



October 30, 2025

To whom it may concern:

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**Notice Concerning Execution of Capital and Business Alliance Agreement with KYOCERA Corporation (Securities Code: 6971), and Changes in the Largest and Principal Shareholder and Other Affiliated Company**

Japan Aviation Electronics Industry, Limited (the “Company”) hereby announces that it has resolved at the Board of Directors meeting held today to execute a capital and business alliance agreement with KYOCERA Corporation (“KYOCERA”) with completion of the transfer of part of the Company shares owned by NEC Corporation (“NEC”) to KYOCERA being the condition precedent for the effectuation (the “Capital and Business Alliance Agreement”; and the capital and business alliance pursuant to the Capital and Business Alliance Agreement shall hereinafter be referred to as the “Capital and Business Alliance”) as described below.

The Company also hereby announces that in relation to the above, it has been agreed between KYOCERA and NEC today to transfer part of the Company shares owned by NEC to KYOCERA (the “Share Transfer”); accordingly, in connection with implementation of the Share Transfer, it is expected that there will be changes in the Company’s largest and principal shareholder and other affiliated company.

**I. Overview of the Capital and Business Alliance**

**1. Purpose of and Reason for the Capital and Business Alliance**

Under its five-year medium-term management plan formulated in FY2020, the Company has been aiming for growth and the enhancement of its corporate value by enhancing technical development and manufacturing expertise/know-how (*monozukuri*) that accurately ascertain market changes in the four markets of focus, which comprise three markets (namely, automotive, mobile equipment, and industrial and infrastructure), and the aviation and space market. In the connector business, which is the Company’s main business, the following goals have been set: (i) in growth areas, in the automotive market, such as ADAS (Advanced Driver Assistance Systems) and autonomous driving, acquiring electrification demands and developing the overseas market; (ii) in the mobile equipment market, enhancing sales, development, and production systems to timely introduce high accuracy cutting-edge products; and (iii) in the industrial and infrastructure market, enhancing product development to incorporate automation and manpower-saving requirements for FAs, machine tools, and other items. For these goals, the Company has not only made independent efforts on its own, but has also examined and implemented a wide range of growth strategies including M&As and alliances with other companies.

However, due to changes in the market environment (such as slowdown of demands in the industrial and infrastructure market, and stagnation of the smartphone market) and a delay in realizing results under some of the Company’s measures such as overseas market expansion, the Company recognizes

that achieving medium-term management plan targets is expected to continue to take time. Accordingly, in order to accelerate its growth strategies, enhancing production and sales systems toward growth in overseas markets, and further reinforcing technical and product development capabilities are matters of urgent necessity. With that understanding, the Company, by considering that it would be possible to realize the growth of its connector business by utilizing overseas sales network and production bases, as well as design resources, held by KYOCERA through an alliance with KYOCERA, has executed the Capital and Business Alliance Agreement.

On the other hand, in the electronic components business that is one of its three major business segments, KYOCERA has adopted a business strategy aiming to expand its market share and increase profitability by generating synergies between the global sales network and the strong relationship with key customers of KYOCERA AVX Components Corporation (“KAVX”), a US subsidiary of KYOCERA, and the production technologies pursuing manpower reduction and efficiency of KYOCERA itself.

Based on the above strategy, KYOCERA has aimed to increase its market share by focusing on the MLCC business and the tantalum capacitor business in the electronic components segment; meanwhile, regarding the connector business, KYOCERA has believed that although it has strengths regarding product development capabilities for flexible board connectors and board-to-board connectors, as well as regarding custom connectors for the European automotive market, the scale of business was limited in these markets. In order to respond to various customer needs such as the need for “compact, high-voltage compatible, earthquake resistant and waterproof” products in the automotive, datacenter, industrial robot, and certain other segments that are future growth markets, KYOCERA considered that it is facing issues in the connector business regarding business scale, production technology, product standardization knowhow, and so on. With that understanding, KYOCERA executed the Capital and Business Alliance Agreement believing that the Capital and Business Alliance with the Company, which ranks among the world’s top ten companies in the scale of connector business, would realize synergies between both companies and thereby facilitate the Company’s attempt to gain significant momentum in growing its connector business into a business that is highly competitive globally.

## 2. Circumstances Leading to the Capital and Business Alliance

As part of its growth strategy above, the Company proceeded to enhance its business structure in various overseas regions to expand the automotive connector business, which is one of its business focuses. However, while considering a production map for provision of further value to European customers and for business expansion, in the summer of 2024, the Company tapped KYOCERA, with which the Company had previously engaged in transactions in relation to automobiles, and which had a production base in Europe, to gauge its interest in contract manufacturing. Thereafter, in June 2025, an agreement on collaboration for contract manufacturing of automotive connectors in Europe was executed. Under the agreement, the Company started its alliance in which the Company had certain portions of automotive connectors, which were developed by the Company and sold to the Company’s customers in European regions, manufactured at KYOCERA AVX Components s.r.o. [Czech Republic] (“KAVX Czech Plant”), being the production base in Europe of KYOCERA and KYOCERA’s subsidiaries and affiliates (the “KYOCERA Group”). The purpose of this alliance was for the Company to enhance its value for customers by shortening transport lead times and mitigating supply chain risks.

Further, while considering this contract manufacturing collaboration, both companies recognized that they would be able to complement each other towards the growth of their connector businesses and agreed as follows: first, they would expand the scope of collaboration in connectors for the European automotive market, by expanding the variety of subject items of contract manufacturing and by collaborating in development and sales; second, both companies would also promote collaboration in the field of connectors for industrial machinery in European regions.

Based on these circumstances under which both companies considered their alliance, in August this year, KYOCERA submitted to NEC its initial letter of intent in relation to acquisition of the Company shares.

In response, at the Board of Directors meeting, the Company confirmed the following matters, among others:

- (i) Based on the premise that realizing a business alliance contributing to the Company's pursuit of higher corporate value will be accelerated, the Company will not express a dissenting opinion on a negotiated stock transaction to be conducted based on the agreement between NEC and KYOCERA, which will not cause any changes in shares held by general shareholders. This is because the Company believes that a further deepened cooperative business relationship with KYOCERA, under which the Company will aim to develop the overseas market utilizing KYOCERA's strong customer base in European and American regions as well as to enhance competitiveness in the growth markets utilizing KYOCERA's global production and sales base network, will increase the probability of the Company achieving the growth strategy identified in its medium-term management plan and will also enhance the possibility of success in building an alliance that will contribute to improving the corporate value of both companies.
- (ii) Based on the foregoing analysis, the Company will commence negotiations on a capital and business alliance with KYOCERA, as well as cooperate in the necessary due diligence investigation required by KYOCERA.

Thereafter, the Company had repeated consultations and negotiations with KYOCERA concerning details of the capital and business alliance from the perspectives of realizing the Company's growth strategy and further enhancing its corporate value, and reached a specific agreement (i.e., the Capital and Business Alliance Agreement). On the other hand, in parallel with consultations and negotiations with the Company, KYOCERA negotiated with NEC regarding the terms and conditions of the Share Transfer.

By seizing the Capital and Business Alliance as a valuable opportunity, the Company will enhance and implement a growth strategy for its connector business, aiming to early achieve net sales of 300 billion yen and ordinary profit of 30 billion yen, which are the medium-term management goals of the Company alone; whereas by promoting collaboration including mutual use of management resources, both companies will establish and deepen an alliance relationship so that on a combined basis, both companies will be among the world's top group companies in the connector business, in the future.

### 3. Details of the Capital and Business Alliance

#### (1) Details of the business alliance

- i. Beginning with the contract for manufacturing the Company's connectors for the European market to the KAVX Czech Plant regarding which an alliance agreement has already been executed, the Company and KYOCERA will establish a promotion team for collaboration between both companies, and examine and promote specific collaboration toward deepening the cooperative relationship in both companies' connector business, focusing on the following:
  - (i) Expansion of the variety of subject items of manufacturing contracted to the KAVX Czech Plant, and a contract for manufacturing the Company's connector products utilizing other overseas production bases of KYOCERA;
  - (ii) Sale of the Company's connector products utilizing the KYOCERA Group's sales channels and local technical system for automotive and industrial machinery markets in Europe;

- (iii) Joint development of new products utilizing both companies' design resources;
  - (iv) Joint development of optical technology toward next generation computing; and
  - (v) Other collaboration such as cross-selling collaboration in the connector business utilizing both companies' sales channels.
- ii. The Company will promptly realize expansion of the Company's development system toward enhancing its business for mobile equipment and ICT equipment, and establishment of a relationship toward both companies' technical cooperation.

(2) Details of the capital alliance

The Company and KYOCERA have confirmed in the Capital and Business Alliance Agreement that, by the Share Transfer to be implemented pursuant to a share transfer agreement executed between KYOCERA and NEC as of the same date as the execution date of the Capital and Business Alliance Agreement, on October 31, 2025, KYOCERA will obtain 22,232,269 Company shares held by NEC (the ratio of these shares to the total number of the Company's issued shares (excluding treasury shares) as of September 30, 2025: 33.0%; the voting rights ratio of these shares, after being totaled with the Company shares held by the KYOCERA Group: 33.0%).

(Note) The "voting rights ratio" means the ratio of the voting rights pertaining to the shares owned by a shareholder to the total voting rights of the company issuing the shares.

(3) Material agreements in connection with the Capital and Business Alliance

In the Capital and Business Alliance Agreement, the Company reached the following agreements with KYOCERA subject to the condition precedent for their effectuation that KYOCERA shall have acquired 22,232,269 Company shares under the Share Transfer (the "Agreements").

(i) Agreement on the Company's management policy

In the Capital and Business Alliance Agreement, KYOCERA has agreed to respect and support the Company's autonomous management.

(ii) Agreement on acquisition of the Company shares by KYOCERA

KYOCERA has agreed as follows: Under the Share Transfer to be implemented pursuant to the share transfer agreement executed with NEC as of October 30, 2025, KYOCERA shall obtain 22,232,269 Company shares (the voting rights ratio of these shares, after being totaled with the Company shares held by the KYOCERA Group: 33.0%; the voting rights ratio shall hereinafter be referred to as the "Voting Rights Ratio"); and KYOCERA shall thereafter maintain the Kyocera Group's voting rights ratio for the Company shares at the Voting Rights Ratio. Further, it is agreed that if any change in these agreements becomes necessary, KYOCERA shall respect the Company's intention.

(Note) It is agreed that if the Company's total voting rights increases or decreases for any reason whatsoever after acquisition of the Company shares by KYOCERA under the Share Transfer, the "Voting Rights Ratio" shall be changed to the voting rights ratio calculated with the numerator being the number of voting rights pertaining to 22,232,269 Company shares held by the KYOCERA Group, and the denominator being the total number of voting rights after such increase or decrease. The same shall apply hereinafter.

(iii) Agreement to the effect that KYOCERA shall have the right to nominate candidates for the Company's officers

It is agreed that subject to the KYOCERA Group's voting rights ratio for the Company shares being the Voting Rights Ratio, KYOCERA shall have the right to dispatch one director. However, selection of the candidates shall be determined by agreement of both companies.

- (iv) Agreement to the effect that KYOCERA shall respect the common interests of the Company's general shareholders and the Company's corporate value

It is agreed that if there is a transaction in which a material conflict of interest could arise between the Company and KYOCERA, or between KYOCERA and the Company's general shareholders, the Company shall respect the decisions of the special committee comprising its independent outside directors, and KYOCERA shall respect the common interests of the Company's general shareholders and the Company's corporate value, in light of the Company's status as a listed company.

- (v) Agreement to the effect that the Company's issuance of new shares, capital increase through third-party allocation or other capital increase shall require KYOCERA's prior approval

The Company has agreed not to issue any Shares, etc. (meaning shares, share options, corporate bonds with share options, or any other securities or rights that may be converted into or exchanged for shares; the same shall apply hereinafter), dispose of any treasury shares, conduct a capital increase through third-party allocation or other capital increase, or take any other action that may result in a reduction of the Voting Rights Ratio without obtaining KYOCERA's prior written consent. However, the foregoing excludes those due to shares less than one unit (excluding treasury shares) of the Company's shares becoming unit shares or issuance of Shares, etc. or disposition of treasury shares as remuneration, etc. to officers and employees (including issuance or disposition in connection with the exercise of stock options). Such prior consent shall be required only if the KYOCERA Group's voting rights ratio for the Company shares at the time immediately before implementation of the action is the Voting Rights Ratio.

- (vi) Agreement to the effect that KYOCERA's transfer and other disposition of the Company shares shall require the Company's prior approval

KYOCERA has agreed to ensure that the KYOCERA Group will not transfer, provide as collateral, or otherwise dispose of the Company shares that it holds to any third party, without the Company's prior written consent. Further, it is agreed that if any change in that agreement becomes necessary, KYOCERA shall respect the Company's intention.

The purpose of the Agreements is to promote the establishment and deepening of the alliance relationship between KYOCERA and the Company toward the growth of the Company's connector business through the Capital and Business Alliance, and the Company's management autonomy will be ensured through maintenance of the KYOCERA Group's voting rights ratio for the Company shares under the Capital and Business Alliance. Accordingly, the Company believes that their impact on the Company's governance will be minor.

#### 4. Overview of the Capital and Business Alliance Partner (as of March 31, 2025)

(1)	Name	KYOCERA Corporation
(2)	Address	6 Takeda Tobadono-cho, Fushimi-ku, Kyoto
(3)	Title and name of representative	Hideo Tanimoto, President and Director
(4)	Business outline	Core components business, electronic components business, solutions business, and other business
(5)	Stated capital	115,703 million yen
(6)	Date of establishment	April 1, 1959

(7)	Large shareholders and shareholding ratio	Shareholder name		Equity ratio
		The Master Trust Bank of Japan, Ltd. (Trust Account)		21.96%
		Custody Bank of Japan, Ltd. (Trust Account)		8.86%
		The Bank of Kyoto, Ltd.		4.10%
		STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)		3.82%
		Inamori Foundation		2.66%
		STATE STREET BANK WEST CLIENT- TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)		1.92%
		Stock Purchase Plan for Kyocera Group Employees		1.72%
		MUFG Bank, Ltd.		1.31%
		HSBC HONG KONG - TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited)		1.26%
		The Dai-ichi Life Insurance Company, Limited		1.19%
(8)	Relationship with the Company	Capital relationship	Not applicable	
		Personnel relationship	Not applicable	
		Business relationship	There is a business relationship such as purchase and sale of products.	
		Status of applicability as a related party	Not applicable	
(9)	Consolidated operating results and consolidated financial position for the most recent three years (Unit: million yen; excluding those specifically noted.)			
Accounting period		FY ended March 2023	FY ended March 2024	FY ended March 2025
Net assets		2,379,161	2,439,833	2,435,960
Total assets		3,080,630	3,273,602	3,272,155
Net assets per share (yen)		1,657.20	1,732.04	1,729.17
Sales revenue		856,866	799,055	802,448
Operating profit		128,517	92,923	27,299
Ordinary profit		136,878	91,203	59,507
Profit attributable to owners of the parent		127,988	101,074	24,097
Profit per share (yen)		89.15	71.58	17.11
Dividend per share (yen)		200.00	125.00	50.00

## 5. Schedule

(1) Date of resolution of the Board of Directors	October 30, 2025
(2) Execution date of the Capital and Business Alliance Agreement	October 30, 2025
(3) Implementation date of the Share Transfer	October 31, 2025

## 6. Future Outlook

The Company believes that the Capital and Business Alliance will contribute to improving the medium-to long-term financial results of both companies. However, its impact on the Company's financial results for the fiscal year ending March 2026 will be minor. If any matters requiring announcement arise in the future, the Company will promptly announce them.

### II. Changes in the Largest and Principal Shareholder and Other Affiliated Company

#### 1. Circumstances Leading to the Changes

As stated in “(2) Details of the capital alliance” in “3. Details of the Capital and Business Alliance” in “I. Overview of the Capital and Business Alliance” above, in connection with implementation of the Share Transfer, it is expected that there will be changes in the Company's largest and principal shareholder and other affiliated company.

Specifically, if the Share Transfer is completed, NEC will no longer be the largest and principal shareholder and other affiliated company of the Company.

On the other hand, it is expected that as a result of the Share Transfer, KYOCERA will be the largest and principal shareholder and other affiliated company of the Company.

#### 2. Overview of Shareholders Subject to Change

##### (1) Overview of the shareholder who will be the new largest and principal shareholder and other affiliated company of the Company

(1) Name	KYOCERA Corporation
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For address and other overview, please see “4. Overview of the Capital and Business Alliance Partner” in “I. Overview of the Capital and Business Alliance.”

##### (2) Overview of the shareholder who will no longer be the largest and principal shareholder and other affiliated company (as of September 30, 2025)

(1) Name	NEC Corporation	
(2) Address	7-1, Shiba 5-chome, Minato-ku, Tokyo	
(3) Title and name of representative	Takayuki Morita, President and CEO (Representative Executive Officer), Member of the Board	
(4) Business outline	IT services business, social infrastructure business, and other business (including healthcare and life sciences business)	
(5) Stated capital	427,831 million yen	
(6) Date of establishment	July 17, 1899	
(7) Net assets	2,050,885 million yen	
(8) Total assets	3,988,912 million yen	
(9) Large shareholders and shareholding ratio	Shareholder name	Equity ratio
	The Master Trust Bank of Japan, Ltd. (Trust Account)	17.09%
	Custody Bank of Japan, Ltd. (Trust Account)	8.39%
	JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	5.47%
	NTT, Inc.	4.88%
	STATE STREET BANK AND TRUST COMPANY	2.96%

	505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	
	Sumitomo Life Insurance Company	2.10%
	STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	2.07%
	GOVERNMENT OF NORWAY (Standing proxy: Citibank, N. A. Tokyo Branch Custody Operations Division)	1.52%
	JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.36%
	BNYM AS AGT/CLTS NON TREATY JASDEC (Standing proxy: MUFG Bank, Ltd.)	1.15%
(10) Relationship with the Company	Capital relationship	NEC holds 22,578,269 shares (ownership ratio: 33.49%) of the Company shares.
	Personnel relationship	Not applicable
	Business relationship	There is a business relationship such as sale of products and purchase of IT services.
	Status of applicability as a related party	NEC is an other affiliated company of the Company, and it falls under a related party.

(Note) The “ownership ratio” means the ratio (rounded to the second decimal place) to 67,411,356 shares, which is the number of shares obtained as follows: 70,302,608 shares, which is the total number of the Company’s issued shares as of September 30, 2025, minus 2,891,252 shares, which is the number of treasury shares owned by the Company as of the same date.

### 3. Number of Voting Rights and Ownership Ratio of Voting Rights Owned by the Shareholders Before and After the Change

#### (1) KYOCERA

	Attribute	Number of voting rights (Ownership ratio of voting rights)			Large shareholder rank
		Directly owned	Amount subject to aggregation	Total	
Before change	—	—	—	—	—
After change	Largest and principal shareholder and other affiliated company	222,322 (33.00%)	—	222,322 (33.00%)	First

#### (2) NEC

	Attribute	Number of voting rights (Ownership ratio of voting rights)			Large shareholder rank
		Directly owned	Amount subject to aggregation	Total	
Before change	Largest and principal shareholder and other affiliated company	225,782 (33.51% )	—	225,782 (33.51% )	First



	Attribute	Number of voting rights (Ownership ratio of voting rights)			Large shareholder rank
		Directly owned	Amount subject to aggregation	Total	
After change	—	3,460 (0.51% )	—	3,460 (0.51%)	—

(Note 1) The ownership ratio of voting rights is rounded to the second decimal place.

(Note 2) The ownership ratio of voting rights is calculated as the ratio to 673,707, which is the number of voting rights of all shareholders as of September 30, 2025. The large shareholder rank has been assumed by the Company based on the Company's shareholder register as of September 30, 2025.

4. Scheduled Date of Changes

October 31, 2025

5. Change in Non-listed Parent Company, etc. Subject to Disclosure

Not applicable.

6. Future Outlook

No impact is expected on the financial results of the Company as a result of the changes in the Company's other affiliated company.

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