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June 19, 2025

To whom it may concern

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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

Japan Aviation Electronics Industry, Limited (the "Company") hereby announces that, at a meeting held today, the Board of Directors resolved to dispose of treasury shares as restricted stock compensation (the "Disposal of Treasury Shares"). Details are as follows.

1. Overview of disposal

(1)	Payment date	July 18, 2025
(2)	Class and number of shares to be disposed of	6,597 shares of the Company's common stock
(3)	Disposal price	2,454 yen per share
(4)	Total disposal value	16,189,038 yen
(5)	Scheduled allottees	Five Executive Directors 6,597 shares

2. Purpose and reason for disposal

At a Board of Directors meeting held on May 20, 2024, the Company resolved to introduce a restricted stock compensation plan (the "Plan") as a new compensation plan for the Company's Executive Directors (the "Eligible Directors"), with the aim of providing an incentive to continuously enhance the Company's corporate value and further sharing value with shareholders.

At the 94th Annual General Meeting of Shareholders held on June 19, 2024, the Company obtained approval that , among other things, the total number of the Company's common shares to be issued or disposed of to the Eligible Directors under the Plan shall not exceed 28,000 shares per year, that the value of such shares shall not exceed 70 million yen per year and shall be within the annual amount of the existing monetary compensation framework, and that the transfer restriction period for the restricted shares shall be a period from the delivery date

of such shares to the day on which such Director resigns or retires as a Director of the Company or any other position determined by the Company's Board of Directors.

The Company has resolved at a Board of Directors meeting held today to grant monetary compensation claims totaling 16,189,038 yen to five Eligible Directors, taking into account the purpose of the Plan, the position of each Eligible Director, and other relevant circumstances. These claims will be contributed in kind, and in exchange, the Company will dispose of 6,597 shares of the Company's common stock as restricted shares.

<Overview of Restricted Stock Allotment Agreement>

In connection with the Disposal of Treasury Shares, the Company and the Eligible Directors will individually enter into a Restricted Stock Allotment Agreement (the "Allotment Agreement"), the overview of which is as follows.

(1) Transfer restriction period

The Eligible Directors must not transfer, pledge as collateral or otherwise dispose of the shares of the Company's common stock allotted under the Allotment Agreement (the "Allotted Shares") between July 18, 2025 (the payment date) and the date of their retirement as a Director of the Company.

(2) Conditions for lifting of transfer restrictions

The restriction on transfer shall be lifted for all of the Allotted Shares at the expiration of the transfer restriction period on condition that the Eligible Directors continued to hold the position of a Director of the Company during the period from the date of the Company's Annual General Meeting of Shareholders immediately preceding the payment date to the date of the Company's Annual General Meeting of Shareholders to be held the following year (the "Service Period"). However, if an Eligible Director resigns from the position of Director of the Company during the Service Period due to death or any other reason deemed legitimate by the Company's Board of Directors, the restriction on transfer shall be lifted on the day after the day of such resignation for the number of Allotted Shares obtained by multiplying the number of Allotted Shares by the number of months from the month following the month containing the start date of the Service Period to the month containing the day of such resignation, divided by 12 (any fraction of a share resulting from the calculation shall be rounded down).

(3) Acquisition without compensation by the Company

Upon the expiration of the transfer restriction period, the Company shall automatically acquire, without compensation, the Allotted Shares for which transfer restrictions have not been lifted.

(4) Management of shares

During the transfer restriction period, the Allotted Shares shall be managed in a dedicated account for restricted shares opened by the Eligible Directors at Daiwa Securities Co. Ltd. so that they may not be transferred, pledged as collateral, or otherwise disposed of during the transfer restriction period.

(5) Treatment in reorganization, etc.

If a merger agreement, under which the Company becomes the dissolved company, a share exchange agreement or share transfer plan, under which the Company becomes a wholly-owned subsidiary, or any other event related to a reorganization, etc., is approved at the Company's general meeting of shareholders (or the Company's Board of Directors meeting, if the reorganization does not require approval at the Company's general meeting of shareholders) during the transfer restriction period, the transfer restriction shall be lifted by resolution of the Company's Board of Directors at the time immediately preceding the business day before the effective date of the reorganization for the number of Allotted Shares obtained by multiplying the number of Allotted Shares held at such time by the number of months from the month following the month containing the start date of the Service Period to the month containing the day of approval of the reorganization, divided by 12 (if the calculation results higher than 1, the number shall be 1) (any fraction of a share resulting from the calculation shall be rounded down).

3. Basis of calculation and specific details of amount to be paid in

The Disposal of Treasury Shares will be conducted using monetary compensation claims provided to the scheduled allottees under the Plan as capital contribution assets, and in order to ensure that a value that is free from arbitrariness, the amount to be paid in will be 2,454 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on June 18, 2025 (the business day immediately preceding the date of resolution by the Board of Directors). This is the market share price immediately prior to the date of the resolution by the Board of Directors, and in the absence of any special circumstances indicating that the latest share price cannot be relied on, the Company believes that this is a reasonable price that appropriately reflects the Company's corporate value and is not particularly favorable to the Eligible Directors.