

Implementation status of corporate governance

The Company in June 2002 introduced a new management structure, centering on the executive officer system, as part of restructuring measures provided in "Revitalization Action Plan." Under the new framework, the Company invited community and business leaders of diverse values as outside directors to make management accountable and clarify the responsibility for operation execution, and strove to implement transparent decision-making and speedy, precise operations.

In March 2003, the Company established the "Management Audit Division," which is tasked with conducting internal audits of group-wide operations and reporting to the board of directors. It also set up a consolidated business framework, centering on the core businesses, under which it formed a new consolidated management system to optimize the group's resources. Through these moves, the Company is enhancing corporate governance and compliance functions.

The Company also launched the "Kenwood Environmental Committee," which is chaired by CEO and responsible for strengthening measures to control the risk associated with product sales and environmental compliance. Under the Committee, "Environment Protection Promotion Conference" and "Green Products Promotion Conference" were created. In addition, the Company established the "Company-wide PL Meeting" to

enhance measures for product liability. Thus, the Company endeavors to carry out operations with emphasis on corporate society responsibility (CSR).

Furthermore, the Company in January 2004 established "Kenwood Compliance Guidelines" as guideline for the conduct of all employees of the group, in order to form a corporate group that has the community's trust and develops together with the society it is a part of.

As mentioned above, Kenwood is doing its utmost efforts to enhance the compliance function on a group-wide basis, ranging from strengthening management auditing functions to mapping out guidelines for employees' conduct, while stepping up the corporate governance as a consolidated organization. The Company is dedicated to continue to further enhance its CSR measures.

Management structure

Now that it completed restructuring, the Company will proactively strengthen its business competitiveness and promote a growth strategy aiming for a new leap forward, as part of its new management structure comprising three external and four internal directors including two new members who are directly responsible for their respective business segments in which they have long track records.

President (Representative Director of the Board)	Haruo Kawahara
Director of the Board	Kazuo Shiohata
Director of the Board	Shoichiro Eguchi (Newly elected)
Director of the Board	Yoshihiko Ueno (Newly elected)
Director of the Board (Part-time, external)	Nobuo Seo
Director of the Board (Part-time, external)	Takenori Kawafune
Director of the Board (Part-time, external)	Takeo Nagatomo
Standing Statutory Auditor	Hideaki Kato (Not eligible for reelection)
Standing Statutory Auditor	Kazuhiro Kitahara (Not eligible for reelection)
Standing Statutory Auditor	Osamu Hamada (Not eligible for reelection)
Auditor (part-time)	Koichi Kurosaki (Not eligible for reelection)
& CEO	Haruo Kawahara
& Executive Vice President & Executive Officer	Kazuo Shiohata CFO, Assistant to CEO; Equity, IR & PR Affairs
Executive Vice President & Executive Officer	Hiroyasu Hata Assistant to CEO; Personnel & Employment General Manager, Strategic Business Planning Division
Executive Vice President & Executive Officer	Akio Ueda General Executive, Procurement Division
Executive Vice President & Executive Officer	Hiroshi Komatsuzaki Assistant to CEO; Consumer Business Sector - Overseas Markets (Resident in U.S.A.)
Senior Vice President & Executive Officer	Masateru Ando Assistant to CEO; Consumer Business Sector - Domestic Markets, Statutory Auditor, Any Music Inc. (Seconded)
& Senior Vice President & Executive Officer	Shoichiro Eguchi General Executive, Consumer Car Electronics Division Representative, Kenwood Europe Headquarter President, Kenwood Electronics Europe B.V.
& Senior Vice President & Executive Officer	Yoshihiko Ueno General Executive, Communications Division (Resident in the U.S.A.)
& Senior Vice President & Executive Officer	Makoto Inukai President, Kenwood U.S.A. Corporation
& Senior Vice President & Executive Officer	Hiroyuki Taki Deputy General Executive, Communications Division