

October 4, 2013

JAE Comments on Overcharged Expenses to Japan's Ministry of Defense

Tokyo, October 4, 2013 – JAE (Japan Aviation Electronics Industry, Limited) announced today its internal investigation has revealed that its Aerospace Division overcharged Japan's Ministry of Defense (MOD) by over-calculating working-hours for some orders. JAE conducted the investigation at its Aerospace Division, in response to an inquiry from the MOD in regard to cost accumulation and other information at the division. JAE notified the MOD about the overcharge today. .

JAE will fully cooperate with the MOD's investigation of the matter.

Details regarding the total amount of overcharge, the timing of reimbursing the central government treasury and the impact on the company's financial performance are currently unclear. JAE will disclose the impact the matter has on the company as soon as the situation is better understood.

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