JVCKENWOOD

Integrated Report 2026

Move Forward

JVCKENWOOD Corporation

Our Philosophy

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

We share our philosophy of "Creating excitement and peace of mind for the people of the world" as the fundamental belief of JVCKENWOOD Group's corporate behavior. Based on this philosophy, each of us will share with all our stakeholders the richness of life and diverse values that lead to excitement and peace of mind.

Management Principles

Creating value through *monozukuri*

Building a corporate culture that adapts and embraces change

Investing in people to strengthen capabilities and push boundaries

4 Values

Change | Create | Earning Power | Connect

Scope of Reporting

Organization: JVCKENWOOD Corporation and the JVCKENWOOD Group
Period: April 1, 2025–March 31, 2026 (Includes details of some activities from April 2026 onward)

Publication

November 2026

Disclaimer Regarding Forecasts

Statements contained in this report that refer to the Company's future plans, intentions, or expectations are regarded as speculative forecasts. Such forecasts are based on management expectations of future events and are inherently susceptible to risk, uncertainty, and other factors, known or unknown, that may significantly impact actual performance. They are included solely to represent management's targets as of the time of issuance of this report; the Company has no obligation, and expressly disclaims any obligation, to update, alter, or publicize its forecasts in the event of changes in the economic climate or market conditions affecting the performance of the Company.



Editorial Policy

This report is published mainly for institutional investors in Japan and overseas, with the aim of deepening dialogues with capital markets in the pursuit of sustainable value creation. Under the concept of "Move Forward," the driving force behind our new medium-term management plan VISION 2030, we aimed to illustrate the connection between the overall image of VISION 2030 and value creation in a clear manner. Taking into account a review of the fiscal 2025 report and opinions and suggestions made by our investors, we structured this report to provide a coherent understanding of initiatives aimed at transforming our earnings structure under VISION 2030.

In compiling this report, we have referred to the IIRC Framework, the Tokyo Stock Exchange's examples of good disclosure practices, and recommendations from the TCFD, among others, in our efforts to present our initiatives in a clear and concise manner. Initiatives that could not be fully covered in this report are introduced on our website, which we encourage readers to refer to as well.

Editors of *Integrated Report 2026*

Key Points of *Integrated Report 2026*

POINT 1 Defining our vision for the next stage through a more refined business portfolio strategy and management with a strong focus on capital costs and share price

POINT 2 Visualizing how our management capital underpins our strengths—the "Three Areas of Technology," "Design Management," "Three Brands," and "Three Business Fields"—to enhance the compelling nature of these strengths and strengthen the credibility of the value creation process

POINT 3 Reframing our value creation story, starting with the role and positioning of redefined material issues

Contents

Introduction

2 Trajectory of Value Creation
4 At a Glance

Value Creation Story

6 Message from the CEO
10 JVCKENWOOD's Approach to Value Creation
12 JVCKENWOOD's Competitive Edge
14 Materiality

Growth Strategies

16 Message from the COO
18 Looking Back on the Previous Medium-Term Management Plan, VISION 2025
19 New Medium-Term Management Plan, VISION 2030
20 Financial Strategy: Message from the CFO
22 Business Portfolio Strategy
23 Growth-Driving Businesses
Growth Potential of the Communications Systems Business
24 Business Strategies by Sector
- 24 Safety & Security Sector
- 26 Mobility & Telematics Services Sector
- 28 Entertainment Solutions Sector

30 Technology Development Supporting Corporate Value Creation
- 30 Production and Procurement Strategies
- 31 Technology Development Strategy
- 32 Intellectual Property Strategy
- 34 General Executive Roundtable

Foundation for Growth

38 Our Sustainability Strategy
40 Addressing Environmental Challenges
44 Human Capital Management Aimed at Promoting Employee Engagement
48 Respect for the Human Rights of All Stakeholders
50 Risk Management
52 Information Security / AI Governance
53 Compliance
54 Stakeholder Engagement
56 Overview of Corporate Governance
61 Roles and Responsibilities Supporting Governance

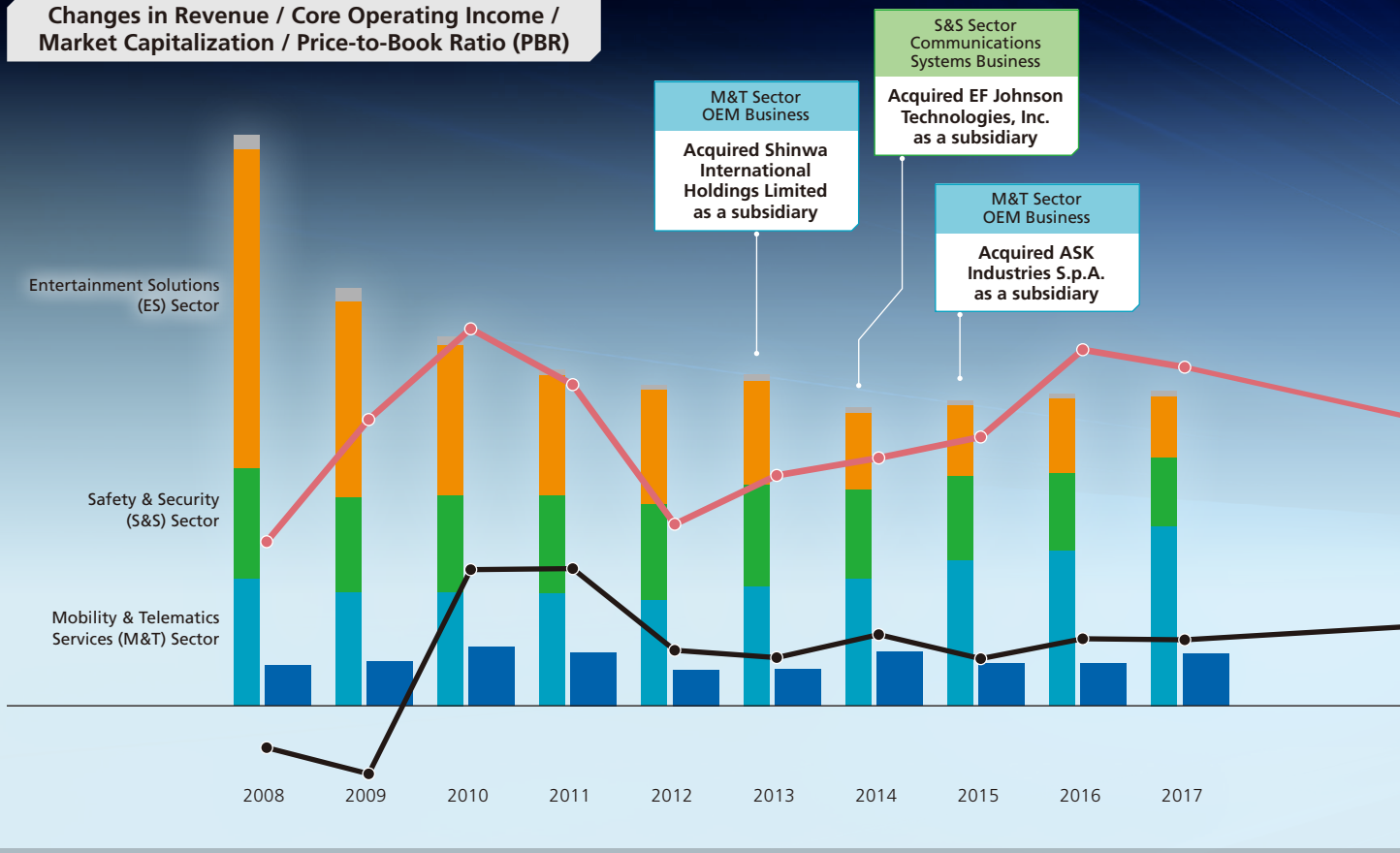
Data

66 Financial and Non-Financial Highlights
67 Six Years of Financial and Non-Financial Data
68 Key Global Locations / Awards and Recognition
69 Company and Stock Information

Trajectory of Value Creation

Since the 2000s, competition in the consumer electronics industry has intensified due to rapid digitalization. In 2008, Victor Company of Japan, Limited and Kenwood Corporation merged to establish JVCKENWOOD Corporation, transforming the business foundations they had built into a new foundation capable of thriving in the digital era. By overcoming the many challenges that emerged in the wake of the management integration and continuously reshaping our business portfolio, we have built a resilient management foundation that enables us to navigate a rapidly changing business environment, established a profitable earnings base, and significantly improved our business performance.

Changes in Revenue / Core Operating Income / Market Capitalization / Price-to-Book Ratio (PBR)



Era of Dynamic Changes

Carried out structural reforms to survive

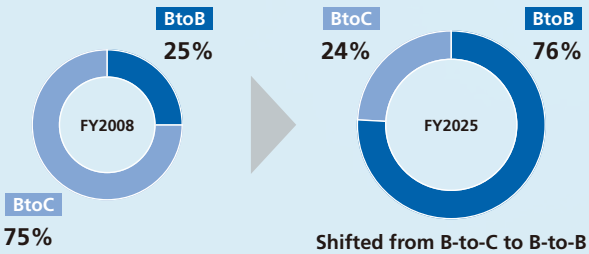
- Implemented structural reform of the consumer electronics business and shifted to the automotive and professional product business
- Implemented consolidation and elimination of redundant production factories and sales offices

Seeking of Revival

Laid the foundation for growth for the next generation

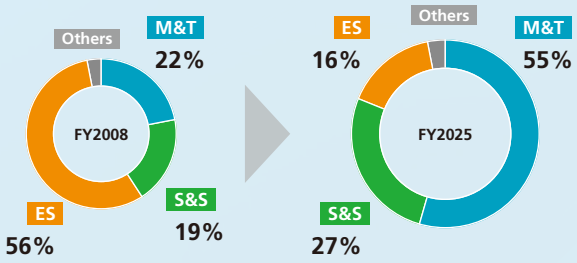
- Accelerated business portfolio transformation through strategic mergers and acquisitions
- Focused on capital efficiency and returns and areas where our strengths can be utilized

B-to-B Sales Ratio

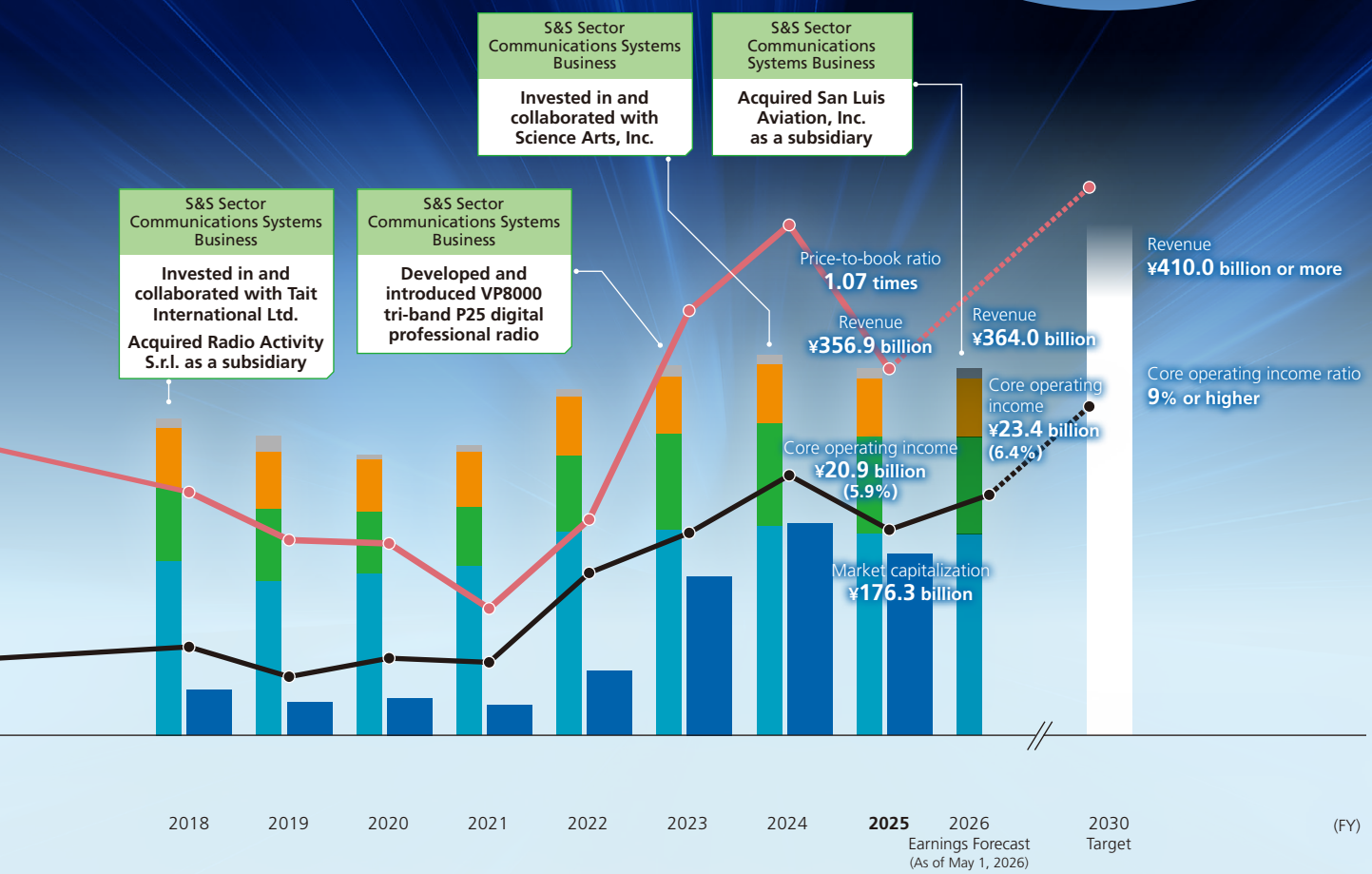


Shifted from B-to-C to B-to-B

Sales Composition Ratio by Sector



Further evolve “Change for Growth,” refine our business portfolio strategy, and elevate management with a stronger focus on capital costs and share price performance



Spread of COVID-19

Increased geopolitical risks, supply chain disruptions, economic instability, and structural transformation

Establishment of Revenue Base

Built a strong management foundation

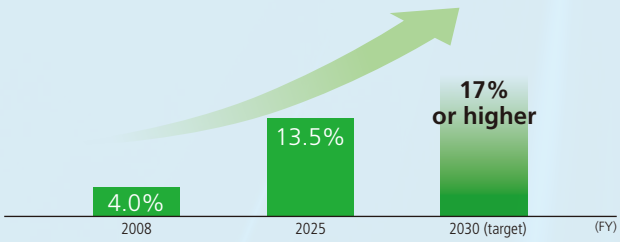
- Established a profitable revenue base through a fundamental review of our profit and loss structure
- Maximized corporate value by optimizing business portfolio

Evolution of Business Portfolio Management

Pursuit of sustainable value creation

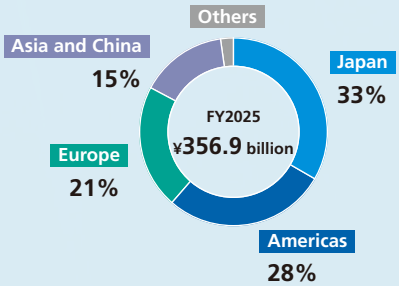
- Management that is even more aware of shareholder and investor perspectives
- Advancement of strategies by optimizing business portfolio
- Contribution to realizing a sustainable society through sustainability management

S&S Sector Core Operating Income Ratio



The Communications Systems Business has been the main driver of profits for the Company.

Sales Composition Ratio by Region



At a Glance

Business Foundation

Revenue

¥356.9 billion
(Fiscal 2025)

Consolidated Number of Employees

15,229
(Japan, non-consolidated: 3,125)
(As of March 31, 2026)

Global Network

58 sites in 23 countries
(As of September 1, 2026)

Three Brands

KENWOOD

The red triangle brand logo represents the three values of high quality, advancement, and sharpness. The brand focuses on audio and communication technology, expanding the development of wireless radio systems and in-vehicle products and services.

Victor

Victor is known for the slogan "His Master's Voice," featuring Nipper the dog, and pursues technologies and products suited to changing times without being constrained by conventional thinking. (Used only in Japan)

JVC

JVC offers audio and visual products and in-vehicle products mainly overseas, providing solutions that are close to people's lives.

Three Business Sectors

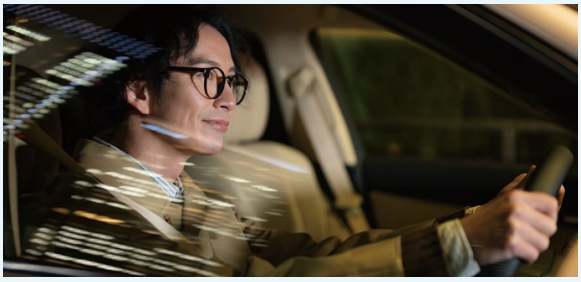
Safety & Security Sector

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



Mobility & Telematics Services Sector

Develops products, services, and solutions that support the joy and excitement of mobility while ensuring safety and peace of mind through the OEM Business, the Aftermarket Business, and the Telematics Service Business



Entertainment Solutions Sector

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



Main Products and Services



Professional digital radio system



Push-to-talk over cellular (PoC) radios



License-free transceiver



Amateur radio

Communications Systems Business

Provides highly reliable professional digital radio systems for the public safety market (law enforcement, fire services, emergency medical services, etc.) and the enterprise market. Also develops push-to-talk over cellular (PoC) radios that utilize LTE and Wi-Fi, amateur radios, and license-free transceivers



Emergency and commercial public-address systems



Security camera system

Professional Systems Business

Develops emergency and commercial public-address systems and security camera systems for the domestic market

Main Products and Services



Speaker



Amplifier



Antenna



Cable

OEM Business

Develops mobility solutions for domestic and overseas automobile manufacturers that support safety, comfort, and excitement, such as in-vehicle audio systems, electrical components,* and car navigation systems

* Speakers, amplifiers, antennas, cables, etc.



Display audio system



Car navigation system

Aftermarket Business

Contributes to realizing comfortable mobility by providing products, such as car navigation systems and display audio systems, to regular consumers through mass-market retailers and distributors



Cloud-connected dashcam

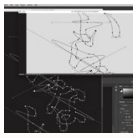
Telematics Service Business

Provides cloud-connected dashcams with a strong market presence to non-life insurance companies and other customers

Main Products and Services







Music and video content



Event management

Entertainment Business

Develops businesses related to digitally distributed music and video content of popular artists, CD/DVD/Blu-ray package sales, live events, and merchandise sales



Earphones



Audio systems



Projectors

Media Business

Develops solutions businesses, such as projectors for professional use, in addition to providing audio and video equipment (headphones, earphones, audio systems, and home theater projectors)

Message from the CEO

Driven by our capacity to continuously evolve, we will advance our value creation model centered on excitement and peace of mind and achieve sustainable enhancement of corporate value.



Shoichiro Eguchi
Representative Director of the Board,
Chairman and CEO

Move Forward—The Power to Keep Evolving, Toward the Future

To establish a solid management foundation, under our medium-term management plan VISION 2025 we worked to optimize our business portfolio strategy and capital allocation, while advancing our sustainability strategy from a non-financial perspective. Through these efforts, we implemented management initiatives aimed at maximizing corporate value.

Reflecting on the past three years, JVCKENWOOD has achieved a certain degree of success in improving PBR and strengthening our management structure.

Meanwhile, when business performance improves, we enter a recovery phase and stabilize, and the organization tends to become complacent and shift to a defensive stance. It is said to be a common human weakness that we do not think about storms when the weather is fair. When we are putting our fullest effort into working toward a goal, we can pull together as one. However, once we achieve a certain goal, unless we redefine the next vision, we will be left behind in a rapidly changing market.

Reflecting on Major KPIs in Fiscal 2025

	FY2025 Results		FY2025 Targets
Revenue	**¥356.9 billion**	○	¥370.0 billion or more
Core operating income ratio	**5.9%**	◎	5% or higher
EBITDA margin	**11.7%**	◎	10% or higher
Operating cash flows (Cumulative three-year total from FY2023–FY2025)	**¥98.2 billion**	◎	¥90.0 billion or more
ROE	**12.5%**	◎	10% or higher
ROIC	**8.9%**	○	9% or higher
PBR	**1.07 times** (As of March 31, 2026)	◎	Over 1.0 times

Accordingly, it is vital that we continue to implement a cycle of new challenges, using the achievements of the past three years as a starting point to address new management issues. I am also keenly aware that, particularly from dialogues with shareholders and investors, there is a growing demand for more sophisticated initiatives from the perspectives of quality of growth, reproducibility, and sustainability.

Peter Drucker states that the greatest risk lies not in change itself but "continuing to act as if the past will simply continue." While building on our successes to date, our primary mission is to view the current situation as a transition period toward the next phase of growth and to shift toward a management approach founded on structural transformation. Going forward, rather than focusing on superficial achievements, we will focus on establishing a business structure capable of generating value in a sustainable manner, which is the essence of our competitiveness. Under our new medium-term management plan VISION 2030, we have adopted the slogan "Move Forward—The Power to Keep Evolving, Toward the Future." It expresses our strong determination to achieve sustainable growth by continually transforming ourselves, rather than remaining on an extension of the path we have followed to date.

Transforming Our Inward-Looking Perspective to Enhance Corporate Value

Several years have passed since the Tokyo Stock Exchange has required corporate management to be conscious of capital cost and stock price, and I believe that improvements to overall corporate awareness in this regard have progressed. Meanwhile, if management decides to shift its focus toward management that is conscious of stock price, I believe that employees should also gain a thorough understanding of such information and carry out their own work with a clear understanding of the connection between their individual operations, corporate value, and, ultimately, stock price.

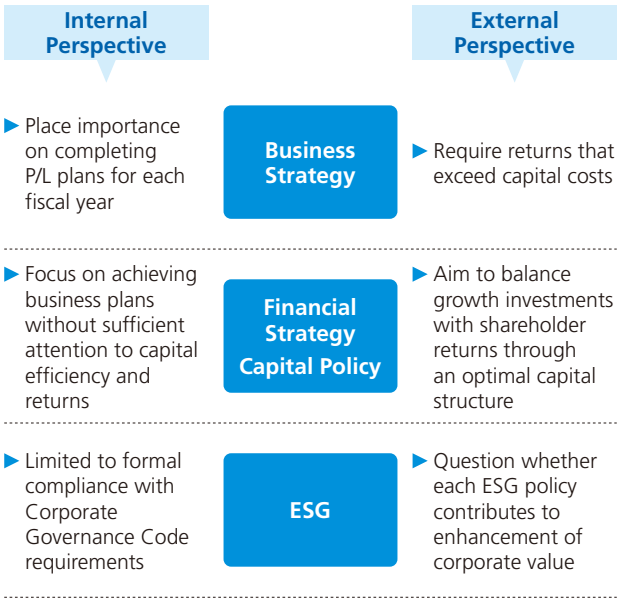
Looking at our current situation, I feel there is still a significant gap between the Company's internal perspective and the perspective of investors. For example, our business strategies still tend to prioritize annual profit and loss performance over capital efficiency and returns.

Furthermore, we still lack sufficient focus on cash flow. Regarding ESG, while we have made progress in establishing and monitoring KPIs in line with the requirements of the Corporate Governance Code, we still have a long way to go as far as verifying whether each measure actually contributes to improving our corporate value.

Isn't the stock price essentially a reflection of the results achieved through the combined efforts of management and employees? I am committed to driving transformation that fosters a corporate culture in which the entire Group understands the mechanisms and underlying principles by which corporate value is determined, and every member of the Group approaches their work with a strong awareness of enhancing corporate value and market capitalization, just as they do with traditional management indicators like revenue and profit.

Ultimately, market capitalization, which is an indicator of corporate value, is determined not by the company itself but by the assessments of the capital markets, including those of shareholders and investors. Accordingly, companies must enhance their management cycle while ensuring alignment with external perspectives and continuously implement initiatives that contribute to the enhancement of corporate value. By accurately understanding, interpreting, and integrating external perspectives into our business management cycle, we aim to deepen investor understanding of the value creation we seek to achieve and thereby earn even greater trust from the investment community, ultimately enhancing corporate value. It is no exaggeration to say that management's fundamental mission is to consistently generate returns that exceed the cost of capital, and that earning power is the surest path to creating sustainable value for all stakeholders.

Gaps Between the Internal and External Perspectives for Each Measure



JVCKENWOOD's Capital Costs (As of end of March)

	2021	2022	2023	2024	2025	2026
Weighted Average Cost of Capital (WACC)	**4.86%**	**5.06%**	**6.29%**	**6.35%**	**6.87%**	**5.64%**
Cost of Shareholders' Equity	9.51%	8.70%	9.53%	8.72%	8.91%	7.69%
Cost of Debt (After Tax)	0.87%	0.92%	1.17%	1.60%	1.80%	1.35%

Taking Ownership of Our Work

I have had the opportunity to mingle with young managers in my home region of Kyushu. It was a gathering of ambitious young people who are looking to break away from traditional businesses or leave their companies to establish start-ups.

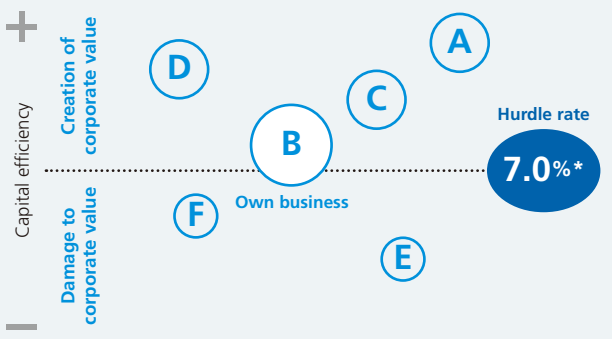
For start-ups that may not be able to generate stable cash flows given their early stage of development or poor track record, it is difficult to receive financing from financial institutions. Fund procurement for such start-ups is centered on equity financing. For them, such funding is a lifeline. If they fail to remain conscious of the cost of capital and generate returns that exceed it, funding from investors will eventually dry up, making it impossible for them to sustain their businesses.

It is essential for start-ups to ensure the success of their business at all costs and grow rapidly. In an environment where people, resources, and money are all in short supply, businesses must generate opportunities themselves, work tirelessly, grapple with difficult challenges, and ultimately arrive at their own solutions. I believe that it is precisely these experiences of overcoming adversity that build the foundation of entrepreneurship.

Manufacturing companies such as ours were once characterized by the integrated execution of production, sale, and delivery of products. However, as our business expanded and globalized, greater efficiency and specialization emerged, resulting in organizational structures where individuals focus only on their own areas of responsibility. As employees become preoccupied with managing their immediate tasks, organizations can increasingly fall into the trap of suboptimization. I am keenly aware of the need to transform the structures and constraints inherent in a mature organization and foster a corporate culture firmly grounded in a customer- and frontline-oriented mindset.

By constantly asking ourselves questions such as, "What value does this work create for our customers?", "Do our product development and pricing decisions exceed our hurdle rate?", and "What value do I personally seek to deliver?", and treating these issues as our own responsibility, we can transform our approach to work and turn organizational barriers created by specialization into meaningful connections across the Company. Since we will celebrate significant milestones over the next few years—the 80th anniversary of Kenwood Corporation in 2026, the 100th anniversary of Victor Company of Japan, Limited (JVC) in 2027, and the 20th anniversary of JVCKENWOOD's establishment in 2028—I believe that the entrepreneurial spirit of boldly taking on the future is exactly what we need right now. The key to enhancing our corporate value lies solely in the spirit and ambition to tackle its creation head-on. I myself will take on this responsibility on the front lines and work together with the entire Group to drive this transformation forward.

Approach to Establishing Hurdle Rates: Consistent Awareness of Your Business' Position

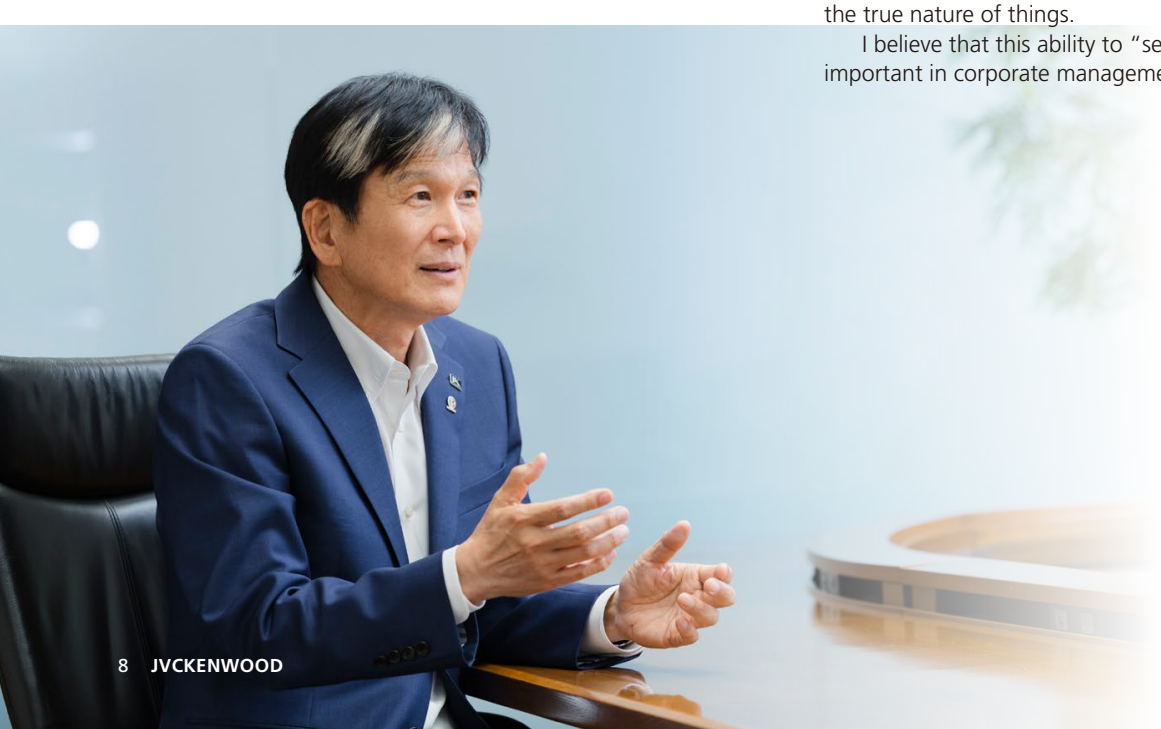


* The hurdle rate is set at 7.0%, taking into account geopolitical risks and other factors in addition to the WACC (5.64%).

Making the Invisible Visible

In English, the word "see" can mean not only to perceive something with one's eyes but also to understand it. In everyday conversation, "Yes, I see" is commonly used to mean "I get it" or "I understand." It expresses an understanding of the purpose, meaning, or essence, even without physically seeing it. This reflects the insight needed to discern the true nature of things.

I believe that this ability to "see the unseen" is equally important in corporate management. The sources of



corporate value are not necessarily something that is visible. Intangible assets such as human resources, technology, brands, and intellectual property are key components supporting future growth. To help investors understand their value, it is essential to make these invisible assets visible and communicate them in a clear and accessible manner. A vision becomes truly visible only when it is given concrete form and is transformed into a shared conviction that "we can make this happen." The first step toward achieving a vision is to visualize it in such clear detail that you can see the final result before your eyes.

Effective disclosure is the key to enabling companies to expand investment in intangible assets, gain investor understanding, and accelerate future growth. Simply stating that "our technology is superior" or that "our barriers to entry are high" is not enough to secure a full understanding from investors. What is most important is a compelling narrative that explains how investments in intangible assets, including the business model and intellectual property that underpin differentiation, translate into earnings and value creation. Companies must demonstrate this pathway and strengthen the credibility of their disclosures by using KPIs that clearly link investments in intangible assets to their outcomes.

From a corporate perspective, capital markets are a complex system. Nevertheless, once a company chooses to operate as a listed entity under the rules of the capital markets, management has a responsibility to make every effort to clearly communicate to investors the invisible factors that contribute to enhancing shareholder value.

Enhancing Governance and Assessing JVCKENWOOD's Current Position

Following the integration of management, we have made progress in organizing and strengthening our governance system. Going forward, it is essential that we evolve from developing a formal structure to an effective system of execution and oversight to achieve further refinement of governance.

In the revisions to the Corporate Governance Code in July 2026, the concept of a monitoring board was articulated more clearly as the ideal model—oversight of management was listed as the top role of outside directors of the Board, rather than that of an advisory board that provides recommendations to the executive side. Outside directors are not expected merely to apply the brakes. They also have a role in supporting management when it seeks to steer the company in the right direction, while providing checks and balances to prevent management, including the CEO, from falling into the trap of making self-serving decisions.

Enhancing governance requires executives and directors responsible for oversight to understand each other's positions and perspectives, pursue practical solutions, and incorporate insights that lead to new value creation. Each step, including daily conversations, in-depth communication, and visits to the front lines, builds trust, and seeing the world through the other party's eyes can provide insights for making improvements.

However, for the Board of Directors to function effectively, and fulfill its oversight role, members do not necessarily need to be thoroughly familiar with every aspect of the Company's operations. I feel that there is great value in maintaining an external perspective at all times and keeping a certain level of distance while viewing matters from an objective perspective as a shareholder.

In the past, observations and feedback from our outside directors made me keenly aware that what is considered common sense within a company may not necessarily be viewed the same way from the outside. I believe that one of the key roles of outside directors is to oversee whether decisions that may be taken for granted internally are, in fact, rational and justifiable from a shareholder perspective. The point at which internal perspectives intersect with the expectations of the capital markets is a critical catalyst for corporate transformation.

Meanwhile, unless the executive side improves, the effectiveness of the Board cannot be enhanced any further. By strengthening executive capabilities and the substance and effectiveness of the medium-term strategies submitted to the Board, we will steadily increase corporate value. I believe that maintaining this stance and ensuring its effectiveness is absolutely vital.

In the United States, half a century has passed since the monitoring board approach was first suggested, and it continues to evolve. I aim to enhance the quality of management by exploring what kind of governance structure is best for Japanese companies and for JVCKENWOOD.

Shoichiro Eguchi
Representative Director of the Board,
Chairman and CEO

JVCKENWOOD's Approach to Value Creation

Leveraging the technology, trust, and frontline expertise cultivated across its Safety & Security, Mobility & Telematics Services, and Entertainment Solutions businesses, JVCKENWOOD strives to contribute to a sustainable society by creating excitement and peace of mind for the people of the world through its strengths in communications, visual, and audio technologies.

Our Philosophy

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

Long-Term Vision The leap toward becoming an excellent company with strength and resilience

Basic Sustainability Policy

We aim to enhance corporate value and realize a sustainable society by contributing to profitable growth and the resolution of social issues on a global scale.

Material Issues

- Realization of a prosperous society connected by excitement and peace of mind
- Contribution to the environment
- Building of a responsible supply chain

External Environment

Continuation of the VUCA* Era
* Volatility, Uncertainty, Complexity and Ambiguity

- Increasing geopolitical and trade risks
- Increased macroeconomic uncertainty
- Restrictions to supply networks and rising raw material costs
- Changes to demand structure due to importance placed on economic security

Acceleration of Technological Innovation

- Acceleration of business reforms due to AI, quantum computing, and data utilization
- Rapid advances in technologies that will transform daily life, including advanced communications infrastructure and humanoid robots
- Acceleration of shift to service-based business model

Changes to Social and Customer Values

- Expansion of scope of social issues companies are expected to address, such as sustainability, climate change, and diversity
- Growing emphasis on peace of mind amid rising social risks
- Expansion of demand for operational efficiency due to a structural labor shortage

Input

Manufacturing Capital

Global production sites and high-quality manufacturing

Human Capital

Diverse human capital structure capable of spanning technical and business domains

Social and Relational Capital

Wide range of stakeholder points of contact across the globe

Intellectual Capital

Knowledge accumulated over many years and rich portfolio of patents

Financial Capital

Stable financial foundation that supports business activities and sustainable growth

Natural Capital

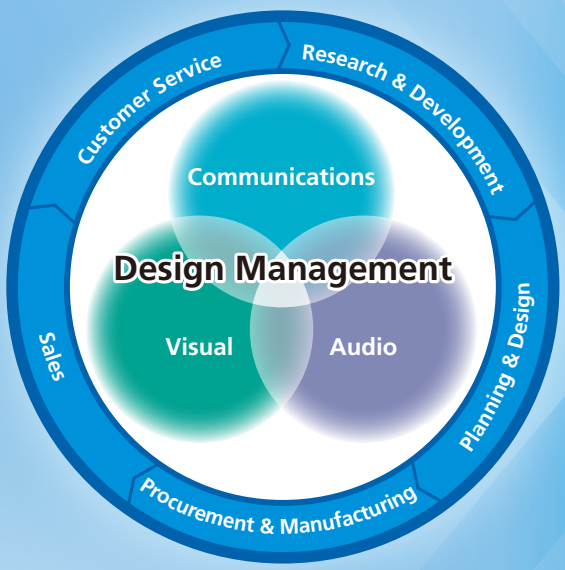
Contribution to a sustainable environment

Business Activities

Medium-term management plan VISION 2030

Move Forward

Pursuit of sustainable value creation



JVCKENWOOD's Competitive Edge
Pages 12–13

Sustainable enhancement of corporate value and realization of a sustainable society

Promotion of human capital management

Governance that supports sustainable growth

Materiality Pages 14–15

Output

Safety & Security Sector



Mobility & Telematics Services Sector



Entertainment Solutions Sector



Business Sectors Pages 24–29

	Indicator	Target
Financial Indicators	Revenue	**¥410.0 billion or more** (FY2030)
	Core operating income ratio	**9% or higher** (FY2030)
	ROE	**11% or higher (steadily maintained)** (FY2030)
	ROIC	**10% or higher (steadily maintained)** (FY2030)
Non-Financial Indicators	CO_2 emissions: Contribution to reduction of CO_2 emissions under Scope 1 and 2 (compared with fiscal 2019)	**–46.2%** (FY2030) **–67.2%** (FY2035)
	Reduction of plastic consumption volume for containers and packaging (compared with fiscal 2019)	**35.9% or more** reduction (FY2030) **52.2% or more** reduction (FY2035)
	Employee engagement	**70%** or higher (FY2030)

Outcomes

Stakeholders

- Customers
- Employees
- Shareholders and Investors
- Business partners
- Government
- Local communities
- NPOs and NGOs

Realize safety and security in society through advances in safety technologies

Reduce environmental burden of business activities and product life cycles

Realize a rewarding work environment and enhance well-being

Create economic and social value

JVCKENWOOD's Competitive Edge

The JVCKENWOOD Group has established a competitive edge that is difficult to replicate. This edge is the result of integrating various types of capital driven by design management and centered on our core technologies of communications, visual, and audio. We will realize sustainable enhancement of corporate value by strategically aligning our three brands and our business portfolio while continuously enhancing customer experiential value.

Management Capital That Is the Source of Our Strength (FY2025)

Manufacturing Capital

Number of major manufacturing bases:	7
Capital investment:	¥12.0 billion*1

*1 Tangible fixed assets only

Global Production Bases and High-Quality Manufacturing

- Global production bases that flexibly respond to changes in the business environment
- Manufacturing technology and quality assurance system that supports high-quality products cultivated over many years
- Robust production foundation through standardization of design and production processes and automation of production processes
- Data-driven manufacturing that utilizes AI

Human Capital

Number of Group employees (Consolidated):	15,229
Ratio of female managers (Non-consolidated):	9.2%
Number of inventors across the Company (Non-consolidated):	523

Diverse Human Capital Structure Capable of Spanning Technology and Business Domains

- Diverse portfolio of highly skilled and experienced human resources capable of working beyond the boundaries of the technology and business domains
- Expertise in creation of new customer-oriented value by integrating communications, visual, and audio with design
- Corporate culture and human resource development platform that encourage growth and new challenges
- Co-creation capabilities that support global growth and innovation

Social and Relational Capital

Major sales and marketing bases:	17 countries
Three brands:	KENWOOD, JVC, and Victor
Social contribution activity cost:	¥310 million

Contact Points with a Wide Range of Stakeholders Across the Globe

- Globally recognized brand assets
- Global sales bases that quickly adapt to needs and realize stable value provision
- Co-creation platform with diverse partners that supports creation of new value and business growth
- Relationships of trust with stakeholders and social reliability fostered through social contribution activities

Intellectual Capital

R&D expenses:	¥18.5 billion
Number of patents held:	Approx. 6,500

Technical Knowledge Cultivated over Many Years and Extensive Patent Portfolio

- Technology platform built up since our founding that meets diverse customer and market needs
- Capability to create innovation through technology integration and design management
- Intellectual property strategy that utilizes an extensive catalog of patents and intellectual property assets and an IP landscape
- Value creation foundation that supports our three business sectors

Financial Capital

Strategic investment:	¥90 billion or more*2
Growth investment:	¥110.0 billion*2
Total assets:	¥347.6 billion

*2 Aggregation from fiscal 2026 to fiscal 2030 (Plan)

Stable Financial Base That Supports Business Activities and Sustainable Growth

- Ability to stably create cash through transformation of portfolio toward highly profitable businesses
- Implementation of aggressive and flexible investments based on capital allocation policies
- Financial management that places importance on profitability and capital efficiency while maintaining a focus on the cost of capital and share price

Natural Capital

Total energy consumption:	1,040,649 GJ
Water withdrawal:	110,822 t
Scope 1 and 2 CO_2 emissions:	47,931 t

Contribution to a Sustainable Environment

- Business activities that contribute to conserving biodiversity and lowering our environmental burden
- Effective use of resources through 3R*3 Management, including reduction of waste
- Appropriate management of environmentally hazardous chemical substances that have a significant impact on the global environment and human health
- Operation of environmental management systems and compliance with laws at domestic and overseas bases

*3 Reduce, reuse, and recycle

Sustainable creation of corporate value based on our competitive edge

Competitive Edge That Realizes Sustainable Growth

1 Unique Value Creation Capabilities Through Integration of Technology and Design

We are promoting design management that integrates diverse, specialized human resources and intellectual property assets and creates customer-oriented value centered on communications, visual, and audio technology assets built up over many years at Victor Company of Japan (JVC) and KENWOOD.

We have established a co-creation environment where insights from different businesses, technologies, and designs converge through consolidation and functional integration at Value Creation Square (VCS). By leveraging these insights across the Group, we are creating proprietary products and services that help resolve social issues and meet customer needs. We also aim to create a competitive edge well into the future by promoting the integration of our business, technology, and intellectual property strategies.

We are creating unique value in the Safety & Security Sector, the Mobility & Telematics Services Sector, and the Entertainment Solutions Sector that provides not only excitement but also peace of mind through synergy of our technology assets amassed over many years, our diverse and specialized human resources, and our intellectual property strategy.

2 Global Value Creation Platform That Connects Customers and Markets Around the World

With the globally recognized three brands of KENWOOD, Victor, and JVC at the core, we have built a global network for development, production, sales, and services. Through business operations closely aligned with customers and markets in each region, we rapidly reflect diversifying needs in our products and services, while leveraging the relationships of trust with customers we have cultivated over many years as a solid foundation for our competitiveness. Moreover, to achieve resilient manufacturing that balances high quality with a quick response to changes in the business environment, we are promoting the standardization and automation of design and production, as well as DX utilization, ensuring stable supply and quality on a global scale. This global network, manufacturing base, and strong relationships of trust with customers form a foundation for creating sustainable value.

3 Resilience That Realizes Sustainable Growth

Since the business integration of KENWOOD and JVC, we have continuously advanced business portfolio reforms while accurately identifying changes in the business environment, and have worked to strengthen our corporate foundation and transform our earnings structure. Amid significant shifts in the competitive landscape driven by advancing digitalization, we have built a stable earnings base by shifting from a business structure centered on B-to-C products and prioritizing the allocation of management resources to high-profitability, high-growth B-to-B domains, including the Communications Systems Business and Overseas OEM Business. In addition, we have continued to enhance the quality of our business portfolio by expanding our business foundation through M&As, investing in growth areas, and reviewing non-focus businesses. Our ability to transform, viewing change not as a threat but as a growth opportunity, and continuously reallocating and optimizing management resources in response to the business environment, represents a critical competitive edge that underpins JVCKENWOOD's sustainable growth and enhancement of corporate value.

Materiality

Positioning of Materiality at JVCKENWOOD

JVCKENWOOD's materiality has been positioned as a key management issue for the purpose of balancing the resolution of social issues through business activities and the enhancement of corporate value to realize our corporate philosophy of "Creating excitement and peace of mind for the people of the world" and our long-term vision. We evaluate the impact business activities have on society and the Company from an ESG perspective, and identify key issues that are connected to the medium- to long-term value creation.

We have recently reviewed our material issues from a medium- to long-term perspective in line with our corporate philosophy, long-term vision, and Basic Sustainability Policy.

The redefined material issues are positioned as the foundation of the business portfolio strategy, financial strategy, and sustainability strategy under VISION 2030, our new medium-term management plan, and reflected in specific initiative themes and KPIs.

Our Philosophy **Creating excitement and peace of mind for the people of the world**

Long-Term Vision

The leap toward becoming an excellent company with strength and resilience

Basic Sustainability Policy

Aim to enhance corporate value and realize a sustainable society by contributing to profitable growth and the resolution of social issues on a global scale

Material Issues (Key Management Issues)

Medium-Term Management Plan

- Business portfolio strategy
- Financial strategy
- **Sustainability strategy**

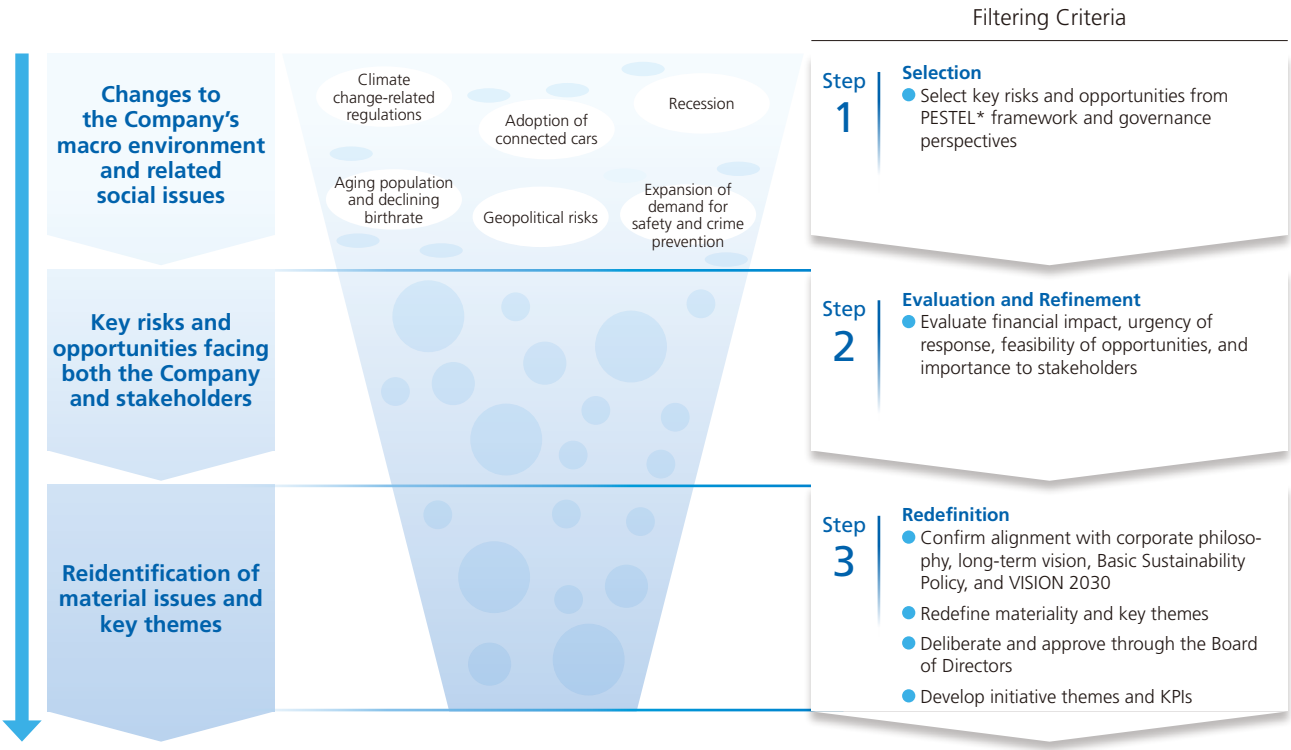
Establishment of Initiative Themes and KPIs

Materiality Review Process

When reviewing materiality, we look at the macro environment surrounding the business and social issues through PESTEL* analysis and select key risks and opportunities that will impact the business.

Following this, we make assessments and narrow down the list based on factors including the financial impact on our company, the urgency of the response, the feasibility of opportunities, and the level of importance for stakeholders.

Additionally, we conduct this review while ensuring alignment with our corporate philosophy, long-term vision, and Basic Sustainability Policy, and determine materiality and key themes following deliberations and approval by the Board of Directors.



* A framework used to identify and analyze external factors affecting an organization

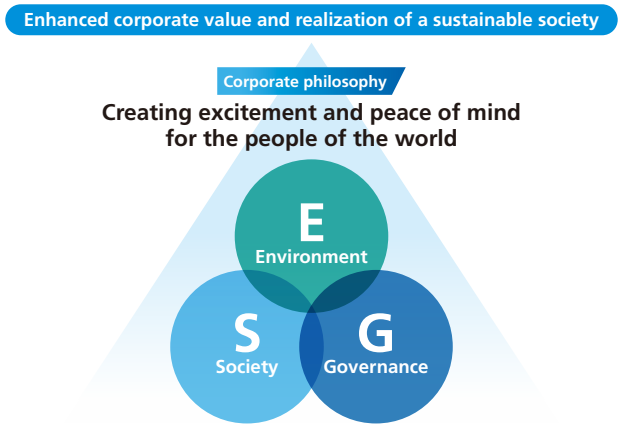
Approach to Concept of Materiality Review

During this review, we reorganized our material issues that are connected to the creation of medium- to long-term value while considering both the importance for the Company and the importance for society and stakeholders in terms of ESG (environment, society, and governance).

Additionally, based on the social and economic value we create through our business, the structure is an even clearer reflection of the excitement and peace of mind laid out in our corporate philosophy.

JVCKENWOOD's strength is our core technologies, including wireless communications technology, mobility-related technology, and audio and visual technology, and our businesses that utilize them, Safety & Security, Mobility & Telematics Services, and Entertainment Solutions. Through these businesses, we aim to balance both social issue resolution and business growth, such as the refinement of safe and secure social infrastructure and the creation of enriched experiential value.

We have also positioned response to climate change, respect for human rights, responsible procurement, human capital management, and reinforcement of governance as a key foundation of our management. We are steadily promoting the creation of social and economic value by setting initiative themes and KPIs for each materiality issue and managing progress in terms of the results of business activities (output), as well as social and environmental changes and enhancement of customer value (outcome).



List of Material Issues

We aim to realize a sustainable society and enhance medium- to long-term corporate value by promoting our business portfolio strategy, financial strategy, and sustainability strategy in an integrated manner centered on materiality and by visualizing the progress of value creation through KPIs.

Material Issues	ESG	Key Themes	Related SDGs	Related KPIs
1 Realization of a Prosperous Society Connected by Excitement and Peace of Mind	– / – / –	● Creation of safe, secure, and lively communities ● Creation of safe, comfortable, and enriching mobility experiences ● Enriching of people's minds and lives ● Manufacturing reforms ● Acceleration of innovation ● Enhancement of customer loyalty	3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	P.22–33
2 Contribution to the Environment	E	● Achievement of a decarbonized society ● Realization of a circular economy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	P.40–43
3 Building of a Responsible Supply Chain	S	● Respect for human rights ● Promotion of sustainable procurement	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	P.48–49
4 Promotion of Human Capital Management	S	● Diversity and inclusion (D&I) ● Empowerment of employees to thrive ● Development of AI talent and responsible use of AI	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	P.44–47
5 Governance That Supports Sustainable Growth	G	● Enhancement of corporate governance ● Strengthening of information security management ● Strengthening of risk management	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	P.50–52 P.56–65

For more details on our materiality, including related KPIs, please visit our website.
https://www.jvckenwood.com/en/sustainability/group/materiality/

Message from the COO



Pursuing VISION 2030 with high aspirations and renewed determination

Clear strategic business policies and strengthened frontline capabilities to implement them are the key to success.

Akira Suzuki
Representative
Director of the Board,
President and COO

My Mission as COO

Under our new medium-term management plan, VISION 2030, we have committed to achieving revenue of ¥410 billion or more, a core operating income ratio of 9% or higher, and a sales ratio in the Safety & Security Sector of 35% or higher by fiscal 2030. The plan also clearly outlines our aspirational targets of ¥500 billion or more in revenue, a core operating income ratio of 10% or higher, and a sales ratio in the Safety & Security Sector of 50% or higher. My most important mission as COO is to take the lead in fulfilling my executive responsibilities to achieve these aspirational targets and enhance corporate value. During the three years of the previous medium-term management plan, VISION 2025, we reinforced profitability by revising our business portfolio and aggregating resources in growth areas. However, these results were partly driven by a few growth businesses and the fact that the Group had not yet reached the stage where its overall execution capabilities and balanced growth potential could be called fully established.

Under VISION 2030, rather than simply continuing the strategies we have pursued to date, each business unit is tasked with strengthening its frontline capabilities in order to achieve tangible results. Accordingly, our management reforms (THESEUS activities*1) are effective for this purpose, and the Company will transform itself into a self-driven organization capable of achieving its targets independently.

*1 The name of the management reform project that the Communications Systems Division has been engaging in since 2018

Direction of Business Strategies and Key Areas

The basic policy of our business strategies is to ensure that the Communications Systems Business, a growth-driving business, develops into a stable business, while improving profitability across all business units and enhancing their earning power. Meanwhile, while VISION 2030 has only just begun, we are aware of various risks in the external environment of the Communications Systems Business. With this in mind, we will launch a growth strategy project, form a task force for each key measure, and strongly drive the delivery of results.

Basic policy: Enhance Groupwide earning power, centered on the Communications Systems Business

Safety & Security Sector	● Accelerate the further expansion of our solutions-oriented business, leveraging our strengths in providing highly reliable communications solutions and responding flexibly to customer needs in the mission critical public safety market ● Enter the hybrid field, which handles data and images that utilize broadband technology, in addition to the narrowband market, which primarily focuses on voice communication ● Transform the domestic Professional Systems Business into a business unit with stable earning power
Mobility & Telematics Services Sector	● Shift from a product-based business model to one that adds value to the mobility experience throughout its entire life cycle ● Create new growth opportunities in the OEM Business, by accurately identifying changes in customer needs

Entertainment Solutions Sector

- Capitalize on growth in music streaming and live entertainment markets by deploying an integrated value chain spanning content creation through experience delivery, thereby diversifying revenue streams and strengthening profitability
- Improve profitability in the Media Business and conduct business structure reforms with an eye to shifting toward the high-price range
- Leverage the brand license business to create stable added value

Strengthening of Management Foundation Through Projects Directed by the COO

To steadily achieve these business strategies, we are promoting two reform projects under the direct supervision of the COO as part of our efforts to strengthen our management foundation. Both are leveraging AI to carry out our reforms.

We view these initiatives not simply as cost-cutting or efficiency measures, but as efforts to strengthen our management foundation to enhance our ability to consistently create value.

SCM*2 Reform Project

We are promoting the enhancement of supply chain durability. To achieve ideal inventories, we will incorporate supply and demand adjustments based on demand forecasts that utilize AI in the SPI*3 process and formulate optimal production plans. This will enable us to refine S&OP*4 management that will lead to the improvement of profit and loss and cash flows. We will also strengthen our response to procurement risks and geopolitical risks in the supply chain.

Operational Reform Project

We are promoting AI-driven management. To drive Groupwide enhancement of profitability, we will advance rapid, data-driven decision-making and thorough improvements to operational efficiency.

*2 Supply chain management
*3 Process for integrated planning and management of sales, production, and inventory
*4 Management approach that places sales and operations planning at the center of business decision-making

Key Challenges and Future Initiatives Toward Achieving VISION 2030

Through VISION 2025, the Communications Systems Business made steady progress as a growth-driving business. However, several challenges remain on the path toward achieving VISION 2030.

Challenge 1

Variations in profitability and growth potential across business segments

- Move away from revenue and growth models dependent on specific businesses and achieve balanced Groupwide growth through management focused on return on invested capital
- Eliminate losses from unprofitable businesses

Challenge 2

Development of new business areas

- Generate synergies across the fields of communications, visual, and audio
- Realize a new business by fiscal 2028, the 20th anniversary of the Company's establishment, even if initially on a modest scale

Challenge 3

Strengthening of product development capabilities

- Develop highly skilled talent involved in the product development process and build small, elite development teams
- Implement highly efficient manufacturing processes

The challenges listed here represent only a portion of the issues facing the Group as a whole. Each division faces its own set of challenges. Using them as reasons or excuses for inaction, however, will lead to no meaningful progress. It is essential to view these challenges as opportunities for transformation, addressing them with determination and resolving them steadily, one by one. By maintaining a strong sense of ownership and continuing to take on new challenges, every employee can contribute to enhancing corporate value and achieving sustainable growth.

Achieving VISION 2030

I have outlined our approach to achieving VISION 2030, including our business strategy policies and initiatives to strengthen our management foundation. More importantly, all of our business activities ultimately contribute to local communities and enhance corporate value, while advancing our corporate philosophy of "Creating excitement and peace of mind for the people of the world." Achieving VISION 2030 will lead to the creation of value for all stakeholders, including shareholders, employees, business partners, and customers, and the establishment of a trajectory for future generations. As COO, I will continue to dedicate myself to realizing this vision while contributing to further enhancing the significance of JVCKENWOOD's purpose.

Looking Back on the Previous Medium-Term Management Plan, VISION 2025

Overview of VISION 2025

Under our previous medium-term management plan, VISION 2025, we aimed to maximize sustainable corporate value by accelerating our growth momentum through optimization of our business portfolio based on our key strategy of "Change for Growth" and in line with changes in the business environment. In addition, we established targets of achieving an ROE of 10% or higher and a PBR of over 1.0 times at an early stage and have worked to sustainably enhance both our corporate value and shareholder value by strengthening our management foundation through initiatives that include business portfolio reforms, improvement in capital efficiency, promotion of sustainability management, and reforms in the supply chain and manufacturing process.

Outcomes Under Profit Structure Reforms and New Management Issues

In fiscal 2023, the first year of VISION 2025, we worked toward strengthening profitability through business portfolio reform. In the final year, fiscal 2025, we were able to achieve most major KPIs related to profitability and capital efficiency and established a profit base that centered on our Communications Systems Business. Meanwhile, as business portfolio reforms progressed, structural issues such as disparities in profitability between businesses emerged, further highlighting the importance of continuous and flexible reviews of our portfolio.

The following table summarizes VISION 2025—the results of key management indicators, the outcomes of and related issues regarding our business, financial, and sustainability strategies, and our efforts to strengthen our management foundation.

VISION 2025: Results and Related Issues

	Outcomes	Related Issues
Brief overview	**Strengthening of growth foundation through review of our business portfolio** ● Established a business foundation that drives sustainable profit growth via positioning of the Communications Systems Business as the core business of the JVCKENWOOD Group	**Disparities in profitability levels between businesses following advancement of business portfolio reforms** ● Despite setting a general direction when restructuring businesses, uncertainty remains over the profitability and growth potential of some businesses.
Key management indicators	**KPIs**: Core operating income ratio: 5% or higher; ROE: 10% or higher; ROIC: 9% or higher **Fiscal 2025 Results**: Core operating income ratio: 5.9% ○; ROE: 12.5% ○; ROIC: 8.9% ○ **Reason for Achievement** ● Committed to management focused on both business portfolio optimization, centered on the aggregation of management resources into growth-driving businesses, and on capital efficiency	**KPIs**: Revenue: ¥370.0 billion or more **Fiscal 2025 Results**: Revenue: ¥356.9 billion △ **Reason for Nonachievement** ● Production and sales fell due to a shortage of components in the S&S Sector's Communications Systems Business. ● The tariffs set by the United States had an impact on the M&T Sector and the ES Sector's Media Business.
Business strategy	● Concentrated management resources in the Communications Systems Business, a growth-driving business, and the Overseas OEM Business, which grew significantly and supported the Company's overall performance ● Ceased operations of our Professional Camera Business, a restructuring business, and withdrew from the Healthcare Business (including the transfer of shares in wholly owned subsidiary)	● Improved business profitability in the M&T Sector and the ES Sector ● Continuously and flexibly reviewed our portfolio
Financial strategy	● Achieved key management targets through capital allocation that balances improved capital efficiency with growth investments, with an emphasis on capital costs, achieving PBR of over 1.0 times at an early stage ● Implemented stable shareholder returns in line with our shareholder return policy	● Continuously improved capital efficiency and appropriately allocated investments ● Further reduced weighted average cost of capital (WACC) and expanded our equity spread
Sustainability strategy	● Created a platform for sustainability promotion activities through the establishment of a Sustainability Committee that is directly overseen by the CEO ● Contributed to enhancing stakeholder engagement and improved external recognition through sustainability promotion activities	● Further advanced sustainability management ● Worked to respond to environmental and social demands
Further strengthening of management foundation	● Consolidated production sites to align capacity with overall production volume and labor requirements ● Concentrated human capital in growth-driving businesses in line with management strategy ● Achieved major KPIs for human capital	● Enhanced durability of supply chain against external risks, including component shortages and tariffs implemented by the United States ● Refined management processes through AI utilization

New Medium-Term Management Plan, VISION 2030

Overview of New Medium-Term Management Plan, VISION 2030

JVCKENWOOD formulated VISION 2030 as its new medium-term management plan, ending in fiscal 2030, and adopted the theme of "Move Forward." Amid the urgent need to address rising geopolitical risks, supply chain constraints, technological innovations such as AI and data utilization, and social issues including climate change and labor shortages, we aim to further evolve the "Change for Growth" strategy pursued under our previous medium-term management plan, VISION 2025, to maximize corporate value and achieve sustainable value creation. Under VISION 2030, we will further strengthen our revenue base centered on the Communications Systems Business, established under the previous plan, while promoting higher profitability in the Safety & Security (S&S) Sector. In addition, we will allocate management resources, prioritizing growth areas, and enforce strict investment discipline focused on capital efficiency. Through strengthening corporate governance and integrating our business strategy with ESG strategy, we aim to establish a resilient and agile management foundation capable of responding flexibly to changes in the business environment, including geopolitical risks and technological innovations.



Business Portfolio Strategy

Fully shift management resources to growth areas and continuously optimize business portfolio

P.22

Financial Strategy

Implement investments proactively and flexibly based on capital allocation policy

P.20–21

Sustainability Strategy

Enhance both economic and social value by strengthening ESG management

P.38–39

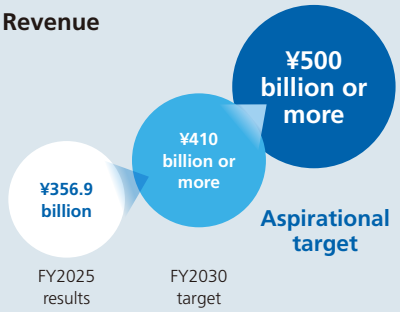
Key Management Indicators of VISION 2030

For fiscal 2030, we aim to achieve revenue of ¥410 billion or more and a core operating income ratio of 9% or higher, while expanding the S&S Sector's share of revenue to 35% or higher. In terms of capital efficiency, we will stably maintain ROE of 11% or higher and ROIC of 10% or higher. For shareholder returns, we will target a total return ratio of 30% to 45%, aiming to maximize shareholder value through optimized allocation between growth investments and returns.

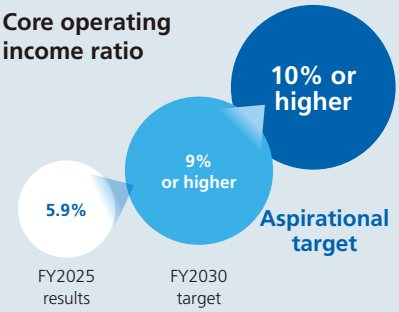
In addition to VISION 2030 management targets, we have set ambitious "aspirational targets" of revenue of ¥500 billion or more, a core operating income ratio of 10% or higher, and an S&S Sector revenue share of 50% or higher. By intensively allocating resources to the S&S Sector, centered on the high-value-added and highly competitive Communications Systems Business, we will enhance both profitability and growth potential, with the aim of achieving these aspirational targets at an early stage.

Key Management Indicators

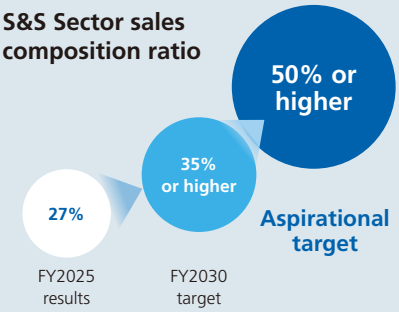
Revenue



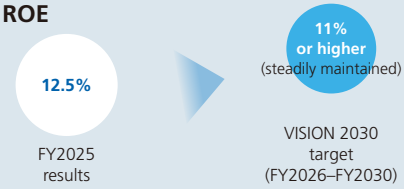
Core operating income ratio



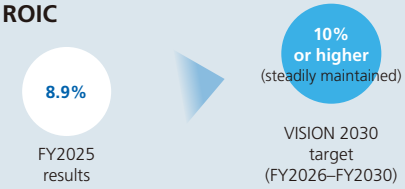
S&S Sector sales composition ratio



ROE



ROIC



Total return ratio

Target:

30%–45%

Financial Strategy: Message from the CFO



Driving business growth through proactive investment to create value that consistently exceeds the cost of capital

Masatoshi Miyamoto
Representative
Director of the Board,
Vice President and
Executive Officer, and CFO

Advancing Management That Is Conscious of Capital Cost

Under our previous medium-term management plan, VISION 2025, we shifted our approach to management that is conscious of capital cost and stock price and worked to enhance both profitability and capital efficiency. As a result, in addition to profit growth, we were able to achieve a return on invested capital (ROIC) of approximately 10%, largely achieving our financial indicators set out in VISION 2025.

Meanwhile, despite our current ROIC exceeding capital cost, it still remains easily influenced by factors including the external environment, and moreover, we have not been able to secure a sustainably high equity spread. I recognize that a key management issue is how to create a structure that consistently exceeds capital cost under any circumstances.

Although our weighted average cost of capital (WACC) has declined compared with the previous fiscal year, to 5.64%, we have set our internal hurdle rate at 7%, exceeding WACC, to maintain discipline in our investment decisions. Accordingly, we will continue enhancing corporate value not only through improvements resulting in reduced capital costs but also through enhanced business profitability and capital efficiency.

Advancing ROIC Management—Key Initiatives and Challenges

Despite our progress in improving our Groupwide ROIC under VISION 2025, the issue we discovered was disparities in capital efficiency across businesses. While highly profitable businesses raised ROIC across the entire Company, there were also cases of businesses where ROIC remained low, meaning that we were not able to secure a sufficient equity spread overall.

To improve this issue, we redefined our business portfolio under our new medium-term management plan, VISION 2030. We aim to achieve such optimization by accelerating growth through investment in growth-driving businesses and structural reforms in businesses undergoing restructuring. To achieve these goals, we have revised our capital allocation.

Further, while an understanding of such decision-making based on ROIC is growing across the Company, we still must ensure that decisions regarding individual investments and assessments of existing businesses are consistently made based on capital cost. Going forward, we will further ensure that investment criteria, which are based on a comparison of expected returns and capital cost, function as effective management indicators.

Capital Allocation Strategies Aimed at Growth

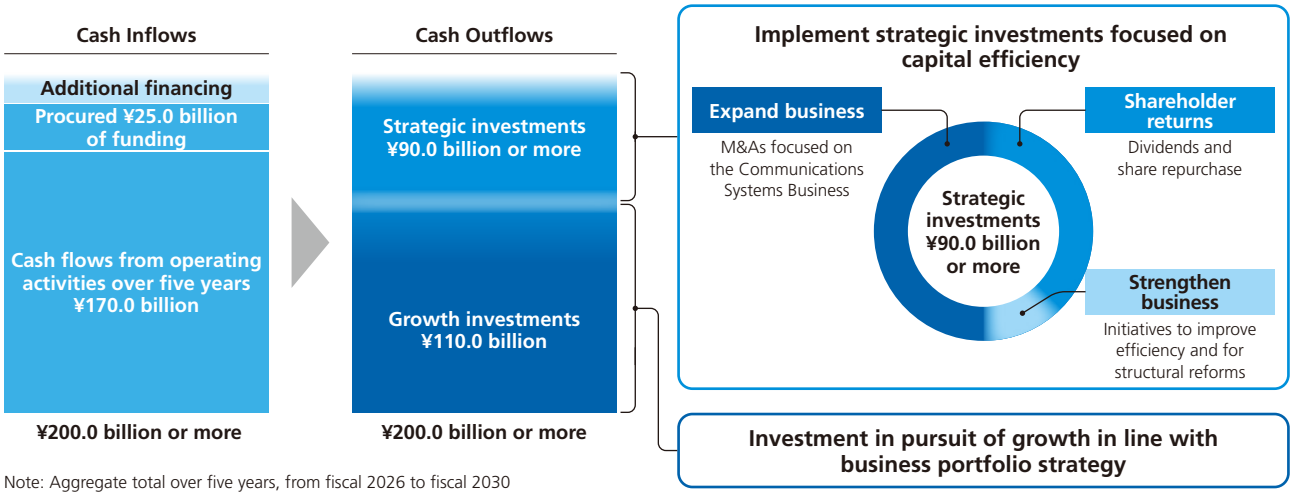
Under VISION 2025, capital allocation was based on cash inflows from operating activities and asset sales. Using these funds, we strengthened our earnings base by executing growth investments as well as strategic investments such as new business investments, shareholder returns, and repayment of interest-bearing debt. In hindsight, with shareholder returns taking center stage, we were unable to execute as many M&A transactions and other growth investments as envisioned, which was somewhat regrettable from the perspective of building future growth drivers.

Under VISION 2030, we will proactively allocate ¥200 billion or more of capital, of which ¥110 billion will be earmarked for growth investments that form the foundation of earnings, and ¥90 billion or more allocated for strategic investments such as business expansion, strengthening of our business foundation, and shareholder returns. This will not only achieve our management indicators but also move us closer to our "aspirational targets." The cash inflows required to support these investments are expected to consist of ¥170 billion in operating cash flow and ¥25 billion from the proceeds of the convertible bonds with stock acquisition rights approved in November 2025, excluding

the portion used for share repurchases. Any remaining funding requirements are expected to be met through additional financing.

Under VISION 2025, we pursued a balanced approach to investment and shareholder returns utilizing the cash generated by the business. However, reflecting on our inability to execute growth investments to the extent originally intended, under VISION 2030 we have shifted to a more proactive and flexible approach to capital allocation. We will actively deploy capital to support growth initiatives and structural reforms, while securing the funding required to do so, including through additional financing when appropriate.

At the same time, we will maintain strict investment discipline to avoid inefficient capital deployment. Our policy is to comprehensively evaluate each investment opportunity based on projected ROIC, payback period, and risk factors; establish clear priorities; and carefully select projects expected to enhance capital efficiency over the long term. In addition, we will continuously evaluate existing businesses, and where returns remain consistently below the cost of capital, we will pursue measures including structural reforms and reallocation of assets.



Note: Aggregate total over five years, from fiscal 2026 to fiscal 2030

Financial Strategy Aimed at Realizing VISION 2030 and Dialogues with the Capital Market

We will deepen dialogues with the capital market by refining IR activities and sufficiently disclosing information, with the aim of enhancing the market's confidence in JVCKENWOOD's growth prospects and its ability to improve capital efficiency, through portfolio reforms and enhanced profitability. Another vital component of our financial strategy is the creation of an optimal capital structure. We aim to reduce WACC and enhance return on equity (ROE) while maintaining financial stability by appropriately controlling the balance between liabilities and equity.

Under VISION 2030, we aim to stabilize ROIC in the medium to long term at 10% or higher and maintain a sustainable ROIC spread. To realize this, we will pursue an integrated approach by promoting growth through investment, refining capital efficiency management, and reducing capital costs.

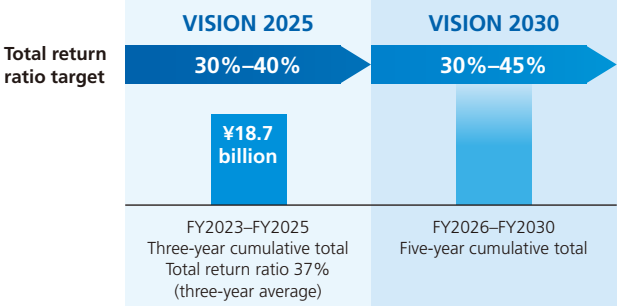
Regarding shareholder returns, we raised our upper limit by five percentage points above the conventional target for total return ratio, from 40% to 45%. While maintaining stable dividends and a track record of continuous dividend increases as our foundation, we will conduct proactive share repurchases and respond flexibly, taking into account the balance with growth investments and market conditions.

Going forward, as CFO, I will contribute to maximizing corporate value by enhancing the transparency and understanding of management through dialogues with the capital market.

Changes in Dividends per Share



Total Return Ratio and Total Amount of Shareholder Returns



Business Portfolio Strategy

Basic Policy for VISION 2030 Business Portfolio Strategy

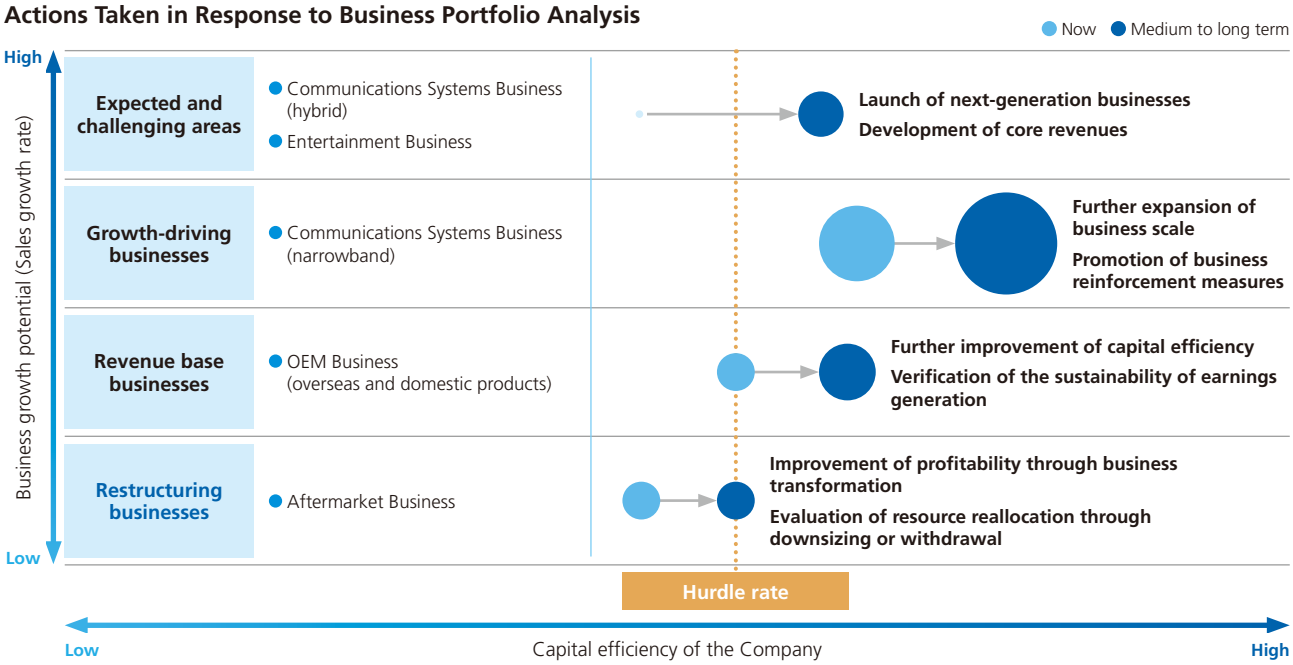
JVCKENWOOD aims to maximize its corporate value by optimizing its business portfolio with a focus on business growth potential and capital efficiency. Under VISION 2025, a sense of uncertainty still remains for some businesses in terms of profitability and growth potential, despite our having established a general direction for our restructuring businesses. It has become increasingly important that we continuously review our business portfolio with great flexibility, based on changes in the business environment and the business cycle.

In recognition of this, we have redefined our business portfolio by considering the business growth potential, measured by sales growth rate, and capital efficiency of businesses during the five-year period from fiscal 2026 to fiscal 2030, while analyzing how their earning power will change. We are aiming for an optimal business portfolio that fully demonstrates the Group's strengths over the medium to long term. Accordingly, we have categorized the portfolio into four sections—expected and challenging areas, growth-driving businesses, revenue base businesses, and restructuring businesses—and are taking action based on the results of our analysis.

We will continuously and flexibly optimize our business portfolio by regularly monitoring and reviewing it from the perspective of hurdle rates that differ by business and reflect changes in market conditions and the business cycles, taking into consideration external factors (including geopolitical risks) and the cost of capital (weighted average cost of capital [WACC]), as well as through the optimal allocation of management resources.

Note: WACC = 5.64% (as of the end of March 2026)

Actions Taken in Response to Business Portfolio Analysis

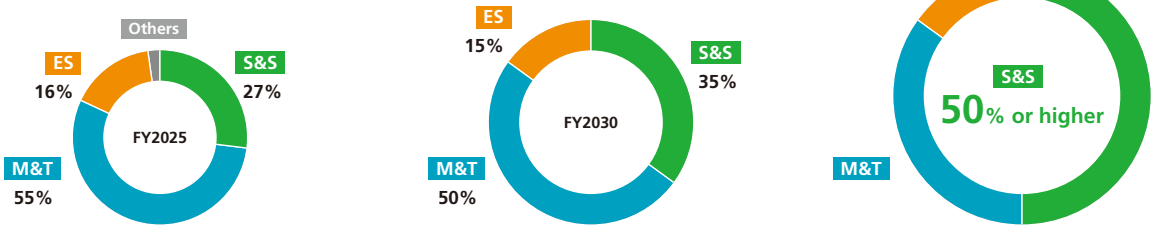


Target Business Portfolio and Trends in Sales Composition

To achieve our aspirational targets going forward, we aim to make aggressive investments, including M&As in the Communications Systems Business—a growth-driving business—as we strive to increase the sales composition in the Safety & Security (S&S) Sector from 27% in fiscal 2025 to 50% or higher. In the Communications Systems Business (narrowband), we aim to achieve a 10% share of the North American public safety market, a massive market that continues to see strong performance, while also making growth investments with an eye toward the global market outside North America. We will also accelerate business expansion in the hybrid domain by integrating the strengths of narrowband and broadband in the global professional radio system market.

Change for Growth → *Move Forward* → Aspirational Targets

Trends in Sales Composition by Business Sector



Growth-Driving Businesses

Growth Potential of the Communications Systems Business

Expansion of Market Opportunities and JVCKENWOOD's Strengths in Capitalizing on Them

Against a backdrop of increasing natural disasters and infrastructural uncertainty, there has been a global increase in demand for highly reliable communication in the public safety market. In particular, there has been strong growth in the North American public safety market, the largest in the world, with a CAGR of 3.1%. Furthermore, the global public safety market, excluding North America, has also seen high growth, with a CAGR of 11.7%. Amid this trend, markets are anticipated to expand in Europe, China, and other parts of Asia. The hybrid domain, which combines the traditional narrowband communications with broadband (LTE/5G and Wi-Fi), is also seeing rapid growth in both the public safety and private sector markets, and JVCKENWOOD's addressable market is anticipated to expand from US$10.8 billion in fiscal 2025 to US$17.7 billion by fiscal 2030 (approximately 1.6 times).

Regarding such growth opportunities, we possess a competitive edge supported by high barriers to entry, in addition to the customer base that we have built up over many years in the North American public safety market. Furthermore, our strengths, including our technological skills capable of providing reliable communication during a disaster and capability to offer flexible, customizable solutions to each customer, are factors supporting our competitiveness. Under such circumstances, we have established a position that enables us to generate strong earnings while also providing new added value in the expanding hybrid domain. Going forward, we will quickly meet the needs of a changing market and realize sustainable growth by increasing our human resources, utilizing strategic alliances, and expanding our technology infrastructure.

What is the hybrid domain in the Communications Systems Business?

A market that enhances frontline operations through data and video, built on the reliable voice communications developed through professional radio systems

Narrowband (Professional radio systems)

Reliable Voice Communications



- Independent network that remains operational during disasters
- Low-latency calls measured in fractions of a second
- Instant one-to-many calls through push-to-talk (PTT) button
- Secure communications through encryption

Hybrid

Narrowband + Broadband Combining the strengths of both into one

- Integration of voice and data into one system
- Reliability of professional radio systems + convenience of broadband
- Secure and flexible communications platform
- Interoperability between broadband and narrowband

Broadband (PoC radios/LTE, 5G, and Wi-Fi)



Utilization of Data and Video

- High-speed, high-capacity communications (videos, GPS, etc.)
- Can be used by anyone via smartphone
- Expanded functionality through apps
- Dependent on commercial lines (risk during disasters)

User Merits

1	**Faster decision-making**	Shares not only voiced commands but also video and location information in real time. Eliminates information gaps
2	**Communications less likely to be interrupted**	Ensures redundancy in communications by combining independent networks with commercial lines. Less likely to be interrupted during emergencies
3	**More efficient frontline operations**	Supports smart frontline operations by combining voice communication with additional functionality and optimized devices

Intended Usage Scenario at County Fire Department (Example)

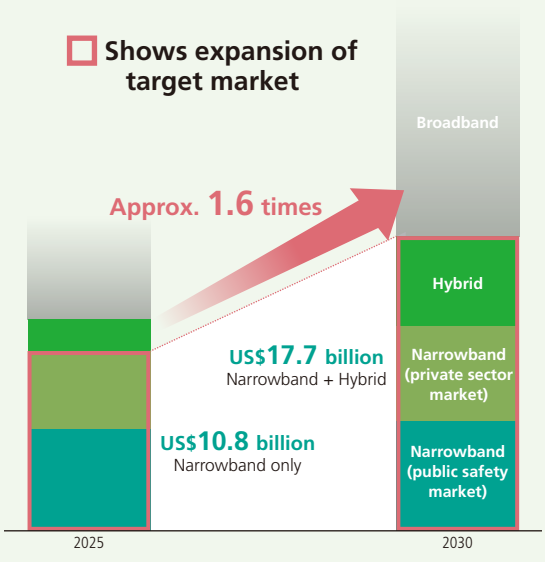


Emergency Response During Large-Scale Forest Fires and in Mountainous Areas

- LTE coverage may be unreliable in mountainous areas and canyons, so voiced commands and minimal data communication continue over narrowband
- Vehicle location, team status, and frontline text information can be shared in real time on open plains via LTE

Seamless selection of optimal connection based on narrowband and broadband network conditions

Global Professional Radio Systems: Market Size Forecast



Source: JVCKENWOOD estimates based on various market reports

Safety & Security Sector



Osamu Muraoka
Managing Executive Officer, COO of Safety & Security Sector

Aiming to advance the transition to a solution-oriented business that adapts to the ever-changing market environment and our customers' diversifying needs, and underpinned by the Communications Systems Business, we are contributing to the creation of safe, secure, and lively communities while continuously enhancing corporate value.

Recent Performance Trends and Targets for the Final Year of VISION 2030

	FY2024	FY2025	FY2026 (as of May 1, 2026)	FY2030 Targets
Revenue (Billion yen)	100.0	94.7	105.0	**¥145.0 billion or more**
Core operating income (Billion yen)	18.6	12.7	15.6	**¥24.6 billion or more**
Core operating income ratio (%)	18.6	13.5	14.9	**17.0% or higher**

Medium- to Long-Term Growth Scenario Based on Business Environment

Communications Systems Business

There have been significant changes to the environment in which the Communications Systems Business operates. Against a backdrop of numerous natural disasters and increasing risks related to social infrastructure, there has been more interest globally in business continuity plans (BCPs) and the demand for high reliability in communication is continuing to grow. We have also seen new growth opportunities in the rapidly expanding hybrid market, which combines the existing narrowband communication with broadband. Our strengths are the highly reliable communications technologies we have cultivated over many years, our performance in the public safety market, and a global sales network. We will leverage these strengths to achieve revenue of ¥120.0 billion in the Wireless Communications Systems Business in fiscal 2030. Our growth strategy comprises two pillars. The first is further strengthening our presence in the public safety market. The second is aiming to continuously expand profits while enhancing added value with our entry into the hybrid market. We will also achieve growth in the global market as a whole by enhancing our technical skills and market foundations and optimizing our regional portfolio through strategic investments including M&As and capital alliances.

Meanwhile, there has been increasing uncertainty in the business environment. Market segmentation and harsher restrictions due to geopolitical factors as well as the supply chain risks of semiconductor shortages and logistics restrictions may have an impact on procurement, production, and sales. Regarding such risks, we aim to make our supply chain more resilient by diversifying our component supply, strengthening our strategic inventories, and reinforcing collaboration with key suppliers. At the same time, we will ensure business continuity and enhance our adaptability to changes by conducting reviews of our production and sales structures based on regional restrictions and geopolitical risks.

Professional Systems Business

JVCKENWOOD Public & Industrial Systems Corporation

In the Professional Systems Business, we are developing audio system solutions that focus on broadcast equipment and assembly hall systems and visual solutions that focus on security cameras and image analysis. We aim for continuous business growth while resolving customer issues by leveraging our ability to provide integrated support across the entire process, from development and manufacturing to sales, installation, and maintenance.

Further, as part of our medium-term initiatives leading up to fiscal 2030, we will work to develop and co-create new technologies in business areas adjacent to our audio and visual solutions and provide support to the social infrastructure domain to address issues including automation, labor-saving measures, and the transfer of technical skills. We will also contribute to resolving social issues faced by our customers by promoting the shift from digital transformation (DX) to sustainability transformation (SX) to realize a people-friendly digital society.



Infrastructure facility security camera system

Priority Strategy

Communications Systems Business

Full-Scale Entry into the Hybrid Market

We position our entry into the hybrid domain as a key pillar of growth and aim to strengthen our competitiveness. We will leverage the technologies and customer bases of San Luis Aviation, Inc., a consolidated subsidiary since fiscal 2026 that mainly provides the "ESChat" IP-based radio service in North America, and Science Arts, Inc., our capital and business alliance partner that mainly provides the "Buddycom" Push-to-Talk application in Japan. By combining these assets with the highly reliable communications technologies cultivated through our existing professional radio systems business and broadband technologies, we will develop integrated solutions that deliver new added value.



JVCKENWOOD's push-to-talk over cellular (PoC) radios installed with Science Arts' Buddycom Push-to-Talk Service

Expansion of Sales in the North American Public Safety Market

The North American public safety market is the largest in the world and is positioned as a core market that drives our growth. We will promote both the strengthening of connections with our existing customer base and the acquisition of new projects with the aim of almost doubling our share of the market, to 10% by 2030. Improving our competitive edge by enhancing the functions of our products and strengthening our software and service offerings will expand our sustainable revenue base. In addition, we will achieve sustained sales growth by strengthening collaboration with our local partners, including San Luis Aviation (SLA), and improving our proposal capabilities in line with market needs.



San Luis Aviation's interoperable communication solution ESChat Push-to-Talk Service

Initiatives Aimed at Achieving Targets for Material Issues

Businesses in the Safety & Security Sector contribute to fast response and increased regional resilience by providing a platform for obtaining and sharing audio and visual information, with the aim of realizing safe, secure, and lively communities.

Refinement of Information Sharing in Public Institutions and Infrastructure

Key Theme	KPI	FY2023 to FY2030 (Target)	FY2023 to FY2025 (Target)	FY2023 to FY2025 (Results)
Creation of safe, secure, and lively communities	Professional radio units sold	12.0 million units (cumulative)	4.0 million units (cumulative)	3.5 million units (cumulative)

For details on past targets and results, please visit our website.
https://www.jvckenwood.com/en/sustainability/economy/change/iot/

Mitigation and Prevention of Criminal Offenses

JVCKENWOOD Public & Industrial Systems Corporation: Adoption of Jchaser® in Arakawa Ward's Disaster Prevention and AI Security Camera System

Our Jchaser® cloud-based visual security service has been adopted for the operation of disaster prevention network cameras and in demonstrations of AI security cameras in Tokyo's Arakawa Ward. This project connects disaster prevention cameras, AI security cameras, and security cameras installed within the ward via a network and manages them through the cloud. As a result, the system is being utilized to quickly assess the extent of damage following disasters, aid in crime prevention during normal times, and assist in the search for missing children, with the aim of further enhancing the safety and security within the community.



Cloud-based visual security service Jchaser®

Mobility & Telematics Services Sector



Kazuyoshi Hayashi
Senior Managing Executive Officer,
COO of Mobility & Telematics Services Sector

Aiming to achieve both enhanced profitability and capital efficiency through business transformation, while realizing sustainable growth by providing ongoing value throughout the mobility life cycle

Recent Performance Trends and Targets for the Final Year of VISION 2030

	FY2024	FY2025	FY2026 (as of May 1, 2026)	FY2030 Targets
Revenue (Billion yen)	203.2	195.7	198.0	**¥200.0 billion or more**
Core operating income (Billion yen)	4.9	5.4	5.5	**¥10.0 billion or more**
Core operating income ratio (%)	2.4	2.8	2.8	**5.0% or higher**

Medium- to Long-Term Growth Scenario Based on Business Environment

Under VISION 2030, the Mobility & Telematics Services (M&T) Sector envisions a scenario for achieving sustainable growth that involves the transformation of its earnings structure while adapting to the changes in the business environment.

The current mobility market is advancing away from an EV*1-centric approach and toward a multi-pathway*2 model that includes HVs*3 and other options. For both vehicle manufacturers and suppliers, in addition to the importance of product competitiveness, it has become increasingly important to enhance adaptability to regional demand, supply stability, and development efficiency. Furthermore, while connectivity and software utilization continue to advance, related markets remain in a transitional phase toward monetization, and uncertainties remain high, including geopolitical risks, developments in the trade environment, rising raw material prices, and fluctuations in supply and demand. Rather than viewing these risks and threats merely as external factors, we regard them as opportunities to transform our revenue structure. To realize this, we will pursue both a shift toward the OEM domain, where we hold competitive advantages, and structural reform of the Aftermarket Business as two integrated parts of a single strategy, in our efforts to optimize our business portfolio. We will also enhance profitability and capital efficiency by strengthening supply chain resilience and promoting the integrated operation of development, production, and procurement, thereby driving sustainable growth.

To enhance the predictability of revenue and investment returns, we will leverage the assets that the Group has cultivated over many years in user experience, wireless technology, visual recording, audio, and communication and connected technologies, together with brand strength, product competitiveness, and customer touchpoints, refined in the aftermarket—deploying these strengths into higher-profitability areas to drive the transformation of our earnings structure. Specifically, we will move beyond the conventional business model in which value provision ends with the sale of the product and promote the shift toward a business model that continuously delivers value throughout the entire mobility life cycle. By delivering products, services, and feature updates through networks such as OTA*4 and telematics, we will further expand customer touchpoints in both B-to-B and B-to-C domains, consistently leading to expansion of recurring revenue opportunities.

In reviewing our business portfolio, we will shift our focus toward the Domestic OEM Business, where we hold a leading position, and the Overseas OEM Business, where we are expanding our customer base. In addition to reliably capturing demand and improving efficiency, this will enable us to improve development efficiency and optimize procurement costs by standardizing product specifications, thereby improving the profitability of the overall business portfolio. Meanwhile, for the Aftermarket Business, which continues to face a shrinking market, we will move away from operations that simply extend past practices. Instead, we will pursue structural business reform through shared design with OEM products, review of the product lineup, and reconfiguration of the development and supply system, as we strive to rebuild competitive advantages and achieve a qualitative transformation into a business capable of generating sustainable profit.

*1 Electric vehicle
*2 An approach to realizing optimal value provision in line with local characteristics and energy environments by ensuring co-existence through numerous choices for power trains and technologies, not just EVs
*3 Hybrid vehicles
*4 Over-the-air: Technology that enables remote updates of software and data in vehicles through wireless communications

Priority Strategy

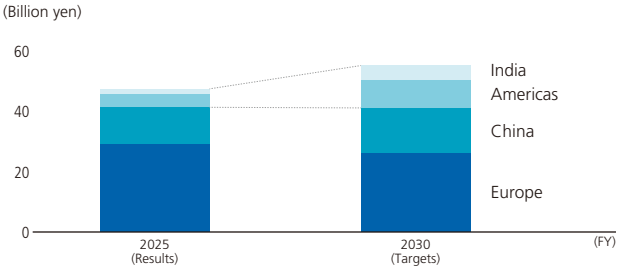
As a priority strategy, we are promoting investment in growth markets, enhancement of efficiency in existing businesses, and business structure reform in an integrated manner, with the aim of balancing expansion of revenue and improvement of capital efficiency.

OEM Business

Strengthening the Foundation and Competitiveness of the Overseas OEM Business:

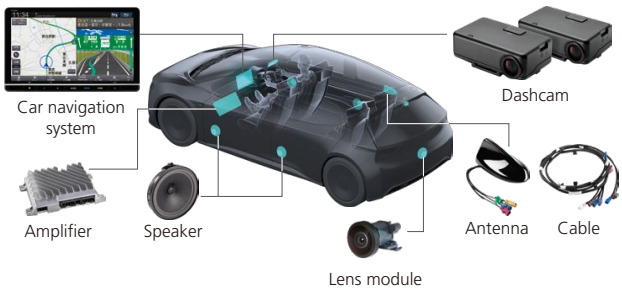
We are working to increase orders in the Americas, in addition to the key existing markets of Europe and China, and are entering the Indian market through cooperation with local companies, with the aim of strengthening both the customer base and market responsiveness of our in-vehicle audio and transmission component business (including Amplifiers, speakers, antennas, and cables). Furthermore, by promoting development of high-added-value products, automated production, and reinforcement of our supply structure, we will enhance our competitiveness in terms of quality, cost, and development, thereby improving profitability.

Revenue of In-Vehicle Audio and Transmission Components by Region



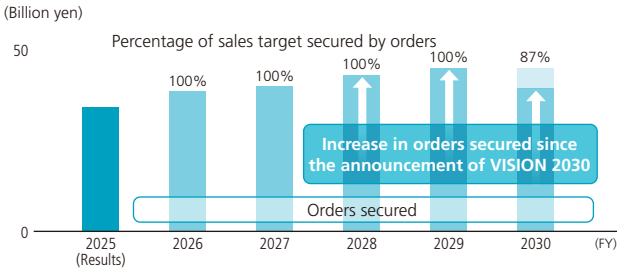
Establishing a Leading Position in Domestic OEM Business:

Amid an increasingly competitive environment, we have steadily pursued business opportunities that follow market reorganization, thereby expanding our market share and strengthening our customer base. As a result, our Domestic OEM Business has grown into a major business that drives the revenue of the entire Company, establishing a business foundation that we anticipate will create stable and continuous revenue. Under VISION 2030, we have already secured orders covering nearly all of our VISION 2030 sales targets.



Going forward, as we work to secure more orders, we will further enhance our profitability by creating standardized product specifications and making supply chains more efficient, while striving to maintain and further expand our leading position.

Domestic OEM Business Sales Targets and Status of Orders



Aftermarket Business

Qualitative Business Transformation:

We are making progress in our shift to a business model that balances customer value and profitability through a thorough review of our business structure. We strive to reinforce our revenue base by enhancing our value proposals based on customer insight and usage patterns for each vehicle model, promoting increased development efficiency by sharing and utilizing assets with the OEM Business, and prioritizing the allocation of management resources to measures that contribute to strengthening business structure.

Initiatives Aimed at Achieving Targets for Material Issues

In the M&T Sector, we have positioned the "creation of safe, comfortable, and enriched mobility experiences" as a key social value. At the same time as contributing to the enhancement of safety in mobility by providing car navigation systems, dashcams, and alcohol detectors with recording and communication functions, we aim to create new mobility experiences through connected products and services that utilize OTA and telematics.

Key Theme	KPIs	VISION 2030 Targets	
		FY2026	FY2030
Creation of safe, comfortable, and enriched mobility experiences	Share of dashcam unit sales in total unit sales of car navigation systems, display audio systems, and dashcams in Japan	60% or higher	70% or higher
	Share of connected products in total unit sales of car navigation systems and display audio systems in Japan	—	30% or higher

Entertainment Solutions Sector



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

Leveraging both our content and hardware business, we provide high-quality services and products that deliver inspiring entertainment and outstanding audio and visual experiences to people around the world.

Recent Performance Trends and Targets for the Final Year of VISION 2030

	FY2024	FY2025	FY2026 (as of May 1, 2026)	FY2030 Targets
Revenue (Billion yen)	57.9	56.8	54.0	**¥60.0 billion or more**
Core operating income (Billion yen)	1.8	2.5	2.3	**¥3.0 billion or more**
Core operating income ratio (%)	3.2	4.4	4.3	**5.0% or higher**

Medium- to Long-Term Growth Scenario Based on Business Environment

Entertainment Business

The Entertainment Business, centered on Victor Entertainment, Inc., spans content creation, distribution, and artist management. The content market is booming, driven by major releases by Japanese idol groups and K-pop artists, as well as the increasing value of physical products. Digital sales, such as streaming, are also seeing strong growth. We also expect the live events market to continue growing, driven not only by increases in the number and ticket prices of events but also expanding capacity that follows the construction of new arenas.

Under our philosophy of "Good Music, Good Culture—helping to shape the times through the power of entertainment and contribute to culture and society," we deliver artists and music that represent the era. In fiscal 2025, artists including M!LK and Sakanaction released multiple hit songs. Going forward, in the medium to long term, we will invest resources in creating hits and expanding our market share in the music business, our core domain, while continuing to invest in the growing animation and IP businesses. In addition to expanding our market share by strengthening our system for creating hits, we aim to capitalize on growth in the live event market by expanding our portfolio of in-house managed artists. By diversifying customer touchpoints, such as live events, merchandise, and fan clubs, we will maximize content value and expand revenue opportunities. Furthermore, we aim to reinforce our ongoing relationship with customers by expanding our direct marketing business centered on our e-commerce site, VICTOR ONLINE STORE, and balance stable revenue with growth.



Directly managed live music club Veats Shibuya
Used as a multi-use brand promotion hub for developing and nurturing new artists and holding various events to provide opportunities for engaging experiences and interaction



"Bakuretsu Aishiteru" / "Sukisugite METSU!" by M!LK



VICTOR STUDIO
Provides luxury studio space supported by traditions and business performance. It continues to evolve as a crossroads of innovation and history.

Media Business

Based on our three brands of KENWOOD, Victor, and JVC, the Media Business is rolling out numerous products, including headphones, earphones, audio systems, projectors, and imaging devices, on a global scale. While uncertainty in the



Victor brand earphone, WOOD master, that utilizes wooden diaphragm



KENWOOD brand earphone, GLASS Core Pro, that contains the world's first* glass diaphragm

* Among wireless earphones (based on company research)



JVC brand projectors for overseas markets

business environment is increasing due to geopolitical risks, tighter tariffs and restrictions, and rising raw material and logistics costs, market demand for experiential value, such as superior sound quality, high-definition images, immersive experiences, and comfort, continues to grow.

We view these changes as opportunities for business growth and are transitioning from a volume-driven growth model to a profit-focused business approach centered on brand value. In the headphone and earphone business, we will leverage our proprietary acoustic technologies, design capabilities, and wearing comfort to develop a product lineup that clearly communicates compelling reasons for customers to choose our products, from premium models to entry-level offerings. In the projector business, we will enhance our competitiveness in both the home theater and professional markets by leveraging our strengths in high-definition imaging technologies, reliability, and proprietary imaging devices. Furthermore, we will improve business efficiency through a higher sales mix of premium products, more sophisticated customer engagement, and integrated management of our video-related businesses, thereby enhancing profitability and capital efficiency. In addition, by optimizing regional strategies and strengthening our supply chain, we will build a business foundation capable of generating sustainable profits through fiscal 2030.

Priority Strategy

Entertainment Business

In the music business, we aim to strengthen artist development through the two pillars of music production and artist management. We will expand our artist lineup by leveraging the distinctive label identity of each production department, and, through collaboration between the production and management departments, focus on developing artists under our in-house management while accelerating the development of emerging talent. Our newly established catalog-focused production department will drive strategic hit creation based on past works and strengthen digital distribution, while acquiring music copyrights, thereby improving profitability. In our overseas expansion, we aim to increase growth opportunities through sponsorship of international music festivals, collaboration with local marketing companies, and artist development at our overseas bases.

In the anime and intellectual property (IP) business, we will continue developing original works and funding production committees, while strengthening the development of live events and merchandising businesses that utilize externally licensed IP, centered on major game IP. We will also advance the expansion of our direct marketing business by enhancing customer engagement, centered on our proprietary e-commerce site, which continues to grow with a focus on the fandom market. As 2027 marks the 100th anniversary of the founding of both Victor Company of Japan, Limited (JVC) and Victor Entertainment, Inc., we will create business opportunities, including the launch of anniversary activities, developing a number of programs including various events and collaborations with other industries, and developing community and social contribution projects.

Media Business

We will clarify the roles of each brand in our headphones and earphones and promote a cohesive product strategy, from flagship models to core models that utilize the strengths of each brand and entry-level models. We aim to enhance brand value and profitability by creating a competitive edge that does not rely on price competition through the development of products that utilize our proprietary technology, represented by the KENWOOD GLASS Core series that contain glass diaphragms and Victor WOOD master that utilizes the pinnacle of wooden diaphragms, and open-ear "nearphones" that pursue comfort for the user. In terms of sales, we will leverage customer data, direct sales channels, and e-commerce platforms to expand customer touchpoints, strengthen marketing initiatives that more effectively communicate the value of each brand, and achieve both the acquisition of new customers and the cultivation of ongoing relationships with existing customers.

In the projector business, in addition to strengthening our competitiveness in the premium segment of the home theater market, we will enhance our solution proposal capabilities in the professional market by leveraging our strengths in superior image quality, high resolution, and reliability.

Furthermore, by promoting integrated management of the projector business and the imaging device business, we will achieve both differentiation through proprietary technologies and greater efficiency across development, production, and sales activities, thereby improving overall business profitability and capital efficiency.

Initiatives Aimed at Achieving Targets for Material Issues

In the Entertainment Solutions Sector, we regard the realization of enriched hearts and lifestyles as an important social value. Through music, video, and entertainment, we strive to deliver inspiration and enjoyment while continuously providing high-quality products and services, thereby contributing to improvements in people's quality of life (QoL) and the creation of new cultural value.

In the Entertainment Business, we continuously introduce diverse artists and musical works to the market while fostering cultural connections that transcend national and regional boundaries through the global expansion of content originating in Japan. In the Media Business, we provide enhanced experiential value that enables people to enjoy music and video content more deeply through high-quality products and services powered by proprietary audio and visual technologies.

We will continuously monitor these initiatives through indicators such as the number of music releases, the proportion of overseas streams on streaming platforms, and the sales mix of premium-priced products, with the aim of creating both social and economic value.

Technology Development Supporting Corporate Value Creation

Production and Procurement Strategies



We aim to establish robust manufacturing to enhance quality, efficiency, and resilience.

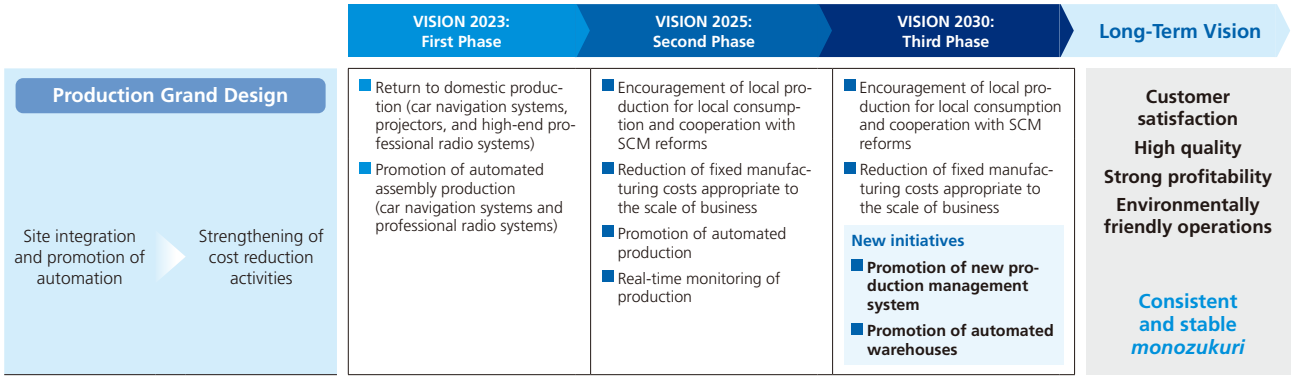
Masao Nomura
Senior Managing Executive Officer,
Chief Information Officer (CIO)

Establishing Robust Manufacturing

For the JVCKENWOOD Group, customer-oriented value in production means establishing robust manufacturing that balances high quality with the stability to respond quickly to changes in the business environment. Based on this mission, we strove to standardize manufacturing. This means establishing manufacturing standards in which anyone can design products and any site can produce them, production systems are optimized and standardized, and shipping quality is maintained.

In April 2025, we launched a Production Engineering Division that integrates the production technology functions of each business division with the aim of promoting standardization while making the Group's resources more efficient. Furthermore, we will contribute to corporate value by achieving reduced costs and highly efficient manufacturing through the promotion of operational improvements and reforms utilizing AI.

Focusing on strategies including the integration of production bases and the promotion of automated production, we continue to focus on our "Production Grand Design" that accommodates total production volume and total man-hours. We aim to encourage local production for local consumption, cooperate with supply chain management (SCM) reforms, and reduce fixed manufacturing costs appropriate to the scale of each business. We will work to upgrade and relocate production sites and optimize production structures to lower costs. During the VISION 2030 phase, we will further improve efficiency through methods including the promotion of a new production management system and automated warehouses. We will relocate our production sites based not only on the key factors of production management that are quality, cost, and delivery, but also on the ability to respond to environment-related issues (CO_2 emissions reduction and human rights) and risks (geopolitical and economic security) with the aim of maintaining stable *monozukuri*.



Promotion of Refined Component Supply Network

We promote the refinement of our supply network that is centered on procurement business continuity plans (BCPs), with the aim of realizing production lines that never stop because of component supply issues. Specifically, we will promote procurement from multiple companies to maintain a stable supply of key devices that are difficult to re-source from alternative suppliers, while also improving our ability to respond to fluctuations in demand through proper management of strategic inventory. We are also reducing our dependence on specific countries and areas in a phased manner and lowering supply disruption risks by decentralizing procurement sites based on geopolitical risks. By reducing legacy components and ensuring that they are not used in new products, we are also striving to eliminate risks related to component obsolescence and supply suspensions. Through these approaches, we will realize the creation of a supply chain foundation that is flexible and resilient.

Technology Development Strategy



Promoting business, technology, and intellectual property strategies in an integrated, customer-oriented manner will lead to an enhanced competitive advantage and profitability.

Tetsuya Oura
Executive Officer,
Chief Technology Officer (CTO)

Inheriting Technologies Cultivated Throughout Our History Drives the Next Innovation

JVCKENWOOD regards the period of fiscal 2026 to fiscal 2028 as its anniversary years and will celebrate a series of milestones at this time. Fiscal 2026 is the 80th anniversary of Kenwood Corporation's founding, and fiscal 2027 is the 100th anniversary of Victor Company of Japan's founding. Furthermore, fiscal 2028 marks the 20th anniversary of the business integration of both companies as JVCKENWOOD, a particularly significant milestone.



Anniversary logo

Looking back, the Hybrid Center was completed in October 2024, and all the engineers who had been separated by business and sector, working at their respective business sites, were brought together at Value Creation Square (VCS) in the Yokohama Head Office area. We then transitioned to a functional headquarters system in April 2025, integrating the technology departments that were previously a section of each business and launching activities as a single organization.


Hybrid Center

Integrating the management of both companies, which had a long history as competitors, did not immediately result in technological synergy. However, new values and technologies have undoubtedly emerged by combining different cultures, techniques, and people, bringing us to where we are today. By consolidating in one location and integrating the organizations, we believe this technological synergy will accelerate further and integration will continue to deepen. As a result, I hope that this will further sharpen our unique technologies, generate new technologies and services, and drive innovation across a wide range of fields.

We have reliably inherited and accumulated the technologies that our predecessors have woven together and passed down throughout our long history, forming the foundation of our current strengths. These include optical technologies for imaging and projection equipment, wireless communication technologies centered on highly sophisticated radio frequency (RF) design, acoustic technologies that continually pursue authentic sound reproduction and exploration, enclosure design technologies encompassing miniaturization and waterproofing critical for handheld devices, and safety design technologies that ensure battery control and security. These technologies, cultivated through engagement with a diverse range of customers, continue to accumulate and evolve to this day.

Going forward, the volume of data communication in electronic devices will increase exponentially, and processing capabilities will accelerate accordingly. Even amid these changes, the ultimate users of these devices are people. To ensure that our customers can use our products safely, comfortably, and with confidence over the long term, we will continue to stay close to our customers on the front line and pursue technology development that consistently delivers the technologies and services they choose.


Anechoic chamber


Temperature-controlled chamber


Announcement of joint project results


Technology exchange event

Intellectual Property Strategy



Aiming to increase the value of intellectual property, thereby enhancing corporate value, by linking business, technology, and intellectual property strategies

Yoshio Sonoda
Managing Executive Officer,
Chief Information Security Officer (CISO),
Chief Risk Officer (CRO)

Basic Policy

We aim to reinforce profitability by positioning intellectual property as a key management resource that directly leads to the enhancement of corporate value and promoting the integration of our business, technology, and intellectual property strategies. The Intellectual Property Department regards contributing to business as its top mission. As the core function responsible for promoting the creation, protection, and use of intellectual property, it leads the implementation of the strategy in collaboration with divisions responsible for business, technology, and design. Intellectual property activities are regularly reported to the Board of Directors, and a system has been established in which the Board effectively supervises them.

Under VISION 2030, we have adopted "reinventing connections between people and society through advanced technology, driven by customer value" as a key strategy that underpins the technology and intellectual property strategies. Based on this key strategy, we will pursue initiatives such as optimizing the allocation of intellectual property including patents and trademarks across each business and region, adopting ROI-based intellectual property management, and reinforcing acquisition of standard-essential patents,*1 as outlined below. Through these efforts, we aim to strengthen the intellectual property assets that are a source of our competitive advantage and achieve sustainable business growth and the further enhancement of corporate value.

*1 Patent rights that are essential when manufacturing and selling products and providing services based on standards

Initiatives Based on Key Strategies

Intellectual infrastructure created at management level
Visualize intellectual property allocation and deepen analysis

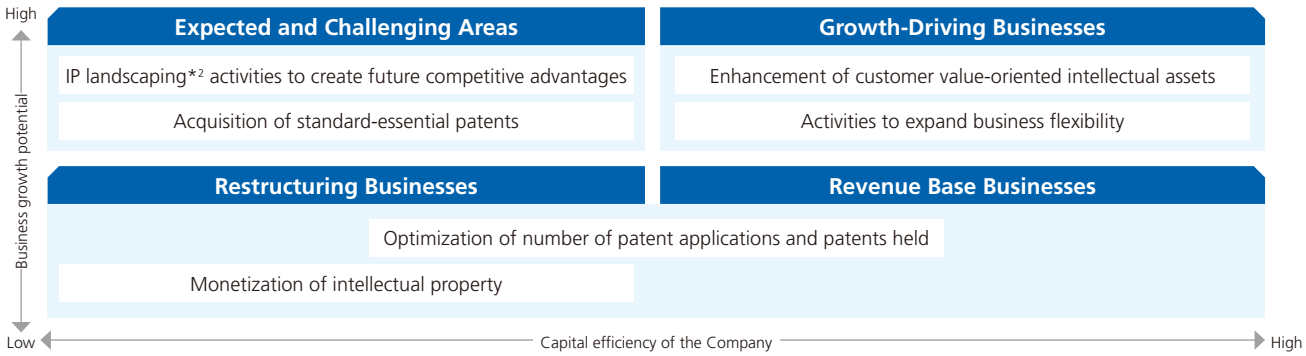
Intellectual property management from ROI perspective
Improve efficiency in value creation costs and utilization returns

Further enhancement of intellectual assets
Reinforce the acquisition of standard-essential patents and significantly expand business flexibility

Furthermore, we are promoting an intellectual property strategy that is linked to our business portfolio strategy. We are enhancing the effectiveness of the strategy by identifying specific intellectual property activities to prioritize, based on the positioning of each business. While reinforcing initiatives from innovative creation to acquisition of rights by setting major themes that contribute to business growth, we are building an intellectual property portfolio that makes a significant contribution to the business through the implementation of a management cycle, such as aiming to optimize the number of patents applied for and held from an ROI perspective.

For more details, please visit our website.
https://www.jvckenwood.com/en/sustainability/economy/evolution/property/

Intellectual Property Portfolio Linked to the Business Portfolio Strategy

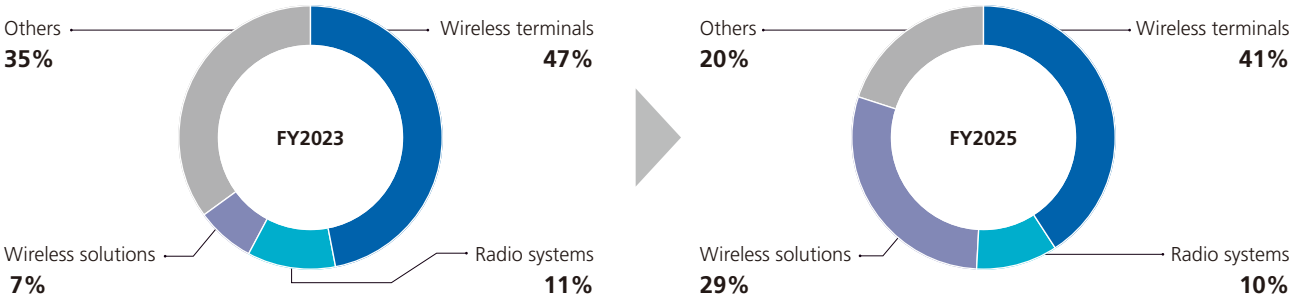


*2 Comprises techniques for developing management and business strategies using intellectual property information

Intellectual Property Activities in Priority Areas

Under VISION 2030, we are developing intellectual property activities for the Communications Systems Business in line with business growth and area expansion. The strengths of our wireless terminals include excellent operability, enhanced visibility, and audio quality, in addition to highly reliable designs such as impact resistance features. While continuing to apply for patents related to these wireless terminals, we have also been expanding the themes of patent applications in recent years to the wireless systems field, including communication systems and network technology, and the wireless solutions field, namely, services and application integration based on customer issues. As a result, we will contribute to the provision of integrated value, from hardware to systems and solutions.

Patent Applications by Communications Systems Division

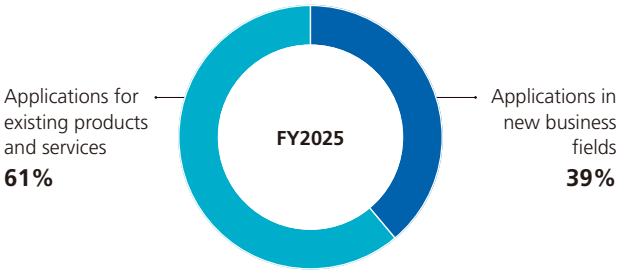


Initiatives to Enhance Brand Value

For our three product brands of KENWOOD, Victor, and JVC, we are building a global trademark portfolio in line with Companywide business strategy, while also promoting the expansion of our portfolio into new business fields, including products and services that we have not previously offered. Accordingly, we are advancing the creation of new businesses that utilize our brands and the provision of new experience-based customer value.

Furthermore, in addition to border control measures, such as detection efforts and suspension of customs clearance, for the increasingly more advanced and complex counterfeit goods that use our brands with malicious intent, we are advancing countermeasures for counterfeits on the internet, such as e-commerce sites, and are proactively working to maintain and enhance our brand value.

Trademark Applications

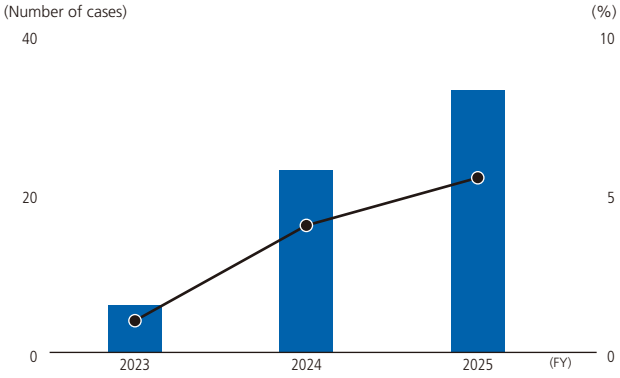


Human Resource Diversity Creating Innovation

At JVCKENWOOD, we place importance on the diversity of human capital as a key factor in supporting the creation of innovation. When people with diverse backgrounds and skills, such as members of the business and design departments and those in the R&D divisions, participate in innovation activities, it drives customer value-oriented idea generation.

In particular, we are strengthening collaboration with JVCKENWOOD Design Corporation based on design management that is promoted across the entire Group. We are promoting the creation of new customer experience-based intellectual property in our three business sectors, by combining our understanding of customers and knowledge of user experience-based design cultivated in each business sector. In recent years, there has been an increase in patent applications that list designers among the inventors. By implementing design management, we will expand the customer perspective to invention proposals within the R&D divisions, driving the advancement of Groupwide innovation activities.

Patent Applications by Designers*3



*3 Patent applications by inventors at JVCKENWOOD Design Corporation

General Executive Roundtable



Akihiro Kondo
General Executive of the Procurement Division

Tsuyoshi Okunishi
General Executive of the Quality Assurance Division

Teruyuki Ozaki
General Executive of the Engineering & Design Division

Hideyuki Sato
General Executive of the Production Engineering Division

Mariko Fukushima
Facilitator
Deputy General Manager of Functional Integration Study Project, Technology Promotion Department, Engineering & Design Division

As a member of the Functional Integration Study Project, Mariko Fukushima is responsible for human resource development within the Engineering & Design Division as well as cross-organizational coordination and collaboration, supporting reform efforts internally. She has taken on the role of facilitator for this discussion, utilizing her firsthand experience with organizational transformation.



In December 2024, we established Value Creation Square (VCS) within the Yokohama Head Office area, which brought together the technology, research and development, sales, product planning, and corporate divisions that had previously been scattered in different locations. In April 2025, we established the four functional headquarters of engineering & design, quality assurance, production engineering, and procurement, advancing our transition from a vertically integrated organization to a Groupwide co-creation organization. In this roundtable discussion, four general executives share the results and issues related to reform, progress in divisional collaboration, and their aspirations for enhancing corporate value going forward.

Beyond the Boundaries of Vertical Integration—Issues Associated with the Previous Organization as Told by Each Division

Fukushima First, please share the role of your division and the fields you are responsible for.

Ozaki In addition to product design and development, the Engineering & Design Division is responsible for the entire technology sector, and one of its key responsibilities is nurturing engineers. Until fiscal 2025, the organization was structured by business field, but from fiscal 2026, we transitioned to a functional headquarters system.

Okunishi Along with maintaining product and service quality, the Quality Assurance Division is responsible for creating a framework that ensures our customers can use our products with peace of mind through compliance with laws and regulations and risk management. We are also working to foster a culture of quality that promotes the enhancement of quality standards across the entire Group and raises employee awareness of quality.

Sato The role of the Production Engineering Division is to manufacture products designed by JVCKENWOOD at our production sites in Japan and overseas. We are responsible for manufacturing across business fields and are driven by two key themes—overall cost reduction and highly efficient manufacturing, or *monozukuri*. In particular, at domestic production sites with high personnel costs, we are promoting automation and aim to create a production system that leads to mass production.

Kondo While procurement is fundamentally about maintaining QCDS,*1 I feel that the role of procurement has changed significantly over the past few years. While we had previously placed importance on reducing costs and shortening lead times, recent issues concerning component shortages and the impact of geopolitical risks are increasing the importance of ensuring a stable supply of materials. As a result of these issues, we are advancing the diversification of suppliers and optimization of inventory strategies. At the same time, we are creating a stable supply structure in terms of both procurement and logistics by optimizing our logistics routes and strengthening our transportation networks.

*1 Management metric that comprises four indicators: quality, cost, delivery, and service/safety

Fukushima Thank you. Under the previous organization, each function was assigned to one of the three business sectors. Looking back now, how do you view the challenges associated with that vertically integrated organization?

Ozaki In the Engineering & Design Division, our engineers were previously scattered among individual business sites, and it was difficult to utilize their expertise effectively. We were facing some real issues, in fact, including duplicate development of the same technologies across different business areas and employees finding it difficult to easily seek advice from colleagues with specialized expertise. On top of that, our employee development was tailored to each business, making it difficult to develop versatile skills that could be applied across other fields. In short, we were unable to fully utilize our human resources.

Okunishi The Quality Assurance Division faced a similar challenge. As each sector pursued its own optimization, differences emerged in quality assessment criteria and operational processes. Opportunities for personnel exchange were also limited, meaning there was insufficient knowledge sharing and mutual support across the organization. We therefore recognized the need to establish common standards and shared ways of thinking, while developing both talent and organizational capabilities that could operate effectively across sectors.

Kondo We dealt with the same issue in the Procurement Division. Because each sector operated independently with a focus on local optimization, we were unable to pursue certain initiatives. For example, we were unable to negotiate cost reductions by consolidating suppliers. Before coming together under VCS, we had never even been in a position to fully discuss what would constitute the optimal approach for the Group as a whole.

Sato The Production Engineering Division faced a similar situation as well. Previously, production technology functions were embedded within each sector, resulting in different approaches depending on the product category or production site. Even when the same terminology was used, definitions and interpretations often differed, making it difficult to establish a common foundation for discussion.

Fukushima It turns out that each sector focusing on the customers in their respective businesses and promoting what they thought was the "optimal approach" for them has now emerged as a challenge as a result of organizational restructuring.

Ozaki Individual optimization is fine if the business environment remains unchanged; however, the current environment is experiencing dramatic changes, and we need a structure to help us adapt to these changes. Previously, we were unaware of each other's circumstances. Now, we're able to discuss topics and share ideas across divisions, which is a significant change.

Changes Resulting from Consolidation at VCS and the Functional Headquarters System

Fukushima It seems like congregating at VCS has finally enabled dialogue across divisions. Could you share any other specific anecdotes that shed light on the positive changes that have arisen from the consolidation of resources at VCS and the establishment of the functional headquarters system?

Ozaki We worked together with the Quality Assurance Division to discuss countermeasures for a defect that occurred in a project in fiscal 2025. At that time, I was glad that all those involved in the project, from both divisions, could meet in person on a weekly basis to devise the necessary countermeasures and respond quickly.

Okunishi Exactly. We have established weekly meetings involving the executive officers responsible for the Quality Assurance and Engineering & Design divisions, enabling us to share technical issues and any new developments in the external environment in a timely manner.

Ozaki Collaboration between the Engineering & Design and Quality Assurance divisions regarding incidents that occurred in each sector has enabled us to quickly develop countermeasures to these issues and measures to prevent their recurrence across all sectors. This is certainly a significant change.

Sato We have also made progress with shared equipment, such as inspection machines and measuring instruments. Previously, each business site held different equipment, and we had to visit other sites to perform necessary measurements and such. Now, we can use shared equipment immediately, which has not only enhanced operational efficiency but has also led to the effective use of assets.

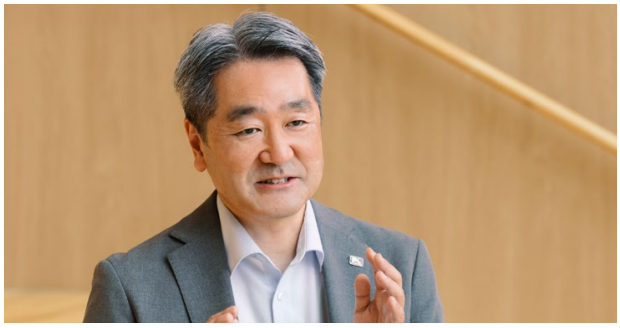


Kondo This collaboration has also had a positive effect on our relationships with suppliers. Since our business sites used to be divided by sector, suppliers had to visit numerous business sites. Now we deal with everything in one place. We have also been able to hold cross-sector component exhibitions for suppliers, expanding our proposal opportunities and increasing the effectiveness of information sharing.

Progress in Companywide Optimization and the Value We Want to Create

Fukushima Changing frameworks and methods of communication little by little have given rise to collaboration, hasn't it? However, this is where the true value of reforms will be put to the test. Please tell me about the progress you have made over the past year, the challenges you have yet to overcome, and the value you want to create through the combined efforts of each division.

Ozaki From the perspective of the Engineering & Design Division, having engineers from each sector working in one location facilitates the cross-application of expertise and streamlines our compliance with laws and regulations. Meanwhile, challenges going forward include establishing a flexible approach to assembling and reorganizing teams so that the right talent can be assigned to each project, as well as promoting multi-skilling to reduce dependence on specific individuals. In addition, over the past year we have come to recognize that organizational reforms cannot take root unless people's mindsets evolve alongside changes in systems and processes. Accordingly, in fiscal 2026 we have established a dedicated talent development department within the Engineering & Design Division and launched training programs focused on reskilling and strengthening employee communication capabilities.



Going forward, we will work closely with the Quality Assurance, Production Engineering, and Procurement divisions to enhance our response to end-of-life (EOL) components*2 and standardize related processes across the organization. To develop products that remain highly competitive in the marketplace, cross-functional collaboration across all divisions is essential, including product miniaturization driven by production engineering and the identification of new components through procurement activities. JVCKENWOOD's strengths lie in three areas of technology: communications, visual, and audio. Working closely with the R&D function, we are advancing core technologies and pursuing advanced development initiatives that leverage synergies among these three technology areas.

*2 Components that manufacturers no longer produce or support

Okunishi The Quality Assurance Division has been steadily standardizing quality assessment criteria and rules. Meanwhile, it has also become clear that simply establishing rules is not enough to ensure they take root, so we have created the Quality Control Office as a specialist organization for monitoring the implementation of these rules. In addition, under the divisional slogan "Share, Empathize, and Co-create," we are working to foster a sense of unity that goes beyond sectors through workplace discussions regarding product exhibitions, hands-on demonstrations, and organizational issues.

Going forward, the four functional headquarters will work as one, and I hope to contribute to enhancing corporate value by incorporating quality across the entire product life cycle. One of JVCKENWOOD's strengths is its ability to achieve high-quality manufacturing through close collaboration among design, quality assurance, manufacturing, and procurement, and I believe that further strengthening this collaboration will enhance our ability to respond to rapid changes in the market environment.



Sato A major change over the past year in the Production Engineering Division has been the ability of general executives to see the operations of other sectors, leading to a broader focus on Companywide optimization. Looking ahead, we aim to expand the range of products and processes that we can handle entirely in-house, from design through manufacturing. Our in-house design capabilities provide the foundation for in-house manufacturing, which is precisely why collaboration among the four divisions is so important.

What has become the foundation for realizing this value is the knowledge related to the processes and equipment for mass-producing products that we possess and the global talent that supports such production. Employees who were part of the first generation of overseas assignments are now playing active roles at the general executive level, and employees at each overseas factory and Japanese site work together to hold regular reporting sessions on improvement activities. We believe that strengthening this integrated system, together with the cumulative strength of our people and frontline operations, will further reinforce the unique strengths that set JVCKENWOOD apart.

Kondo For the Procurement Division, while cultural differences between sectors still remain, opportunities for integration have increased since the consolidation into VCS. For a

start, approaches that take other sectors in mind have taken root through the rotation of management-level personnel across business sectors. We also hope to expand this approach to other employees in the future. Accordingly, we are promoting collaboration with other divisions through cross-organizational initiatives, such as establishing second source suppliers, aggregating major suppliers, and reducing legacy components (those with high risk to supply continuity). Across our three business sectors and seven production sites, I believe our ability to handle components with varying production volumes and life cycles simultaneously is an advantage we have over our competitors. I hope that promoting such cross-organizational activities will lead to further refinement of this strength and Companywide optimization.

Toward Next Year and the Future

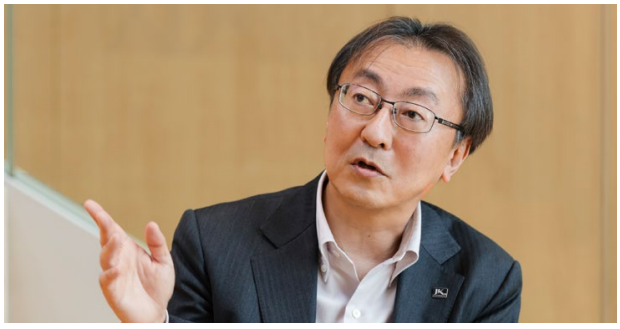
Fukushima Finally, please tell me about your goals as we approach the third year since the consolidation at VCS, as well as your vision for each division and for JVCKENWOOD five to 10 years from now.

Ozaki First, we want to ensure mindsets change in the Engineering & Design Division, since this is a significant transformation. Our COO, Akira Suzuki, often talks about *shuhari* (the three stages of mastery: understanding the fundamentals, breaking with tradition, and creating one's own techniques). We must first change the framework and then change our mindset to align with the framework before we can produce new ideas and improvements. Furthermore, by giving form to the "excitement and peace of mind" that underpins our corporate philosophy through our technological capabilities, and translating these skills into market value and profit, my hope is that we will continue to grow as a manufacturing company over the next 20 years and beyond.

Okunishi In recent years, we have seen numerous cases of quality and compliance issues having a significant impact on corporate value. In witnessing these issues, I am reminded that our role in quality assurance is to not only prevent defects before they occur but also to uphold people's trust in the Company as a whole. Going forward, we will position quality assurance as a management function that forms the foundation for enhancing corporate value and aim to become an organization that supports sustainable growth through quality, compliance, and risk management.

Sato Since human resource development takes time, I have decided to put a mechanism in place to support such efforts. We have been strengthening human resource development for approximately 10 years at our domestic production sites. In fiscal 2026, employees from the Production Engineering and Quality Assurance divisions have been participating in human resource development activities. While we have formulated various standards, if we do not have the necessary human resources to implement them, they are pointless. Our first major challenge is the creation of a mechanism to nurture such human resources.

Kondo The Procurement Division hopes to enhance the mobility of human resources. We aim to form a team of buyers with diverse skills developed through experience handling components from not only different sectors but different fields, such as electronic and structural components. I also want our buyers to be aware of the importance of reducing fixed costs. I believe that, in five or 10 years, we must aim to become an organization that produces the same or better results with even fewer people than we currently employ. Our goal is to promote this shift in awareness and evolve into a highly productive organization.



Fukushima Thank you for your perspectives, everyone. From this discussion, I am reminded that over the past year, not only the systems have changed but a foundation has also emerged in which divisions resolve issues through direct dialogue with one another. While challenges remain, such as the need to fully embrace this mindset and develop the necessary talent, the organization is evolving into one in which the four functions of technology, quality assurance, production, and procurement work as one, enabling decision-making from a perspective of Companywide optimization. I feel that this very transformation will lead to the strengthening of JVCKENWOOD's competitiveness and the enhancement of its corporate value going forward.



Our Sustainability Strategy



Aiming to sustainably enhance corporate value by balancing social and economic value, making sustainability a source of growth

Sumiko Nakai

Executive Officer,
Head of Corporate Division, General Manager of Sustainability Management Office

The JVCKENWOOD Group has positioned sustainability as a key management strategy on par with the business strategy and financial strategy under the new medium-term management plan VISION 2030, which is based on the corporate philosophy of "Creating excitement and peace of mind for the people of the world."

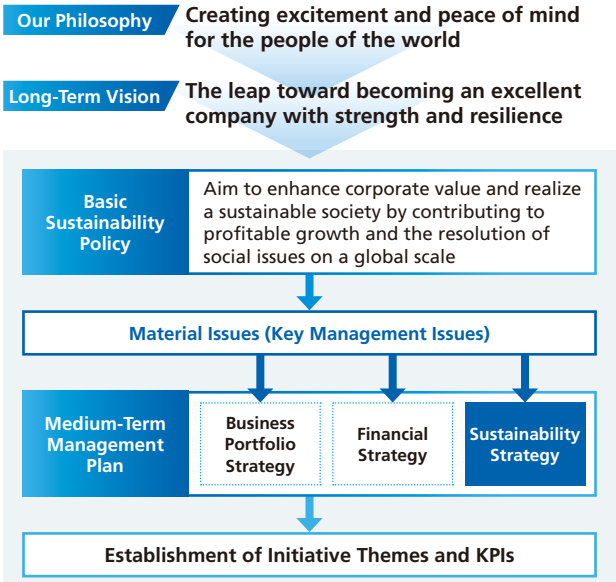
Amid significant changes to the business environment and social issues, we have redefined our materiality and key themes to align with our corporate philosophy, long-term vision, and Basic Sustainability Policy to realize sustainable growth and enhance corporate value in the medium- to long-term with ESG at the core. Based on not only the importance for our company but also the impact and expectations of society and stakeholders, we identified five material issues: realization of a prosperous society connected by excitement and peace of mind, contribution to the environment, building of a responsible supply chain, promotion of human capital management, and governance that supports sustainable growth.

Based on these issues, we set initiative themes and KPIs and, through ongoing activities, we are promoting the creation of social and economic value.

Additionally, we are engaging in the refinement of safe and secure social infrastructure and the creation of enriched experiential value through our business, while promoting our response to climate change, respect for human rights, responsible procurement, and human capital management. Through these initiatives, we aim to realize a sustainable society, strengthen our business competitiveness, and enhance profitability and capital efficiency, thereby enhancing corporate value.

We also disclose information via our integrated reports and sustainability website and reflect the opinions and expectations gathered through dialogues with stakeholders in our management strategies, leading to sustainable value creation.

Going forward, we aim to continue creating a positive cycle of resolving social issues and achieving profitable growth, delivering excitement and peace of mind to our customers around the world, and realizing a sustainable society and enhancing corporate value in the medium to long term.



Policy for Initiatives and Promotion Structure

Action Plan for Sustainability Initiatives

We have been working to enhance our ability to implement initiatives across the entire Group as we promote our sustainability strategy, by formulating our action plan for sustainability initiatives and reflecting this in specific promotion activities.

We set initiative themes and KPIs that align with our business strategy, financial strategy, and sustainability strategy in terms of materiality and its key themes, and continuously manage their progress. Additionally, we engage in realizing sustainable value creation by disclosing details of our activities and outcomes in a timely and appropriate manner.

Action Plan for Sustainability Initiatives

1. Promotion of sustainability initiatives by senior management
2. Establishment of KPIs and targets aligned with the medium-term management plan
3. Encouragement of employee participation by linking sustainability initiatives to all business activities
4. Active disclosure of sustainability initiatives to stakeholders in an easy-to-understand manner through website and other channels

Sustainability Promotion System

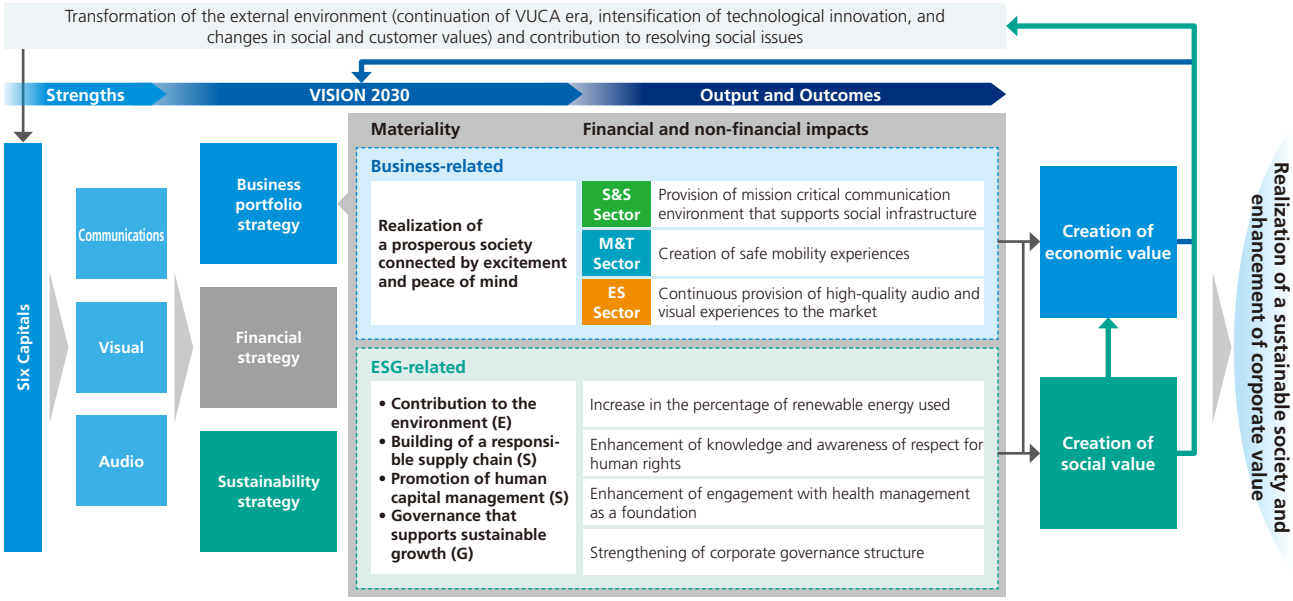
We appointed an officer in charge of sustainability management and established the Sustainability Management Office in April 2018 under the supervision of the Board of Directors to quickly and accurately implement our sustainability strategy. In 2023, we also established the Sustainability Committee, chaired by the CEO. In addition, as subordinate organizations of the committee, we established three specialized subcommittees headed by the officer in charge of each division to reinforce the overall promotion structure. Under the committee and its subcommittees, we hold active discussions of diverse topics related to promoting sustainability, such as the formulation and examination of our sustainability strategy and the identification of material issues and KPIs that JVCKENWOOD should be engaging in.



Creation of Social and Economic Value

We set initiative themes and KPIs in terms of materiality and continuously evaluate and manage the output and outcomes created through business activities and ESG initiatives.

Accordingly, we aim to realize a sustainable society and enhance corporate value in the medium to long term by promoting the creation of social and economic value.



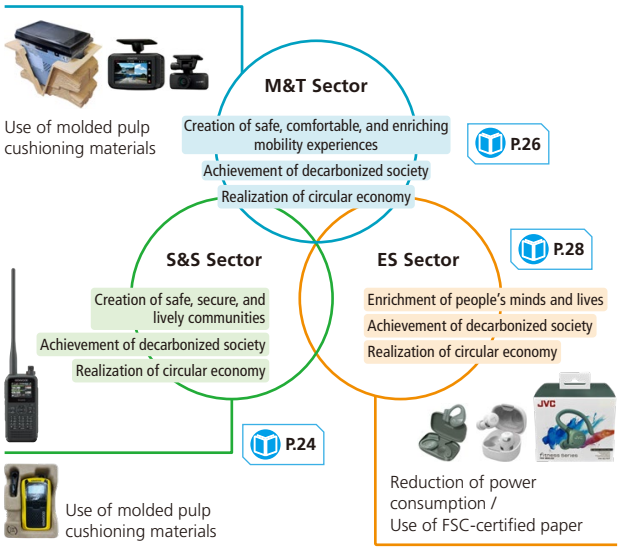
Initiatives Aimed at Promoting Development of Sustainable Products

While contributing to the resolution of social issues through our business activities, we are working to expand our lineup of sustainable products for the purpose of enhancing sustainable corporate value. Sustainable products are products and services that further contribute to resolving social issues and reducing our environmental burden. We are rolling them out as an integral part of our growth strategies for each business, without limiting them to a certain business or field.

These products are affixed with a sustainability logo to indicate that they play an important part in our approach toward sustainability.

JK Sustainability

Sustainability logo



Addressing Environmental Challenges

Basic Policy

Environmental responsibility is essential not only to realizing a sustainable society but also to achieving sustainable business growth. Based on this understanding, we have established an environmental vision for the Group's approach to the environment and have shared this vision with all officers and employees. Furthermore, we formulated JK Green 2035 as a basic environmental policy for 2035 based on this vision.

In line with this policy, the Group strives to reduce the environmental burden of its various business activities, including product development and service provision, and is promoting ongoing measures to minimize this impact.

For information on the structure of our sustainability promotion system, please see **page 38**.

Environmental Vision

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

Basic Environmental Policy JK Green 2035 and Its Goals

The Group aims to coexist with the natural environment, including biodiversity, while ensuring compliance with environmental laws and regulations in its business activities and for all its products, contributing to the sustainable use of the Earth's resources and energy. To realize this, we have established four key objectives and clarified the vision and fiscal 2035 targets for each. We strive to achieve these through regular monitoring of our progress and continuous improvements in all of our initiatives.

	Ideal Future	Targets for Fiscal 2035
Response to Climate Change		
	**Achieve carbon neutrality by 2050**	● Reduce CO_2 emissions by 67.2% compared with fiscal 2019 by fiscal 2035 (Scope 1 and 2) ● Reduce CO_2 emissions by 19.6% compared with fiscal 2019 by fiscal 2035 (Scope 3, Categories 1, 4, and 11)
Effective Use of Resources		
	**Achieve zero emissions (Promotion of 3R*1 Management)** *1 Reduce, reuse, and recycle	● Maintain a recycling rate of 90.0% or higher ● Reduce total waste emissions by 16.0% compared with fiscal 2019 by fiscal 2035 ● Reduce plastic usage for containers and packaging by 52.2% compared with fiscal 2019 by fiscal 2035 ● Reduce water withdrawal by 16.0% compared with fiscal 2019 by fiscal 2035
Environmental Conservation and Management		
	**Proper management of environmentally hazardous chemical substances**	● Properly manage chemical substances (hazardous chemicals) ● Create company standards for chemical substances and, by assessing the toxicity of chemicals, define chemicals that cause a considerable impact on the global environment and people as "environmental management materials" and appropriately manage them ● Maintain VOC emissions at or below the fiscal 2019 level (16.4 t)
Conservation of Biodiversity		
	**Maintenance of ecosystems**	Contribute to maintaining ecosystems and preserving biodiversity through initiatives that enable sustainability at every stage of the product and service life cycle

For more details on our initiatives, please visit our website.
https://www.jvckenwood.com/en/sustainability/activity/

Response to Climate Change (Information Disclosure Based on TCFD Recommendations)

Approach to Addressing Climate Change

Amid the numerous environmental issues the world is facing, climate change is a particularly vital issue for corporate management. The Group is working to reduce CO_2 emissions and energy use across the entire value chain, from procurement and product development through to the provision of products and services. To reduce CO_2 emissions, we are taking steps wherever possible, including setting medium- to long-term targets toward achieving carbon neutrality by 2050, monitoring progress against these targets, and disclosing r elevant information.

In April 2023, we announced our endorsement of the TCFD recommendations.*2 Under the oversight of the Board of Directors, we developed a structure for rapidly promoting strategies for sustainability, including climate change, and disclosed relevant information.

In fiscal 2026, we will conduct a variety of scenario analyses based on the TCFD recommendations and aligned with our new medium-term management plan, VISION 2030, to identify risks and opportunities and verify their impact on our business activities.

*2 The Task Force on Climate-related Financial Disclosures was established by the Financial Stability Board in 2015. Having fulfilled its remit, it disbanded in October 2023, and the International Financial Reporting Standards Foundation has taken over the monitoring of climate-related disclosures.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance

Oversight by the Board of Directors

Key issues related to climate change are periodically reported to the Board of Directors and reflected in management strategies following deliberation.

Deliberation by the Sustainability Committee

Led by the Sustainability Management Office, with the cooperation of each business area, climate change risks are identified and evaluated, with their results reported to the Sustainability Committee and the Environmental Subcommittee, which operates under it, where appropriate response measures are determined following deliberation.

For more information on the structure of our sustainability promotion system, please see **page 38**.

Strategy

While advancing information disclosure based on the TCFD recommendations, we identified transition risks (policy and legal, technology, market, and reputation) and physical risks (extreme weather and chronic climate change) and assessed the level of impact on business through medium- and long-term perspectives. This assessment is reflected in our business strategy and investment decisions, and we are promoting the introduction of renewable energy and the development of low-carbon products to maximize opportunities to respond to risks.

Additionally, we ascertain the resilience of the Group by carrying out a quantitative evaluation of the financial impact under climate change scenarios. Going forward, we will continue strengthening our analysis of and response to climate-related risks and opportunities.

Identification of Risks and Opportunities in Line with Climate Change Scenarios and Level of Impact on Business

Risk Category	Risk Type	Risk Overview	Opportunity	Level of Impact on Business	
				1.5°C Scenario	4°C Scenario
1. Transition risks	(1) Policy and legal	● Impact of the introduction of carbon taxes and CO_2 emissions regulations ● Impact on the on-board unit business due to tightening of fuel efficiency and zero-emission vehicle regulations	● Development of on-board units that comply with stricter regulations	FY2030: Low FY2050: Moderate	FY2030: Minor FY2050: Minor
	(2) Technology	● Impact on R&D costs (development of low-carbon products, adoption of low-carbon materials, development of technologies compatible with electric vehicles, and introduction of new equipment)	● Development of environmentally friendly products using new technology	FY2030: Low FY2050: Low	FY2030: Low FY2050: Low
	(3) Market	● Impact of changes in consumer behavior (spread of ethical consumption behavior, etc.) ● Impact of energy cost fluctuations	● Initiatives to extend the lifespan of existing products ● Development of new markets	FY2030: Low FY2050: Low	FY2030: Low FY2050: Low
	(4) Reputation	● Impact of requests to reduce environmental impact (evaluation by consumers and long-term investors and corporate social responsibility)	● Introduction of environmentally friendly products	FY2030: Low FY2050: Low	FY2030: Low FY2050: Low
2. Physical risks	Acute	● Impact on production due to the severity of disasters (shutdown of production/factories, disruption of supply chains, shortage of inventory, etc.)	● Introduction of products that support disaster prevention and mitigation	FY2030: Low FY2050: Low	FY2030: Low FY2050: Moderate

For more details on risks and opportunities, please visit our website.
https://www.jvckenwood.com/en/sustainability/activity/climate_change/

Opportunity Type	Opportunity Overview		Level of Impact on Business	
			1.5°C Scenario	4°C Scenario
1. Resource efficiency	M&T Sector	● Improve resource efficiency through battery recycling business while reducing waste generation ● Provide methods that contribute to the use of efficient energy, such as storage of renewable energy	FY2030: Low FY2050: Low	FY2030: Low FY2050: Low
	S&S Sector	● Devise schemes to reduce man-hours (shared design of components)		
	ES Sector	● Develop sustainable products through application of recycled resources		
2. Energy source	● Enhance energy efficiency and expand activities including in-house energy generation ● Create a development process and production line that limit energy use		FY2030: Low FY2050: Low	FY2030: Low FY2050: Low
3. Products and services	M&T Sector	● Extend life of products (enhance durability in terms of hardware and software, change materials, implement security measures, etc.)	FY2030: Low FY2050: Low	FY2030: Moderate FY2050: Moderate
	S&S Sector	● Utilize recycled resources (molded pulp packaging, etc.) ● Expand the lineup of highly durable professional radios, communication services, and disaster prevention and mitigation products		
	ES Sector	● Expand product range for responding to disasters (development of portable power stations, etc.)		
4. Market	M&T Sector	● Expand presence in mobility business beyond passenger vehicles	FY2030: Low FY2050: Low	FY2030: Moderate FY2050: Moderate
	S&S Sector	● Expand the market for image and data communication beyond voice transmission to support areas affected by natural disasters and other similar situations		
	ES Sector	● Expand B-to-B business (portable power stations, loudspeakers, and projectors)		
5. Resilience	● Reduce carbon emissions in the supply chain (innovation of production technology, etc.)		FY2030: Low FY2050: Low	FY2030: Low FY2050: Low

Risk Management

The Group integrates climate change risks into its current risk management system. Since announcing our endorsement of the TCFD recommendations in fiscal 2023, we have added transition risks and physical risks to the risk categories and conduct regular evaluation and progress management in the same way as we address other risks. Additionally, we carry out Groupwide risk surveillance as a system for observing risks, which leads to understanding key risks, including climate change risks, at an early stage and strengthening our response.

For more information on risk surveillance, please see **pages 50–51.**

For more details on risk management, please visit our website.
https://www.jvckenwood.com/en/corporate/riskmanagement/

Indicators and Targets

The Group has set the following indicators and targets and continuously monitors their progress to quantitatively evaluate and manage climate change risks and opportunities.

1. Disclosure of CO_2 Emissions

We calculate and disclose the results for each fiscal year for CO_2 emissions in Scope 1 and Scope 2 in line with our business activities and are promoting the disclosure of key categories in Scope 3 in phases. The emissions we disclose are assured by a third-party organization to ensure reliability.

2. Establishment of Reduction Targets

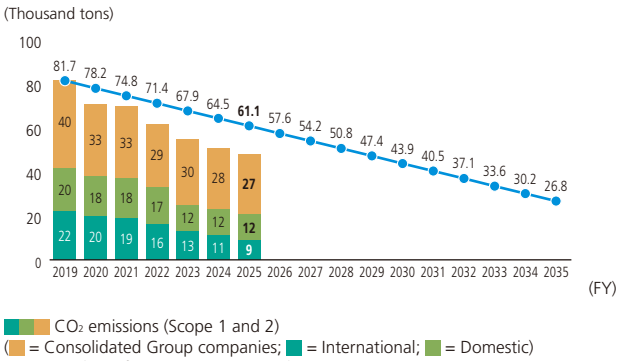
Based on the Paris Agreement, we have adopted a target of reducing CO_2 emissions in Scope 1 and Scope 2 by 67.2% compared with fiscal 2019 by fiscal 2035. Regarding Scope 3, we have identified major sources of emissions, set targets for reduction, and are developing a system to achieve this. These targets were set with an eye to acquiring Science Based Targets initiative validation.

3. Structure to Evaluate and Manage Progress

Progress toward targets is evaluated and deliberated on by the Sustainability Committee and the Environmental Subcommittee, and then periodically reported to the Board of Directors.

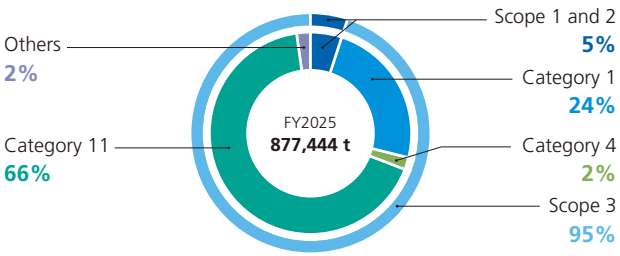
KPIs

Trends in Targets and Results for CO_2 Emissions (Scope 1 and 2)



CO_2 emissions (Scope 1 and 2)
(= Consolidated Group companies; = International; = Domestic)
Targets (with fiscal 2019 as baseline)

CO_2 Emissions in Scope 1, 2, and 3 (Fiscal 2025)



Scope 1 and 2 Scope 3 Category 1: Purchased goods and services
Category 4: Upstream transport and delivery
Category 11: Use of sold products Others

For more details on CO_2 emissions reductions, please visit our website.
https://www.jvckenwood.com/en/sustainability/activity/climate_change/save_energy/

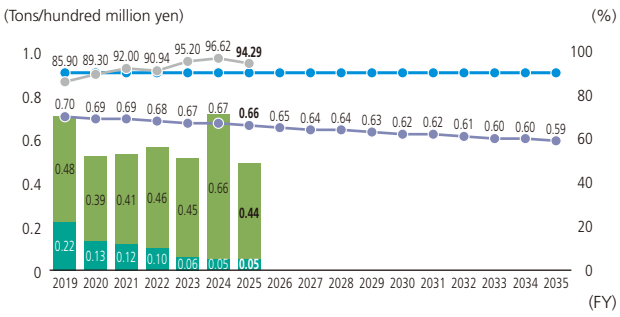
Effective Utilization of Resources

Reduction of Waste Generation

We are promoting 3R Management and engaging in waste generation reduction and resource recycling with the aim of achieving zero emissions to make effective use of limited resources. Currently, we aim to maintain a global recycling rate of 90% or higher. We carry out detailed sorting and the breaking down of waste generated by our business activities, leading to the reuse and monetization of the waste within the Group.

KPIs

Trends in Targets and Results for Waste Generation (per Unit Sales) and Results for Recycling Rate

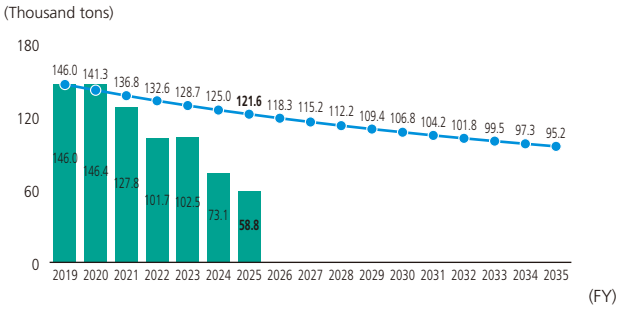


Reduction of Plastic Consumption Volume for Containers and Packaging

In aiming for zero emissions, it is vital that we promote the recycling of plastic resources, for which demand is growing in society. We are also taking various measures to reduce the amount of plastic used in our products and packaging materials, including the use of molded pulp cushioning materials.

KPIs

Amount of Plastic Used

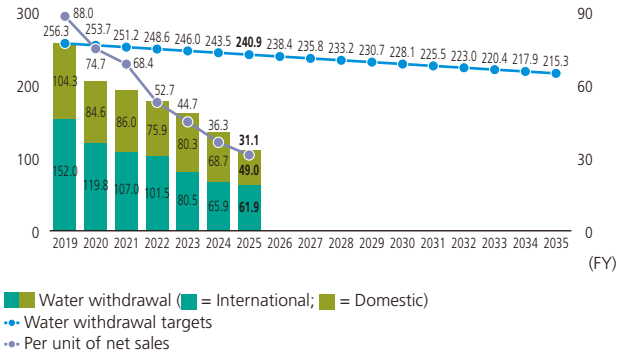


Reduction in Water Withdrawal

To ensure sustainable business activities, it is vital that we understand the impact of water risks and formulate measures to respond to said risks. The Group is steadily promoting initiatives to reduce water withdrawal on a regular basis, such as recycling water by recirculating wastewater.

KPIs

Trends in Targets and Results for Water Withdrawal



TOPIC

Activities Aimed at Reducing Environmental Burden

In the Safety & Security and Mobility & Telematics Services sectors, we have adopted molded pulp packaging for our license-free radio equipment and Saisoku Navi systems, reducing our plastic usage by 66% and approximately 70%, respectively. Furthermore, we are promoting a switch to environmentally friendly materials for both products and packaging, including utilizing recycled resin in the bodies of our license-free radio equipment. Through these initiatives, we are contributing to the promotion of resource recycling and the reduction of our environmental burden.



License-free radio equipment

Human Capital Management Aimed at Promoting Employee Engagement

Basic Policy

The JVCKENWOOD Group recognizes human capital management as one of the most important issues in continuous corporate growth, adopting a management policy of "realizing sustainable growth through human resource strategies aligned with management strategies." Human resources are the source of our strength, technological capabilities, and branding, which drive the growth of the Group. Accordingly, we must not only nurture our human resources but also strengthen their recruitment, allocation, treatment, and health management. We are working to achieve the new medium-term management plan VISION 2030 through the initiative themes of "human resource strategies," "diversity," and "promotion of health management" based on these management policies.

Human Resource Strategies Aligned with Management Strategies

Under VISION 2030, we have positioned ongoing optimization of our business portfolio as a key initiative of our management strategy in a continuation of VISION 2025. In tandem, we are prioritizing investment in human capital on expected and challenging areas and growth-driving businesses through the reallocation of human resources and reskilling. In the Communications Systems Business, one of our growth-driving businesses, we increased the number of employees by approximately 100 between fiscal 2023 and fiscal 2024, strengthening our project bid response capabilities and product development skills. We are optimizing our human resource portfolio, including internal transfers from different sectors and businesses.

In December 2024, we concentrated technology- and staffing-related departments at Value Creation Square, and then in April 2025, we restructured the existing technology, quality assurance, production, and procurement functions that were previously separate in each department into Companywide cross-functional organizations. In anticipation of our future business portfolio, we aim to maintain a system for flexibly conducting product development, nurture human resources that can engage in product development for different sectors, and exchange technologies.

Initiatives for Achieving Our Vision

To realize our vision, we are focusing on our JVCKENWOOD Career Design and diversity and inclusion (D&I) initiatives in a continuation of the previous medium-term management plan, which are helping to lay the foundation for human resources capable of driving innovation.

Human Resource KPIs Under VISION 2030 (Non-consolidated; May 1, 2026)

Categories	Major Indicators*1	FY2024 (Results)	FY2025 (Results)	FY2026 (Target)	FY2026–FY2030 (Target)
Comfortable workplace environment / Job satisfaction	Engagement indicators*2	68%	68%	68% or higher	70% or higher
	Cultural reform workshop: Number of participants*3	217	103	300 or more	1,500 or more (five-year cumulative)
Diversity	Ratio of female managers	8.1%	9.2%	10% or higher	10% or higher
	Number of female recruits	32	28	25 or more	150 or more (five-year cumulative)
Productivity	Rate of employees on administrative leave (absenteeism)*4	1.8%	1.5%	Less than 1.6%	Less than 1%
	WLQ-J (on-the-job productivity rate; presenteeism indicator)*5	94.1%	94.2%	94% or higher	94% or higher

Improvement of and contribution to business results and financial indicators

*1 The business norms of each affiliated company are different, and maintaining the same employment rate and job turnover rate as international affiliated companies with high liquidity is challenging. Accordingly, JVCKENWOOD lists its own individual targets and results.
*2 The percentage of positive answers received from questions relating to engagement in the employee awareness survey
*3 "Corporate Culture Transformation Workshop" is the name for a series of trainings and workshops related to corporate culture transformation in the previous fiscal year.
*4 Percentage of employees taking a leave of absence (paid leave, absence, or suspension) of more than one month within a fiscal year due to mental health reasons
*5 One of five performance indicators recommended by the Ministry of Economy, Trade and Industry. All 25 questions comprise four scales (time management, physical activity, concentration ability and interpersonal skills, and work results) and productivity is measured through the answers to each question. The highest score is 100%.

JVCKENWOOD Career Design supports the skills and career development of each employee with the aim of enabling them to realize their vision for the future while utilizing their own experiences to enhance their value creation capabilities. D&I promotes the fostering of corporate culture, the advancement of communication, and organization revitalization, which are necessary for maintaining an environment that encourages the creation of innovation and helps create an organization that enables employees from diverse backgrounds to actively participate.

Aiming to Enhance Employee Engagement

Enhancing employee engagement is a key theme that underpins human capital management. We believe that developing an environment that enables even more employees to feel job satisfaction will lead to enhanced engagement and, ultimately, the development of human resources capable of driving innovation. To measure the effect of our human resource strategies and connect this to even more effective measures, we monitor the status of employee engagement, namely, a comfortable workplace environment and job satisfaction, as human resource KPIs. The employee awareness survey visualizes employee awareness of "innovation," "customer orientation," and "operational efficiency," in addition to engagement indicators. The results, along with trend values and individually compiled open-ended comments, are reported to the Board of Directors. We will make further improvements following discussions on the matter.

The following key results appeared in the fiscal 2025 survey.

- **Continued to maintain a high level of engagement indicators**
- **Significant improvement of indicators related to corporate culture and communication**
- **No change to awareness of issues related to speed and internal operational efficiency**

Support for Skills and Career Development Through JVCKENWOOD Career Design

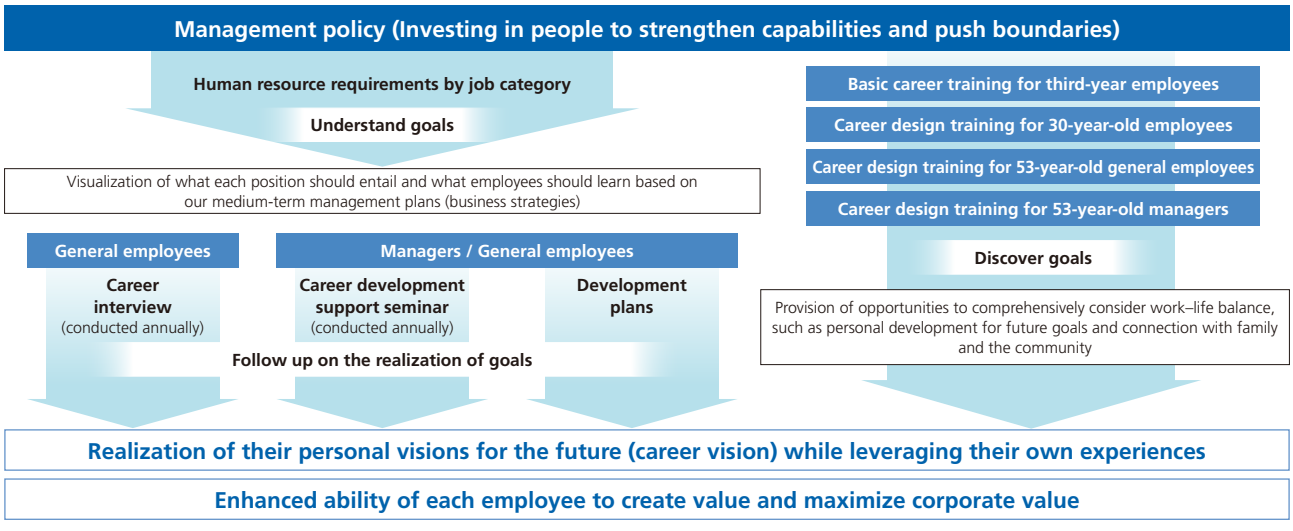
JVCKENWOOD Career Design is a scheme for the development of skills and careers created by JVCKENWOOD with the goal of providing active learning opportunities for employees. To enable employees to achieve their vision for the future while leveraging their own experiences, the program provides assistance in two stages—understanding goals and following up on the realization of goals, starting with understanding what employees should aim for.

To implement human resource development plans, a career development advisor is assigned to the Human Resources Department. They analyze the gap between the level of position-specific human resource requirements and reality; create employee development policies; are responsible for career-related consultations; and support the improvement of employee skills.

At the same time, we hold career design training for employees aged 30 and 53, two critical junctions of their career, to provide opportunities for further contemplation of what actions are necessary for realizing their career goals. There are also opportunities for comprehensively considering work–life balance through interaction between participants.

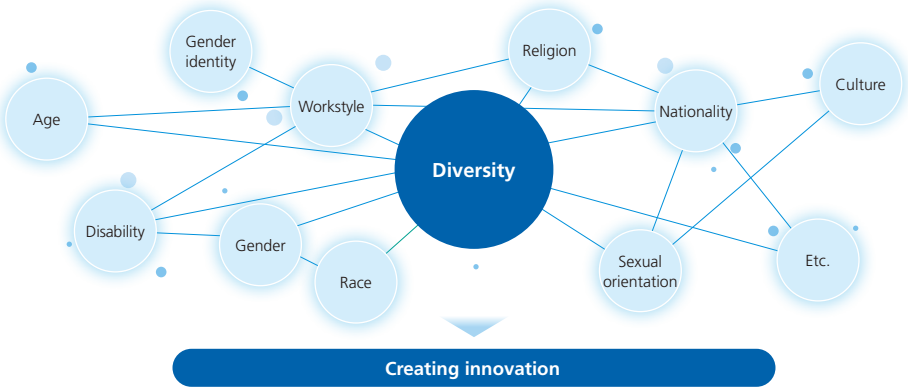
Additionally, we are enhancing measures that supplement JVCKENWOOD Career Design, such as strategic recruitment activities for new graduate and mid-career hires; realization of a human resource portfolio in line with business strategies; revitalization of the career rotation system with a focus on young employees; holding of career autonomy seminars and theme-based career exchange events led by career development advisors; and individual career consultations. We will improve the value creation ability of each employee by supporting the realization of their career vision.

JVCKENWOOD Career Design Overview



For more details on our initiatives, please visit our website.
https://www.jvckenwood.com/en/sustainability/social/human_capital/human_resources/

D&I Essential for Employee Engagement



To accelerate the creation of innovation aimed at the sustainable growth of the Group, we must provide a work environment that enables employees with diverse backgrounds and needs, including race, nationality, religion, culture, disability, workstyle, age, gender, sexual orientation, and gender identity, to play active roles. As a result, we have positioned this as a key initiative for strengthening the foundation for promoting D&I. Under our three D&I promotion pillars—fostering organizational culture, advancing communication, and revitalizing the organization—we are advancing the enhancement of a system that enables employees to flexibly choose their preferred workstyle, the promotion of female advancement, support for the balancing of work with childcare and nursing care, and the promotion of an environment that respects diversity.

Enhancement of the Systems Supporting Diverse Workstyles

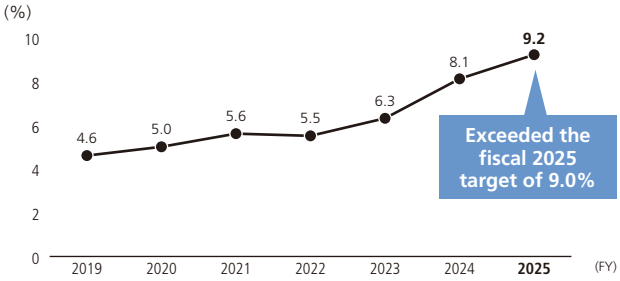
We are enhancing the systems supporting diverse workstyles to enable the realization of an organization in which all employees can play active roles.

System	Overview
Super-flextime system	Elimination of core working hours from the existing flextime system and expansion of flexible time to realize even more flexible and effective workstyles
Introduction of nonworking days	Enables employees to autonomously set holidays (nonworking days) that comprise the time worked over their fixed working hours. This allows employees to have three days off a week without using their annual paid leave.
Annual leave on an hourly basis and midway breaks	A system that enables employees to take annual leave on an hourly basis. Development of a midway break rule that enables employees to temporarily leave work during the day due to reasons including childcare, nursing care, and other personal reasons
Time-based workstyle selection system	Enables the selection of workstyles that comprise shorter hours (six hours a day) or shorter weeks (four days a week) while maintaining the status of permanent employee
Area-based workstyle selection system	Enables the selection of a geographical area in which to work where employees can request no relocation transfer orders while maintaining the status of permanent employee

Promotion of Female Advancement

We support the advancement of female employees by conducting training, including managerial training, and enhancing parental leave systems so that women can play active roles at work. As a result, the ratio of female managers reached 9.2% in fiscal 2025, exceeding our target of 9.0% (compared with 4.6% in fiscal 2019). Going forward, we aim to achieve 10% or higher by advancing individual initiatives based on VISION 2030. We have been awarded the highest rank (three stars) of Eruboshi Certification by the Minister of Health, Labour and Welfare under the Act on the Promotion of Women's Participation and Advancement in the Workplace. These initiatives drive the further improvement of corporate value and the Group's growth.

Trend in the Ratio of Female Managers (Non-Consolidated)



Support for Balancing Work with Childcare and Nursing Care

As part of our efforts to create a work environment in which both male and female employees can easily take childcare leave, managers conduct childcare leave interviews for all employees expecting a baby. In addition, as an effort to promote the taking of childcare leave by male employees, the system was revised in October 2022, and since then, paternity leave can also be used for childcare purposes, with the number of days available for leave being increased from 3 to 20 days. As a result, the rate of male employees taking childcare leave reached 100% in fiscal 2025. On average, male employees took 56.1 days of leave. To further spread awareness of our handbook on childcare and nursing care, we are posting it on the company intranet.

Respect for Diversity

To ensure a comfortable working environment for LGBTQ+ employees, we introduced a personnel policy in January 2024 to include common-law married partners and same-sex partners as spouses in the Company's internal human resources system. For the eighth consecutive year since fiscal 2018, the Company has received the highest "Gold" rating in PRIDE Index, an evaluation index of efforts for the inclusion of LGBTQ+ individuals in companies, organizations, and other entities. Further, in promoting human capital management, we have adopted "promoting the employment and advancement of people with disabilities" as an initiative aimed at enhancing the value creation abilities of each employee, and we are continuously working toward achieving this. In February 2025, our Group company JVCKENWOOD Partners Corporation was certified as a special subsidiary*1 by the Minister of Health, Labour and Welfare based on the Act to Facilitate the Employment of Persons with Disabilities. For fiscal 2026, we are working to achieve an employment rate for people with disabilities of 2.7%.

*1 Refers to a subsidiary that has received approval from the Minister of Health, Labour and Welfare, upon fulfilling certain conditions and given special consideration to the employment of people with disabilities, with the aim of promoting and stabilizing their employment. Workers employed by a special subsidiary are regarded as employees of the parent company, and for the purpose of calculating the employment rate, the subsidiary is treated as the same business establishment as the parent company.

For more details on our D&I initiatives, please visit our website.
https://www.jvckenwood.com/en/sustainability/social/human_capital/diversity-inclusion/

Health Management

The JVCKENWOOD Group has issued the JVCKENWOOD Health Declaration based on the concept that our employees are the source of our corporate activities and is promoting health management. We renewed our health management strategy map when formulating VISION 2030 and adopted a target of "contributing to sustainable growth of an organization in which employees can work in a lively manner, with health as the foundation." To achieve our key goal indicator (KGI) of an engagement score of over 70%, we are striving to reduce absenteeism, maintain and improve productivity by addressing presenteeism, enhance work engagement, and optimize medical costs.

We have also been recognized under the Outstanding Organizations of KENKO Investment for Health program for nine consecutive years since 2018, and in 2026, we were also recognized for the eighth time in the large enterprise category (White 500) of this program. In addition, we have been recognized as a Sports Yell Company by the Japan Sports Agency for the fifth consecutive year since 2022, and received the Sports Yell Company's "Bronze" certification for the first time in 2026. We hold walking, stair-climbing, and indoor sports events, as well as other activities, with the targets of preventing locomotive syndrome,*2 improving health awareness, and instilling exercise habits.

*2 A musculoskeletal disorder in which the motor functions of standing and walking are diminished

Occupational Safety and Health

At the JVCKENWOOD Group, we have positioned the realization of a work environment in which our employees and all people connected to our business activities can work in a safe and healthy manner as a key management issue, and we are promoting occupational safety and health activities Groupwide based on a policy of "placing safety and health before everything else."

While there were no major work-related accidents in fiscal 2025, the number of incidents has increased. Approximately 70% of accidents are caused by falls or straining movements. While these incidents occur primarily among middle-aged and older adults, they are also seen among younger people—so we recognize that developing age- and experience-based countermeasures is a challenge.

Led by the Groupwide Health and Safety Committee, we have formulated Groupwide policies and key measures, which we are rolling out at each business site. We identify issues through Health and Safety Committees at each business site and via safety patrols, and continuously implement corrective actions and improvement activities. We also monitor the status of the Group's overall occupational safety and health as a management indicator.

Occupational safety and health activities are managed using key indicators including the frequency rate and severity rate of occupational accidents, the number of work-related incidents, the completion status of corrective actions, and the implementation status of safety and health training programs. Although both the accident frequency rate and severity rate have remained below industry benchmarks, we continue to pursue ongoing improvements in light of fluctuations in the severity rate and other factors.

Key initiatives include occupational safety and health training for all employees three times annually, danger anticipation training, specialized training for older employees and supervisors, fall-prevention measures, and education on the prevention of recurrence through the Groupwide sharing and application of lessons learned from workplace incidents.

Going forward, we will position occupational safety and health as a foundation of human capital management, strengthen data-driven analysis and efforts toward continuous improvement, and enhance occupational safety and health standards across the Group, thereby fostering a safe and healthy workplace and contributing to the sustainable enhancement of corporate value.



Groupwide Health and Safety Committee

Respect for the Human Rights of All Stakeholders

Basic Policy and System

In line with international standards, such as the United Nations Guiding Principles on Business and Human Rights, the JVCKENWOOD Group formulated the JVCKENWOOD Group Human Rights Policy, which sets out guidelines for ensuring respect for the human rights of all stakeholders involved in our business activities and value chain. Moreover, we continuously engage in human rights due diligence to identify, prevent, and mitigate human rights risks, and have developed a risk management structure centered on the Companywide Risk Management Committee, which is chaired by the officer in charge of risk management.

Human Rights Due Diligence Initiatives

The Group continuously operates a PDCA (plan–do–check–act) process for human rights due diligence and has developed and operates a whistleblowing and consultation hotline for both internal and external stakeholders.

Human Rights Due Diligence Process

Human Rights Risk Assessment
Assess human rights risks through methods including in-house risk surveys, safety patrols, and self-assessment questionnaires (SAQs) for business partners based on international standards, laws, and human rights policies

Revision and Identification of Risks
Revise selected high-risk items based on severity and probability of occurrence and report them to the Companywide Risk Management Committee. Identify prominent human rights risks specific to the Group

Review of Activity Status and Information Disclosure
Monitor the status of activities through interim monitoring and final reviews conducted by the Companywide Risk Management Committee and disclose the information

Prevention, Mitigation, and Correction
Prevent and mitigate potential adverse human rights impacts and implement corrective measures when adverse impacts occur.

Prevention and Mitigation of Negative Impacts on Human Rights and Corrective Measures

Based on the above process, we identified the same three salient human rights risks in fiscal 2024 and fiscal 2025. We have confirmed the progress of countermeasures for these risks and are continuously working to prevent and mitigate said risks, and shall implement corrective measures.

Protection of Privacy

Under the JVCKENWOOD Group Privacy Policy, we strive to protect the personal information provided to us by our stakeholders. In addition to complying with the laws and guidelines of each country, we are working to strengthen our management system by establishing regulations and developing manuals and conducting employee education, as well as to ensure the improvement of information security and the protection of privacy.

Discrimination and Harassment

Under the JVCKENWOOD Group Human Rights Policy, we prohibit any form of discrimination based on race, nationality, religion, gender, sexual orientation and gender identity, disability, and other factors, while not tolerating inhumane treatment, including harassment. We aim to strengthen prevention and early response measures by continuously implementing harassment prevention training for employees and conducting practical education, such as simulations of incident response procedures, for management.

Forced Labor and Child Labor

Under the JVCKENWOOD Group Human Rights Policy, we prohibit labor practices that infringe on human rights, including forced labor, child labor, human trafficking, and slave labor.

Furthermore, as a company that handles electronic components, we recognize the importance of responsible procurement of minerals. We strive to ensure a reduction in human rights infringement risks across the entire supply chain and respect for human rights by identifying and continuously implementing surveys and checks on risks related to raw material procurement, including conflict minerals.

Development and Operation of Whistleblowing and Consultation Hotline

Under the JVCKENWOOD Group Compliance Code of Conduct and other frameworks, we have established a contact point that enables stakeholders to report concerns related to human rights and the possibility of infringement of laws and in-house regulations. We have developed a whistleblowing system that can be utilized by employees and internal and external stakeholders, enabling them to file reports anonymously. While ensuring the protection of whistleblowers, we strive for early detection of human rights issues and appropriate implementation of relief measures and corrective actions.

For more information on our whistleblowing systems, please see **page 53.**

KPIs	
FY2026 targets	Enhance participation rate for employee human rights training and roll out training to affiliated companies in Japan and overseas
FY2025 results	Implemented human rights risk surveillance and training as human rights due diligence activities

For more details on our initiatives, please visit our website.
https://www.jvckenwood.com/en/sustainability/social/human_rights/

Sustainable Procurement

Basic Policy and System

The JVCKENWOOD Group is aware of the importance of promoting responsible procurement practices, including respect for human rights, together with suppliers with the aim of building a sustainable supply chain. Based on this approach, we formulated the JVCKENWOOD Group Procurement Policy and the JVCKENWOOD CSR Procurement Guidelines, and are promoting sustainable procurement activities.

The promotion of sustainable procurement is led by the Procurement & Logistics Department. Additionally, the Supplier Subcommittee, which operates as a subordinate organization of the Sustainability Committee, reports the status of and reviews initiatives, shares issues, and discusses measures to address issues.

Initiatives Aimed at Building a Sustainable Supply Chain

Promotion of Responsible Procurement

We obtain signatures in support of the CSR Procurement Guidelines when entering into a basic transaction agreement with suppliers, thereby confirming their understanding of the guidelines and their commitment to supporting the related initiatives. We are also promoting the acquisition of similar endorsements from existing suppliers.

In addition, to prevent and mitigate risks related to human rights, legal compliance, information security, and other areas, we conduct self-assessment questionnaires (SAQs) of all suppliers with whom we intend to continue business relationships, including key Tier 2 suppliers. Based on an analysis of the survey responses, we request suppliers assessed as high risk to implement corrective actions. By continuously monitoring the progress of these actions, we work to reduce risks and promote responsible procurement throughout the supply chain.

KPIs	
FY2026 targets	Acquire signatures from new and existing business partners and continue to request corrective action from those deemed high risk by SAQs
FY2025 results	Obtained signatures from 65 business partners (3 new and 62 existing), requested corrective action from 40 business partners deemed high risk by SAQs, and implemented reviews of improvement status

Environmental Initiatives

As part of our efforts to reduce our environmental burden, we recognize the need to work together with suppliers to reduce CO_2 emissions resulting from purchased goods and services (Scope 3 Category 1). Accordingly, we are requesting that our key suppliers cooperate in our efforts to reduce emissions and provide emissions data, and are also working to expand the scope of these suppliers.

Promotion of Responsible Mineral Procurement

To avoid the use of minerals that may be associated with conflict, human rights violations, environmental destruction, or other negative impacts, we conduct mineral sourcing surveys of suppliers and identify and assess risks throughout the supply chain. When survey results indicate a high level of risk, we engage in mitigating such risks through methods including requesting that suppliers transition to supply chains that have been confirmed to be risk free. In addition, the scope of our due diligence has been expanded beyond the conventional 3TG minerals (tantalum, tin, tungsten, and gold) to include extended minerals such as cobalt, thereby strengthening our responsible mineral sourcing initiatives.

KPIs	
FY2026 targets	Maintain a 100% conflict-free smelter (CFS)* usage rate for minerals sourced from conflict-afflicted areas for relevant components (continued implementation)
FY2025 results	Maintained a 100% CFS usage rate for minerals sourced from conflict-afflicted areas for relevant components

* Smelters and refineries which have been certified by a third-party organization to ensure that minerals mined in the Democratic Republic of the Congo and surrounding areas do not serve as a source of funds for local armed insurgents and other groups and do not contribute to human rights violations

Internal and External Awareness-Raising Activities

We implement education and awareness-raising activities for employees and suppliers aimed at promoting sustainable procurement. Additionally, we share the status of SAQs and initiatives for reducing Scope 3 emissions, make requests for cooperation, and spread awareness of our whistleblower system through partners meetings, while striving for enhanced understanding across the entire supply chain and continuous improvement regarding sustainable procurement.



Partners meeting

KPIs	
FY2026 targets	Implement human rights training for JVCKENWOOD employees and training guidance on business and human rights for suppliers (continued implementation)
FY2025 results	Implemented human rights training for JVCKENWOOD employees and training guidance on business and human rights for suppliers

For more details on our approaches to addressing the issue of conflict minerals and related initiatives, please visit our website.
https://www.jvckenwood.com/en/sustainability/social/procurement/

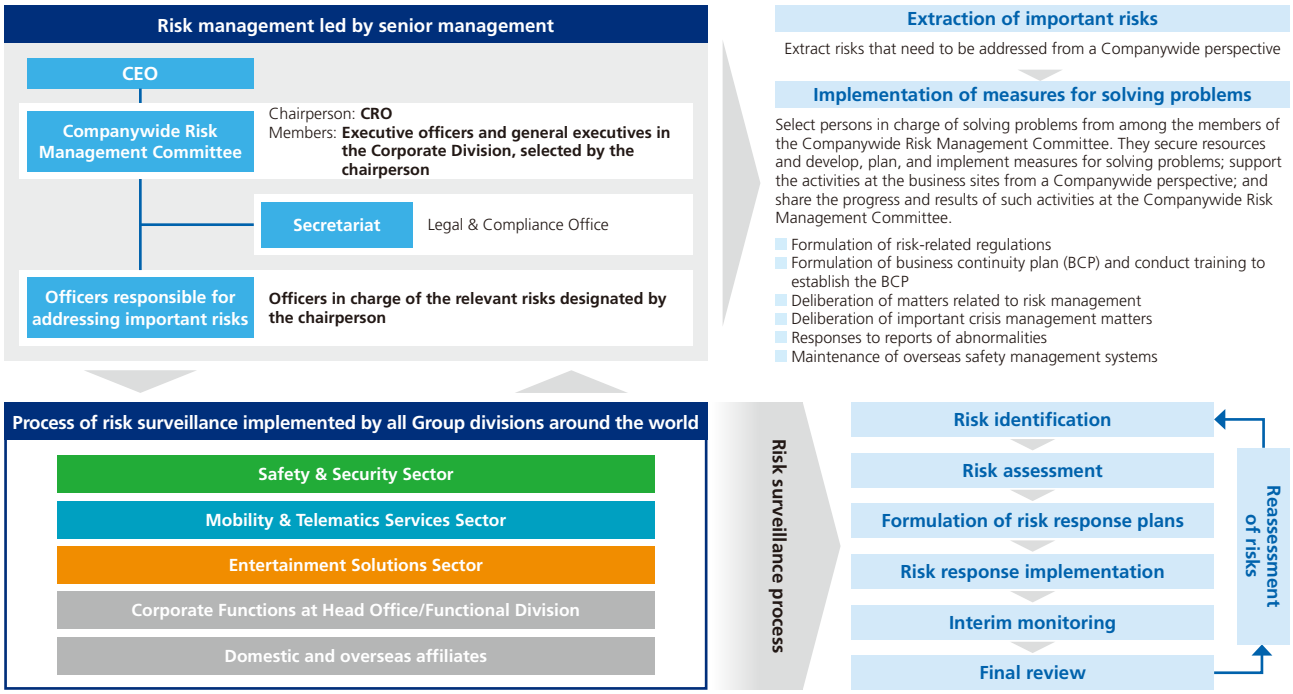
Risk Management

Basic Policy and System

The JVCKENWOOD Group regards risks as factors that could inhibit the achievement of its business plans and works to minimize impact or damage by accurately identifying all risks associated with its global business activities. We are establishing a system based on the belief that it is also important to take advantage of these risks, viewing them as opportunities to maximize returns. Specifically, we have established the Companywide Risk Management Committee, which is spearheaded by the chief executive officer (CEO), chaired by the chief risk officer (CRO), and further composed of executive officers and general executives from the Corporate Division, selected by the chairperson. Based on business risks faced by business sites and identified by each business sector and Group company, as well as management issues and business issues, we will formulate measures for important global risks that should be addressed with the highest priority, selected in light of their impact on business, urgency, and incident trends, and designate an officer in charge of managing the relevant risks to be responsible for promoting countermeasures. The officer responsible for promoting countermeasures implements a cycle to deploy and improve measures against important global risks to business units and regions and continuously monitors the progress of business initiatives to be achieved during the current consolidated business year. Furthermore, under VISION 2030, we have adopted "strengthening risk management" as a sub-material issue that is connected to the material issue of "governance that supports sustainable growth," and we are enhancing the effectiveness of risk response. Specifically, we aim to refine incident response operations and are strengthening the structure for understanding and managing the entire process, from initial response to corrective measures and final actions, in a comprehensive manner. Accordingly, we aim to further refine our risk management by responding appropriately to incidents as they occur, and ensure the thorough implementation of corrective measures and oversight until the response is complete. We will also build on our knowledge aimed at preventing recurrence and reducing future risks, sharing this information across the Company. Since fiscal 2023, we have been strengthening our risk management system to address climate change risks in line with the TCFD recommendations.

For more information on disclosure based on the TCFD recommendations, please see **pages 41–42.**

Risk Management System



Risk Surveillance

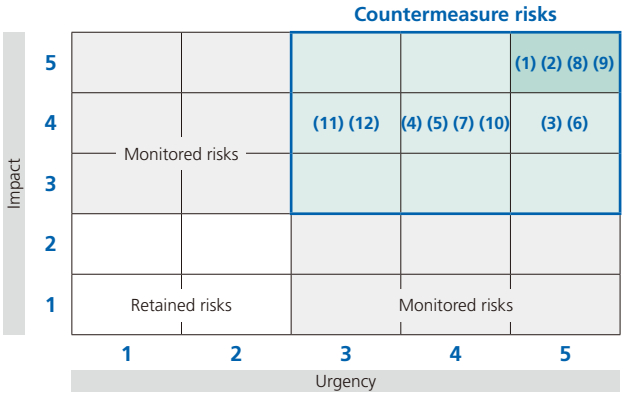
All divisions in the Group implement annual risk surveillance to assess risks at business sites based on their impact on the business, frequency of occurrence, and status of response, and formulate and implement countermeasures. In addition, each division implements a cycle of monitoring and improving the progress of countermeasures.

Mapping by Risk Assessment and Countermeasures

Under the Companywide Risk Management Committee, all risks identified through risk surveillance are comprehensively evaluated and mapped according to impact, urgency, and response level and classified as follows.

Among these, risks that have a high degree of impact and urgency for the Group are classified as "countermeasure risks" for which we must formulate response plans to avoid.

	Impact Example of losses	×	Urgency	–	Response level
5	**Significant** ¥1 billion or more		**Very high** Within 1 year		Already taken measures
4	**Serious** ¥100 million or more		**High** Within 3 years		Mostly taken measures
3	**Standard** ¥10 million or more		**Medium** Within 5 years		Taken measures to a certain extent
2	**Minor** ¥1 million or more		**Low** Within 10 years		Taken some measures
1	**Insignificant** Less than ¥1 million		**Very low** Beyond 10 years		No measures taken



In fiscal 2025, the Companywide Risk Management Committee identified a total of 12 countermeasure risks. Outside of countermeasure risks, we also manage "monitored risks," which may be deterred or transferred, and "retained risks," which are retained despite having a minimal impact.

Important Global Risks

We select major risks from among the countermeasure risks identified as important global risks based on management issues and business issues. In fiscal 2026, risks (1), (2), (8), and (9) shown in the table below were identified as important global risks.

Countermeasure Risks and Our Response Measures

	Risk Item	Impact	Urgency	Risk Assessment	Countermeasures
Changes in the Business Environment	**(1) Compliance with laws, regulations, and social demands**	5	5	Important	Respond to various regulations and laws enforced in each country through a cross-functional project system within the Company. Also promote the strengthening of the internal control system, which is the core of the Company's operations, and ensure thorough compliance via training and other measures
	(2) Changes in supply chain management	5	5	Important	Secure development backup and multiple suppliers and hold BCP inventory, while strengthening supplier management and traceability, and incorporate these functions into the Company's daily management cycle
	(3) Economic fluctuations and changes in preferences	4	5	Countermeasure	Monitor changes and take measures according to the scale of risk, ranging from daily operational measures to contingency plans
	(4) Exchange rate fluctuation	4	4	Countermeasure	Implement hedging transactions such as exchange contracts to reduce risks associated with forecast transactions of major currencies and with assets and liabilities, and strive to minimize the impact of exchange rate fluctuations
	(5) Technological innovation	4	4	Countermeasure	Revise the technology development and commercialization road map in a timely manner, taking into account changes in the market environment, social demands and technology trends, and promote the systematic development of engineering human resources
	(6) Rapid evolution and transformation of the industry	4	5	Countermeasure	Promote the development of proprietary products and services, establish a position unaffected by industry changes, and respond by shifting resources to key areas and strengthening collaborations
	(7) International business activities	4	4	Countermeasure	Monitor the regulations and laws enforced in each country and region and their geopolitical trends, and respond by refining the global risk management structure and optimizing and decentralizing the Company's supply chain
Business Operations	**(8) Information security**	5	5	Important	Establish the JK-CIRT/CC* under the control of the chief information security officer (CISO) to clarify the Company's security system in light of the government's request to strengthen cybersecurity measures. Strengthen the security system to protect the Group's information assets and information assets entrusted to us by customers worldwide as well as other stakeholders, including business partners, shareholders, and employees of the Group
	(9) System operation	5	5	Important	Develop high-level security measures for data centers and SaaS systems and redundant infrastructure, implement regular data backups, and maintain stable operations and business continuity
	(10) Quality issue	4	4	Countermeasure	Implement thorough checks to prevent quality problems by complying with standards with an emphasis on quality in the processes of planning, development, and production, and by establishing effective phase gates. In addition, promote efforts that include product safety assessments of new models, reinforcement of management of critical safety parts, and databases of product liability information
	(11) Human resource losses and shortages	4	3	Countermeasure	Secure diverse human resources through expansion of recruitment of new graduates and diversified implementation of mid-career recruitment, while facilitating career development and establishing the development system to promote employee retention and appropriate age structure
Disasters, Etc.	**(12) Natural disasters, pandemics, and man-made disasters**	4	3	Countermeasure	Promote business continuity management aimed at business continuity and early recovery by developing various manuals focused on crisis response and implementing disaster prevention drills, business continuity plan training, and safety confirmation drills

* JVCKENWOOD Central Incident Response Team/Coordination Center

Information Security

Basic Policy and System

We consider incidents related to the confidential and personal information held by the Group to be a management risk that could severely impact numerous stakeholders, including customers, and are reinforcing our cybersecurity system. Regarding the information security aspect of this system, under the supervision and guidance of the Board of Directors concerning business execution, the CEO and CISO*1 are responsible for information security risk assessment and management as part of management risk control and for responding to incidents if and when they occur. The Companywide Information Security Committee, for which JK-CIRT/CC was established as a secretariat under the CISO, is working to create an information management security system. While collaborating with the Legal & Compliance Office, which acts as the secretariat for the Companywide Risk Management Committee, we are comprehensively strengthening the governance of information security.

We have established a secure working environment for connections from external networks that provides the same level of security as our internal network environment. We are reinforcing various security countermeasures through efforts including the tightening of access restrictions to internal systems, the introduction of multifactor authentication, and the regular implementation of information security training and drills. As these initiatives progress, we have set the following KPIs and are monitoring their progress.

KPIs

IT Security Training Participation Rate

FY2026 targets	95% or higher (domestic); 70% or higher (international)
FY2025 results	97% (domestic); 70% (international)

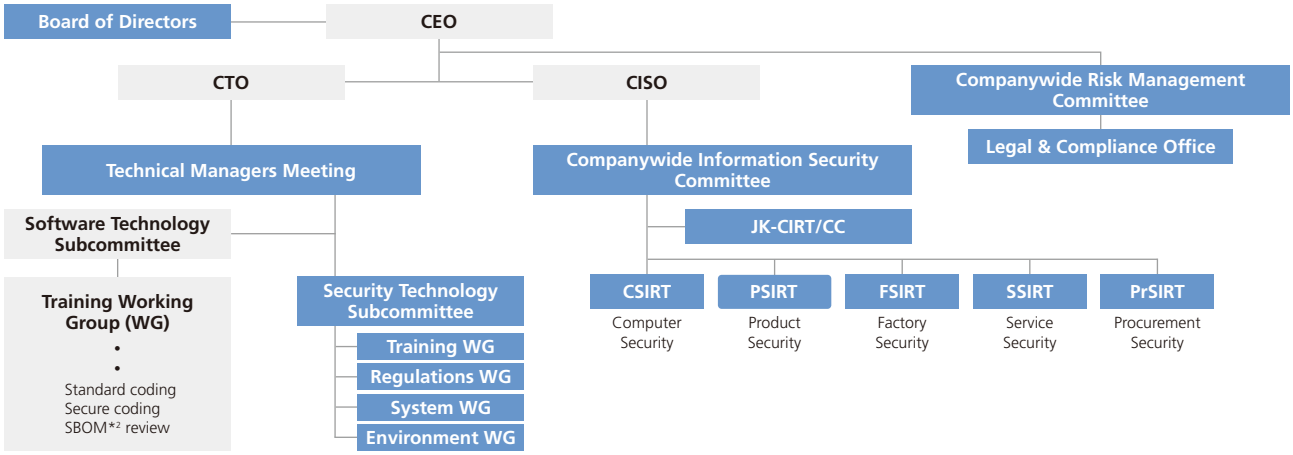
Targeted Phishing Email Training

FY2026 targets	Test email sent to all employees (Japan: twice annually; Overseas: once annually)
FY2025 results	Targeted test email sent in February 2026 (Japan)

Going forward, we will continue to work together as a company to strengthen our information security governance to live up to the trust of all our stakeholders.

*1 Chief information security officer

Cybersecurity System of the Company



*2 Software bill of materials

For more details on our information security initiatives, please visit our website.
https://www.jvckenwood.com/en/corporate/security/

AI Governance

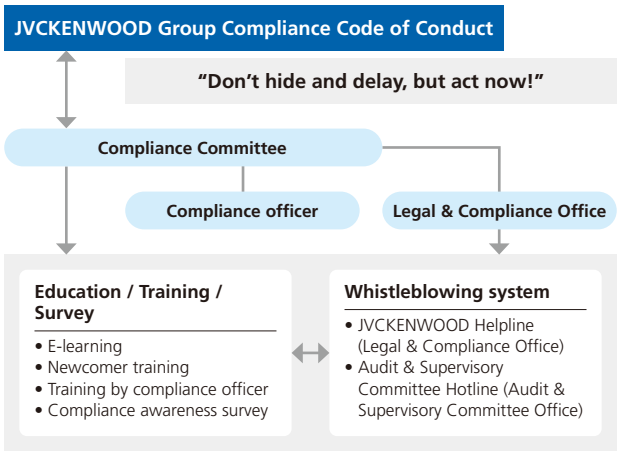
Basic Policy, System, and Initiatives

Amid the rapid development and increasing social impact of AI technology, we formulated an AI ethics policy in May 2022 based on the JVCKENWOOD Group Compliance Code of Conduct as part of the Group's human rights initiatives. We are actively promoting compliance with the policy and appropriate actions to all stakeholders across our value chain, including Group officers, employees, and business partners. Further, we have established the AI Use and Application Secretariat and are strengthening the governance necessary for minimizing the ethical risks related to AI. As part of our in-house initiatives, we have opened an in-house AI Academy that carries out drills with the aim of organizing AI ethics training, enhancing AI literacy, ensuring appropriate responses to evolving domestic and international AI regulations similar to the EU AI Act, and further encouraging the use and application of AI. We have also developed a system that supports daily management and operations, as well as incident response, and will continue to strengthen our AI governance system while fully utilizing AI technology.

Compliance

Basic Policy and System

As society's values rapidly change, even actions that do not constitute legal violations but go against the demands of society can cause damage to corporate value. The JVCKENWOOD Group is striving not only to comply with laws and regulations but also to respond appropriately to societal expectations and continues to strengthen its efforts in this regard. The JVCKENWOOD Group Compliance Code of Conduct, which was formulated in March 2010 by the Compliance Committee—headed by the CEO—and the Legal & Compliance Office, applies to all directors and employees and, to ensure it is put into practice, spreads awareness of the Group's basic position: "Don't hide and delay, but act now!" In the event of violations of corporate ethics and other such violations of our code of conduct, we will promptly take measures to prevent recurrence of said violations.



For more information on the JVCKENWOOD Group Compliance Code of Conduct, please visit our website.
https://www.jvckenwood.com/content/dam/pdf/conduct_en.pdf

Initiatives to Strengthen Compliance

Whistleblowing Systems

We have established two internal whistleblowing systems, the JVCKENWOOD Helpline, operated by the Legal & Compliance Office, and the Audit & Supervisory Committee Hotline, operated by the Audit & Supervisory Committee Office, which can be used by any officer or employee. Reports can be made anonymously or under the whistleblower's name. Any concerns about corporate ethics in general or compliance issues, such as human rights violations, harassment, and corruption (embezzlement, bribery, etc.), are directly reported to the JVCKENWOOD Helpline based on the Regulation for JVCKENWOOD Group Whistleblowing System. Hearings are undertaken in a swift and accurate manner to determine the facts from a fair and impartial position, and corrective measures are taken under the leadership of the Compliance Committee. Any concerns about misconduct by officers or helpline personnel, such as violations of the law, are reported directly to the Audit & Supervisory Committee Hotline. All systems employ a dedicated communications system to protect the whistleblower's privacy and maintain the confidentiality of the report. In addition, company regulations prohibit any attempt to identify a whistleblower, ensuring that individuals do not suffer any disadvantage as a result of making a report.

Furthermore, the Engagement and Remedy Platform provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), of which we became a regular member in July 2024, addresses complaints and reports related to human rights violations from all stakeholders, including suppliers.

For more details on the Engagement and Remedy Platform, please visit the JaCER website.
https://jacer-bhr.org/en/index.html

Compliance Training

To increase awareness of compliance throughout the Group and build a robust compliance system, we are striving to hold compliance training and spread awareness to all officers and employees under the direction of the CEO and led by the Legal & Compliance Office. New employees are provided with training involving face-to-face sessions while other employees are provided with regular training through e-learning. The compliance officer conducts annual training for managers under the compliance officer's direct supervision in an effort to improve their compliance awareness. The main topics of the training include the JVCKENWOOD Group Compliance Code of Conduct and other related regulations; the prevention of corruption, such as the prohibition of facilitation payments and bribery of foreign officials; case studies of corporate scandals; the whistleblowing systems; and harassment prevention. In fiscal 2025, approximately 5,800 officers and employees participated in compliance training.

Enhancement of Compliance Awareness and Implementation of Survey to Assess Its Instillation Within the Company

With a view to further enhancing compliance awareness, we distribute compliance-related emails to all officers and employees and post and update compliance-related content on our intranet. By presenting examples of compliance violations that have actually occurred, we educate our officers and employees so that they can stay abreast of the latest compliance trends. Furthermore, in order to understand how well compliance awareness has become ingrained in the Company's culture, we have been conducting an annual survey of Group company officers and employees in Japan during e-learning training since 2017. For the survey conducted in November 2025, approximately 3,600 officers and employees responded.

For more details on our initiatives, please visit our website.
https://www.jvckenwood.com/en/corporate/governance/compliance/

Stakeholder Engagement

The JVCKENWOOD Group actively creates opportunities for dialogue with a variety of stakeholders. By reflecting the expectations and concerns identified through constructive dialogue in our management and business activities, we strive to achieve sustainable growth.

Key Channels for Communication with Stakeholders

Customers 	● Newspapers, magazines, radio, and social media ● Websites and online user reviews ● Events and exhibitions ● Product catalogs ● Customer satisfaction surveys	We are striving to create relationships of trust with our customers by accurately understanding their diversifying and evolving needs and social issues through dialogues and are providing high-quality products and services. We utilize the feedback we receive to enhance quality, improve customer experience, and create new value, which leads to realizing solutions that are required by an ever-shifting society. Furthermore, while striving to improve customer satisfaction by enhancing support and our stable supply system, we will connect the knowledge we have gained from dialogues to technology and human resource growth.
Employees 	● Intranet and newsletters ● Internal events and workshops ● Labor–management council meetings ● Awards system (JK Award) ● Health and Safety Committee ● Career interviews ● Labor rules and other systems ● Employee engagement survey	We believe that the source of our sustainable growth lies in each employee fully demonstrating their capabilities, transforming change into strength, and creating new value. We are creating an environment where diverse employees can fully demonstrate their capabilities and grow while experiencing both ease of working and job satisfaction, and that also enhances engagement through dialogue and strengthens human capital.
Shareholders and Investors 	● General Meeting of Shareholders, business reports, and interim reports for shareholders ● Company tours ● Financial results and financial results briefings ● Timely disclosures ● Websites ● Investor relations (IR) and shareholder relations (SR) meetings ● Integrated reports, annual securities reports, and financial results presentation materials ● Responses and disclosures to ESG evaluation organizations ● News releases	We accurately identify changes in the business environment and expectations for the Group through dialogue with shareholders and investors, thereby improving management and enhancing corporate value. We place great importance on highly transparent information disclosure and constructive dialogue, while reflecting the feedback and advice we receive in management decision-making and activities with the aim of sustainable growth and appropriate shareholder returns.
Business Partners 	● Websites ● Participation in industry associations and committees ● Partners meetings ● Self-assessment questionnaires ● Procurement guidelines	Dialogues and cooperation based on trusted relationships with suppliers are essential to ensuring a stable supply of products and services and building a sustainable supply chain. The JVCKENWOOD Group is promoting responsible procurement, including consideration of quality, safety, human rights, and the environment, based on fair and equitable transactions. We aim for sustainable value creation together with suppliers, while advancing the understanding of and response to the risks facing our supply chain.
Government, Local Communities, and NPOs and NGOs 	● Newspapers, magazines, and professional journals ● Websites ● Local events ● Factory tours, on-site classes, and internships ● Participation in industry associations ● Contributions to communities and monetary and in-kind donations for disaster recovery	Through dialogues with the government, local communities, and NPOs and NGOs, we deepen our understanding of issues facing local communities and greater society, and use this insight to create value through our business operations and engage in activities that contribute to local communities. We are advancing initiatives such as disaster response, environmental conservation, human resource development, and co-existence with local communities, which contribute to enhanced social resilience and sustainable communities.

Realizing Our Corporate Philosophy of "Creating Excitement and Peace of Mind for the People of the World"

The Group is working to create value with the aim of keeping society safe and realizing a future where people can live even safer and more enriched lives based on our corporate philosophy of "Creating excitement and peace of mind for the people of the world." To achieve this, we must have a robust management foundation that can flexibly overcome changes to the business environment, the ability to accurately identify social issues and emerging needs, and relationships of trust with stakeholders. We aim to achieve a sustainable society and maximize corporate value by co-creating new value through active dialogues and cooperation with diverse stakeholders, including customers, employees, shareholders and investors, business partners, the government, local communities, and nonprofit organizations (NPOs) and nongovernmental organizations (NGOs).

Understanding Needs by Exchanging Opinions with Customers

To reflect customer opinions in our products and services, we are expanding opportunities for dialogues by actively participating in events and exhibitions both inside and outside of Japan.
In July 2025, we exhibited at the Association of Public-Safety Communications Officials (APCO) 2025, the largest event for public safety wireless communications equipment and services held in the United States that boasts over 6,000 attendees, enabling us to engage in active discussions with a diverse range of customers. In the domestic market, we collect a wide range of opinions through user reviews and initiatives on our e-commerce websites and are utilizing them in the enhancement of product design and customer experience. We are deepening our relationship with customers through such continuous engagement, leading to further value creation.



Exhibition at APCO 2025

Driving Sustainable Growth Through Greater Employee Engagement

To draw out the capabilities of our human resources through enhancement of employee engagement, we are accelerating our efforts to promote new workstyles and enhancing workplace comfort, such as through the super-flextime system and our transition to a cross-functional organization centered on Value Creation Square. In addition, we are supporting the enhancement of communication between employees and improvement of skills through various training sessions, dialogue-style workshops, and career interviews. We have received positive feedback from employees, including "I feel fulfilled in both my work and private life as a result of being able to use various workstyles," and "Engaging in cross-functional dialogue during the workshop gave me greater confidence for future collaboration across departments."

For more information on Human Capital Management Aimed at Promoting Employee Engagement, please see **pages 44–47.**


Cross-divisional workshops for sharing corporate philosophy

Building Understanding of and Support for Our Sustainable Growth Through Careful Dialogue

We actively engage in dialogues with our shareholders and investors to help them understand the Group's path to value creation, such as our vision, medium-term management plan, and governance initiatives, using the advice we receive to make improvements.

In fiscal 2025, we held over 220 one-on-one IR meetings, carefully responding to the questions and feedback. We also held over 10 SR meetings between internal management, outside directors, and key shareholders and institutional investors that covered a wide range of topics on all aspects of management. We have also advanced the quality of our dialogues by exchanging opinions with voting advisory companies. We are also actively enhancing the content of the Investor Relations section of our website. In recognition of these efforts, we received the Excellence Award in the Daiwa Internet IR Awards, sponsored by Daiwa Investor Relations Co. Ltd., for the third consecutive year, and have been named Best Website in the overall category of Nikko Investor Relations' All Listed Companies' Website Ranking for several years.


General Meeting of Shareholders

Overview of Corporate Governance

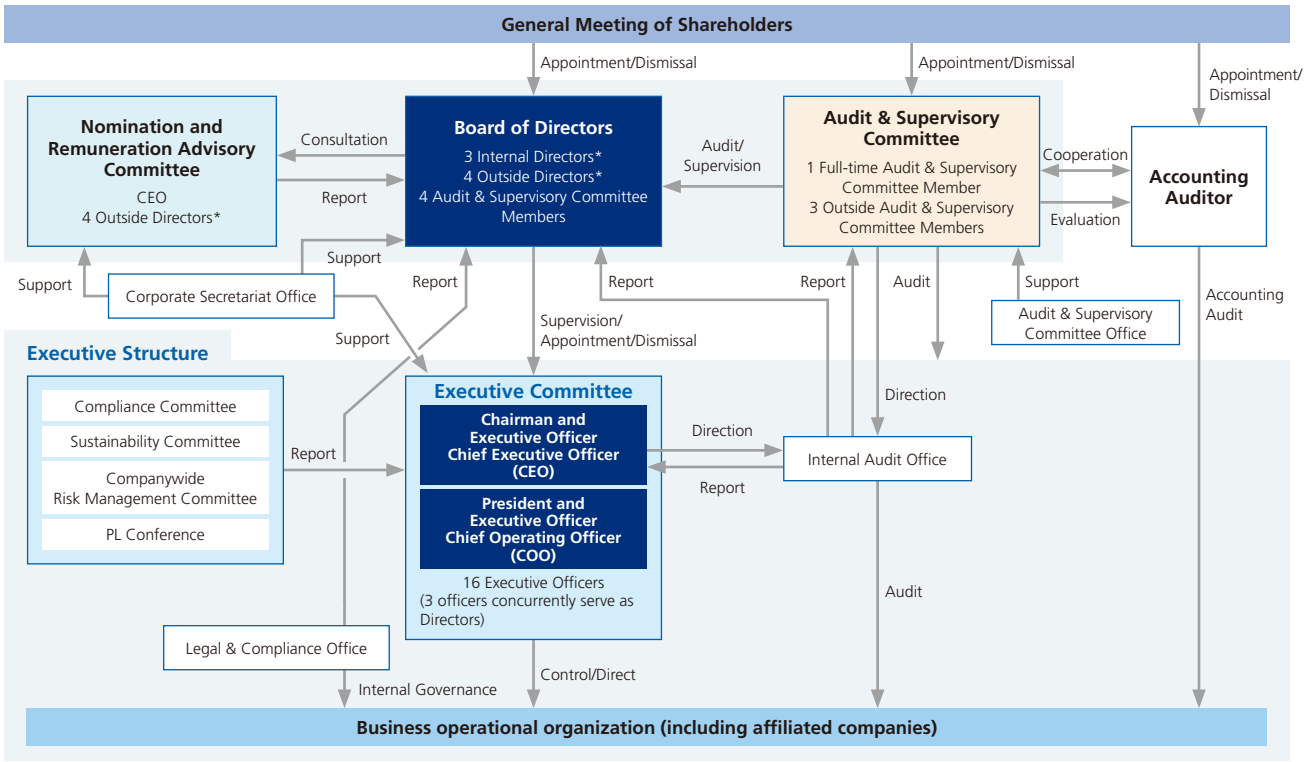
Basic Policy and System

JVCKENWOOD regards the enhancement of corporate governance as one of its most important management priorities, aiming to increase the transparency and efficiency of management decision-making and thereby enhance corporate value. Accordingly, we make it a basic policy to enhance our corporate governance through the development of a structure that calls for the separation of management from the execution of business, the appointment of independent outside directors of the Board, and the improvement of the monitoring function by establishing the Internal Audit Office, thereby strengthening the Company's internal control system on a Groupwide basis.

We have also formulated the JVCKENWOOD Corporate Governance Policy as a basic approach to the Group's corporate governance, which we have published on our website.

For more information on corporate governance, please visit our website.
https://www.jvckenwood.com/en/corporate/governance/corporate_governance/

Corporate Governance System (as of June 24, 2026)

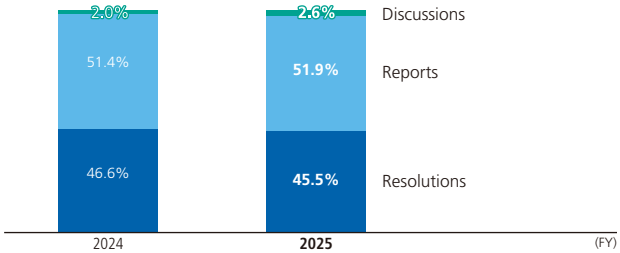


* Excluding Audit & Supervisory Committee members

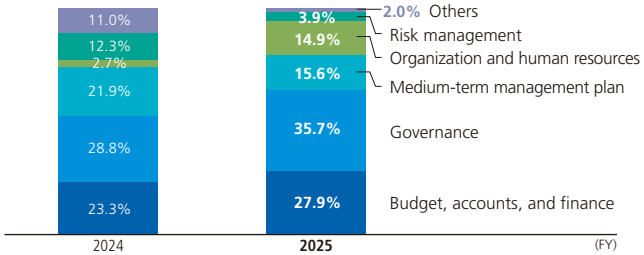
Board of Directors

We are continuously working to refine corporate governance in order to enhance corporate value. The Board of Directors deliberates on and resolves basic policies and important matters related to management, while supervising and monitoring the status of business execution. With an outside director serving as chairperson and outside directors comprising a majority of the Board, we have strengthened supervisory functions independent of management, ensuring highly effective Board oversight. In addition, the Nomination and Remuneration Advisory Committee, chaired by an outside director, works to enhance the CEO succession plan and executive remuneration system. We also conduct an annual evaluation of Board effectiveness, including third-party assessments, and reflect the results in our improvement efforts. Through these continuous efforts, the Board of Directors combines transparency, independence, and effectiveness, functioning as the core of our corporate governance.

Allocation of Agenda Items by Method of Oversight (Percentage of Items)



Allocation by Agenda Category (Percentage of Items)



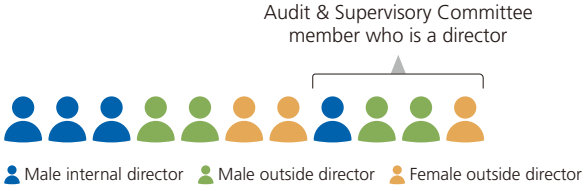
Changes to the Reinforcement of Corporate Governance

The Company formulated the JVCKENWOOD Corporate Governance Policy in December 2015 and has been promoting corporate governance reform ever since. Key initiatives can be seen in the chart below. To respond to changes in the business environment, the Board of Directors has adopted a governance framework of a company with audit and supervisory committee and is advancing its transition to a monitoring board model by promoting the delegation of authority and increasing the speed of decision-making through its organizational design. By further promoting corporate governance reform and achieving more proactive governance, we will respond to the expectations of our stakeholders.

Changes in Corporate Governance

FY	2008	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Institutional Design	Company with board of company auditors framework											June 2025 Company with audit and supervisory committee framework	
Chairperson of the Board	Internal Director of the Board		June 2016 Outside Director										
Outside Directors of the Board	3 people							June 2021 1 female director		June 2023 4 people		June 2025 7 people (including 2 female directors)	June 2026 7 people (including 3 female directors)
Directors of the Board	9 people		June 2013 8 people	June 2016 9 people						10 people		14 people	11 people
Audit & Supervisory Board Members	October 2008 2 internal 3 outside		June 2012 1 internal 2 outside		June 2017 2 internal 2 outside			June 2021 1 internal 3 outside				Outside 40% → 50% Female 10% → 14%	Outside 50% → 64% Female 14% → 27%
Nomination and Remuneration Advisory Committee			December 2015 Established Nomination and Remuneration Advisory Committee			April 2019 Addition of CEO							
Remuneration for Officers	Fixed remuneration (fluctuates according to performance)						Adoption of performance-based remuneration + Stock-based remuneration					Transition to stock-based remuneration granted during time in office	
Evaluation of Effectiveness			Questionnaire format				Questionnaire + Individual interviews						
			Disclosure of evaluation results										
External Disclosure	Annual report					Integrated report (since 2018)							
	Social and environmental report / CSR report												
Strategic Shareholdings (Number of Listed Stocks Held)			7			8	4	2				3	
Skills Matrix									Disclosure				
Director Training Off-Site Meetings						November 2019 Director training (group training)							
							May 2021 Off-site meetings						
Attendance by Outside Directors and Audit & Supervisory Board Members of the Executive Committee								July 2021 Attendance					
Development of Operational System							May 2020 Establishment of Corporate Secretariat Office						

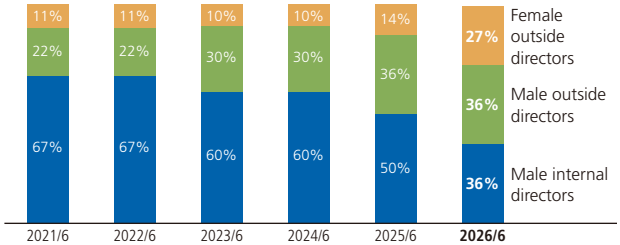
Composition of Board of Directors (June 24, 2026)



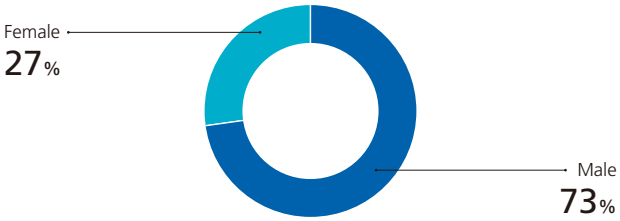
Composition of Board of Directors (June 24, 2026)



Trends in Composition of Board of Directors



Board of Directors by Gender (June 24, 2026)



Status of Activities in Fiscal 2025

Evaluation of Effectiveness of the Board of Directors

We evaluate the effectiveness of the Board of Directors once a year. For the evaluation conducted in fiscal 2025, we utilized an external legal advisor to conduct the assessment and analysis to enhance the objectivity and effectiveness of the evaluation. As a result, the Board of Directors was evaluated as having a high overall level of effectiveness, with some improvement noted compared to the previous fiscal year. Strengths of the Board and points of improvement that were observed are as below.

- Realization of even more open and candid discussions through the transition to a company with audit and supervisory committee framework
- Fair and engaging deliberations aimed at enhancing corporate value, led by directors with diverse expertise
- A sincere commitment to improving corporate governance and evaluating the effectiveness of the Board of Directors

Meanwhile, we have received feedback indicating that the following two points are important for the future.

- To further clarify the monitoring-model governance approach that the Board of Directors aims to pursue, and to set agendas that place greater emphasis on strategic discussions that contribute to medium- to long-term enhancement of corporate value, while conducting Board proceedings in an efficient and highly effective manner
- To continuously review the composition and skills of the Board, and to further deepen discussions regarding talent and Board succession

Taking into account these evaluation results and revisions to the Corporate Governance Code, we will continue to pursue ongoing improvements aimed at enhancing the effectiveness of the Board of Directors, with the goal of achieving sustainable growth in corporate value.

Audit & Supervisory Committee

As a company with audit and supervisory committee, directors serving as Audit & Supervisory Committee members audit the execution of duties by directors, as well as the business execution and accounting of the entire Group, through methods that include attendance at key meetings, deliberations within the Audit & Supervisory Committee, and coordination with the Internal Audit Office. In principle, the Audit & Supervisory Committee holds meetings once a month, and additional meetings are convened when necessary.

In fiscal 2025, audit activities were conducted with a focus on three key areas: effectiveness of the Board, risk control, and transformation and growth. Through team-based audits involving outside Audit & Supervisory Committee members, we conducted 80 interviews with officers and heads of major divisions regarding the status of business execution, held 24 exchanges of opinions with the CEO, outside directors, and the accounting auditor, and carried out on-site audits of 21 divisions, including domestic and overseas affiliated companies, thereby confirming the status of business execution and the operation of internal controls.

Nomination and Remuneration Advisory Committee

The Company established the Nomination and Remuneration Advisory Committee in December 2015, with the aim of strengthening the independence and objectivity of the functions of the Board of Directors. In addition, in April 2019, the Company included the CEO as a member of the Nomination and Remuneration Advisory Committee. With the CEO as a member, the outside directors of the Board who serve as committee members are better able to share accurate internal information in a timely manner and thus improve the overall effectiveness of the Nomination and Remuneration Advisory Committee. The committee recommends CEO candidates to the Board of Directors and reviews the appropriateness of director candidates and directors' compensation plans proposed by the CEO and others, and reports its opinions. The Board of Directors has determined director candidates and directors' compensation, taking into consideration the opinions stated by the committee.

In fiscal 2025, the Nomination and Remuneration Advisory Committee deliberated on performance evaluations and set targets for short-term performance-based remuneration for executive officers, discussed management and execution systems, held interviews with management, and exchanged opinions on the evaluation of the effectiveness of the Board of Directors, reporting its opinions to the Board.

CEO Succession Plans

With the aim of continuously securing executive leadership capable of contributing to medium- to long-term growth and sustainable value creation, we formulate and operate a CEO succession plan through the Nomination and Remuneration Advisory Committee. Under this plan, the qualifications required of successor candidates are defined and shared among committee members, and the process for selecting them is clearly established.

The required qualifications for successor candidates are determined by gathering input from the current CEO and other executive officers, as well as by referring to the individual mission commitments submitted by each executive officer.

To ensure transparency and fairness, the process for selecting successor candidates is operated in accordance with the operational guidelines of the Nomination and Remuneration Advisory Committee. Specifically, the Nomination and Remuneration Advisory Committee conducts a regular annual review of successor candidates, drawing on information gained through directors' daily activities and considering multiple perspectives, including the Company's business environment (under routine or emergency conditions), whether the CEO should continue in the role or be replaced, and, in the case of replacement, whether the successor should be recruited externally or promoted internally. When ultimately nominating the next CEO candidate, the Nomination and Remuneration Advisory Committee excludes the current CEO, who has a potential conflict of interest, from this decision-making process solely relying on its members who are outside directors to select the candidate, before proposing the candidate to the Board of Directors.

Policies Related to Strategic Shareholdings

As a result of reducing holdings of stocks for which rationale for holding has diminished, the Company held shares in three listed companies as of March 31, 2026, with a total balance sheet value of approximately ¥3.7 billion.

While the Company may hold strategic shareholdings for purposes such as business strategy significance or strengthening business and collaborative relationships, we continuously verify the justification for such holdings from the perspective of improving capital efficiency and enhancing corporate value. Each year, the Board of Directors comprehensively evaluates the purpose of holding each individual stock, the associated benefits, risks, and capital costs, and proceeds to reduce holdings of stocks for which the rationale for holding has diminished. Capital generated through these reductions is allocated to measures that contribute to improved capital efficiency, such as growth investments and shareholder returns, with the aim of enhancing corporate value.

Executive Remuneration System

JVCKENWOOD utilizes an executive remuneration system with a three-tier structure that comprises fixed remuneration, short-term incentives, and long-term incentives, and places importance on enhancing corporate value and sharing value with shareholders. Short-term incentive KPIs incorporate ESG indicators such as employee engagement, CO_2 emissions reductions, and external evaluation, in addition to factors including return on equity, return on invested capital, and free cash flow to promote sustainable growth from both financial and non-financial perspectives. Long-term incentives are stock-based remuneration that utilize restricted stock, strengthening commitments to enhancing corporate value over the medium to long term.

Overview of Remuneration System for Directors Who Are Not Members of the Audit & Supervisory Committee

Remuneration system	● Fixed remuneration and short-term incentives are paid within the limit of remuneration for directors of the Board (¥432 million a year). ● Long-term incentives are paid separately.
Fixed remuneration	● Remuneration amount set based on internal rules according to position and job title ● Fixed remuneration is paid in monetary form as monthly remuneration.
Short-term incentives (STI)	● STI are paid annually in July based on the performance results for the previous fiscal year. ● The amount of a fixed percentage calculated from the monthly remuneration shall be set as the calculation base amount. ● 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, ESG indicators, etc.). ● The fiscal 2026 KPIs of short-term incentives remain the same as those for fiscal 2025, and the KPIs are allocated and set according to each executive officer's mission, based on return on equity, return on invested capital, core operating income ratio, revenue, free cash flow, ESG indicators (engagement, CO_2 emissions reductions, and external evaluations), and qualitative evaluation. **KPIs Set for Fiscal 2026 Short-Term Incentives (Partial List)**
Long-term incentives (LTI)	● A trust-based stock compensation plan has been adopted as a component of the long-term incentives structure. ● Points (shares) are granted according to position, etc. ● Shares with transfer restrictions in proportion to points granted are delivered during the term in office (revised from fiscal 2024).
Remarks	● Outside directors of the Board and directors who are not executive officers are not eligible for short-term incentives. ● Outside directors of the Board are not eligible for long-term incentives.

Representative Director of the Board, Chairman and Executive Officer, CEO Representative Director of the Board, President and Executive Officer, COO	Companywide ROE	Companywide ROIC	ESG	Qualitative evaluation
Representative Director of the Board, Vice President and Executive Officer, CFO	Companywide ROE	Free cash flow	ESG	Qualitative evaluation

Overview of Remuneration System for Directors Who Are Members of the Audit & Supervisory Committee

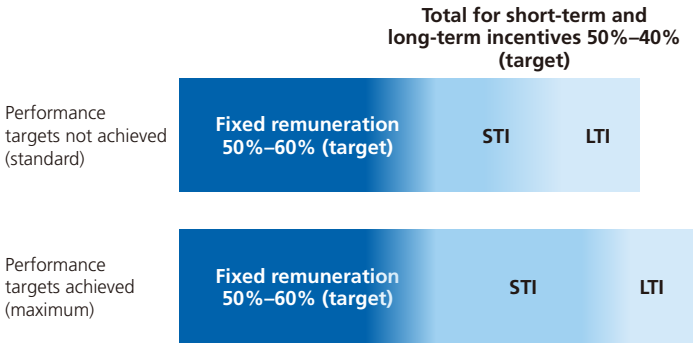
Remuneration system	Remuneration for directors who are members of the Audit & Supervisory Committee is fixed compensation only and the monthly amount to be paid in cash is set within the limit of remuneration (¥108 million a year), in addition to their base remuneration, and determined by position (Chair of the Audit & Supervisory Committee) and for full-time members.

Revisions to the Executive Remuneration System in Fiscal 2025 as Discussed by the Nomination and Remuneration Advisory Committee

In fiscal 2025, the Nomination and Remuneration Advisory Committee received a request from the Board of Directors to review certain aspects of the executive remuneration system and reported its recommendations to the Board. Specifically, following the transition in June 2025 from a company with board of company auditors framework to a company with audit and supervisory committee framework, the remuneration system previously applicable to Audit & Supervisory Board members was redefined as compensation for directors serving as Audit & Supervisory Committee members. The revised framework is administered under a common set of internal regulations. Furthermore, the fixed compensation system was partially revised to ensure competitiveness in attracting qualified outside directors and to facilitate the delegation of authority to executive officers. The review also included adjustments to the levels of certain role-based remuneration for positions such as Representative Director and Chairperson of the Board of Directors. We have applied the revised remuneration system as of April 2026.

A key agenda item for fiscal 2026 is the review of the long-term incentive system scheduled for June 2027. While maintaining the current three-tier remuneration structure consisting of fixed remuneration, short-term incentives, and long-term incentives, the Nomination and Remuneration Advisory Committee will begin reviewing the performance-linked components of the two incentive systems to strengthen incentive design and better support the Company's future performance improvement and growth.

Revision of Performance-Based Remuneration Ratio



Note: STI = Short-term incentives; LTI = Long-term incentives

TOPIC

The Board Secretariat Supporting the Effectiveness of the Board of Directors

The corporate governance expected of listed companies has become increasingly sophisticated in response to demands from investors and revisions to Japan's Corporate Governance Code. As a result, the responsibilities of the Board Secretariat have expanded significantly beyond routine administrative duties.

To address the increasingly sophisticated requirements of corporate governance, in May 2020 we established the Corporate Secretariat Office and reorganized its structure so that the Corporate Legal Affairs Group under its supervision would take responsibility for the Board Secretariat's operations. This strengthened the functions of the Board Secretariat. Since then, the Board Secretariat has centrally overseen the operations of the Board of Directors and the Nomination and Remuneration Advisory Committee, engagement with shareholders, the administration of the General Meetings of Shareholders, and secretarial support for directors, as well as a broad range of corporate governance-related activities.

Working as part of an integrated team with management and the independent outside directors, the Board Secretariat promotes corporate governance reforms. Acting under the direction of management, the Board Secretariat supports efforts to enhance the effectiveness of the Board of Directors while making maximum use of the knowledge and experience of the independent external directors. It also gathers information on corporate governance and develops the capabilities of Board Secretariat personnel so that they can address the wide-ranging practical requirements of corporate governance.

Roles and Responsibilities Supporting Governance

Message from the Chairperson of the Board



As an independent outside director of the Board and chairperson, I strive to conduct Board proceedings with a focus on transparency in the Company's processes, including fair opportunities for discussion, appropriate time allocation, and the facilitation of effective conclusions from discussions.

Yuji Hirako
Outside Director of the Board,
Chairperson of the Board

Responsibilities and Basic Stance as Chairperson of the Board

I was recently appointed as chairperson of the Board of Directors. In fiscal 2026, JVCKENWOOD has launched its new medium-term management plan VISION 2030. As the global business environment becomes increasingly complex and uncertain, we are embarking on a new phase of growth with the aim of significant growth through proactive transformation. I believe that the three priority strategies outlined in this plan (the business portfolio strategy, financial strategy, and sustainability strategy) can only be successfully realized when each is organically linked to the other strategies and they work together to create synergy. Based on this concept and in line with my responsibilities as an independent outside director of the Board and chairperson, I strive to conduct Board proceedings with a focus on transparency in the Company's processes, including fair opportunities for discussion, appropriate time allocation, and the facilitation of effective conclusions from discussions.

Reforms Aimed at Improving the Effectiveness of the Board of Directors

In June 2025, as part of our initiative to further enhance the Board's monitoring function, JVCKENWOOD transitioned to a company with an audit and supervisory committee. In the most recent evaluation of the effectiveness of the Board of Directors, the discussions between directors were evaluated favorably, as fair and engaging, with a wide range of opinions expressed. Meanwhile, we take seriously the feedback that there is still room for improvement with regard to raising the level of the management supervisory function. For the Board to perform even more effective supervision, the key question is "What kind of discussions will generate what kind of outcomes?" Of course, we are aware that this is inextricably linked to "What should the main focus of our agenda be?" Going forward, we will categorize our annual agenda into "understanding of the business environment," "medium- to long-term strategies," and "regular reports," and shift the focus to medium- to long-term strategies.

Furthermore, scrutiny of the agenda while enhancing the quality of discussions will lead to effective management that is aware of capital costs. With the launch of VISION 2030, we have revised the skills matrix that illustrates the roles and competencies expected of each director to align with our medium- to long-term strategies, and we will focus on items that will be necessary in the future. In addition, with a view to persistently improving the understanding of each director and eliminating information asymmetry, we will systematically conduct director training and off-site meetings, organically linking them to the agenda for the Board of Directors.

Enhancement of Supervision That Supports Corporate Value Creation

For the Board of Directors to be effective in advancing the key strategies of this plan as well as in addressing the challenge of continuously enhancing corporate value, the fundamental question is how the Board exercises oversight over human capital management. We believe that the most effective path forward lies in transforming the tacit knowledge held by our people into explicit knowledge and leveraging it through digital transformation (DX). At the same time, we must maximize uniquely human capabilities, including experience-based insights and forms of tacit knowledge that cannot be replicated by AI. By creating synergies between rapidly advancing AI and the technologies, ideas, designs, and other value generated through the interaction of diverse talents and perspectives, we can continuously produce innovation and intellectual property. We believe that fostering a corporate and organizational culture that supports these efforts is the most effective path to achieving the optimal solution. To realize this vision, the Board of Directors will continue to drive forward its transformation into a board with a more sophisticated monitoring function.

Message from the Chairperson of the Nomination and Remuneration Advisory Committee



We will advance the creation of a management structure that supports medium- to long-term growth while taking into account not only diverse viewpoints, specialized skills, and leadership qualities but also integrity and interpersonal skills.

Satoshi Hirano Outside Director of the Board, Chairperson of the Nomination and Remuneration Advisory Committee

I was recently appointed as the chairperson of the Nomination and Remuneration Advisory Committee. From my position as an independent outside director of the Board, I will prioritize objectivity and strive to manage the committee that makes every effort to live up to the trust placed in us by our stakeholders.

As a company with an audit and supervisory committee, we are involved in strengthening the governance of the Board of Directors. While the Nomination and Remuneration Advisory Committee is a voluntary advisory body, we have a key role of enhancing the transparency and objectivity of decision-making through reports to the Board.

Regarding nomination, we place great importance on identifying management-level human resources that can adapt to an ever-changing business environment and also on continuously refining our succession plans. We will advance the creation of a management structure that supports medium- to long-term growth while taking into account not only diverse viewpoints, specialized skills, and leadership qualities but also high moral values and interpersonal skills. Furthermore, regarding remuneration, we prioritize not only short-term performance but also its alignment with the enhancement of corporate value over the medium to long term and with shareholder interests. We will work toward creating a framework that supports sustainable growth by developing and refining the remuneration system to function as a sound incentive.

Going forward, the committee will continue providing advice and recommendations to the Board and, through ongoing constructive discussions with management, strive to reinforce effective governance. We will contribute to business management that gains the trust of our stakeholders, leading to sustainable growth and enhanced corporate value.

Message from the Newly Appointed Outside Director



I am eager to participate in frank discussions that identify effective strategies, emerging risks, and opportunities for growth from a diverse perspective.

Masako Orii Outside Director of the Board

I was recently appointed as an outside director of the Board. I strongly identify with the Group's corporate philosophy of "Creating excitement and peace of mind for the people of the world," and how it serves as a foundation for the entire Group's activities and continues to be reflected in the transition from the Long-Term Vision to the new medium-term management plan VISION 2030 that was formulated in fiscal 2026. Furthermore, I sense values that resonate with my own experience, particularly with regard to technological capabilities and commitment to quality that support manufacturing.

From an independent standpoint as an outside director, I am eager to participate in frank discussions that identify effective strategies, emerging risks, and opportunities for growth from a diverse perspective. As we celebrate the Group's anniversary year, I will leverage my knowledge of fostering corporate and organizational cultures to work toward improving governance that strongly supports the future transformation of the Company and strive to contribute to the sustainable enhancement of corporate value.

Message from the Chairperson of the Audit & Supervisory Committee



We will create sustainable corporate value by continuously enhancing the effectiveness of supervisory functions in both financial and non-financial terms while evolving governance into a form that is suitable for JVCKENWOOD.

Naokazu Kurihara
Director of the Board,
Chairperson of the Audit &
Supervisory Committee

Background and Significance of the Transition

To further improve the transparency and efficiency of management, we transitioned to a company with an audit and supervisory committee in June 2025, with the aim of enhancing medium- to long-term corporate value. This transition clarifies the division of responsibilities between execution and supervision and strengthens the supervisory structure of the Board of Directors. Accordingly, we aim to enhance the speed and quality of decision-making related to management strategies, capital allocation, and key risks. The change in our system is only the beginning. Enhancing its effectiveness requires continuous verification and improvement of our operations. By verifying its operational status and making improvements, the Audit & Supervisory Committee will enhance the effectiveness of governance.

Changes Following the Transition to a Company with an Audit and Supervisory Committee

As directors with voting rights on the Board of Directors, committee members are able to contribute to management decisions and directly reflect risks and issues identified in their audit activities in discussions by the Board. As a result, the range of perspectives represented in discussions has broadened, and the quality of Board deliberations has steadily improved.

We recognize, however, that there is still room for improvement in the depth of Board discussions. It is essential that we continuously refine our process to further improve the quality of discussions, including maintaining an appropriate focus on key themes.

Key Oversight Perspectives Emphasized by the Audit & Supervisory Committee

The Audit & Supervisory Committee continuously assesses whether the Board of Directors is adequately fulfilling its supervisory function in a manner that contributes to enhanced corporate value, and regards this duty as one of its core responsibilities.

Accordingly, rather than focusing on merely following formal procedures, we place great importance on fostering an environment that encourages constructive discussions from diverse perspectives. Specifically, we review the selection of agenda items, the quality of materials provided, and the extent to which the expertise of outside directors is utilized. We also closely monitor whether discussions are sufficiently robust from the perspectives of capital efficiency, appropriate risk taking, and alignment with the sustainability strategy.

In addition to evaluating the effectiveness of internal controls and risk management systems, we are strengthening oversight of key issues that affect medium- to long-term corporate value, including climate change response, human capital strategy, and compliance.

Contribution to Enhancing Medium- to Long-Term Corporate Value

The Audit & Supervisory Committee believes that maintaining transparency and soundness in decisions made by the Board of Directors, as well as making such decisions in a swift and appropriate manner, is essential for sustainable growth and the enhancement of medium- to long-term corporate value. I am confident that enhancing the quality of management decisions through appropriate monitoring will contribute to more accurate investment decisions, improved capital efficiency, and reduced risks, meeting the expectations of shareholders, investors, and other stakeholders as a result.

Going forward, we will create sustainable corporate value by continuously enhancing the effectiveness of supervisory functions in both financial and non-financial terms while evolving governance into a form that is suitable for JVCKENWOOD.

Directors and Executive Officers (As of September 1, 2026)

Directors



Male | Independent and outside

Yuji Hirako

Outside Director of the Board, Chairperson of the Board, Member of the Nomination and Remuneration Advisory Committee

Concurrent positions
- Senior Advisor, ANA HOLDINGS INC.
- Outside Director, Seven Bank, Ltd.
- Outside Director, Kyushu Electric Power Co., Inc.
- Outside Director, SMBC Nikko Securities Inc. (unlisted)



Male | Executive

Shoichiro Eguchi

Representative Director of the Board, Chairman and Executive Officer, Chief Executive Officer (CEO), Member of the Nomination and Remuneration Advisory Committee

Concurrent positions
- Outside Director, AIST Solutions Co. (unlisted)
- Outside Director, Azbil Corporation



Male | Executive

Akira Suzuki

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



Male | Executive

Masatoshi Miyamoto

Representative Director of the Board, Vice President and Executive Officer, Chief Financial Officer (CFO)



Female | Independent and outside

Hiromi Onitsuka

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

Concurrent position
- Outside Director (Independent Director) of the Board, Tokyo Electron Device Ltd.



Male | Independent and outside

Satoshi Hirano

Outside Director of the Board, Chairperson of the Nomination and Remuneration Advisory Committee

Concurrent position
- Outside Director, SAXA, Inc.



Female | Independent and outside

Masako Orii

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

Concurrent positions
- Outside Director, OBAYASHI CORPORATION
- Outside Director (Audit and Supervisory Committee Member), TOHO CO., LTD.



Male | Full-time

Naokazu Kurihara

Director of the Board, Chairperson of the Audit & Supervisory Committee



Male | Part-time | Independent and outside

Tetsuya Fujioka

Outside Director of the Board, Member of the Audit & Supervisory Committee

Concurrent position
- Outside Director, Nippon Sheet Glass Co., Ltd.



Male | Part-time | Independent and outside

Ryuichi Ebinuma

Outside Director of the Board, Member of the Audit & Supervisory Committee

Concurrent positions
- Outside Corporate Auditor, Yukaze-Biomedical Co., Ltd. (unlisted)
- Director of the Board, Nikuni Co., Ltd. (unlisted)



Female | Part-time | Independent and outside

Yasuko Kobashikawa

Outside Director of the Board, Member of the Audit & Supervisory Committee

Concurrent positions
- Partner, JK & CREW Tax Accountant's Corporation
- Outside Corporate Auditor, Nitto Denko Corporation

Executive Officers (Excluding Those Who Are Directors)

Masao Nomura	Senior Managing Executive Officer, Chief Information Officer (CIO)
Kazuyoshi Hayashi	Senior Managing Executive Officer, COO of Mobility & Telematics Services Sector
Yoshio Sonoda	Managing Executive Officer, Chief Information Security Officer (CISO), Chief Risk Officer (CRO)
Osamu Muraoka	Managing Executive Officer, COO of Safety & Security Sector
Hisakazu Harada	Executive Officer, Assistant to COO of Safety & Security Sector in charge of Overseas Communications Systems Business Strategy, Seconded to EF Johnson Technologies, Inc.
Katsuya Sato	Executive Officer, Assistant to COO of Safety & Security Sector, General Executive of Communications Systems Business, Safety & Security Sector
Naoki Sekiya	Executive Officer, Head of Domestic Marketing Division
Hiroyuki Sato	Executive Officer, COO of Entertainment Solutions Sector, General Executive of Media Business Division, Entertainment Solutions Sector
Tetsuya Oura	Executive Officer, Chief Technology Officer (CTO)
Sumiko Nakai	Executive Officer, Head of Corporate Division, General Manager of Sustainability Management Office
Isamu Endo	Executive Officer, Assistant to Head of Corporate Division
Akira Komatsu	Executive Officer, Mobility & Telematics Services Sector General Executive of Aftermarket Business
Takashi Yamada	Executive Officer, General Executive of OEM Business, Mobility & Telematics Services Sector

Director Skills Matrix

The following is a summary of the areas of expertise and skills expected of the Company's directors in order to address management issues of the Company, enhance corporate value over the medium to long term, and ensure diversity and balance on the Board of Directors.

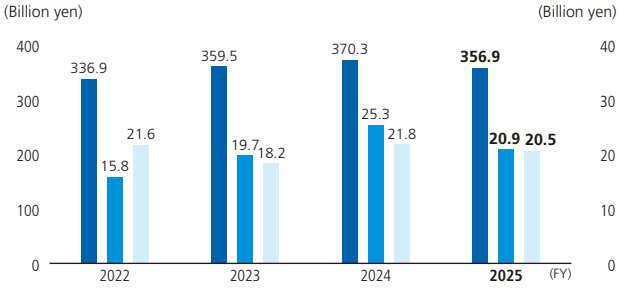
	Years of Service	Skills							
		Corporate Management	Global Business	Finance and Accounting	Brand Strategy and Marketing	ICT and DX	Manufacturing, Technology, and R&D	Human Resource and Organizational Development	Risk Management
Yuji Hirako	3 years	●	●	●	●			●	●
Shoichiro Eguchi	15 years in total	●	●		●				●
Akira Suzuki	6 years	●	●			●	●		●
Masatoshi Miyamoto	9 years	●		●	●				●
Hiromi Onitsuka	5 years	●	●		●			●	●
Satoshi Hirano	2 years	●	●			●		●	●
Masako Orii	—	●			●			●	●
Naokazu Kurihara	8 years in total	●	●		●			●	●
Tetsuya Fujioka	1 year	●	●	●					●
Ryuichi Ebinuma	1 year	●					●		●
Yasuko Kobashikawa	1 year	●		●					●

Reason for Selection as a Skill

Skills	Reason for Selection as a Skill	Skill Criteria
Corporate management	Selected as a skill for adapting to a changing business environment and for sustainably enhancing corporate value	To have experience in business execution as a CEO or equivalent role at a business company, or to have knowledge in corporate management based on experience in the execution of business, such as that of an officer in charge of a corporate planning department
Global business	Selected as a skill to achieve profitable growth and to work toward resolving global social issues	To have experience in the execution of business, such as that of an officer in charge of overseas business or international business at an incorporated company
Finance and accounting	Selected as a skill to maximize corporate value through improved capital efficiency and growth investments while enhancing shareholder return	To have experience in the execution of business, such as that of an officer in charge of a finance and accounting department, or to have knowledge of finance and accounting based on experience at financial institutions and accounting firms, etc.
Brand strategy and marketing	Selected as a skill for accurately understanding the changes in the market, particularly regarding consumer trends and diversifying needs	To have knowledge based on experience in the execution of business, such as that of an officer in charge of a marketing department
Information and communications technology (ICT) and digital transformation (DX)	Selected as a skill to strengthen the management foundation and to review our business portfolio in response to changes in the external environment	To have knowledge based on experience in ICT- or DX-related businesses or in reinforcing management foundations
Manufacturing, technology, and R&D	Selected as a skill to drive sustainable manufacturing and the creation of new value	To have knowledge based on experience in business execution, such as that of an officer in charge of a manufacturing, technology, or research and development department
Human resource and organizational development	Selected as a skill for strengthening human resource development and organizational capabilities to realize innovation	To have experience in the execution of business related to human resources and organizational development at a business company or knowledge based on human capital management
Risk management	Selected as a skill for effectively managing increasingly diverse business risks to support sustainable enhancement of corporate value	To have sufficient knowledge to be able to offer guidance and give recommendations at meetings of the JVCKENWOOD Board of Directors

Financial and Non-Financial Highlights

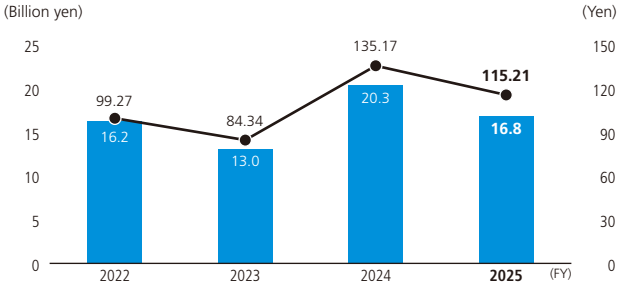
Revenue, Core Operating Income,*1 and Operating Profit



Revenue (Left axis) Core operating income Operating profit (Right axis)

*1 Calculated by deducting cost of sales and selling, general and administrative expenses from revenue, excluding other income, other expenses, and foreign exchange gains and losses, which are primarily temporary or non-recurring in nature

Net Profit Attributable to Owners of the Parent and Basic Earnings per Share (EPS)*2

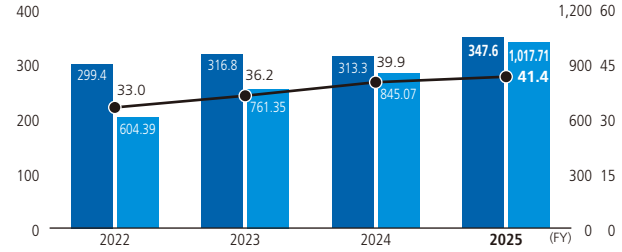


Net profit attributable to owners of the parent (Left axis)

Basic EPS (Right axis)

*2 Net profit attributable to owners of the parent ÷ Average number of outstanding shares during the period

Total Assets, Ratio of Equity Attributable to Owners of the Parent to Total Assets,*3 and Equity Attributable to Owners of the Parent per Share*4



Total assets (Left axis)

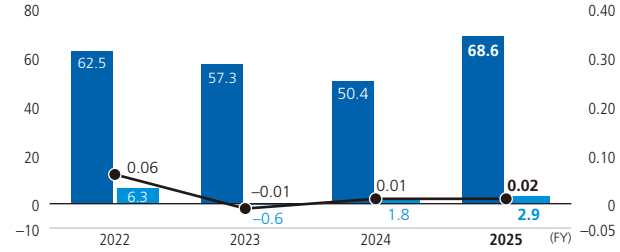
Ratio of equity attributable to owners of the parent to total assets

Equity attributable to owners of the parent per share (Right axis)

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

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

Interest-Bearing Debt,*5 Net Debt,*6 and Net Debt-to-Equity Ratio*7



Interest-bearing debt Net debt (Left axis)

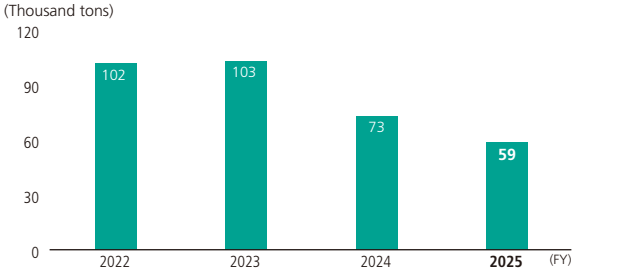
Net debt-to-equity ratio (Right axis)

*5 Not including lease liabilities

*6 Interest-bearing debt – Cash and cash equivalents at end of year

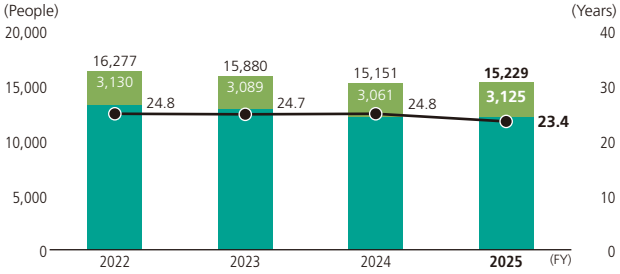
*7 Net debt ÷ Equity attributable to owners of the parent

Plastic Usage for Containers and Packaging*8



*8 Includes only consumer products

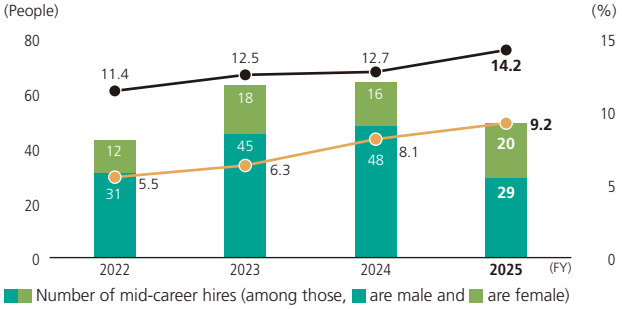
Number of Employees (Consolidated and Non-Consolidated) and Average Years of Service (Non-Consolidated)



Number of employees (consolidated) (among those, are non-consolidated) (Left axis)

Average years of service (Right axis)

Number of Mid-Career Hires (Non-Consolidated) and Ratio of Female Managers (Consolidated and Non-Consolidated)

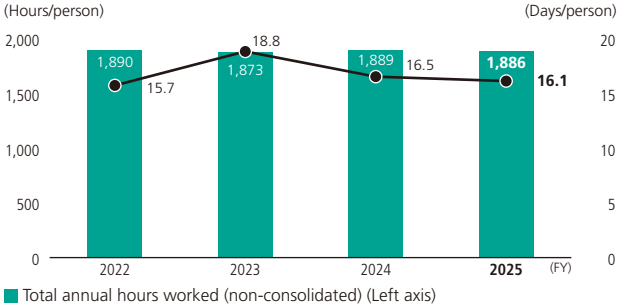


Number of mid-career hires (among those, are male and are female) (Left axis)

Ratio of female managers (consolidated)

Ratio of female managers (non-consolidated) (Right axis)

Total Annual Hours Worked (Non-Consolidated) and Average Number of Days of Annual Paid Leave Taken (Non-Consolidated)



Total annual hours worked (non-consolidated) (Left axis)

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

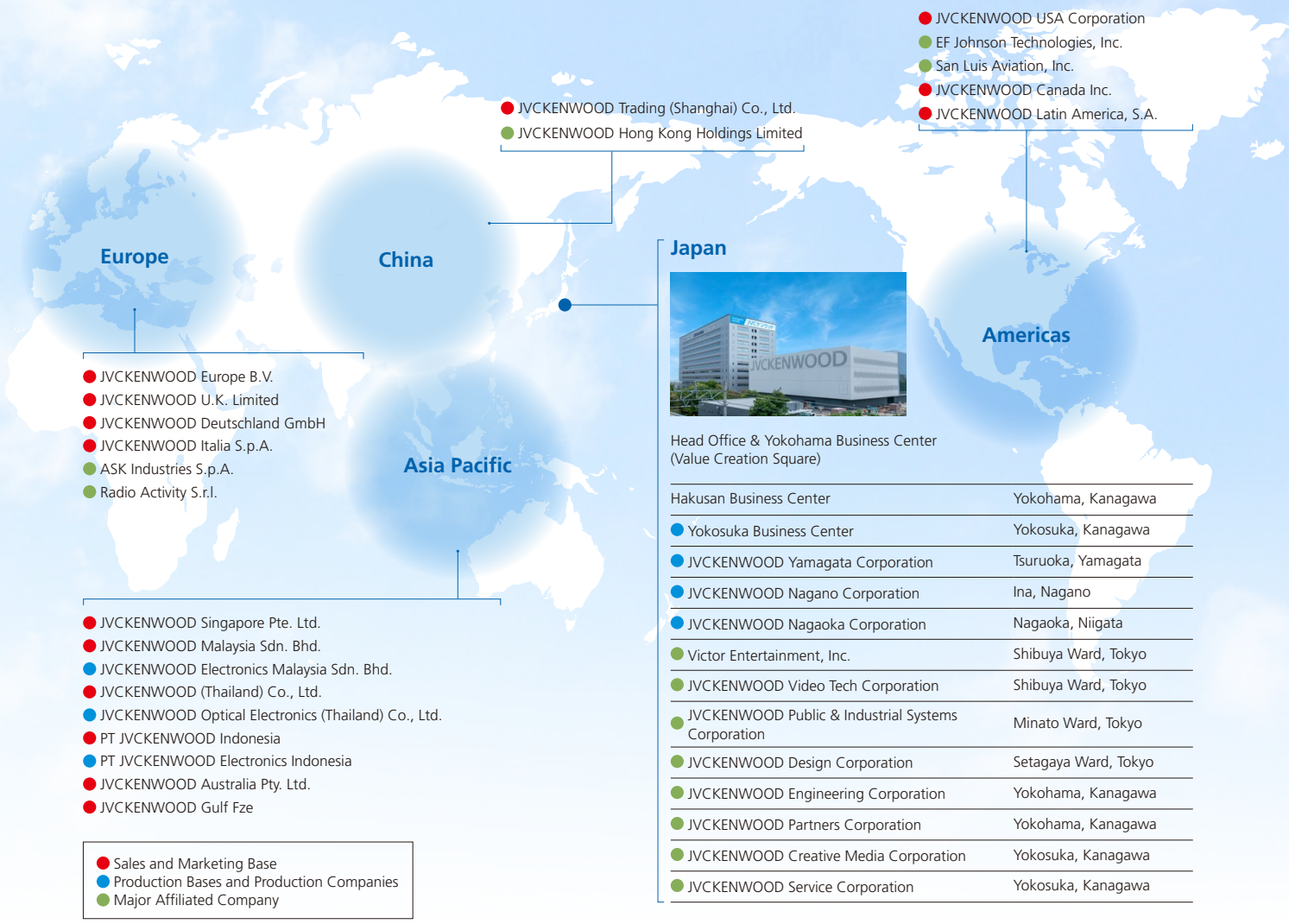
Six Years of Financial and Non-Financial Data

(Million yen)

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Financial Data (IFRS)						
Profit and Loss Statement, Cash Flows, and Others (Fiscal Year)						
Revenue	273,609	282,088	336,910	359,459	370,308	356,865
Operating profit	4,893	9,054	21,634	18,226	21,792	20,540
Profit before tax	4,533	8,515	21,161	18,245	23,490	21,660
Net profit attributable to owners of the parent	2,154	5,873	16,229	13,016	20,276	16,787
Capital investment (tangible fixed assets only)	10,268	12,354	11,426	17,040	18,147	11,952
Depreciation expenses	19,316	17,120	17,615	18,182	17,292	17,967
Research and development expenses	15,720	15,871	17,379	19,429	19,072	18,504
Cash flows from operating activities	35,829	7,059	26,607	33,172	31,452	33,758
Cash flows from investing activities	(11,804)	(9,804)	(7,329)	(16,062)	(21,545)	(22,304)
Free cash flow	24,024	(2,744)	19,278	17,110	9,906	11,454
Cash flows from financing activities	(5,342)	(11,273)	(14,032)	(19,353)	(18,793)	1,761
Balance Sheet (End of the Fiscal Year)						
Total assets	264,326	280,807	299,355	316,819	313,336	347,605
Cash and cash equivalents at end of year	59,644	48,707	56,186	57,874	48,597	65,716
Total equity	68,523	83,961	103,731	121,220	131,399	149,698
Equity attributable to owners of the parent	64,645	79,495	98,807	114,801	125,103	143,834
Retained earnings	7,574	13,346	28,811	40,004	58,086	72,782
Interest-bearing debt*1	75,587	69,838	62,482	57,297	50,375	68,599
Net debt	15,942	21,131	6,296	(576)	1,777	2,882
Per Share Information						
Basic earnings per share (EPS) (yen)	13.14	35.89	99.27	84.34	135.17	115.21
Equity attributable to owners of the parent per share (yen)	394.33	486.26	604.39	761.35	845.07	1,017.71
Dividend (yen) (based on record date)	5.00	6.00	12.00	12.00	15.00	18.00
Payout ratio (%)/Total return ratio (%)*2	38	17	37	33	43	33
Management Indicators						
Return on equity (ROE) (%)	3.6	8.1	18.2	12.2	16.9	12.5
Return on assets (ROA) (%)	0.8	2.2	5.6	4.2	6.4	5.1
Operating profit margin (%)	1.8	3.2	6.4	5.1	5.9	5.8
Ratio of equity attributable to owners of the parent to total assets (%)	24.5	28.3	33.0	36.2	39.9	41.4
EBITDA (million yen)*3	27,579	27,503	42,273	40,642	44,039	41,665
EBITDA margin (%)	10.1	9.7	12.5	11.3	11.9	11.7
Interest-bearing debt-to-EBITDA ratio (times)	2.7	2.5	1.5	1.4	1.1	1.6
Overseas sales ratio (by region) (%)	54.5	54.9	61.8	65.0	68.1	66.5
Non-Financial Data						
Number of employees (non-consolidated) (people)	3,292	3,179	3,130	3,089	3,061	3,125
Average number of temporary employees (non-consolidated) (people)	0	0	0	0	0	0
Number of employees (consolidated) (people)	16,956	16,585	16,277	15,880	15,151	15,229
Average number of temporary employees (consolidated) (people)	1,892	2,053	963	856	717	1,068
CO_2 emissions (Scope 1 and 2, including major overseas affiliates) (thousand tons)	71	70	62	55	51	48
Water withdrawal (thousand tons)	204	193	177	161	135	111
Waste intensity (tons per ¥100 million of revenue)	0.52	0.53	0.56	0.51	0.71	0.50

*1 Not including lease liabilities
*2 Total return ratio from fiscal 2022 onward
*3 Profit (loss) before tax + Interest expense + Depreciation expenses + Impairment loss

Key Global Locations (As of September 1, 2026)



Head Office & Yokohama Business Center (Value Creation Square)

Hakusan Business Center	Yokohama, Kanagawa
Yokosuka Business Center	Yokosuka, Kanagawa
JVCKENWOOD Yamagata Corporation	Tsuruoka, Yamagata
JVCKENWOOD Nagano Corporation	Ina, Nagano
JVCKENWOOD Nagaoka Corporation	Nagaoka, Niigata
Victor Entertainment, Inc.	Shibuya Ward, Tokyo
JVCKENWOOD Video Tech Corporation	Shibuya Ward, Tokyo
JVCKENWOOD Public & Industrial Systems Corporation	Minato Ward, Tokyo
JVCKENWOOD Design Corporation	Setagaya Ward, Tokyo
JVCKENWOOD Engineering Corporation	Yokohama, Kanagawa
JVCKENWOOD Partners Corporation	Yokohama, Kanagawa
JVCKENWOOD Creative Media Corporation	Yokosuka, Kanagawa
JVCKENWOOD Service Corporation	Yokosuka, Kanagawa

Awards and Recognition (As of September 1, 2026)

ESG and Stock Index Inclusion

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

Achieved the highest score of 5.0 in the FTSE Russell ESG Ratings

Selected as a constituent of FTSE JPX Blossom Japan Index for the sixth consecutive year and the FTSE JPX Blossom Japan Sector Relative Index for the fifth consecutive year

JPX-NIKKEI 400 — Selected as a constituent of the JPX-Nikkei Index 400 for the third consecutive year

JPX-NIKKEI Mid Small — Selected as a constituent of the JPX-Nikkei Mid and Small Cap Index for the fourth consecutive year

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) — Selected as a constituent of the MSCI Japan Empowering Women Index (WIN) for the first time

2026 Sompo Sustainability Index

Sompo Asset Management Co., Ltd.
Selected as a constituent of SOMPO Sustainability Index by Sompo Asset Management for the second consecutive year

External Surveys and Ratings

CDP A List 2025

CDP Supplier Engagement Leader 2025

Selected for the first time for inclusion on CDP's 2025 A List, the highest rating in the Climate Change category

Received the highest rating of Supplier Engagement Leader in the Supplier Engagement Rating for the first time

NIKKEI SDGs 経営調査 2025 ★★★★

Rated 4 stars in the Nikkei SDGs Management Survey

NIKKEI Smart Work ★★★½ 2026

Rated 3.5 stars in the Nikkei Smart Work Management Survey

Awards

Internet IR Excellence Award 2025 Daiwa Investor Relations

Internet IR Sustainability Excellence Award 2025 Daiwa Investor Relations

Received the Excellence Award in the Daiwa Internet IR Awards, sponsored by Daiwa Investor Relations Co. Ltd., for the third consecutive year
Received the Excellence Award in the Sustainability Category for the first time

Company and Stock Information (As of March 31, 2026)

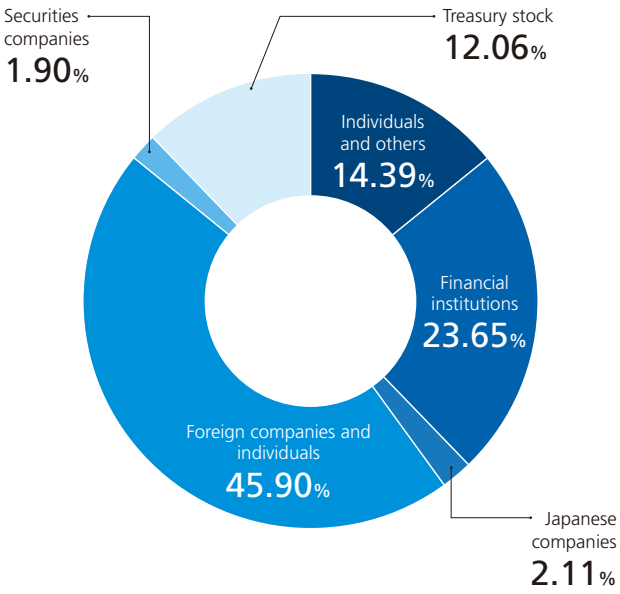
Company Profile

Company Name	JVCKENWOOD Corporation
Title and Name of Representative*1	Representative Director of the Board, Chairman and Executive Officer, Chief Executive Officer (CEO) Shoichiro Eguchi Representative Director of the Board, President and Executive Officer, Chief Operating Officer (COO) Akira Suzuki
Date of Incorporation	October 1, 2008
Capital	¥13,645 million
Number of Employees (Consolidated)	15,229
Total Assets (Consolidated)	¥347,605 million
Total Equity (Consolidated)	¥149,698 million
Fiscal Year-End	March 31
Head Office	3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa 221-0022, Japan

Stock Information

Ordinary General Meeting of Shareholders	Held every June
Record Date	Ordinary General Meeting of Shareholders: March 31 Year-end dividend: March 31 Interim dividend: September 30 Note: Dividends from surplus may be paid on record dates other than the above record dates.
Stock Exchange Listing	Prime Market of the Tokyo Stock Exchange
Securities Code	6632
Trading Unit	100 shares
Total Number of Issued Shares	161,564,801 shares, including 20,232,589 shares of treasury stock*2
Total Number of Shareholders	35,715
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank, Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Administrative Office	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo

Shareholder Composition



Top 10 Shareholders*3

Name	Number of shares held	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,178,000	16.31
Custody Bank of Japan, Ltd. (Trust Account)	10,498,032	7.39
STATE STREET BANK AND TRUST COMPANY 505001	9,046,618	6.37
HSBC-FUND SERVICES HSBC - 006 MF EFM	6,000,000	4.22
STATE STREET BANK AND TRUST COMPANY 505223	5,995,560	4.22
GOLDMAN SACHS INTERNATIONAL	3,629,884	2.55
MSIP CLIENT SECURITIES	3,320,670	2.34
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	3,317,836	2.34
THE BANK OF NEW YORK MELLON 140044	2,326,763	1.64
JP MORGAN CHASE BANK 385781	2,130,956	1.50

Total Shareholder Return (TSR)*4

		FY2020	FY2021	FY2022	FY2023	FY2024	**FY2025**
Share Price	(yen)	220	178	381	944	1,257	**1,092**
Ordinary Dividend	(yen)	5	6	12	12	15	**18**
Accumulated Dividends	(yen)	—	6	18	30	45	**63**
Share Price + Accumulated Dividends	(yen)	—	184	399	974	1,302	**1,155**
Total Shareholder Return (TSR)	(%)	—	84	181	443	592	**525**

*1 As of April 1, 2026
*2 Number of shares held in treasury: 19,488,757 shares
Number of shares held in trust for the stock-based remuneration system for directors: 545,832 shares
Number of shares held in trust for the stock benefit trust system for employees: 198,000 shares
*3 The Company holds 19,488,757 shares of treasury stock, which have been excluded from the list of major shareholders above. Shareholding ratios are calculated based on the total number of issued shares excluding treasury stock.
*4 (Share price at the end of each fiscal year + Accumulated amount of dividends per share from four fiscal years prior to the current fiscal year) ÷ Share price at the end of five fiscal years prior to the current fiscal year

JVCKENWOOD

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

● Contact
Business Strategy Group,
Corporate Strategy Department

©2026 JVCKENWOOD Corporation