JVCKENWOOD

November 13, 2025

Company	JVCKENWOOD Corporation
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Notice Regarding Issuance of Zero Coupon Convertible Bonds due 2030

JVCKENWOOD Corporation (the "Company") hereby announces the proposed issuance of Zero Coupon Convertible Bonds due 2030 (the "Bonds with Stock Acquisition Rights") (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) pursuant to a resolution of the Board of Directors as of November 13, 2025.

Background and purpose of the Issuance of the Bonds with Stock Acquisition Rights

Based on the corporate philosophy of "Creating excitement and peace of mind for the people of the world", the Company aims to leap to an excellent company with both "strength" and "resilience" to proactively anticipate change and pioneer the future for increasing enterprise value in the medium to long term in a rapidly changing business environment.

Currently, under its mid-term management plan "VISION2025" (the "VISION2025"), the final year of which is fiscal year 2025 (ending March 2026), the Company is optimizing its business portfolio and capital allocation based on the basic strategy of "Change for Growth", while promoting sustainability management to maximize corporate value.

Additionally, the Company is allocating resources in consideration of business growth potential and capital efficiency over the medium to long term. Among its businesses, the Company has positioned the "Communications Systems Business" in the Safety & Security Sector (the "S&S Sector") and the "Overseas OEM Business" in the Mobility & Telematics Services Sector (the "M&T Sector"), both of which have high growth potential and capital efficiency, as "Growth Driving Businesses", and is accelerating its growth investments.

In the "Communications Systems Business", the Company is strengthening its business through expansion of its product lineup, increase of personnel and M&A, driven by growing global demand for communications systems as a response to crisis management as well as growing demand in the United States for switching from analog to digital radios and large government budgets for the public safety market and private security in the United States.

Specifically, the Company aims to acquire projects in Tier2 market (Note 1) centered on the tri-band radio VP8000 in North America, strengthen its system to continuously acquire P25 (Note 2) large projects, expand sales of DMR (Note 3) and expand its product lineup.

In "Overseas OEM Business", the Company is developing business focusing on in-vehicle speakers, amplifiers, antennas, cables, lenses and display audio as a response to market changes such as shift to EV and automation in overseas markets (Europe, the United States, China and emerging markets).

Specifically, to address the expanding Chinese market, the Company has expanded its production bases in China. Going forward, the Company will focus on expanding its business in North America and emerging markets such as India.

As described above, the initiatives implemented mainly in the "Communications Systems Business" and the "Overseas OEM Business" led to the early achievement of results exceeding the final fiscal year target in the fiscal year 2024 (ended March 2025), the second year of "VISION2025".

On the other hand, as the Company advances the optimization of business portfolio based on the basic strategy of "VISION2025", it is actively pursuing M&A opportunities in order to expand and strengthen the "Growth Driving Businesses", and it has determined to make San Luis Aviation, Inc. (the "SLA"), a California-based company engaged in the IP radio (Note 4) business in the United States, a wholly-owned subsidiary in the final fiscal year 2025 (ending March 2026). The Company anticipates medium to long term growth in the "Communications Systems Business" by incorporating SLA, which has a significant presence in the North American IP radio market, into the Group.

Going forward, while focusing on expanding its product lineup and increasing personnel to drive profit growth, the Company will continue to accelerate growth momentum beyond that of "VISION2025" by carrying out further M&A in the area of "Growth Driving Businesses" following the M&A of SLA.

Toward the next medium-term management plan starting from April 2026, the Company has determined to issue the Bonds with Stock Acquisition Rights, which allow for zero-coupon financing, with the aim of securing low-cost funds ahead of the increase in funding costs due to the recent rise in interest rates to secure the necessary funds for M&A, product development and capital expenditures required for enhancing sustainable enterprise value, while maintaining a stable financial foundation.

Additionally, the Company will acquire its own shares with part of the proceeds from the issuance of the Bonds with Stock Acquisition Rights, to mitigate the short-term impact on demand and supply for the Company's shares accompanied by the issuance of the Bonds with Stock Acquisition Rights, and to improve capital efficiency and shareholder return.

(Note 1) North American local governments and cities with populations of 500,000 or fewer

(Note 2) A digital radio standard developed for the US public safety market; Short for Project 25

(Note 3) Short for Digital Mobile Radio, an international digital radio standard

(Note 4) IP stands for Internet Protocol. Like smartphones, it uses wireless broadband communication networks (4G, 5G, satellite communications, Wi-Fi) and enables one-to-many communications similar to a radio. It is also referred to as PTToC (Push-To-Talk over Cellular) or Broadband PTT (Push-To-Talk) overseas.

Use of Proceeds

The Company intends to apply the net proceeds of approximately ¥30 billion as follows:

(a) Approximately ¥15 billion, by the end of March 2028, as funds for future mergers and acquisitions to expand the Group's businesses, primarily in the "Communications Systems Business" and "Overseas OEM Business" (which are positioned as the Group's "Growth Driving Businesses"), including the acquisition of SLA which was announced on October 8, 2025;

(b) Approximately ¥10 billion, by the end of March 2029, as funds for capital expenditures and product development in the S&S Sector and M&T Sector; and

(c) Approximately ¥5 billion, by the end of December 2025, towards the repurchase of the shares of the Company.

If treasury shares are acquired prior to the Closing Date, the Company intends to apply the proceeds of the offering of the Bonds with Stock Acquisition Rights to replenishment of the cash reserves within the amount described in (c) above. Furthermore, as repurchases of its own shares are conducted taking into consideration market conditions, if the total repurchase price should remain after effecting such repurchases, the balance proceeds of (c) above are expected to be applied in the manner set out in (b) above.

Regarding the use of proceeds described in (a) above, if any amount remains unallocated for investment funds, the balance will be applied in the manner set out in (b).

Issuance of the Bonds with Stock Acquisition Rights

1. Securities Offered	¥30,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2030 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*)
2. Issue Price	100.0%
3. Closing Date	December 1, 2025
4. Coupon	0%
5. Redemption at Maturity	100.0%