

JVCKENWOOD



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Partial Revision of the “Basic Views on Internal Control System and the Progress of System Development” Accompanying the Transition to a Company with an Audit & Supervisory Committee

JVCKENWOOD Corporation (the "Company") obtained approval at the 17th Ordinary General Meeting of Shareholders held today to transition to a Company with an Audit & Supervisory Committee. Accordingly, at the subsequent Board of Directors meeting, a partial revision of the “Basic Views on Internal Control System and the Progress of System Development” was resolved.

The main revisions are indicated by underlines.

Framework to Ensure the Conformity of the Directors’ Exercise of Duties with the Laws and Regulations, and the Articles of Incorporation, and Framework to Ensure Propriety of the Company’s Other Operations, and of Operations of the Corporate Group Consisting of the Company and its Subsidiaries (Basic Views on Internal Control System and the Progress of System Development)

Amended on June 25, 2025

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

- (6) Audit & Supervisory Committee audits the execution of duties by the Group's Directors, employees, and other personnel in cooperation with the Internal Audit Department from a standpoint independent of Directors who are not Audit & Supervisory Committee Members.
2. Frameworks for storing and managing information in relation to the execution of duties by the Company's Directors
 - (1) The minutes of the Board of Directors' meetings are created in accordance with the "Board of Directors Rules" and stored at the main office in accordance with the relevant laws and regulations and internal rules.
 - (2) The "Regulation for Information Security" are established to define the basic rules to be observed in managing confidential information whether in print or in electronic form, and are handled determinately.
3. Regulations and other frameworks for managing the risk of loss of the Group
 - (1) The Group regulations for compliance and risk management are established, together with an across-the-board organization for monitoring them with responsibilities being clearly defined, thereby promoting the Group's risk management efforts in a proper manner.
 - (2) The risk management rules by type of risk are prepared and updated to prevent various risks that might occur in the Group and clarify the actions to be taken in the event of such risks, as well as measures for restoration, thereby preventing the damage from spreading and minimizing the loss should a critical issue arise.
4. Frameworks for ensuring the efficient execution of duties of the Group's Directors
 - (1) The Company formulates business and other plans on a Group-wide basis, thereby clarifying management targets, promoting awareness thereof in the Group and evaluating the status of achievement thereof.
 - (2) The Company has in place the Executive Officer System to entrust the duty of business execution to the Executive Officers, thereby separating management oversight functions from business execution functions and clarifying the realms of oversight responsibility and business execution responsibility.
 - (3) The Company establishes the "Board of Directors Rules" and the "Executive Officers Committee Rules," as well as the "Administrative Authority Regulation," the "Standards for Decision-making and Authority," and the "Approval List" for the entire Group, to clarify the method of making decisions for the entire Group management.
 - (4) The rules regarding segregation of duties for each division of the Group are established to clarify the scope of duties and execute them determinately.
5. Frameworks for ensuring the propriety of business operations in the Group
 - (1) Based on the "Basic Policy of Consolidated Business Management," the corporate philosophy and management policies are shared among Group companies. In addition, the "Administrative Authority Regulation," the "Standards for Decision-making and Authority," and the "Approval List" are established as the regulations applying to the entire Group to ensure the propriety of business operations on a Group-wide basis.
 - (2) The Company dispatches officers or business supervising officers to major subsidiaries to

ensure the propriety of business operations.

- (3) The Company executes the internal audits of the Group subsidiaries through its Internal Audit Department.
6. Frameworks for reporting to the Company on matters concerning the execution of duties of Directors, business executing employees, and other personnel, of the Group subsidiaries
- (1) The Company assigns a responsible division in each subsidiary to ensure that the subsidiary reports important information to such division, which in turn has responsibility for the overall management of that subsidiary.
 - (2) If necessary, the Company dispatches officers and/or administrative staff members to a subsidiary so that the Company's business execution team can grasp the status of business operation of that subsidiary.
 - (3) The Company keeps in place a reporting system to ensure that reports of any abnormal situation occurring internally and possibly affecting the operations of the Group's businesses will be delivered to the top management of the Company through an appropriate procedure and without delay.
7. Systems concerning employees who assist the Company's Audit & Supervisory Committee in performing their duties, matters concerning the independence of such employees from the Company's Directors and matters concerning how to ensure the effectiveness of directions given to such employees
- (1) The Company assigns employees as staff members who assist the Company's Audit & Supervisory Committee in performing their auditing duties. If it is difficult to appoint a dedicated assistant member of staff, the Company appoints at least one employee who concurrently works in another post.
 - (2) If the assistant is a dedicated employee, the Audit & Supervisory Committee conducts personnel evaluations. If the assistant is a concurrent employee who mainly works as an assistant, the personnel evaluation is to be conducted by the Audit & Supervisory Committee. If the concurrent employee works not mainly as an assistant, the Audit & Supervisory Committee performs evaluation as the assistant employee, then submits the evaluation results to the personnel evaluator in charge. The Company shall consult with the Audit & Supervisory Committee in advance regarding the appointment of assistant employees, personnel transfers, disciplinary action, etc.
 - (3) The Company's Audit & Supervisory Committee clarifies the necessary matters to ensure the independence of the employees assisting them, including the Audit & Supervisory Committee' authority to give orders to the supporting staff. The Company respects such matters.
8. Frameworks for giving reports to the Company's Audit & Supervisory Committee by Directors and employees of the Company, Directors, Audit & Supervisory Board Members, business operating employees and employees of the Company's subsidiaries, or persons who have received reports therefrom
- (1) The Company's Directors who are Audit & Supervisory Committee Members attend the important meetings as well as receiving reports on the status of business execution of the Group and other important matters from Internal Audit Department.
 - (2) The Company's Directors and General Managers of head office divisions report their

business execution status to the Company's Audit & Supervisory Committee periodically and as needed.

- (3) The Company's Audit & Supervisory Committee executes auditing of the Company's business units and subsidiaries in cooperation with Internal Audit Department according to the annual audit plan, including the above, and receive reports and hear opinions therefrom.
 - (4) The Group's Directors and employees and persons who have received reports therefrom promptly respond whenever the Company's Audit & Supervisory Committee asks for reports on the businesses or investigate the status of the Group's business and property.
 - (5) A Group-wide notification system is provided, by which parties such as the Group employees can directly notify to an Audit & Supervisory Committee regarding any internally occurring compliance issue and/or breach by any officers or staff in charge of the Helpline desk under the Internal Whistle-blowing System.
 - (6) The Company's Audit & Supervisory Committee periodically receives reports on the audit plans and audit results of the Internal Audit Department, as well as auditing in cooperation with Internal Audit Department.
9. Frameworks for ensuring that Directors and employees of the Company, Directors, Audit & Supervisory Board Members, business operating employees and employees of the Company's subsidiaries, or persons who have received reports therefrom do not receive unfair treatment due to the act of delivering reports provided for in 8. above
- (1) It is prohibited to unfairly treat a person within the Group who has delivered reports to the Company's Audit & Supervisory Committee on account of said act of delivering notification. This is fully recognized among the Directors and employees of the Group.
 - (2) The Company's Audit & Supervisory Committee which has received notification through the whistle-blowing system asks the related divisions not to unfairly treat that whistle-blower due to the act of notification. Should the Audit & Supervisory Committee be informed by that whistle-blower that he/she is having unfair treatment, they call on the Company and the Group's Personnel Division to stop such unfair treatment.
10. Matters concerning the policies on the procedures for advance payment or redemption of expenses arising from the execution of the duties of the Company's Audit & Supervisory Committee and any other treatment of expenses or liabilities arising from the execution of such duties
- (1) When the Company's Audit & Supervisory Committee asks the Company for advance payment or other treatment of expenses that arise in relation to their execution of duties, the Company will immediately address such expenses or liabilities, unless such expenses or liabilities are proved to be unnecessary for the execution of the duties of the Company's Audit & Supervisory Committee.
 - (2) The Company's Audit & Supervisory Committee pays audit expenses while giving due consideration to the efficiency and appropriateness of the audit.
11. Other frameworks for ensuring effective auditing of the Company's Audit & Supervisory Committee
- (1) The Company's Directors prepare conditions to enable the execution of effective audits in accordance with the audit plan made up by the Company's Audit & Supervisory

Committee.

- (2) The Company's Representative Directors and Audit & Supervisory Committee have periodic meetings in order to enhance mutual communication.
- (3) The Company's Directors prepare conditions to enable the Company's Audit & Supervisory Committee to cooperate with the divisions in charge of legal affairs, accounting and internal audit as well as external experts for the implementation of their duties.
- (4) The appointment of the Company's External Directors who are Audit & Supervisory Committee Members is made with consideration to their independence and professional expertise.

12. Frameworks for ensuring the propriety of financial reports

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

13. Basic policy for the elimination of antisocial forces

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