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May 9, 2025

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Title and name of the representative:	Masataka Kubo, Representative Director, Chairman and CEO
Securities code:	2730 (TSE Prime Market)
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Notice Regarding Partial Revision of the “Basic Policy on the Internal Control System”

EDION Corporation (the "Company") hereby announces that its Board of Directors, at a meeting held on May 9, 2025, resolved to revise a part of its "Basic Policy on the Internal Control Systems." The revised content is as follows (revised sections are underlined).

1. System to ensure that directors and employees perform their duties according to laws and regulations as well as the Articles of Incorporation

- (1) Directors and employees shall establish, disseminate, and fully implement the "EDION Group Management Principles" and the "EDION Group Code of Ethics" to ensure compliance with laws and regulations as well as social ethics.
- (2) A compliance body shall be established under the Risk Management Committee, which is chaired by the Representative Director and President, and efforts will be made to strengthen the risk management system, including compliance. The Risk Management Committee shall report significant matters to the Board of Directors.
- (3) At the discretion of the chairperson of the Risk Management Committee, an advisory agreement shall be established with a law firm and other experts to obtain appropriate advice on risk management matters, including compliance.
- (4) A dedicated hotline, both internal and external, shall be established and maintained in accordance with the Internal Reporting Rules to facilitate the early detection of compliance violations and to prevent their recurrence.
- (5) The Risk Management Committee shall raise the awareness of directors and employees about compliance by providing information and implementing training programs for employees on a regular basis.
- (6) In order to ensure the reliability of financial reporting, including financial settlement information, and to comply with the Financial Instruments and Exchange Act and other relevant laws and regulations, such as the "Implementation Standards for Evaluation and Audit of Internal Controls over Financial Reporting" established by the Financial Services Agency, the Internal Audit Office shall be established and appropriately operated based on the Internal Control Rules.

- (7) With regard to anti-social forces, the Company shall establish a Basic Policy for the Prevention of Damage Caused by Anti-Social Forces and commit to implementing stringent measures to ensure that all directors and employees collaborate in adhering to the policy and to maintain a resolute stance in severing any ties with these forces.

2. Matters related to the preservation and management of information about the execution of duties by directors

Information (documents and electromagnetic data) relating to the execution of duties by directors, such as minutes of meeting bodies where significant decisions are made, shall be appropriately stored and managed in accordance with the Document Management Rules. In addition, internal information and personal information shall be diligently stored and managed based on the Information Security Policy, Information Security Management Rules, Personal Information Protection Basic Management Rules, and Specific Personal Information Handling Rules.

3. Rules and other systems to manage the risk of loss

- (1) Directors or executive officers shall be assigned to each general manager to ensure that matters that could cause significant losses in management are promptly and accurately identified and then submitted to or reported to the Board of Directors.
- (2) The Risk Management Committee, chaired by the Representative Director and President, shall be established to convene, in principle, on a quarterly basis. This Committee shall formulate the Risk Management Rules and design the system, including compliance and contingency plans, such as BCPs, to comprehensively identify, assess, analyze, and monitor all risks associated with the entire EDION Group, aiming to avoid and mitigate the risk of loss.

4. System to ensure efficient execution of duties by directors

- (1) The Board of Directors reviews and determines the management and annual business plans based on the outlook of the business environment. Directors assigned to oversee business execution will direct the implementation of specific departmental measures and ensure their efficient execution in alignment with these plans. The results of these business plans compared to the budget will be compiled and managed on a monthly basis, with timely reports provided to each director and the Board of Directors.
- (2) In addition to holding meetings of the Board of Directors, the Company shall establish Management Meetings and other bodies that are not mandated by laws and regulations. These entities will be designed to develop and maintain a system that contributes to the execution of duties by directors through flexible and sufficient deliberations tailored to the significance and urgency of matters.
- (3) The Board of Directors will reorganize the organization, review individual rules as needed to clarify the decision-making authority of directors and officers consistently, and strengthen or delegate such authority according to the business environment and management plans.
- (4) The Internal Audit Office is independent of the business execution departments and aims to prevent fraud and errors in each department, provide accurate management information, preserve assets, improve business activities, and enhance management efficiency. To this end, it verifies and evaluates the extent to which the Company's organization, systems, and operations adhere to management policies and regulations and are being operated efficiently and provides advice.

5. System to ensure the adequacy of the operations of the corporate group consisting of the Company and its

subsidiaries

The Company shall establish and operate the following systems to ensure the adequacy of EDION Group's business operations. The term "subsidiary," as used in this Basic Policy, refers to a "subsidiary" under the Companies Act and does not include affiliated companies accounted for using the equity method.

- (1) To ensure the adequacy of the business operations across all subsidiaries, the Company will establish internal regulations that encompass fundamental or important matters, including compliance, throughout the entire EDION Group.
- (2) To develop a system that ensures compliance with applicable laws and regulations, as well as the Articles of Incorporation by directors, other officers, and employees, each subsidiary shall formulate and implement rules tailored to its specific business operations in accordance with the Rules for the Management of Affiliated Companies set forth by the Company.
- (3) The Company will ensure each subsidiary complies with the fundamental rules of the EDION Group while allowing them to create regulations that reflect their uniqueness and characteristics.
- (4) To foster a unified vision among the EDION Group, the Company will promote personnel exchanges and enhance communication through measures such as employee transfers from the Company to its subsidiary in accordance with the Rules for the Management of Affiliated Companies.
- (5) To strengthen the auditing system, the Company's Internal Audit Office shall conduct audits from the viewpoint of compliance with laws and regulations, the Articles of Incorporation, and internal rules in cooperation with the internal audit office of each subsidiary.
- (6) To ensure that the duties of the directors and other officers of each subsidiary are performed efficiently, the Company shall require regular reports to the Board of Directors and other relevant organizations of the Company on certain important matters related to the management of the subsidiaries following the Rules for the Management of Affiliated Companies and shall prescribe that the approval of the Company is required for certain matters.

6. Matters relating to any employee requested by the Audit & Supervisory Committee to assist the Committee, as well as matters concerning the independence of such employee from the directors

To support the duties of the Audit & Supervisory Committee, an Audit & Supervisory Committee Secretariat shall be established as a dedicated organization that operates independently from the Company's operational organizational structure, and dedicated staff members shall be assigned to this secretariat.

The selection of such dedicated staff shall be discussed with the Audit & Supervisory Committee to ensure their independence from directors. Additionally, such dedicated staff will perform their duties as employees of the Company in line with its work rules, but the authority to direct and order shall belong to the Audit & Supervisory Committee. Personnel-related matters, such as transfers, treatment, and disciplinary action, will be conducted after consultation with the Audit & Supervisory Committee.

7. System for directors and employees to report to the Audit & Supervisory Committee

Directors and employees will report to the Audit & Supervisory Committee any important matters related to compliance and risk management, matters that have caused or may cause significant harm to the EDION Group, as well as any other matters necessary for auditing duties.

8. Other systems to ensure effective audits by the Audit & Supervisory Committee

- (1) The Audit & Supervisory Committee and the Representative Director and President of the Company will hold

regular meetings each fiscal year to exchange opinions on general issues related to the EDION Group and any topics the Audit & Supervisory Committee considers essential.

- (2) Directors who are the Audit & Supervisory Committee Members appointed by the Audit & Supervisory Committee shall attend important meetings held by bodies such as the Risk Management Committee and Management Meetings, as necessary, to comprehend the process of important decision-makings and the status of business execution, inspect key approval documents and other important documents related to business execution, and solicit explanations from directors, auditors, and related employees of the Company or any of its subsidiaries, as deemed necessary.
- (3) The Company shall not take any adverse action against any director, auditor, or employee of the Company or any of its subsidiaries who, at the request of the Audit & Supervisory Committee, has explained or has voluntarily reported to the Audit & Supervisory Committee.
- (4) The Audit & Supervisory Committee will receive detailed reports from the Company's accounting auditor regarding the accounting audits and shall engage in regular information exchanges with the accounting auditor concerning these audits.
- (5) The Company shall allocate a fixed annual budget to cover the expenses required for the Audit & Supervisory Committee to perform its duties.