



FY2025/3 Financial Results

June 18th, 2025

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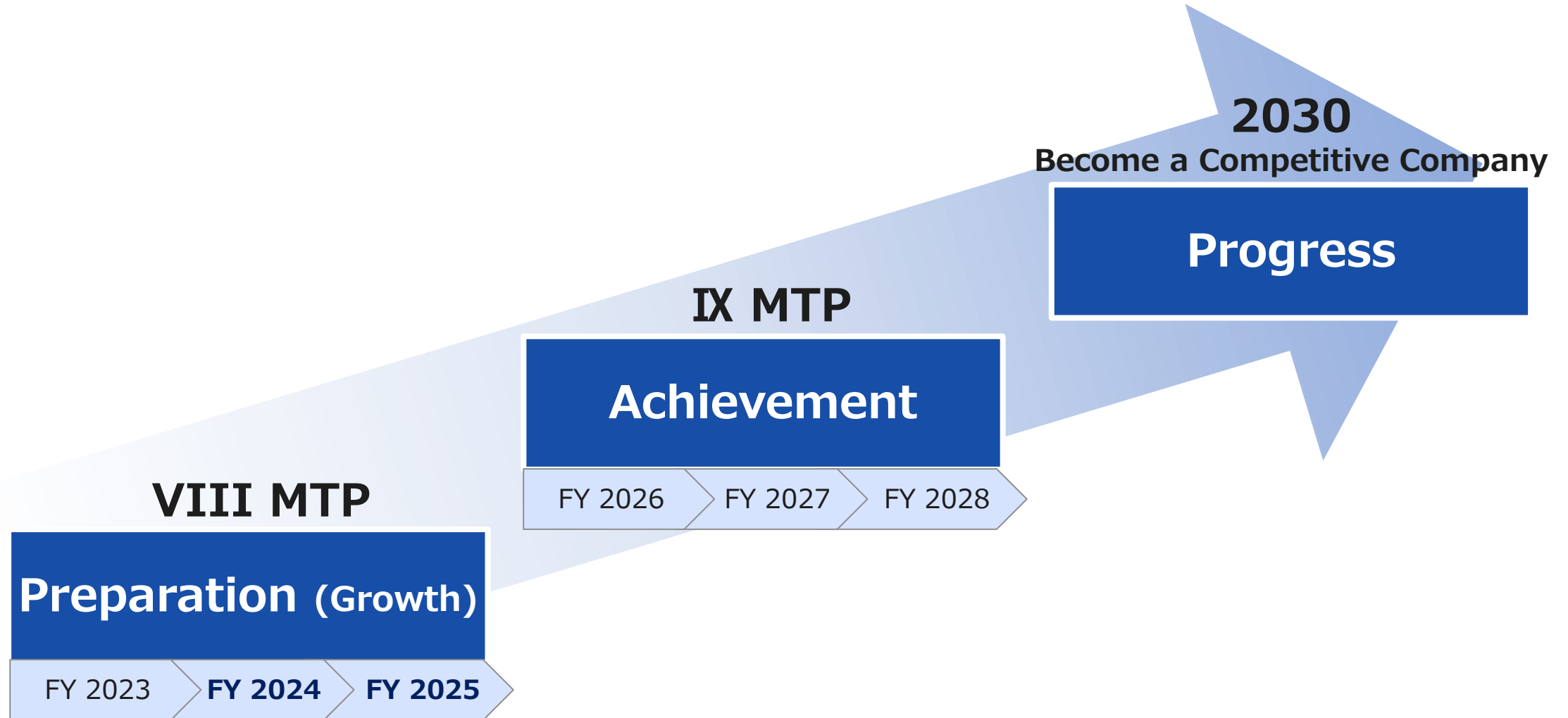
STANLEY ELECTRIC CO., LTD.

▶▶ STANLEY GROUP VISION Outshining Light

1. Basic policy and positioning of the VIII Three-year Medium-term Management Plan
2. Summary of financial results for FY2025/3
3. Initiatives to enhance corporate value
4. Business strategy
5. Financial results for FY2025/3 and forecasts for FY2026/3

Basic policy of VIII Three-year Medium-term Management Plan

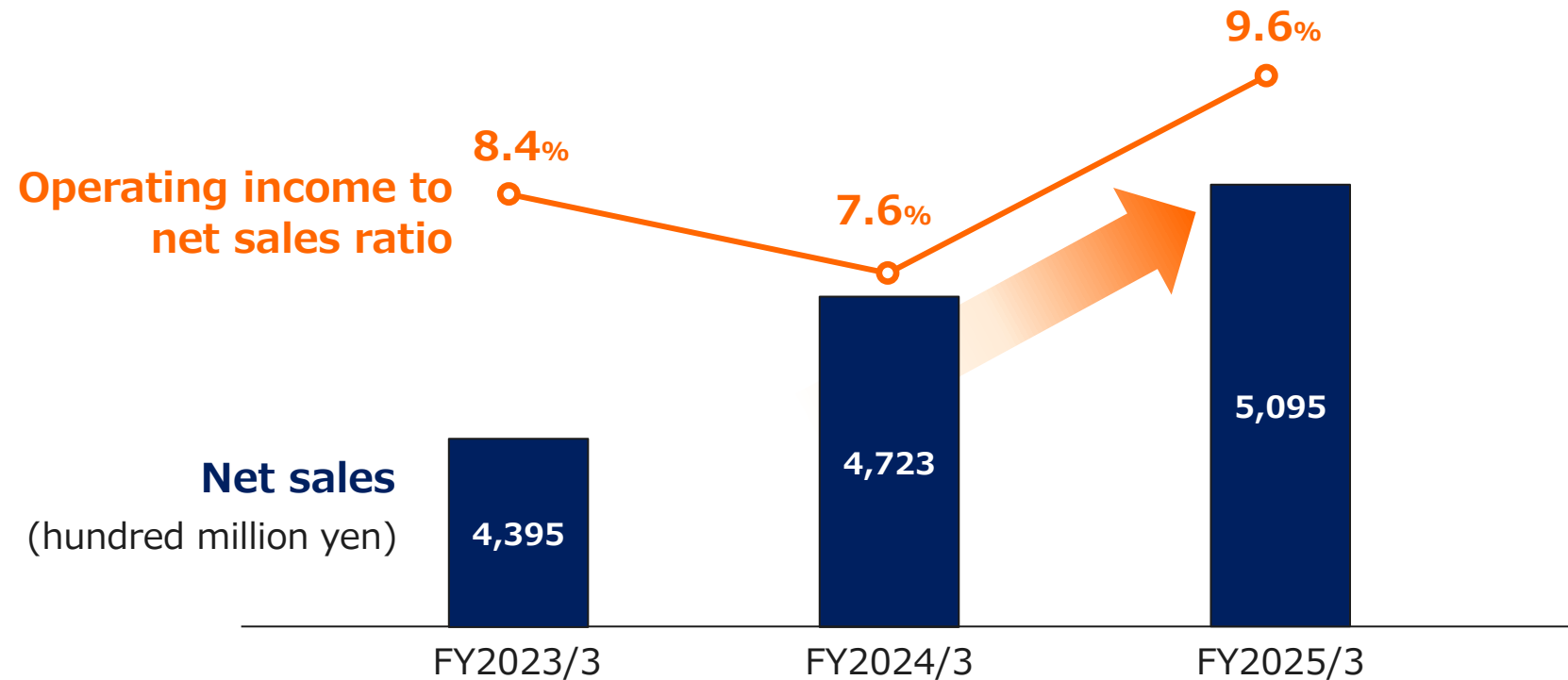




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2-1 Summary of financial results for FY2025/3

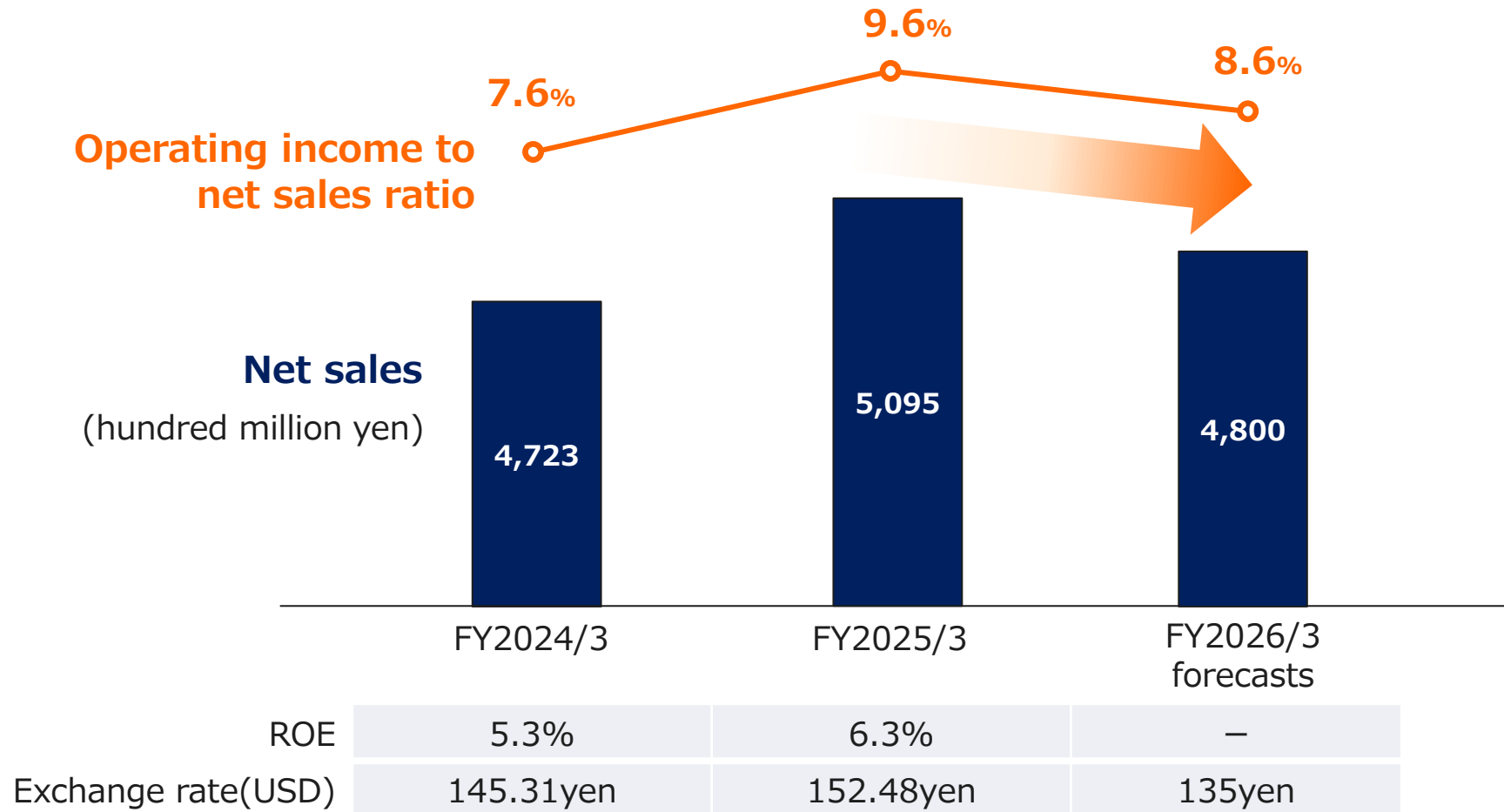
Net sales and operating income increased thanks to solid performance in the Americas (automotive) and Asia (motorcycles)



ROE	5.8%	5.3%	6.3%
Exchange rate(USD)	136.00yen	145.31yen	152.48yen

2-2 Summary of forecasts for FY2026/3

Automotive production to increase slightly, but net sales and operating income to decrease due to the impact of tariffs



Operating income to decrease in North America due to the impact of tariffs; Motorcycles remain strong in Asia-Pacific



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Three pillars for delivering safe and secure lamp system to people around the world

(1) Full entry into automotive lamp systems

Vehicle platforms evolve, accelerating the shift of values to software.

Expand business to the automotive lamp systems area to become the core of new value creation.



(2) Expand motorcycle business

Leverage global No.1 market share to establish a solid position in motorcycle business that creates stable income.

Deliver motorcycle safety and security functions to all people.



(3) Global collaboration

Deliver safety and security to auto manufacturers around the world and realize a world without accidents.



Market expansion in light source/applied electronics products that solve three social issues

(1)

Self-driving society

The function of lighting evolves beyond illuminating to providing comfort in communication and movement between humans and mobility equipment.

Realize a world where all transport participants are safe and comfortable.



(2)

Aging society

Anxiety related to mobility has become a daily challenge. Mobility is no longer a means of movement, but support for life.

Realize a society where senior citizens can feel secure about daily life.



(3)

Carbon neutral

Achieving carbon neutrality requires a societal commitment to improving energy efficiency.

Resolve energy issues with energy-saving optical application products.



Create next generation light technology that offers new value

Realize safe and reliable self-driving even in foul weather

In bad weather such as heavy rain or fog, it can be difficult to grasp the surroundings even with a camera, visible light, or infrared light.



Develop solutions with PCSEL/VCSEL

Search for unique solutions leveraging the feature of laser elements, which have superior straightness

- ◆ Optical control using nanostructures
- ◆ Algorithm and software
- ◆ Modules and wave optics
- ◆ Applications




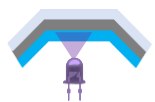


Aim to achieve carbon neutrality with unique optic technology

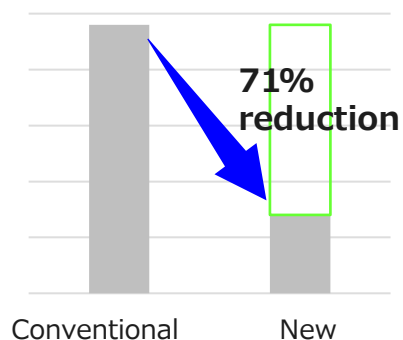
Technological innovation in painting process



Headlamps

	painting	Hot-air drying
Conventional Coating		
	painting	UV-hardening
New Coating		

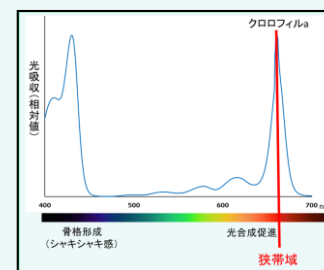
CO2-reduction effect



Lighting for efficient plant growth



plant factory



Promote more than 1.5X increase in growth

Emphasize capital efficiency and aim for ROE of 10% in FY2029/3

VIII MTP

Profit



Equity capital



Strategic investments to achieve growth in the IX MTP

Purchase of treasury stock
Introduction of DOE
Reduce equity capital

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Three pillars for delivering safe and secure lamp system to people around the world

(1) Full entry into automotive lamp systems

Vehicle platforms evolve, accelerating the shift of values to software.

Expand business to the automotive lamp systems area to become the core of new value creation.



(2) Expand motorcycle business

Leverage global No.1 market share to establish a solid position in motorcycle business that creates stable income.

Deliver motorcycle safety and security functions to all people.



(3) Global collaboration

Deliver safety and security to auto manufacturers around the world and realize a world without accidents.



■ Full entry into automotive lamp systems area, capturing the vehicle platform shift

As automotive development accelerates as seen in Software-Defined Vehicles (SDV), vehicle platforms have significantly changed. Expand automotive lamp systems business and create new value, starting with the establishment of JV with Mitsubishi Electric Mobility to realize a safe and reliable next-generation automotive lamp system.

2035~

STANLEY

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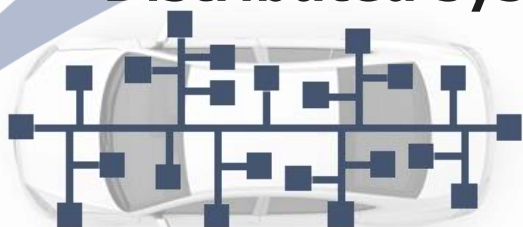
Mitsubishi Electric Mobility

JV

Combine the strengths of the companies in hardware and software. In addition to synergies in existing business, target **new safety and security system area**.

Creating new value in response to the shift to a centralized vehicle platform

Distributed system



■ Target net sales of 150 billion yen in FY2029/3

Enhance local development and sales,

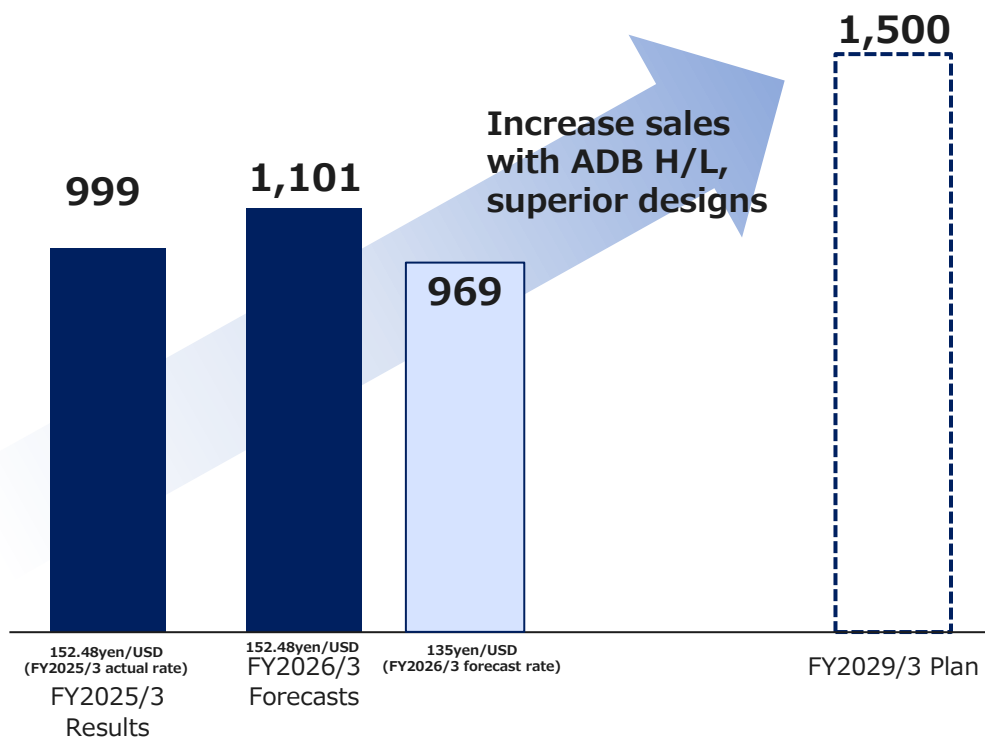
expand local development model orders.

Quickly adopt latest technology to lead market formation.

■ Motorcycle business net sales

(hundred million yen)

❖ Including net sales of Lumax Industries Ltd., an equity-method affiliate



➤ Enhance local development/sales framework



South America business

Acquired Angstrom and established motorcycles business platform for South America.

Increase sales leveraging the manufacturing base and OEM relationship.



India business

Strengthened relationship with LUMAX to build end-to-end business framework from development to production, including software area. Increase orders from Japanese and Indian manufacturers.

➤ Drive motorcycle safety and security with cutting-edge technologies

World-first mass production of motorcycle ADB headlamps

Contribute to zero fatal traffic accidents by improving visibility with ADB, which automatically adjusts light distribution responding to the angle of the motorcycle.

Global co-creation of safety and security

To deliver safety and security worldwide, promoted cultivation of non-Japanese OEM partners. **Received orders from seven new customers** in two years during VIII MTP.

Further expand market in South America and India, aiming for co-creation with new customers.



Order from European auto manufacturer for major mass production models.

This led to sales to its Group OEM.



Order for new models through collaboration with local company.

Promoting cultivation of OEM in south and north China.



Strengthened relationship with LUMAX to build an **end-to-end local framework from development to production, including devices and software area.**



RFQ from auto manufacturer in the Americas for major mass production model.

Activity to secure order in 2025.

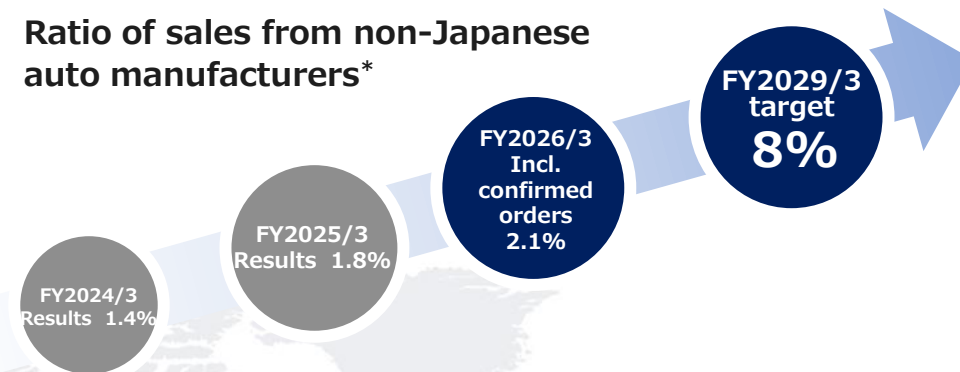


Order for new model from auto manufacturer in the Americas.

Orders in South America **led to orders for vehicles in North America and Europe.**

Turning Angstrom into a subsidiary increased market share in South America.

- Ratio of sales from non-Japanese auto manufacturers*



Market expansion in light source/applied electronics products that solve three social issues

(1) Self-driving society

The function of lighting evolves beyond illuminating to providing comfort in communication and movement between humans and mobility equipment.

Realize a world where all transport participants are safe and comfortable.



(2) Aging society

Anxiety related to mobility has become a daily challenge. Mobility is no longer a means of movement, but support for life.

Realize a society where senior citizens can feel secure about daily life.



(3) Carbon neutral

Achieving carbon neutrality requires a societal commitment to improving energy efficiency.

Resolve energy issues with energy-saving optical application products.



■ Towards FY2029/3 net sales target of 200 billion yen

Cultivate markets for new applied electronics products that solve social issues.

“Realize safety and comfort for all traffic participants”



- Total coordination from exterior to interior achieves **new communication between people and vehicles**
- **Expand Asian road lighting market** leveraging ASEAN offices and **co-create future of urban design** with connected/smart road lighting

“Creating a safe and secure society for daily living”



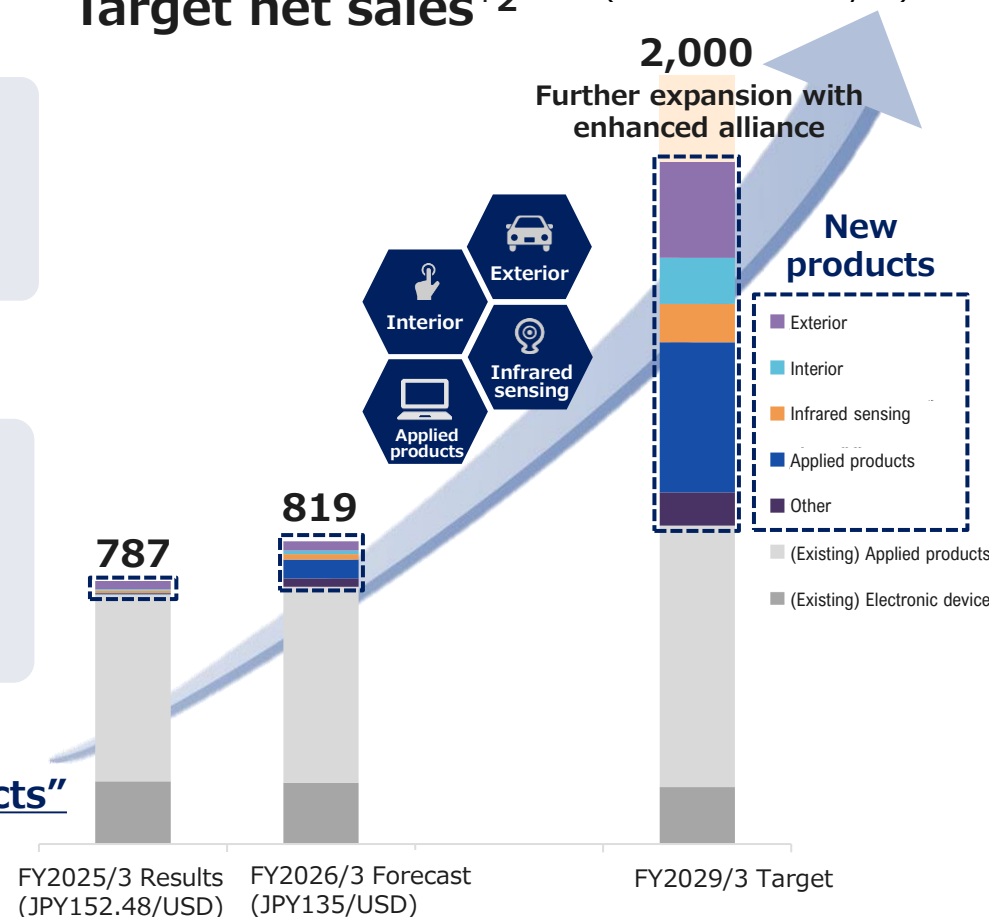
- Leveraging the strength of infrared light source that enables wide-angle 3D sensing, accelerate the spread of **evolving sensing that satisfies NCAP*1**
- Automate heavy labor with sophisticated sensing technology and **contribute to a society where everyone can participate regardless of age or strength**

“Solve energy issues with applied opto electronic products”



- Contribute to energy conservation with **applied products that eliminate waste of energy**, leveraging the strength of optical design that pursues efficient use of light

Target net sales*2 (hundred million yen)



*1 NCAP : New Car Assessment Program

*2 Total sales to external customers by Electronic Components Business and Applied Electronic Products Business. Includes net sales for Accessory & Device products which was reclassified as Automotive Equipment Business from FY2024/3

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Motorcycle business strong, growth potential and profitability improved with production innovation investment, and reorganization of plants in Japan and China

(Hundred million yen)
Amounts less than shown are rounded down

	FY2024/3 Results	FY2025/3 Results	Compared to the previous year		FY2025/3 Plan on 2024/4/26	Compared to plan	
			Amount increase or decrease	Percent increase or decrease		Amount	Percent
Net sales	4,723.9	5,095.6	371.7	7.9%	5,000.0	95.6	1.9%
Operating income	358.3	490.0	131.7	36.7%	500.0	-9.9	-2.0%
Operating income to net sales ratio	7.6%	9.6%	2.0pt	-	10.0%	-0.4pt	-
Ordinary income	480.6	554.5	73.9	15.4%	562.0	-7.4	-1.3%
Net income attributable to owners of parent	264.9	320.5	55.6	21.0%	311.0	9.5	3.1%
Net income per share (yen)	162.41	205.73	43.32	26.7%	193.91	11.82	6.1%
Exchange rate (yen) USD	145.31	152.48	7.17	4.9%	140.00	12.48	8.9%

■ Impact of foreign exchange fluctuations

Net sales

Up by some **10.0**bn yen

Operating income

Up by some **1.1**bn yen

■ Investments

Capital investments

FY2024/3
Results

34.45bn yen

Of which strategic
investments

14.94bn yen

Depreciation

37.01bn yen

R&D expenses

22.50bn yen

FY2025/3
Results

53.52bn yen

Of which strategic
investments

22.23bn yen

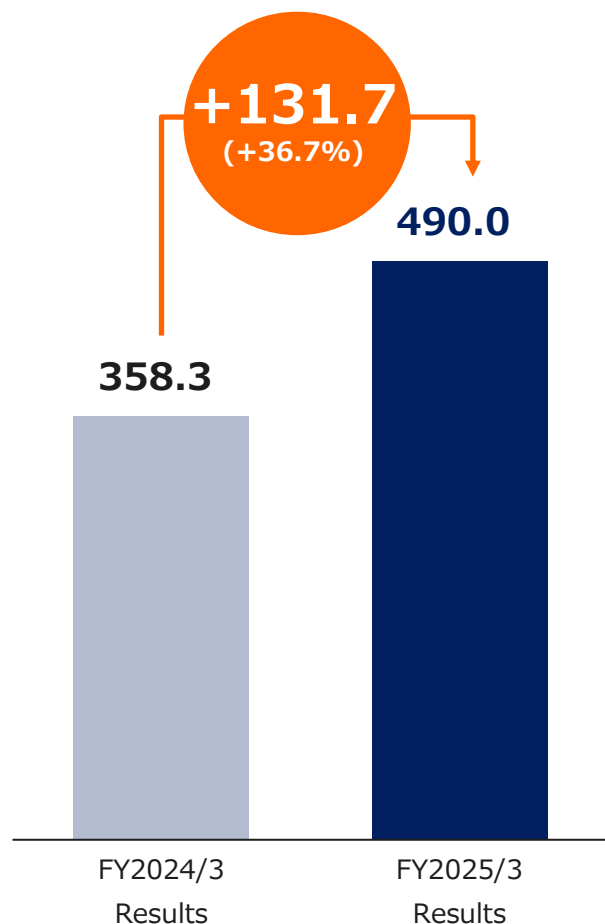
43.60bn yen

22.77bn yen

FY2025/3 Consolidated results affecting operating income [Year-over-year basis]

Operating income

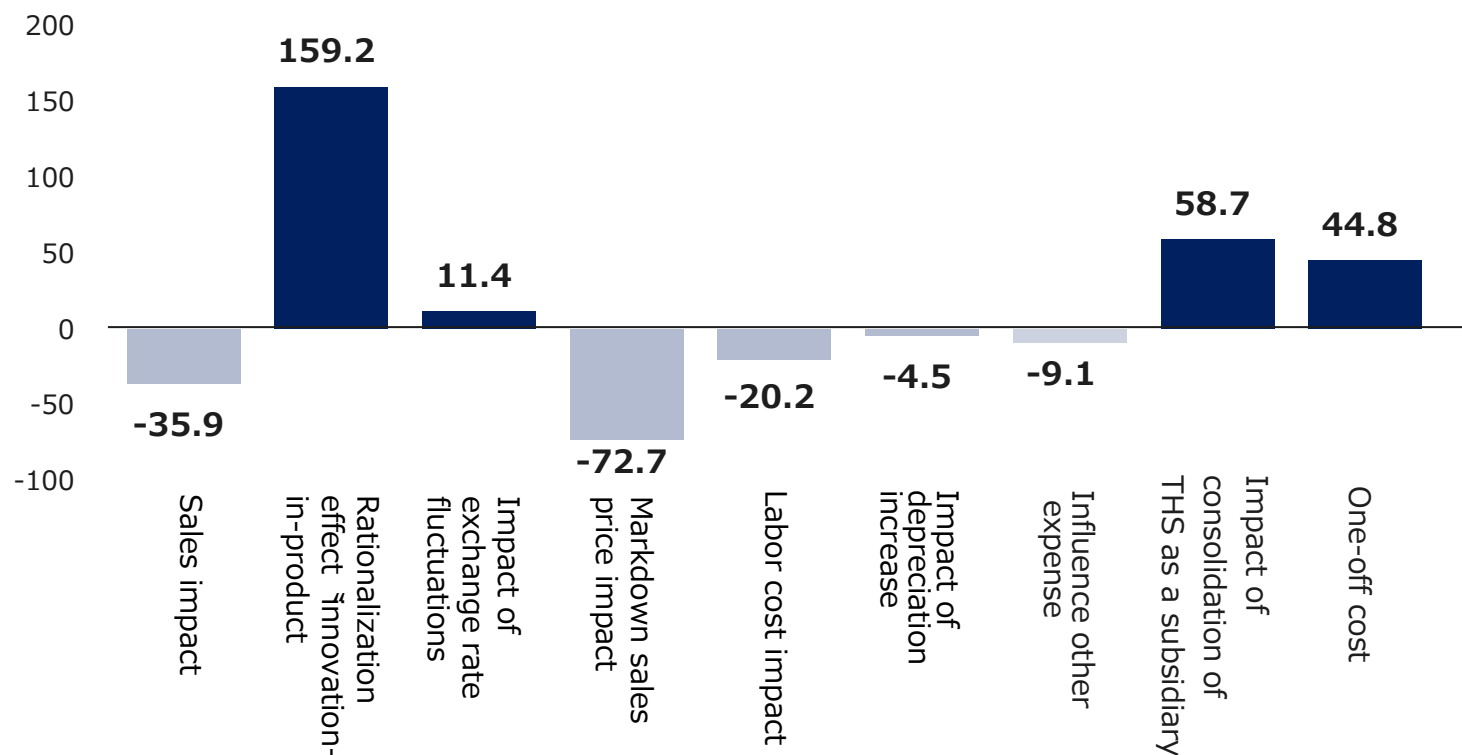
(Hundred million yen)
Amounts less than shown are rounded down



Contribution from rationalization effect of production innovation via active strategic investment

Impact of operating income growth

(Hundred million yen)



Impact of operating income decrease

Decrease in total operating income effects

142.4

FY2025/3 Consolidated results by Segment

(Hundred million yen)
Amounts less than shown are rounded down

(Hundred million yen) Amounts less than shown are rounded down			FY2024/3 Results	FY2025/3 Results	Compared to the previous year		FY2025/3 Plan on 2024/4/26	Compared to plan	
					Amount increase or decrease	Percent increase or decrease		Amount	Percent
Net sales		Automotive Equipment Business	3,874.7	4,401.3	526.5	13.6%	4,165.0	236.3	5.7%
		Electronic Components Business	379.6	370.6	-8.9	-2.4%	475.0	-104.3	-22.0%
		Applied Electronic Products Business	1,190.0	1,163.4	-26.5	-2.2%	1,210.0	-46.5	-3.8%
		Others	29.8	31.3	1.5	-	25.0	6.3	-
		Adjustment	-750.2	-871.0	-120.8	-	-875.0	3.9	-
		Total	4,723.9	5,095.6	371.6	7.9%	5,000.0	95.6	1.9%
Operating income		Automotive Equipment Business	260.2	469.6	209.4	80.5%	435.0	34.6	8.0%
		Operating income to net sales ratio	6.7%	10.7%	4.0pt	-	10.4%	0.2pt	-
		Electronic Components Business	42.1	24.9	-17.2	-40.8%	65.0	-40.0	-61.6%
		Operating income to net sales ratio	11.1%	6.7%	-4.4pt	-	13.7%	-7.0pt	-
		Applied Electronic Products Business	134.7	88.1	-46.6	-34.6%	100.0	-11.9	-11.9%
		Operating income to net sales ratio	11.3%	7.6%	-3.8pt	-	8.3%	-0.7pt	-
		Others	0.1	0.6	0.5	-	0.0	0.6	-
		Adjustment	-79.0	-93.3	-14.3	-	-100.0	6.6	-
		Total	358.3	490.0	131.6	36.7%	500.0	-9.9	-2.0%

In addition to strong performance by automotive business, rationalization investment contributed to the Americas. Motorcycles performed well in Asia-Pacific. Profitability was enhanced in China with reorganization

Upper row : Net Sales

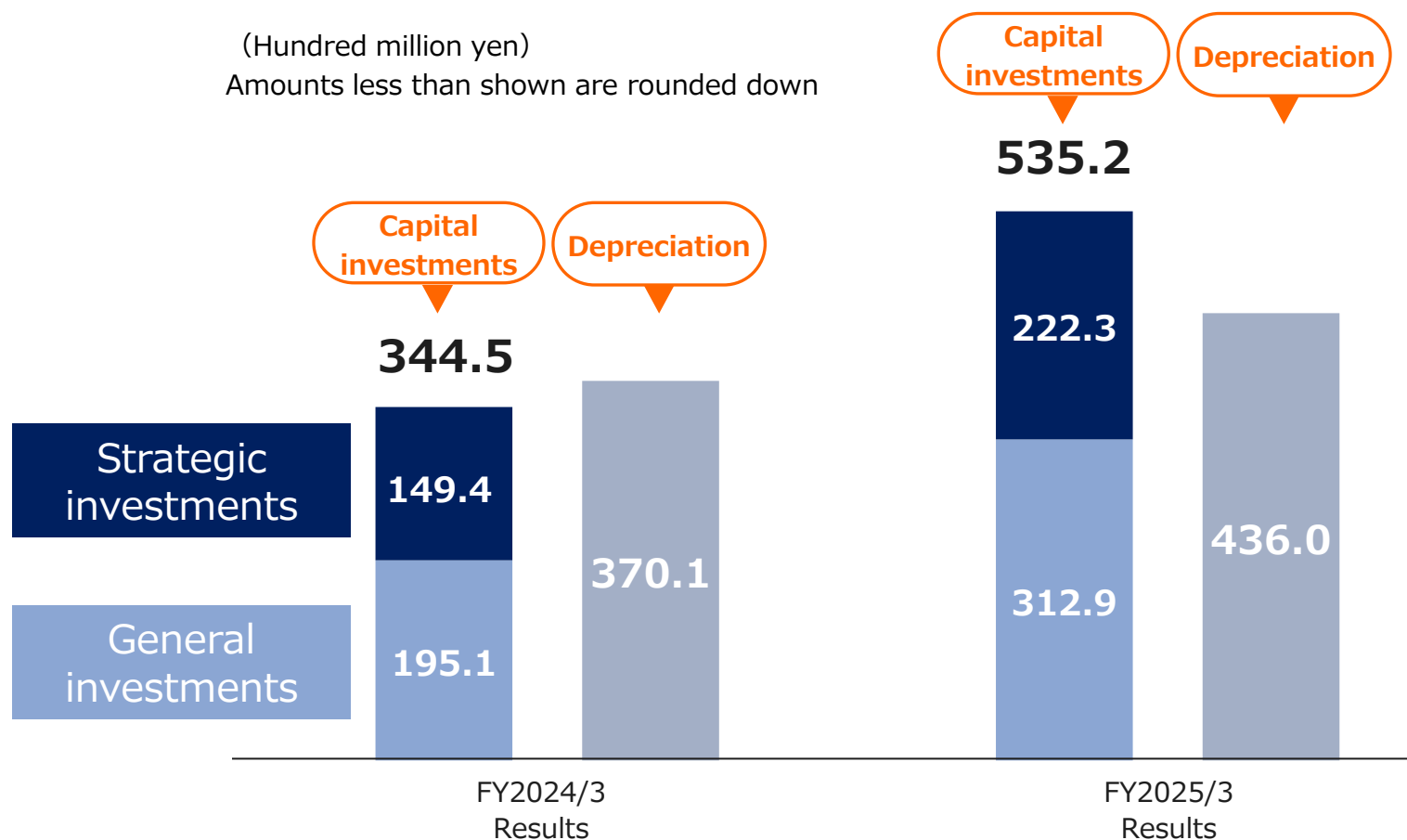
Lower row : Operating income

(Hundred million yen)
Amounts less than shown are rounded down

	FY2024/3 Results	FY2025/3 Results	Compared to the previous year		FY2025/3 Plan on 2024/10/28	Compared to plan	
			Amount increase or decrease	Percent increase or decrease		Amount	Percent
Japan	1,299.7	1,242.6	-57.1	-4.4%	1,270.0	-27.3	-2.2%
	33.6	45.6	11.9	35.6%	67.0	-21.3	-31.9%
The Americas	1,330.2	1,422.6	92.4	6.9%	1,370.0	52.6	3.8%
	64.8	97.4	32.6	50.3%	102.0	-4.5	-4.5%
Europe	92.3	74.1	-18.2	-19.8%	80.0	-5.9	-7.4%
	1.6	-1.5	-3.2	-	1.0	-2.5	-
Asia-Pacific	1,083.9	1,594.0	510.1	47.1%	1,560.0	34.0	2.2%
	204.8	300.4	95.5	46.6%	286.0	14.4	5.0%
China	917.6	762.1	-155.5	-16.9%	720.0	42.1	5.9%
	70.1	72.5	2.3	3.4%	59.0	13.5	22.9%
Total	4,723.9	5,095.6	371.6	7.9%	5,000.0	95.6	1.9%
	358.3	490.0	131.6	36.7%	500.0	-9.9	-2.0%

Capital investments and depreciation

(Hundred million yen)
Amounts less than shown are rounded down



※Capital investments includes SaaS-related software investments.

Slight increase in vehicle production and strong performance by motorcycle business, but affected by U.S. tariffs and foreign exchange rate

(Hundred million yen)
Amounts less than shown are rounded down

	FY2025/3 Results	FY2026/3 Forecasts	Compared to the previous year	
			Amount increase or decrease	Percent increase or decrease
Net sales	5,095.6	4,800.0	-295.6	-5.8%
Operating income	490.0	412.0	-78.0	-15.9%
Operating income to net sales ratio	9.6%	8.6%	-1.0pt	-
Ordinary income	554.5	462.0	-92.5	-16.7%
Net income attributable to owners of parent	320.5	268.0	-52.5	-16.4%
Net income per share (yen)	205.73	179.73	-26.00	-
Exchange rate (yen) USD	152.48	135.00	-17.48	-11.5%

■ Impact of foreign exchange fluctuations

Net Sales Down by some **44.6**bn yen

Operating income Down by some **4.9**bn yen

■ Foreign exchange sensitivity (Impact of a 1-yen change against the US dollar)

Net Sales By some **2.59**bn yen

Operating income By some **0.42**bn yen

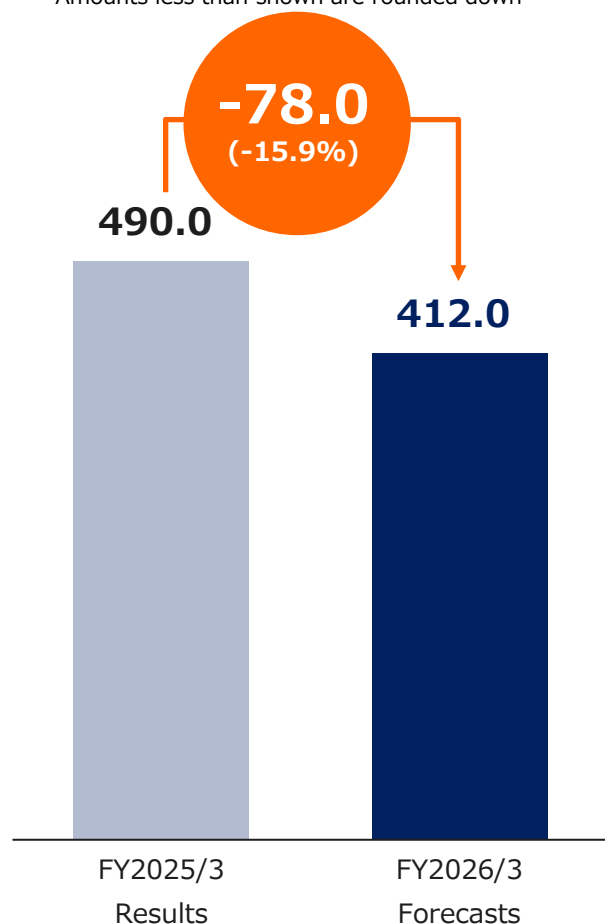
■ Investments

	FY2025/3 Results	FY2026/3 Forecasts
Capital investments	53.52 bn yen	86.00 bn yen
Of which strategic investments	22.23 bn yen	40.00 bn yen
Depreciation	43.60 bn yen	43.16 bn yen
R&D expenses	22.77 bn yen	25.68 bn yen

FY2026/3 Consolidated Business Forecasts factors affecting operating income [Year-over-year basis]

Operating income

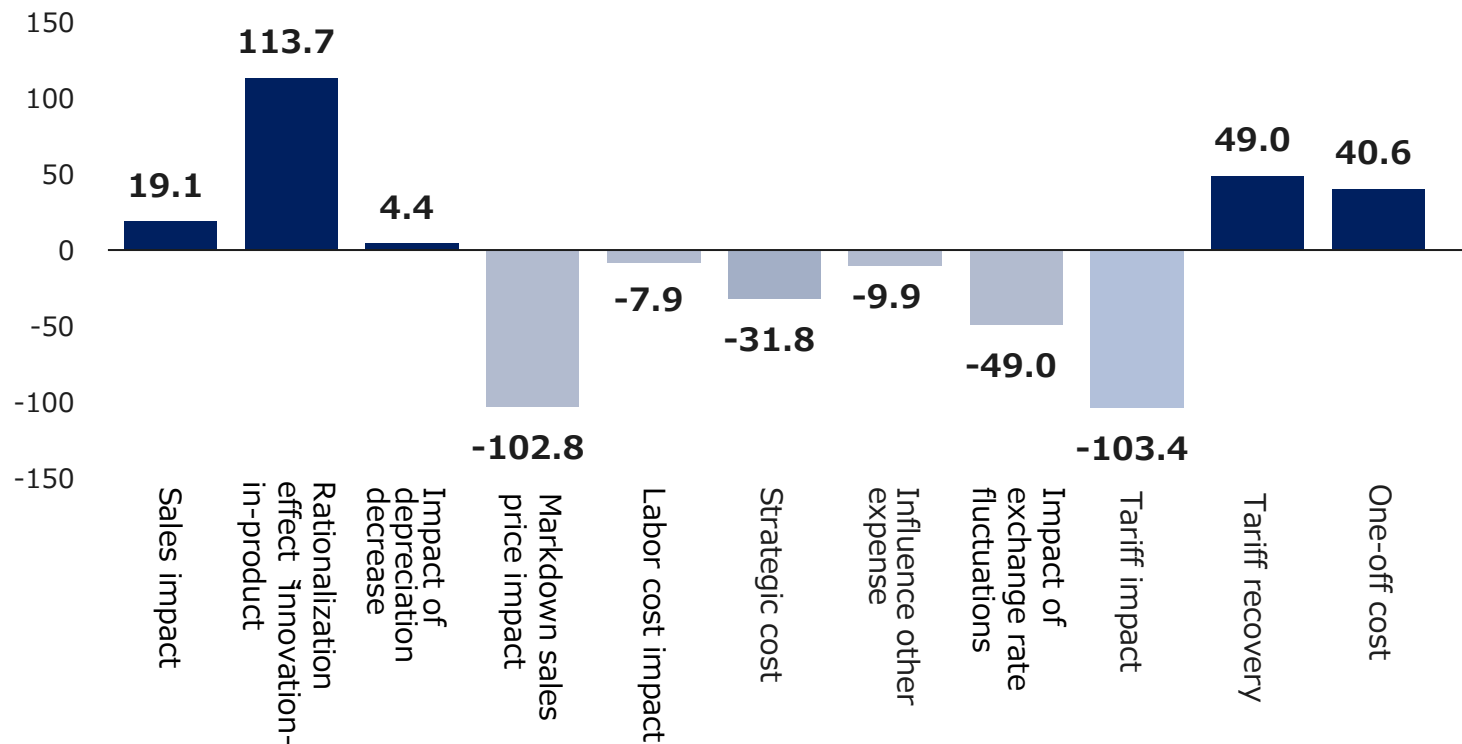
(Hundred million yen)
Amounts less than shown are rounded down



Minimize impact of tariffs with recovery efforts

Impact of operating income growth

(Hundred million yen)



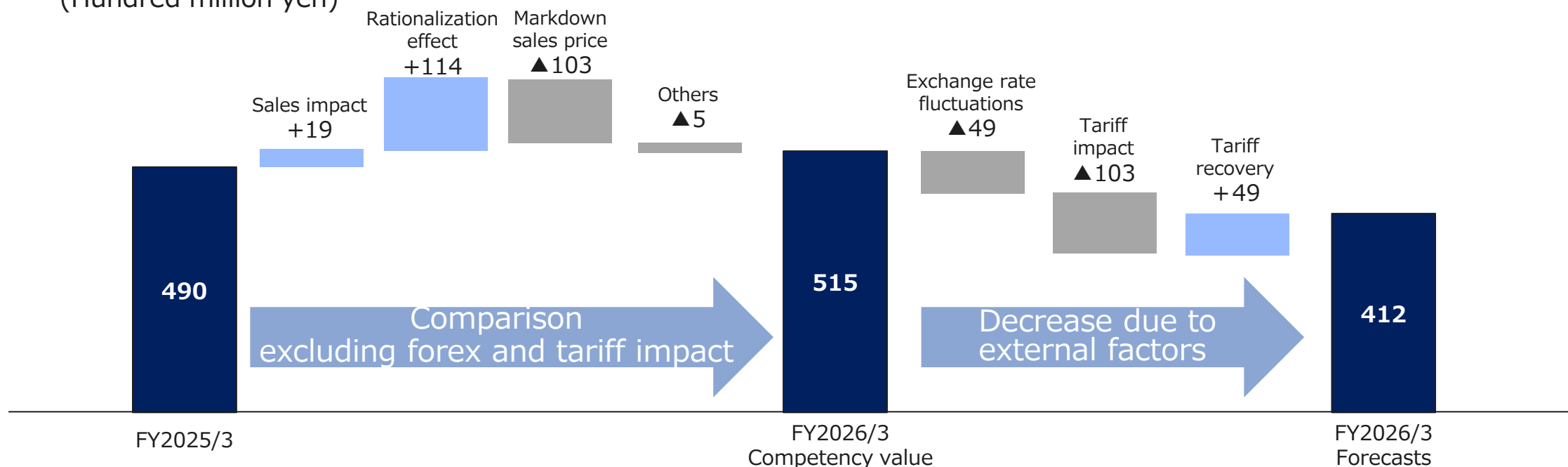
Total operating income growth effects **226.8**

Impact of operating income decrease

Decrease in total operating income effects **304.8**

Increase operating income excluding forex and tariff impact

Operating income (Hundred million yen)



Operating income
to net sales ratio

9.6%

Exchange rate
(USD)

152.48yen

8.6%

135yen

FY2026/3 Forecasts of Consolidated results by Segment

Automotive Equipment Business will be affected by U.S. tariffs, but Electronic Components Business and Applied Electronic Products Business expect increased operating income

(Hundred million yen)
Amounts less than shown are rounded down

		FY2025/3 Results	FY2026/3 Forecasts	Compared to the previous year	
				Amount increase or decrease	Percent increase or decrease
Net Sales	Automotive Equipment Business	4,401.3	4,040.0	-361.3	-8.2%
	Electronic Components Business	370.6	410.0	39.3	10.6%
	Applied Electronic Products Business	1,163.4	1,060.0	-103.4	-8.9%
	Others	31.3	10.0	-21.3	-
	Adjustment	-871.0	-720.0	151.0	-
	Total	5,095.6	4,800.0	-295.6	-5.8%
Operating Income	Automotive Equipment Business	469.6	360.0	-109.6	-23.3%
	Operating income to net sales ratio	10.7%	8.9%	-1.7pt	-
	Electronic Components Business	24.9	52.0	27.0	108.5%
	Operating income to net sales ratio	6.7%	12.7%	5.9pt	-
	Applied Electronic Products Business	88.1	98.0	9.9	11.2%
	Operating income to net sales ratio	7.6%	9.2%	1.6pt	-
	Others	0.6	1.0	0.3	-
	Adjustment	-93.3	-99.0	-5.6	-
	Total	490.0	412.0	-78.0	-15.9%

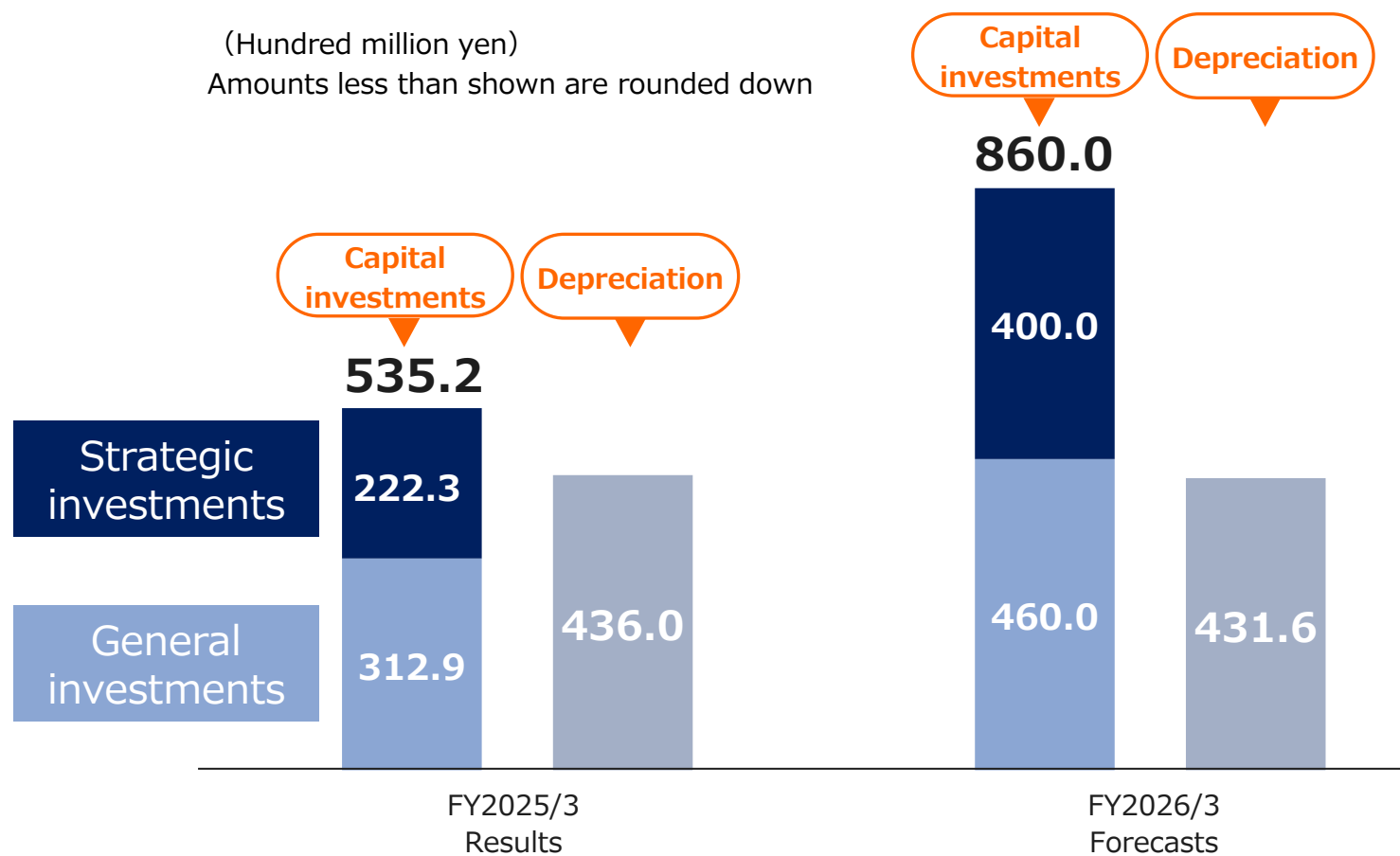
FY2026/3 Forecasts of Information by geographical locations

The Americas will be affected by the tariffs. Asia-Pacific will be affected by foreign exchange rate, but motorcycles will continue to perform well. China will remain sluggish, but maintain profit with rationalization effect

Upper row : Net Sales
Lower row : Operating income
(Hundred million yen)
Amounts less than shown are rounded down

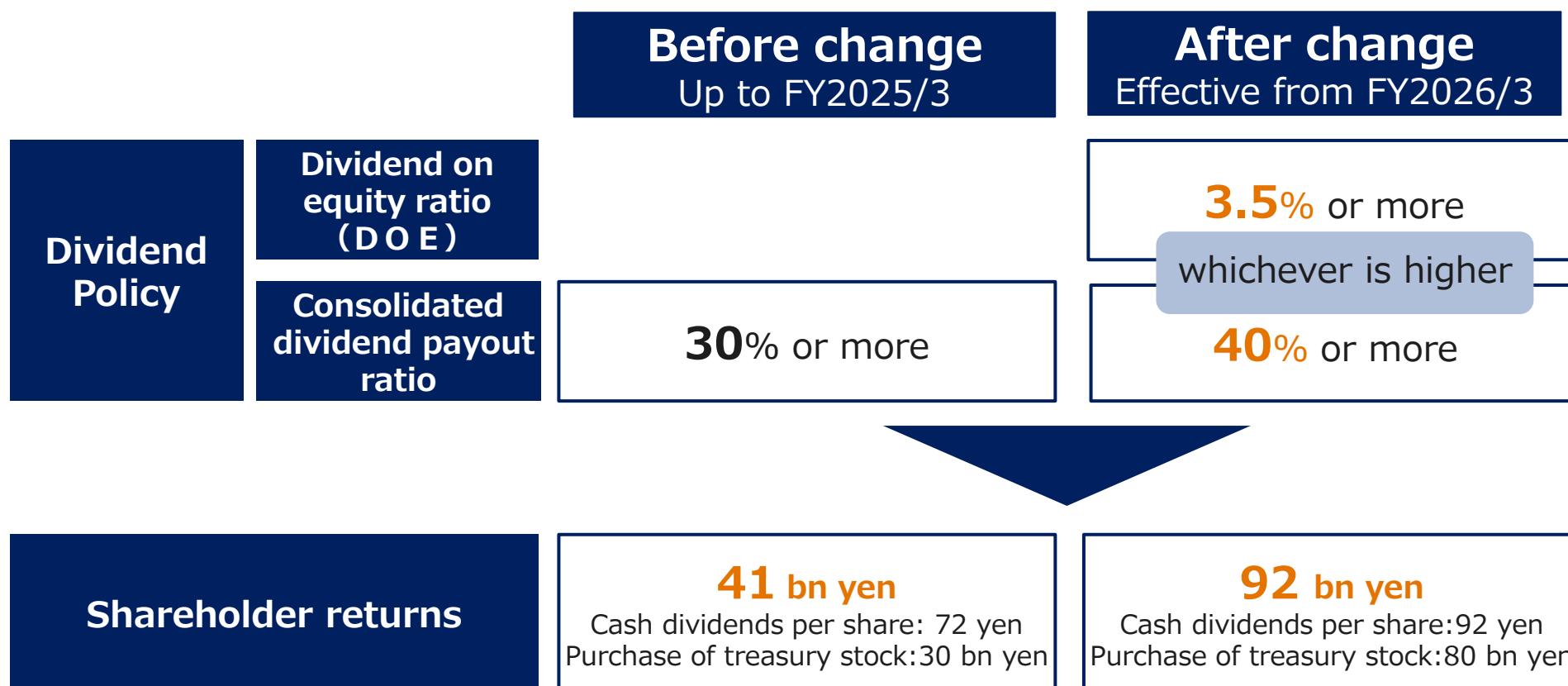
	FY2025/3 Results	FY2026/3 Forecasts	Compared to the previous year	
			Amount increase or decrease	Percent increase or decrease
Japan	1,242.6	1,332.1	89.5	7.2%
	45.6	40.9	4.6	-10.3%
The Americas	1,422.6	1,378.0	-44.6	-3.1%
	97.4	47.4	-49.9	-51.3%
Europe	74.1	105.1	31.0	41.9%
	-1.5	3.6	5.2	-%
Asia-Pacific	1,594.0	1,399.0	-195.0	-12.2%
	300.4	271.2	-29.2	-9.7%
China	762.1	616.9	-145.2	-19.1%
	72.5	72.4	-0.1	-0.2%
Total	5,095.6	4,800.0	-295.6	-5.8%
	490.0	412.0	-78.0	-15.9%

Capital investments and depreciation



※Capital investments includes SaaS-related software investments.

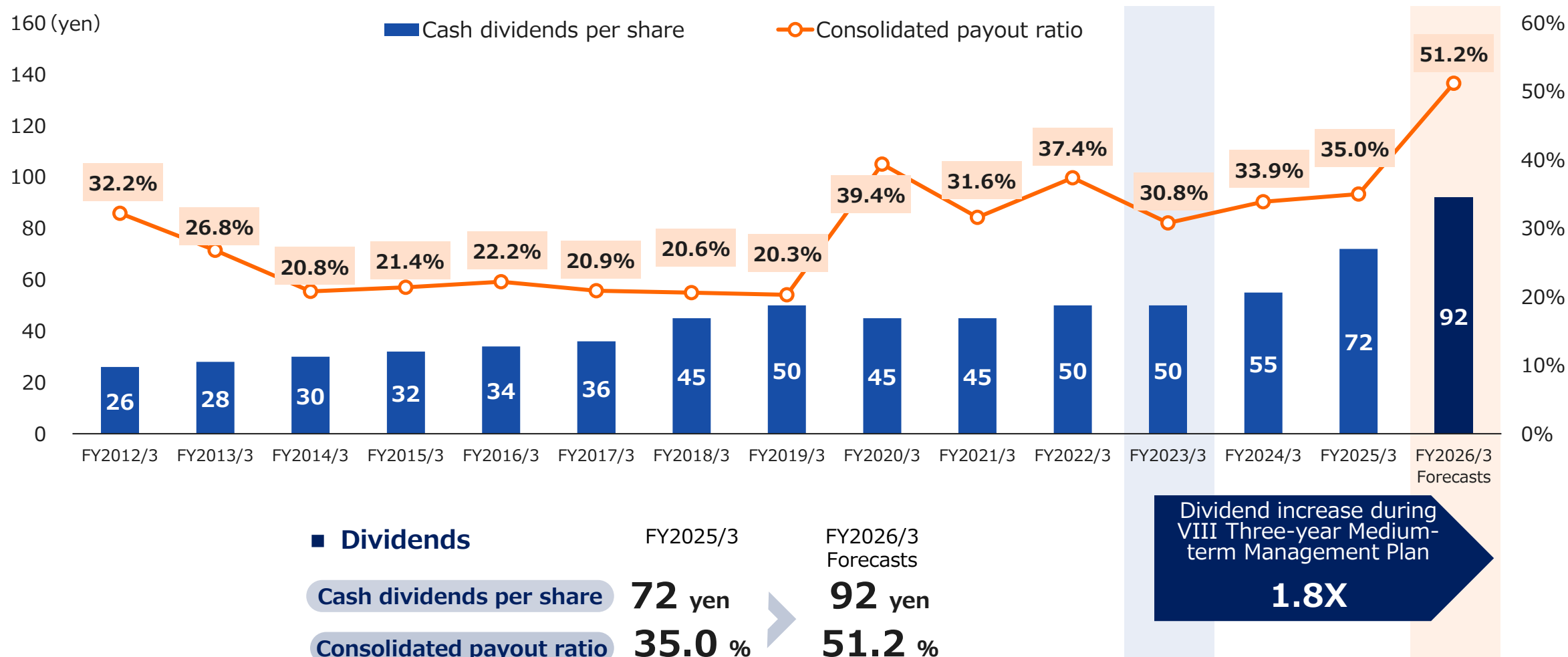
Introduced DOE for appropriate profit return with focus on capital efficiency



※ Dividend on equity ratio (DOE) = total dividends paid/shareholders' equity

5-13 Dividends

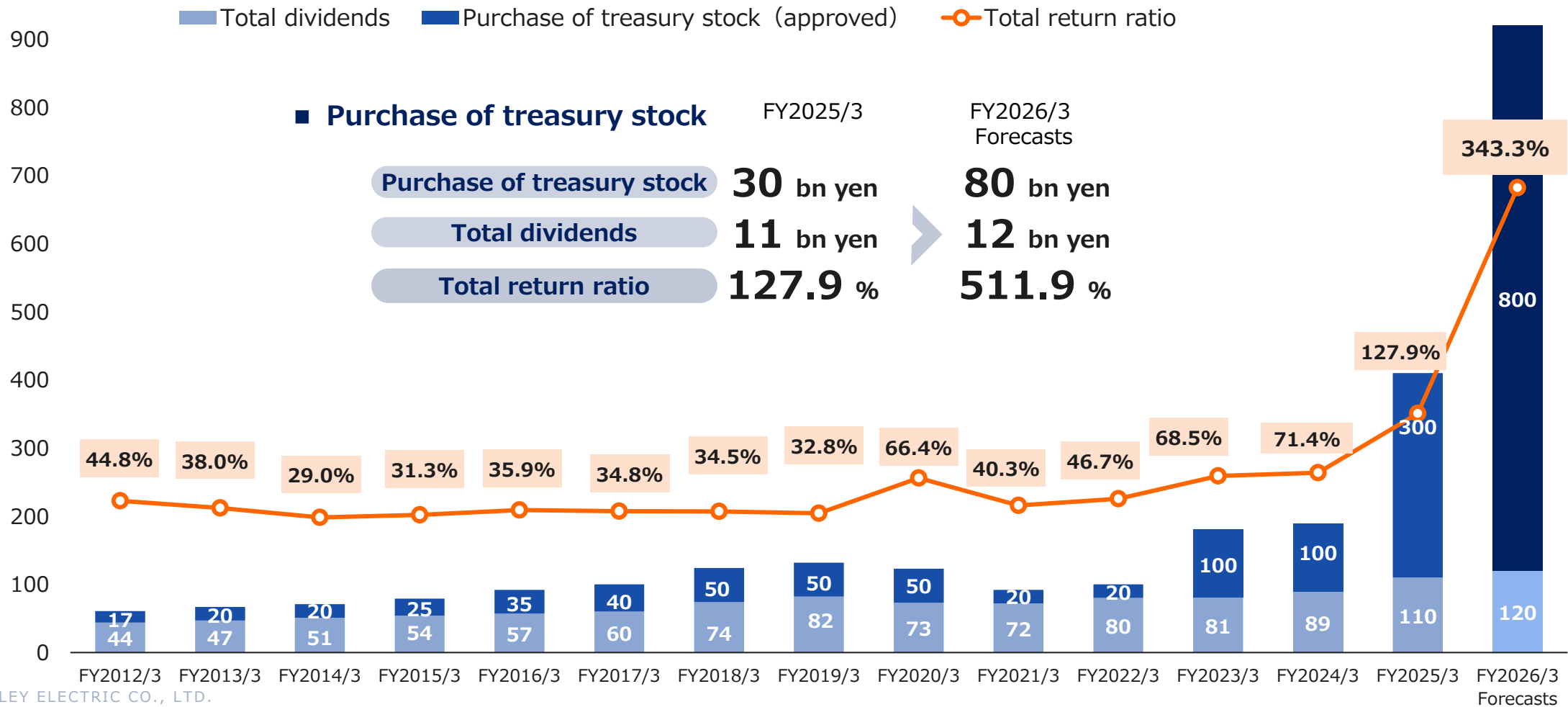
- Dividend per share increased to 92 yen in FY2026/3 with the introduction of DOE
- Dividend per share increased 1.8X compared to before VIII Medium-term Management Plan (FY2023/3)



5-14 Shareholder Returns

- Approved treasury stock purchase of 80 billion yen to reduce equity capital and improve ROE
- Planning record high 92 billion shareholder return through purchase of treasury stock and total dividends

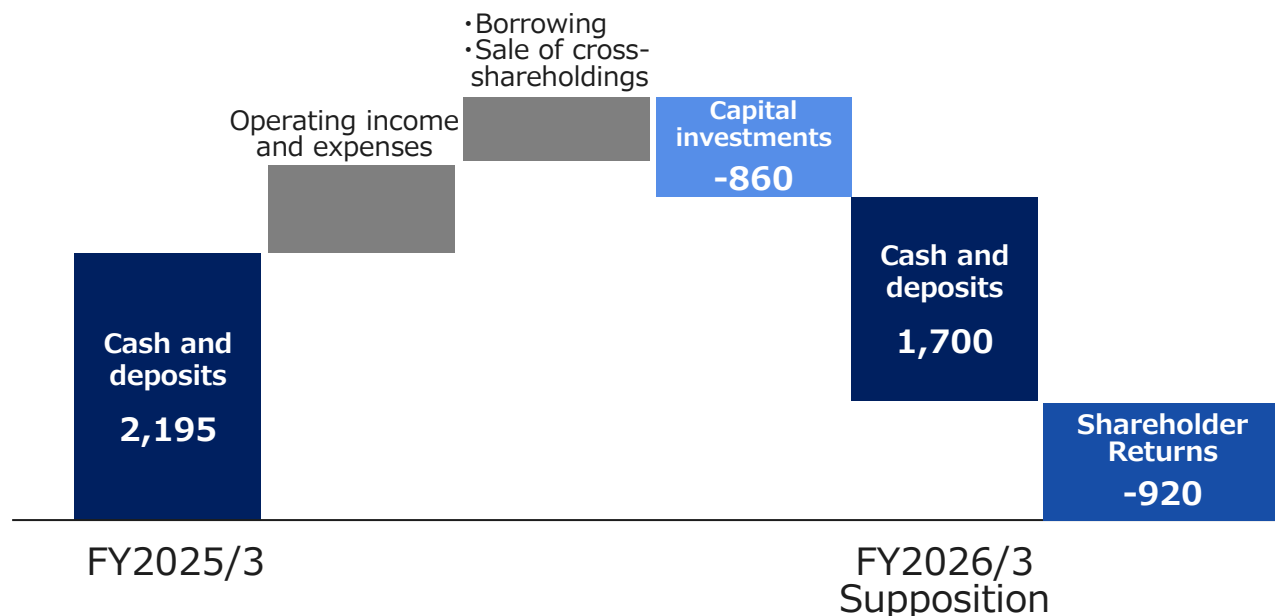
(Hundred million yen)
1,000



- No change in policy to return profits to shareholders after capital expenditures and securing liquidity on hand
- Secure financial stability while implementing balance sheet control with a focus on capital efficiency

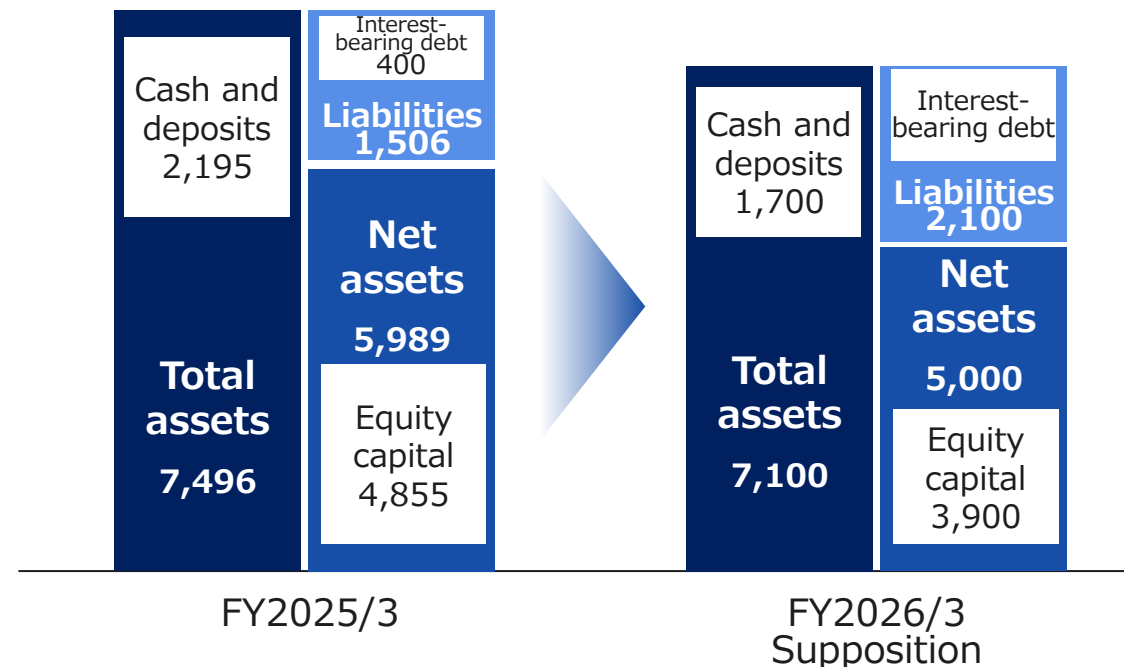
■ Cash flow until the end of FY2026/3

(illustrative chart) (Hundred million yen)

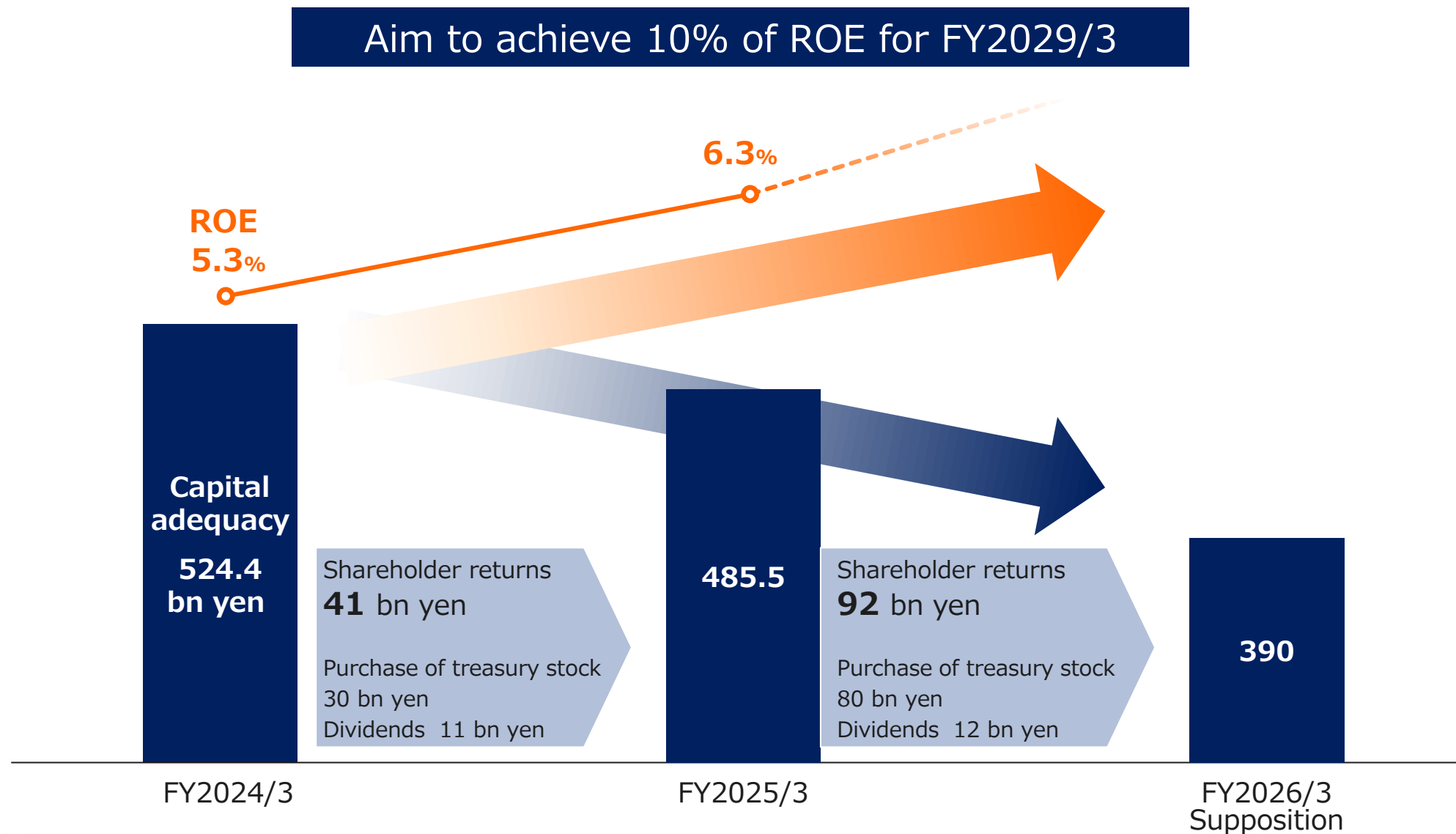


■ Supposed B/S at the end of FY2026/3

(illustrative chart) (Hundred million yen)



5-16 Initiatives to Achieve ROE Targets



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