

JVCKENWOOD



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Company	JVCKENWOOD Corporation
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Introduction of a Stock-Based Remuneration System for Directors, Excluding Directors Who Are Audit & Supervisory Committee Members, in Line with the Transition to a Company with an Audit & Supervisory Committee

JVCKENWOOD Corporation (hereinafter referred to as the “Company”) received approval at the 13th Ordinary General Meeting of Shareholders held on June 25, 2021, for the introduction of a stock-based remuneration system (hereinafter referred to as the “System”) for Directors, excluding External Directors. Subsequently, at the 16th Ordinary General Meeting of Shareholders held on June 21, 2024, approval was obtained for the continuation and partial revision of the System (such resolution, hereinafter referred to as the “Resolution 2024”), and the System has been in operation since that time.

As announced in the notice titled “Transition to a Company with an Audit & Supervisory Committee” dated February 27, 2025, the Company has decided to transition to a company with an Audit & Supervisory Committee, subject to the approval at the 17th Ordinary General Meeting of Shareholders (hereinafter referred to as the “General Meeting of Shareholders”) scheduled to be held on June 25, 2025.

In line with this transition, the Company has decided to submit a proposal regarding the stock-based remuneration system for its Directors (excluding Directors who are Audit & Supervisory Committee Members and External Directors; hereinafter referred to as the “Directors”) following the transition to a company with an Audit & Supervisory Committee at the upcoming General Meeting of Shareholders.

1. Purpose of Introducing the System

The System aims to clarify the linkage between the remuneration of Directors and the value of the Company’s shares, thereby enabling Directors to share the benefits and risks arising from fluctuations in stock prices with shareholders. This is intended to enhance Directors' awareness of contributing to the improvement of medium- to long-term performance and the increase of corporate value.

2. Overview of the System and Partial Revision

The System is a stock-based remuneration system in which a trust, funded by the Company (the trust has already been established; hereinafter referred to as the “Trust”), acquires the Company’s common stock (hereinafter referred to as the “Company’s shares”), and the number of the Company’s shares corresponding to the points granted to each Director by the Company is delivered to each Director through the Trust. Under the current stock-based remuneration system, the eligible Directors are those of the Company excluding External Directors. Upon the transition to a Company with an Audit & Supervisory Committee, the scope of eligible Directors will be revised to exclude Directors who are Audit & Supervisory Committee Members and External Directors.

3. Other Matters

Except for the revisions mentioned above, there are no changes to the content of the Resolution 2024.