfolio base, we can see growth potential.

Iwata: Indeed, new ideas and daily efforts of employees are bearing fruit in many situations. It was also as proposed by executives that the year 2025 be set as the target of the New medium-term management plan. The proposal was made after detailed verification and analysis of revenue businesses, growth businesses, new businesses, and restructured businesses.

Furthermore, while the previous medium-term management plan mentioned little about TCFD, the New medium-term management plan involved challenging discussions to disclose information beyond the scope of TCFD. I am sure that such attitudes and approaches will affect our business performance.

I also believe that these internal changes are due in large part to the execution ability of the top management. For example, in the past, we did not have an internal Director of the Board in charge of technology. But when an External Director of the Board proposed the assignment, top management responded quickly. In addition, we made activities for analyzing and organizing the manufacturing processes of the plants by acquiring outside professionals who seemed qualified. These steady efforts have led to cost reduction and increased corporate value.

Make a leap forward to become an excellent company with both strength and toughness

Onitsuka: The New medium-term management plan has been launched, and discussions on long-term management strategies, including the business portfolio after the end of the plan, should be held constantly. Sustainable growth of a company requires always anticipating what the company should be 10 years ahead and tackling new challenges. In addition, while we have been focusing on figures related to profit and loss such as net sales and core operating income, we should also pay close attention to the balance

sheet. The New medium-term management plan clearly states that "We maximize corporate value to achieve a P/B ratio above 1.0 taking into account the optimization of the business portfolio with an emphasis on capital costs and the shareholder return," and sets respective targets. We should further discuss these indicators.

Hamasaki: I agree. We will implement the New medium-term management plan and increase corporate value to achieve the major goal of "Make a leap forward to become an excellent company with both strength and toughness." In this process, we should improve P/B ratio and other indicators.

I believe that JVCKENWOOD has the potential to do great work by leveraging its unique strength of becoming an interface between people and networks. Based on this strength, we must transform the business portfolio and business strategies to meet the trends of the times. I think the whole Company should be listening to discussions at the Board of Directors meetings and to align the vectors.

Onitsuka: We should also face human capital straightforwardly and improve employee engagement.

Iwata: To that end, we should focus more on human resource education. Directors of the Board and Executive Officers need to broaden their connections through external educational institutions and deepen their knowledge as leaders.

External Directors of the Board will continue to make recommendations and proposals from various perspectives so that the Company can become the excellent company that it aims to become in the long-term vision.



External Director of the Board

Yuji Hirako

I was recently elected as an External Director of the Board at the 15th Ordinary General Meeting of Shareholders held on June 23, 2023. I greatly sympathize with the corporate philosophy added to the Articles of Incorporation, "Creating excitement and peace of mind for the people of the world." Since I am from a non-manufacturing industry, there are many things I am unfamiliar with. But I will deepen my understanding of JVCKENWOOD and try to speak from a different perspective and viewpoint, instead of assimilating to the Company. In addition, based on my own belief obtained from my experience, "the truth lies in the field," I will pay close attention to employee engagement in line with local, actual, and real conditions, and monitor how much the corporate philosophy has been embedded in the Company. And I will strive to contribute to steady implementation of the new medium-term management plan "VISION 2025" in order to realize the basic strategy, "Change for Growth."

Message from Audit & Supervisory Board Members



We contribute to improving corporate value as a team

Audit & Supervisory Board Member
Masaki Imai

External Audit & Supervisory Board Member
Katsumi Saito

External Audit & Supervisory Board Member
Katsumi Kurihara

External Audit & Supervisory Board Member
Tetsuya Fujioka

The origin of the word "audit" is the Latin word "auditus," which has the same etymology as that of "audio," closely related to the Company. The word stemmed from "listening" or "hearing." "Listening," instead of "talking," may be perceived as passive, and in general, you might think that auditors have a primary role of discouraging or putting the brakes on discussions among Directors of the Board and Executive Officers only when necessary.

According to the Code of Audit & Supervisory Board Member Auditing Standards issued by the Japan Audit & Supervisory Board Members Association, the duties of auditors include "by auditing the directors' performance of their duties as an independent organization entrusted by the shareholders, (auditors) are responsible for establishing a good corporate governance system through which the company and its corporate group will [...] achieve sound and sustainable growth [...] and accommodate society's trust." Modern auditors are required not only to strengthen corporate governance but also to contribute to the improvement of corporate value. Auditors are also compelled to be involved in

the company's contribution to society and its medium-term growth strategies, in addition to being deeply involved in discussions on governance and compliance. The Company announced the new medium-term management plan "VISION 2025" in April 2023. Through visiting audits to business sectors, administrative divisions and Group companies, which is one of our important tasks, we as auditors check the understanding of "VISION 2025," involvement of each division and company, and challenges in achieving it. Auditors also share risks and awareness of problems held by each division and company. We interview as many staff members as possible, in addition to representatives, so that we can hear voices closer to business practice. We also further strengthen cooperation with External Directors of the Board, the Internal Audit Division, and the Accounting Auditor through regular meetings.

As the auditor team, we do not only "listen," but also actively raise questions and participate in discussions as necessary, and we would thereby like to be auditors who contribute to the improvement of corporate value.

A message from our investors



Executive ESG Analyst
Investment Div.
Stewardship Group
Asset Management One Co., Ltd

Mr. Megumi Sakuramoto

As ESG has attracted attention and ESG items that are required to be disclosed have increased rapidly, it seems that many companies regard ESG measures, which should originally be merely tools, as objectives. In such a market environment, JVCKENWOOD launched its new medium-term management plan "VISION 2025."

As an investor, I have a good feeling about the pursuit of CSV through further promotion of sustainability-oriented management based on both "profitable growth" and "solving social issues on a global scale" mentioned in the plan. I also highly appreciate the establishment of the system through the establishment of the Sustainability Committee, which will lead to more rapid

and effective management.

In order to strongly promote sustainability-oriented management in the future, however, I feel that a challenge is to incorporate the thinking of backcasting, which reasons backward from the view on the future market, into corporate strategy.

At present, the recovery to a P/B ratio of 1.0x has become an urgent issue, and it is essential to steer management with a sense of speed toward the recovery of the growth trajectory. Promoting management with a clear awareness of the future market will be essential. I also look forward to the active use of marketing strategies to enhance corporate value through ESG measures.

Corporate Governance

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 of the Board 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.

Theme	KPI		
	FY2023	FY2025	FY2030
<ul style="list-style-type: none"> ● Improve deliberation ● Trainings, off-site meetings, etc. for external directors 	<ul style="list-style-type: none"> • Further transfer of authorization to the execution side (revision of the agenda standards) • Arranging the agenda for the Board of Directors meetings 	<ul style="list-style-type: none"> • Strengthening the Group governance • Enhancement of the diversity of the skills of directors 	<ul style="list-style-type: none"> • Increase the ratio of external directors • Include in the achievement of ESG targets into directors' compensation
Strengthening diversity	Appointing one or more female executive officers	Appointing three or more female executive officers	Aim to achieve a ratio of female executive officers of over 30%

Overview of the corporate governance system

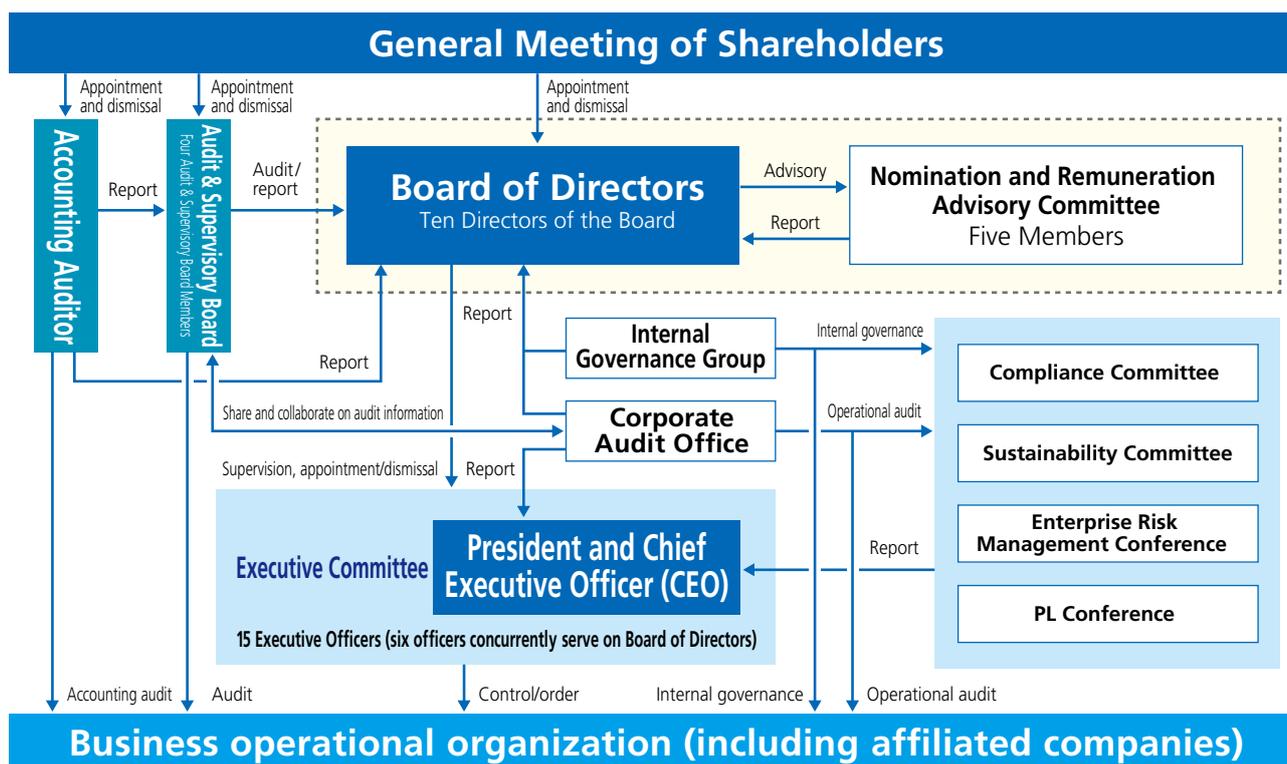
1. Reasons for adopting the Executive Officer system in the form of a company with an Audit & Supervisory Board framework as the corporate governance system

The Company's basic corporate governance policy is that it “separates management from the execution of operations,” “recruits External Directors of the Board and External 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 framework and to introduce an Executive Officer System. This would enable institutions within the Company to collaborate with each other. For that purpose, we have established a management system as follows.

2. Matters concerning the Board of Directors

Since June 2016, the Company has appointed an Independent External Director independent from and neutral to the management of the Company as the Chairman of the Board of Directors, and established a place for active exchange of opinions and discussions at meetings of the Board of Directors. Currently, Mr. Shinjiro Iwata, who serves as External Director of the Board, chairs the Board of Directors (as of June 23, 2023). The Chairman of the Board determines agendas for meetings of the Board of Directors in consultation with the Chief Executive Officer (CEO) and the Executive Officer in charge of Administrative Division, etc., prior to deliberations of the Board of Directors. In addition, the 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.

● Diagram of the corporate governance system



3. Matters concerning the Audit & Supervisory Board

The Company adopts a company with an Audit & Supervisory Board framework as its organizational structure. Auditors 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 duties by Directors of the Board and the business execution of the entire Group, and corporate accounting. The Audit & Supervisory Board holds meetings once a month, and extra meetings as needed.

4. Matters concerning the Nomination and Remuneration Advisory Committee

The Company established the Nomination and Remuneration Advisory Committee, for which all of its External Directors of the Board serve as committee members, in December 2015, with the aim of strengthening the independence and objectivity of the functions of the Board of Directors. In addition, in April 2019, the Company added the CEO to members of the Nomination and Remuneration Advisory Committee in order for External Directors of the Board 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 Nomination and Remuneration Advisory Committee has made proposals to the Board of Directors regarding candidates for CEO for the Company, 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.

5. Matters concerning the Executive Officer System

The Board of Directors, in order to lead the Company's initiatives in corporate reform and governance, is chaired by an External Director of the Board, holds discussions between External Directors of the Board as independent directors and Directors of the Board 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 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 Mobility & Telematics Services Sector, Safety & Security Sector, or Entertainment Solutions Sector or serves as General Executive of the Business Division in those sectors while being in charge of the DX Business Development Division, which continues growing in the other sector, and assumes responsibility for the overall operations of all businesses in the three regions, the Americas, EMEA (Europe, Middle East, and Africa), and APAC (Asia Pacific) as the head of overseas, or China as the COO, 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 the Chief Financial Officer (CFO), Chief Technology Officer (CTO) or Chief Information Security Officer (CISO) or is in charge of each corporate division to support the CEO, and performs their duties.

■ Skill matrix

The following is a summary of the areas of expertise and skills expected of management in order to resolve management issues of the Company, achieve the improvement of medium- to long-term corporate value, and ensure diversity and balance in the Board of Directors.

Directors of the Board

Name	Years of service	Expected areas of expertise	Nomination and Remuneration Advisory Committee	Skills				
				Corporate management	Overseas business International business technology, R&D	Manufacturing and	IT Digital	Finance and M&As
Shinjiro Iwata	6	Corporate management, telecommunications	●	●	●		●	
Shoichiro Eguchi	12 years in total	Corporate Strategy, marketing	●	●	●			●
Masao Nomura	5	ICT*, business growth strategy		●	●		●	●
Masatoshi Miyamoto	6	Finance and accounting, business management		●				●
Akira Suzuki	3	Technology development, supply chain			●	●		
Naokazu Kurihara	7 years in total	Human resources, risk management		●	●			
Yoshio Sonoda	4	Intellectual property, research and development				●	●	
Yuji Hamasaki	4	Corporate management, technology development	● Chairman	●		●	●	
Hiroimi Onitsuka	2	Business management, diversity	●	●	●		●	
Yuji Hirako	-	Corporate management, business management	●	●	●			●

*: Information and Communication Technology

Audit & Supervisory Board Members

Name	Years of service	Expected areas of expertise	Audit & Supervisory Board	Skills				
				Corporate management	Overseas business International business technology, R&D	Manufacturing and	IT Digital	Finance and M&As
Masaki Imai	3	Management audits, production management	● Chairman	●				●
Katsumi Saito	3	Corporate planning, legal, risk management	●	●	●			
Katsumi Kurihara	3	Technical development, quality control	●			●	●	
Tetsuya Fujioka	2	Finance and accounting, accounting audits	●		●			●

Initiatives to improve the effectiveness of the Board of Directors

1. Overview of evaluation of effectiveness

In the evaluation of the effectiveness of the Board of Directors carried out in January 2023, we arranged interviews with each Director of the Board and Auditor, in addition to their self-evaluations, to improve the quality of the evaluation.

Persons subject to evaluation	Directors of the Board and Auditors
Evaluation method	Persons subject to evaluation draft their answers in the "Self-Evaluation Questionnaire" and are interviewed by a third-party organization. The answers and contents of the interviews are compiled and analyzed by the third-party organization
Contents of self-evaluation and questionnaires	Proposed evaluation items were created in light of the appropriate roles of the Board of Directors of the Company and its functional enhancement. Then the questionnaire was prepared taking into account opinions of an outside expert, which is a third-party organization, and based on the analysis and consideration of factors such as the internal and external environment surrounding the Company

2. Summary of the results of evaluation on effectiveness and measures against issues

It was concluded that the Company as a whole has achieved a satisfactory level of effectiveness. Strengths of the Company and points of improvement compared with last year are as below.

- (1) The Chairman of the Board of Directors, who is an External Director of the Board, manages the agenda in an appropriate and fair manner, creating an equal and cooperative atmosphere in which all Directors, both inside and outside the Company, actively participate in the proceedings
- (2) A sincere attitude toward the evaluation of the effectiveness of the Board of Directors, and toward improvement based on the results of the evaluation
- (3) Arrangement of the agenda for the Board of Directors meetings (reduction of reporting items and categorization of the agenda)

As a measure to improve the effectiveness of the Board of Directors in the future, we examine the results of this evaluation from the perspectives of Internal Directors of the Board, External Directors of the Board, and Auditors, identify measures to be taken by the Board of Directors in the future, and discuss their results with the Board of Directors, in order to work on the improvement of the effectiveness. We are also addressing issues identified in the past as shown in the table on the right page.

Stock-based remuneration system for officers

The Company has an established method for determining the amounts of remuneration for Directors of the Board based on the internal rules resolved by the Board of Directors' meetings and with reports from the Nomination and Remuneration Advisory Committee. In 2021, the Company introduced a stock-based remuneration system for officers with a three-tier structure, which consists of fixed remuneration, short-term incentive (STI^{*1}) and medium- and long-term incentive (LTI^{*2}), each of which has been clearly defined.

• Overview of the stock-based remuneration system for officers

Remuneration system	(1) Fixed remuneration and (2) STI are paid within the limit of remuneration for Directors of the Board (432 million yen a year). (3) LTI is paid separately.
(1) Fixed remuneration	<ul style="list-style-type: none"> ● The amount of remuneration prescribed in the Company's internal rules is paid according to the position (President, Deputy President, Senior Management Executive Officer, Managing Executive Officer, etc.) and job title (authority of representation, Chairman of the Board, Nomination and Remuneration Advisory Committee Member, etc.). ● Fixed remuneration is paid in monetary form as monthly remuneration.
(2) Short-term incentive (STI)	<ul style="list-style-type: none"> ● Paid as bonuses to reflect the current results in the current year. ● The amount of a fixed percentage calculated from the monthly remuneration shall be the amount of calculation base. ● The amount to be paid is determined within the range of 0% (no payment) to 200% (double the amount of the calculation base) of the calculation base amount and is paid in cash according to the annual performance (profit, capital efficiency index, etc.). ● KPI of the STI are set according to each Executive Officer's mission from six indicators: Revenue, ROIC (return on invested capital), core operating income, profit, free cash flow, and year-end inventory targets.
(3) Medium- and long-term incentive (LTI)	<ul style="list-style-type: none"> ● The employee stock ownership plan (ESOP) is adopted for LTI. ● Shares are granted to corporate officers at the time of their resignation. ● Points (shares) are granted according to the position, etc.
Remarks	<ul style="list-style-type: none"> ● External Directors of the Board and Non-executive Directors of the Board are not eligible for LTI payment. ● The ratio of fixed remuneration to STI to LTI has been determined to be 79:15:6 at a meeting of the Board of Directors. (Ratio changed from FY2023)

*1: Short Term Incentive

*2: Long Term Incentive

■ Issues identified in the evaluation of the effectiveness of the Board of Directors

Fiscal year	FY2020 (Sixth)	FY2021 (Seventh)	FY2022 (Eighth)	Initiatives in FY2023 and beyond	
Issues	Director training	▶ Providing group training twice within the fiscal year *Mid-term business plan *Succession plan	▶ Providing group training twice within the fiscal year *Progress of the corporate governance reform *SDGs and ESG investments	▶ Providing group training five times within the fiscal year *TCFD *Cyber security *Amendment of the Companies Act *AI *Future outlook of economy and finance	● The Board of Directors' discussion and selection of training programs for the year
	Substantial and in-depth discussion	● Securing time for substantial and in-depth discussion ● Identification of items to be discussed	▶ Holding off-site meetings seven times within the fiscal year ● Securing deliberation time by reducing and simplifying reporting items ● Revision of the agenda standards, including the scope of transfer of authorization to the execution side	▶ Holding off-site meetings three times within the fiscal year *Initiatives for new businesses *Supply chain management reform *Human capital *Workstyle reform *Performance and the mid-term business plan ● Securing substantial deliberation time by further reducing and simplifying reporting items ● Revision of the agenda standards for transfer of authorization to the execution side	● Further transfer of authorization to the execution side (revision of the agenda standards) ● Arranging the agenda for the Board of Directors meetings *Reducing time spent for reporting matters *Periodic comprehensive reporting by Directors of the Board concurrently serving as Executive Officers *Setting up a place for discussing agendas at the Board of Directors meetings *Adding the "Discussion" category to the agenda of the Board of Directors meetings ● Utilization of off-site meetings
	Diversity	● Challenges in diversity measures	—	—	● Developing successors with diversity in mind
	Development of successors	▶ Meeting with management and Executive Officers at the Nomination and Remuneration Advisory Committee meetings to consider candidates for succession	▶ Meeting with management, Executive Officers and some female senior officers at the Nomination and Remuneration Advisory Committee meetings to consider candidates for succession	▶ Meeting with management, Executive Officers, and some female senior officers at the Nomination and Remuneration Advisory Committee to consider candidates for succession	● Explanation of agenda items by attendants at the Board of Directors meeting (not Director of the Board) as the succession to the next generation ● Periodical reporting and information sharing on the activities of the Nomination and Remuneration Advisory Committee
	Evaluation of investment projects	▶ Periodic reporting of PMI ³ of investment projects	▶ Periodic reporting of PMI of investment projects	▶ Periodic reporting of PMI of investment projects	▶ Periodic reporting of PMI of investment projects
	New issues	—	Enhancing the PDCA of the mid-term business plan and discussions from a medium- to long-term perspective	▶ Discussion on the formulation of the new medium-term management plan "VISION 2025" from a medium- to long-term perspective	● PCDA cycle of the mid-term business plan ● IR/SR, etc.

*3: Post Merger Integration

Record of the operation of the Board of Directors

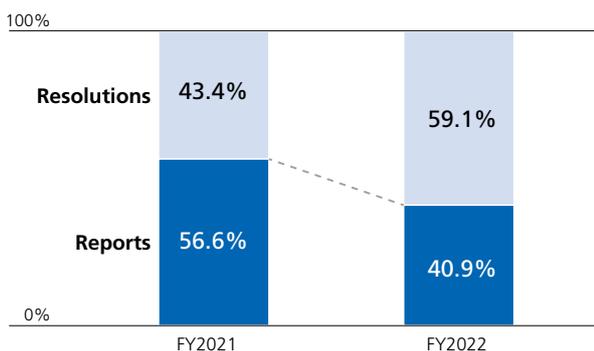
In FY2021, reporting items and proposals regarding risk management relatively increased due to increased risks in business operations caused by the spread of novel coronavirus infection.

In FY2022, proposals for resolution increased compared with FY2021 due to deliberation on the formulation of the new medium-term management plan "VISION 2025" because it was expected that various measures for the previous medium-term management plan "VISION 2023" would be implemented and that "VISION 2023" would be achieved one year ahead of schedule.

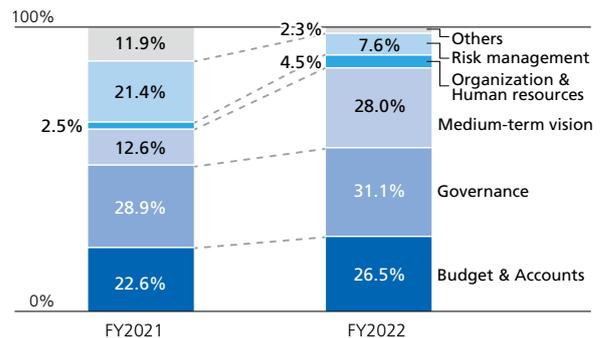
Based on the results of the evaluation of the effectiveness of the Board of Directors, the Company is proceeding with further operational reforms of the Board of Directors and is working to secure substantial deliberation time by, for example, reducing time allocated to reporting items in FY2023.

In order to ensure the transparency of the deliberation process at the Board of Directors meetings of the Company, we disclose the following information on the agenda of the Board of Directors meetings.

● Allocation of Resolutions and Reporting Agenda Items (number of items)



● Allocation by agenda category (number of items)



Directors of the Board

Directors marked with * also serve as executive officers.



Shinjiro Iwata

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



Shoichiro Eguchi*

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

Concurrent Position:
External Director of AIST Solutions, Inc.



Masao Nomura*

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



Masatoshi Miyamoto*

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



Akira Suzuki*

Director of the Board, Senior Managing Executive Officer, COO Safety & Security Sector, In charge of Supply Chain Management Reform



Naokazu Kurihara*

Director of the Board, Managing Executive Officer, Head of Administrative Division



Yoshio Sonoda*

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



Yuji Hamasaki

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



Hiromi Onitsuka

External Director of the Board, Nomination and Remuneration Advisory Committee Member

Concurrent Position:
External Director of the Board of Tokyo Electron Device Limited



Yuji Hirako

External Director of the Board, Nomination and Remuneration Advisory Committee Member

Concurrent Position:
• Member of the Board, Vice Chairman of ANA HOLDINGS INC.
• External Director, Seven Bank, Ltd.

Audit & Supervisory Board Members



Masaki Imai

Audit & Supervisory Board Member



Katsumi Saito

External Audit & Supervisory Board Member

Concurrent Position:
External Director of the Board of CHUCHIKU



Katsumi Kurihara

External Audit & Supervisory Board Member

Concurrent Position:
External Director of NIPPON ANTENNA Co., Ltd.



Tetsuya Fujioka

External Audit & Supervisory Board Member

Executive Officers



Shinichi Takada

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



Akihiko Terada

Managing Executive Officer, COO China



Kazuyoshi Hayashi

Managing Executive Officer, Assistant to Head of Administrative Division, General Manager of Corporate Strategy Department, In charge of New Business Development



Osamu Muraoka

Executive Officer, In charge of Overseas Areas, General Executive of Overseas Business Marketing Division



Naoki Sekiya

Executive Officer, General Executive of Domestic Business Marketing Division



Hatsuhiko Iwasaki

Executive Officer, COO Entertainment Solutions Sector, General Executive of Media Business Division, Entertainment Solutions Sector



Katsuya Sato

Executive Officer, General Executive of Communications Systems Division, Safety & Security Sector, Assistant to COO Safety & Security Sector



Hiroaki Kamata

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



Hisakazu Harada

Executive Officer, General Manager of Healthcare Business Division, Safety & Security Sector, Assistant to COO Safety & Security Sector



For more information, please visit our website.

<https://www.jvckenwood.com/en/corporate/management.html>



Awards & Recognitions (As of October 5, 2023)

Evaluations from ESG rating agencies



**FTSE Blossom
Japan Index**

Selected for the
ESG Index
"FTSE Blossom
Japan Index"*¹



**FTSE Blossom
Japan Sector
Relative Index**

Selected for the
ESG Index "FTSE
Blossom Japan Sector
Relative Index"*²

Management Surveys in Japan



The 4th Nikkei SDGs
Management Survey
3.5 stars



The 6th Nikkei Smart
Work Management
Survey 3.5 stars

Certifications in Japan



Received a recognition
as a "Sports Yell
Company" by the Sports
Agency for the second
consecutive year



Renewed for the
"Resilience Certification"
by Association for
Resilience Japan for the
third time



Received a
Commendation Award in
the Daiwa IR's Internet
IR Award 2022 for the
fourth consecutive year



Received the Best Website
Award in the overall category
of Nikko IR's "All Japanese
Listed Companies' Website
Ranking 2022"

Product Awards



Awards by professional
magazines in Japan
D-ILA projector "DLA-V90R"
and other products



総合金賞



International Design Excellence
Award 2023 finalist
Tri-band compatible P25 digital radio
"VP8000"



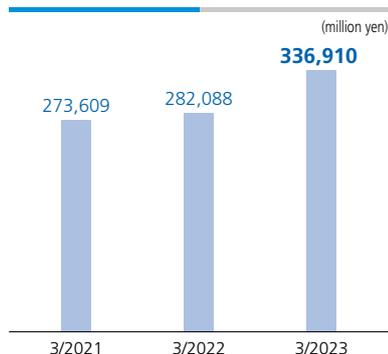
GOOD DESIGN GOLD AWARD
(Minister of Economy, Trade and Industry Award)
Portable power station using recycled
Nissan LEAF battery products

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

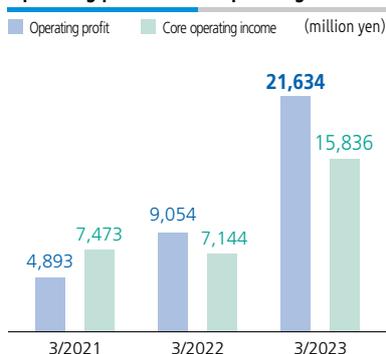
*2 FTSE Russell confirms that JVCKENWOOD has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants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

Financial Highlights

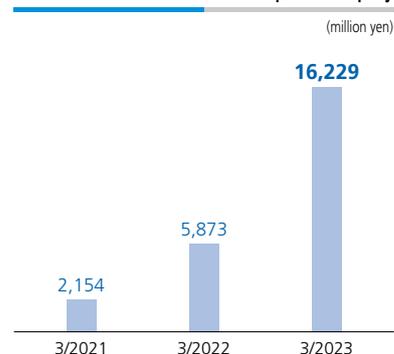
Revenue



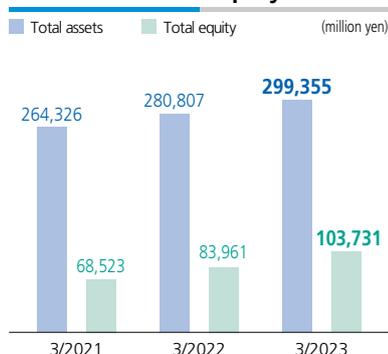
Operating profit & Core operating income*1



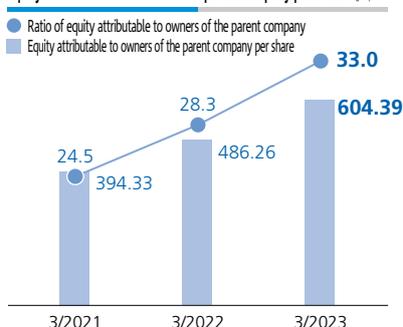
Profit attributable to owners of the parent company



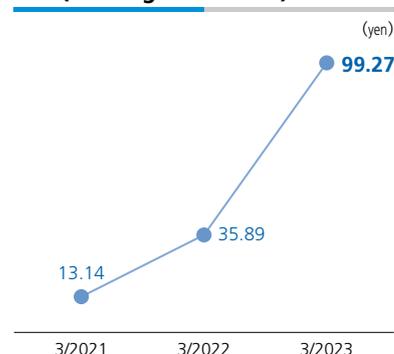
Total assets/Total equity



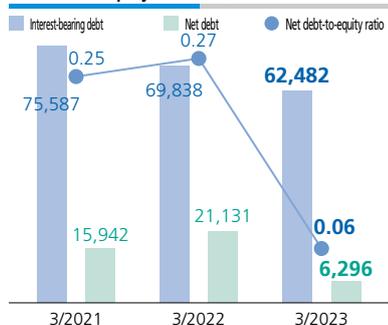
Ratio of equity attributable to owners of the parent company*2 (%) Equity attributable to owners of the parent company per share*3 (yen)



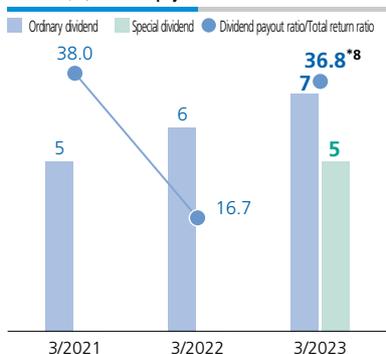
EPS (Earnings Per Share)*4



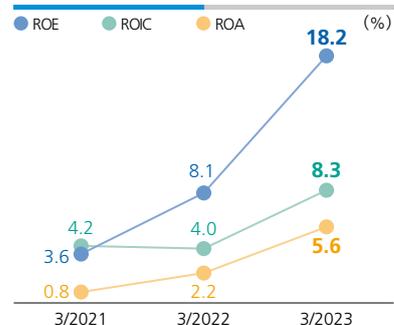
Interest-bearing debt*5 (million yen)/Net debt*6 (million yen)/ Net debt-to-equity ratio*7 (times)



Dividend (yen), Dividend payout ratio(%) / Total return ratio(%)



ROE*9 (Ratio of profit attributable to owners of the parent company) ROIC*10 (Return On Invested Capital) / ROA*11 (Return on Asset)



EBITDA*12 (million yen), EBITDA margin (%)



Capital investment*13/Depreciation expense/R&D expenses

	3/2021	3/2022	3/2023
Capital investment	10,268	12,354	11,426
Depreciation expense	19,316	17,120	17,615
R&D expenses	15,720	15,871	17,379

Cash flow

	3/2021	3/2022	3/2023
Cash flow from operating activities	35,829	7,059	26,607
Cash flow from investing activities	-11,804	-9,804	-7,329
Cash flow from financing activities	-5,342	-11,273	-14,032
Free cash flow	24,024	-2,744	19,278

*1: Calculated by deducting cost of sales, selling and general administrative expenses from revenue, and does not include other income, other expenses, and foreign exchange gains and losses, which are nonrecurring items that mainly occur temporarily.

*2: Total equity attributable to owners of the parent ÷ Total liabilities and equity x 100

*3: Total equity attributable to owners of the parent ÷ Number of outstanding shares

*4: Total equity attributable to owners of the parent ÷ Number of outstanding shares (average for the period)

*5: Lease liabilities are not included.

*6: Interest-bearing debt - Cash and cash equivalents at end of period

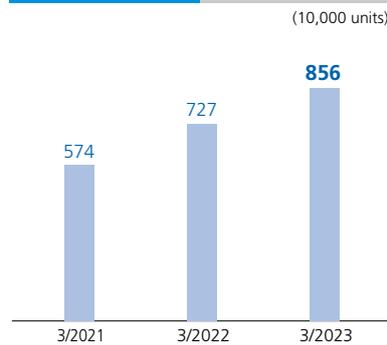
*7: Net debt ÷ Shareholders' equity

Non-Financial Highlights

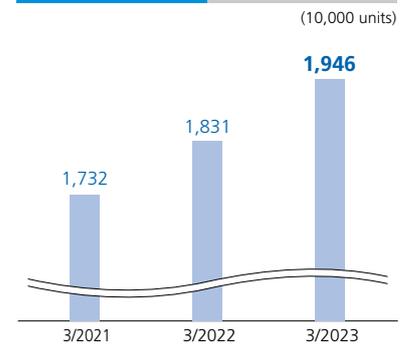
Cumulative sales of car navigation/display audio systems (since business integration in FY2008)



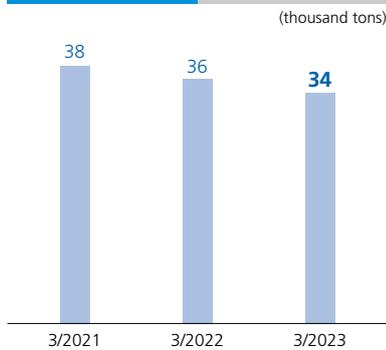
Cumulative sales of dashcams (since market entry in FY2014)



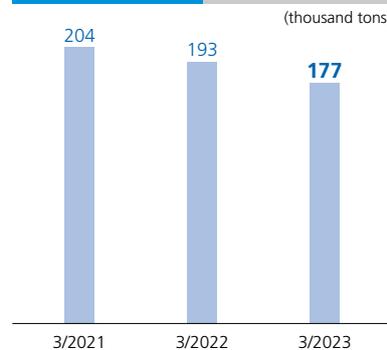
Cumulative sales volume of professional radio systems (since business integration in FY2008)



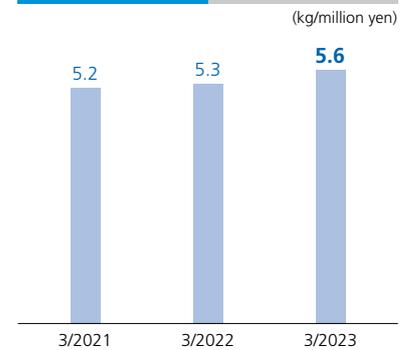
CO₂ emissions*¹⁴ (Scope 1+2)



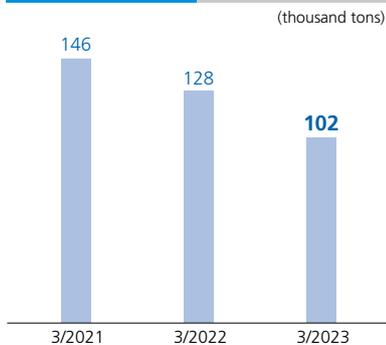
Water consumption*¹⁴



Waste generated*¹⁴ (per unit sales)



Plastic usage for containers and packaging*¹⁵



Number of career hires (non-consolidated)

	(persons)		
	3/2021	3/2022	3/2023
Male	13	14	31
Female	5	10	12

Average number of days of annual paid leave taken (non-consolidated)

	(days/person)		
	3/2021	3/2022	3/2023
	10.6	12.2	15.7

Number of employees (consolidated and non-consolidated)

	(persons)		
	3/2021	3/2022	3/2023
Consolidated	16,956	16,585	16,277
Non-consolidated	3,292	3,179	3,130

Average years of service (non-consolidated)

	(years)		
	3/2021	3/2022	3/2023
	23.4	24.3	24.8

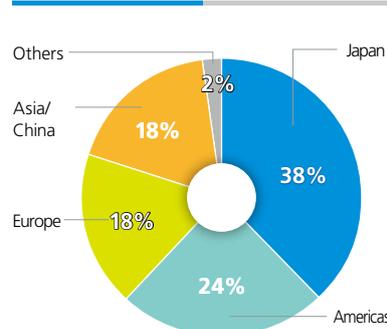
Annual total actual working hours (non-consolidated)

	(hours/person)		
	3/2021	3/2022	3/2023
	1,872	1,893	1,890

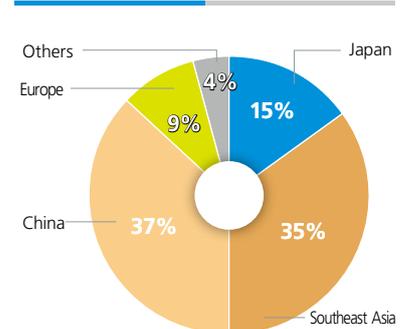
Ratio of female managers (consolidated/non-consolidated)

	3/2023 (%)		
	3/2021	3/2022	3/2023
Consolidated	12.1	11.4	11.4
Non-consolidated	5.0	5.6	5.5

Revenue composition by region (FYE3/2023)



Production ratio by region (FYE3/2023)



*8: Total return ratio from FY2022 (FYE3/2023). Total return ratio to net income attributable to owners of the parent for FY2022.

*9: Net income attributable to owners of the parent ÷ Average equity attributable to owners of the parent during the period x 100

*10: (Core operating income after tax + Equity profit and loss) ÷ (Shareholders' equity + Debt) x 100

*11: Net income attributable to owners of the parent ÷ Total assets x 100

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

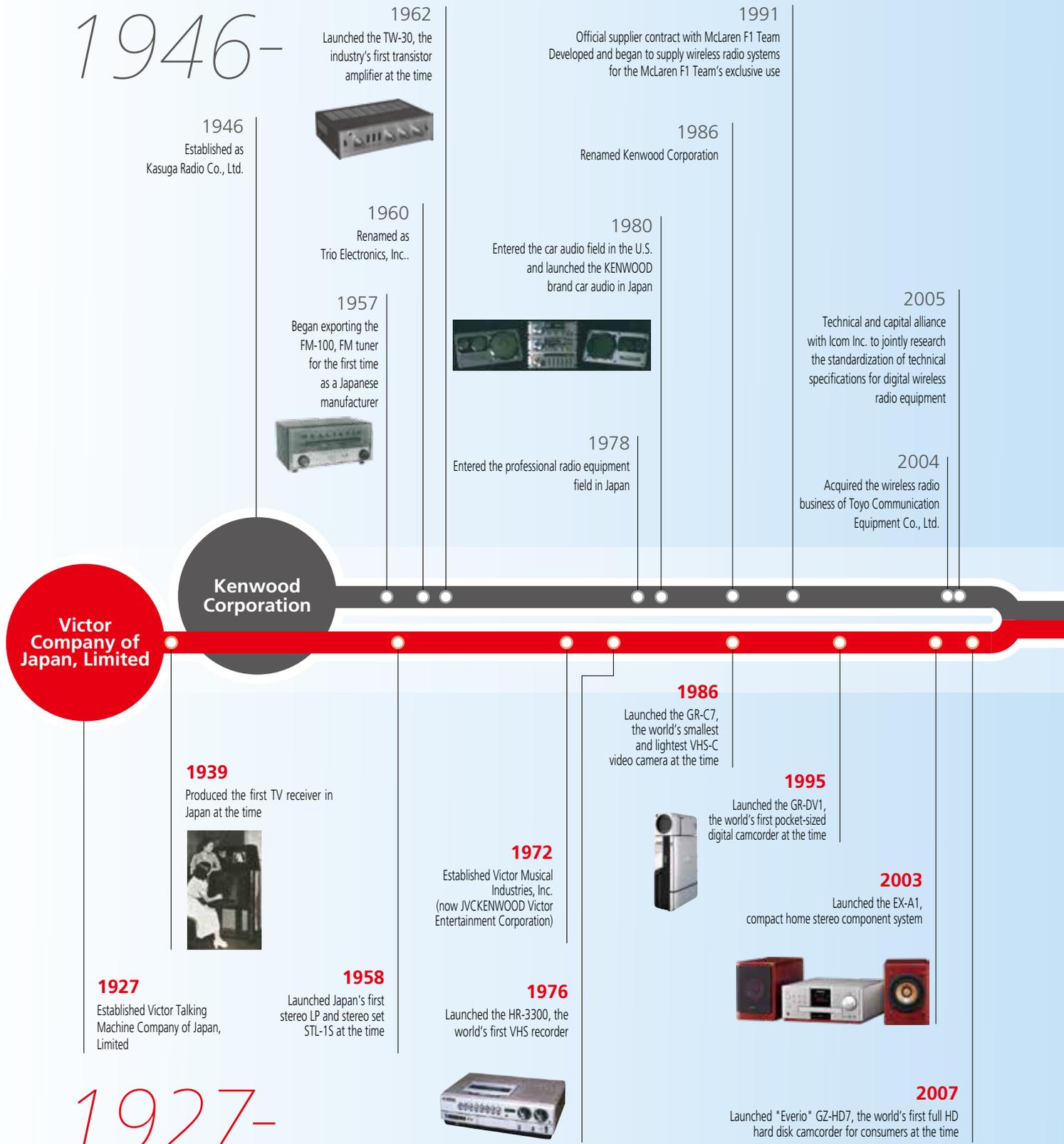
*13: Tangible fixed assets only

*14: Includes domestic business sites, domestic affiliated company sites that are separate from the main body of the company, and overseas production sites

*15: Includes only consumer products

Corporate History

JVCKENWOOD Group will provide products and solutions that create "excitement" and "peace of mind" by adding a design management to the Group's strengths in audio, visual, and communication, which the company has cultivated over its nearly 100-year history.



2008-

JVCKENWOOD
Corporation

2011

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



2013

Launched the DLA-VS4800, the world's first mass-production model of the professional-use D-ILA projector, which features an 8K high-definition display at the time



2014

Launched the NX-5000 series, the NEXEDGE series digital radio systems compliant with both the NXDN™ and P25 standards



2014

Launched the KNA-DR300, our first dashcam



2017

Developed "EXOFIELD," out-of-head localization sound field processing technology



XP-EXT1 wireless theater system with EXOFIELD

2021

Launched the DLA-V90R, the world's first 8K D-ILA home projector that supports 8K60p input at the time

2022

Jointly developed with Nissan Motor Co., Ltd. and 4R Energy Corporation a portable power station using recycled batteries from electric vehicles



2023

Developed a dustproof and waterproof connected-type dashcam (mobility cam)



2016

Established JVCKENWOOD Public & Industrial Systems Corporation

2011

Renamed JVCKENWOOD Corporation

2014

Acquired EF Johnson Technologies, Inc. as a wholly owned subsidiary, which is engaged in professional radio systems compliant with the P25 digital radio standard for North America

2008

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

2023

Began shipping the VP8000, a tri-band P25 digital radio for professional use, from the Yamagata factory to the North American public safety market



2022

Moved from the First Section of the Tokyo Stock Exchange to the Prime Market

2022

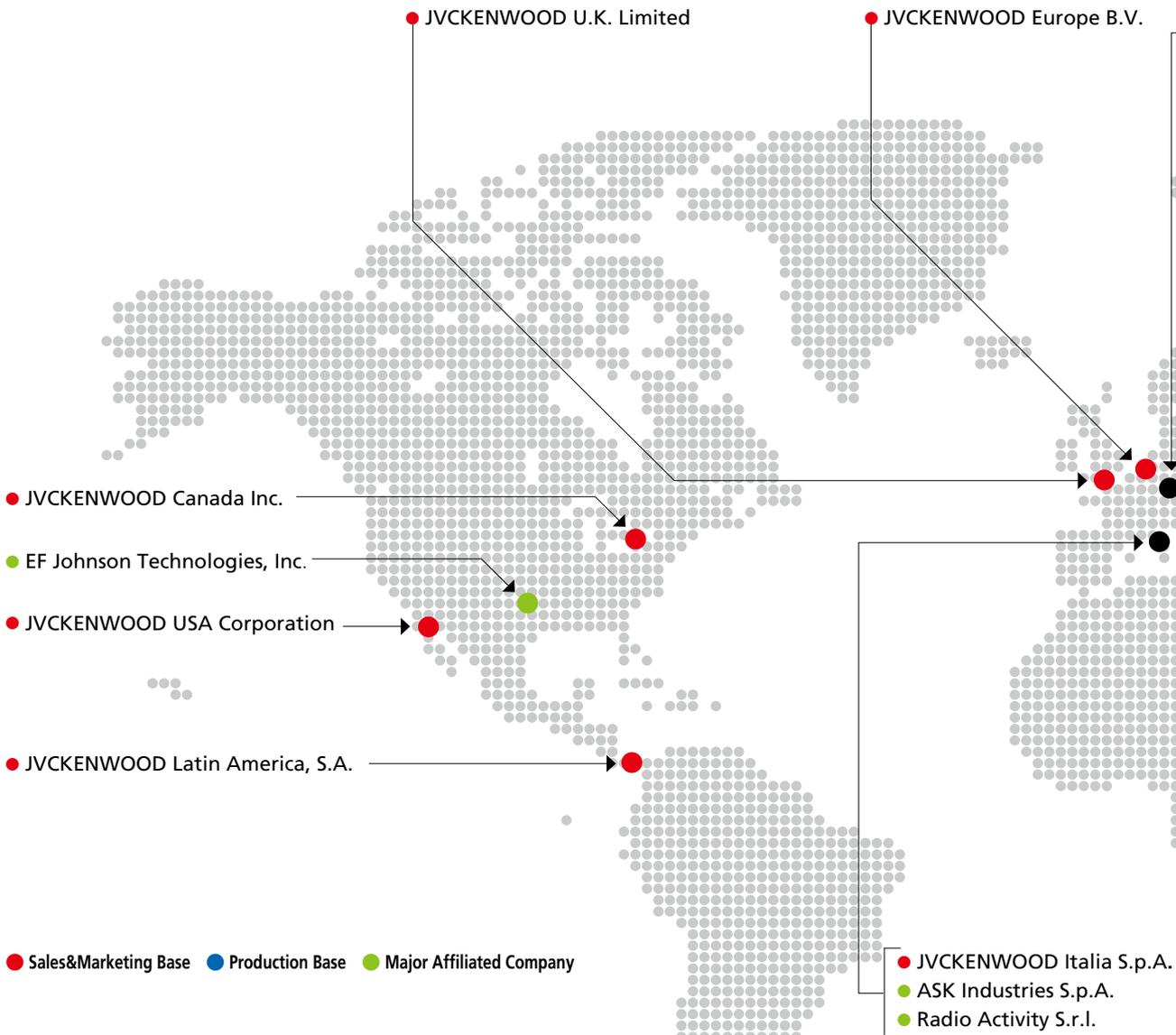
Received order from Delaware County, Pennsylvania, U.S.A., for P25 professional digital radio system



2019

JVCKENWOOD's connected-type dashcams adopted by Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance for the automotive insurance with dashcam

Domestic and International Network (As of October 1, 2023)



Domestic Bases and Major Affiliated Companies

Name	Location
JVCKENWOOD Creative Media Corporation	Yokosuka, Kanagawa
JVCKENWOOD Victor Entertainment Corporation	Shibuya-ku, Tokyo
JVCKENWOOD Video Tech Corporation	Shibuya-ku, Tokyo
JVCKENWOOD Public & Industrial Systems Corporation	Yokohama, Kanagawa

Name	Location
JVCKENWOOD Service Corporation	Yokosuka, Kanagawa
JVCKENWOOD Partners Corporation	Yokohama, Kanagawa
JVCKENWOOD Engineering Corporation	Yokohama, Kanagawa
JVCKENWOOD Design Corporation	Setagaya-ku, Tokyo



Head Office & Yokohama Business Center



Hachioji Business Center



Hakusan Business Center



Kurihama Business Center



Yokosuka Business Center



JVCKENWOOD Yamagata Corporation



JVCKENWOOD Nagano Corporation



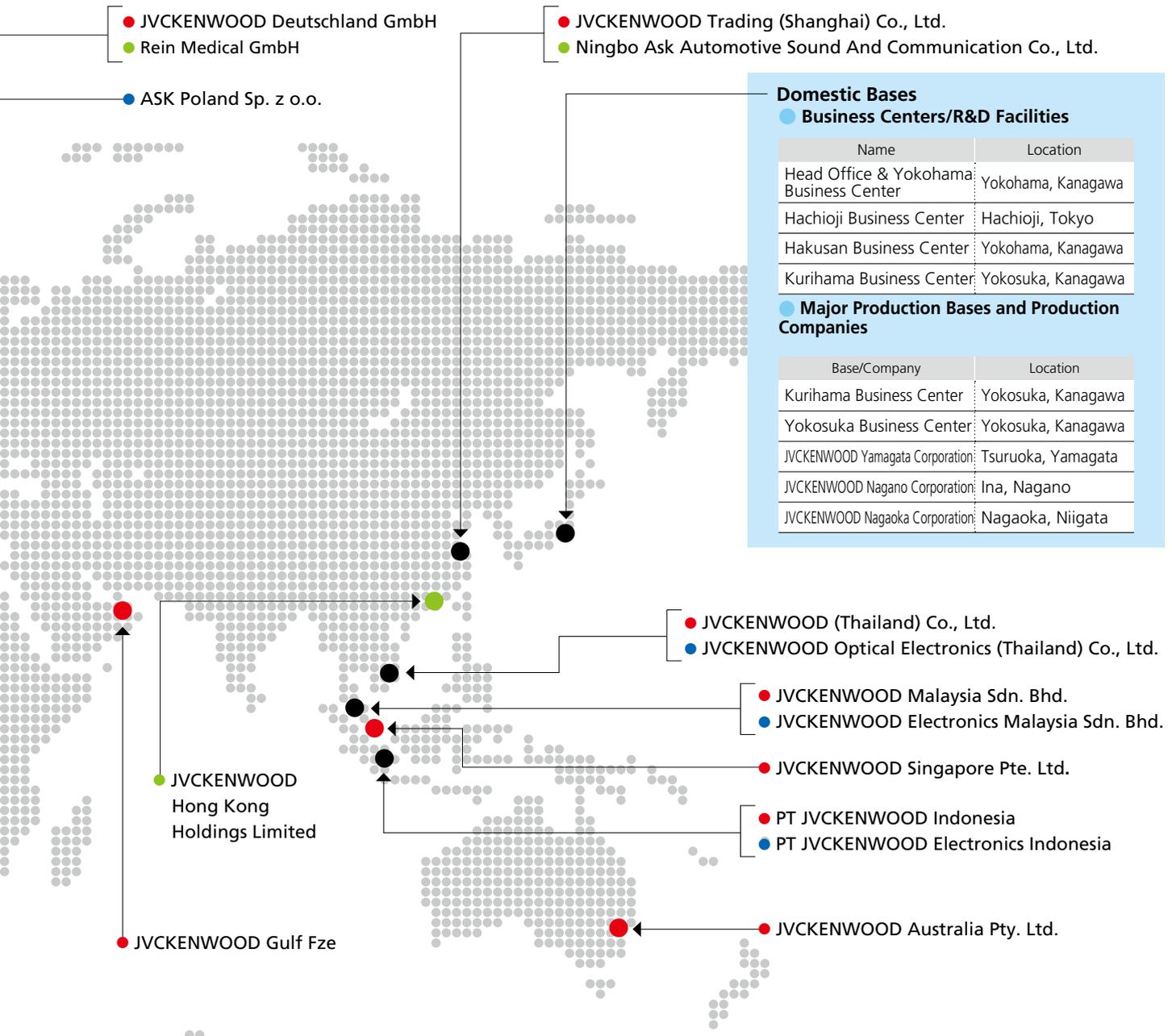
JVCKENWOOD Nagaoka Corporation



JVCKENWOOD Victor Entertainment Corporation



JVCKENWOOD Design Corporation



● Major Overseas Bases



JVCKENWOOD USA Corporation



JVCKENWOOD Europe B.V.



JVCKENWOOD Singapore Pte. Ltd.



JVCKENWOOD Hong Kong Holdings Limited



Radio Activity S.r.l.



JVCKENWOOD Optical Electronics (Thailand) CO., Ltd.



JVCKENWOOD Electronics Malaysia Sdn. Bhd.



PT JVCKENWOOD Electronics Indonesia



EF Johnson Technologies, Inc.



ASK Industries S.p.A.

Financial (IFRS)/Non-Financial Data

(million yen)

	FY2018 (FYE3/2019)	FY2019 (FYE3/2020)	FY2020 (FYE3/2021)	FY2021 (FYE3/2022)	FY2022 (FYE3/2023)
Financial Data					
P/L, cash flows, others (fiscal year)					
Revenue	307,627	291,304	273,609	282,088	336,910
Operating profit	7,263	4,080	4,893	9,054	21,634
Profit before tax	6,401	2,877	4,533	8,515	21,161
Net income attributable to owners of the parent	3,847	954	2,154	5,873	16,229
Capital investment (tangible fixed assets only)	8,700	11,837	10,268	12,354	11,426
Depreciation expense	17,794	20,199	19,316	17,120	17,615
Research and development expenses	18,309	17,445	15,720	15,871	17,379
Cash flow from operating activities	20,983	21,642	35,829	7,059	26,607
Cash flow from investing activities	-25,768	-19,675	-11,804	-9,804	-7,329
Free cash flow	-4,785	1,966	24,024	-2,744	19,278
Cash flow from financing activities	8,479	-1,665	-5,342	-11,273	-14,032
B/S (end of the fiscal year)					
Total assets	250,617	249,660	264,326	280,807	299,355
Cash and cash equivalents at end of year	40,844	39,933	59,644	48,707	56,186
Total equity	65,321	59,999	68,523	83,961	103,731
Equity attributable to owners of the parent company	62,009	56,485	64,645	79,495	98,807
Retained earnings	6,634	5,547	7,574	13,346	28,811
Interest-bearing debt ^{*1}	71,312	74,605	75,587	69,838	62,482
Net debt	30,468	34,671	15,942	21,131	6,296
Per Share Information					
Basic earnings per share (EPS) (yen)	25.00	5.82	13.14	35.89	99.27
Equity attributable to owners of the parent company per share (yen)	378.24	344.55	394.33	486.26	604.39
Dividend (yen) (base date basis)	6.00	5.00	5.00	6.00	12.00
Payout ratio (%) / Total return ratio (%) ^{*2}	24.0 %	85.9%	38.0%	16.7%	36.8%^{*2}
Management Indicators					
Ratio of profit (loss) attributable to owners of the parent company (ROE) (%)	6.8%	1.6%	3.6%	8.1%	18.2%
Return on assets before tax (ROA) (%)	1.6%	0.4%	0.8%	2.2%	5.6%
Operating profit margin (%)	2.4%	1.4%	1.8%	3.2%	6.4%
Ratio of equity attributable to owners of the parent company (%)	24.7%	22.6%	24.5%	28.3%	33.0%
EBITDA (million yen) ^{*3}	26,076	25,534	27,579	27,503	42,273
EBITDA margin (%)	8.5%	8.8%	10.1%	9.7%	12.5%
EBITDA Liability multiplier (times)	2.7	2.9	2.7	2.5	1.5
Overseas sales ratio (%)	55.5%	53.0%	54.5%	54.9%	61.8%
Non-Financial Data					
Number of employees (non-consolidated) (persons)	3,109	3,300	3,292	3,179	3,130
Average number of temporary employees(non-consolidated) (persons)	148	0	0	0	0
Number of employees (consolidated) (persons)	16,939	17,623	16,956	16,585	16,277
Average number of temporary employees(consolidated) (persons)	3,107	1,550	1,892	2,053	963
CO ₂ emissions (thousand tons)	49	42	38	36	34
Water usage (thousand tons)	285	256	204	193	177
Total waste (kg/million yen) ^{*4}	—	7.0	5.2	5.3	5.6

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

*2: Total return ratio in FY2022 (FYE3/2023)

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

*4: Basic unit per net sales

Company & Stock Information (As of March 31, 2023)

Company Profile

Company Name	JVCKENWOOD Corporation
Representative	Shoichiro Eguchi Representative Director of the Board, President and Chief Executive Officer (CEO)
Date of Incorporation	October 1, 2008
Capital	13,645 million yen
Number of Employees (Consolidated)	16,277
Total Assets (Consolidated)	299,355 million yen
Equity (Consolidated)	103,731 million yen
Fiscal Year-End	March 31
Head Office	3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-0022, Japan

Stock Information

Ordinary General Meeting of Shareholders	Held every June
Record Date	Ordinary General Meeting of Shareholders: March 31 Year-end dividend: March 31 Mid-year dividend: September 30 *Besides the above record dates, a dividend of surplus may be paid through specifying a record date separately
Stock Exchange Listing	Prime Market of the Tokyo Stock Exchange
Security Code	6632
Trading Unit	100 shares
Total Number of Shares Issued	164,000,201 shares, including 516,992 shares*1
Total Number of Shareholders	48,133
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Place for the Registration	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo

*1: Number of shares held in treasury: 62,792 shares

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

Shareholder Composition



10 Major Shareholders

Name	Number of shares held	Ratio of shareholding (%) ²
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,462,100	15.53
Custody Bank of Japan, Ltd. (Trust Account)	11,606,400	7.08
SBI Securities Co., Ltd.	4,980,454	3.04
JP Morgan Chase Bank 385632	3,980,400	2.43
JPLLC-CL JPY	3,258,290	1.99
J.P. Morgan International Finance Limited	2,901,137	1.77
THE BANK OF NEW YORK MELLON 140040	2,864,200	1.75
Interactive Brokers LLC	2,799,725	1.71
BCSL CLIENT RE BBPLC NYBR	2,623,921	1.60
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	2,420,289	1.48

*2: The ratio of capital contribution is calculated after deducting treasury stock (62,792 shares) from the total number of issued shares

Dividend and Total Shareholder Return^{*3}

		FYE3/'18	FYE3/'19	FYE3/'20	FYE3/'21	FYE3/'22	FYE3/'23
Share Price	(JPY)	355	268	195	220	178	381
Dividends	(JPY)	6	6	5	5	6	12
Accumulated Dividends	(JPY)		6	11	16	22	34
Share Price + Accumulated Dividends	(JPY)		274	206	236	200	415
Total Shareholder Return	(%)		77.2	58.0	66.5	56.3	116.9

*3: (Share price at the end of each fiscal year + Accumulated amount of dividends per share from four fiscal years prior to the current fiscal year to each fiscal year) / Share price at the end of five fiscal years prior to the current fiscal year

JVCKENWOOD

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