

Corporate Governance

Kenwood management believes that increasing the efficiency and transparency of decision making through enhanced corporate governance is crucial to improving corporate value. To achieve this, we are striving to strengthen and fully implement corporate governance by implementing a group-wide internal control system. The checks in this system are improved by separating management and executive functions, employing outside directors and corporate auditors, and establishing an Internal Auditing Division.

Corporate Governance System

Board of Directors

As a body that makes fundamental and strategic decisions, they are responsible for supervising the executives. They deliberate and vote on the basic policy of management and other important matters, and supervise the state of corporate affairs. Since 2000, terms of service have been set at one year. Currently three of the eight directors are from outside the company.

Executive Officer System

In 2002 we laid out a new system of governance, the basis of which was introducing an executive officer system to clarify the separation between the directors and the executives. The executive officer committee meets every week to quickly make decisions on management problems. There are currently ten executive officers, four of whom are also on the board of directors.

Auditors

The auditors are present at meetings of the board and they supervise the directors based upon their understanding of the state of the entire Kenwood Group and corporate affairs. Auditors facilitate supervision of the Kenwood Group as a whole, auditing business, accounting, and internal controls as necessary. Currently, there are 3 external auditors and 5 internal operators fulfilling these responsibilities.

Status of the Internal Control System

The following system has been established to ensure that Kenwood's business practices are appropriate.

System to Ensure Lawful Execution of Duties

Establishment of "Basis for Decision Making Authority"

We established regulations to clarify who within the company has the responsibility to make decisions. We are working towards a complete system that ensures the execution of duties by employees throughout the Kenwood Group is quick and appropriate.

Establishment of a Compliance Committee

This committee was created at the top of the corporate division to draft policies for group compliance and education, and respond to inquiries by the CEO.

Establishment of Kenwood Compliance Guidelines

In 2003, guidelines were established for all employees of the Kenwood Group. Kenwood is continually making efforts to familiarize all employees with these guidelines. The guidelines have been distributed to all employees and they are required to sign a statement indicating their intent to follow the compliance guidelines. In addition to constant monitoring, we have implemented compliance education using e-learning and other methods.

● Kenwood Compliance Guidelines



- Ch. 1 As a Member of Society
- Ch. 2 For Investors
- Ch. 3 Dealing with Competitors and Suppliers
- Ch. 4 Regarding Customers
- Ch. 5 As a Member of Our Company
- Ch. 6 As an International Citizen
- Ch. 7 Protecting the Environment
- Ch. 8 As an Employee
- Ch. 9 Aims and Application of the Guidelines, Hot Line

