

Corporate Governance Report

Last Update: June 25, 2024

JVCKENWOOD Corporation

EGUCHI Shoichiro

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

Contact: Corporate Secretary Office 045-444-5233

Securities Code: 6632

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

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

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

1. Basic Views

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

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

[CG Policy:]

https://www.jvckenwood.com/en/corporate/governance/corporate_governance.html

Reasons for Non-compliance with the Principles of the Corporate Governance Code

[Relevant Codes]

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

The Company implements all of the principles set forth in the Corporate Governance Code as of the submission of this report.

Disclosure Based on the Principles of the Corporate Governance Code **Updated**

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

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

[CG Policy:]

https://www.jvckenwood.com/content/dam/pdf/Corporate_Governance_Policy.pdf

1. Principle 1.4 Strategic shareholdings

Please refer to Article 6 of the CG Policy.

As a result of having progressively reduced the number of shares that the Company no longer needs to hold as much, the Company holds, as of March 31, 2024, two shares of strategic shareholdings (limited to

listed shares), worth approximately 2 billion yen in total on the balance sheet. With regard to the shares held at this point in time, the Board of Directors verifies the Company's need to hold them on an annual basis and disposes of shares that it is less significant to hold by comprehensively examining the benefits, risks, capital costs and other factors associated with holding for each individual share. Based on the policy above, the Corporate Strategy Department regularly verifies the Company's need to hold investment shares held for a purpose other than net investment on an annual basis and reports the results to the Board of Directors to verify the feasibility of continuously holding investment shares.

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

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

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

2. Principle 1.7 Related-party transactions
Please refer to Article 7 of the CG Policy.
3. Supplementary Principle 2.4.1 Ensuring diversity in the appointment of core human resources
Refer to Article 11 of the CG Policy.
For the Group's concept of respect for the diversity of individual employees and the utilization of employees (including measurable targets and the current status concerning, among others, the appointment of women, foreigners and mid-career employees), and the policy of human resource development, see the Company's website.
[URL of the website for diversity and inclusion]
<https://www.jvckenwood.com/en/sustainability/social/diversity-inclusion.html>
[URL of the website for the Company's human resource development]
https://www.jvckenwood.com/en/sustainability/social/human_resources.html
4. Principle 2.6 Roles of corporate pension funds as asset owners
Please refer to Article 12-2 of the CG Policy.
5. Principle 3.1 Full disclosure
Please refer to Article 15 and 16, Paragraph 1 through 3 and 6 of the CG Policy.
6. Supplementary Principle 3.1.3 Sustainability initiatives
For the Group's sustainability policy, refer to Paragraphs 11 and 12, Article 14 of the CG Policy. As for our specific sustainability efforts and disclosure in line with TCFD recommendations, please refer to the Company's website.
[URL of the website for sustainability disclosure]
<https://www.jvckenwood.com/en/sustainability.html>
[URL of the website for addressing climate change]
https://www.jvckenwood.com/en/sustainability/activity/climate_change.html

In addition, for our strategic human resources measures and intellectual property activities, please refer to the Company's website.
[URL of the website for human resources development]
https://www.jvckenwood.com/en/sustainability/social/human_resources.html
[URL of the website for management & utilization of intellectual property]
<https://www.jvckenwood.com/en/sustainability/economy/evolution/property.html>
7. Supplementary Principle 4.1.1 Specification of the scope and content of the matters delegated to management and disclosure of the summary thereof
Please refer to Paragraph 5, Article 14 of the CG Policy.
8. Principle 4.9 Independence standards and qualifications for Independent External Directors
Please refer to Article 18 of the CG Policy.
9. Supplementary Principle 4.10.1 Authority and roles, etc. of the Nomination Committee and the Remuneration Committee

Refer to 2 and 3 of Paragraph 8, Article 14 of the CG Policy.

For an overview of the Nomination and Remuneration Advisory Committee and the status of its activities, refer to “II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Management, 1. Organizational Composition and Operation, Directors, Supplementary Explanation”.

10. Supplementary Principle 4.11.1 Skill matrix

The Company summarizes the areas of expertise and skills expected of the management team in order to solve the management issues faced by the Company and achieve medium- to long-term improvements in corporate value, as well as to ensure diversity and balance on the Board of Directors. As for the Skill Matrix, please refer to the Company’s website.

[Corporate Governance Structure is available on:]

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

11. Supplementary Principle 4.11.2 Disclosure of the status of the concurrent holding of position of Directors and Audit & Supervisory Board Members

Please refer to Paragraph 1, Article 21 of the CG Policy.

12. Supplementary Principle 4.11.3 Analysis and evaluation of the effectiveness of the Board of Directors

The Company disclosed a summary of the results of an evaluation on the effectiveness of the Board of Directors on May 15, 2024. For details of the method of effectiveness evaluation and a summary of the results of evaluation, please refer to the Company’s website.

[Evaluation on effectiveness of the Board of Directors is available on:]

https://www.jvckenwood.com/en/corporate/governance/evaluation_of_effectiveness.html

13. Supplementary Principle 4.14.2 Disclosure of the training policy of Directors and Audit & Supervisory Board Members

Please refer to Article 22 of the CG Policy.

14. Principle 5.1 Policy for constructive dialogue with shareholders

Please refer to Article 4 of the CG Policy. For the details, please refer to the Company’s website.

[Dialogue with Shareholders is available on:]

<https://www.jvckenwood.com/en/ir/stock/dialogue.html>

15. [Responses to ensure management with awareness of capital costs and share prices] [Disclosed in English]

The Company aims to improve ROE (Ratio of profit (loss) attributable to owners of the parent company) and EPS (Basic earnings per share), and in the new medium-term management plan “VISION 2025” announced on April 27, 2023, set a basic management policy of achieving a P/B ratio above 1.0 as soon as possible. For details of “VISION 2025”, please refer to the Company’s website.

[New Medium-Term Management Plan “VISION 2025” is available on:]

<https://www.jvckenwood.com/jp/ir/library/medium-term.html>

2. Capital Structure

Percentage of Foreign Shareholders	30% or more
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Status of Major Shareholders Updated

Name/Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	24,947,400	16.38
Custody Bank of Japan, Ltd. (Trust Account)	11,231,500	7.37
STATE STREET BANK AND TRUST COMPANY 505223	4,533,937	2.98
JP MORGAN CHASE BANK 385632	4,486,981	2.95
GOVERNMENT OF NORWAY	4,146,608	2.72

MSIP CLIENT SECURITIES	3,867,429	2.54
THE BANK OF NEW YORK MELLON 140044	3,468,680	2.28
THE BANK OF NEW YORK MELLON 140040	2,523,400	1.66
JP Morgan Securities Japan Co., Ltd	2,195,212	1.44
JP MORGAN CHASE BANK 385781	2,062,656	1.35

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

Supplementary Explanation **Updated**

Although the Change Report for the Large Volume Holding Report, which was made public on July 6, 2023, indicates that the shares were held by each of Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint owner Nikko Asset Management Co., Ltd. as of June 30, 2023, they are not included in the status of major shareholders shown above, since the Company has been unable to confirm the status of substantial ownership as of the end of the fiscal year under review.

Although the Change Report for Large Volume Holding Report, which was made public on May 8, 2024, indicates that the shares were held by Sumitomo Mitsui DS Asset Management Company, Limited as of April 30, 2024, they are not included in the status of major shareholders shown above, since the Company has been unable to confirm the status of substantial ownership as of the end of the fiscal year under review.

3. Corporate Profile

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

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

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

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

1. Organizational Composition and Operation

Structure of Organization	Company with an Audit & Supervisory Board
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Directors

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	External Director
Number of Directors	10
Appointment of External Directors	Appointed
Number of External Directors	4
Number of External Directors Designated as Independent Directors	4

External Directors' Relationship with the Company (1) **Updated**

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

* Categories for "Relationship with the Company":

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

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

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

a Executive of the Company or its subsidiary

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

c Executive of a fellow subsidiary company of the Company

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

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

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

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

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

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

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

k Others

External Directors' Relationship with the Company (2) **Updated**

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
HAMASAKI Yuji	○	<p>Regarding company and association where Mr. Hamasaki previously served as an executive, no mutual relationship exists between MEIDENSHA CORPORATION or The Japan Electrical Manufacturers' Association, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>Sumitomo Electric Industries, Ltd. ("Sumitomo Electric"), where Mr. Hamasaki previously served as an executive, and the Company had in the past business relations with regard to purchases and sales. (no business relations in the fiscal year under review) However, the transactions in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales in each corresponding fiscal year of the Company or Sumitomo Electric, and do not fall under major transactions for either the Company or Sumitomo Electric. Moreover, no other mutual relationship exists between Sumitomo Electric and the Company, including donations, mutual dispatch of directors or shareholding. Mr. Hamasaki resigned as an executive of Sumitomo Electric more than ten (10) years ago and currently has no relationship with the company.</p> <p>In addition, Mr. Hamasaki has not been an operating officer or the like of the Company's major business partners and major shareholders in the past other than those stated above.</p> <p>For these reasons, the Company regards him as independent.</p>	<p>Reason for nomination as External Director</p> <p>The Company has nominated Mr. HAMASAKI Yuji as an external director and expects that his extensive experience, knowledge, professional views and personal relationships in information & communication as well as heavy electric-related fields obtained through business and management of listed companies outside the Group will be utilized in the Company's management and contribute to the enhancement of the corporate value of the Group. The Company also expects that he will play an active role in supervising the Company's management by providing advice and proposals to the Company as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and correctness of the decision-making process by the Board of Directors.</p> <p>Reason for nomination as Independent Director</p> <p>The Company has designated Mr. HAMASAKI Yuji as an independent director as the Company regards him to be unlikely to have any conflict of interest with general shareholders and be sufficiently independent, in accordance with Article 18 (independence standards) of the CG Policy which the Company established for objectively judging independence.</p>

<p>ONITSUKA Hiromi</p>	<p>○</p>	<p>External Director (Independent Director) of Tokyo Electron Device Limited</p> <p>Tokyo Electron Device Limited (“Tokyo Electron”), where Ms. ONITSUKA Hiromi concurrently holds office, had in the past and currently has business relations with the Company with regard to purchases and sales. However, Tokyo Electron’s transactions with the Company in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or Tokyo Electron in each corresponding fiscal year, and do not fall under major transactions for either the Company or Tokyo Electron. In addition, no mutual relationship exists between Tokyo Electron and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>Tokyo Shibaura Electric Co., Ltd. (currently TOSHIBA CORPORATION) (“TOSHIBA”), where Ms. Onitsuka previously served as an executive, had in the past business relations with the Company with regard to purchases. (no business relations in the fiscal year under review) The amount of transactions between the Company and TOSHIBA in the consolidated fiscal year ended March 31, 2013 amounted to about 4 billion yen, more than one (1) percent of the consolidated net sales of the Company and less than one (1) percent of the consolidated net sales of TOSHIBA, in each corresponding fiscal year. However, the amount of transactions do not fall under major transactions for either the Company or TOSHIBA. No other mutual relationship exists between TOSHIBA and the Company, including donations, mutual dispatch of directors or shareholding. Ms. Onitsuka resigned as an executive of Tokyo Shibaura Electric Co., Ltd. more than ten (10) years ago and currently has no relationship with the company.</p> <p>Yahoo Japan Corporation (“Yahoo”) and Z Holdings Corporation (“Z Holdings”) (currently LY Corporation), where Ms. Onitsuka previously served as an executive, had in the past and currently have business relations with the Company with regard to purchases. Toshiba Medical Systems Corporation (currently Canon Medical Systems Corporation) (“Toshiba Medical”), where Ms. Onitsuka previously served as an executive, had in the past and currently has business relations with the Company with regard to sales. However, each company’s transactions with the Company in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or each company in each corresponding fiscal year, and do not fall under major transactions for either the Company or each company. Moreover, no other mutual relationship exists between each company and the Company, including donations, mutual dispatch of directors or shareholding. Ms. Onitsuka resigned as an executive of Yahoo approx. nine (9) months ago, of Z Holdings more than three (3) years ago and of Toshiba Medical ten (10) years ago and currently has no relationship with each company. No mutual relationship exists between eBook Initiative Japan Co., Ltd., where she previously served as an executive, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p>	<p>Reason for nomination as External Director</p> <p>The Company has nominated Ms. ONITSUKA Hiroko as an external director and expects that her extensive experience, knowledge, professional views and personal relationships in the information and electrical industries, mainly OEM sales and overseas distributor sales, gained through business operations and corporate management at listed companies outside the Group will be utilized in the Company’s management and also contribute to the enhancement of the corporate value of the Group. As an independent officer, the Company also expects that she will play an active role in supervising the Company’s management by providing advice and proposals to the Company as a third party not involved in the Group’s business execution in order to ensure the appropriateness and correctness of the decision-making process by the Board of Directors.</p> <p>Reason for nomination as Independent Director</p> <p>The Company has designated Ms. ONITSUKA Hiromi as an independent director as the Company regards him to be unlikely to have any conflict of interest with general shareholders and be sufficiently independent, in accordance with Article 18 (independence standards) of the CG Policy which the Company established for objectively judging independence.</p>
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		<p>In addition, Ms. Onitsuka has not been an operating officer or the like of the Company's major business partners and major shareholders in the past other than those stated above.</p> <p>For these reasons, the Company regards her as independent.</p>	
HIRAKO Yuji	○	<p>Senior Advisor of ANA HOLDINGS INC. External Director, Seven Bank, Ltd. External Director, Kyushu Electric Power Company, Incorporated (Scheduled to assume office in June 2024)</p> <p>No mutual relationship exists between ANA HOLDINGS INC. or Seven Bank, Ltd., where Mr. HIRAKO Yuji concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>Kyushu Electric Power Company, Incorporated ("Kyushu Electric Power"), where Mr. HIRAKO will concurrently holds office, had in the past and currently has business relations with the Company with regard to purchases and sales. However, Tokyo Electron's transactions with the Company in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or Kyushu Electric Power in each corresponding fiscal year, and do not fall under major transactions for either the Company or Kyushu Electric Power. In addition, no mutual relationship exists between Kyushu Electric Power and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>In addition, Mr. HIRAKO has not been an operating officer or the like of the Company's major business partners and major shareholders in the past other than those stated above.</p> <p>For these reasons, the Company regards him as independent.</p>	<p>Reason for nomination as External Director</p> <p>The Company has nominated Mr. HIRAKO Yuji as an external director and expects that his extensive experience, knowledge, professional views and personal relationships obtained through his corporate management, etc., of listed companies, outside the Group and corporate management both inside and outside Japan will be utilized in the Company's management and also contribute to the enhancement of the corporate value of the Group. As an independent officer, the Company also expects that he will play an active role in supervising the Company's management by providing advice and proposals to the Company as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and correctness of the decision-making process by the Board of Directors.</p> <p>Reason for nomination as Independent Director</p> <p>The Company has designated Mr. HIRAKO Yuji as an independent director as the Company regards him to be unlikely to have any conflict of interest with general shareholders and be sufficiently independent, in accordance with Article 18 (independence standards) of the CG Policy which the Company established for objectively judging independence.</p>
HIRANO Satoshi	○	<p>Chairman of the Board of Directors of TOPCON CORPORATION</p> <p>No mutual relationship exists between TOPCON CORPORATION, where Mr. HIRANO Satoshi concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>No mutual relationship exists between Topcon Positioning Systems, Inc., where Mr. HIRANO previously served as an executive, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>In addition, Mr. HIRANO has not been an operating officer or the like of the Company's major business partners and major shareholders in the past other than those stated above.</p> <p>For these reasons, the Company regards him as independent.</p>	<p>Reason for nomination as External Director</p> <p>The Company has nominated Mr. HIRANO Satoshi as an external director and expects that his extensive experience, knowledge, professional views and personal relationships obtained through his business operations in the manufacturing and engineering units of a listed company outside the Group and corporate management, etc. both inside and outside Japan as director will be utilized in the Company's management and also contribute to the enhancement of the corporate value of the Group. As an independent officer, the Company also expects that he will play an active role in supervising the Company's management by providing advice and proposals to</p>

			<p>the Company as an objective third party not involved in the Group's business execution in order to ensure the appropriateness and correctness of the decision-making process by the Board of Directors.</p> <p>Reason for nomination as Independent Director</p> <p>The Company has designated Mr. HIRANO Satoshi as an independent director as the Company regards him to be unlikely to have any conflict of interest with general shareholders and be sufficiently independent, in accordance with Article 18 (independence standards) of the CG Policy which the Company established for objectively judging independence.</p>
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Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson
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	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination and Remuneration Advisory Committee	Nomination and Remuneration Advisory Committee
All Committee Members	5	5
Full-time Members	0	0
Directors	1	1
External Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	External Director	External Director

The Company established the Nomination and Remuneration Advisory Committee, for which all of its External Directors serve as committee members, in December 2015, with the aim of strengthening the independence and objectivity of the functions of the Board of Directors. Since its establishment, the Nomination and Remuneration Advisory Committee has made proposals to JVCKENWOOD regarding candidate representatives for the Board of Directors, and reviewed the appropriateness of director candidates and directors' compensation plans proposed by the representatives and others, and reported its opinions. The Board of Directors has determined director candidates and directors' compensation, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee.

In accordance with the foregoing procedures, the Company determined, according to the reports submitted by the Nomination and Remuneration Advisory Committee, that the execution system was effective as of April 1, 2024 and determined candidates for Directors and Audit & Supervisory Board Member to be referred to the 16th Ordinary General Meeting of Shareholders held on June 21, 2024 as a corporate proposal, at the Board of Directors meeting held on February 29, 2024.

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

In the fiscal year ended March 2024, meetings of the Nomination and Remuneration Advisory Committee were held 14 times in total, and each committee member's number of meetings attended and the attendance rate are as follows:

- Mr. HAMASAKI Yuji	Number of Meetings Attended:	14	(Attendance Rate: 100.0%)
- Mr. IWATA Shinjiro	Number of Meetings Attended:	14	(Attendance Rate: 100.0%)
- Ms. ONITSUKA Hiromi	Number of Meetings Attended:	13	(Attendance Rate: 92.9%)
- Mr. HIRAKO Yuji	Number of Meetings Attended:	11	(Attendance Rate: 91.7%)* ¹
- Mr. EGUCHI Shoichiro	Number of Meetings Attended:	12	(Attendance Rate: 100.0%)* ²

*1. The number of meetings for Mr. HIRAKO Yuji in the "Number of meetings" section is the number of meetings held from June 2023, when he assumed office as Director, to March 2024.

*2. Although meetings of the Nomination and Remuneration Advisory Committee were held 14 times in total during the fiscal year under review, the number of meetings held and the number of meetings when Mr. Shoichiro Eguchi attended (attendance rate) above are shown after subtracting the number of Nomination and Remuneration Advisory Committee meetings that discussed the nomination and remuneration for him (2 meetings in total) in light of a potential conflict of interest.

In addition, in April 2019, the Company added the Chief Executive Officer (CEO) to committee members of the Nomination and Remuneration Advisory Committee in order for External Directors who serve as committee members to share accurate internal information in a timely manner and to improve the effectiveness of the Nomination and Remuneration Advisory Committee. The procedures for deliberating a proposal and making determination regarding candidate representatives for the Board of Directors by the Nomination and Remuneration Advisory Committee are performed by all the committee members who serve as External Directors except for the committee member who is the CEO.

As of June 21, 2024, Mr. HAMASAKI Yuji, Ms. ONITSUKA Hiromi, Mr. HIRAKO Yuji and Mr. HIRANO Satoshi who serve as External Directors, and Mr. EGUCHI Shoichiro, who serves as CEO, serve as committee members, and Ms. ONITSUKA Hiromi chairs the Nomination and Remuneration Advisory Committee by resolution of the Nomination and Remuneration Advisory Committee as of the same date.

Audit & Supervisory Board Members

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

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

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

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

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

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

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

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
FUJIOKA Tetsuya	From Other Company											△		
EBINUMA Ryuichi	From Other Company											△		
KOBASHIKAWA Yasuko	Certified public accountant													

* Categories for "Relationship with the Company":

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

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

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

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

- a Executive of the Company or its subsidiary
- b Non-executive Director or accounting advisor of the Company or its subsidiaries
- c Non-executive Director or executive of a parent company of the Company
- d Audit & Supervisory Board Member of a parent company of the Company
- e Executive of a fellow subsidiary company of the Company
- f A party whose major client or supplier is the Company or an executive thereof
- g Major client or supplier of the Company or an executive thereof
- h Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company other than compensation as an Audit & Supervisory Board Member
- i Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)
- j Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board Member himself/herself only)
- k Executive of a company with which the Company's External Directors/Audit & Supervisory Board Members are mutually appointed (the Audit & Supervisory Board Member himself/herself only)
- l Executive of a company or an organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
- m Others

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

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
FUJIOKA Tetsuya	○	<p>NEC Corporation (“NEC”), where Mr. FUJIOKA Tetsuya previously served as a management executive, had in the past and currently has business relations with the Company with regard to purchases and sales. However, NEC’s transactions with the Company in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or NEC in each corresponding fiscal year, and do not fall under major transactions for either the Company or NEC. Moreover, no other mutual relationship exists between NEC and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>In addition, no other mutual relationship exists between NEC Capital Solutions Limited, NEC Europe Ltd. (London), The NEC C&C Foundation, Council on Competitiveness-Nippon, or Public Interest Incorporated Association Shiba Houjinkai, where he previously served as a management executive and the Company, including donations, mutual dispatch of directors or shareholding.</p> <p>Furthermore, Mr. Fujioka has not been an operating officer or the like of the Company’s major business partners and major shareholders in the past other than those stated above.</p> <p>For these reasons, the Company regards him as independent.</p>	<p>Reason for nomination as External Audit & Supervisory Board Member</p> <p>Mr. FUJIOKA Tetsuya was elected as an External Audit & Supervisory Board Member as he is expected to utilize his extensive experience, knowledge, professional views and personal relationships, such as his insights on accounting and corporate management that were obtained through his work in finance & accounting division and an overseas corporation of listed companies outside the Group, as well as corporate governance based on his experience as a full-time Audit & Supervisory Board Member, for the enhancement of the Company’s auditing. He is also expected to play an active role in auditing the Company’s management as an external director by providing proper advice and proposals at the Board of Directors meetings and at the Audit & Supervisory Board meetings as an objective third party separate from the Group and contribute to the enhancement of the corporate value of the Group.</p> <p>Reason for nomination as Independent External Audit & Supervisory Board Member</p> <p>The Company has designated Mr. FUJIOKA Tetsuya as an independent External Audit & Supervisory Board Member as the Company regards him to be unlikely to have any conflict of interest with general shareholders and be sufficiently independent, in accordance with Article 18 (independence standards) of the CG Policy which the Company established for objectively judging independence.</p>

<p>EBINUMA Ryuichi</p>	<p>○</p>	<p>Director, Nikuni Co., Ltd. External Audit & Supervisory Board Member, Yukaze Biomedical</p> <p>No mutual relationship exists between Nikuni Co., Ltd. or Yukaze Biomedical, where Mr. EBINUMA Ryuichi concurrently holds office, and the Company, such as business transactions including donations, mutual dispatch of directors or shareholding.</p> <p>Canon Inc. (“Canon”), where Mr. EBINUMA Ryuichi previously served as an executive, and the Company had in the past and currently has business relations with regard to purchases and sales. However, the transactions in the past and in the consolidated fiscal year under review amounted to less than one (1) percent of the consolidated net sales of the Company or Canon in each corresponding fiscal year, and do not fall under major transactions for either the Company or Canon. Moreover, no mutual relationship exists between Canon and the Company, including donations, mutual dispatch of directors or shareholding. Mr. EBINUMA resigned as an executive of Canon more than two (2) years ago and currently has no relationship with the company.</p> <p>In addition, Mr. EBINUMA has not been an operating officer or the like of the Company’s major business partners and major shareholders in the past other than those stated above.</p> <p>For these reasons, the Company regards him as independent.</p>	<p>Reason for nomination as External Audit & Supervisory Board Member</p> <p>Mr. EBINUMA Ryuichi was elected as an External Audit & Supervisory Board Member as he is expected to utilize his extensive experience, knowledge and professional views obtained through a wide range of business operations in the manufacturing and engineering units of listed companies outside the Group, as well as his management experience, etc. as a full-time Audit & Supervisory Board Member, for the enhancement of the Company’s auditing. He is also expected to play an active role in auditing the Company’s business management as an external director by providing proper advice and proposals at the Board of Directors meetings and at the Audit & Supervisory Board meetings as an objective third party separate from the Group and contribute to the enhancement of the corporate value of the Group.</p> <p>Reason for nomination as Independent External Audit & Supervisory Board Member</p> <p>The Company has designated Mr. EBINUMA Ryuichi as an independent External Audit & Supervisory Board Member as the Company regards him to be unlikely to have any conflict of interest with general shareholders and be sufficiently independent, in accordance with Article 18 (independence standards) of the CG Policy which the Company established for objectively judging independence.</p>
<p>KOBASHIKA WA Yasuko</p>	<p>○</p>	<p>JK & CREW Tax Accountant’s Corporation External Audit & Supervisory Board Member of Nitto Denko Corporation</p> <p>There are no mutual relationship between JK & CREW Tax Accountant’s Corporation and Nitto Denko Corporation, each concurrently served by Ms. KOBASHIKAWA Yasuko, and the Company including donations, mutual dispatch of directors or shareholding. In addition, no other mutual relationship exists between MIKASA&Co. and ARTNATURE INC., where she previously served as a management executive, and the Company, including donations, mutual dispatch of directors or shareholding. It has been four years or more since she resigned as a management executive of MIKASA&Co. and approximately two years since she resigned as a management executive of ARTNATURE INC., and currently Ms. Kobashikawa has no relation with any of them.</p> <p>Furthermore, Ms. Kobashikawa has not been an operating officer or the like of the Company’s major business partners and major shareholders in the past other than those stated above.</p> <p>For these reasons, the Company regards her as independent.</p>	<p>Reason for nomination as External Audit & Supervisory Board Member</p> <p>Ms. KOBASHIKAWA Yasuko was elected as an External Audit & Supervisory Board Member as she is expected to utilize her substantial knowledge as a financial and accountant expert in her capacity as a Certified Public Accountant and a Certified Public Tax Accountant, as well as her management experience, etc. as an External Director and External Audit & Supervisory Board Member, for the enhancement of the Company’s auditing. She is also expected to play an active role in auditing the Company’s business management as an external director by providing proper advice and proposals at the Board of Directors meetings and at the Audit & Supervisory Board meetings as an objective third party separate from the Group and contribute to the enhancement of the corporate value of the Group. For the reasons above, we believe that Ms.</p>

			<p>KOBASHIKAWA Yasuko will be able to appropriately perform her duties as an External Audit & Supervisory Board Member despite not having been involved in corporate management of a company in any way other than serving as an external director in the past.</p> <p>Reason for nomination as Independent External Audit & Supervisory Board Member</p> <p>The Company has designated Ms. KOBASHIKAWA Yasuko as an independent External Audit & Supervisory Board Member as the Company regards him to be unlikely to have any conflict of interest with general shareholders and be sufficiently independent, in accordance with Article 18 (independence standards) of the CG Policy which the Company established for objectively judging independence.</p>
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Independent Directors/Audit & Supervisory Board Members

Number of Independent Directors/Audit & Supervisory Board Members	7
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Matters Relating to Independent Directors/Audit & Supervisory Board Members **Updated**

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

The Company, when electing candidates for External Director and External Audit & Supervisory Board Members, works to ensure the effectiveness of the supervisory function of management based on experience, achievements, professional expertise, insights, and other attributes, as well as independence which avoids conflicts of interest with general shareholders. To this end, it elects candidates by confirming their business backgrounds and ensuring that they are not major shareholders of the Company or have never been engaged in the execution of business at the Company's main business partners (whose transactions with the Company exceed 1% of the Company's consolidated net sales) based on its criteria and policies for independence set out in accordance with the "Guidelines for the Governance of Listed Companies (III 5. (3)-2)," established by Tokyo Stock Exchange, Inc. On June 21, 2024, the Company appointed Mr. HAMASAKI Yuji, Ms. ONITSUKA Hiromi, Mr. HIRAKO Yuji and Mr. HIRANO Satoshi as External Directors, and Mr. FUJIOKA Tetsuya, Mr. EBINUMA Ryuichi and Ms. KOBASHIKAWA Yasuko as External Audit & Supervisory Board Members.

Incentives

Incentive Policies for Directors

Introduction of performance-based remuneration system

Supplementary Explanation **Updated**

At the 13th Ordinary General Meeting of Shareholders held on June 25, 2021, it was decided to introduce an incentive system with a three-tier structure for the remuneration, etc. of directors, which consists of fixed remuneration, short-term incentive (hereinafter, “STI”^{*1}) and medium- to long-term incentive (hereinafter, “LTI”^{*2}), each of which will be clearly defined. Specifically, the resolution stipulates that in addition to the fixed remuneration, the amount of remuneration, etc., including bonuses and other monetary remuneration as the above STI, shall be no more than 432 million yen per year (including no more than 96 million yen per year for external Directors).

*1: STI stands for Short Term Incentive.

*2: LTI stands for Long Term Incentive.

The above amount of remuneration for Directors include the employee’s portion (including the Executive Officer’s portion) of the Directors who work as employees at the same time, and the above stock-based payment as LTI is separate. As of the close of the 13th Ordinary General Meeting of Shareholders held on June 25, 2021, the number of Directors was nine (including three external Directors), and the number of Directors concurrently serving as Executive Officers was six.

With respect to stock-based payment, it was resolved to introduce a stock-based remuneration system using a trust (below, “stock-based remuneration system”) and to contribute up to 32 million yen per fiscal year (96 million yen in total for the initial period) to the trust for Directors (excluding external Directors and Directors who do not concurrently serve as Executive Officers) who will hold office during a period of up to five fiscal years (for the initial coverage period, from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024) as determined by the Company, and the maximum number of points (number of shares) to be granted per fiscal year is 290,000 points (one point is one share of the Company’s stock, and the number of shares corresponding to the maximum number of points per fiscal year is 290,000 shares. However, in the event of a stock split, reverse stock split, etc., the number of points shall be adjusted in accordance with such split ratio, reverse stock split ratio, etc.).

The 16th Ordinary General Meeting of Shareholders held on June 21, 2024, resolved to make some partial changes to the amount of remuneration, etc. and the content of the stock-based remuneration system, and to continue its operation.

The Company has an established method for determining the amounts of remuneration for Directors within the total amount of remuneration resolved by the General Meeting of Shareholders, based on the internal rules resolved by the Board of Directors’ meetings and with reports from the Nomination and Remuneration Advisory Committee. Specifically, the basic amount of remuneration for each person is determined after setting the base remuneration and the amount of remuneration for each title (President, Executive Vice President, Senior Managing Executive Officer, Managing Executive Officer, etc.) and each position (Representative, Chief Executive Officer, Chairman of the Board, Member of Nomination and Remuneration Advisory Committee, etc.) and paid. The Company’s officer remuneration system is three-tiered, with fixed remuneration, STI, and LTI, each of which is clearly defined. A summary of the Company’s remuneration system is as follows.

Remuneration Structure (i) Fixed remuneration and (ii) STI are paid within the limit of remuneration for Directors (432 million yen* a year). (iii) LTI is paid separately.

(i) Fixed remuneration: The amount of remuneration determined by the internal rules for each title (President, Executive Vice President, Senior Managing Executive Officer, Managing Executive Officer, etc.) and position (Representative, Chairman of the Board, Member of Nomination and Remuneration Advisory Committee, etc.). Payable in cash as monthly remuneration.

(ii) Short term incentive (STI): Bonuses are paid 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.).

(iii) Long term incentive (LTI): Please refer to Stock-based Remuneration System Using a Trust below.

Remarks: External Directors and Non-executive Directors are not eligible for STI or 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.

Stock-based Remuneration System Using a Trust

(1) Individuals eligible for the stock-based remuneration system: Directors of the Company (excluding external Directors and Non-executive Directors)

(2) Initial applicable period: From the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024

(3) Upper limit of cash contributed by the Company as funds for the acquisition of the Company's shares necessary to be delivered to the eligible individuals described in (1) during the applicable period (three fiscal years) described in (2): Total 96 million yen

(4) Acquisition method of the Company's shares: Disposal of treasury stock or acquisition from the exchange market (including off-floor trading)

(5) Upper limits of the total number of points to be granted and the number of shares to be delivered to the eligible individuals described in (1): 290,000 points per fiscal year (One point shall correspond to one share of the Company, and the number of shares corresponding to the upper limit of the number of points per fiscal year is 290,000. However, in the event of a stock split or reverse stock split of the Company's shares, the number of shares will be adjusted according to such split ratio or reverse stock split ratio.)

(6) Criteria for granting points: Points to be granted according to title, etc.

(7) Timing of delivery of the Company's shares to the eligible individuals described in (1): Upon retirement, in principle

The number of Directors eligible for the stock-based remuneration system in FY2023 was six, and 86,730 points (equivalent to 19 million yen in monetary terms) were granted.

(Reference) Revision to the stock-based remuneration system in FY2024

The Company operated the above stock-based remuneration system from the fiscal year ended March 31, 2022, to the fiscal year ended March 31, 2024, as the initial applicable period. As a result of studying the challenges for the system ahead of the fiscal year from April 2024, the Nomination and Remuneration Advisory Committee and the Board of Directors of the Company concluded that the Company needed to increase awareness of contributing to improved medium- to long-term performance and increased corporate value by having Directors share with all shareholders the profits and risks caused by stock price fluctuations. This will be achieved by shifting from the existing system in which shares are issued to Directors at the time of their retirement to a system in which shares are issued to Directors with a transfer restriction during the tenure of Directors.

As a result, following deliberations and recommendations at the Nomination and Remuneration Advisory Committee, the Company decided at a Board of Directors meeting held on May 15, 2024, to continue with the system upon partially changing it as described above and the 16th Ordinary General Meeting of Shareholders held on June 21, 2024, resolved to make some partial changes to the amount of remuneration, etc. and the content of the stock-based remuneration system, and to continue its operation.

An outline of the system after the partial change is as follows.

(Outline of the system after partial change)

This is a stock-based remuneration system under which a trust established by cash contribution made by the Company acquires common shares of the Company and they are delivered to each Director of the Board through the trust in a number commensurate with the number of points granted by the Company to him/her. Shares to be delivered in a number commensurate with points to be granted under this system will be subject to a transfer restriction by arranging for the Company and each Director of the Board to enter into a transfer restriction agreement. In principle, each Director of the Board will receive common shares of the Company during a certain period in each fiscal year during the trust term.

Stock-based remuneration system using a trust (after partial change)

(i) Individuals eligible for the system:

*Directors of the Company (excluding External Directors)

(ii) Applicable period:

*The period of up to five fiscal years prescribed by the Company

*The initial applicable period: From the fiscal year ending March 31, 2025, to the fiscal year ending

March 31, 2027

(iii) Upper limit of cash contributed by the Company as funds for the acquisition of the Company's shares necessary to be delivered to the eligible individuals described in (i) during the applicable period described in (ii) (three fiscal years):

* The amount obtained by multiplying the number of fiscal years of the Applicable Period by 100 million yen

* A total amount of 300 million yen in the initial Applicable Period (three fiscal years)

(iv) Acquisition method of the Company's shares:

* Disposal of treasury stock or acquisition from the exchange market (including off-floor trading)

(v) Upper limit for the total number of points to be granted to the eligible individuals of (i) and the number of the Company's shares equivalent to this:

*250,000 points per fiscal year

*One point corresponds to one share of the Company.

*The ratio of such shares against the total number of issued shares of the Company (as of March 31, 2024, after the deduction of treasury stock) is 0.16%.

(vi) Criteria for granting points:

*Points to be granted according to title, etc.

(vii) Timing of delivery of the Company's shares to the eligible individuals described in (i):

*A fixed time each fiscal year during the trust period

(viii) Restriction period in the restriction agreement

*In principle, the period from the day on which the delivery of the Company's shares was received through to the retirement date as Director or Executive Officer of the Company

The STI for FY2022 was determined by the Board of Directors in July 2022, based on the STI outline mentioned above, including the determination of specific indicators and factors for changed to be linked to performance, after the Nomination and Remuneration Advisory Committee's deliberations concluded that it was appropriate. The Company pays as a bonus an STI that will be added to or subtracted from the calculation base amount calculated from the individual basic remuneration amount, ranging from 0% (no payment) to 200% (double the amount of the calculation base) according to the annual performance (sales revenue, operating profit, profit, etc., and regular valuation). As the STI for FY2022, a total amount of 32 million yen was paid to six (6) Directors of the Board who also served as Executive Officers in FY2022.

As with FY2022, STI for FY2023 was determined from specific indicators (revenue, return on invested, core operating income, profit, etc.) and factors for changed to be linked to performance (from 0% (no payment) to 200% (double the amount of the calculation base)) at the Board of Directors' meeting in July 2023.

The performance evaluation of STI eligible employees for FY2023 has not yet been conducted during the current fiscal year, as it will be determined based on their performance in FY2023, and the evaluation will be completed before the bonus payment in July 2024.

The Company's decision-making process for individual remuneration of Directors and Executive Officers within the amount of remuneration resolved at the General Meeting of Shareholders is subject to the report of the Nomination and Remuneration Advisory Committee. This is clarified in the internal rules resolved by the Board of Directors' meetings, and the decision on the content of individual remuneration for Directors and Executive Officers is not reassigning to the Representative Directors of the Board. In addition, as to the establishment, revision and abolition of internal rules, the Nomination and Remuneration Advisory Committee comprised of a majority of Independent External Directors will review the appropriateness, etc. of proposals discussed by the Representative Director of the Board, etc. and submit a report to the Board of Directors, and the Board of Directors will determine the establishment, revision and abolition of the internal rules taking into consideration the details of the report. Details of individual remuneration for Directors, etc. will not be determined at the discretion of the Representative Director of the Board again.

The Board of Directors of the Company, confirming that the remuneration and its determination method, and the determined remuneration are consistent with the internal rules resolved by the Board of Directors' meetings,

and that the report of the Nomination and Remuneration Advisory Committee is respected, determines that the remuneration for each Director, etc. in the fiscal year under review is in line with the policy for determination.

Recipients of Stock Options	
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Supplementary Explanation

Remuneration for Directors

Disclosure of Individual Directors' Remuneration	No individual disclosure
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Supplementary Explanation Updated
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In the previous fiscal year ended March 31, 2024, the amount of remuneration and other financial benefits paid as consideration for business execution to Directors and Audit & Supervisory Board Members and the number of persons subject to payment for the year were as follows.

Directors (excluding external Directors, number of eligible officers 6 persons)
 Total amount of remuneration: 279 million yen, including fixed remuneration of 247 million yen (including non-monetary remuneration, etc. of 19 million yen), performance-linked remuneration, etc. 32 million yen

Audit & Supervisory Board Members (excluding external Directors, number of eligible officers 1 person)
 Total amount of remuneration: 21 million yen, fixed remuneration

External Officers (number of eligible officers 7 persons)
 Total amount of remuneration: 74 million yen, fixed remuneration

(Notes)

- The above amounts of payment to Directors include remuneration for Executive Officers paid to Director concurrently serving as Executive Officer. The Company pays remuneration for Directors and remuneration for Executive Officers separately in accordance with its internal rules. Remuneration for Executive Officers were paid to six (6) Directors, and the amount of remuneration paid to them totaled 187 million yen, consisting of 154 million yen in fixed remuneration and 32 million yen in bonuses to officers that are a performance-linked remuneration, etc.
- From fiscal 2021, the Company has introduced a stock-based remuneration system as a medium- to long-term incentive, and during the consolidated fiscal year under review, the Company granted 86,730 points (monetary equivalent: 19 million yen) to six (6) Directors concurrently serving as Executive Officers, separate from the above remuneration amounts. Under this stock-based remuneration system, shares of Company stock are granted to points holders at a rate of 1 (1) share per one (1) point on the holders' retirement.
- There is no person whose total amount of consolidated remuneration is 100 million yen or more.

The STI for FY2022 was determined by the Board of Directors in July 2022, based on the STI outline mentioned in "Incentives" above, including the determination of specific indicators and factors for changed to be linked to performance, after the Nomination and Remuneration Advisory Committee's deliberations concluded that it was appropriate. The Company pays as a bonus an STI that will be added to or subtracted from the calculation base amount calculated from the individual basic remuneration amount, ranging from 0% (no payment) to 200% (double the amount of the calculation base) according to the annual performance (sales revenue, operating profit, profit, etc., and regular valuation). As the STI for FY2022, a total amount of 32 million yen was paid to six (6) Directors of the Board who also served as Executive Officers in FY2022.

As with FY2022, STI for FY2023 was determined from specific indicators (revenue, return on invested, core operating income, profit, etc.) and factors for changed to be linked to performance (from 0% (no payment) to 200% (double the amount of the calculation base)) at the Board of Directors' meeting in July 2023.

The performance evaluation of STI eligible employees for FY2023 has not yet been conducted during the current fiscal year, as it will be determined based on their performance in FY2023, and the evaluation will be

completed before the bonus payment in July 2024.

The Company, in addition to the above, has created a system where Directors and Executive Officers may voluntarily purchase a certain number of shares of the Company every month through the officer shareholding association, and thus, management may be carried out from a shareholders' perspective emphasizing medium- to long-term performance.

Policy on Determining Remuneration Amounts or Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts or Calculation Methods

Please refer to Article 15 of the CG Policy for the policy and [Incentives (above mentioned)] on determining remuneration amounts or calculation methods.

[URL of the website for Corporate Governance:]

https://www.jvckenwood.com/en/corporate/governance/corporate_governance.html

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

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

Further, the Nomination and Remuneration Advisory Committee composed of all four (4) External Directors and the Chief Executive Officer (CEO) has also appointed the Secretariat (Corporate Secretary Office) to support the duties of the committee such as preparation of minutes of the Nomination and Remuneration Advisory Committee meeting.

2. Functions of Business Execution, Auditing, Oversight, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) **Updated**

1. Matters concerning the Board of Directors

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

Ten Directors— Mr. HAMASAKI Yuji (Chairman of the Board and External Director), Mr. EGUCHI Shoichiro (Representative Director of the Board), Mr. NOMURA Masao (Representative Director of the Board), Mr. MIYAMOTO Masatoshi (Representative Director of the Board), Mr. SUZUKI Akira, Mr. HAYASHI Yoshikazu, Mr. SONODA Yoshio, Ms. ONITSUKA Hiromi (External Director), Mr. HIRAKO Yuji (External Director) and Mr. HIRANO Satoshi (External Director)—were elected at the 16th Ordinary General Meeting of Shareholders held on June 21, 2024.

Since June 2016, JVCKENWOOD has appointed an External Director independent from and neutral to the management of the Company as the Chairman of the Board of Directors, and established a place for active exchange of opinions and discussions at meetings of the Board of Directors. As of June 21, 2024, Mr. HAMASAKI Yuji, who serves as External Director, chairs the Board of Directors. The Chairman of the Board determines agendas for a meeting of the Board of Directors in consultation with the Chief Executive Officer (CEO) and Executive Officer in charge of Administrative Division, etc. prior to deliberations of the Board of Directors. In addition, the Chief Executive Officer (CEO) is responsible for convening meetings of the Board

of Directors and preparing minutes of meetings of the Board of Directors, etc. as the Representative Director of the Board.

2. Matters concerning the Audit & Supervisory Board

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

Mr. FUJIOKA Tetsuya (External Audit & Supervisory Board Member) was elected at the 13th Ordinary General Meeting of Shareholders held on June 25, 2021 and three Audit & Supervisory Board Members—Mr. KURIHARA Naokazu (Audit & Supervisory Board Member), Mr. EBINUMA Ryuichi (External Audit & Supervisory Board Member) and Ms. KOBASHIKAWA Yasuko (External Audit & Supervisory Board Member) — were elected at the 16th Ordinary General Meeting of Shareholders held on June 21, 2024.

3. Matters concerning the Nomination and Remuneration Advisory Committee

The Company established the Nomination and Remuneration Advisory Committee, for which all of its External Directors serve as committee members, in December 2015, with the aim of strengthening the independence and objectivity of the functions of the Board of Directors. Since its establishment, the Nomination and Remuneration Advisory Committee has made proposals to the Board of Directors regarding candidate representatives for JVCKENWOOD, and reviewed the appropriateness of director candidates and directors' compensation plans proposed by the representatives and others, and reported its opinions. The Board of Directors has determined director candidates and directors' compensation, taking into consideration the opinions stated by the Nomination and Remuneration Advisory Committee.

In addition, in April 2019, the Company added the Chief Executive Officer (CEO) to committee members of the Nomination and Remuneration Advisory Committee in order for External Directors who serve as committee members to share accurate internal information in a timely manner and to improve the effectiveness of the Nomination and Remuneration Advisory Committee. The procedures for deliberating a proposal and making determination regarding candidate representatives for the Company by the Nomination and Remuneration Advisory Committee are performed by three committee members who serve as External Directors except for the committee member who is the CEO.

As of June 21, 2024, Mr. HAMASAKI Yuji, Ms. ONITSUKA Hiromi, Mr. HIRAKO Yuji and Mr. Hirano Satoshi who serve as External Directors, and Mr. EGUCHI Shoichiro, who serves as CEO, serve as committee members, and Ms. ONITSUKA Hiromi chairs the Nomination and Remuneration Advisory Committee by resolution of the Nomination and Remuneration Advisory Committee as of the same date.

4. Matters concerning Executive Officer System

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

The Board of Directors, in order to lead the Company's initiatives in corporate reform and governance, is chaired by an External Director, holds discussions between External Directors as independent directors and Directors concurrently serving as Executive Officers to make highly transparent decisions, and entrusts the business execution to Executive Officers. In accordance with decisions made at meetings of the Board of Directors, the Chief Executive Officer (CEO), serving as the Chairman, takes the lead in the Executive Officers Committee's meetings.

Each of the Executive Officers is in charge of the Mobility & Telematics Service Sector (M&T Sector), Safety & Security Sector (S&S Sector), or Entertainment Solutions Sector (ES Sector) or serves as General Executive of the Business Division in those sectors while being in charge of the DX (Digital Transformation) Business Development Department, 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), 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 CFO (Chief Financial Officer) or CTO (Chief Technology Officer) or CISO (Chief Information Security Officer) or is in charge of each corporate division to support the CEO, and performs their duties.

On April 1, 2024, 14 Executive Officers (6 serving concurrently as Directors) named below were appointed:

- EGUCHI Shoichiro
Representative Director of the Board, President, Chief Executive Officer (CEO)
- NOMURA Masao
Representative Director of the Board, Senior Managing Executive Officer, COO Mobility & Telematics Service Sector
- MIYAMOTO Masatoshi
Representative Director of the Board, Senior Managing Executive Officer, Chief Financial Officer (CFO)
- SUZUKI Akira
Director of the Board, Senior Managing Executive Officer, COO Safety & Security Sector, Head of SCM*1 Reform
- HAYASHI Kazuyoshi
Director of the Board, Managing Executive Officer, Head of Administrative Division
- SONODA Yoshio
Director of the Board, Managing Executive Officer, Chief Technology Officer (CTO), Chief Information Security Officer (CISO)
- TERADA Akihiko
Managing Executive Officer, COO China
- SATO Katsuya
Executive Officer, General Executive of Communications Systems Division of Safety & Security Sector, Assistant to COO Safety & Security Sector
- MURAOKA Osamu
Executive Officer, Head of Overseas areas, General Executive of Overseas Business Marketing Division
- IWASAKI Hatsuhiko
Executive Officer, COO Entertainment Solutions Sector, General Executive of Media Business Division of Entertainment Solutions Sector
- SEKIYA Naoki
Executive Officer, General Executive of Domestic Business Marketing Division
- KAMATA Hiroaki
Executive Officer, General Executive of Telematics Service Division of Mobility & Telematics Services Sector, General Manager of DX*2 Business Development Department
- HARADA Hisakazu
Executive Officer, Seconded to EF Johnson Technologies, Inc., Assistant to COO Safety & Security Sector
- NAKAI Sumiko
Executive Officer, Assistant to Head of Administrative Division, General Manager of Sustainability Management Office

(Note) *1 SCM: Supply Chain Management

*2 DX: Digital Transformation

5. Matters concerning Accounting Auditor

- Name of audit corporation: Deloitte Touche Tohmatsu LLC
- Number of continuous audit years: Since 1994
* Refers to the timing when Kenwood Corporation, the acquiring enterprise in terms of business combination in the stock transfer conducted at the founding of the Company, appointed the Accounting Auditor.
- Certified public accountants who executed audit duties
 - Mr. SON Nobuo: Number of continuous audit years: 5
 - Mr. ONO Yohei: Number of continuous audit years: 4
 - Mr. MATSUI Yoji: Number of continuous audit years: 1
- Composition of assistants who supported audit duties
Assistants who supported audit duties are composed of 49 persons in total: 14 certified public

accountants and 35 other assistants.

- Reason for and policy on determining audit corporation

When Victor Company of Japan, Limited and Kenwood Corporation established the Company as a joint holding company (JVC KENWOOD Holdings, Inc.) through a stock transfer on October 1, 2008, the Company's current Accounting Auditor, Deloitte Touche Tohmatsu LLC was appointed as the Accounting Auditor for the Company from the perspective of the continuity of accounting audits because it was the accounting auditor for Kenwood Corporation, the acquiring enterprise in terms of business combination accounting.

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

The reasons why Kenwood Corporation, the acquiring enterprise in terms of business combination through a stock transfer, appointed Tohmatsu & Co. (currently, Deloitte Touche Tohmatsu LLC) as its accounting auditor in June 1994 are that under the circumstances where overseas sales accounted for most of the sales of Kenwood Corporation at that time and the share of overseas production in overseas sales rose, Tohmatsu & Co. was a leading Japanese audit corporation having an international network organized together with overseas audit corporations and that the majority of Kenwood Corporation's subsidiaries outside Japan entrusted their audits to Deloitte Touche (at that time), an affiliate of Tohmatsu & Co., which was highly recognized by each such subsidiary.

The Company currently continues to evaluate Deloitte Touche Tohmatsu LLC's understanding of the Group, identification of and response to risk areas, quality control system, independence, audit plan development policy and its description, group audit status including on network firms, fraud risk response, and reasonableness of audit fees. The Company believes that Deloitte Touche Tohmatsu LLC meets the necessary standards as an audit corporation for the Company which is exposed to various risks including changes in the business environment.

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

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

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

Audit & Supervisory Board Members and the Audit & Supervisory Board evaluate the audit corporation each year in accordance with the "Criteria for Evaluation of Appointment and Dismissal of

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

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

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

As of June 21, 2024, with respect to the liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act, the Company and the four External Directors and the three External Audit & Supervisory Board Members have concluded an agreement limiting liability for damages arising from the execution of their duties in good faith and without gross negligence. The maximum liability under the agreement will be either 5 million yen or a minimum liability amount stipulated by laws and regulations, whichever is greater.

7. Compensation Agreements with Executives as the Insured

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

8. Liability Insurance Contracts for Executives as the Insured

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

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

These insurance contracts are renewed every October.

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

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

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

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

Further, with a view to limiting the scope of liability assumed by Directors and Audit & Supervisory Board Members to reasonable levels, the Articles of Incorporation of the Company stipulate, pursuant to Paragraph 1, Article 426 of the Companies Act, to exempt Directors, including those who served in the past, and Audit & Supervisory Board Members, including those members who served in the past, from liability, subject to

approval by resolution of the Board of Directors, for damages due to negligence of duties and to the extent permitted by laws and regulations.

11. Matters Concerning Compliance

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

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

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

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

3. Reasons for Adoption of Current Corporate Governance System

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

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company, as a general rule, takes measures for provision in electronic format of information immediately following a resolution of convocation of the Ordinary General Meeting of Shareholders and sends a notice of convocation of the Ordinary General Meeting of Shareholders promptly (about three weeks prior to the date of the meeting). This gives shareholders sufficient time to review the proposals.
Scheduling Annual General Meeting to Avoid the Peak Time	The Company determines the date to hold a General Meeting of Shareholders to avoid so-called peak time in scheduling the date to hold a General Meeting of Shareholders. The latest 16th Ordinary General Meeting of Shareholders was held on June 21, 2024.
Allowing the Electronic Exercise of Voting Rights	The Company has made it possible for shareholders to exercise their voting rights by electromagnetic means (e.g., the Internet). In addition, voting rights can be exercised using mobile phones and smartphones.
Participation in Electronic Voting Platform	The Company participates in the voting platform for institutional investors operated by ICJ, Inc. Even nominal shareholders including custody and trust banks, standing proxies, and other institutions can use the platform to exercise their voting rights.
Providing Convocation Notice in English	The English version of convocation notices is available on the Company's website and elsewhere, so as to facilitate the smooth exercise of voting rights at the General Meeting of Shareholders.
Others	Pursuant to the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc., the Company discloses resolution results of proposals at the General Meeting of Shareholders, including the number of "for" and "against" votes (the Extraordinary Report). In addition to posting convocation notices and other information of General Meetings of Shareholders, the Company's website provides a form to receive questions in advance and explanations about matters attracting a lot of attention from shareholders among questions submitted in advance, as well as contents such as narrated business reports, live distribution of General Meeting of Shareholders, notices of resolution, and results of resolution (the Extraordinary Report).

2. IR Activities **Updated**

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

3. Measures to Ensure Due Respect for Stakeholders

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

IV. Matters Related to the Internal Control System

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

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

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

2. Frameworks for storing and managing information in relation to the execution of duties by the Company's Directors
 - (1) The minutes of the Board of Directors' meetings are created in accordance with the "Board of Directors Rules" and stored at the main office in accordance with the relevant laws and regulations and internal rules.
 - (2) The "Regulation for Information Security" are established to define the basic rules to be observed in managing confidential information whether in print or in electronic form, and are handled determinately.

3. Regulations and other frameworks for managing the risk of loss of the Group
 - (1) The Group regulations for compliance and risk management are established, together with an across-the-board organization for monitoring them with responsibilities being clearly defined, thereby promoting the Group's risk management efforts in a proper manner.
 - (2) The risk management rules by type of risk are prepared and updated to prevent various risks that might occur in the Group and clarify the actions to be taken in the event of such risks, as well as measures for restoration, thereby preventing the damage from spreading and minimizing the loss should a critical issue arise.
4. Frameworks for ensuring the efficient execution of duties of the Group's Directors
 - (1) The Company formulates business and other plans on a Group-wide basis, thereby clarifying management targets, promoting awareness thereof in the Group and evaluating the status of achievement thereof.
 - (2) The Company has in place the Executive Officer System to entrust the duty of business execution to the Executive Officers, thereby separating management oversight functions from business execution functions and clarifying the realms of oversight responsibility and business execution responsibility.
 - (3) The Company establishes the "Board of Directors Rules" and the "Executive Officers Committee Rules," as well as the "Administrative Authority Regulation," the "Standards for Decision-making and Authority," and the "Approval List" for the entire Group, to clarify the method of making decisions for the entire Group management.
 - (4) The rules regarding segregation of duties for each division of the Group are established to clarify the scope of duties and execute them determinately.
5. Frameworks for ensuring the propriety of business operations in the Group
 - (1) Based on the "Basic Policy of Consolidated Business Management," the corporate philosophy and management policies are shared among Group companies. In addition, the "Administrative Authority Regulation," the "Standards for Decision-making and Authority," and the "Approval List" are established as the regulations applying to the entire Group to ensure the propriety of business operations on a Group-wide basis.
 - (2) The Company dispatches officers or business supervising officers to major subsidiaries to ensure the propriety of business operations.
 - (3) The Company executes the internal audits of the Group subsidiaries through its Internal Audit Division.
6. Frameworks for reporting to the Company on matters concerning the execution of duties of Directors, business executing employees, and other personnel, of the Group subsidiaries
 - (1) The Company assigns a responsible division in each subsidiary to ensure that the subsidiary reports important information to such division, which in turn has responsibility for the overall management of that subsidiary.
 - (2) If necessary, the Company dispatches officers and/or administrative staff members to a subsidiary so that the Company's business execution team can grasp the status of business operation of that subsidiary.
 - (3) The Company keeps in place a reporting system to ensure that reports of any abnormal situation occurring internally and possibly affecting the operations of the Group's businesses will be delivered to the top management of the Company through an appropriate procedure and without delay.
7. Systems concerning employees who assist the Company's Audit & Supervisory Board Members in performing their duties, matters concerning the independence of such employees from the Company's Directors and matters concerning how to ensure the effectiveness of directions given to such employees
 - (1) The Company assigns employees as staff members who assist the Company's Audit & Supervisory Board Members in performing their auditing duties. If it is difficult to appoint a dedicated assistant member of staff, the Company appoints at least one employee who concurrently works in another post.
 - (2) If the assistant is a dedicated employee, the Audit & Supervisory Board Members conduct personnel evaluations. If the assistant is a concurrent employee who mainly works as an assistant, the personnel evaluation is to be conducted by the Audit & Supervisory Board Members. If the concurrent employee works not mainly as an assistant, the Audit & Supervisory Board Members perform evaluation as the assistant employee, then submit the evaluation results to the personnel evaluator in charge. The Company shall consult with the Audit & Supervisory Board Members in advance regarding the

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

- (4) The appointment of the Company's External Audit & Supervisory Board Members is made with consideration to their independence and professional expertise.

12. Frameworks for ensuring the propriety of financial reports

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

13. Basic policy for the elimination of antisocial forces

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

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

1. Efforts on Compliance

The Compliance Committee chaired by the Chief Executive Officer (CEO) and responsible divisions take the lead in updating relevant regulations, providing in-house education and distributing information related to compliance, etc. In particular, the Company ensures the effectiveness of in-house education by utilizing the corporate intranet without sticking to in-person training.

In addition, the Company revised the Helpline and the Internal Whistle-blowing System of the Auditing Informer System, in light of the revision to the Whistleblower Protection Act in 2022. Moreover, the Company endeavors to ensure that every employee is fully aware of the Internal Whistle-blowing System through the corporate intranet and e-mail newsletters.

2. Efforts on Risk Management

The risk surveillance and business continuity plan(BCP) have been updated, and the Company has begun reviewing the BCP training methods implemented by each department. Further, the Company ensures that every employee is fully aware of reporting and response systems in case of abnormal conditions.

3. Efforts on Management of the Board of Directors

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

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

As of June 21, 2024, Ms. ONITSUKA Hiromi, who serves as External Director, chairs the Nomination and Remuneration Advisory Committee, and Mr. HAMASAKI Yuji, Mr. HIRAKO Yuji and Mr. HIRANO Satoshi who serve as External Directors, and Mr. EGUCHI Shoichiro, who serves as CEO, serve as committee members.

4. Efforts on Management of Subsidiaries

The Corporate Audit Office conducts operational audits of affiliates subject to audit inside/outside Japan

within three years. In FY2023, the Corporate Audit Office conducted the operational audits of 15 affiliated companies in which the audit of one affiliated company was conducted jointly in cooperation with the Audit & Supervisory Board Members. In addition, the Corporate Audit Office follows up on the implementation status of improvement actions for the issues identified by operational audits and reports to the Board of Directors.

5. Audits by Audit & Supervisory Board Members

Audit & Supervisory Board Members attend important meetings such as Board of Directors' meetings and Executive Officers Committee's meetings, receive reports and explanations from Directors, Executive Officers, employees, etc. on the status of business execution and other important matters, inspect the important documents such as approval documents, etc., and investigate the status of operations and assets of business divisions at the head office and major business sites. In addition, as necessary, Audit & Supervisory Board Members receive reports on the status of business and business execution, etc. from directors and auditors at headquarters of subsidiaries and major business sites. In the consolidated fiscal year under review, Audit & Supervisory Board Members conducted visiting audits on 40 offices in total including affiliated companies inside/outside Japan as well as head office divisions, operational divisions, and other domestic sales offices by using also the internet conference system, and received reports on annual internal audit plans at the beginning of the term and results of monthly internal audits from the Corporate Audit Office.

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

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

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

V. Others

1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	Not adopted
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Supplementary Explanation

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2. Other Matters Concerning Corporate Governance System **Updated**

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

The Company disclosed a summary of the results of an evaluation on the effectiveness of the Board of Directors on May 15, 2024.

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

https://www.jvckenwood.com/jp/corporate/governance/evaluation_of_effectiveness.html(Japanese-only)

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

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

A summary of the Company's Regulations for Timely Disclosure concerning information disclosure

procedures is as described below.

(1) Method of timely disclosure

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

(2) Divisions responsible for timely disclosure

- There is no particular division solely responsible for timely disclosure; it is regarded as a Company-wide task and every business unit bears the responsibility for it.

In each Division in charge of incidents that are required to be disclosed in a timely manner, the responsible Executive Officer is appointed as a chief responsible person for timely disclosure, while the Senior Manager is designated as a responsible person for timely disclosure. The chief responsible person for timely disclosure is responsible for drafting procedures for in-house approval, including the Board of Directors and the Executive Committee, for matters involving information subject to timely disclosure and managing information subject to timely disclosure.

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

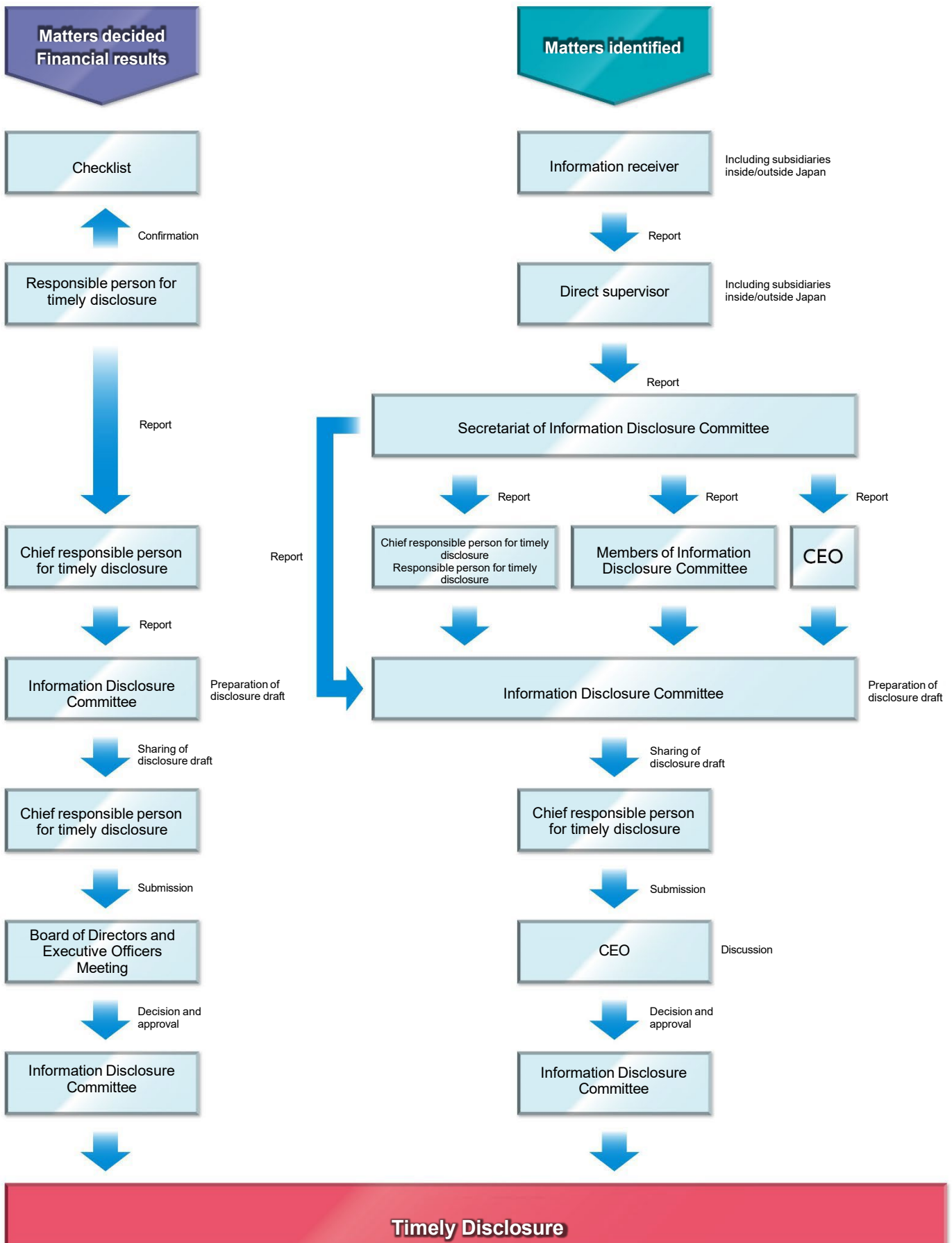
(3) Information Disclosure Committee

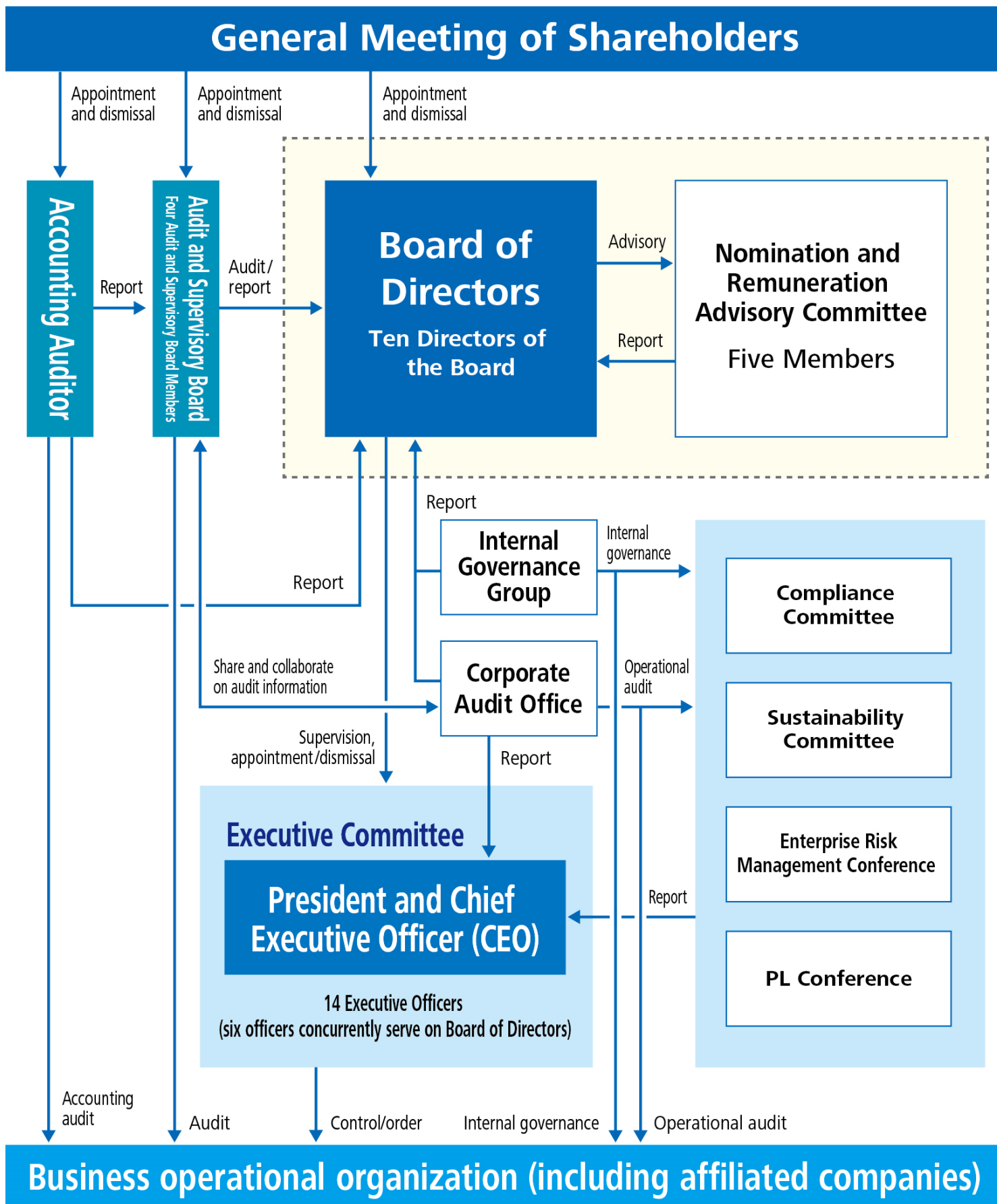
- The Information Disclosure Committee is responsible for maintaining and supervising the Company-wide timely disclosure framework.
- Any disclosed information concerning the Company is to be consolidated and managed by the Information Disclosure Committee, which acts as the contact point of external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

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

Overview of Timely Disclosure Framework (Pattern Diagram)

Information Disclosure Flowchart





(Reference) Skill matrix

The Company formulated a medium-term management plan, VISION 2025, in April 2023. The following is a summary of the areas of expertise and skills expected of the management team in order to solve the management issues faced by the Company and achieve medium to long-term improvements in corporate value, as well as to ensure diversity and balance on the Board of Directors.

Skills	Reason for selection as a skill	Standard for skill
Corporate management	Selected as a skill in order to adapt to the changing environment and to sustainably increase corporate value.	To hold experience in the execution of business as CEO, etc., at a business company, or to hold knowledge in corporate management based on experience in the execution of business, such as in the position of officer in charge of the Corporate Planning Department.
Finance and accounting	Selected as a skill in order to maximize corporate value while balancing with improved capital efficiency and growth investments, and in addition, to improve shareholder return.	To hold experience in the execution of business as in the position of officer in charge of the Finance and Accounting Department, or to hold knowledge in finance and accounting based on experience at financial institutions and accountancy firms, etc.
ICT/DX	Selected as a skill in order to strengthen the management foundation and to review our business portfolio in response to changes in the external environment.	To hold knowledge based on experience in ICT- or DX-related businesses or to strengthen the management foundation.
Manufacturing and technology, R&D	Selected as a skill for sustainable manufacturing and the creation of new value.	To hold knowledge based on experience in the execution of business, such as in the position of officer in charge of the Manufacturing, Technology, or Research and Development Department.
Overseas business International business	Selected as a skill for profitable growth and the solving of global social issues.	To hold knowledge based on experience in the execution of business, such as in the position of officer in charge of overseas business or international business at an incorporated company.

Director of the Board

Name	Male	Non-executive	External	Independent	Years of service	Nomination and Remuneration Advisory Committee	Skills					Expected areas of expertise
							Corporate management	Finance and Accounting	ICT*1/DX*2	Manufacturing and technology, R&D	Overseas business International business	
HAMASAKI Yuji	Male	Non-executive	External	Independent	5		●	●		●		Risk management, Sustainability
												Chairman of the Board
EGUCHI Shoichiro	Male	Executive			13 years in total	●	● (CEO*3)				●	Brand, Marketing strategy
NOMURA Masao	Male	Executive			6		●		●		●	Business strategy, Procurement
MIYAMOTO Masatoshi	Male	Executive			7		●	● (CFO*4)				Business strategy, IR/SR
SUZUKI Akira	Male	Executive			4		●			●	●	Production, Supply chain
HAYASHI Kazuyoshi	Male	Executive			—		●				●	IR/SR, Sustainability
SONODA Yoshio	Male	Executive			5			● (CISO*5)	● (CTO*6)			Intellectual property, Security
ONITSUKA Hiromi	Female	Non-executive	External	Independent	3	● Chairperson	●				●	Marketing strategy, Diversity
HIRAKO Yuji	Male	Non-executive	External	Independent	1	●	●		●		●	Human capital management, IR/SR
HIRANO Satoshi	Male	Non-executive	External	Independent	—	●	●		●	●	●	Business strategy, Solutions business

Audit & Supervisory Board Member

Name	Male	Full-time	Part-time	External	Independent	Years of service	Skills					Expected areas of expertise
							Corporate management	Finance and Accounting	ICT/DX	Manufacturing and technology, R&D	Overseas business International business	
KURIHARA Naokazu	Male	Full-time				—	●				●	Overseas business, Risk management
FUJIOKA Tetsuya	Male	Part-time	External	Independent		3	●	●			●	Overseas business
EBINUMA Ryuichi	Male	Part-time	External	Independent		—	●			●		Intellectual property, Production technology
KOBASHIKAWA Yasuko	Female	Part-time	External	Independent		—		●				Accounting audit, Diversity

*1: Information and Communication Technology

*2: Digital Transformation

*3: Chief Executive Officer

*4: Chief Financial Officer

*5: Chief Information Security Officer

*6: Chief Technology Officer