



September 30, 2026

To whom it may concern,

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Notice Regarding Formulation of Recurrence Prevention Measures

As announced in our notice dated September 29, 2026 entitled “Notice Regarding Publication of Third-Party Committee’s Investigation Report,” the investigation conducted by the third-party committee identified improper payments and other conduct at the overseas subsidiaries of IRISO ELECTRONICS CO., LTD. (“the Company”). Taking seriously the root cause analysis and recommendations for recurrence prevention measures set forth in the third-party committee’s investigation report, the Company resolved at a meeting of the Board of Directors held today to implement the following recurrence prevention measures.

I Recurrence Prevention Measures

With respect to this matter, the Company will hold employee briefing sessions to explain the outline of the matter and the recurrence prevention measures. By having top management explain these matters directly to employees, management will take the lead in ensuring steady implementation and internal embedding of the recurrence prevention measures, and the Company as a whole will work to prevent the recurrence of similar matters.

1. Reform of Corporate Culture to Put Compliance First

1) Declaration by Top Management and Senior Management of Their Commitment to “Compliance First”

- Top management will continue to communicate to employees that compliance, commitments to customers, and quality are always the top priorities, and that the integrity of financial reporting is equally important.

2) Explicitly Stating “Compliance First”

- The Company will clearly state in its management philosophy, management policies and corporate code of conduct that compliance, including quality, is the top priority.
- While continuing to take on challenges in terms of sales and growth, the Company will establish a company-wide principle that violations of laws and regulations, contractual commitments and quality standards are unacceptable.

3) Strengthening Governance and Reviewing the Structure

- The Company will review the skill sets and composition required of its officers.

- In order to more appropriately ensure the qualities and capabilities required of officers, the Company will further enhance the existing selection criteria and appointment process to improve their effectiveness, thereby further strengthening its framework for appointing officers. Specifically, the selection criteria will be clarified and expanded to include factors such as integrity, compliance awareness, risk management capabilities and independent judgment.
- The position of Honorary Chairman will be abolished in order to establish a new management structure.

4) Initiatives to Foster and Improve Compliance Awareness Among Officers and Employees

<Measures concerning officers>

- In order to establish a culture that puts compliance first, management will, once every quarter, communicate messages to the entire Company, including overseas sites, covering the importance of compliance, quality awareness and the status of the Company's financial closing, and will seek to ensure that head office policies are thoroughly communicated.
- Compliance-related items will be added to the evaluation of officers.
- Changes in management behavior will be periodically confirmed through surveys of employees and similar measures, and the results will be reviewed at Board of Directors meetings and other forums.

<Measures applicable to both officers and employees>

- Education and training on compliance, quality, financial reporting literacy, overseas site management, the whistleblowing system and internal audits will be provided to officers and employees.
- A Compliance Week will be established, during which compliance training concerning anti-bribery measures and the whistleblowing system, among other matters, will be conducted for the entire Company, including overseas sites. In addition, a survey will be conducted during Compliance Week to identify actual conditions and issues concerning compliance, and to confirm the extent to which compliance awareness has taken root.

5) Initiatives to Strengthen Awareness of Risks Related to Bribery of Foreign Public Officials

- In order to ensure thorough compliance and instill the awareness that compliance is the top priority among all officers and employees of the Company, regardless of differences in culture and customs among countries, the Company will establish anti-bribery regulations and the IRISO Group Anti-Bribery Manual for overseas sites, and will hold briefing sessions on the IRISO Group Anti-Bribery Manual for all heads of overseas sites.
- The Company will consider dispatching instructors to local sites to conduct face-to-face training for local managerial personnel at overseas sites with high bribery risk.

6) Improvement of the Workplace Environment

- The Company will promote the "Bad News First" principle, evaluate conduct involving the early reporting of problems, and establish a system in which officers and employees can freely and openly express opinions and raise issues.
- In order to confirm the extent to which the above initiatives have taken root, the Company will conduct annual surveys of officers and employees throughout the Company and will continuously monitor the situation.
- The Company will increase personnel in the Quality Assurance Department and the Accounting Department, and will also outsource operations to external parties as necessary in order to secure the necessary personnel.
- Each department will anticipate the skills and personnel required over the medium- to long-term, and will implement hiring, development and rotation, while also quantitatively managing the necessary workload by taking into account processing capacity based on personnel and equipment.
- When implementing new operations, each department will estimate the appropriate amount of work required, and will pursue efficiency improvements and automation so as to ensure that such operations can be handled with available personnel and equipment.

2. Strengthening the Management Structure at the Head Office

1) Establishing an Organizational Management Structure for Compliance Risks

- The Company will integrate the functions related to governance, compliance, risk management and the development of internal controls, and establish a new “Governance Promotion Department.” The Governance Promotion Department will promote these functions across the Company as an organization directly under top management.
- For each overseas site, the Company will conduct a group-wide risk assessment regarding major compliance risks, including bribery and corruption, financial reporting, quality, import/export, customs clearance and other matters, taking into account the nature of each site’s business, the regions in which it operates and its transaction structure.
- The Company will systematically secure specialized personnel and develop internal personnel, thereby establishing the necessary staffing structure. In addition, until such specialized personnel are secured, the Company will utilize external attorneys and specialist consultants to supplement the necessary expertise and capabilities.

2) Strengthening the Decision-Making Process

- The Company will communicate the criteria for matters to be submitted to the Board of Directors to the department heads responsible for proposing agenda items to the Board. In addition, the secretariat will support those department heads in determining whether matters should be submitted to the Board of Directors, and will be granted authority to investigate each department, thereby preventing omissions in matters requiring Board resolutions.
- The audit department will, semiannually, confirm the status of matters submitted to the Board of Directors and the submission procedures, and will report the results of such confirmation to the Audit and Supervisory Committee.
- In the internal approval workflow, the Company will establish a system that assigns personnel capable of appropriately evaluating and making decisions on compliance risks, and that enables the use of specialist knowledge.

3) Establishing an Overseas Management Structure

- The Audit and Supervisory Committee will, once a year, hold in-person dialogues with the heads of overseas sites to grasp the status of progress on each company’s management strategy, important business issues, the status of compliance and risk management, and issues relating to personnel and organization, and make recommendations to executive officers while also confirming implementation status.
- With respect to matters under their respective jurisdictions, the legal and accounting departments will strengthen communication and information sharing with overseas sites, strive to promptly identify risks and issues, and provide the necessary guidance, support and monitoring.
- In order to improve the effectiveness of governance and internal controls at overseas sites, the Company will review the qualities and capability requirements for heads of overseas sites and implement personnel measures aimed at assigning appropriate responsible persons.
- Compliance officers will be assigned to all overseas sites, and a system will be established under which the Compliance Committee receives periodic reports from the compliance officers.
- By clarifying the matters to be reported, reporting destinations and reporting deadlines for reports from overseas sites and by consolidating the reporting routes to the head office through a single route to the Compliance Committee, the Company will establish a system that enables the Compliance Committee to promptly identify compliance issues and potential risks.
- The Compliance Committee will regularly review reported matters and promptly implement any necessary corrective actions.

- Training on compliance and overseas bribery risks, among other matters, will be provided to employees assigned overseas.

3. Strengthening the Mechanism for Collecting Risk Information

1) Ensuring the Effectiveness of the Whistleblowing System

- In order to promote the use of the whistleblowing system, the Company will disseminate the system and reporting channels during briefing sessions and various training programs.
- In order to enhance the effectiveness of the whistleblowing system and diversify reporting channels, the Company will establish a reporting channel for the Audit and Supervisory Committee.

2) Strengthening the Management Structure for Financial Reporting

- The Company will strengthen the accounting and closing framework at overseas sites, and will establish a system under which the head office accounting department timely grasps the progress of closing operations and accounting audits, and provides necessary guidance and support. If securing specialized personnel is difficult at overseas sites, the head office accounting department will support practical operations to ensure appropriate accounting treatment.
- With regard to delays in closing or accounting audits and other important financial reporting issues, the Company will clarify the matters to be reported, reporting lines, timing of reporting and persons responsible, and will promptly report and escalate such matters from overseas sites to the head office accounting department, while also establishing a mechanism to coordinate with local and head office audit firms as necessary.
- For major accounting treatments, including the timing of revenue recognition and impairment accounting for fixed assets, the Company will clarify the criteria for judgment, timing of processing and verification procedures, and will disseminate them to overseas sites. In addition, the Company will establish a system under which the head office accounting department appropriately becomes involved in transactions that differ from normal transaction terms or otherwise require accounting judgment.

4. Strengthening the Internal Audit Function

1) Strengthening the Structure of the Internal Audit Department

- By hiring specialized personnel and increasing headcount, the Company will establish a structure capable of conducting the necessary audits, and will expand audits of overseas sites conducted by the audit department.
- The Company will establish a system under which internal audit results are reported from the audit department to top management and the Audit and Supervisory Committee, and will thereby create a mechanism by which important information is shared in a timely and appropriate manner.
- The Company will review internal audit plans and key audit items in line with risks across the Company, including overseas sites, and will strengthen audits of important risks, including bribery risks.
- With regard to internal audit results, the Company will enhance the content reported to top management, the Board of Directors and the Audit and Supervisory Committee, and will appropriately share identified important risks. In addition, the Company will further strengthen implementation management and continuously verify the status and effectiveness of improvements through document checks, re-audits and the like.

2) Thorough Communication of the Significance and Importance of the Internal Audit Department

- The Company will inform officers and employees, including those in business departments, that internal audit is an important function for promptly identifying management risks and preventing misconduct before it occurs, and will ensure full cooperation with internal audits.

- The Company will once again ensure that the internal audit department fully recognizes the importance of its role and responsibilities, and will ensure that it maintains independence and objectivity and makes the necessary findings and reports without being influenced by approaches from business departments or others.

5. Measures Related to Quality

1) Strengthening Governance, Internal Controls and Checks and Balances Related to Quality

- Management will continue to ensure that quality is the top priority and will conduct regular quality inspections at each site to confirm compliance status.
- To prevent quality issues before they occur, the Company will appoint dedicated personnel to roll out root-cause analysis results and recurrence prevention measures across the organization, thereby strengthening the functions of the Quality Assurance Department.

2) Strengthening Management of Applications to Customers and Approval Procedures

- The Company will review the rules for managing customer-specific requirements, and will clearly define and thoroughly implement the criteria for determining whether customer applications are required, as well as the relevant approval authorities.
- Education and training concerning customer-specific requirements and approval procedures will be provided to the sales, manufacturing, engineering and quality assurance departments.

3) Ensuring the Reliability of Reliability Test Data

- The Company will establish a system under which the department performing reliability tests operates independently and conducts fair evaluations.
- The Company is continuously strengthening the framework for conducting reliability tests by reinforcing equipment and personnel. Through these measures, the Company will reduce the excessive utilization of test equipment and secure sufficient capacity to respond to sudden requests for testing, thereby eliminating situations in which tests cannot be conducted due to a shortage of test equipment.

4) Thorough Inspections at Domestic Plants

- The Company will increase the personnel necessary for inspections and strengthen the inspection framework.
- The Company will review inspection processes, clarify inspection details and judgment criteria, and establish a monitoring framework by strengthening inspection record management. Furthermore, by clearly specifying reporting and escalation rules for cases where inspections are not carried out or abnormalities occur, the Company will promptly implement proper inspection operations and corrective actions.

II Personnel Measures and Voluntary Waiver of Compensation in Response to This Matter

1. Resignation of President and Representative Director

In taking the results of this investigation very seriously and to clarify management responsibility, Hitoshi Suzuki, President and Representative Director of the Company, will resign effective as of today.

2. Voluntary Waiver of Compensation

To clarify management's supervisory responsibility in connection with this matter, the President and Representative Director will voluntarily forgo a portion of his compensation. In addition, two former directors who were in office at the time this matter came to light have agreed to voluntarily forgo a portion of the compensation they received during their respective terms of office at that time.

President and Representative Director Hitoshi Suzuki: 30% reduction in compensation (for 6 months)

Although the following directors were not found to have been involved in this matter, they will voluntarily forgo a portion of their compensation to demonstrate their commitment, as members of management, to recurrence prevention and trust restoration.

Chairman and Director, Masahisa Shibata: 10% reduction in monthly compensation (for 3 months)

Director and Senior Managing Executive Officer, Shuichi Ikeda: 10% reduction in monthly compensation (for 3 months)

Director and Managing Executive Officer, Akihiko Ohira: 10% reduction in monthly compensation (for 3 months)

Director and Audit & Supervisory Committee Member, Toshihiko Miyauchi: 10% reduction in monthly compensation (for 3 months)

All Outside Directors (Audit & Supervisory Committee Members) (3 persons): 10% reduction in monthly compensation (for 3 months)

3. Disciplinary Actions against Relevant Persons

The Company has decided to take strict disciplinary action against officers and employees involved in this matter, in accordance with its internal rules.

III Future Actions

We sincerely apologize for any inconvenience or concern this matter may have caused to our shareholders, investors, business partners, and all other related parties. The Company will steadily implement the above recurrence prevention measures, and, through the strengthening of its internal controls and corporate governance framework, will strive to restore the trust of all stakeholders and improve corporate value.