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June 19, 2025

To whom it may concern

Company name	Japan Aviation Electronics Industry, Limited
Name of representative	Masayuki Muraki, President
	(Code No. 6807 TSE Prime Market)
Inquiries	Keita Yamada, General Manager, Legal Division
	(TEL +81-3-3780-2722)

Notice Concerning Allotment of Stock Options (Share Acquisition Rights) to Directors

Japan Aviation Electronics Industry, Limited (the "Company") hereby announces that, pursuant to Articles 236, 238 and 240, Paragraph 1 of the Companies Act of Japan, a resolution was passed at a meeting of the Board of Directors held on June 19, 2025 to issue share acquisition rights as a stock option compensation to Executive Directors of the Company under the following conditions, in order to raise motivation and morale for improvement of corporate performance.

1. Name of share acquisition rights
   Japan Aviation Electronics Industry, Limited 2025, Part 1 Share acquisition rights

2. Total number of share acquisition rights to be issued, the persons who intend to subscribe for share acquisition rights, and the number of allotments
   The total number of share acquisition rights to be issued is 24. (The number of shares underlying per share acquisition right is 1,000 shares. However, if the number of shares specified in 3. has been adjusted, the same adjustment shall be made.) Upon execution of the "Agreement for Granting Share Acquisition Rights" with the persons who intend to subscribe for share acquisition rights, the total number of share acquisition rights shall be allotted to such persons.

3. Class and number of shares underlying share acquisition rights
   The Company common shares 24,000 shares
   If the Company splits or consolidates its shares, the number of underlying shares shall be adjusted according to the following formula: provided, however, that such adjustment shall be made with respect to the number of shares underlying share acquisition rights which have not been exercised at the time of such adjustment, and any fraction less than one share resulting from such adjustment shall be discarded.

   Number of shares after adjustment = Number of shares before adjustment × split/consolidation ratio

4. Date of allotment of share acquisition rights
   July 10, 2025 (Share acquisition rights shall be issued on the date of allotment.)

5. Issue price of share acquisition rights

The issue price shall be the price calculated by the Black-Scholes formula on the date of allotment of share acquisition rights; provided, however, that a person who intends to subscribe for share acquisition rights shall, in lieu of payment of money equivalent to the said issue price, set such payment off against the stock option compensation claims held by such person against the Company.

6. Value of assets to be contributed upon exercise of share acquisition rights

The value of assets to be contributed per share acquisition right shall be the amount obtained by multiplying the amount to be paid in per share (the "paid-in value") determined as follows by the number of shares underlying per share acquisition right set forth in 2.

The paid-in value shall be the amount obtained by multiplying the average closing price of the ordinary trading of the Company shares on the Tokyo Stock Exchange on each day of the month preceding the month to which the date of issuance of share acquisition rights belongs (excluding days on which transactions are not made) by 1.05 (any fraction less than one yen shall be rounded up).

However, if the said amount falls below the closing price on the day of issuance of share acquisition rights (or the closing price on the immediately preceding day if no transaction is made), the said closing price shall be applied.

In the event of a stock split or the issuance of new shares at a price lower than the market price (excluding public offering of new shares issued at market price, and issuance of shares upon exercise of share acquisition rights), the paid-in value shall be adjusted according to the following formula, and any fraction less than one yen resulting from the adjustment shall be rounded up.

$$\text{Adjusted paid-in value} = \text{Paid-in value before adjustment} \times \frac{\text{Number of shares outstanding} + \dfrac{\text{Number of newly issued shares} \times \text{Paid-in amount per share}}{\text{Share price before split or new issue}}}{\text{Number of shares outstanding} + \text{Number of shares increased due to split or new issue}}$$

7. Exercise period for share acquisition rights

The exercise period is four years from July 1, 2027 to June 30, 2031.

8. Conditions for the exercise of share acquisition rights

(1) Persons to whom share acquisition rights have been allotted shall be required to hold positions as Directors or Executive Officers of the Company at the time of exercise of the rights. However, this shall not apply to resignation due to the expiration of the term of office or other cases where the Board of Directors deems that there are justifiable reasons.

(2) Share acquisition rights shall not be inherited.

(3) Other conditions for the exercise of share acquisition rights shall be set forth in the "Agreement for Granting Share Acquisition Rights" to be executed between the Company and the person who intends to subscribe for share acquisition rights, based on a resolution of the Board of Directors that determines the terms and conditions of the offer of share acquisition rights.

9. Restriction on purchase of share acquisition rights by transfer

Purchase of share acquisition rights by transfer shall require approval by resolution of the Board of Directors.

10. Conditions for purchase of share acquisition rights

If any of the following events occurs, the Company may purchase, on a date separately determined by the Board of Directors, all of the share acquisition rights held by the relevant holder of share acquisition rights, without consideration:

(1) A case where a merger agreement in which the Company becomes a dissolving company is approved at a general meeting of shareholders;

(2) A case where a proposal for a share exchange agreement or a proposal for a share transfer under which the Company becomes a wholly-owned subsidiary is approved at a general meeting of shareholders.

11. Matters concerning share capital and legal capital surplus to be increased when shares are issued upon

exercise of share acquisition rights

(1) The amount of share capital to be increased when shares are issued upon exercise of share acquisition rights shall be one-half of the maximum amount of increase in share capital, etc., calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules, and any fraction less than one yen arising as a result of the calculation shall be rounded up.

(2) The amount of legal capital surplus to be increased when shares are issued upon exercise of share acquisition rights shall be the amount obtained by subtracting the amount of increase in share capital, etc. set forth in (1), above, from the maximum amount of increase in share capital stated in (1), above.

12. Handling of fractions of less than one share in the number of shares to be issued to holders of share acquisition rights who have exercised share acquisition rights

Any fraction less than one share in the number of shares to be issued to holders of share acquisition rights who have exercised share acquisition rights shall be discarded.

13. Persons to whom share acquisition rights are allotted and the number of such persons

Allotment shall be made to five Executive Directors of the Company.

End.