JAE Report 2025





Creating the future through “CONNECTION” technology

Global Corporate Slogan

Technology to Inspire Innovation

Contents

Chapter 1 **The Past and the Future of Value Creation at JAE**

At a Glance 3
Our History 5
Message from the President 7
Value Creation Process 11
JAE's Strengths 13

Chapter 2 **Value Creation That Leads to Innovation**

Stakeholder Engagement 15
Medium-term Management Plan (FY2021-FY2025) 17
Message from the Director in Charge of Accounting and Finance 19
Business Segments 21
Research & Development / Intellectual Property 25

Chapter 3 **A Sustainability Strategy for the Future**

JAE Group's Approach to Sustainability Management 27
Society 28
Environment 31
Corporate Governance 33
Roundtable Discussion with Outside Directors 37
Compliance 39
Risk Management 40
Directors, Auditors and Officers 41

Chapter 4 **Data**

Financial and Non-financial Highlights 43
On Publishing JAE Report 2025 45
Corporate and Stock Information 46

Here we will answer some questions that were frequently asked by our stakeholders.

Q1 ≫ P.7-10

Provide an overview of fiscal 2024 business performance and the main contributing factors.

Q2 ≫ P.17-18 P.21-24

What is the current situation of each main market and growth strategies for the future?

Q3 ≫ P.19-20

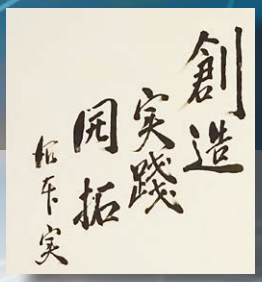
Provide details on the progress of financial strategies and shareholder return policy.

Q4 ≫ P.33-36 P.37-38

What initiatives are being implemented to strengthen corporate governance?

Q5 ≫ P.27 P.28-32

Provide information about your approach and initiatives related to sustainable management.



Corporate Philosophy

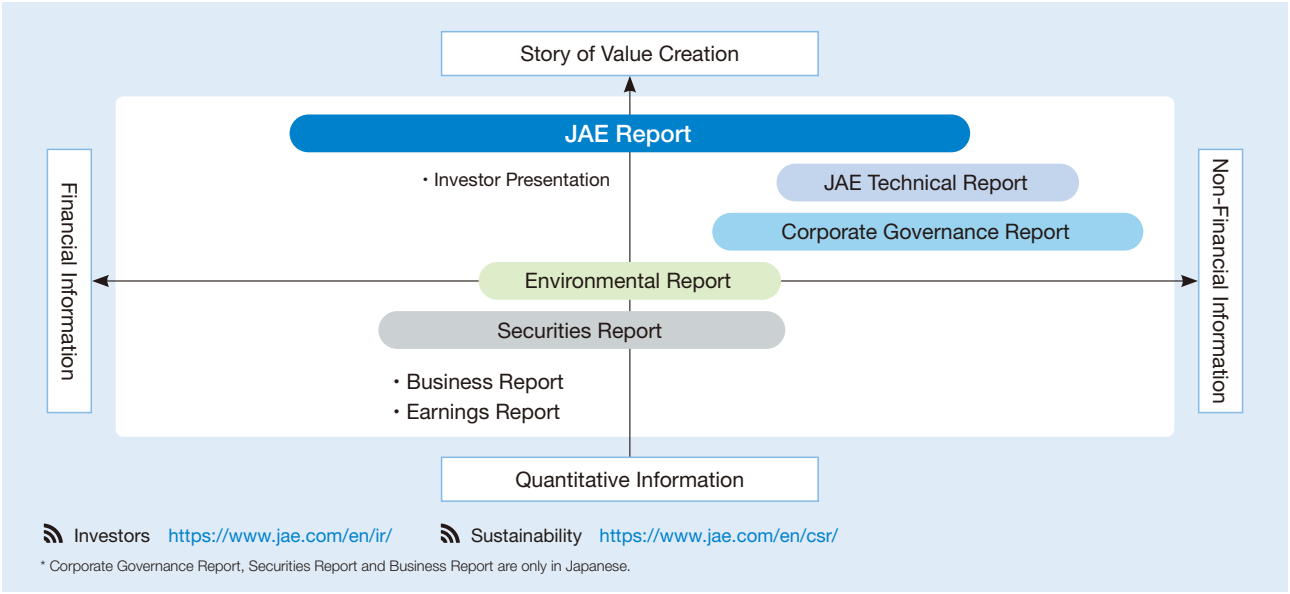
“Explore, Create and Practice”

In response to the boundless, changing needs of society, our duties are never-ending exploration and creation.
Business enterprise must essentially be like the earth as it spins and revolves through the boundless universe, in the midst of incessant change.
Exploration and creation are born in an environment of freedom and independence, and raised by relentless quest and actions which vigorously transcend barriers and difficulties.
Practicing this principle and further making contributions to society; this more than anything is the goal of our business, and the source of our development.

Basic Management Policy

JAE has promoted global business expansion based on the consolidated management of the JAE Group including all its subsidiaries; enhancement of global marketing and product development capabilities; and innovation of product quality and product creation, in order to gain a high level of trust as partners with its worldwide customers.

Disclosure Framework



* Corporate Governance Report, Securities Report and Business Report are only in Japanese.

Editorial Note	For the fiscal 2025 edition, a new “Stakeholder Engagement” section has been created, outlining our relationships with stakeholders and our engagement initiatives. The first roundtable discussion with outside directors was also held to provide a more grounded message to our readers.
Companies covered under the report	Japan Aviation Electronics Industry, Limited and 27 Group companies (of which 18 are consolidated subsidiaries)
Reporting period	FY2024 (from April 1, 2024 to March 31, 2025) Where required to provide the most recent information or compare with past performance, information pertaining to dates outside the stated period is also included.
Published	September 2025
Note	The plans, strategies, results forecasts and targets for the Company and its consolidated subsidiaries noted in this report are forecasts and targets as of the time of publication, and include risks and uncertainties. Note that actual results may differ greatly from the forecasts and targets due to various sorts of factors.

* All brand names and product names are trademarks and registered trademarks of their respective holders.

At a Glance

With three major business segments, “Connector,” “User Interface Solutions,” “Aerospace,” the JAE Group remains committed to providing the global market with innovative and creative technology and products.

Net sales

¥221.6 billion

(FY2024)

Operating profit/rate

¥15.6 billion

7.0 %

(FY2024)

ROE

8.9 %

(FY2024)

Global connector sales ranking

10 th in the world

(CY2024)

Source: Bishop & Associates, Inc.

Dividend per share

¥60

(FY2024)

Consolidated dividend payout ratio

34.9 %

(FY2024)

Greenhouse gas emissions reduction rate

64 %

(FY2024, compared to FY2017)

Number of group companies

28

(Including JAE)
(as of March 31, 2025)

Number of employees

10,154 people

(as of March 31, 2025)

Number of patents held

3,156

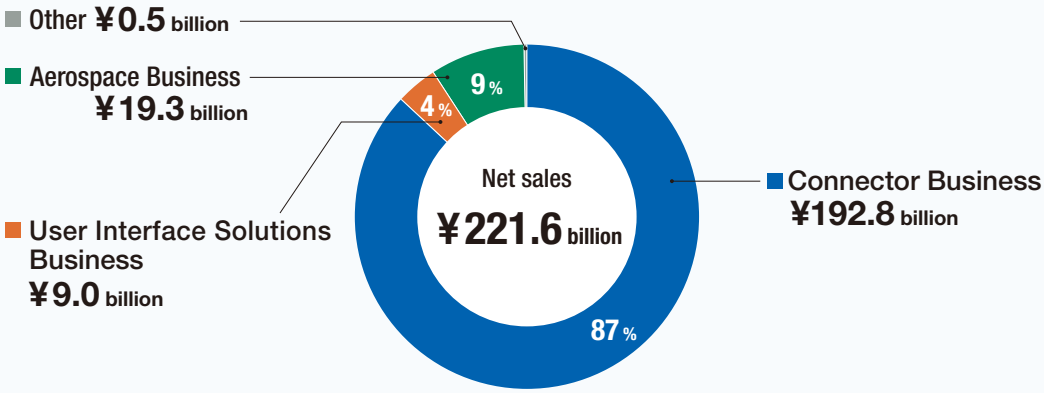
(as of March 31, 2025)

Number of industrial designs held

2,495

(as of March 31, 2025)

Sales by segment



Connector Business

▶ P.21

Connectors are key devices that provide links for electrical and optical signals. We, with advanced and reliable “CONNECTION” technology, support the evolving IoT-oriented society.

Automotive



Automotive USB3.2 Connectors



Floating Connectors

Industrial & Infrastructure



Waterproof Circular I/O Connectors



EV Charging Connectors

Mobile Devices

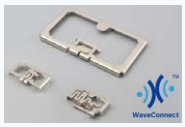


Fully-Shielded Stacking Type Connectors for Mobile Devices



USB Type-C® Connectors

Wireless



High-performance Surface-mount Antennas



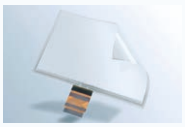
High-performance PCB and FPC Antennas

User Interface Solutions Business

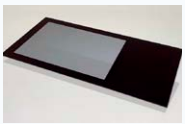
▶ P.23

We develop products for “connecting people and equipment” focused on input device technology and provide optimal solutions tailored to users and environments in which they are used.

Automotive



Capacitive Touch Panels for Automotive



Preventing Dirt and Low-reflective Panels

Industrial & Infrastructure



Robot Teach Pendants



Panel Units

Aerospace Business

▶ P.24

Since JAE’s inception, we have pursued “Motion Sensing & Control (technology to detect and control movement),” and been providing high-precision and high-reliability products that can operate under severe environmental conditions from deep sea to outer space using that technology.

Industrial, Infrastructure and Automotive

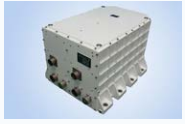


MEMS-IMU



High-thrust Vacuum-Compatible Linear Motors

Aviation & Space



Inertial Measurement Units for Launch Vehicles



High-reliability/Japan Quality Flight Controllers for Drones

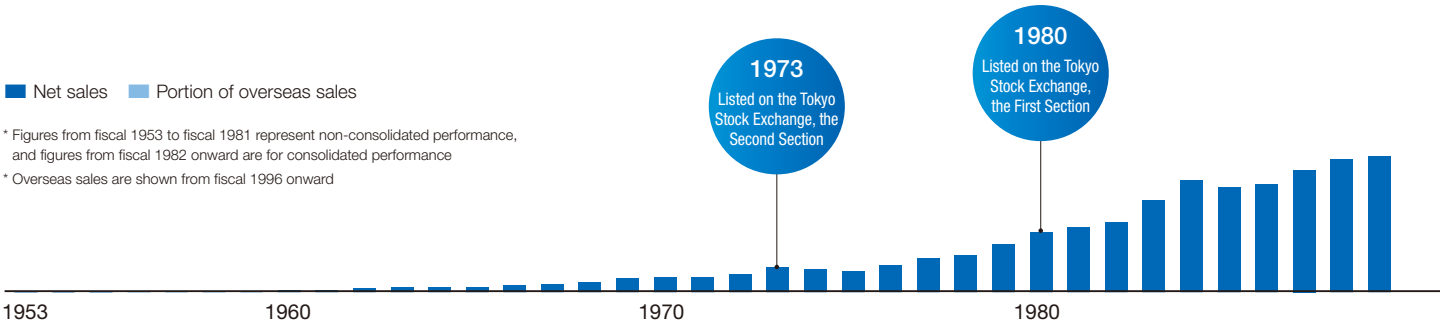
Our History

Since our founding in 1953, we have developed our business through a commitment to product creation, technology development and global marketing, underpinned by our corporate philosophy of “Explore, Create and Practice.” We will continue to create innovation to resolve social issues and contribute to achieving a better society, based on our global slogan of “Technology to Inspire Innovation.”



Minoru Numoto
Founder

As the first president of Japan Aviation Electronics Industry, he began the business with an order to repair a single transformer for a fee of five dollars. After this humble beginning, the business went on to win an annual contract in the face of fierce competition, as well as concluding a technology agreement with a major overseas company after he personally attended top-level negotiations. As demonstrated in these and other successes, his foresight and outstanding ability to take action laid the foundation for the company as it is today. As president and as chairman, he took responsibility for the management of the company for more than 20 years, and established its basic approach as a corporation, which was his another significant achievement. On the occasion of the 20th anniversary of our founding, then-chairman Numoto set out the corporate philosophy of “Explore, Create and Practice” with the aim of ushering in the next phase of development for the business, and these concepts have been passed down unbroken to the present day.



1953
Founding



Connectors

In August 1953, JAE was established with the aspiration of contributing, through electronics technology, to the aerospace industry era that was sure to come to Japan in the future. It commenced business based on an electronic equipment repair contract with the US Far East Air Force, which at the time used a large amount of state-of-the-art electronic equipment, and through this business, focused on the importance and potential of connectors used in aviation electronic equipment. JAE began importing and selling connectors under technical license agreement with US-based Cannon Electric Co., and then began manufacturing its own connectors after acquiring the technology.

1960s
Establishing the foundations for our three core businesses



Gyroscope package

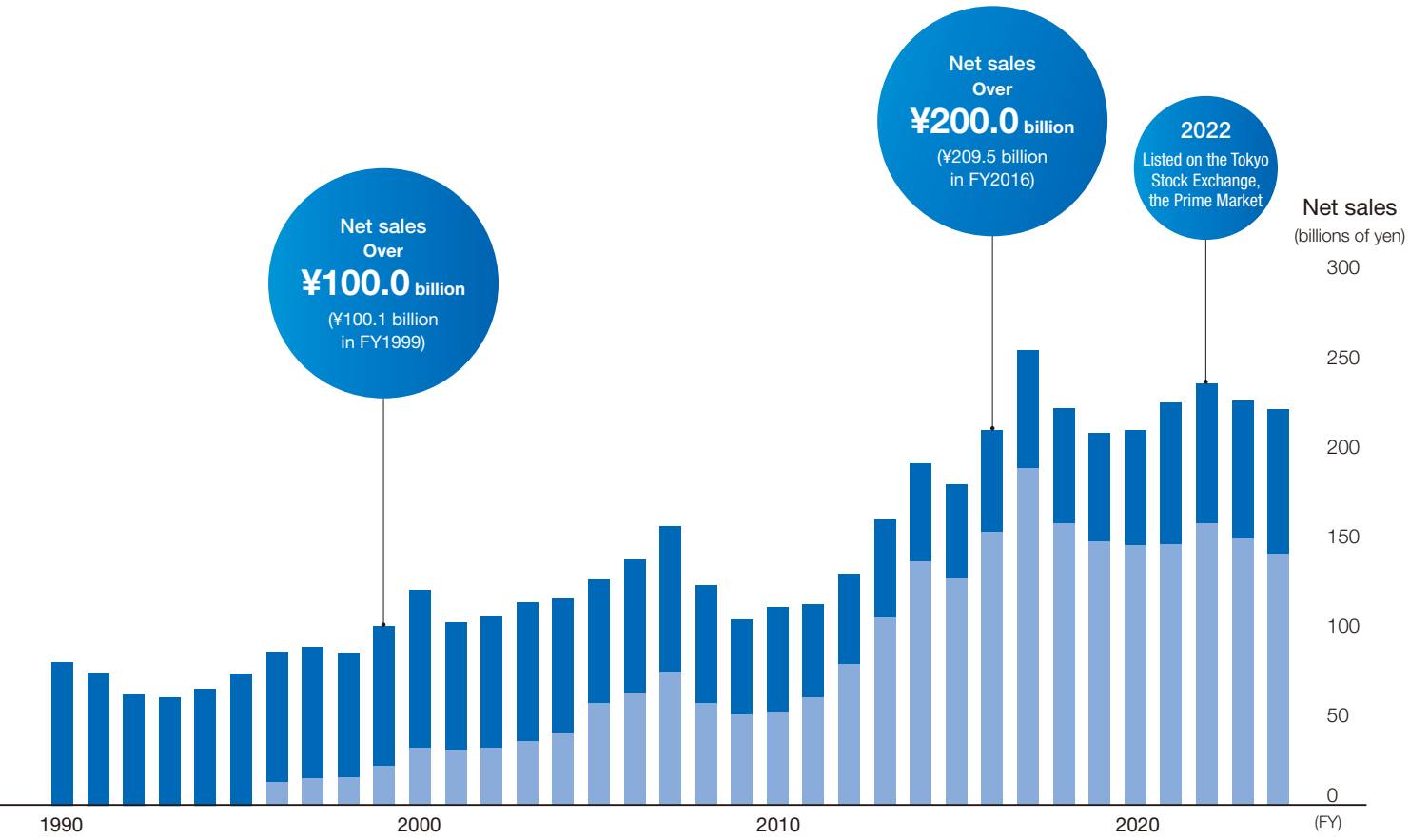
In 1961, we signed a technical assistance agreement with US-based Honeywell and began manufacturing equipment such as gyroscopes and autoflight systems for aircraft, which became the foundation of our current Aerospace Business.
Our connectors started to being used across a broad range of fields, including wireless communication equipment and machine tools around 1960, and we began manufacturing electrical connectors for Shinkansen in 1963.
In 1962, the Company began manufacturing contactless switches and relays, which later led to the formation of its current User Interface Solutions Business. Thus, the foundations for our three core businesses were developed.

1970s and 1980s
Expansion overseas

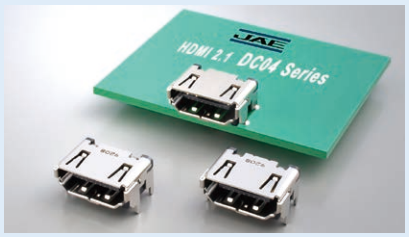


JAE Electronics (when established)

In 1977, we established our first overseas subsidiary, Zet Marketing Company (present JAE Electronics, Inc.) in the US state of California, followed by establishing production and sales bases in Taiwan and production bases in Oregon in the US in the 1980s. In the 1990s, we accelerated the global expansion by establishing production and sales subsidiaries in Hong Kong, Singapore, South Korea, the Philippines, the United Kingdom, and China (Wuxi, Wujiang, and Shanghai).
Net sales exceeded ¥10.0 billion for the first time in 1973, and we were listed on the Tokyo Stock Exchange, the Second Section. Subsequently in 1980, we were listed on the Tokyo Stock Exchange, the First Section.



1990s and 2000s
Growth with the ICT device market



HDMI2.1 compatible connectors

In response to the spread of mobile phones, notebook PCs, and digital TVs from the late 1990s, we have contributed to the informatization of society by developing and manufacturing connectors that take advantage of our strengths in high-speed transmission. An example of this is our participation in the development of the HDMI™ standard that is commonly found on digital televisions and other devices. As the design we proposed became adopted as a standard, we were able to quickly release connectors compatible with the standards that was widely adopted by many consumer electronics manufacturers. JAE received an Emmy Award in 2009 in recognition of its contribution to the spread of digital broadcasting.

2010s
Rapid growth of business



JAE Hirosaki, which has expanded its production system (photographed in 2013)

In the mobile device market, the connector business for smartphones achieved significant growth on the back of large-scale investments for establishing mass production systems. In the automotive market, we moved ahead with enhancing our lineup of connector products for information and communication systems as well as safety systems, and strengthened production systems for expanding business overseas, as well as commercializing capacitive touch panels for automotive applications. For businesses like these, we increased production capacity in each of our business lines, and made efforts for promoting in-house manufacturing, automation, and labor-saving initiatives.

2020s
Efforts toward sustainability growth



Going forward, JAE will continue to create value by harnessing its strengths with respect to its technology development capabilities and manufacturing capabilities with a focus on the following five key areas where it is able to contribute to solving social issues through its business activities: Connected Society, Safe Mobility, Clean Energy, Industrial Innovation, and Air, Space and Ocean. We will continue to provide innovative and creative technologies and products under our corporate philosophy of “Explore, Create, and Practice.” Specifically, we will expand our lineup of high-current connectors and charging plugs for EVs for toward a decarbonized society.

Message from the President



村木正行

Masayuki Muraki
President (Representative Director)

Boosting our technological development potential and aiming for medium- to long-term regrowth in global markets

Embarking on a path toward renewed growth amid rapidly evolving business environments

Former Chairman Tsutomu Onohara retired in June 2025, and I took on the role as the only representative director. In this capacity, I feel a fresh sense of responsibility as the president. The business environment that our group operates in is currently undergoing significant changes as the trends take hold on a global scale, and there is no denying that our business performance is becoming stagnant as a result. To break free from such circumstances, we now need to take steps toward achieving regrowth. I will convey in a clear manner to all our employees the message that it is required to achieve balance with our portfolio toward regrowth, and clearly outline the steps we need to take to achieve this, to ensure that we all move ahead in the same trajectory.

Making global markets a source of growth to make a breakthrough

We achieved sales of ¥221.6 billion in fiscal 2024, a drop from the previous year. I am thinking of two areas to focus on to make a breakthrough and aim for regrowth.

The first is to achieve a balance of our market portfolio, considering the major impact caused by the end of life of certain products as a factor behind our recent sluggish performance.

We will continue expanding businesses in the automotive market that has promise for significant growth potential, while also focusing on developing overseas markets in the industrial & infrastructure markets, and expanding our businesses in the defense & space market over the medium- to long-term perspective. Going forward, we will also continue making efforts to secure state-of-the-art development and manufacturing technologies for the mobile device market.
In our main Connector Business, sales of automotive connectors have grown to make up half of total sales. This has great potential as a segment we can continue approaching with our technological capabilities, and a closer look at the region suggests that there are still many markets with room for expanding business, such as China, Europe, United States, and India, where we established a sales base in 2025.
Products for industrial equipment are currently mainly sold in Japan, so it will be essential to increase sales overseas—an area we have not been actively approaching. Given that this is a long-cycle market, I feel that we need to move ahead with initiatives from both short-term and long-term perspectives.
For aviation & space, given that the market environment is positive due to factors such as greater defense spending, I think that the areas where we will be able to leverage the technological capabilities and product strengths we have built up so far are expanding. We will continue boosting our technological capabilities and enhancing our production systems to ensure growth of our business over the medium- to long-term span.

We are aware that the market for mobile devices has a high level of volatility, and fast product cycles and tough price competition mean the challenge lies with how to increase sales. In contrast, this is also a segment where we can strengthen our technical and management capabilities, and this is something that we will continue working on.
I view the investment in fundamental technologies over the medium- to long-term perspective as necessary to achieve growth in each market. To enhance our technological development capabilities, we will be focusing more on investing in fundamental technologies and leverage them to develop advanced technologies. These will be crucial investments, not only for our medium-term management plan, but also for the future, for honing our underlying structure so that we will be able to continue manufacturing high-quality products over the medium to long term. These initiatives will come to fruition over a medium to long time span, but we will move ahead with a sense of determination to achieve positive results.
To generate funds necessary for investments, we repaid the loans we took out for the tender offer for our own shares in fiscal 2023 ahead of schedule to improve our balance sheet in fiscal 2024. We will continue generating cash via initiatives aimed at boosting corporate value as we set forth in our medium-term management plan. While returns on investments in growth areas will not be achieved for several years, we are planning to move ahead with taking a balanced approach to strengthening our financial base and returning profits to shareholders during that time.

Strengthening our marketing and technological development capabilities even further

The second key area of focus is strengthening our marketing capabilities and the technological development system supporting it. Naturally we are confident in our own technological development capabilities, but I feel that, to achieve growth over the medium to long term, more energy and execution abilities than ever before will be required for both technological development and marketing.
To achieve this, we will be focusing on “enhancing development efficiency” and “external collaboration.”
To enhance development efficiency, the first step will be

Progress of M&A and alliances

Establish a dedicated team, led by executive officer, to execute M&A and alliances

Fields	Progress
Connectors Automotive	▶ **Collaborate in optical technology for AI computer integration with AIO Core** Promote the development of in-vehicle AOC, currently in prototype evaluation ▶ **Establish JAE Electronics India as a joint venture with Nagase** Accelerating Expansion of Automotive Business in India
Connectors Industrial & Infrastructure	▶ **Business alliance with Waka Manufacturing** Leverage mutual strengths in manufacturing and technology for coaxial connectors to capture growing demand ▶ **Joint development of high-speed transmission products with Yamaichi Electronics** Jointly develop an internal cable connector compatible with 224 Gbps for data centers
Aerospace	▶ **Joint development with Ookuma Electronic** Joint development of tilt stages for semiconductor manufacturing and inspection equipment ▶ **Strategic collaborations and alliances in the oil drilling and semiconductor manufacturing equipment markets** Being considered for expansion of product lineup

Message from the President

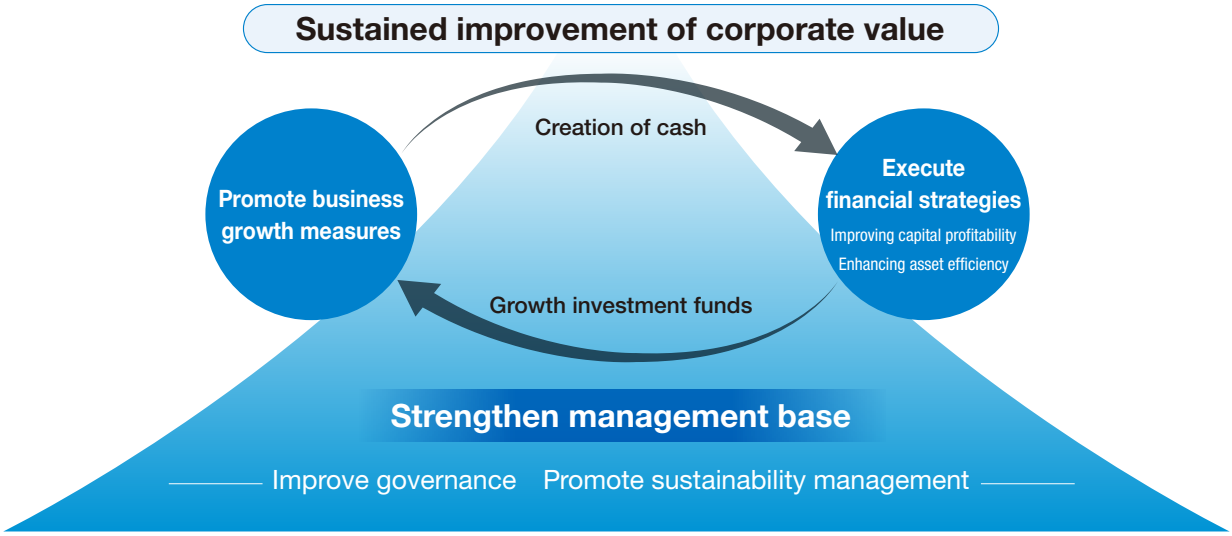
clarifying the areas to focus on and the areas we will pull out from. While this will prove to be a very difficult decision, making proper decisions at the executive and department head level will allow us to efficiently concentrate our resources, such as development and sales, on the key areas. We will also roll out DX-driven improvements to operational efficiency for maximizing employee power in these key areas.
We will actively work on “External collaboration” to seek knowledge that we do not have from external sources. We have been forging alliances with other companies in recent years, with an example from October 2023 including entering into a capital and business alliance with AIO Core Co., Ltd. for jointly developing automotive AOC (Active Optical Cables) with the view to advancing optical in-vehicle networks. We are also moving ahead with collaboration with external partners in various areas of development, production and sales—joint development with Yamaichi Electronics Co.,Ltd. of high-speed transmission-compatible internal cable connectors for the communications market, business alliance with Waka Manufacturing Co.,Ltd. for the high-frequency coaxial connector business, and joint development with Ookuma Electronic Co.,Ltd. for the joint development of tilt stages targeting semiconductor manufacturing and inspection equipment.
We are planning to continue drawing on such partnerships and ensure we remain a company with exceptional technological capabilities.

Making progress towards sustainability management

Achieving sustainable growth for our Group requires working on resolving social issues through our business activities, and in that light, it is also important to respond to risks and challenges. When it comes to risk management, our Corporate Risk Management Committee verifies risks and shares information, and holds appropriate discussions on reviewing risks at business and staff departments. With the current business environment, I think that geopolitical risks—like additional tariffs being imposed by the US government—are significant, and we need to think about the direction our Company should be taking on the global stage. We also operate production bases in the United States, so we will consider whether increasing their use is necessary.
As a business operator, I have to think about long-term factors, while making a range of minor adjustments during the process. Yet unless exceptional circumstances are present, we will not be making any changes to the fundamental approach we are taking. Whenever there is a new product development project, it is up to staff at work to decide on where to proceed with production, but they are unable to make a decision if the basic policy remain unclear. In light of this, I think it is necessary for the management team to outline clear policies so that employees have a sense of security in going about their tasks.
An example that illustrates this is that establishing integrated business structures in key markets is one of our core pillars—our base in China manufactures products that are available for sale in the Chinese market. We concluded an agreement with Nagase & Co., Ltd. in January 2025 to establish a joint venture for increasing sales of connectors for motorcycles and automobiles in India, and commenced operations in July. In addition to increasing sales of connectors for motorcycles and automobiles in the rapidly expanding Indian market, we will be working with local partners to develop production systems and strengthen supply chains.
Our Group also considers countermeasures against climate change to be a key issue and is working on reducing environmental impact through measures such as reducing CO_2 emissions, and we are also focusing on introducing renewable energy. At our production sites in Japan, we have completed switching over to 100% renewable energy, and we have installed solar power generation facilities on the roof of our Akishima Plant. While we are promoting the use of renewable energy, the challenge remains with how to reduce the use of electricity—we are planning on replacing machinery with energy-efficient models as well as developing energy-efficient manufacturing equipment in-house.
We are aware that meeting Scope 3 targets is also important for reducing CO_2 emissions. We are already focusing on revising the methods used for product packaging, reusing materials, changing methods for transporting products, and shortening transportation routes between suppliers, our Company and customers, but we also need to take a closer look at reviewing the materials used in the actual products.
We will keep conducting various studies and focusing on reducing environmental impact throughout our entire supply chain, including our business partners.

Strengthening governance even further by incorporating diverse proposals

We will be increasing the number of outside directors from fiscal 2024, and will operate a structure comprising five internal directors and five outside directors, two of whom are females. We have also appointed two outside statutory auditors. I personally feel that outside directors make for a very important advisory board, and the three executives who were appointed as outside directors in fiscal 2024 have management experience in manufacturing, specialize in business administration with experience in the finance industry, and have backgrounds as lawyers—they will be able to draw on perspectives and insights that are not available by executives internally.



A Nominating and Compensation Committee was also established in fiscal 2024, which plays a key role in ensuring that fair and equitable decisions are made regarding nominations and compensation. The outside directors have provided their advice through the discussions we have engaged in over the past year, and looking ahead we will continue to hone the approach we will take. They provide opinions in an active manner in the fields they specialize in, and the range of proposals that draw on their experience are viewed as extremely important factors for management. I feel that we need to continue appointing outside directors with diverse career backgrounds so that we can continue receiving valuable proposals like these.

I also think that the opinions of our shareholders are crucial for boosting our corporate value, and we are always open to receiving feedback. We recognize the governance from all our stakeholders, including the human resources market, business partners and local communities, and we will focus on enhancing corporate value by establishing an even better management system.

Growing into a company delivering value to all our stakeholders

Our businesses have experienced a multitude of ups and downs through our extensive history. Fiscal 2024 resulted in a very challenging environment, but I feel that we were able to strengthen our technical and management capabilities during the year. I sincerely hope that we will be able to fully harness this experience and blossom into a company that brings value to our stakeholders with the results of the approach that we have implemented to address our sluggish performance over the past few years, starting from 2026.

We view all our shareholders, employees, customers, business partners, and local communities as vitally important stakeholders, and I am seeking to create a company that grows to deliver value to everyone involved. Looking forward, I ask for your continued support as we set out to achieve sustainable growth in the future.



Value Creation Process

Technology to Inspire

Social issues

- Transition to a recycling-oriented society
  - Progress of decarbonization and effective use of resources
- Declining labor force in major countries
- Digitization and advancement of AI

Inputs

Financial capital
- Equity ratio: **62.0%**
- Net assets: **¥133.7 billion**

Human capital
- Number of employees: **10,154**
- New graduate hires: **76 (JAE only)**
  including 19 female hires (joined JAE in April 2025)

Intellectual capital
- R&D expenses: **¥11.3 billion**
- Number of patents: **3,156**
- R&D collaboration with universities and research institutes

Manufacturing capital
- Capital investment: **¥18.0 billion**
- Manufacturing bases: **6 companies in Japan and 6 companies in foreign countries**
- Production technologies accumulated through in-house manufacturing

Social capital
- Group companies: **28 (including JAE) 12 companies in Japan and 16 companies in foreign countries**
- Long-term, strong relationships with major global companies that are top players in their segments

Natural capital
- Electricity consumption: **201,180MWh**
  including the amount of power derived from renewable energy sources **141,701MWh**
- Water usage: **615,417m³**

* Unless otherwise noted, figures are for fiscal 2024 or as of March 31, 2025.

Business process

Co-creation

We leverage our resources and abilities to contribute to the custon



Strategies

Medium-Term Management Plan

Platform to support value creation

Charter of

Corporate

Innovation

er's innovation

Manufacturing and quality assurance

Outputs

Connector Business



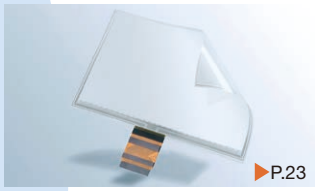
▶P.21

USB Type-C Connectors

Examples of products in which our technologies are utilized

- Smartphones and PCs
- Automotive
- Industrial robots

User Interface Solutions Business



▶P.23

Capacitive Touch Panel for Automotive

Examples of products in which our technologies are utilized

- Automotive
- Industrial equipment
- Medical equipment

Aerospace Business



▶P.24

Accelerometer

Examples of products in which our technologies are utilized

- Semiconductor manufacturing equipment
- Automotive
- Aircraft
- Rockets

Outcomes

Economic value

Financial capital

- TSR over the past 5 years: **217.8%**
- Annual dividend: **¥60/share**
- Dividend payout ratio: **34.9%**

Social value

Human capital | Intellectual capital | Manufacturing capital | Social capital | Natural capital

- Ratio of female managers: **3.8% (JAE only)**
- Number of certified skilled workers: **842**
- Development of products and technologies to meet diverse global needs
  - Creation of competitive products
  - Number of patent applications: **312**
- Establishment of global manufacturing bases
- Improvement of our production capacity to meet growing demand
- Contribution to the economic stability and growth of local communities and business partners
- Contribution to innovation and sophistication of customer products
- Maintenance of ISO certificates
- Greenhouse gas emissions reductions (Scope 1 and Scope 2) **38,434t-CO_2**
  64% reduction compared to FY2017
  (on a global production basis)
- Waste and valuables generated **7,523t**
  Recycling rate **99.9%**
  (domestic group companies)

Impact

We are creating social value through collaboration with customers through five areas:

Connected Society

Healthy and comfortable society where the people in the world are connected with each other

Safe Mobility

Safe and secure mobility society

Clean Energy

Society with environmentally-friendly energy

Industrial Innovation

Efficient and safe production activities

Air, Space and Ocean

Frontier exploration in aviation, space, and ocean

Corporate Behavior https://www.jae.com/en/csr/charter/

Philosophy “Explore, Create and Practice”

JAE's Strengths

Since the founding of the JAE Group in 1953, we have developed our business through a commitment to product creation, technology development, and global marketing, underpinned by our corporate philosophy of "Explore, Create and Practice." By innovating productivity through the comprehensive in-house manufacturing, labor-saving, and automation cultivated in our history of over 70 years, and providing unique products through the development of cutting-edge technology to meet customer needs, we are co-creating with our customers to achieve innovations that contribute to society, and lead to enhanced corporate value.



Technology development

Establishment of cutting-edge technology and the promotion of product development through continuous R&D investment

Enhancement of technological capabilities through external cooperation, such as research into next-generation elemental technology via industry-academia collaboration

+

Product creation

Productivity innovation through in-house manufacturing, automation, and labor-saving efforts

Enhancement of the evaluation and test system to ensure highly reliable products are provided to customers

+

Global marketing

Co-creation with global leading companies based on partnerships

Contributions to formulating global standards

The JAE Group has worked on R&D in order to open new doors that will realize innovation for society and customers as a technology and product creation company, through its core technologies of connection, user interface, and motion sensing and control. Furthermore, we are working on R&D of manufacturing technologies with the aim of shifting toward smart factories and innovating manufacturing.



Development of advanced technologies, and joint research

New product development, and establishment of manufacturing technologies

Research & development through industry-academia collaboration

Having signed an Industry-Academia Collaboration Research Consortium agreement with the Institute of Industrial Science of the University of Tokyo in 2019, we are actively promoting research activities founded upon academic knowledge, as well as developing R&D human resources. Once research activities have been concluded for a particular theme, within the Company we work toward its practical application and commercialization. Additionally, we are accelerating the pace of technology and product development by acquiring advanced technologies and joint developments through alliances.

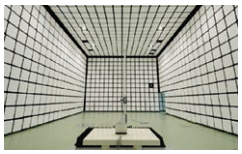
Our production sites in Japan and overseas operate 24 hours a day, seven days a week. In addition, we have established a robust production system through thorough in-house manufacturing, automation, and labor-saving, using facilities of our own design. We are strengthening and enhancing our evaluation and test system in order to fully respond to ever-increasing demands for quality and reliability from our customers. Our Integrated Evaluation & Test Laboratory at the Akishima Plant has over 100 units of testing equipment, with which we efficiently conduct advanced tests such as electrical, environmental, and mechanical tests.



Facilities of our own design for in-house manufacturing



Evaluation facilities centralized at the Integrated Evaluation & Test Laboratory

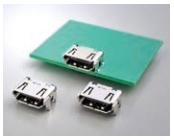


RF Anechoic Chamber

Imparting and inheriting manufacturing technologies

As a part of strengthening our manufacturing capabilities, we established the Global Techno-Center in 2005 with the aim of passing on technology and skills,and are providing group-wide technical guidance between the Akishima Plant and overseas production subsidiaries. We are currently also setting up independent Techno-Centers within domestic production subsidiaries. Since 2013, we have had in place a Financial Incentive System for Acquiring National Trade Skill Test certificates, and are both offering incentives and developing a training system to support the acquisition of certification.

With our growth achieved by forging partnerships with the world's leading companies, we have coordinated efforts between our head office and overseas sites, and developed products catering to the technological trends and customer requirements in various regions, which led to business expansion. We have also been involved in the establishment of global standards such as HDMI and USB Type-C.



HDMI connectors



USB Type-C connectors

Expanding compatible standards for EV charging connectors

We were involved in the planning and development of the CHAdeMO standard for EV fast charging, which originated in Japan. We are also building up our range of products that are compatible with standards used in each region, and have already started selling products for the CCS1 and CCS2 standards that are widespread throughout Europe and the United States. Plans are also in place to begin mass-production of products compliant with the new NACS standard developed in North America, and we focusing efforts to expand business globally by leveraging this lineup.



EV charging connector compliant with the CHAdeMO standard

Stakeholder Engagement

Under JAE Group Charter of Corporate Behavior, our Group will continue to expand efforts to maintain a fair profit, increase corporate value, and contribute to sustainable growth in society, based on our corporate philosophy "Explore, Create and Practice." At the same time, as a good corporate citizen, we will abide by relevant laws and rules and fulfill social responsibilities toward customers, employers, business partners, stockholders and investors, and other related persons in the community at large.

Our Multi-Stakeholder Policy can be found here: https://www.jae.com/csr/multi-stakeholder/ (in Japanese)

Stakeholders	Relationship with Our Stakeholders	Stakeholder Expectations and Interests
 Customers	Since our founding in 1953, we have developed our business through a commitment to product creation, technology development and global marketing, to supply unique products that meet the needs of customers. Drawing on the trust built up with our customers, we will generate new value together in our pursuit of sustainable growth. We will continue working on innovation contributing to society through co-creation.	• Product proposals contributing to innovation of customers • Development and launch of products that meet the needs of customers in a timely manner • Improve product value through the pursuit of advanced technologies • Reliable supply of high-quality products • Compliance with customer procurement standards • Initiatives for respecting human rights throughout supply chains, efforts for addressing environmental risks and ensuring occupational safety and health
 Employees	We are promoting efforts to achieve a work environment where diverse human resources are able to take part. We respect the individuality of each employee, support them in harnessing their abilities to the utmost, and maintain a safe and comfortable work environment. We are aiming to grow together toward a better future.	• Diversity promotion • Human resources development • Development of work systems • Ensure workplace safety • Respect of human rights
 Suppliers	We focus on the environment and human rights throughout our supply chains, and are aiming to achieve sustainable procurement. By coordinating efforts closely with our suppliers, we are building mutually beneficial relationships and moving forward with initiatives aimed at conserving the environment and improving working conditions. Drawing on this relationship of trust, we will work together to create innovative solutions and achieve sustainable growth.	• Transparent, fair and equitable transactions • Initiatives for respecting human rights throughout supply chains, efforts for addressing environmental risks and ensuring occupational safety and health • Stable procurement
 Shareholders and Investors	We are focusing on enhancing mutual understanding by engaging in constructive dialogue with our shareholders and investors. We are ensuring transparency of our management by regularly disseminating corporate information and ensuring that fair and appropriate information is disclosed in a timely manner. Feedback from our stakeholders will be used as a reference throughout the Company, including management, with the aim of achieving sustainable growth and boosting corporate value.	• Enhanced corporate value • Timely, accurate and fair disclosure of information • Strengthened corporate governance • Stable shareholder returns • Achieving return on capital exceeding the cost of capital
 Local communities	We are focusing on coexisting with local communities, and are actively involved in a diverse range of social contribution activities. Understanding the needs of local communities and enhancing engagement with residents will help us support revitalization of communities. We are also focusing on environmental conservation activities, and are contributing to the protection of the natural environment and sustainable development. Through initiatives like these, we are aiming to develop together with the community and build an even better society.	• Conservation of natural environments and biodiversity • Community contribution activities • Maintaining and creating employment

Methods of Dialogue (Engagement)	Initiatives
• Sales activities • Exhibitions, product presentations • Joint research and development • Website, social media • Product information	• Establish a customer service center • Set up booths at exhibitions • Conduct company policy briefing sessions, product presentations, and factory tours for distributors • Receive letters of appreciation from customers for achieving quality targets, ensuring reliable supply of products, and meeting delivery schedules
• In-house magazine, company portal • Self-assessments and training systems (goal management, two-way management) • Interviews, roundtable discussions • Stress checks, engagement surveys • Internal reporting system, consultation hotlines • Training	• Hold roundtable discussions with female managers, meetings between new employees and the president • Training programs by job level tailored to the experience and role of each employee, as well as training by function to further deepen specialist knowledge • Financial Incentive System for Acquiring National Trade Skill Test Certificates • Promote small group activities • Promote cultural and sports activities of employees (company sports days, exhibitions of paintings and calligraphy works as company cultural festivals) • Engage in dialogue with labor unions (discussions between labor and management about occupational safety and health, working conditions, business conditions, etc.)
• Formulation of “Sustainable Procurement Guidelines”, “Green Procurement Guidelines”, and “Supply Chain BCP Guidelines” • Supplier surveys • Business trend briefing sessions for suppliers • Announcement of the Declaration of Partnership Building • Disclosure of Multi-Stakeholder Policy	• Promote initiatives to reduce environmental impact throughout the entire supply chain • Conduct visits for educational activities and implement surveys to ensure business partners understand the significance of sustainable procurement and BCP • Conduct regular supplier briefing sessions
• Earnings briefing and small meetings for institutional investors and securities analysts • 1-on-1 meetings • Shareholder’s meetings • Website (Investors section) • JAE Report (Integrated Report), Annual Securities Report, Business Report • Disseminate information on social media • Respond to external evaluation agencies, etc.	• Hold constructive dialogue with shareholders, investors and securities analysts • Provide feedback and assessments acquired through IR activities to management • Disclose information to promote communication with shareholders and investors • Enhance disclosure of ESG-related initiatives
• Reducing environmental impact • Environmental conservation activities • Community volunteer activities by employees • Participation in and sponsorship of events in local communities	• Activities contributing to reducing environmental impact and environmental improvements in production and business operations • Coordinate with local communities for health and welfare activities • Conduct cultural activities and community revitalization initiatives with partnerships • Provide educational support by participating educational workshops and accepting factory tours of local school

Medium-term Management Plan (FY2021-FY2025)

The business environment in which JAE operates is in a period of great transformation as reflected by the progress toward global decarbonization, full-fledged penetration of 5G (5th Generation Mobile Communication System) and advances in digitalization and AI. Amid these changes, in April 2021, JAE announced the Medium-term Management Plan ending in fiscal 2025, which commits to contributing to society in its business activities through its products and technology development capabilities and aims to achieve growth as a company. Moreover, in April 2022, the Company added sustainability management to its basic strategies and formulated a target of a reduction in greenhouse gas emissions.

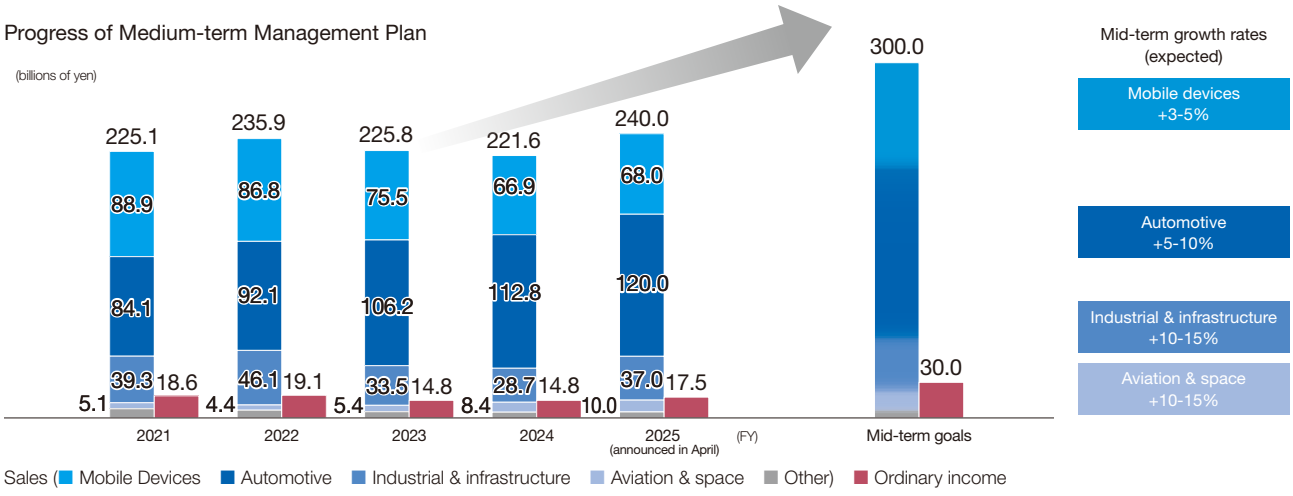
Basic Strategies

- Achieve growth by capturing changes in the three focused markets and strengthen technology development capabilities and product creation
- Plan growth toward 2025 through a combination of growth in three core businesses and launching of new business domains
- Aim for sustainability management and strengthen our foundation for sustainable growth

Goals and Progress

Performance in fiscal 2024 grew in the automotive market with continued sales of ADAS harnesses, while sales in the aviation & space market increased substantially by 55% year-on-year due to an increase in defense spending. Meanwhile, there was a decreased in sales from the previous year for mobile devices that were affected by the decline in sales of specific products that became EOL at the end of fiscal 2023, as well as for the industrial & infrastructure market that was affected by the delayed recovery of the FA and machine tools markets and the decline in oil drilling, resulting in a 2% decrease year-on-year of company-wide total sales.
When it comes to profits, while there has been downward pressure due to factors such as the decline in sales and increase in material costs, operating profit increased due to factors such as the exchange rate that shifted to a weaker yen and improved profitability with appropriate pricing. In contrast, ordinary profit remained on a similar level to the previous year, while net income decreased due to the exclusion of exchange gains and extraordinary profit from the sale of land in fiscal 2023.
While we announced new targets for fiscal 2025, the final fiscal year, of net sales of ¥260 billion and ordinary profit of ¥24 billion in April 2024, we are currently revising our plans due to subsequent changes in market conditions. The causes of this were market factors—the aviation & space market steadily increased, but demand for other markets declined and there was a delay in the recovery of the industrial & infrastructure market in particular—which affected our three businesses. Our Company is also currently facing delays in securing the fruits of reinforcing our business system in the mobile device market.
While there is uncertainty ahead for fiscal 2025 due to factors such as the impact on the global economy of additional tariffs by the US government, we will take measures such as optimizing our production map and supply chain, and negotiating appropriate pricing with customers. We will aim to achieve sales growth in each of our four focus markets by seizing the opportunities that changes in required technologies bring. We have been also working to reduce greenhouse gas emissions, and steadily reduced emissions in fiscal 2024.
We will continue reducing emissions by fiscal 2030 to 75% compared to that of fiscal 2017 levels and achieving our target of carbon neutrality by fiscal 2050, by utilizing renewable energy and implementing energy conservation measures.

Progress of Medium-term Management Plan



Future Initiatives

We are targeting growth in each of our four markets, including the aviation & space market that we have focused on anew in fiscal 2024, and are also working on releasing products, expanding our customer base and reinforcing business units in each market.

Mobile Devices Market

We are working on boosting our market share of smartphones in the mobile device market by working on developing systems enabling the timely release of complex, advanced products. We will be achieving regrowth for the smartphone market that is undergoing constant innovation, by strengthening our equipment development capabilities and launching products efficiently, from prototype through to mass-production. The USB Type-C business that increased substantially during fiscal 2024 is aiming to achieve continued growth by increasing its share in the high value-added product field that it has already entered, as well as expanding its product lineup including PCs, wearable devices and industrial equipment where market expansion is anticipated in the future.



Automotive Market

We are strengthening our efforts toward cultivating overseas customers as a new growth driver in the automotive market. In the Indian market that is anticipated to continue growing significantly, we are focusing on expanding our customer base—including local Indian manufacturers—using the sales joint venture we established in March 2025, while simultaneously examining the development of a production framework. In North America and China, multiple products have been adopted by EV customers, and we will work to steadily launch these products and further strengthen our local operations. In the User Interface Solutions Business, we will be shifting our business model through the development of applications for film heaters leveraging the touch sensor wiring technology we have cultivated so far.



Industrial & Infrastructure Market

In the industrial & infrastructure market, we are aiming to achieve growth that exceeds the pace of market recovery by capitalizing on the market recovery and acquiring adoption in new devices from existing customers and projects from new customers through expanding our product offerings in alignment with current technological trends. For EV chargers, we will be expanding our product lineup to suit the standards used in each region, and move ahead with customer acquisition at overseas markets in particular. In the User Interface Solutions Business, we are developing production systems for expanding control panels for machine tools and pendants for robots, as well as moving ahead with lateral expansion of capacitive display units to suit advances in interfaces for industrial robots. In the Aerospace Business, we are working on increasing added value and expanding sales channels and customers—including peripheral equipment and products that we have not been involved with in the past—by leveraging cooperation and alliances related to sensors for oil drilling and linear motors for semiconductor manufacturing equipment.



Aviation & Space Market

Growth in the aviation & space market increased substantially during fiscal 2024, and we will focus on developing production systems capable of meeting increasing demand and improving productivity, with the view to achieving annual sales of ¥10 billion. We are also boosting efforts for expanding sales for future projects, such as establishing a development system in anticipation of taking part in new equipment programs for strengthening defense capabilities, with the aim of achieving continuous growth in light of increasing defense spending.



Investment Strategy

As our product lineup changes, we are determined to build optimal manufacturing systems, such as strengthening production capacity for markets for which growth is anticipated, and reorganizing production maps. For equipment and facilities, we will make efforts to reduce costs and space, and promote automation and labor-saving to improve investment efficiency.

In terms of M&A and alliances aimed at securing new markets and technologies that we are aiming to achieve by fiscal 2025 as growth investments, in April 2025 we established a dedicated team headed by an executive officer, for exploring and studying projects.

Message from the Director in Charge of Accounting and Finance



Accelerating growth investments, and taking a balanced approach to enhance financial stability and shareholder returns using generated cash

Yasufumi Matsuo
Associate Senior Vice President (in charge of Accounting, Corporate Planning and Investor Relations (IR section) Assistant)

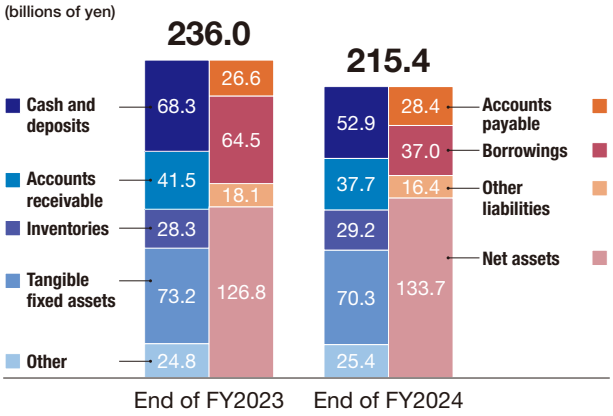
Looking Back on Fiscal 2024

A look back at fiscal 2024 reveals that while the US economy remained stable, sluggish conditions continued in the Chinese economy, and uncertainty concerning the future grew toward the end of the fiscal year as a result of US tariff policies. In our core markets, demand is growing in the aviation & space market, on the back of the increase in defense budgets. In contrast, the automotive market experienced a slowdown in EV demand, and there was also a reduction in production volume at some customers due to production stoppages. The mobile devices market saw a delay in recovery in the Chinese market, and sluggish conditions also continued in the industrial machinery market. While the yen continued to stay weak, the overall business environment was severe, with raw material costs and energy prices remaining high.
These circumstances resulted in a year-on-year decline in revenue for fiscal 2024, and while we managed to ensure an increase in operating profit with measures such as improving productivity for automotive products, the results proved challenging with ordinary profit remaining unchanged. Even in such circumstances, we were able to secure growth in revenue for our automotive business—our largest market segment—as well as for the aviation & space business, which is the new market we are focusing on. I also think that we have achieved progress toward establishing a business foundation for future growth, including establishing a sales company in India where economic growth is anticipated. In terms of cash flow, we secured free cash flow in excess of the previous year through improvements in working capital and better efficiencies in capital investment. We have also been working on reducing our debt as a means of mitigating the impact of growing interest rates and improving our financial base.

Progress and Initiatives with Financial Strategies

In April 2024, we released policies for improving capital efficiency by setting targets of a total asset turnover ratio of 1.1 or more and an equity ratio of 60% or more by the end of fiscal 2025, and reducing borrowings that we increased for acquiring treasury shares through measures such as improving capital efficiency and reducing inventory. And as part of our capital allocation policy, we also announced plans for generating around ¥100 billion in capital over a two-year period and utilizing them in a balanced manner for growth investments, shareholder returns and strengthening financial soundness.
To strengthen our financial stability, during fiscal 2024 we reduced our total assets by some ¥20 billion mainly with measures aimed at capital efficiency and repaid ¥27.5 billion in borrowings, as well as implemented shareholder returns in line with our policy of ensuring stable dividends and a dividend

State of balance sheets



payout ratio of 30% or more. We also cancelled the treasury shares that we acquired during fiscal 2023, allowing us to exceed our target equity ratio of 60% by the end of fiscal 2024. Yet with the drop in revenue, we were unable to reach the target for our total asset turnover ratio.
During fiscal 2025, we will continue strengthening our financial stability while making growth investments such as launching new products in each market, making capital investments and conducting research and development for expanding sales, and we will achieve organic growth through associating investments to sales and profits. We will also be seeking opportunities for achieving further growth, including M&As based on a budget of around ¥20 billion. We will also be strengthening consolidated cash management and ensuring thorough management of cash flows to expand operating cash flow, to fund the investments required for growth.

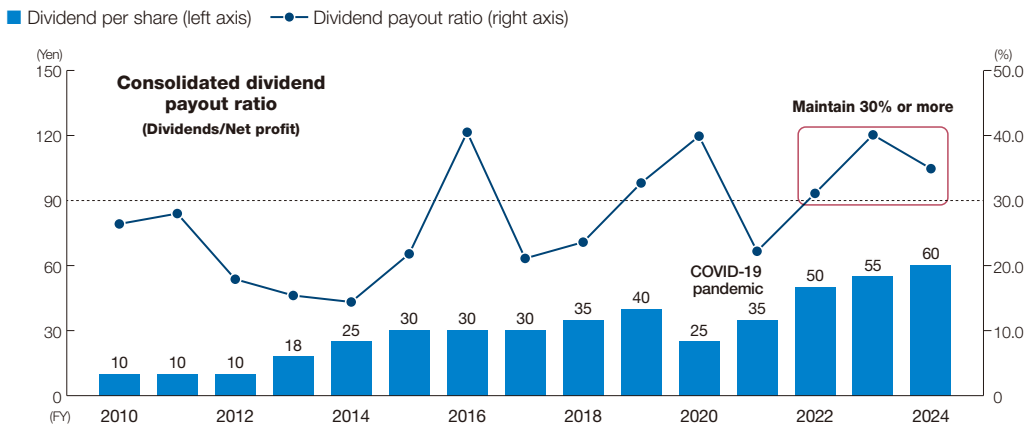
Capital Profitability

We have announced that we will be adopting ROE as an indicator of capital profitability, with the aim of achieving 10% by fiscal 2025 and 12% over the medium term. This target exceeds our currently recognized capital cost of 7-9%, and is based on the management consciousness of capital costs and stock prices as advocated by the Tokyo Stock Exchange. We will need to increase profits to achieve the goal of raising our ROE from 8.9% in fiscal 2024 to over 10% while also maintaining equity ratio of over 60%.
We will be working on building a profit structure that is less readily affected by the market environment through growth investments such as establishing efficient production systems, and introducing new products through research and development, all while remaining conscious of capital costs and stock prices that vary depending on market conditions. We will also work on further improving profitability by addressing the issues that are evident in each business division.

Shareholder Returns

From fiscal 2024, we are now “maintaining a dividend payout ratio of over 30%” as a new quantitative policy to our existing basic policy of “stable dividends” for shareholder returns.
For fiscal 2024, we increased the annual dividend to ¥60, a ¥5 increase compared to fiscal 2023. Based on this policy, from fiscal 2025 onwards we will continue to consider dividend amounts that mirror business performance.
Looking forward, we will continue to use the funds secured through improved capital profitability in accelerating growth, balancing enhancing financial soundness and providing shareholder returns, drawing on the understanding and support of all our stakeholders.

Dividend



The outlook for fiscal 2025 also remains uncertain due to factors such as the impact that US tariff policies will have on economic activity, the exchange rate and interest rate trends, and growing geopolitical risks. Some 60% of our sales originate from overseas, and our production facilities are located throughout various countries, so we need to continue accelerating business while addressing a range of risks. As our business structure continues to evolve, I also think we need to further build up our profitability and achieve sustainable growth as a company, as well as meet the expectations of our stakeholders—including shareholders, business partners, and employees.
As the officer in charge of accounting and financial affairs, I will be focusing on achieving our performance targets for fiscal 2025, while also moving ahead with establishing a system from a medium- to long-term perspective and focusing on building a revenue structure capable of responding to changes in the environment, so I am asking for the support and cooperation of all stakeholders.

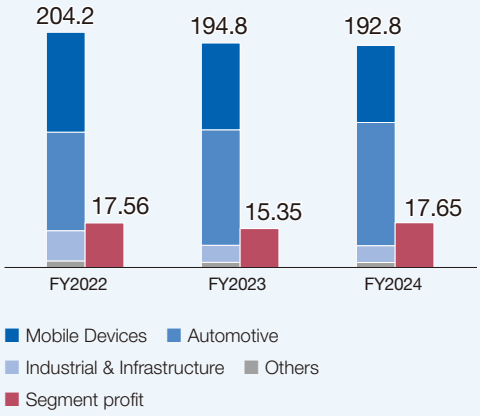
Business Segments

Connector Business

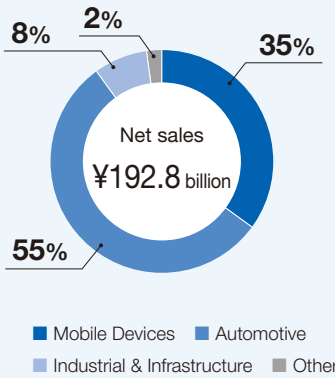
Business Overview

The Connector Business manufactures and sells connectors used in a wide range of fields. They include: products for mobile devices, which center on smartphone components; automotive connectors in infotainment-related applications such as in-vehicle cameras, as well as in body/powertrain areas such as engine ECUs; products for industrial & infrastructure uses such as for machine tools; products for other markets such as notebook PCs and flat panel TVs.

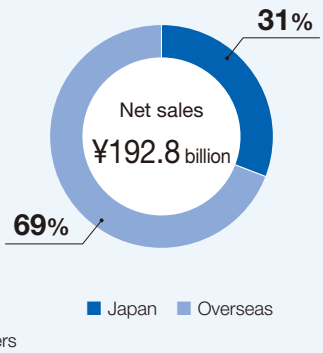
Net sales by market segment (billions of yen)



Net sales composition ratio by market segment (FY2024)



Net sales composition ratio by region (FY2024)



Competitive Advantage

JAE responds to wide-ranging customer needs by leveraging a comprehensive array of technical capabilities, such as miniaturization technology for internal smartphone connectors that combine reduced size with good workability, the high level of safety performance required for connectors used in vehicles, and the know-how needed to create waterproof, oil-resistant and vibration-resistant components for industrial equipment used in harsh environments. In addition, we are able to provide a stable supply of high-quality products to customers by utilizing our production engineering accumulated through in-house manufacturing to promote thorough automation and labor-saving in the form of internally developed highspeed automatic assembly equipment, establish high-volume production setups in a short time, and provide integrated in-house manufacturing systems that operate 24 hours a day, seven days a week. Moreover, by actively participating in organizations responsible for drafting various standards, not only have we been able to take a leadership role in standardizing connectors supporting USB Type-C® and HDMI™ standards, but we are also able to contribute to innovation from customers by leveraging our global marketing approach to provide proposals at an early stage.
We rank tenth globally among connector manufacturers and are engaged in comprehensive global businesses in mobile device, automotive, industrial & infrastructure, and consumer products markets. By taking a comprehensive approach to multiple markets, we can utilize the technologies developed in one market in others.

Looking Back on Fiscal 2024 and Progress of Medium-term Management Plan

In fiscal 2024, net sales for the segment were ¥192.8 billion, 99% of the previous year. In the mobile device market, while the sales for USB Type-C increased significantly with the launch of new projects for ICT devices, overall sales were 89% of the previous year's level due to a decline in sales for smartphones. In the automotive market, sales increased by 7% year-on-year due to ongoing growth with the ADAS harness despite the EV market slowdown and reduced demand in Europe and other regions had a negative impact. In the industrial & infrastructure market, the ongoing downturn in demand in the FA and machine tool market and the EV charger market resulted in a decrease of 2% year-on-year.
Despite factors including a drop in sales and rising energy and material costs, segment profit increased by ¥2.3 billion year-on-year to ¥17.65 billion due to being boosted by the effect of the weak yen, as well as improvement in profitability resulting from the optimization of sales prices for the ADAS harness.



Growth Strategies

In the automotive market, further electrification being driven by ongoing advancements in ADAS and autonomous driving and advances in powertrain technologies are anticipated. In this market environment, we will continue achieving growth by accurately responding to customer needs and expanding development projects. Products for ADAS*1 that have led sales growth in the automotive market over the past several years are anticipated to undergo further expansion during fiscal 2025, due to factors such as the start of mass-production of products used by existing customers as well as multiple new customers.

For EVs, we have been mainly channeling our efforts on BMS*2 for Chinese manufacturers, but we will be building up our customers and product lineup through the development of BMS connectors for Japanese, European and American manufacturers, and launching new high-current connector products, with a lineup for EVs to be our next growth driver.

In the mobile device market, we are further strengthening efforts toward expanding our market share given the ongoing advances being made with the functional aspects of smartphones, such as thinner and lighter models and foldable designs. Furthermore, in the USB Type-C business where sales increased substantially by 45% year-on-year in fiscal 2024 mainly in the high value-added field of ICT devices, we will aim to achieve continued growth by expanding into markets other than ICT devices through development of production systems and expansion of our product lineup.

In the industrial & infrastructure market, we will be aiming for growth that exceeds the market average, by expanding the share of our principal market of servo motors, as well as expanding our target of sales to include PLCs*3 and collaborative robots, and conducting sales activities covering the entire supply chains of our customers.

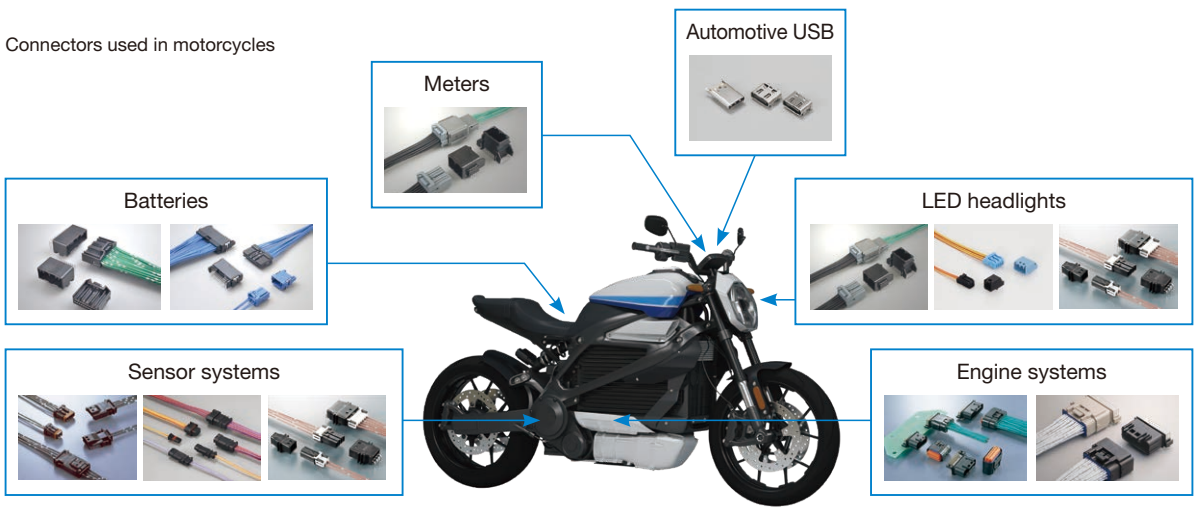
*1 ADAS: Advanced Driver-Assistance Systems
*2 BMS: Battery Management System
*3 PLC: Programmable Logic Controller

Column The Door to Innovation

Joint venture established for expanding sales of connectors for motorcycles and automobiles in India

India is the largest motorcycle market in the world, and further growth is also expected in the automobile market. To expand sales in the Indian market, JAE Electronics India, a sales joint venture with Nagase & Co., Ltd., was established in Gurugram, India, in March 2025 as our Group's first site in India. We are entering the Indian market with the adoption from Japanese customers, and will be working with local partners to develop a production system and strengthen the supply chain as the first step—looking ahead, we will be aiming to increase adoption by customers including those based locally in India, and will also look into developing our own local production system.

Connectors used in motorcycles



Business Segments

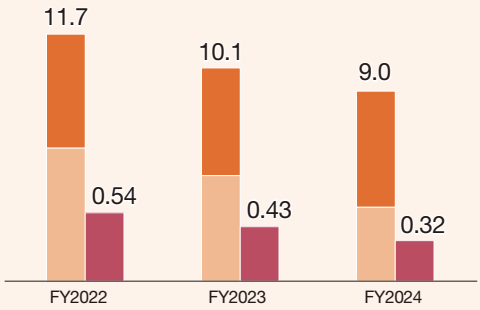
User Interface Solutions Business



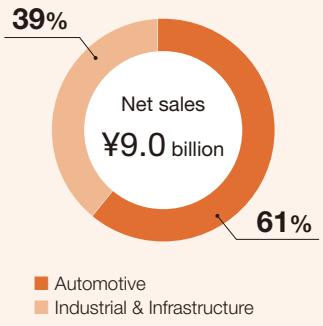
Business Overview

The User Interface Solutions Business manufactures and sells products for automobiles, such as automotive capacitive touch panels, and products for industrial & infrastructure uses, such as various types of touch panel monitors and operation panels for industrial machinery and medical equipment.

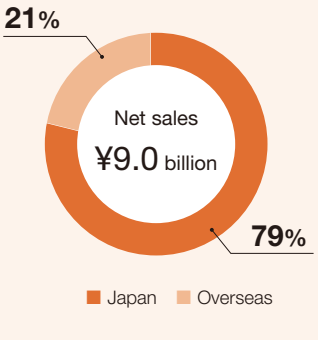
Net sales by market segment (billions of yen)



Net sales composition ratio by market segment (FY2024)



Net sales composition ratio by region (FY2024)



Competitive Advantage

We have worked on the development of capacitive sensors used for touch input for many years, progressed in the development of the automotive market ahead of other companies, and contributed to the improvement of the usability of automotive displays. In addition, in response to the increase in size of displays and the diversification of design needs, we developed the "FLEXCONVERT™" brand as a core technology by combining printing, adhesion, etc. technologies with superior materials as represented by film-type metal mesh sensors made using the Company's proprietary printing methods. We will reform our manufacturing processes through this, and realize a flexible response to user interface needs that will become more diversified and sophisticated in a wide range of markets.

Looking Back on Fiscal 2024 and Progress of Medium-term Management Plan

In fiscal 2024, our net sales were ¥9.0 billion, 89% of the previous year. By market segment, in-vehicle touch panels for the automotive market increased 7% year-on-year, despite being affected by temporary shutdowns at customer production sites. In the industrial & infrastructure market, revenue declined significantly 30% year-on-year due to the delay in recovery of the market and customers postponing production and sales plans for projects that were already approved.

Segment profit decreased by ¥110 million year-on-year to ¥320 million, due primarily to a decline in sales in the industrial & infrastructure market.

Growth Strategy

In the automotive market, we will be expanding our printing technology that we established for film sensors and expanding capacitive touch sensors for applications other than CID,*1 as well as expanding new markets outside of the automotive market.

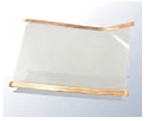
The wide range of variations of industrial equipment display units will be expanded laterally for the industrial & infrastructure market. We will also launch and utilize a new concept production line capable of handling a wide variety of products, by separating the line into small cells and selecting which cells will be used as required.

*1 CID: Center Information Display

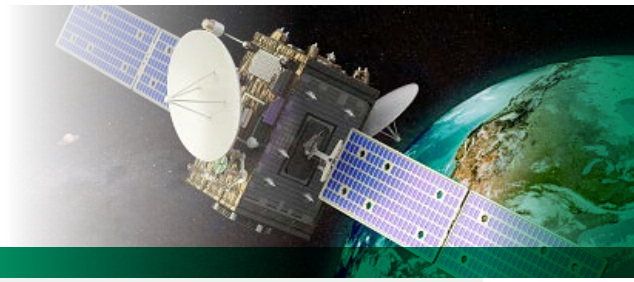
Column The Door to Innovation

Applying fine-line printing technology to film heaters

For automobiles, the number of mounted cameras, sensors and LiDAR devices*2 is increasing, which is required for ensuring recognition of the surrounding environment for advancing ADAS and achieving autonomous driving. These devices need to have protection against lens fogging and freezing, so we are developing transparent film heaters with a high level of transparency and uniform heat generation with the application of the fine-line printing technology we have developed with capacitive touch sensors. *2 LiDAR: Light Detection and Ranging



Film heater

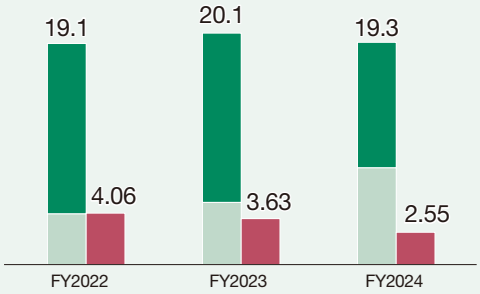


Aerospace Business

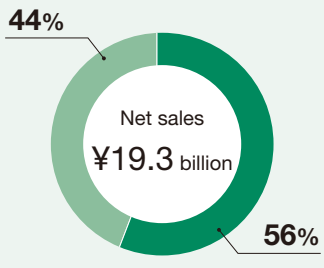
Business Overview

The Aerospace Business manufactures and sells electronic equipment for aviation & space, such as flight control equipment, inertial navigation systems and radar altimeters, and products for industrial machinery, infrastructure and automobiles, such as anti-vibration control and drive equipment for semiconductor manufacturing equipment, sensor packages for oil drilling.

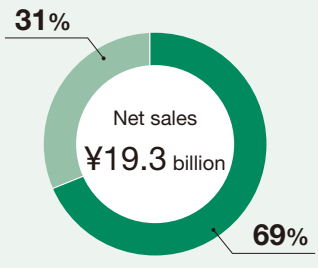
Net sales by market segment (billions of yen)



Net sales composition ratio by market segment (FY2024)



Net sales composition ratio by region (FY2024)



Competitive Advantage

We have constantly focused on cultivating aviation space electronics technology since the Company's founding, retained technological capabilities that are top class globally, and produced inertial sensors (gyroscopes, accelerometers), which are key devices, and applied products through our proprietary development. Furthermore, with our technological capabilities that realize responses in harsh environments, such as those with vibrations, impacts and extreme temperatures, which have been cultivated over many years in the aviation & space market, we have created and provided highly accurate and highly reliable products by broadly deploying these technologies even in private sector markets, and flexibly responding to customers' needs.

Looking Back on Fiscal 2024 and Progress of Medium-term Management Plan

In fiscal 2024, our net sales were ¥19.3 billion, 96% of the previous year. In the industrial & infrastructure market, revenue of the oil drilling sensor business declined due to the impact of sluggish crude oil prices and the postponement of orders while reviewing policy trends in the United States. Additionally, adjustments made by customers for their inventory affected the revenue decline of our linear motors used in semiconductor manufacturing equipment. In the aviation & space market, revenue increased significantly by 55% year-on-year due to growing demand for defense equipment. Segment profit decreased by ¥1.08 billion year-on-year to ¥2.55 billion, due primarily to a decline in sales for profitable oil drilling.

Growth Strategy

In the aviation & space market, we will be aiming for growth by strengthening our business structure, with the growing anticipation of an increase in defense spending. We are developing our production capacity to meet the current growth in demand for equipment, such as the approximate doubling of production volume of ring laser gyros used in inertial measurement units by fiscal 2025 compared to fiscal 2023, as well as moving ahead with the development of new products targeting future growth. In the industrial & infrastructure market, we are aiming for expansion with the use of cooperation and alliances, with an example that highlights this being the oil drilling market—we will be increasing unit prices and securing new customers by expanding product range to peripheral equipment in addition to DDM, our main product.

Column The Door to Innovation

Development of flight controllers for industrial drones

Research and development for autonomous drone operation is picking up pace. When Level 4 flights become a reality, drones will fly above houses without human visual inspection or assistance; therefore, on-board flight controllers will be very important as the brain for ensuring safety. By leveraging the achievements we have made through the development of aircraft equipment, we manufacture highly reliable, high-quality Japan made flight controllers and radio distance meters, thereby contributing to the commercialization of industrial drones.



Drone flight controller

Research & Development / Intellectual Property

Approach to R&D

Based on the corporate philosophy of "Explore, Create and Practice," since the Company's founding, the JAE Group has worked on R&D in order to open new doors that will realize innovation for society and customers as a technology and product creation company. We will contribute to realizing an "environmentally friendly mobility and IoT-oriented society connected by 5G" through our connection technology, which meets the needs for high-speed communication, high electrical current, and a super compact size, as well as through our user interface technology and motion sense & control technology. We are also conducting research and development aimed at smart factory implementation and manufacturing innovations, to support growth of the JAE Group.

Initiatives

Product Development Center

The Product Development Center carries out R&D for business potential research and planning that aims to develop new business domains, collaborative R&D between departments that contributes to each business department's future business vision, and R&D of fundamental technologies that contributes to strengthening production engineering at existing businesses. For business potential research and planning, we listen to the opinions of future users by actively participating in exhibitions and academic associations, and make efforts to create new businesses out of areas that are not growing in existing businesses. For collaborative R&D between departments, we aim to propose new products and to anticipate customer requests by identifying basic research technological issues through problem solving on site. For R&D of fundamental technologies, we aim to fuse applied research for product creation, which departments have promoted, with scientific knowledge that we have discovered before anyone else in the world.

Connector Business

The Connector Business advances research in order to develop connector products that can be used even more comfortably and securely by customers. To accomplish this, the Connector Business conducts research into the acceleration of next-generation communication connectors, the increase of current for EV connectors, the reduction of size and thickness of connectors for mobile devices, the increase of functionality, such as active fiber cables, and the creation of new value, such as smart textile connectors, as well as promotes analysis and evaluation with the principal objectives of extending the life of connectors and increasing reliability, such as through designs resistant to electromagnetic waves and noise.

User Interface Solutions Business

The User Interface Solutions Business matches customer needs with our technology through marketing activities to identify R&D themes and promote R&D activities for switches, sensors, and overlays (covers), which are core technologies. The User Interface Solutions Business will strengthen the core elements of "FLEXCONVERT™," which is our user interface solution technology brand, through cooperation with the Product Development Center as well as universities and companies that have excellent materials technologies, in addition to our R&D activities that respond to increasingly diversified and sophisticated needs.

Aerospace Business

The business domain of Aerospace Business is "motion sense & control," and it handles the four core technologies of "highly precise motion sensing," "highly reliable motion control," "precise mechatronics," and "resistance to extreme environments." We carry out R&D that focuses on reliability and environmental resistance to play an active role in the defense and space market, the semiconductor manufacturing equipment market, and oil drilling market as well as in the expanding autonomous driving market for drones, construction machinery, and other domains going forward.

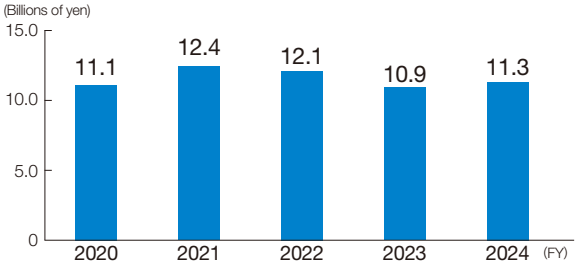
Cooperative Innovation Project through Industry-Academia Collaboration

Having signed an Industry-Academia Collaboration Research Consortium agreement with the Institute of Industrial Science of the University of Tokyo in March 2019, JAE has since been promoting comprehensive cooperation in that regard. Currently, young technical engineers from our three business lines have been dispatched to the Institute of Industrial Science where they advance research activities based on their academic knowledge. At the same time, this enables us to achieve results in terms of human resources development.

R&D Investment

We actively carry out R&D investment. Over the past five years, we have allocated more than ¥10 billion per year for R&D, which has led to the products that will help us grow going forward, such as high current connectors for automotive and connectors for EV chargers. Going forward, we will proactively continue R&D for growth areas.

Research and development expenses



Intellectual Property

Basic Policies

The JAE Group protects and utilizes intangible assets such as technology, know-how and brands as intellectual property in an appropriate manner, contributing to sustainable growth and greater competitiveness of the company. We are moving ahead acquiring intellectual property rights such as patent rights, design rights and trademark rights, while also respecting the intellectual property rights of other companies and building investigation and management systems for preventing any infringements. We also ensure appropriate use and management of intellectual property, including associated information.

Strategies

The JAE Group views intellectual property as an essential management resource for increasing long-term corporate value and establishing a competitive edge, and we are rolling out company-wide activities in line with the following four strategies.

1. We enhance our business strengths by acquiring intellectual property rights

We are protecting our distinct technologies and differentiators at each stage—from research and development to design and manufacturing—in an appropriate manner, and strategically acquiring our intellectual property rights. We are also moving ahead with acquiring rights in major countries according to our business expansion and market scale, and building up an intellectual property portfolio that helps us expand businesses in overseas markets. We are also boosting our IP landscape (IPL) initiatives by coordinating efforts between management, business and intellectual property divisions, to propose and implement business strategies and intellectual property strategies based on trends in markets and competition, and are drawing on these initiatives for strategic decision-making.

2. We acquire robust intellectual property

As a result of our technology development efforts that are in line with our business trajectory, we are working on acquiring “robust patents” that have a high level of practicality and that are difficult to imitate or avoid. We are also protecting our core technologies from a range of different angles through a combination of intellectual property rights like patent rights, design rights and trademark rights, and we are keeping production technologies underpinning advanced manufacturing as confidential know-how. Additionally, we are focused on branding that utilizes our trademark rights for showcasing the value of our unique technologies and raising global awareness.

3. We uphold intellectual property rights held by other companies

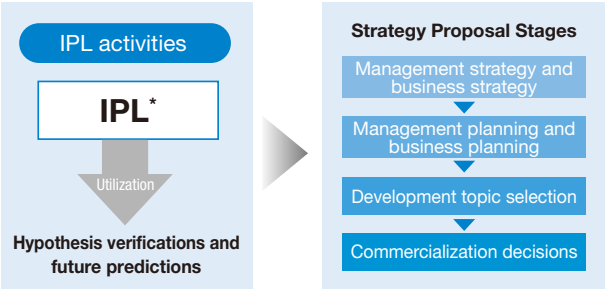
We conduct comprehensive research on aspects such as patent rights, design rights and trademark rights from the initial stages of product planning to ensure appropriate relations with the intellectual property rights that other companies hold. This allows for smooth business operations and reliable product development in terms of intellectual property rights risks.

4. We embrace our commitment to product development of our intellectual property divisions

Our intellectual property division participates in important development projects of business departments from the initial stage of the design process, and supports the formulation of intellectual property strategies as well as patent applications aligned with business strategies. By appointing patent management supervisors and administrators to each business department and holding regular review meetings, we are seeking to cultivate an awareness of intellectual property within each business department, and associating this with effective applications for patents based on product strategies, development schedules and trends at other companies.

Initiatives

We began full-scale roll-out of IPL in fiscal 2024, and are moving ahead with applying it for constructing and verifying hypotheses for commercialization decisions and future predictions. We started with practical initiatives for analyzing intellectual property information from multiple perspectives, and coordinating business strategies with intellectual property strategies. The intellectual property division is involved from the initial stages of business planning, and is boosting coordination with business departments through IPL activities. Looking ahead, we will continue increasing the precision of these initiatives, incorporate the value of intellectual property information into management and business decisions to contribute to establishing a competitive edge and the associated increases in corporate value.



* Analysis incorporating intellectual property information into market information and other business information

Column The Door to Innovation

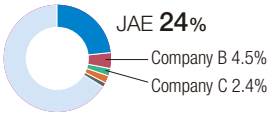
Development of connector for Smart Textile Products

We have focused on the fields of preventive medicine and wearables, where growth is anticipated, from an early stage, and have been a pioneer in the development and patent applications of connectors for smart textile products. We have established technologies that meet sophisticated requirements like contact reliability and waterproofing, and we are the leader in the industry when it comes to the number of patent applications in this field. (as of April 2025)

We are aiming to stand out with our technologies and forge a distinct position by leveraging intellectual property toward full-scale launch of the market going forward.



Connector for smart textile products RK02 Series



Share of number of patent applications in the field of connector for smart textile product (as of April 2025)

JAE Group's Approach to Sustainability Management

Sustainability Policy

The JAE Group aims to grow as a responsible member of society by contributing to the resolution of social issues, in accordance with our corporate philosophy of "Explore, Create and Practice" and our Charter of Corporate Behavior. Through the innovative and creative technologies and development capabilities of our three core businesses, we aim to enhance our corporate value in five key areas: Connected Society, Safe Mobility, Clean Energy, Industrial Innovation, and Air, Space and Ocean. Additionally, we strive to create social value through collaborative creation with our customers, contributing to the sustainable development of society.

Reinforced Sustainability Management of Our Group

In order to promote sustainability management, we established the Sustainability Promotion Office in April 2024, setting up a system to systematically and organizationally address important sustainability issues within the Group. Also, in April 2024, we established the Sustainability Promotion Committee with corporate officers and others as members, and restructured our governance system regarding sustainability. The Committee is responsible for deliberating, formulating, and directing future policies and strategies related to sustainability, as well as reporting important matters to the Management Committee and the Board of Directors, to help promote the sustainability management of our Group.

Structure



Identifying Materiality

We have identified numerous social challenges surrounding the JAE Group and have newly established sustainability-related material issues essential for ensuring the company's continued sustainable growth. Going forward, we will further strengthen and promote our sustainability management through specific initiatives addressing these material issues.

Materiality

Category	Materiality	Sustainable Development Goals (SDGs)	Priority Actions	KPI		
				Item	Goals	Fiscal 2024 results
Environment (E)	Climate Action	7, 12, 13	Greenhouse gas reduction through energy conservation and introduction of renewable energy	Greenhouse gases	Reduction by 75% by fiscal 2030 (compared to fiscal 2017) * Scope 1, 2 based on global production	64% reduction
	Promotion of a Circular Society (Contribution to a Circular Society)	6, 12, 14	Effective utilization of Resources	Recycling rate (recycling achieved through measures such as reducing general waste and thorough sorting)	Maintain 99.5% or higher (in Japan)	99.9%
	Biodiversity Conservation	6, 15	Strive to enhance understanding and awareness of biodiversity	Environmental conservation activities (Planting, river cleanup, etc.)	1 time per year or more (consolidated)	2
Social (S)	Promotion of Diversity and Inclusion	5, 8, 10	Promote the active participation of diverse human resources regardless of age, gender, nationality, or disability status	Increase the percentage of female managers	6.0% or more by fiscal 2030 (non-consolidated)	4.0%
				Employment ratio of persons with disabilities	Compliance with legal employment rate (in Japan) 2.7% or higher by fiscal 2026	2.41%
	Development of Human Resources and Work Environment	4, 8	Develop talent to ensure competitiveness, and realize a workplace environment that supports career growth and active participation	Engagement indicators and measurement	Establish engagement metrics for the JAE Group and measurement methods (in Japan)	Fiscal 2025 implementation planned
	Securing Employees' Health and Safety	3, 8	Enable each individual to realize their full potential while maintaining physical and mental well-being in a safe and comfortable workplace environment	Number of serious work-related accidents *	0 incidents (consolidated)	0
	Respect for Human Rights	10, 16	Strengthen initiatives for human rights due diligence	Human rights and labor research and evaluation	Conducting human rights risk investigations (self-assessment) and evaluations (consolidated)	Human rights risk investigation and evaluation
	Promotion of Sustainable Procurement	10, 12, 13, 16	Achieve sustainable procurement with consideration to the environment and human rights throughout the supply chain	Conducting supplier surveys	Achieve a recovery rate of 95% focusing on our primary suppliers, who represent 80% of our procurement expenditures in Japan	94%
Governance (G)	Strengthening of Corporate Governance	16	Enhance the effectiveness of the Board of Directors Strengthen cooperation with independent Outside Directors through the Nominating and Compensation Committee	Composition of the Nominating and Compensation Committee Ratio of independent outside directors	Maintaining a majority of independent outside directors on the Nominating and Compensation Committee	5 independent Outside Directors out of 7 members
	Strengthening of Risk Management	11, 16	Identify risks that may hinder sustainable growth and share information while reviewing countermeasures for risks that have materialized	Identification of risks and response to key risks	Review of countermeasures for key risks	Review of countermeasures for key risks

* Serious disasters such as those expected to result in death or severe disabilities, special disasters such as poisoning by hazardous substances, and major disasters affecting three or more people at once

Society

Diversity Promotion and Human Resources Development

We seek to reform our business structure and enhance our business strengths to achieve future development of the JAE Group by promoting human resource strategies that consist of "promotion of diverse human resources," "enhancement of human resources development," and "improvement of the internal environment."

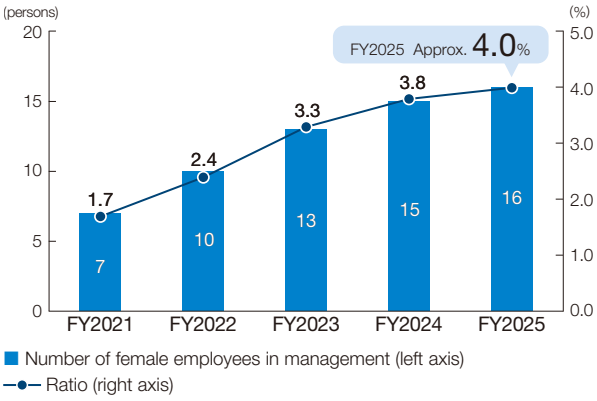
Promotion of Diverse Human Resources' Participation and Advancement in the Workplace

We are promoting efforts to realize a work environment where diverse human resources can participate, regardless of age, gender, nationality, or disabilities.

Promotion of Women's Participation and Advancement in the Workplace

We view the advancement of female employees as a particularly crucial issue and are implementing various initiatives for promoting their advancement—to increase the ratio of female employees, we have set a target of women hired to account for 25% or more of our regular hires, and are actively recruiting toward this goal. Meanwhile, we have set a target of achieving a ratio of female managers of 6% or more by fiscal 2030, and have accordingly been conducting selection-based training for female employees aimed at appointing female managers, as well as strengthening hiring of experienced female managers. We have also been striving to ensure participation and advancement of our female employees in terms of enabling them to continue their careers by conducting follow-up interviews with our young employees upon their second to fourth year of employment, including our female employees. Together with the interviews, we hold round table meetings for all female managers at which they come up with ideas to enable female employees to be active and incorporate the ideas in corporate initiatives, and also we help them to establish networks through which female employees can talk to one another.

Number and ratio of female employees in management (non-consolidated) (as of April 1st of the year)



Securement of Globally-minded Human Resources

We have production bases overseas and work with customers all over the world, which requires us to recruit globally-minded human resources. We are diversifying our workforce to strengthen operations by actively recruiting diverse personnel regardless of nationality, particularly in technical, sales, and business staff divisions.

Appointment of Experienced Hires to Managerial Positions

Experienced hires account for 23% of our managerial workforce as of April 1, 2025, thereby ensuring that we have a diverse pool of talent with varied experiences, knowledge, and skills within the Company.

Persons with Disabilities

We strive to make work fulfilling for employees with disabilities by considering the circumstances of each individual's disability and employing them in a field where they can excel, and by establishing employee-friendly work environments.
We will continue to actively employ people with disabilities and fulfill our social responsibilities by expanding employment opportunities.

Enhancement of Human Resources Development

In seeking to secure competitiveness in global markets and in seeking to swiftly adapt to changes in the business environment, we recognize the importance of enhancing the skills of individual employees. With respect to it, we have systematically developed training, and also established programs provided to encourage self-development that make it possible for employees to autonomously shape their own careers with their sights set toward the future.

Self-Assessments and Training Systems

Through two-way management, in which employees declare their own work goals and ability-improvement goals and express their commitment to their superiors, we are working to develop our human resources by raising the spirit of taking on challenges and motivation for self-development of each employee.
Performance evaluations are conducted based on two perspectives: "behavioral evaluation" that assesses whether expected behaviors can be observed, and "performance evaluation" that assesses the degree to which objectives are achieved—behavioral evaluation affects salaries and promotions, while performance evaluation affects bonuses.

Training Systems

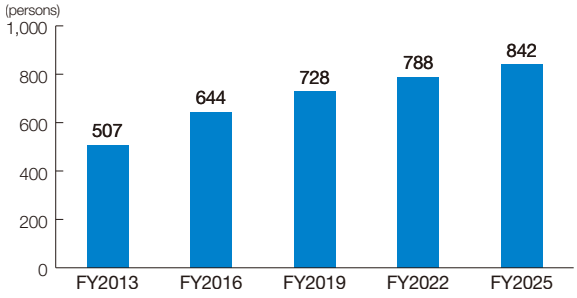
We offer programs such as training by job level that provides knowledge tailored to the experience and role of each employee, as well as training by function, which deepens specialist knowledge. Also, we strive to provide participation-type training in which participants can train in practical skills and have discussions. These programs and training aim to maximize an individual's skills.
In particular, we also implement selective training programs to facilitate education of our executive professionals, cultivate highly specialized DX promotion leaders and in-house development of IT engineers, and ensure education and qualification acquisition options provided with the aim of imparting product creation skills.

Society

Financial Incentive System for Acquiring National Trade Skill Test Certificates

We promote human resource development to strengthen our manufacturing technologies. In particular, the head office and all of the production Group companies in Japan have been providing support and practical guidance to help employees acquire National Trade Skill Test certificates.
We introduced a system that provides financial incentives to employees for acquiring National Trade Skill Test certificates, to serve as an incentive for employees to acquire certifications, thereby leading to a large number of new technicians becoming qualified each year.

Number of Certified Skilled Workers



Initiatives for Improvement of the Internal Environment

We strive to realize safe, employee-friendly work environments, and securing the health and safety of our employees has been positioned as one of Company's management priorities. Meanwhile, we work on providing flexible work environments where employees are able to choose their own workstyles to maximize work-life balance and to create a workplace worth working for.

Safety Measures

We are working on "achieving zero major workplace accidents" by monitoring the state of accidents at each production site and sharing information. We will also establish a health and safety management system at each production site, conduct employee training, and aim to enhance awareness of safety. When starting work with new equipment or chemical substances, we conduct risk assessments to ensure safety and prevent health hazards, as we strive to create a safe and comfortable workplace environment.

Health of Our Employees

In order to maintain and improve the health of employees, we have established a Health Care Center, which provides active follow-up on the results of regular health checks and health consultations by physicians and nurses. We are also focusing on mental health and in addition to providing a physician for consultations, we have also introduced a service by an external specialist company to create a framework where employees can receive counseling at any time. As for our health promotion measures, we encourage employee physical fitness in part by enlisting the guidance of physical fitness trainers to instruct employees on use of exercise equipment during their lunch breaks and after regular working hours. Also, we provide employees with health information through initiatives that include hosting lectures by occupational health physicians, putting up posters at our premises, and posting content to our corporate intranet.

Work Systems

We have introduced a flextime system and a remote work system for improving work efficiency and productivity and ensuring a work-life balance for employees. We are working to create environments where each employee is able to use these systems to ensure that they can work in a flexible manner, in alignment with their individual lifestyles. In addition to the work systems, we provide various systems that help employees balance work with family-life, such as leave of absence system that can be taken for childcare, when an employee's child is sick or when a family member needs nursing care. For male employees, we encourage them to participate in childcare through taking special leave when a spouse gives birth and childcare leave upon birth of a child. As a result, the rate of leave related to childcare taken by our male employees in fiscal 2024 was 94.3%. Meanwhile, the rate of childcare leave taken by our female employees was 100%.

Employee engagement

To boost the corporate value of the JAE Group even further, it is essential for each employee to engage in value creation for the Company in a proactive manner, which requires a strong resonance with our corporate philosophy and business strategy, as well as a sense of alignment and unity with JAE and its organization. To cultivate a corporate culture that encourages employees to take on even more ambitious challenges, we will revise the details of our engagement survey in Japan from fiscal 2025, as part of efforts to implement highly effective HR initiatives.

Column The Door to Innovation

Encourage small group activities

Small group activities within the JAE Group are being implemented throughout the entire group, including overseas sites, since they first began in 1987, to promote creative problem-solving between colleagues working in the same workplace. Improvement activities are separated into direct work topics that are focused on improvement activities at manufacturing sites, and indirect work topics that involve office work improvements, and improvement activities are implemented at each department. We hold a company-wide presentation competition twice a year that draws representative groups from each department and subsidiary. In fiscal 2024, the group that accomplished greater production capacity and improved yield rates at JAE Shinshu, and the group that implemented electronic equipment maintenance at JAE Taiwan, were awarded the winning prizes.


Scene from company-wide presentation competition

Respect for Human Rights

JAE Group has established JAE Group Charter of Corporate Behavior to contribute to the creation of a sustainable growth in society and to fulfill social responsibilities as a good corporate citizen.
The JAE Group Charter of Corporate Behavior states that "JAE Group will respect human rights in every corporate activity and not condone discrimination or the employment of child labor or forced labor in the workplace" as its policy related to upholding human rights. We furthermore engage in business operations based on that policy.
Our policies on respecting human rights are available on our website as "Commitment to respect for human rights" and "Basic policy for procurement". Also, we strive to ensure that JAE's policy on respecting human rights is understood across all our supply chains in seeking to prevent human rights violations.

Our initiatives regarding human rights can be found here:
https://www.jae.com/en/csr/human_rights/

Our basic policy for procurement can be found here:
https://www.jae.com/en/corporate/materials/basic-policy/

The following have been identified as significant issues related to human rights within the JAE Group's value chain for fiscal 2024.

- Occupational safety and health
- Excessive workloads and long working hours
- Discrimination and harassment
- Child labor

We will implement the appropriate measures to address these risks, conduct ongoing monitoring and improvements, and strive to develop relationships of trust with our stakeholders.

Process for Identifying Significant Human Rights Issues

- We assessed the human rights risks faced by employees, foreign and migrant workers, business partners, employees of subcontractors, local communities, and others involved in our own in-house operations as well as upstream and downstream sections of the value chain in a systematic manner.
- Drawing on industry trends, associated human rights risks, and country risks at business sites and supplier sites, we conducted mapping by reviewing the results of internal investigations, including interviews with key business divisions, manufacturing subsidiaries, and labor unions, human rights-related reports submitted through the internal reporting system, and surveys for employees and suppliers.

Sustainable Procurement

The JAE Group believes it is important that it achieves sustainable procurement while taking into account social demands such as those pertaining to the environment and human rights in the supply chain, based on cooperation with its customers and business partners. To have our partners agree with and accept this approach, we have established and are operating our Sustainable Procurement Guidelines, which specify what our partners shall comply with.

Our JAE Group Sustainable Procurement Guidelines can be found here:
https://www.jae.com/files/user/pdf/CSR_en_07.pdf

In addition to recent big earthquakes and abnormal weather events, the JAE Group faces a range of risks, including pandemics caused by infectious diseases and difficulty in obtaining resources associated with geopolitical division. With the growing need to have a BCP in preparation for such risks in advance, we issued and have been implementing the "Supply Chain BCP Guideline" in September 2021 to encourage cooperation and collaboration with our business partners.

Our JAE Group Supply Chain BCP Guideline can be found here:
https://www.jae.com/files/user/pdf/BCP_jp1.pdf (in Japanese)

Supplier Surveys (for Sustainability and BCP)

We carry out awareness-raising activities and administer annual surveys for our main business partners to ensure that they understand the importance of sustainable procurement and BCP, and then provide feedback on the results and improvement reports. We seek to instill the importance every year through ongoing administration of the surveys, for which we have received a response rate exceeding 90%. In fiscal 2025, we are aiming to achieve a response rate of 95% or higher as a KPI, while also working to further improve the content of our surveys.

Declaration of Partnership Building

JAE announced its Declaration of Partnership Building in March 2022, as a commitment to building new partnerships by promoting links, co-existence, and co-prosperity with business partners in our supply chains and business operators working to create value, and updated the details of the declaration in 2024.

JAE's "Declaration of Partnership Building" can be found here:
https://www.jae.com/files/user/pdf/partnership(5).pdf (in Japanese)

Column The Door to Innovation

Efforts for Preventing Child Labor

JAE Philippines has participated in "Project Angel Tree" for 17 consecutive years as part of the Philippine Department of Labor and Employment's program to prevent and eradicate child labor, by donating food, clothing, school supplies, and other items. The JAE Group states that it will "respect human rights in every corporate activity and not condone discrimination or the employment of child labor or forced labor in the workplace" as its policy related to upholding human rights, and also requests business partners to comply with the Sustainable Procurement Guidelines.



Activities in progress

Environment

Approach

To promote sustainability management, the JAE Group has advocated “harmony with the environment” in the “JAE Group Charter of Corporate Behavior” and conducts corporate activities that respect nature and are environmentally friendly.
Of the environmental challenges that are present, the JAE Group recognizes that measures against climate change, promotion of a circular economy, and conservation of biodiversity are key social issues, and by working to resolve these, the Group will strive to increase corporate value and achieve sustainable growth.
For details of our environmental activities, please see our Environmental Report.

Our Environmental Report can be found here:
https://www.jae.com/en/csr/eco/report/

Measures against Climate Change

The JAE Group views measures against global warming as the most important issue, and worked on steadily saving energy as the highest priority. Regarding our purchased electricity, which is a major source of CO_2 emissions, we have gradually introduced electricity derived from renewable energy, and we completed its implementation across our production sites in Japan in fiscal 2023”. As a result of this initiative and installation of solar power generation facilities at some factories, we achieved a 64% reduction in greenhouse gas emissions during fiscal 2024 compared to fiscal 2017.
We will continue working on reducing greenhouse gas emissions, including at our overseas factories and our suppliers.
As a measure to save energy to promote global warming countermeasures, the JAE Group has set energy saving targets and will centrally manage the status of progress, and so forth, as it works toward achieving them. The specific measures are as follows.

- Environmental Awareness Training
  We provide environmental education to equip employees with the knowledge about the environment needed at each level and function. In addition to this general education, we also offer separate training programs unique to each department. We are also raising awareness through various events (e.g., Environment Month, Warm Biz and Cool Biz initiatives).
- Measures at plant and manufacturing facilities
  We implemented measures such as using more efficient factory transformer equipment, saving energy , by controlling the number of air compressors in operation switching to LED lighting, improving maintenance methods for continuous plating equipment, and installing solar power generation facilities. We are also using monitoring systems for power consumption and air conditioning for tracking detailed usage patterns by each department and major processes, and harnessing this data to identify energy-saving measures and verifying how effective they are.
- Measures related to logistics
  We are conducting modal shifts, specifically switching from truck transportation with wooden crate packaging to rail transportation with containers, as well as reusing packaging trays.

Disclosure of Information on the TCFD Recommendations

Our Policy

Regarding issues related to climate change as important management issues, the JAE Group analyzes risks and opportunities brought about by climate change, and promotes initiatives for it through business activities to achieve sustainable growth.

Governance

The JAE Group established the Sustainability Promotion Committee in April 2024, chaired by the Chairman and consisting of the other corporate officers and chiefs of the departments with which sustainability issues are concerned. In the Committee, they deliberate and formulate sustainability management policies and strategies, decide on specific measures related to the sustainability strategies, and give instructions. With regard to important matters, these are reported, as needed, to the Management Committee and the Board of Directors, and the management oversees them properly.

Strategies

- Impact analysis by scenario

With regard to climate change, the JAE Group analyzed impacts of climate change by scenario with reference to the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (SSP1-1.9 (1.5°C scenario), SSP5-8.5 (4°C scenario)) and the International Energy Agency’s (IEA)World Energy Outlook 2022, identified risks and opportunities, and assessed possible impacts on the JAE Group’s business. See “Disclosure based on TCFD Recommendations” for analysis results.

“Disclosure based on TCFD Recommendations”
https://www.jae.com/en/csr/eco/tcfd/

Risk Management

The Sustainability Promotion Committee and Corporate Risk Management Committee identify, evaluate, monitor, and manage risks that impede the Group’s sustainable growth. Important matters are reported to the Management Committee and the Board of Directors, allowing management to appropriately ascertain and supervise risks related to the Group. In the event of a large-scale natural disaster that impedes the business continuity of our Group companies, a Central Task Force, headed by the President, will be immediately established based on the Company’s business continuity plan, and the Task Force will formulate a plan for business continuity and issue instructions and orders for the execution of the plan.

Targets and Goals

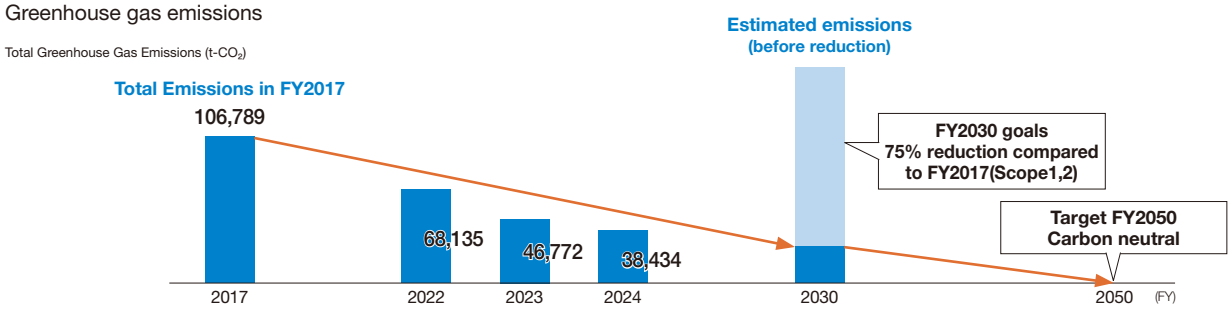
- Regarding response to climate change as an urgent issue, the JAE Group aims to be carbon neutral by the Group by fiscal 2050.
- As the intermediate goal, the Group has set a 75% reduction in its total greenhouse gas emissions (Scope 1/Scope 2) for fiscal 2030 compared to fiscal 2017 on a global production basis. For carbon neutrality, the JAE Group will strive to achieve it as soon as possible.

* Global production basis: Those of major production companies are included.

● For Scope 3

We recognize the importance of reduction of emissions in Scope 3. Therefore, we will continue to work with our suppliers to make efforts for reduction, and will consider setting specific reduction targets and working toward the targets.

Greenhouse gas emissions



Environmental Activities

Environmental Impact of Business Activities

Resin molding is used widely for manufacturing processes. During the molding process, the material of the channel (such as runners) for flowing resin into the mold does not become part of the final product, therefore we are actively saving resources with initiatives for reusing this material (regrinding).

Activities in Biodiversity

The JAE Group established the JAE Group Forest in fiscal 2004 as a symbol of our environmental management. In addition to promoting environmental awareness by allowing Group employees to participate in forest preservation activities, we are helping to reduce greenhouse gas (CO_2), secure water sources, and conserve biodiversity.

In fiscal 2024, dozens of JAE workers participated in forest conservation activities at “JAE Group Forest” to raise awareness of environmental conservation among all JAE workers.

The following URL is a video showing the JAE Group Forest:
https://www.youtube.com/watch?v=10Gdsm5qJJk

Effective Use of Resources

We are promoting recycling and reducing waste as part of initiatives for ensuring the effective use of resources.
In fiscal 2024, we worked on converting waste plastics generated during manufacturing processes into valuable resources, with approximately 20% of plastic waste converted into valuable resources.

Column The Door to Innovation

Development of environmentally conscious products

We are developing products that are environmentally conscious from the design stage —here is one example of such products.



High Voltage Powertrain Connector for EV MW05

Environmentally conscious design factors

(1) CO_2 cutbacks	Widespread use of this product will reduce consumption of gasoline fuel and help reduce CO_2.
(2) Greater use of renewable energy	Being able to charge vehicles at home will lead to greater use of in-house power generation.
(3) Environmental sustainability specifications	The components of this product are RoHS Directive-compliant, with lower use of environmentally hazardous substances throughout all stages, from production to disposal. Protective caps removed and discarded during assembly are also made using biomass material derived from scallop shells, as part of its environmentally conscious design.

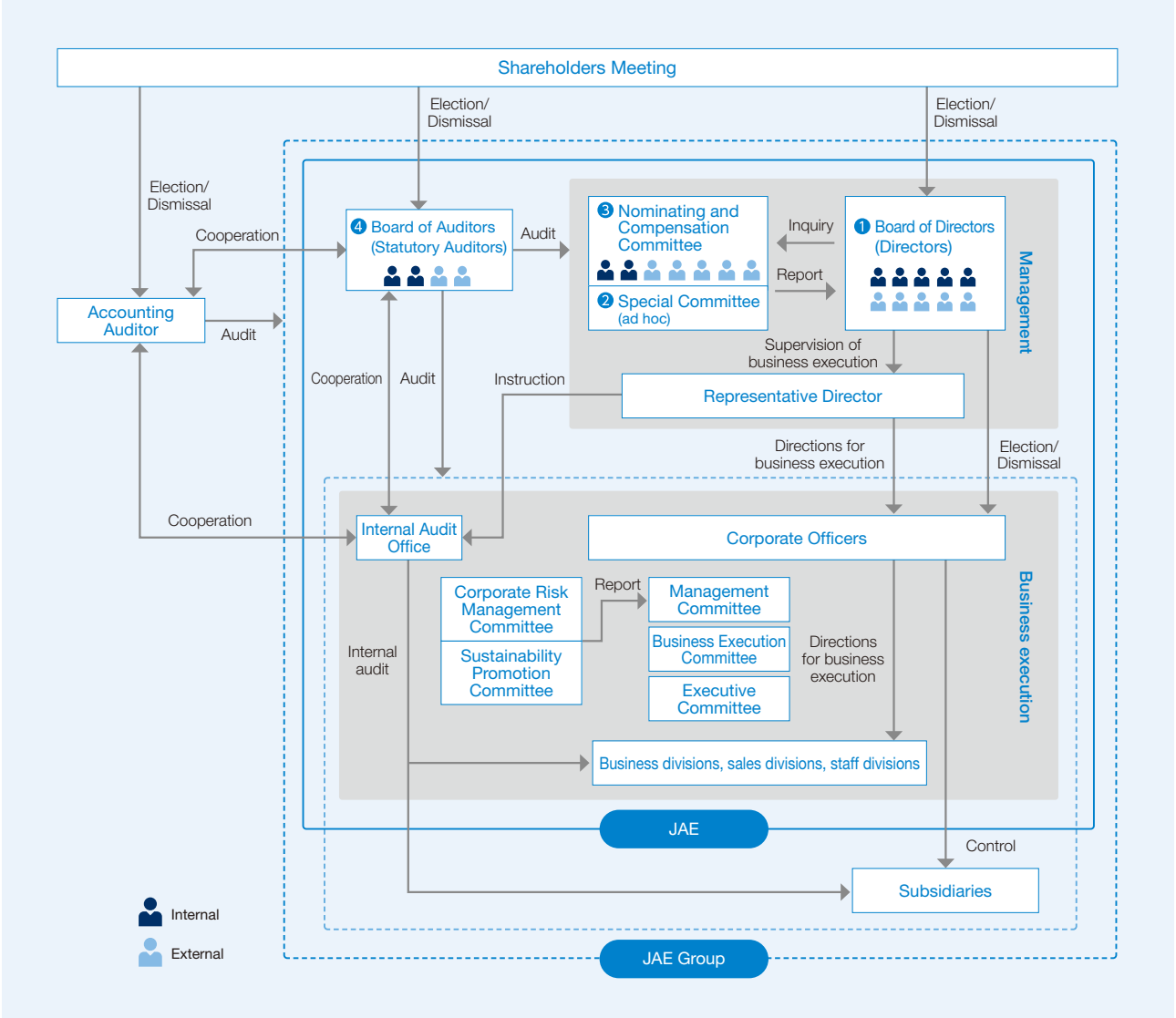
Corporate Governance

Basic Views

We believe that corporate governance means abiding by relevant laws and rules and fulfilling our social responsibilities to stakeholders, including shareholders, customers, business partners, and communities, with the aim of maintaining fair profits, increasing corporate value, and contributing to creation of sustainable growth in society through corporate management based on our corporate philosophy “Explore, Create and Practice.”

Towards Strengthened Corporate Governance

We have built a corporate governance framework that enables swift decision making and agile management by establishing a Board of Directors comprising ten Directors (including five Executive Directors and five Outside Directors), Management Committee mainly comprising five Executive Directors, and the Business Execution Committee and the Executive Committee comprising Corporate Officers and executive members. These management structures comprise a body for making management decisions and carrying out business execution and internal controls. We have also adopted a Board of Auditors system comprising two full-time Statutory Auditors and two Outside Statutory Auditors and we have established an internal Audit Office as an internal controls division.
In 2024, to further enhance the effectiveness of the Board of Directors, we added two Outside Directors, bringing the number of Outside Directors to half of the total board members—as a result, the diversity of the Board of Directors has increased, leading to more multilateral and lively deliberations.



Also in the same year, we have established a Nominating and Compensation Committee to further strengthen the independence, objectivity, and accountability of the Board of Directors such as the nomination and remuneration of Directors, where matters concerning the appointment of candidate Directors and the remuneration of Directors were discussed.
We will continue striving to achieve sustainable growth and increase corporate value through more effective corporate governance.

❶ Board of Directors
This makes decisions regarding important business operations based upon the Board of Directors' discussion criteria, and supervises the performance duties and implementation of internal controls.

❷ Special Committee (ad hoc)
As an ad hoc advisory body to the Board of Directors, this is comprised of independent Outside Directors, which deliberates and reviews in advance any significant transactions or actions that could cause a conflict of interest between NEC Corporation or other shareholders holding a large number of Company shares, and minority shareholders.

❸ Nominating and Compensation Committee
As an advisory body to the Board of Directors, this is comprised of independent Outside Directors and Executive Directors (of which the majority are independent Outside Directors), which deliberates and reviews matters related to both the nomination of candidates for Director and Director remuneration.

❹ Board of Auditors
This is comprised of two full-time Statutory Auditors and two Outside Statutory Auditors. They attend important meetings including the Board of Directors and the Management Committee, inspect important documents, and collect information on the status of business execution of various departments within the group from Directors, Corporate Officers, and employees.

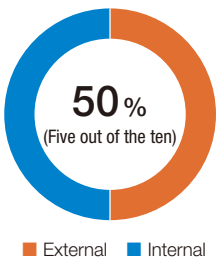
Meetings for Fiscal 2024

	No. of Meetings Held	Main Topics Discussed
Board of Directors	12 times (monthly regular board meetings)	The Board of Directors discussed and decided on matters stipulated by laws and regulations and the rules of the Board of Directors, as well as other important matters related to Company management and operations, and received reports on the conditions of important business operations.
Nominating and Compensation Committee	5 times (June, September, November 2024, January, March 2025)	The Committee discussed matters concerning the nomination of candidate for Directors and the remuneration of Directors.
Special Committee	No special committee meetings were held during fiscal 2024, as there were no matters to be discussed.	

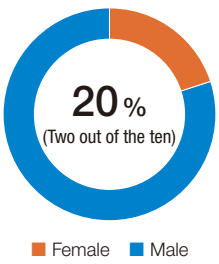
Composition of Directors and Statutory Auditors

The Board of Directors comprises five internal directors and five independent outside directors, and seeks to further strengthen corporate governance. In addition to internal directors who have extensive experience and a proven track record in their respective fields of business, five independent outside directors who have sophisticated expertise and insight, including one with experience and knowledge as a corporate manager in the manufacturing industry, engage in active and effective discussions. The Nominating and Compensation Committee comprises five independent outside directors and two internal directors. We have also appointed two outside statutory auditors who can provide supervision by leveraging their respective professional backgrounds, experience, and expertise.

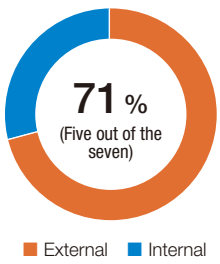
Ratio of Outside Directors



Ratio of female Directors



Ratio of Outside Directors of Nominating and Compensation Committee



Corporate Governance

The Board of Directors is required to possess a broad range of expertise in order to fulfill its responsibilities of making key decisions on corporate management and overseeing the overall execution of business operations. We have identified the skills that are required for our company's Board of Directors and have compiled a skill matrix accordingly. Based on this matrix, we consider the overall balance of knowledge, experience, and abilities, as well as diversity, in the nomination of director candidates, which is conducted through discussions by the Nominating and Compensation Committee.

Skill matrix of Directors and Statutory Auditors

Title	Name	Corporate management	Global	Accounting and finance	Legal and compliance	Technology and manufacturing	Sales and marketing	Human resources development and personnel affairs
President (Representative Director)	Masayuki Muraki	●	●	●	●	●	●	●
Director	Minoru Urano	●	●			●		
Director	Noritaka Hiyama				●			●
Director	Masahiro Matsuo		●		●		●	
Director	Shigeto Ihara	●	●	●		●	●	
Director (Outside Director) Independent	Reiichiro Takahashi		●					
Director (Outside Director) Independent	Kazuhiro Goto				●			
Director (Outside Director) Independent	Hiroshi Kawaguchi	●				●		
Director (Outside Director) Independent	Yuko Numata		●	●				
Director (Outside Director) Independent	Mami Nagasaki			●	●			
Statutory Auditor (Full-time Statutory Auditor)	Naoaki Azuma				●		●	
Statutory Auditor (Full-time Statutory Auditor)	Kazuhiko Aoki			●				
Statutory Auditor (Outside Statutory Auditor) Independent	Jin Takeda				●			
Statutory Auditor (Outside Statutory Auditor) Independent	Keiji Kabeya			●				

Definitions of each skill

Skill	Skill definitions
Corporate management	Knowledge and experience as a member of the top management (representative director or equivalent role) of a company
Global	Knowledge and experience concerning international affairs, overseas business and international transactions
Accounting and finance	Knowledge and experience concerning accounting and finance
Legal and compliance	Knowledge and experience concerning legal and compliance
Technology and manufacturing	Knowledge and experience concerning technology and manufacturing that will expand and develop the Company's business
Sales and marketing	Knowledge and experience concerning sales and marketing that will expand and develop the Company's business
Human resources development and personnel affairs	Knowledge and experience concerning human resource strategy, such as human resource development, which includes diversity, as well as personnel affairs and labor

Continuous Improvement of Corporate Governance Based on Evaluations of the Effectiveness of the Board of Directors

With the aim of improving the effectiveness of the Board of Directors, the Company conducts analysis and evaluations in that regard on a yearly basis. The following is an overview of the results of initiatives, analysis and evaluation for fiscal 2024.

Initiatives and analysis-evaluation process in fiscal 2024

We have implemented various improvements that build on the findings of the previous analysis and evaluation of fiscal 2023. As before, we conducted a survey to Directors and Statutory Auditors based on the following survey items and perspectives, and the results were reported to and deliberated on by the Board of Directors during its meeting held in May 2025.

- Composition of the Board of Directors
- Roles of the Board of Directors
- Deliberations in the Board of Directors
- Operation of the Board of Directors
- Support structure for Directors

Overview of the evaluation results for fiscal 2024

From the results of the above discussions, we analyzed and assessed that diversity of the Board of Directors has increased, leading to more multilateral and lively discussions. Furthermore, the establishment of a Nominating and Compensation Committee has improved the independence and objectivity of the Board of Directors, which further strengthens corporate governance. However, survey respondents furnished opinions regarding matters pertaining to the Board of Directors, such that included operation of the Board of Directors, content of its agenda items, its risk management structure, and provision of information prior to its meetings. The Board of Directors will continue engaging in discussion, review, and improvement initiatives in seeking to enhance its effectiveness in light of these results, opinions, etc.

Remuneration System of Directors and Statutory Auditors

Remuneration for Directors is comprised of monthly remuneration (fixed remuneration), director bonuses (performance-linked remuneration), restricted stock remuneration and stock options. These are determined based upon our "policy for determining the content of remuneration, etc. for individual Directors" as decided by a resolution of the Board of Directors.

Remuneration Structure for Directors and Statutory Auditors

Type			Payment schedule	Eligible officer				Payment criteria
				Executive Director	Outside Director	Full-time Statutory Auditor	Outside Statutory Auditor	
Monetary	Monthly remuneration (Basic remuneration)	Fixed	Monthly	●	●	●	●	Fixed remuneration set based on standards that include presence or absence of representation rights, position, etc.
	Bonuses (Performance-linked remuneration)	Variable (Short-term incentive)	Annually	●				Determined in view of Directors' positions and performance in their area of responsibility, based upon the previous year's performance
Non-monetary	Restricted stock remuneration	Variable (Long-term incentive)	Annually	●				Number of shares granted are determined according to the position
	Stock options	Variable (Medium-term incentive)	Annually	●				Number to be awarded is determined according to position

Amount of Officer Remuneration (Fiscal 2024)

Officer Category	Total Remuneration (Million yen)	Total Amount by Type of Remuneration (Million yen)			Number of Eligible Officers
		Basic Remuneration	Performance-linked Remuneration	Non-monetary Remuneration (*)	
Directors (excluding outside directors)	296	166	96	33	5
Statutory Auditors (excluding outside statutory auditors)	40	40	—	—	2
Outside officers	56	56	—	—	8

* Stock options and restricted stock with transfer restrictions are provided to Directors as non-monetary remuneration. The total amount of the above non-monetary remuneration is the amount recorded as expenses for stock option remuneration and restricted stock remuneration for the current fiscal year.

Officer remuneration can be found here (Annual Securities Report):
https://www.jae.com/ir/library/security/ (in Japanese)

Protecting the Rights of Minority Shareholders

The Company has set up a special committee comprised of independent Outside Directors as an ad hoc advisory body to the Board of Directors in order to protect the interests of minority shareholders in the event that a conflict of interest occurs between NEC Corporation (hereinafter "NEC") or other shareholders holding a large number of Company shares, and minority shareholders, and this deliberates and reviews these issues in advance. While the NEC Group is an important customer for the Company and we sustain sound business relationship, our dependence on business transactions with them is minimal, with terms of transactions being determined through negotiations in each case, and consistent with those with other business partners.

For management, the Company performs independent decision-making while operating under the supervision and advice of five independent Outside Directors and the auditing of two Outside Statutory Auditors. As of July, 2025, the Board of Directors consists of five Executive Directors and five independent Outside Directors, with no Directors assigned by major shareholders.

While maintaining a certain level of capital relationship with NEC by continuing to pursue management strategies that include generation of further corporate value through synergies with NEC, we will ensure independent management, thereby improving our corporate value and protecting the common interests of our shareholders.

Cross-shareholdings

We have been reducing our cross-shareholdings, and the ratio of listed shares currently held as assets is negligible. With regard to individual cross-shareholdings, the Board of Directors regularly reviews the rationality of holding them, factoring in the advantages of holding them from a business perspective and whether those advantages outweigh the capital costs, and as such we have determined that all shares are rational to hold.

In terms of exercising voting rights for cross-shareholdings, we carefully review and verify the details of proposals and exercise voting rights after determining whether they contribute to improving shareholder value of portfolio companies.

Roundtable Discussion with Outside Directors



Outside Director Yuko Numata | Outside Director Kazuhiro Goto | Outside Director Reiichiro Takahashi | Outside Director Hiroshi Kawaguchi | Outside Director Mami Nagasaki

Roles of Outside Directors Supporting the Evolution and Challenges Taken by JAE Through Diverse Perspectives

JAE increased the number of outside directors from three to five during fiscal 2024, and as a result, achieved greater diversity for the Board of Directors. In this roundtable discussion, the five outside directors will air their views on the past year and discuss the approach to management and governance for achieving sustainable growth for JAE.

Changes to JAE's Board of Directors with the Increase in Outside Directors

Takahashi With the drastic changes occurring throughout business environments both in Japan and overseas, JAE is now at a stage where independent management decisions are becoming increasingly essential. I am personally seriously looking at what I am able to do as an outside director to enhance corporate value and maximize shareholder returns. In this context, I feel that the new outside directors that have joined the board is leading to even more vibrant discussions than we used to have.

Goto I also feel the same way. I have been an outside director since 2023—with the diversity in backgrounds that outside directors have, we discuss the business challenges we are facing and our awareness of issues from a broad range of perspectives, and I feel that discussions at the Board of Directors meetings have become more substantial in terms of both quality and quantity.

Kawaguchi I was appointed as an outside director of JAE in 2024, and while I do sense some cultural differences compared to the company where I previously served as representative director, I have a positive impression on the diversity of the Board of Directors and the mood of lively discussions. I am sharing my views drawing on my own experience and knowledge for the growth of JAE.



Numata With my background in the financial industry, the solid foundation that JAE has as a technology-oriented company is very appealing to me. In contrast, the market and investors focus on future potential and growth strategies. I believe my role is drawing out the long-term vision of JAE, and I am asking questions and providing feedback to achieve that.

Nagasaki I am providing my views from the perspective of a lawyer on strengthening compliance and governance. 2024 was a year where we witnessed progress being made with governance, including an increase in the number of meetings held by the Nominating and Compensation Committee beyond those initially planned and opportunities to question candidates for new directors.

Inauguration and Significance of the Nominating and Compensation Committee

Kawaguchi In fiscal 2024, we have been discussing the role and direction of the Nominating and Compensation Committee since its establishment. The management of a company is a demanding role that calls for the ability to respond to risks and changes while advancing the entire group. We want to get to know and support the growth of internal candidates, to cultivate future leaders who are responsible for covering such roles over the medium to long term.

Goto In contrast, another key roles to clearly define the criteria for ensuring transparency in the growth and selection of future candidates for managers. While JAE has many employees who have predominantly worked within their specific business divisions, I think we need to explore systems for nurturing leaders through a diverse range of experiences, like rotating positions within corporate departments, to cultivate individuals capable of overseeing management as a whole.



Yuko Numata
Outside Director
(assumed office in June 2024)
Professor, Graduate School of Global Business, Professional Graduate School, Meiji University

Kazuhiro Goto
Outside Director
(assumed office in June 2023)
Joined National Police Agency in 1988. After serving as Director-General of Chubu Regional Police Bureau and other key posts, retired from National Police Agency in 2022.
Advisor to Lawson, Inc.

Reiichiro Takahashi
Outside Director
(assumed office in June 2021)
Joined Ministry of Foreign Affairs in 1980. After serving as the Ambassador Extraordinary and Plenipotentiary to Australia and other key posts, retired from Ministry of Foreign Affairs in January 2021.
Advisor to HAZAMA ANDO CORPORATION

Hiroshi Kawaguchi
Outside Director
(assumed office in June 2024)
The former Chief Executive Officer of TOTOKU ELECTRIC Co., Ltd. (currently TOTOKU INC.)

Mami Nagasaki
Outside Director
(assumed office in June 2024)
Partner, Ishii Law Office

Numata Following these discussions, opportunities were also created for the head of divisions to give explanations directly at Board of Directors meetings. Being able to "see the candidates" enhances understanding them and makes rationale for decisions easier to articulate. Looking ahead, further advances with both systems and operations can be expected from the stance of linking human resources with the management strategy.
Takahashi It is important for the Nominating and Compensation Committee to ensure that the management strategy and human resources strategy are implemented in a consistent manner. Our role is to build up the foundation for cultivating leaders capable of responding to changes in business environments and diversifying risks, and then develop and appoint competent executives.
Nagasaki Going forward, further studies will be required, not only for cultivating human resources, but also for the compensation system. There are multi-level systems such as stock options and restricted stock with transfer restrictions, but their purpose and effectiveness need to verified properly. I am hoping to discuss optimal compensation designs over a medium- to long-term perspective while ensuring they align with the corporate strategy.

Engaging in Discussions to Achieve Sustainable Management

Kawaguchi The Sustainability Promotion Office was established in 2024, and it is sharing activity reports, but the company-wide vision for the future is yet to be properly developed, with the core principles remaining unclear. To share the direction of growth with employees, directors should leverage their insights and experiences in building a strategic narrative.
Takahashi I agree completely. The thing that matters is the meaning of sustainability "for JAE," and the question is—what is the best way to connect social issues with JAE's sense of purpose. This needs to be viewed as a fundamental issue, and integrated into sustainable corporate management.



Numata Surely stakeholder engagement is also essential to achieve such sustainable management. JAE has a modest corporate culture and takes a cautious approach to disseminating information, so there should be greater opportunities for engaging in dialogue, including with investors. As one of the top ten companies in the connectors sector, I think JAE needs to take a more proactive approach to communicating its vision and passion.
Nagasaki It is vital that we, as outside directors, engage in dialogue with the statutory auditors. This will be an opportunity to discuss the future vision and direction of JAE, and will also help to collect information that can be used as the basis for making various management decisions by the Board of Directors.
Goto Addressing risks is also important, and while JAE has begun company-wide initiatives, it is still in the early stages. Looking ahead, more in-depth discussions on how to approach risk assessments, developing specific measures for high-priority risks, and refine those measure.

Enhancing Corporate Value over the Medium to Long Term



Nagasaki We should give more consideration to the overall strategies and policies for the future growth of JAE. In this context, it is also important to hold discussions to establish priorities for capital allocation overall.
Takahashi Growth in overseas markets is also an issue that needs to be addressed in the future. Understanding the unique political and cultural risks specific to each region is essential when expanding into global markets. I hope to leverage insights I gained from my time at the Ministry of Foreign Affairs to support the advancement of JAE's global strategy.
Goto As a company operating globally, we recognize that group governance is also a key issue. I think that we should move ahead with rolling out an external reporting system as part of efforts toward building a company-wide compliance system.
Kawaguchi Drawing on my experience as an executive in the manufacturing sector, I feel that JAE several strengths that set it apart from its competitors. However, I also see stagnating business growth during the medium-term management plan as a challenge. I am confident that increasing investment in human capital will enhance expectations for growth at JAE.

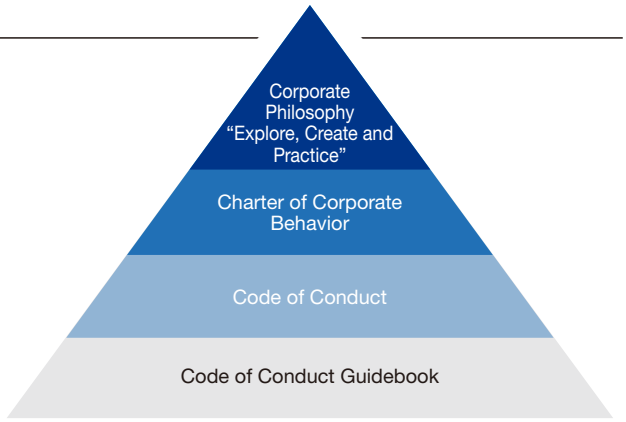


Numata I believe that clearly outlining the direction that JAE is taking at the Board of Directors and presenting it in a way that all stakeholders can understand will help make the future vision I mentioned earlier more tangible. JAE is currently prepared to move into the next phase. Our role is to support the efforts for that transition.

Compliance

Basic Views

The JAE Group has formulated the JAE Group Charter of Corporate Behavior in accordance with the corporate philosophy of “Explore, Create and Practice,” and has developed the “JAE Group Code of Conduct” as a standard for executives and employees, along with the “JAE Group Code of Conduct Guidebook” that explains details of this. As we conduct business, we implement our initiatives with the understanding that corporate behavior in compliance with the law as set out by the Charter of Corporate Behavior and Code of Conduct is the cornerstone of our operations.



JAE Group Charter of Corporate Behavior

Based on our corporate philosophy, “Explore, Create and Practice,” JAE Group will continue to expand efforts to maintain a fair profit, increase corporate value, and contribute to the creation of sustainable growth in society. At the same time, as a good corporate citizen, we will abide by relevant laws and rules and fulfill social responsibilities toward customers, stockholders and investors, business partners and other related persons in the community at large.

JAE Group Charter of Corporate Behavior can be found here:
https://www.jae.com/en/csr/charter/

1. Fair and Honest Corporate Activities
2. Pursuit of Customer Satisfaction
3. Disclosure of Corporate Information
4. Harmony with the Environment
5. Harmony with Society
6. Respect of Human Rights
7. Respect for Employees' Individuality and Personality
8. Management of Intellectual Properties and Information

Compliance Initiatives

JAE Group has designated July 5 as “Compliance Day,” when the President gives an address to corporate officers and department heads every year. In this address, the President covers three points, including how (1) corporate behavior based on compliance is the cornerstone for conducting business, (2) it is vital that as a manufacturer involved in production, we adhere to laws, regulations, and customer contracts, and (3) it is essential that we ensure thorough compliance with related laws and regulations even in our dealings with business partners. This content is explained to all employees via department heads and is also widely disseminated through the company newsletter.

Additionally, we conduct e-learning training for employees in Japan and overseas on corporate ethics and legal compliance as part of our compliance education, and this is also conducted once a year. Furthermore, each responsible department conducts education and checks on control systems regarding internal controls for financial reporting, human rights, environmental conservation, the Subcontract Act, product safety, import-export transactions, and information security.



“Compliance Day” Presidential address

Internal Reporting System

The Company has an internal reporting system aimed at the prevention, early detection, and correction of misconduct related to compliance and corporate ethics.
Reports and consultations are accepted anonymously, and strict internal controls are in place to protect the informant if investigations are conducted based on these. These measures include protecting the confidentiality of the person from whom this originated so that they do not face any unfavorable treatment as a result of these actions. The internal reporting system is widely publicized through the Compliance Day address, compliance training, and the company newsletter.

Risk Management

Basic Views

The Corporate Risk Management Committee works to identify, monitor, and manage risks that may hinder the sustainable growth of the Company Group. They identify risks that have not yet materialized and share information about those that have, and by reviewing countermeasures thereby help prevent their recurrence.
The identified risks are reviewed by business and staff departments and the committee discusses them appropriately.

Risk Management Structure

The Group identifies, monitors, and manages risks that may hinder sustainable growth with the Corporate Risk Management Committee chaired by the Chairman or the President with Corporate Officers and general managers of departments as members and full-time Statutory Auditors as observers.
Particularly significant matters are reported to the Management Committee and Board of Directors as necessary, which serves as the system whereby the management team appropriately comprehends and supervises the risk management status on a group-wide basis.
Subcommittees will be established as subordinate bodies of the Corporate Risk Management Committee as needed for discussing countermeasures against specific risks.
The Corporate Risk Management Committee meets four times a year to examine risks that have not yet come to the fore, as well as share information about materialized risks and revise countermeasures, thereby working to prevent recurrence. In addition, the Committee is working on identifying and reviewing priority risks that the JAE Group needs to be vigilant against, based on the likelihood and severity assessments of potential risks, as well as the management status and countermeasures established by each department.

Structure



Risk Analysis and Countermeasures

We focus on responding to risks addressed on a group-wide basis based on evaluations of their likelihood and severity. In fiscal 2024, we focused on geopolitical risks that had a significant impact on our business, and we discussed establishing guidelines for action in the event of emergencies, as well as confirming the status of production and procurement and considering necessary measures.

In fiscal 2025, we plan on focusing on the impact of changes in US policy as the main topic within “geopolitical risks.” Under the assumed scenarios, we will be examining various risks, such as economic conditions and supply chains, and will be taking the appropriate measures. We have also identified the following as our major risks, and will respond quickly as required.

Major Risk

- Environmental issues
- Natural disasters, infectious diseases
- Economic, financial and currency fluctuations, and geopolitics
- Procurement and supply chains
- Markets and competitive environments
- Production engineering, stable supply
- Products, technology, R&D
- Product quality
- Compliance and human rights issues
- Securing and retaining of human resources
- Intellectual property rights
- Information security

Directors, Auditors and Officers (As of June 19, 2025)



Directors

1 President (Representative Director)
Masayuki Muraki

Apr. 1984 Joined the Company
Apr. 2016 Associate Senior Vice President, Deputy General Manager of Connector Division, Manager of Business Planning Department, and Manager of Global Techno-Center
Apr. 2020 Associate Senior Vice President and General Manager of Connector Division
Jun. 2021 Director and Associate Senior Vice President, and General Manager of Connector Division
Apr. 2022 Director and Senior Vice President, and General Manager of Connector Division
Apr. 2023 President (Representative Director) (current position)

Number of the Company's shares owned: 19 thousand shares

2 Director
Minoru Urano

Apr. 1982 Joined the Company
Jun. 2012 Director
Jun. 2013 Associate Senior Vice President
Jun. 2014 General Manager of Connector Division
Jun. 2016 Director and Associate Senior Vice President
Apr. 2019 Director and Senior Vice President
Apr. 2021 Director and Executive Vice President (current position)

Number of the Company's shares owned: 27 thousand shares

3 Director
Noritaka Hiyama

Apr. 1985 Joined the Company
Apr. 2018 Associate Senior Vice President, General Manager of General Affairs and Human Resources Division
Apr. 2022 Associate Senior Vice President
Apr. 2025 Senior Vice President
Jun. 2025 Director and Senior Vice President (current position)

Number of the Company's shares owned: 11 thousand shares

4 Director
Masahiro Matsuo

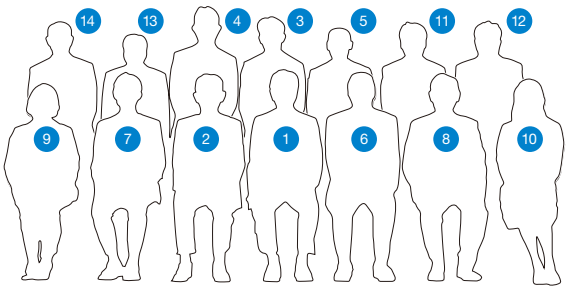
Apr. 1985 Joined the Company
Apr. 2016 Associate Senior Vice President
Jun. 2022 Director and Associate Senior Vice President (current position)

Number of the Company's shares owned: 12 thousand shares

5 Director
Shigeto Ihara

Apr. 1989 Joined NEC Corporation
Apr. 2019 President and CEO of NEC X, Inc.
Apr. 2024 Associate Senior Vice President of the Company
Jun. 2025 Director and Associate Senior Vice President (current position)

Number of the Company's shares owned: 3 thousand shares



6 Director (Outside Director) Independent

Reiichiro Takahashi

Apr. 1980 Joined Ministry of Foreign Affairs
Jan. 2015 Consul-General of Japan in New York (Ambassador)
Dec. 2018 Ambassador Extraordinary and Plenipotentiary to Australia
Mar. 2021 Advisor of HAZAMA ANDO CORPORATION (current position)
Jun. 2021 Outside Director of the Company (current position)

Number of the Company's shares owned: 0 shares

7 Director (Outside Director) Independent

Kazuhiro Goto

Apr. 1988 Joined National Police Agency
Nov. 2018 Chief Inspection Officer of Commissioner-General's Secretariat, National Police Agency
Oct. 2021 Director-General of Chubu Regional Police Bureau
Oct. 2022 Advisor of Nisshin Fire & Marine Insurance Co., Ltd.
Jun. 2023 Outside Director of the Company (current position)
Jul. 2025 Advisor of Lawson, Inc. (current position)

Number of the Company's shares owned: 0 shares

8 Director (Outside Director) Independent

Hiroshi Kawaguchi

Apr. 1982 Joined Furukawa Electric Co., Ltd.
Jun. 2020 Chief Executive Officer of TOTOKU ELECTRIC Co., Ltd.
Apr. 2023 Advisor of TOTOKU INC.
Jun. 2024 Outside Director of the Company (current position)

Number of the Company's shares owned: 0 shares

9 Director (Outside Director) Independent

Yuko Numata

Apr. 1992 Joined Nomura Research Institute, Ltd.
Jun. 2022 Outside Director, Ichiyoshi Securities Co., Ltd. (current position)
Apr. 2023 Professor at Graduate School of Global Business, Professional Graduate School, Meiji University (current position)
Jun. 2024 Outside Director of the Company (current position)

Number of the Company's shares owned: 0 shares

10 Director (Outside Director) Independent

Mami Nagasaki

Apr. 1998 Qualified & Registered as Attorney-at-Law in Japan (Daini Tokyo Bar Association) Joined Ishii Law Office
Apr. 2009 Partner, Ishii Law Office (current position)
Jun. 2018 Outside Director, HASEKO Corporation (current position)
Jun. 2021 Outside Auditor, HONDA TSUSHIN KOGYO CO., LTD.
Dec. 2022 Member, Tokyo Metropolitan Examination Committee for Disputes over Construction Works (current position)
Jun. 2024 Outside Director of the Company (current position)

Number of the Company's shares owned: 0 shares

Auditors

11 Statutory Auditor (Full-time Statutory Auditor)

Naoaki Azuma

Apr. 1986 Joined the Company
Apr. 2018 General Manager of Connector Sales Planning Division
Jun. 2023 Statutory Auditor (Full-time) (current position)

Number of the Company's shares owned: 2 thousand shares

12 Statutory Auditor (Full-time Statutory Auditor)

Kazuhiko Aoki

Apr. 1978 Joined the Company
Apr. 2019 Associate Senior Vice President and General Manager of Accounting and Financial Division
Apr. 2024 Associate Senior Vice President
Jun. 2025 Statutory Auditor (Full-time) (current position)

Number of the Company's shares owned: 13 thousand shares

13 Statutory Auditor (Outside Statutory Auditor) Independent

Jin Takeda

Apr. 1986 Qualified & Registered as Attorney-at-Law in Japan (Daini Tokyo Bar Association)
Apr. 2014 Executive Governor of Japan Federation of Bar Associations
Apr. 2014 Vice President of Daini Tokyo Bar Association
Jun. 2018 Outside Statutory Auditor of the Company (current position)
Jan. 2021 Counsel of Marunouchi Sogo Law Office (current position)

Number of the Company's shares owned: 0 shares

14 Statutory Auditor (Outside Statutory Auditor) Independent

Keiji Kabeya

Apr. 1989 Qualified & Registered as Certified Public Accountant
Jul. 2018 Representative, Kabeya Keiji CPA Firm (current position)
Jun. 2020 Outside Director of Honshu Chemical Industry Co., Ltd.
Jun. 2021 Outside Statutory Auditor of the Company (current position)

Number of the Company's shares owned: 0 shares

* The number of the Company's shares owned includes the number of shares owned in the Executive Stock Ownership Association of JAE. The number is rounded down to the nearest 1,000. The number of shares held is as of May 31, 2025.

Officers

President	Masayuki Muraki*
Executive Vice President	Minoru Urano*
Senior Vice President	Noritaka Hiyama*

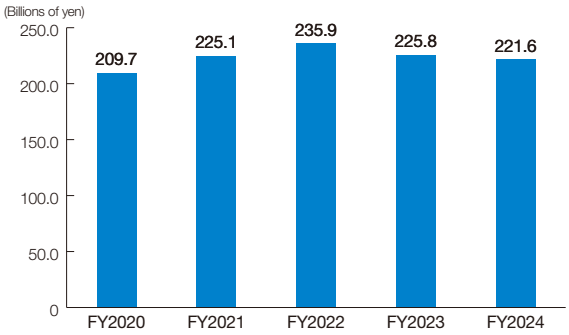
Associate Senior Vice President	Takashi Kosaka
Associate Senior Vice President	Tsuneo Hashimoto
Associate Senior Vice President	Masahiro Matsuo*
Associate Senior Vice President	Shunichi Naganuma
Associate Senior Vice President	Shingo Nanao
Associate Senior Vice President	Noriyuki Konishi
Associate Senior Vice President	Yoshifumi Kubota
Associate Senior Vice President	Takayuki Koike
Associate Senior Vice President	Tatsuichiro Maruo

Associate Senior Vice President	Masaki Yamada
Associate Senior Vice President	Shigeto Ihara*
Associate Senior Vice President	Masahito Kidokoro
Associate Senior Vice President	Hisamichi Kametani
Associate Senior Vice President	Seiji Takahashi
Associate Senior Vice President	Yasufumi Matsuo

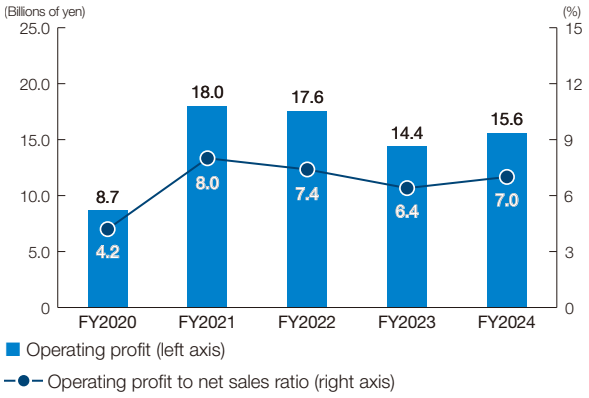
Those who are indicated by an asterisk (*) also hold the post of Director.

Financial and Non-financial Highlights

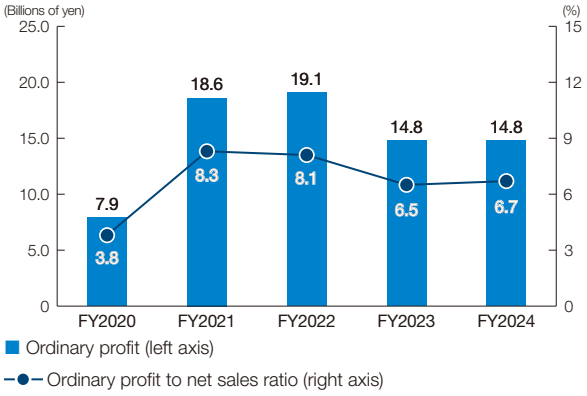
Net sales



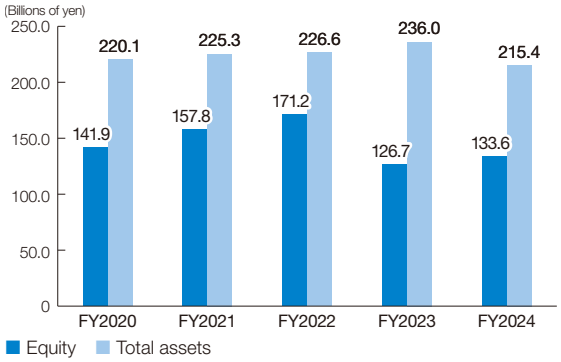
Operating profit/Operating profit to net sales ratio



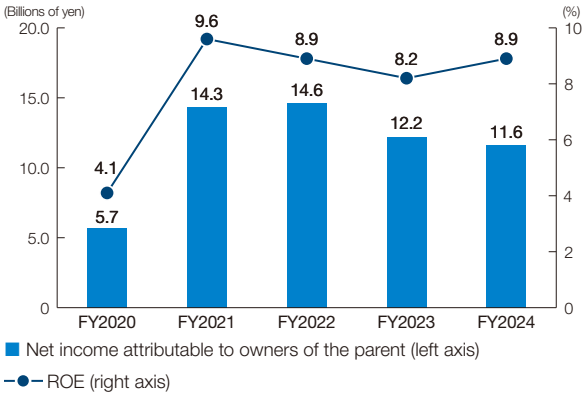
Ordinary profit/Ordinary profit to net sales ratio



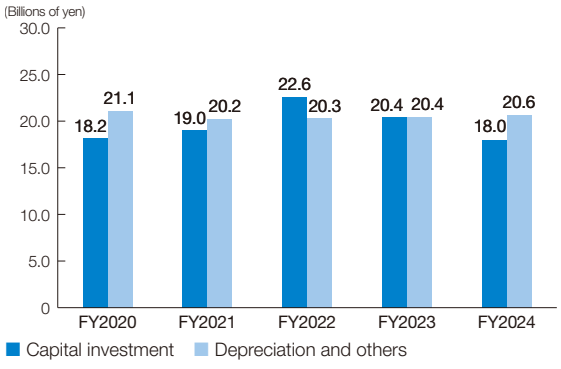
Equity/Total assets



Net income attributable to owners of the parent/ROE



Capital investment/Depreciation and others

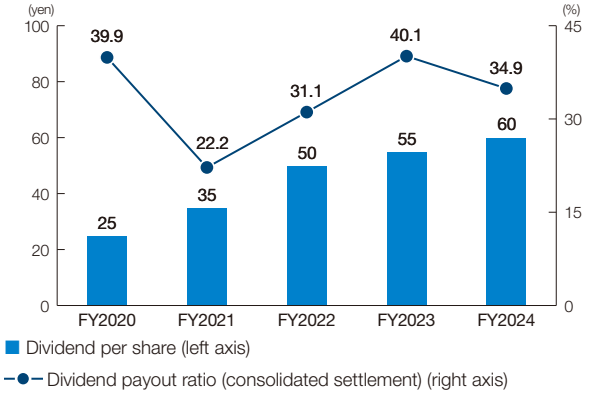


For accounting, the Company has applied the following:

"Ministerial Order Partially Amending the Regulation for Enforcement of the Companies Act and the Regulation on Corporate Accounting" (Ministry of Justice Order No. 5 of March 26, 2018) issued in accordance with the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018)

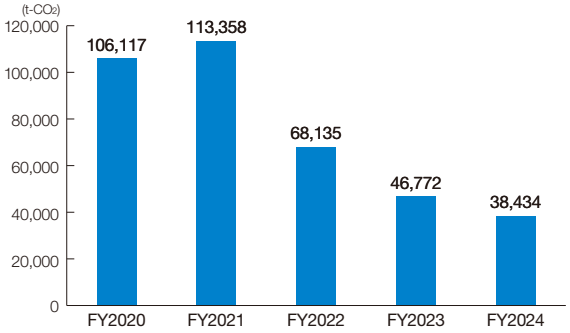
Dividend per share/Dividend payout ratio

(consolidated settlement)



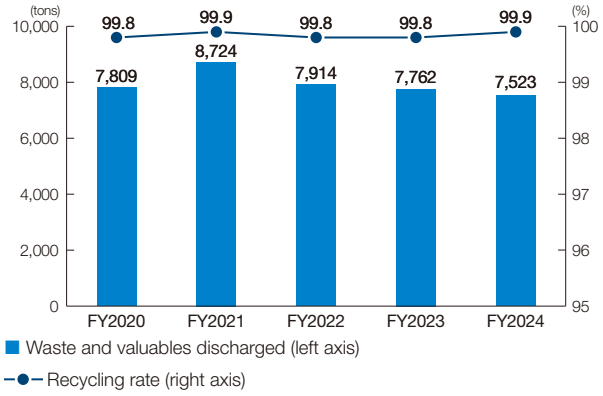
Total greenhouse gas emissions

(on a global production basis)*

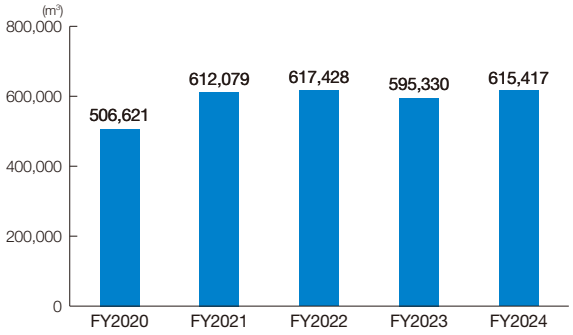


Waste and valuables discharged / Recycling rate

(total of domestic JAE Group companies)

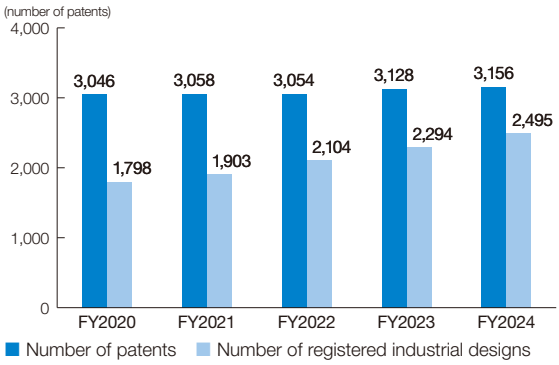


Water usage

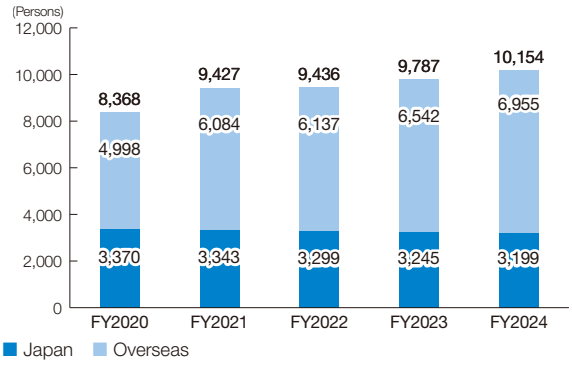


Number of patents/Number of registered industrial designs

(non-consolidated)



Number of employees



* Global production basis: Those of major production companies are included.

See Factbook here: https://www.jae.com/en/ir/financial/fact-book/

See ESG data here: https://www.jae.com/en/csr/esg-data/

On Publishing JAE Report 2025



Shigeto Ihara
Director and Associate Senior Vice President
(in charge of Corporate Planning and Investor Relations)

The JAE Group publishes the JAE Report as a means of boosting communication with all stakeholders, including investors. This report covers a broad range of topics, including corporate growth strategies, financial conditions, and environmental initiatives, and serves to build up trust with stakeholders through the provision of transparent information.

On JAE Report 2025, we are rolling out our value creation story based on the topic of "Opening the door to innovation and a sustainable society with our unique technologies." We have created a new stakeholder engagement page to showcase the expectations of our stakeholders, results, and specific initiatives. We also held a roundtable discussion with outside directors to emphasize our efforts toward enhancing the effectiveness of the Board of Directors and enhance sustainability management, while highlighting the establishment and development of a governance framework that supports sustainable growth. In advancing sustainability management, we also disclose our materiality—important issues—and further strengthen our response to challenges related to sustainability.

This report was primarily created by the Corporate Planning and Investor Relations Division with extensive cooperation from each business department and the management team. As the person in charge of preparing this report, I hereby certify that the production process was appropriate and that the information contained within is accurate.

I hope that this report will help to enhance your understanding and serve to facilitate dialogue. We also appreciate any feedback or requests from our stakeholders.

Connect to Our Website

https://www.jae.com/en/

- Investors https://www.jae.com/en/ir/
- Sustainability https://www.jae.com/en/csr/
- Technical Reports https://www.jae.com/en/corporate/rd/tech-report/
- Global Subsidiaries https://www.jae.com/en/corporate/group/

Corporate and Stock Information

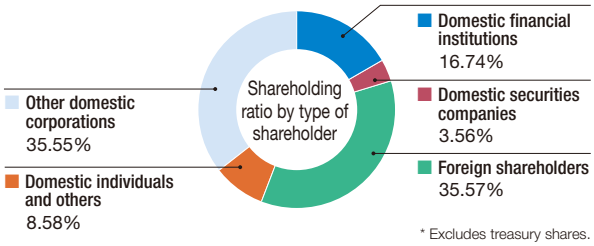
Company Outline

Company Name	Japan Aviation Electronics Industry, Limited
Establishment of Business	August 20, 1953
Head Office	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043, Japan
Capital	¥10.69 billion
Stock Exchange Listing	Tokyo Stock Exchange, Prime Market Securities Code: 6807
Main Business	Manufacturing and sales of connectors, user interface solutions (touch panels, touch panel monitors, panel units), and aerospace equipment (electronic devices, parts, and applied products for air and spacecraft)

Shares of the Company (as of March 31, 2025)

Total number of shares authorized	350,000,000 shares
Total number of issued shares	70,302,608 shares (including 2,901,788 treasury shares)
Number of shares per share unit	100 shares
Number of shareholders	5,815

Shareholdings by Type of Shareholder



* Excludes treasury shares.

Major shareholders (top 10 shareholders)

Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)
NEC Corporation	22,578,269	33.50
The Master Trust Bank of Japan, Ltd. (Trust account)	6,923,300	10.27
THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO.1	4,625,100	6.86
Custody Bank of Japan, Ltd. (Trust account)	2,075,100	3.08
GOLDMAN SACHS INTERNATIONAL	2,014,048	2.99
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	1,915,337	2.84
JPMorgan Securities Japan Co., Ltd.	1,821,516	2.70
STATE STREET BANK AND TRUST COMPANY 505001	1,261,606	1.87
CHARLES SCHWAB FBO CUSTOMER	1,000,255	1.48
BNYM AS AGT/CLTS 10 PERCENT	850,847	1.26

*1. The Company also holds 2,901,788 treasury shares which have been excluded from the calculation of major shareholders and shareholding ratios shown above.
2. The 13,800,000 shares held by Custody Bank of Japan, Ltd. (NEC Corporation Retirement Benefit Trust Account re-entrusted by Sumitomo Mitsui Trust Bank, Limited) as trust assets with voting rights retained by NEC Corporation, were returned without compensation from the bank to NEC Corporation on March 7, 2025.

Japan Aviation Electronics Industry, Limited

21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo 150-0043, Japan

Tel: +81-3-3780-2711

URL: https://www.jae.com/en/

Unauthorized copying of this report is prohibited.