FY2026/3 Financial Results
Medium-term Management Plan

May 22, 2026

STANLEY ELECTRIC CO., LTD.

Note : This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

1. FY2026/3 Results
2. FY2027/3 Forecast
3. Medium-term Management Plan

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2. FY2027/3 Forecast
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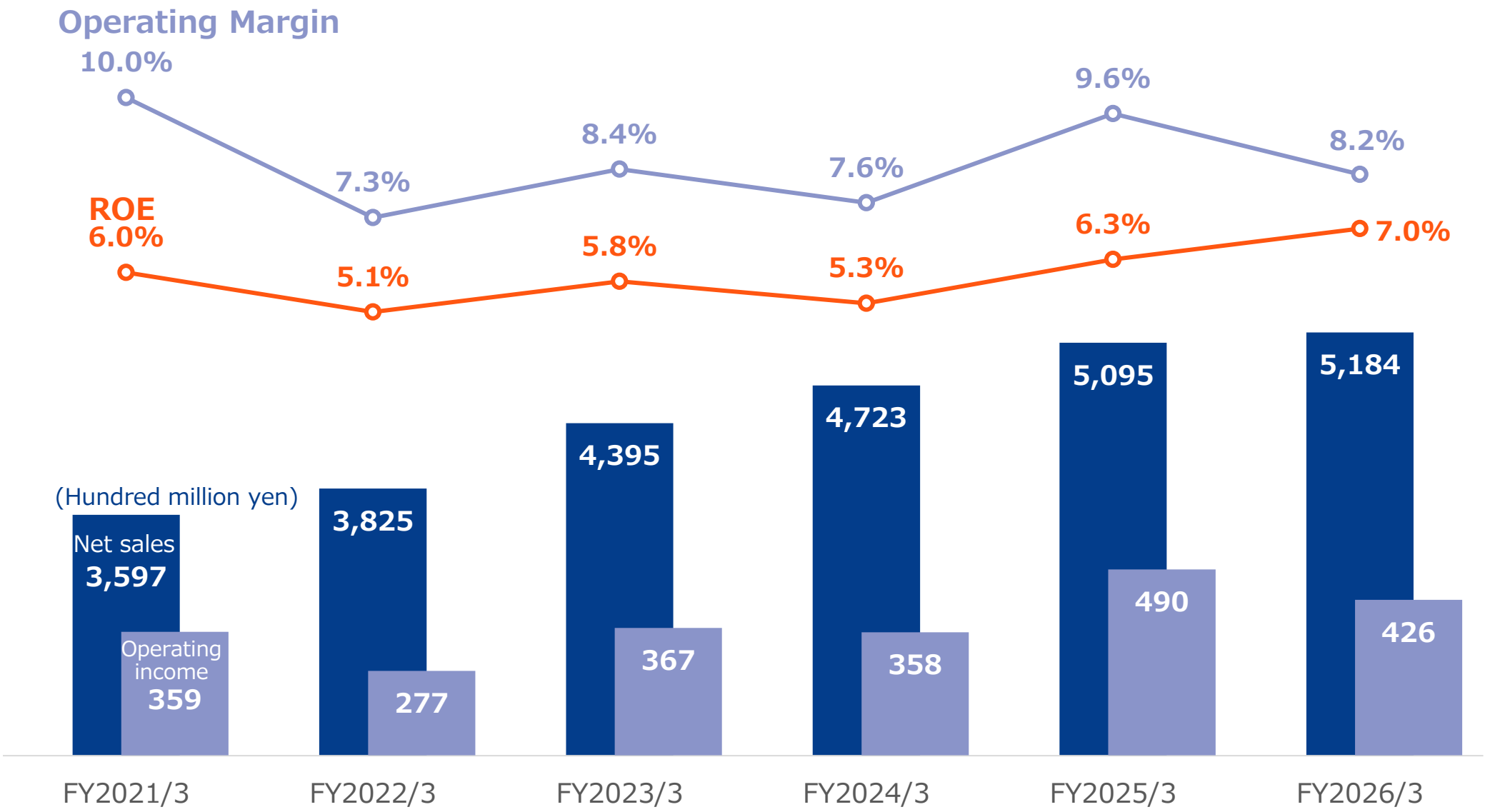
Managing Executive Officers / CFO
Ikuo Kuwata

Key points of financial results for FY2026/3

Net sales	Operating income
518.4billion yen	**42.6billion yen**
〔Compared to FY2025/3 : +1.7%〕 〔Compared to forecasts : +3.7%〕	〔Compared to FY2025/3 : -12.9%〕 〔Compared to forecasts : -5.2%〕

- Revenue increased supported by solid performance in the Americas and Asia-Pacific (motorcycle business), along with favorable foreign exchange effects.
- Profit declined due to the impact of semiconductor shortages and the occurrence of one-off costs.

Financial Performance



FY2026/3 Consolidated results summary

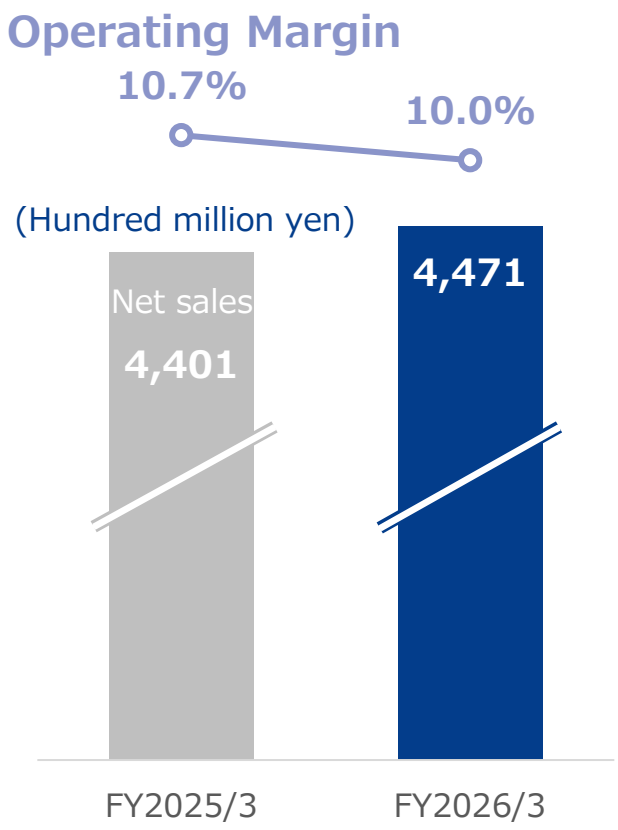
(Hundred million yen) Amounts rounded down	FY 2025/3 Results	FY 2026/3 Results	Year-on-Year Amount	Year-on-Year Percent	FY 2026/3 Plan on 2025/10	vs Plan Amount	vs Plan Percent
Net sales	5,095	5,184	88	1.7%	5,000	184	3.7%
Operating income	490	426	(63)	(12.9%)	450	(23)	(5.2%)
	9.6%	8.2%	(1.4pt)	—	9.0%	(0.8pt)	—
Ordinary income	554	508	(46)	(8.3%)	500	8	1.7%
Net income attributable to owners of parent	320	328	7	2.4%	314	14	4.5%
	6.3%	6.3%	0.0pt	—	6.3%	0.0pt	—
R O E	6.3%	7.0%	0.7pt	—	—	—	—
Equity Ratio	64.8%	56.1%	(8.7pt)	—	—	—	—
Free cash flow	17	294	277	1625.8%	—	—	—
Net income per share (yen)	205.73	240.51	34.78	16.9%	225.52	14.99	6.6%
Exchange rate (USD/JPY)	152.48	151.14	(1.34)	(0.9%)	145.58	5.56	3.8%

FX impact (Hundred million yen)	
Net Sales	By some + 19
Operating income	By some + 1

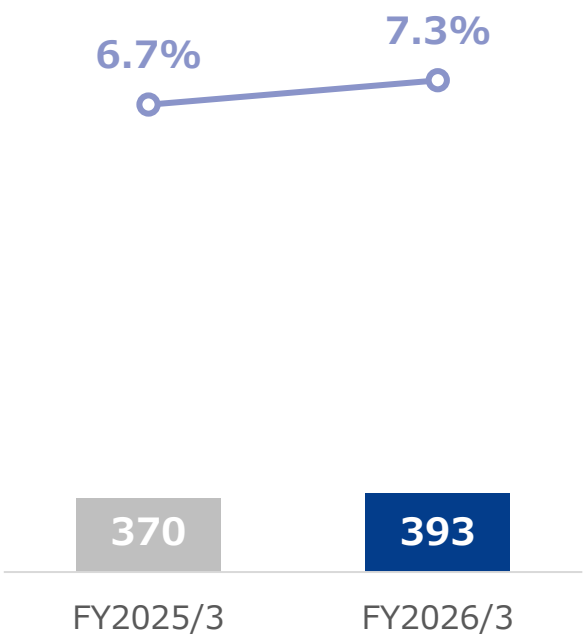
※ Free cash flow = Operating cash flow + Investing cash flow

FY2026/3 Consolidated results by Segment

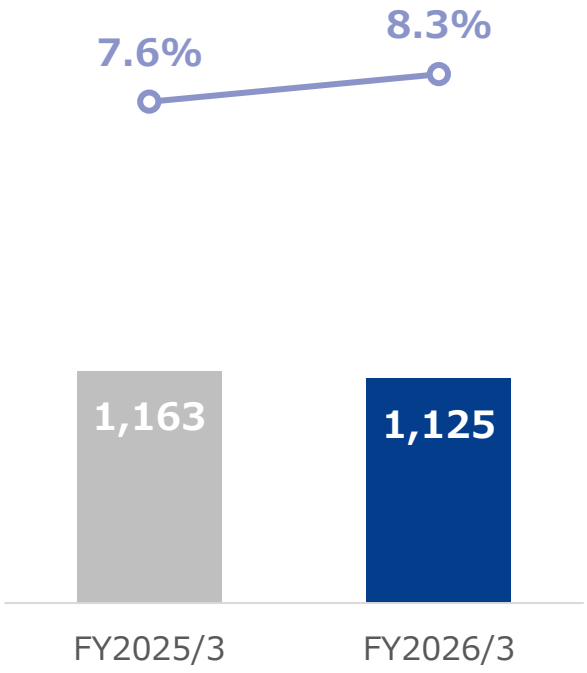
Automotive Equipment



Electronic Components

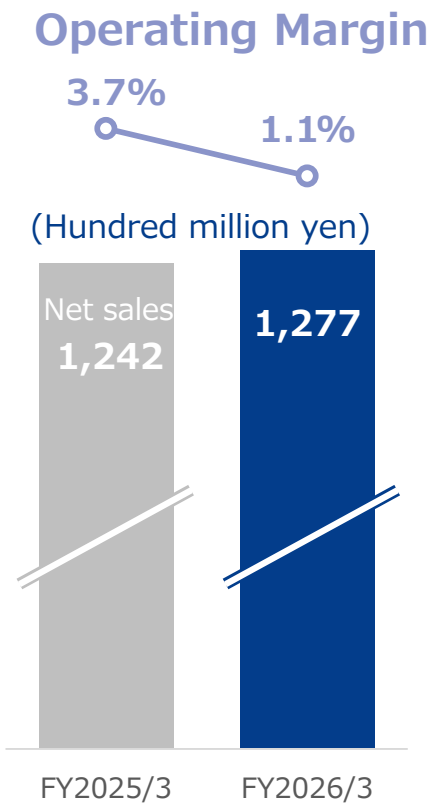


Applied Electronic Products

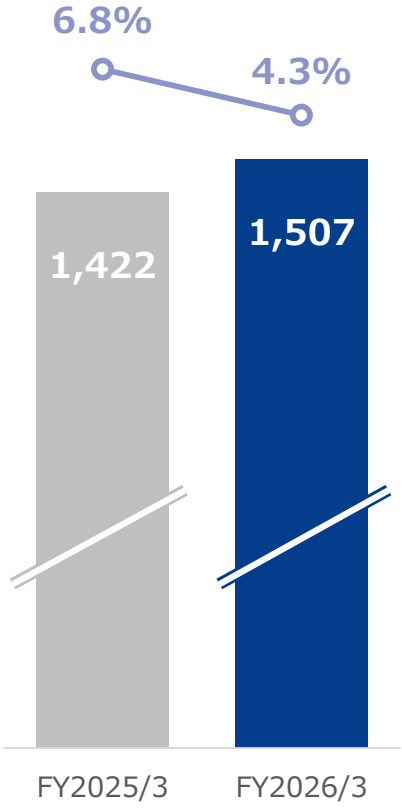


FY2026/3 Information by geographical locations

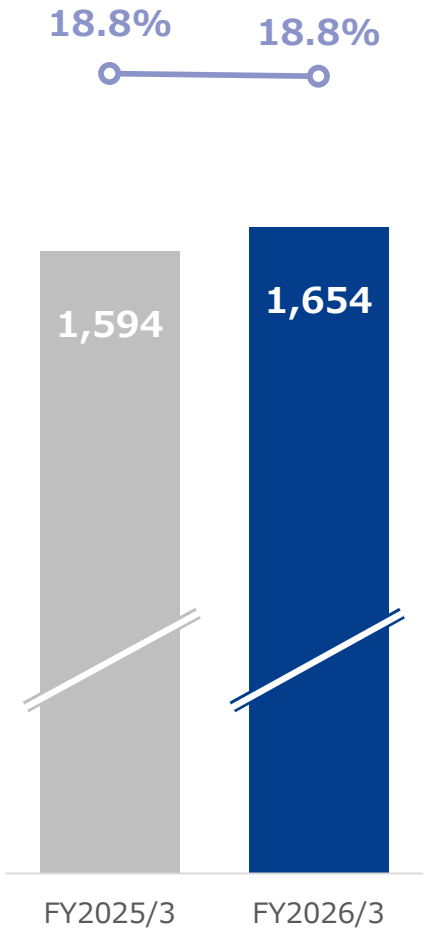
Japan



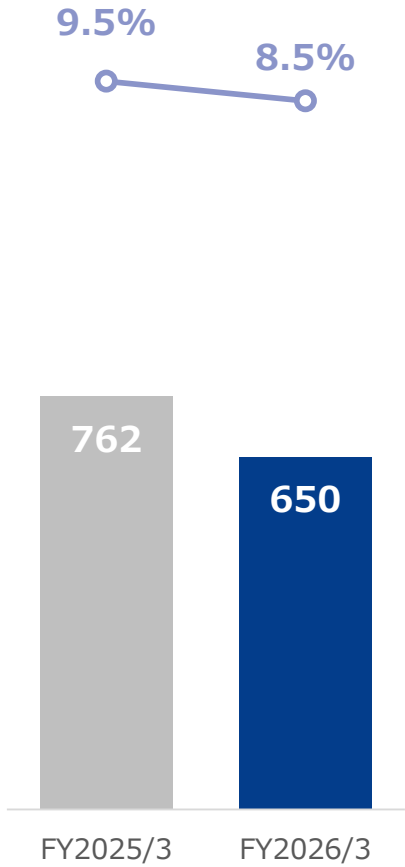
The Americas



Asia-Pacific



China



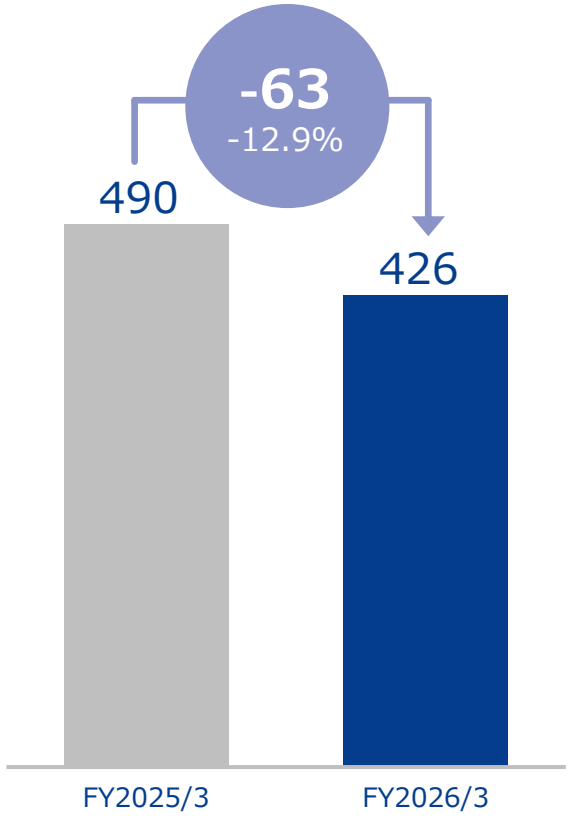
Europe

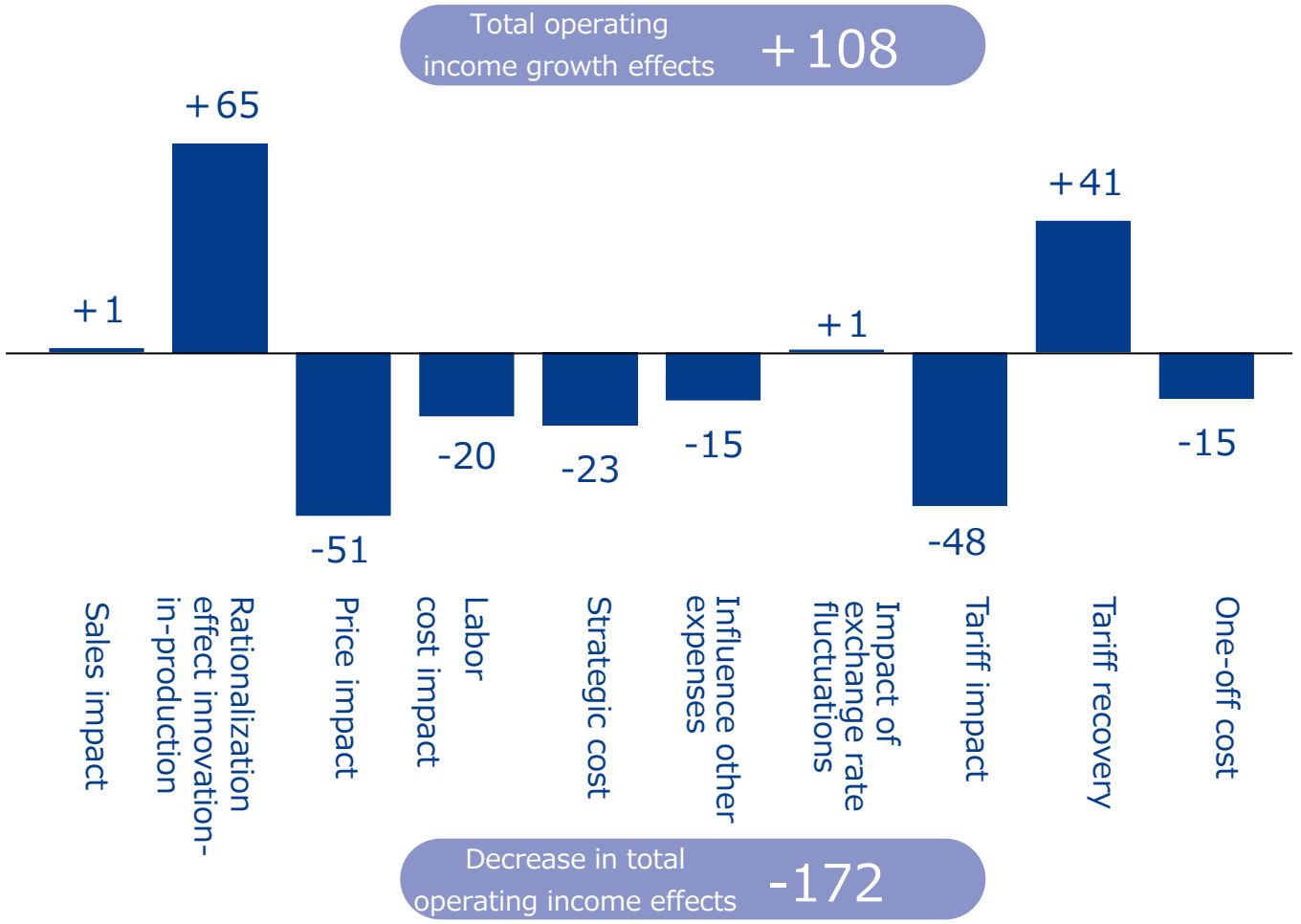


FY2026/3 Consolidated results affecting operating income

Operating income

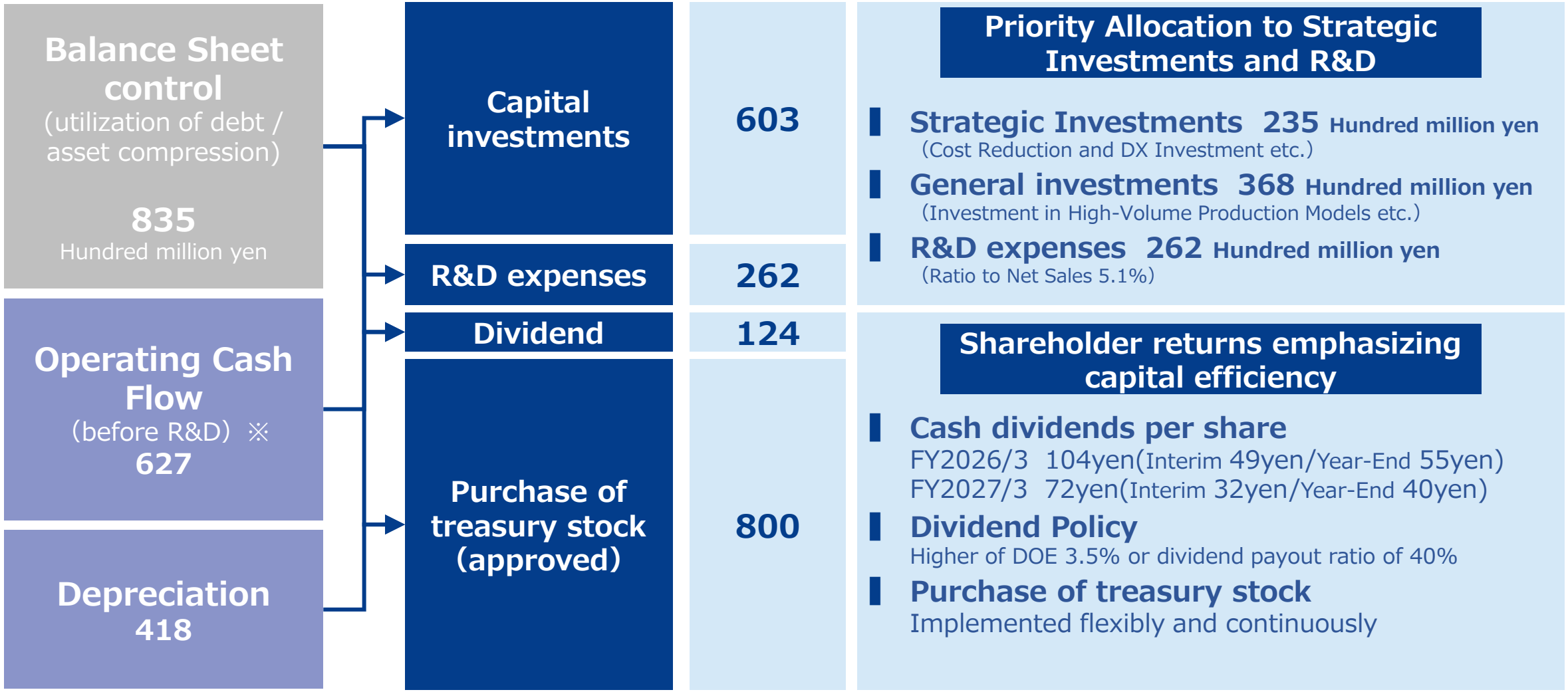
(Hundred million yen)
Amounts less than shown are rounded down





FY2026/3 Capital Allocation

(Conceptual Diagram)



Priority Allocation to Strategic Investments and R&D

- **Strategic Investments 235 Hundred million yen**
  (Cost Reduction and DX Investment etc.)
- **General investments 368 Hundred million yen**
  (Investment in High-Volume Production Models etc.)
- **R&D expenses 262 Hundred million yen**
  (Ratio to Net Sales 5.1%)

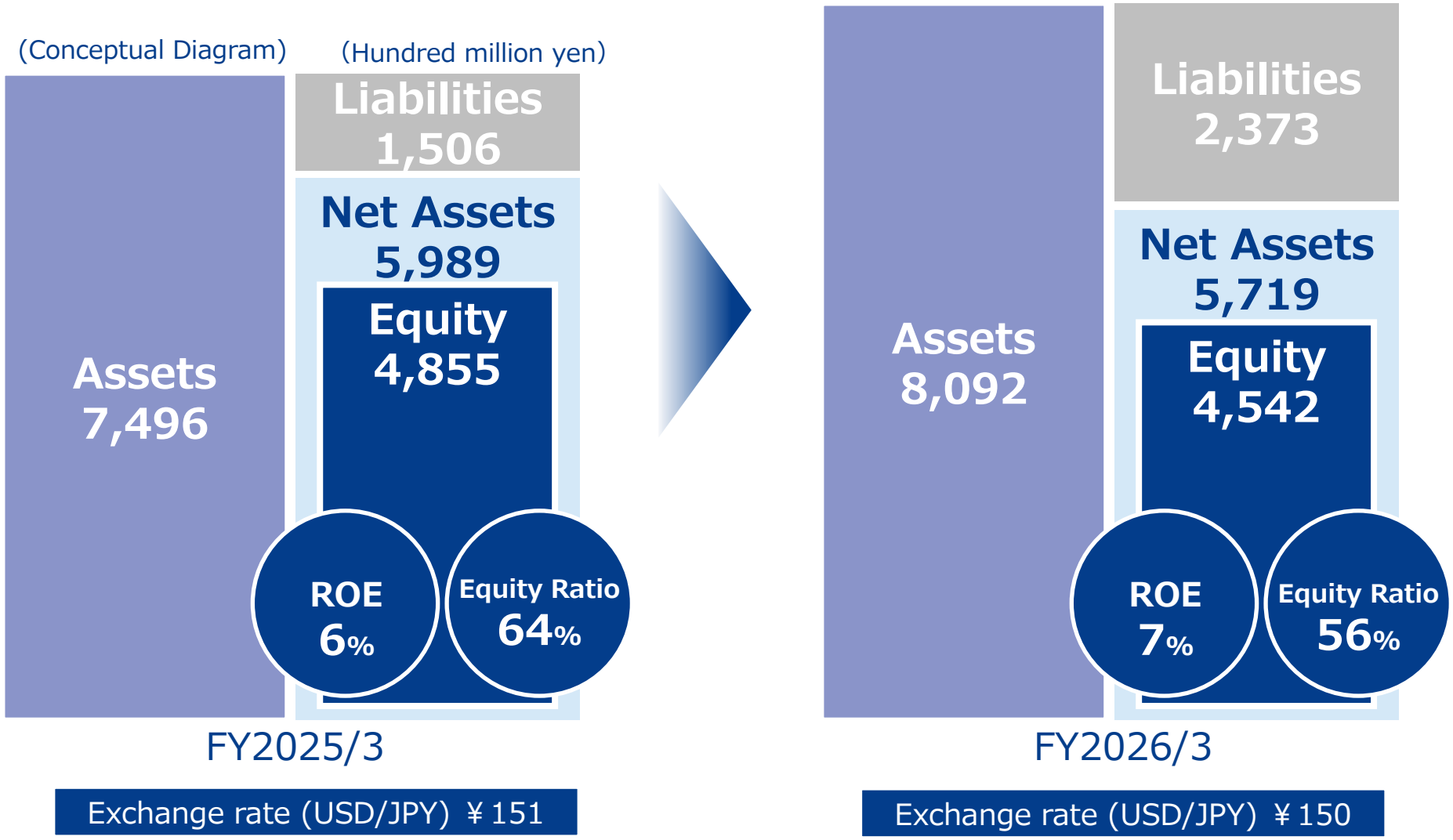
Shareholder returns emphasizing capital efficiency

- **Cash dividends per share**
  FY2026/3 104yen(Interim 49yen/Year-End 55yen)
  FY2027/3 72yen(Interim 32yen/Year-End 40yen)
- **Dividend Policy**
  Higher of DOE 3.5% or dividend payout ratio of 40%
- **Purchase of treasury stock**
  Implemented flexibly and continuously

※Operating Cash Flow (before R&D) 627 Hundred million yen = Operating cash flow 783 Hundred million yen + R&D expenses 262 Hundred million yen − Depreciation 418 Hundred million yen

FY2026/3 Equity Ratio

(Conceptual Diagram) (Hundred million yen)



FY2026/3 Shareholder Returns

	FY2025/3	FY2026/3
Dividend per share	**72**yen Interim 32yen Year-End 40yen	**104**yen Interim 49yen Year-End 55yen

Reference : Shareholder return policy

Purchase of treasury stock		Acts in a continuous and flexible manner
Dividend Policy	Dividend on Equity（DOE）	3.5 or more
	Consolidated dividend payout ratio	40% or more

Whichever is higher

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

Initiatives to Enhance ESG

Environment

Balancing Environmental Impact and Value Creation

Targets

FY2029 : 50% reduction in CO_2 emissions (Compared with FY2019)

FY2049 : Achieve carbon neutrality

Key Initiatives

- Establishment of the "ASTUV" Brand for New Coating Technology
- Introduction of renewable energy
- Request for Cooperation Across the Supply Chain

Social

Well-being and Growth of Each Individual

HR Policy

"Self-motivated" challenge-driven human resources

~ A group turning Change to Chance ~

Key Initiatives

- Employee engagement surveys
- Revision of compensation and evaluation systems
- Utilization of 1-on-1 communication
- Workstyle reforms

Governance

Building a Robust and Sustainable Management Foundation

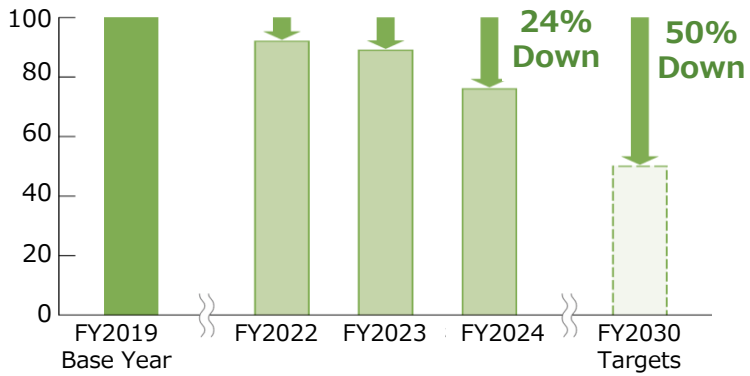
Basic Policy

Enhancing Transparency and Fairness in Management to Establish Globally Competitive Corporate Governance

Key Initiatives

- Strengthening the Function of the Governance Committee
- Board Effectiveness Evaluation Conducted
- Increase in Outside Directors

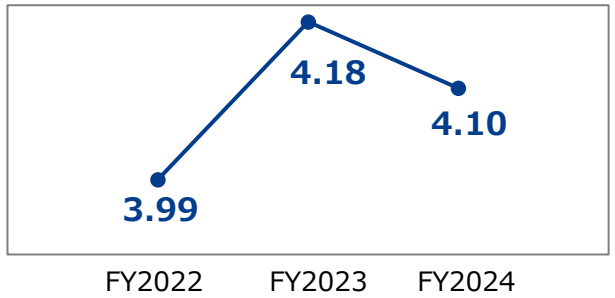
CO2 Emissions Reduction(%)



Engagement Survey Score

Response Rate	FY2023	FY2024
Positive	31%	35%
Neutral	40%	41%
Negative	29%	23%

Board Effectiveness Evaluation (average)



External Recognition

Selected for ESG Indices

2025 CONSTITUENT MSCI日本株
ESGセレクト・リーダーズ指数

MSCI ESG RATINGS AA
CCC B BB BBB A AA AAA

S&P/JPX カーボン エフィシェント 指数

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Certified as a Health & Productivity Management Outstanding Organization 2026 (Large Enterprise Category, "White 500") First-time certification in FY2025

*Certified for six consecutive years as a Health & Productivity Management Outstan

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

Community Initiatives

"Special Needs School Employment Support Initiative Hiroshima" – Promoting Company Award
Yamagata Smile Company Certification – "Diamond Smile Company"

Certified as "Platinum Kurumin" (First-time certification in FY2025)

プラチナくるみん 子育てサポートしています

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Director, Senior Managing Executive Officer / COO
Kazuki Takano

Business Strategy

Driving Growth through Expansion into New Businesses and Markets

Expanding Orders from Non-Japanese OEMs

- Expanding orders from non-Japanese OEMs through One Stanley initiatives

【Ratio of sales to non-Japanese OEMs】
FY2025 1.8%
FY2026 1.8%
FY2027 **2.4**%(forecast)



Full-Scale Entry into ADAS Systems for Safety and Security

- Launch of the Stanley Mobility Electric business, contributing to zero traffic accidents through safe and reliable ADAS systems

【ADB Adoption Rate】
FY2025/3 9%
FY2026/3 10%
FY2027/3 **11**%(forecast)



Business Expansion into Social Infrastructure

- Business Expansion into Social Infrastructure through the Acquisition of Iwasaki Electric

Leveraging Synergies to Expand into Mobility Infrastructure Systems Linking People, Infrastructure, and Vehicles



Business Strategy

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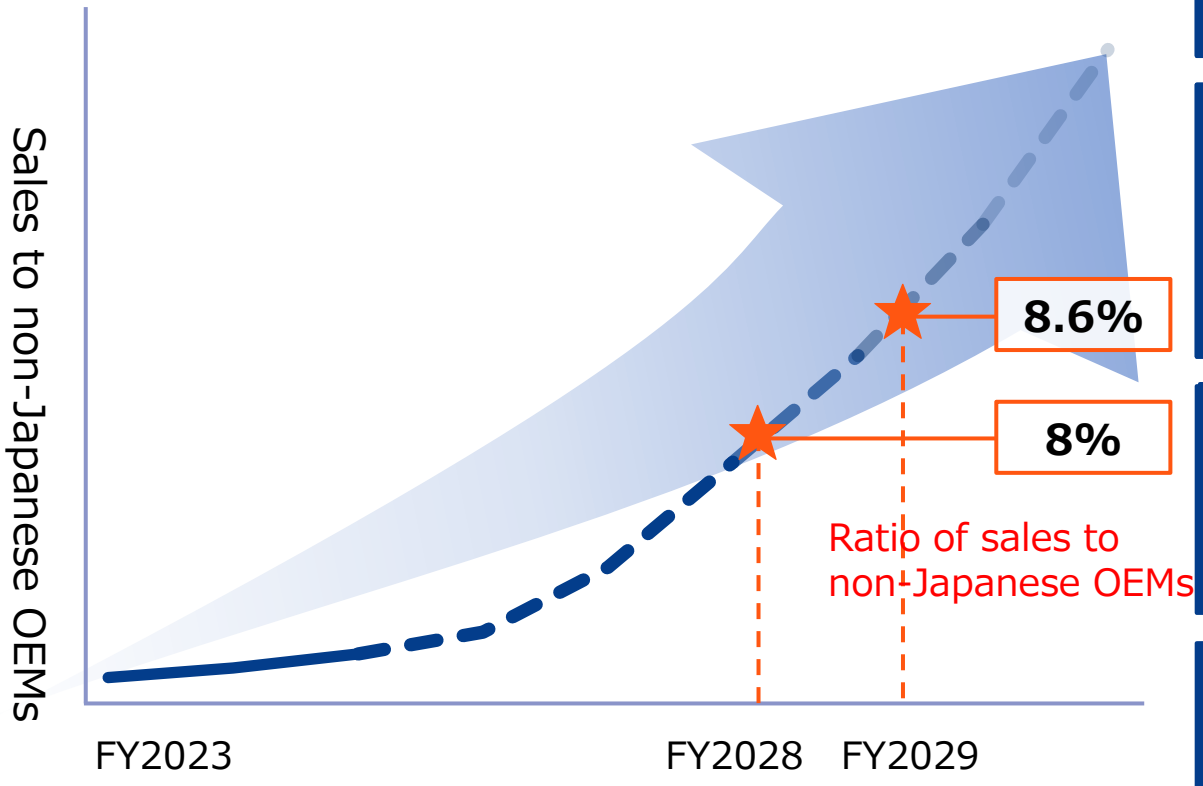
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Expansion of Orders from Non-Japanese OEMs ①

Expanding business with non-Japanese OEMs in addition to Japanese OEMs to deliver safety and security worldwide





- Leveraging orders from Stellantis as a starting point to strengthen local competitiveness and accelerate order growth



- Secured pickup model orders through technical proposals centered on Ford, building a foundation for continuous RFQ acquisition



- Strengthening ADAS system proposals for Japanese and local OEMs amid market expansion and increasing demand for advanced features



- Accelerating order growth by expanding business with Chinese OEMs, leveraging strengthened local development capabilities and increased orders from non-partner local OEMs

Expansion of Orders from Non-Japanese OEMs ②

Developed 12 new non-Japanese OEMs over the three years
of 8th Mid-term Management Plan(FY2023–FY2025)

Examples of Orders and Mass Production for Non-Japanese OEMs (FY2025 onward)

Start of mass production in FY2025



The Americas	1 OEMs	Back/L, RR
China	2 OEMs	H/L, Grille lamp
Europe	1 OEMs	HMSL
Asia-Pacific	1 OEMs	RR, R-Fog

Start of mass production in FY2026



The Americas	1 OEMs	H/L, R/C
China	3 OEMs	H/L, R/C, Grille lamp
Asia-Pacific	1 OEMs	H/L, R/C

Orders secured in FY2025



		Planned start of mass production
The America	3 OEMs	FY2027~2029
China	3 OEMs	FY2026~2027
Asia-Pacific	2 OEMs	FY2027~2028

Order activities ongoing in FY2026



- The Americas
- China
- Europe

Order activities in progress for multiple models

Business Strategy

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Leveraging Synergies to Expand into Mobility Infrastructure Systems Linking People, Infrastructure, and Vehicles

Stanley Mobility Electric CO., LTD.

Full-scale entry into vehicle systems domain to realize safe and secure next-generation systems

Stanley Electric

- ✓ One Stanley global network
- ✓ Distinct lighting technologies

×

Stanley Mobility Electric

- ✓ System development integrating lighting and power control technologies
- ✓ Offer industry-leading products with ultra-compact, next-generation units
- ✓ Unique control algorithms utilizing sensing data from inside and outside the vehicle

Synergies



➢ **Business Expansion**

Entry into next-generation ADAS systems for centralized platforms essential for SDV readiness



➢ **Zero Traffic Fatalities**

Realizing visible light solutions that contribute to both human vision and machine vision amid the growth of autonomous driving



➢ **New Value Creation**

Improve safety, security, and comfort by providing human-friendly lighting for mobility and other spaces

Strategy for the Autonomous Driving

※Patented

Providing Machine Vision in Coordination with Cameras: Lighting as Part of the Sensor System
Ensuring safe and reliable autonomous driving in all environments, including adverse weather

Camera detection image of a pedestrian at 50m : FMVSS requirement)

Night High



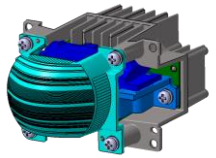
Night Low



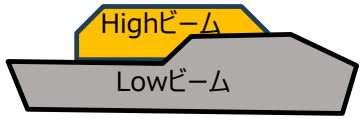
Reduced Camera Recognition Accuracy

Pedestrian recognition distance by camera at nighttime
High : 80m
Low : 30m

AEB is not fully effective under low beam, increasing the risk of pedestrian collisions (FMVSS based on low beam)



Headlamp Unit



Headlamp Beam Pattern

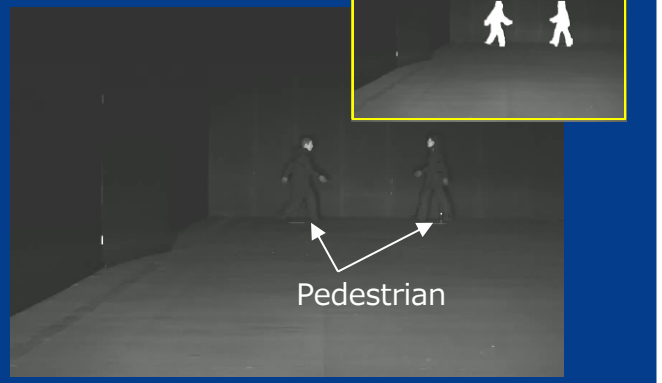


Camera-Synchronized Beam Control



Low visibility as only the lower body of pedestrians is illuminated

Low Beam



High visibility, but usable only when no oncoming vehicles are present

High Beam



Improves pedestrian recognition by cameras at low-beam-equivalent brightness

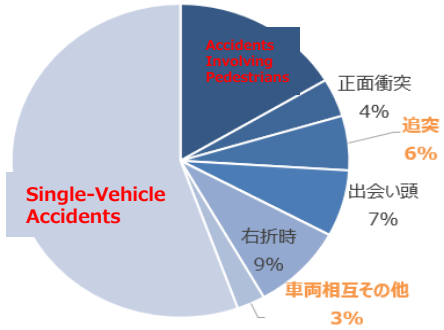
Camera Beam

Motorcycle Safety～Camera-less Auto High Beam for Low-Cost Nighttime Visibility～

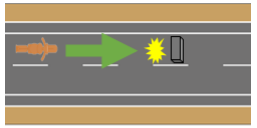
※Patented

Ensures nighttime visibility with a simplified camera-less system, contributing to accident reduction

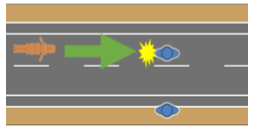
Breakdown of Motorcycle Accidents <Nighttime>



Single-Vehicle Accidents (Property Damage Accidents)



Accidents Involving Pedestrians



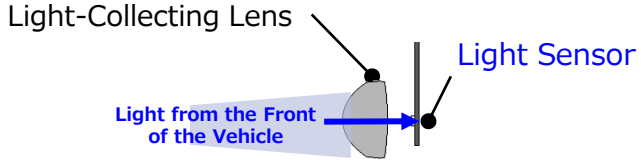
Conventiona | Required Separate Camera

YAMAHA TRACER 9GT+

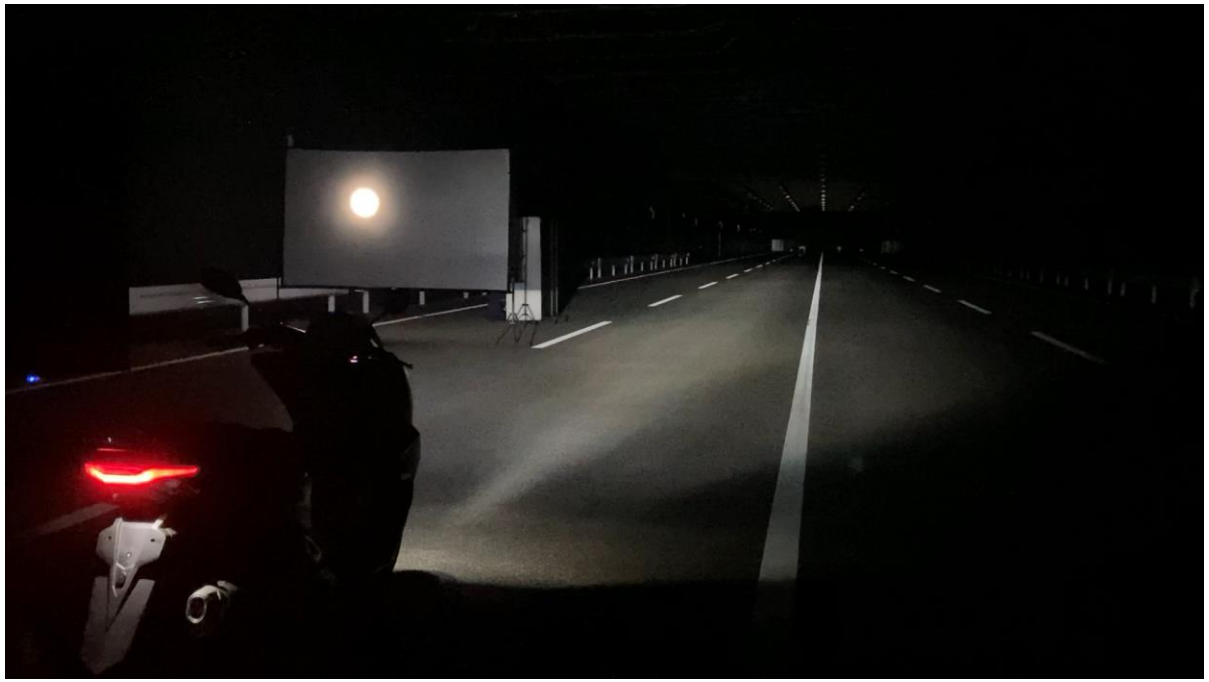


Developed

Detection System Integrated into the Lamp



Internal Lamp Structure



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Leveraging Synergies to Expand into Mobility Infrastructure Systems Linking People, Infrastructure, and Vehicles



Iwasaki Electric Co., Ltd.

Promote Stanley's expansion into new domains and Iwasaki Electric's overseas growth through complementary strengths

Stanley Electric

- ✓ One Stanley global network
- ✓ Distinct lighting technologies

Supply chains supporting product lines common to both companies' businesses

Iwasaki Electric

- ✓ Execution capabilities and sales/service network in the ESCO business*
- ✓ Knowledge and experience in the public infrastructure/industry sectors

Synergies



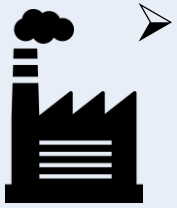
Business Expansion

Achieve energy savings and CO_2 reduction worldwide through overseas expansion of the ESCO business



Creation of New Products

Provide new safety and security solutions through smart road lighting that connects people, infrastructure, and vehicles, as well as LED conversion of disinfection systems



Cost Reduction and Rationalization

Generating economies of scale through optimization of the supplier portfolio and parts standardization

*ESCO (Energy Service Company) Business:
An energy service business that provides comprehensive services including equipment upgrades and operational improvements with the aim of reducing energy consumption, and generates revenue from the long-term energy-saving effects.

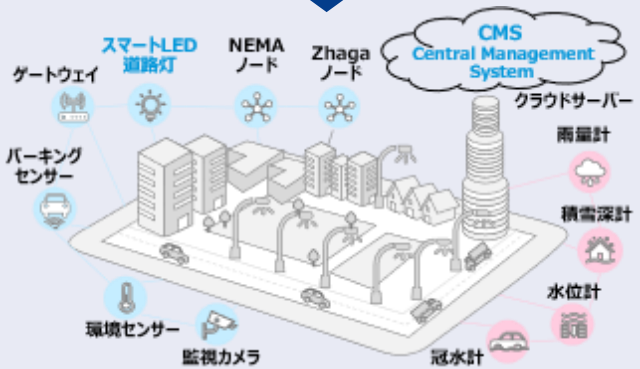
Key Strengths of Iwasaki Electric

Road Lighting

Solutions to Social Issues

・Proven expertise in public infrastructure lighting projects for government and municipalities
・Nationwide one-stop service network with 37 locations
・Proven CSL (Connected Smart Lighting) solutions addressing energy efficiency and disaster/risk monitoring

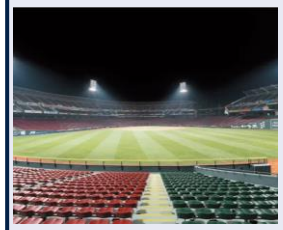
Expansion of orders in the ESCO business



Lighting

Addressing Diverse Needs

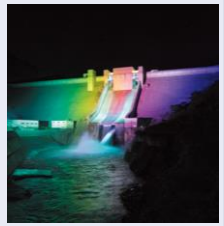
・Comprehensive solutions enabled by a diverse product lineup, control technologies, and installation capabilities
・Coexistence with local communities through consideration for environmental factors such as energy efficiency and light pollution
・Established trust and a proven track record with municipalities and public institutions



Mazda Zoom-Zoom Stadium Hiroshima



PGM Golf Resort Okinawa Nighttime lighting



Ministry of Land, Infrastructure, Transport and TourismGassan Dam

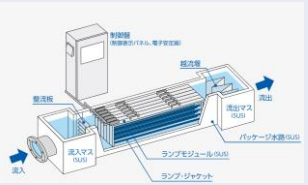
light/environment

Solutions Addressing Industrial Challenges

・Solving industrial and environmental challenges through light-based technologies (UV, infrared, EB)
・Proven capabilities and track record in optical application systems for the growing semiconductor and TFT display markets



LCD Panel Bonding /ODF UV Curing System



UV Water Purification System



Chamber with Solar Simulation System

Synergies with Stanley Electric

Road & Lighting Business

Expansion of public lighting and ESCO business in ASEAN and India

Iwasaki's domestic expertise +Stanley's global network





Lighting & Environment business

Strengthening the UV business

Iwasaki's UV lamp channels + Stanley's high-efficiency UV LEDs



Creation of new value

Integrated V2X system linking vehicles, people, and infrastructure

Vehicles



Infrastructure

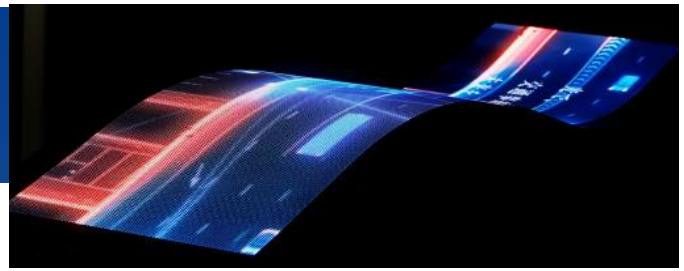


Pedestrians

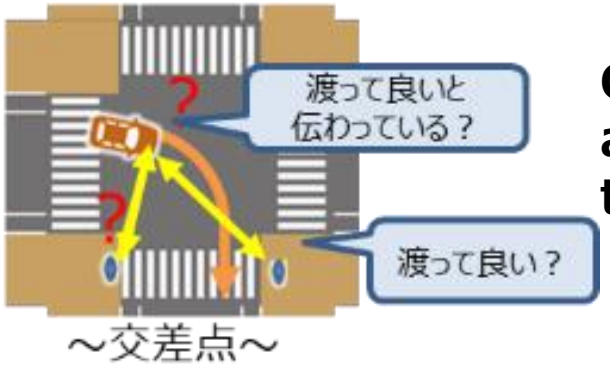


Lighting technologies that address social challenges

Thin, flexible LED display enabling two-way communication



Automotive applications



Communication with a wide range of traffic participants

Digital signage



Installation constraints
～Space and weight constraints, etc.

Automotive display lamps





Lamps integrating communication and lighting functions

Signage displays





Displays installable in previously inaccessible locations

Key points of Business Forecasts for FY2027/3

Net sales	Operating income
622.0billion yen 〔Compared to FY2026/3　+20.0%〕	**55.0billion yen** 〔Compared to FY2026/3　+28.9%〕

- Net sales are forecast to increase by 20% YoY, mainly due to the impact of newly consolidated companies.
- Operating income is forecast to increase by 29% YoY, driven by the contribution from Iwasaki Electric, improved material costs, and expense reductions.

※ FY2027/3 Newly Consolidated (Applied Electronic Products Business) : Iwasaki Electric / Stanley Mobility Electric

Assumptions for FY ending 2027/3 Forecasts

External Sales by Segment

		FY2026/3	FY2027	
		Results	Forecasts	YoY
Automotive Equipment Business	Automobiles	3,503	3,567	+2%
	Motorcycles	949	910	△4%
	Subtotal	4,452	4,477	+1%
	Non-Japanese OEMs (included)	81	106	+31%
Electronic Components Business		204	243	+19%
Applied Electronic Products Business		529	557	+5%
	Newly Consolidated	–	943	–
	Subtotal	529	1,500	+184%
Total		5,184	6,220	+20%

FY2027/3 Summary Consolidated Business Forecasts

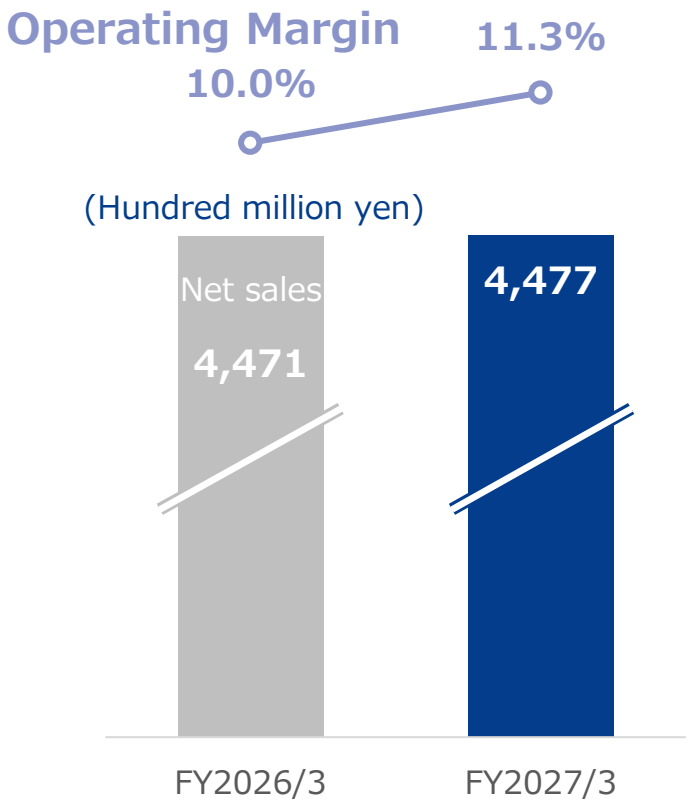
(Hundred million yen) Amounts rounded down	FY 2026/3 Results	FY 2027/3 Forecasts	Year-on-Year Amount	Year-on-Year Percent
Net sales	5,184	6,220	1,035	20.0%
Operating income	426	550	123	28.9%
	8.2%	8.8%	0.6pt	—
Ordinary income	508	580	71	14.1%
Net income attributable to owners of parent	328	340	11	3.6%
	6.3%	5.5%	(0.9pt)	—
R O E	7.0%	7.7%	0.7pt	—
Equity Ratio	56.1%	50.0%	(6.1pt)	—
Free cash flow	294	(670)	(964)	—
Net income per share (yen)	240.51	276.62	36.11	15.0%
Exchange rate (USD/JPY)	151.14	150.00	(1.14)	(0.8%)

FX sensitivity (Hundred million yen) (Impact per ¥1 JPY depreciation)	
Net Sales	By some + 32
Operating income	By some + 3

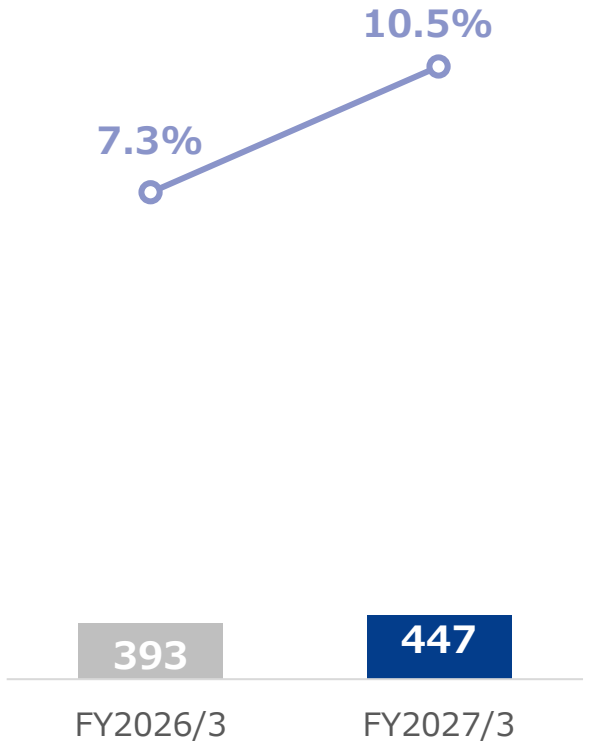
※ FY2027/3 Newly Consolidated (Applied Electronic Products Business) : Iwasaki Electric / Stanley Mobility Electric
Free cash flow = Operating cash flow + Investing cash flow

FY2027/3 Consolidated results by Segment

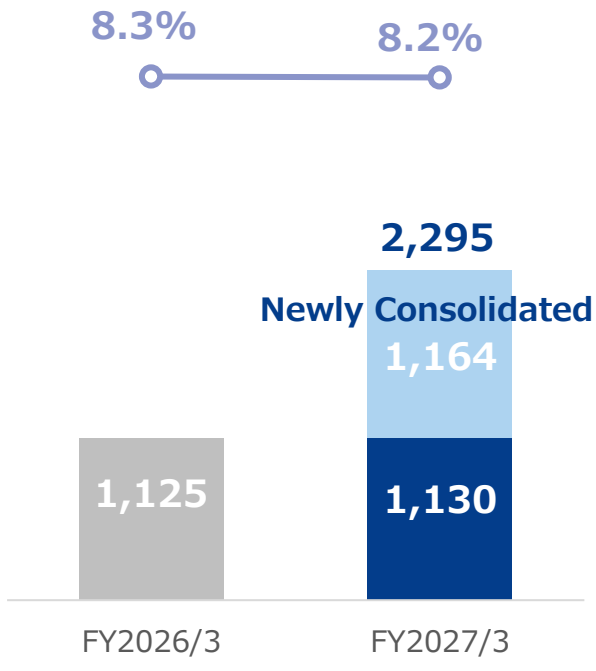
Automotive Equipment



Electronic Components



Applied Electronic Products

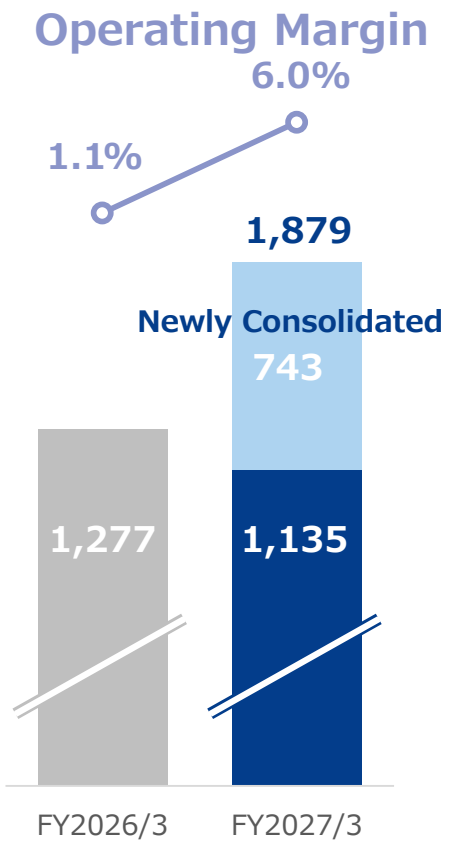


※ FY2027/3 Newly Consolidated (Applied Electronic Products Business) : Iwasaki Electric / Stanley Mobility Electric

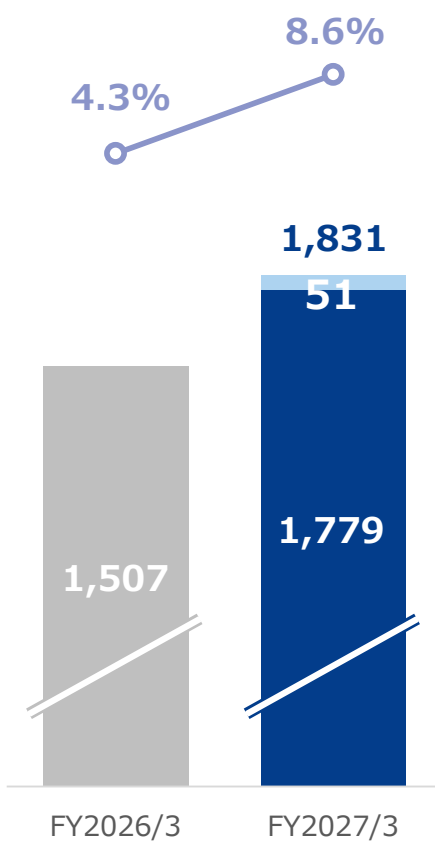
FY2027/3 Information by geographical locations

Japan

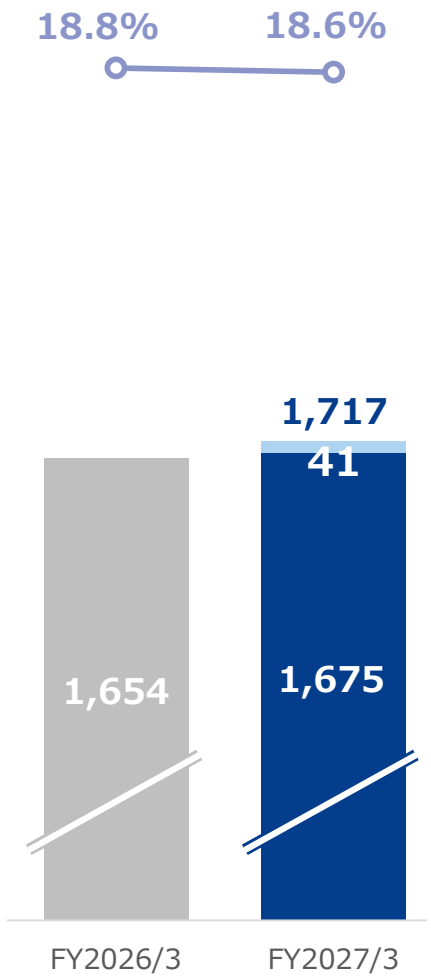
(Hundred million yen)



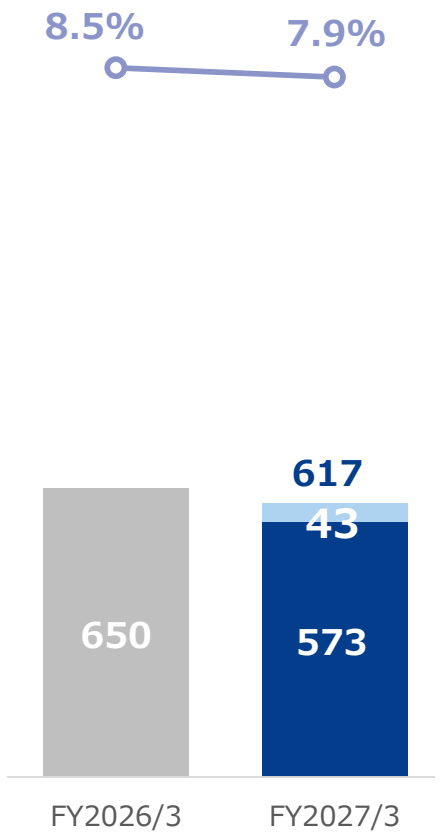
The Americas



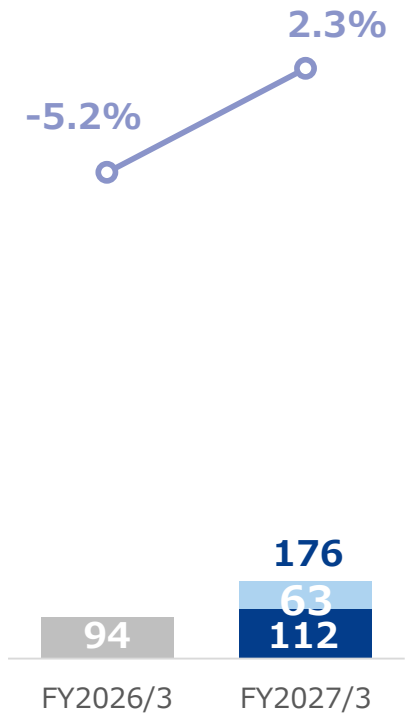
Asia-Pacific



China



Europe

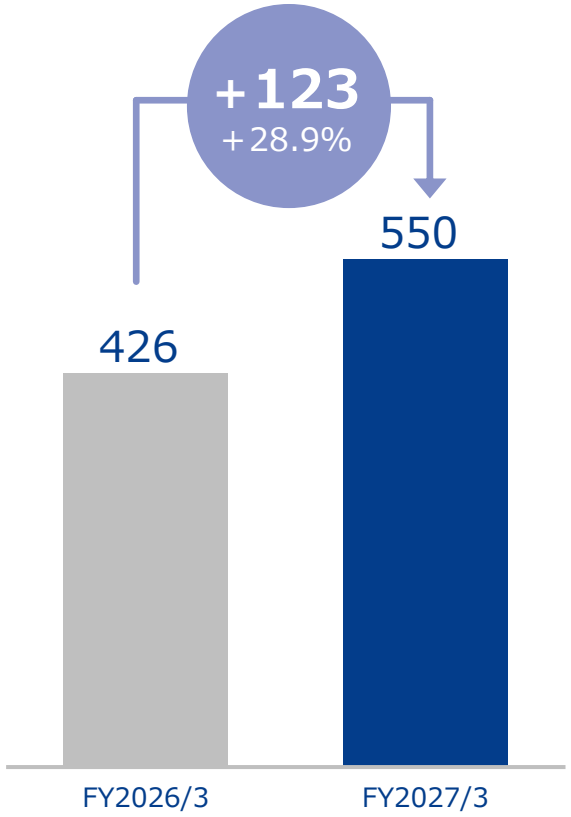


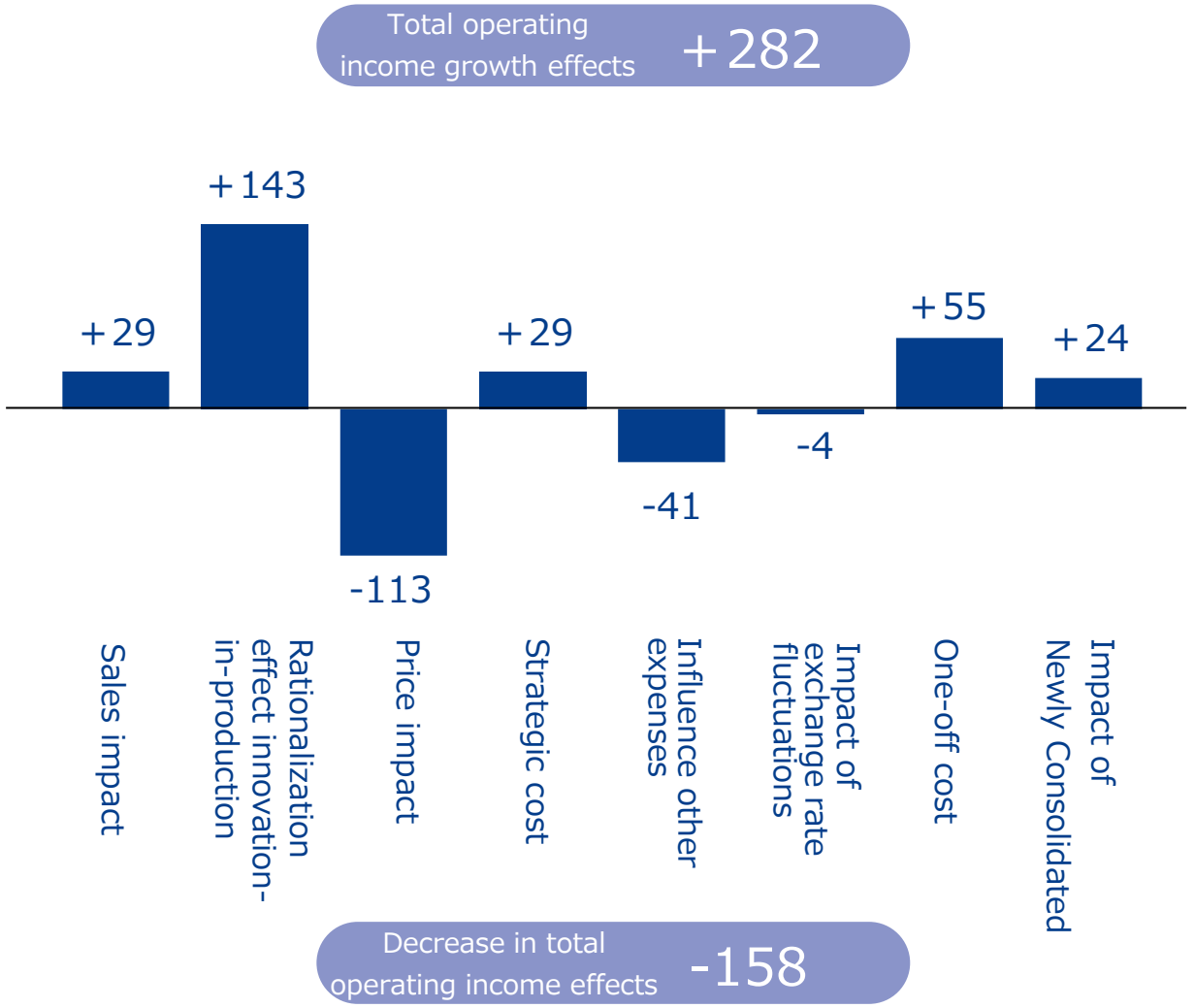
※ FY2027/3 Newly Consolidated (Applied Electronic Products Business) : Iwasaki Electric / Stanley Mobility Electric

FY2027/3 Consolidated Business Forecasts factors affecting operating income

Operating income

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

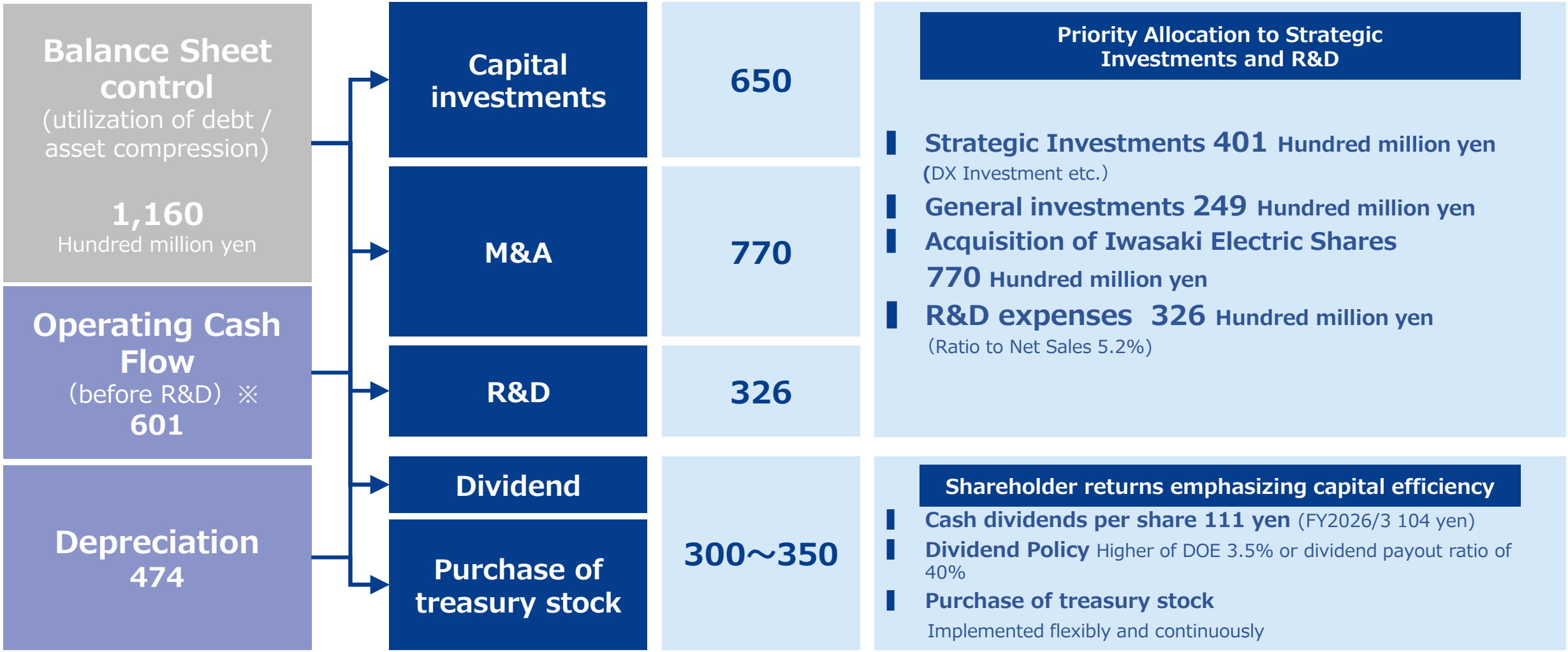




※ FY2027/3 Newly Consolidated (Applied Electronic Products Business) : Iwasaki Electric / Stanley Mobility Electric

FY2027/3 Capital Allocation

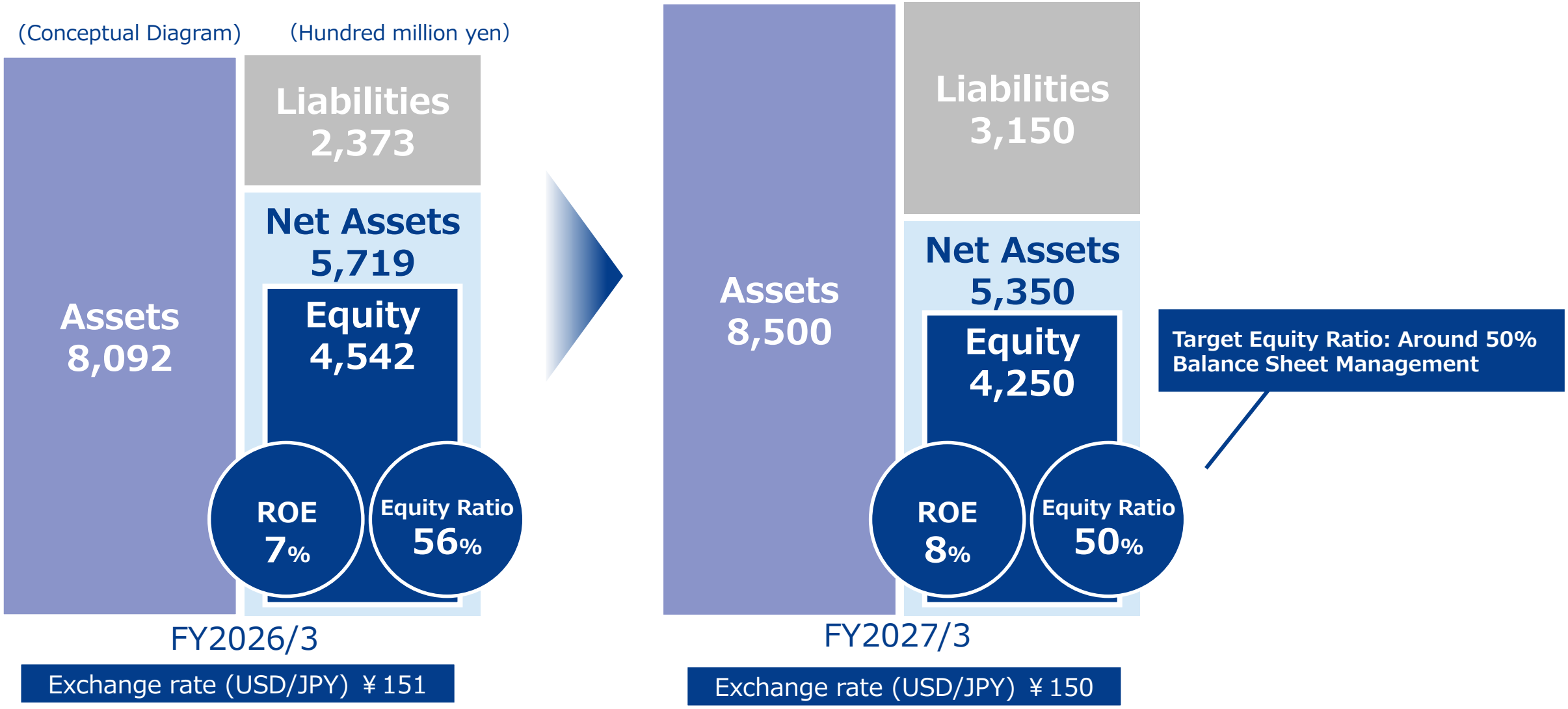
(Conceptual Diagram)



※Operating Cash Flow (before R&D) 601 Hundred million yen = Operating cash flow 750 Hundred million yen + R&D expenses 326 Hundred million yen − Depreciation 474 Hundred million yen

FY2027/3 Equity Ratio

(Conceptual Diagram) (Hundred million yen)

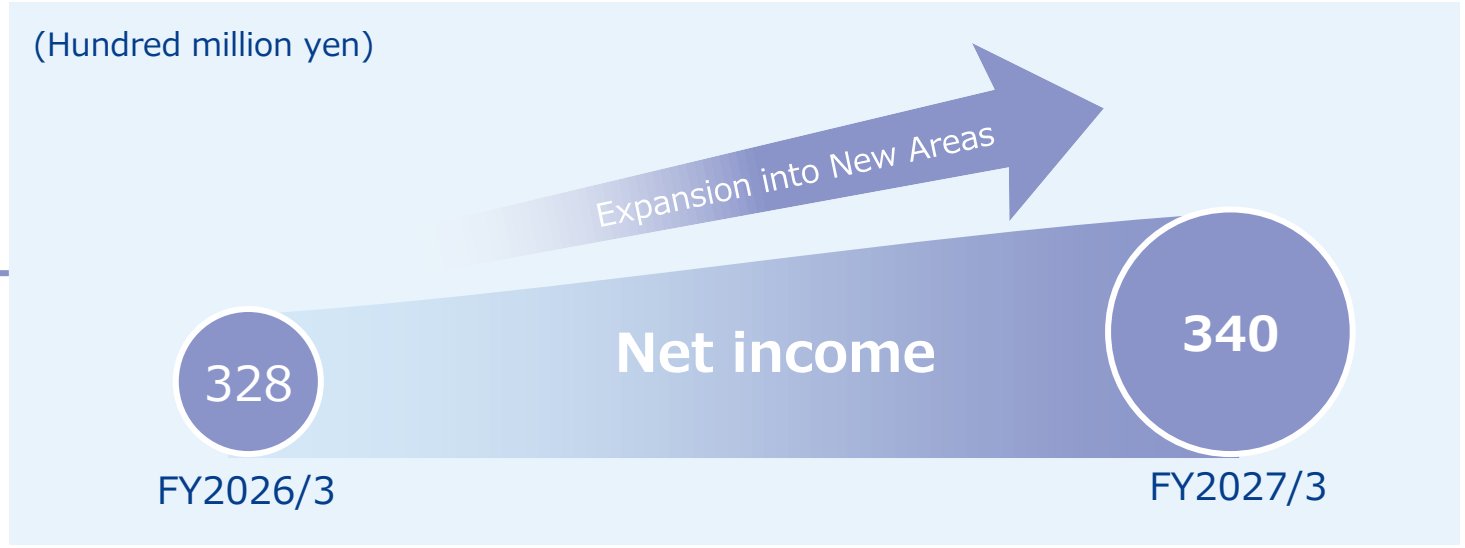


※ ROE Based on Shareholders' Equity at Fiscal Year-End (March 2027): 8.0%
ROE Based on Average Shareholders' Equity (Beginning and End of Period): 7.7%

FY2027/3 ROE Forecasts

ROE 8% ※ = Net income / Equity

※ ROE (FY2027/3, year-end equity basis): 8.0%
ROE (average equity basis, beginning–end of period): 7.7%





FY2027/3 Shareholder Returns

	FY2026/3	FY2027/3
Dividend per share	**104**yen Interim 49yen Year-End 55yen	**111**yen Interim 55yen Year-End 56yen

Reference : Shareholder return policy

Purchase of treasury stock		Acts in a continuous and flexible manner
Dividend Policy	Dividend on Equity（DOE）	3.5 or more
	Consolidated dividend payout ratio	40% or more

Whichever is higher

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

1. FY2026/3 Results
2. FY2027/3 Forecast
3. Medium-term Management Plan

Representative Director, President / CEO
Yasuaki Kaizumi

Key Messages for Today

Under the 9th Mid-Term Management Plan

1. We will transform our business and earnings structure to become a company with global competitive advantage.
2. As a result, we aim to achieve stable ROE of 10% or higher.

The 9th Mid-Term Management Plan (FY2026–FY2029)

Four years of committed structural reform

1 **Structural transformation of the competitive environment**

2 **Acceleration of technological innovation and mass production**

3 **Expansion into new businesses and markets**

Why make this commitment in Mid-Term Management Plan 2026–2029?

1 Structural transformation of the competitive environment

- **Rising global competition as Japanese OEMs lose relative competitiveness**
- **Shift from component to system competition, driven by software**

2 Acceleration of technological innovation and mass production

- **Evolution from SDV to AIDV**

※AIDV (AI Defined Vehicle): Unlike conventional vehicles or SDVs, these are vehicles in which AI is not merely an added function but determines the vehicle's overall value and characteristics.

- **The extraordinarily fast development speed of Chinese OEMs and suppliers is becoming the global standard**
- **Increasing geopolitical risks are causing supply chain fragmentation and impacting stable supply**

3 Challenge of New Businesses and New Markets

- **To realize safe and secure next-generation systems, Stanley Mobility Electric was established.**
  The company is expanding into the vehicle systems domain and making a full-scale entry into this field
- **Through collaboration with Iwasaki Electric, the company is acquiring expertise in the public and industrial sectors and entering new business domains.**

The 9th Mid-Term Management Plan (FY2026–FY2029)

Maximization of Capital Efficiency

- **Expansion of Business Domains**
- **Structural reform of profitability**
- **Maximization of Capabilities**

- **Growth Acceleration**
  - **New Business**
  - **New Markets**
  - **New Stanley Electric**

2026 2027 2028 2029 (FY)

Strategic Framework and KPI

Strategic Framework

① Expansion of Business Domains

Establishing a Position in Emerging Markets
+ Expansion into New Businesses Integrating Mobility and Social Infrastructure

② Structural reform of profitability

Fundamental overhaul of components, structures, and the supply chain to achieve new cost levels at unprecedented speed

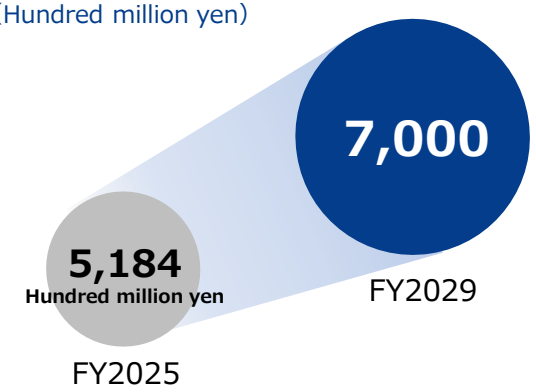
③ Maximization of Capabilities

Prioritizing capital efficiency, optimizing the allocation of capital and capabilities, and maximizing asset utilization

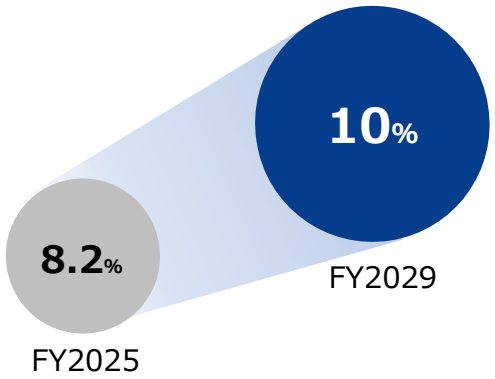
<Management KPIs>

Growth in Net Sales

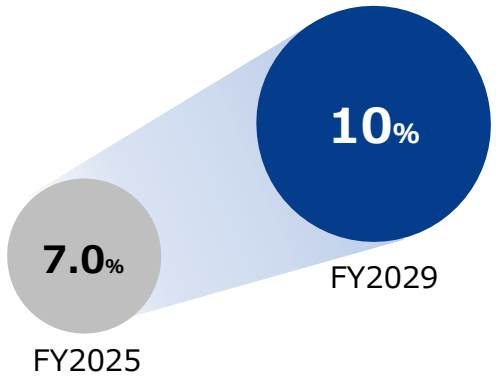
(Hundred million yen)



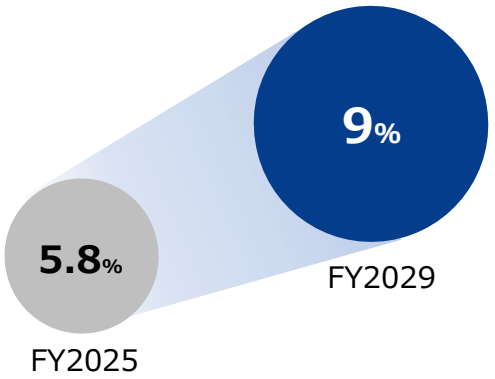
Operating Margin



ROE



ROIC



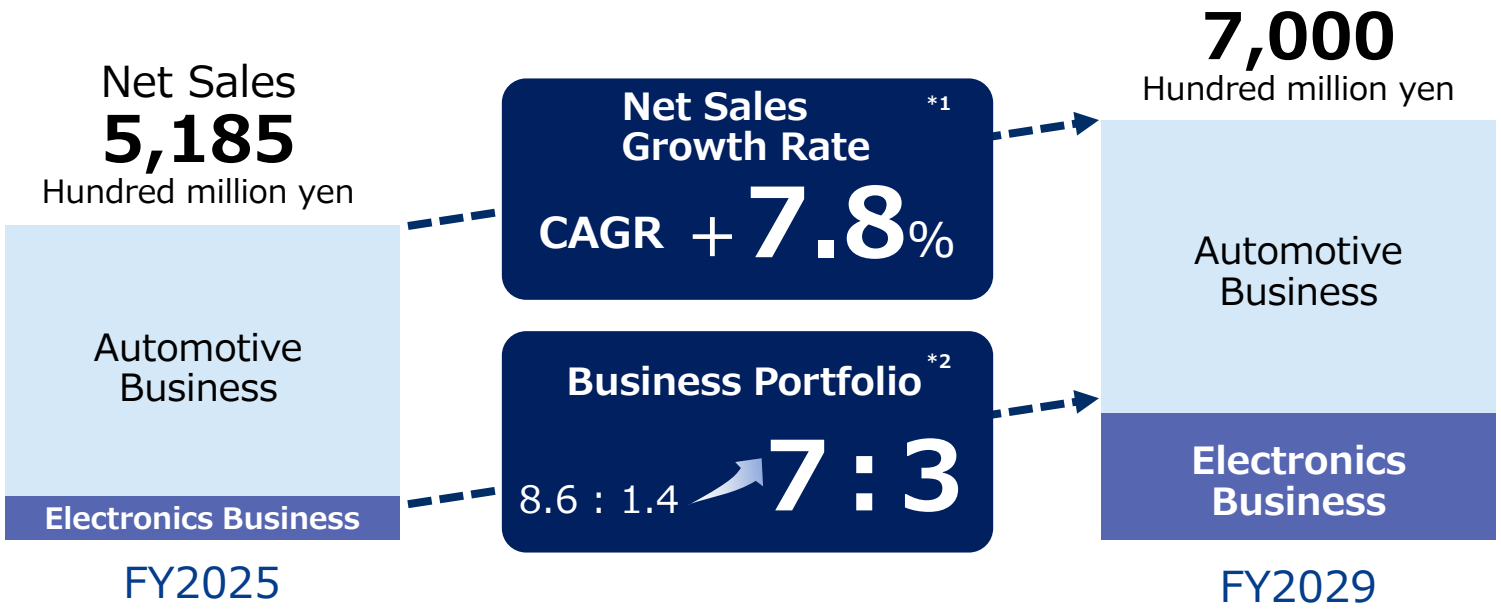
1. Expansion of Business Domains

Automotive Business Expansion

- Expansion into South America, India, and China
- Entry into ADAS systems and interior applications

Electronics Business Expansion

- Globally competitive light source devices
- Entry into infrastructure systems
- Expansion of backlight products into automotive market

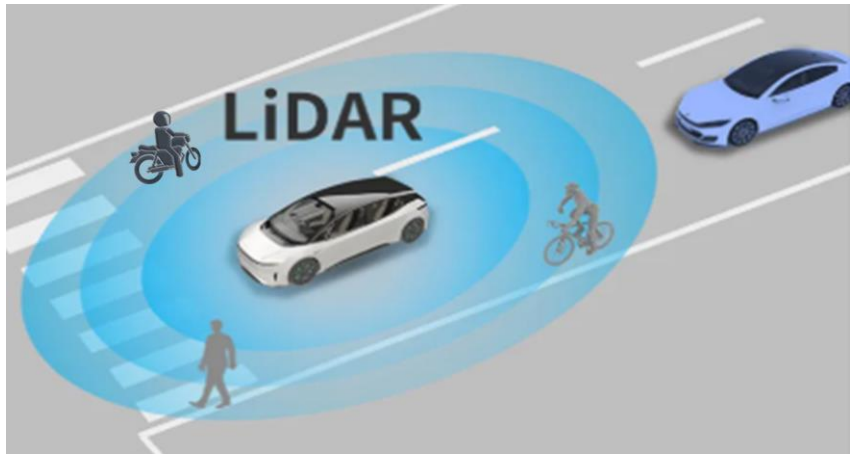


*1: CAGR for FY2025–FY2029 (4 years)
*2: Automotive / Electronics business ratio

Automotive Business Expansion ～Strategy for the Autonomous Driving～

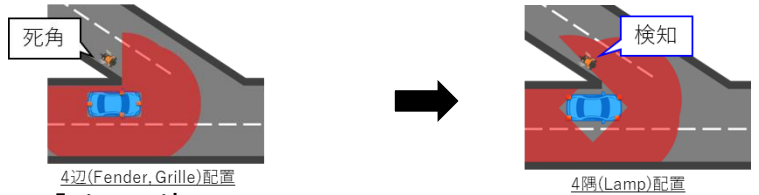
Ensuring Visibility in Autonomous Driving ⇒ 30 to 50 sensors are required ⇒ Integration between Space constraints and Design
Ensuring safe and reliable autonomous driving under all conditions, including adverse weather

Miniaturized and lightweight LiDAR for ADAS evolution, integrated into lamps to enable 360° sensing



360° sensing is required in complex environments such as urban areas to prevent sudden appearances and side collisions

LiDAR Placement　※LiDAR: Distance sensor that measures 3D environments using laser



Robotaxis in China
30 to 50 sensors
⇒Space required

Lamp Integration



Emitter Module Combining Compact Size and High Performance (Laser Emission Unit)

Faster detection of sudden intrusions and side collisions by positioning LiDAR at vehicle corners, while integrating it into lamps for seamless design

Adverse Weather Sensing



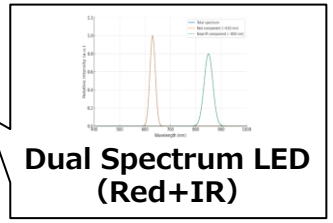
UV・Blue PICSEL LiDAR

LiDAR Integration

Signal Lighting



IR Signal Lighting (Omnidirectional)



Enabling detection by surrounding vehicles

Development of proprietary light sources Camera-Optimized Beam in Non-Visible Light

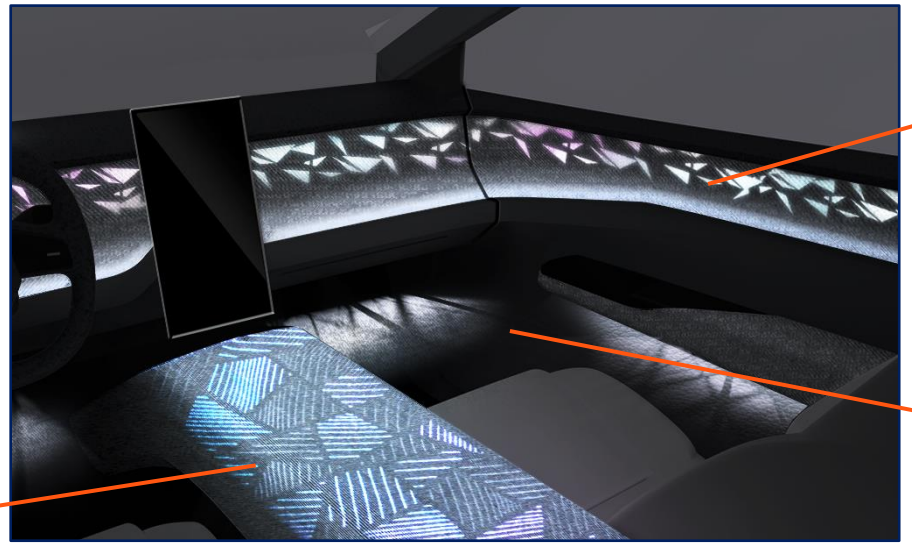
Automotive Business Expansion ～Entry into Automotive Interiors～

Evolution of In-Cabin Lighting for Next-Generation Vehicles

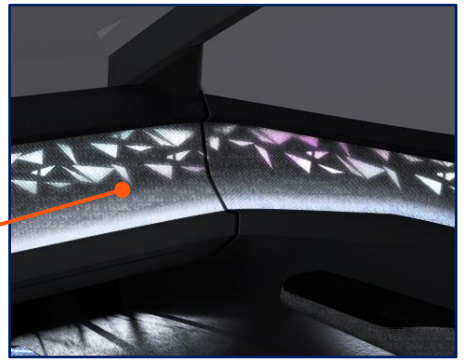
【Vision】
- Noise-Free and Seamless Design for Enhanced Spaciousness
- Optimized Light Source Selection Based on Light Quality
- Fusion of Fabric and Lighting for Diverse Expressions



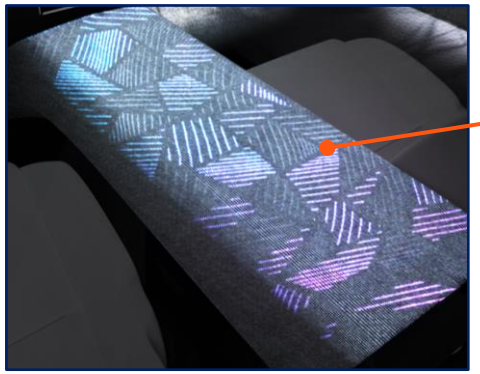
Seamless Design Motif Across Interior and Exterior through Optimized Lighting



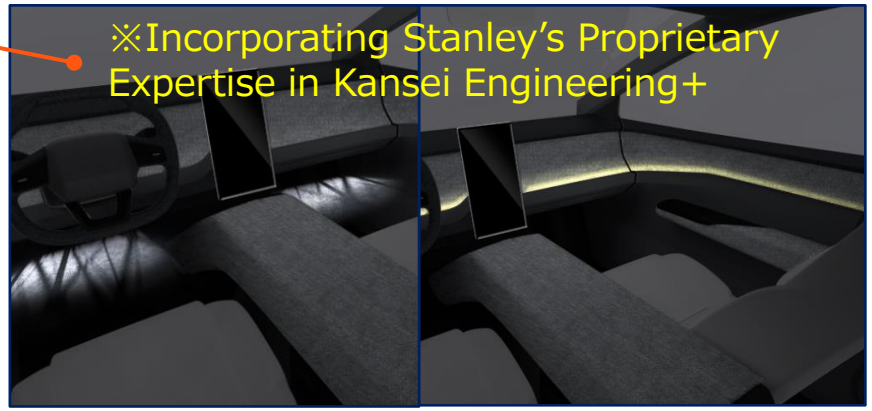
Application-Specific Beam Optimization Achieving Visibility and Design with Reduced Glare at Night Creating New Lighting Value Connecting Exterior and Interior with a Unified Vehicle Identity



【Translucent Surface×RGB Light Source】
Softening the Intense Emission of RGB Light Sources through Translucent Surfaces



【Fabric×Optical Fiber】
Creating “Luminous Fabric” through the Integration of Optical Fiber and Fabric

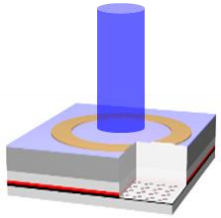


【Fabric Materials×High-CRI LED】
Indirect Lighting with High-CRI LEDs to Enhance Spatial Depth and Design Expression

Expansion of Electronics Business – Globally Competitive Devices

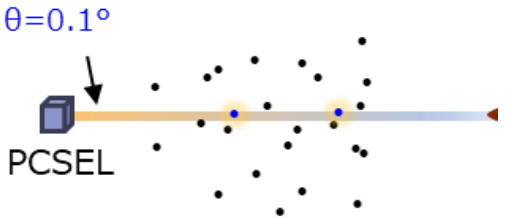
Expanding light source portfolio with two proprietary surface-emitting lasers to create value in growth markets such as sensors and wearables

Blue PCSEL (Photonic Crystal Surface-Emitting Laser)



Laser beam
Divergence angle <0.1°

Non-diverging laser without lenses
➡ Less susceptible to scattering until reaching the target

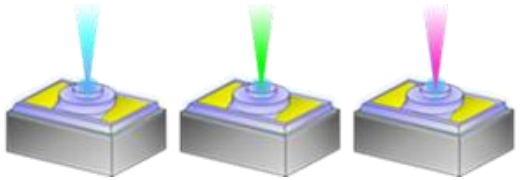


High blue-light transmittance
Ideal for underwater sensing



- Differentiation of LiDAR sources with non-diffusive beams
- Building a light-source platform expandable to automotive and industrial fields starting from underwater applications

Visible-light VCSEL (Vertical-Cavity Surface-Emitting Laser)



Low-power laser enabled by small emission aperture

Emission size: Several microns

Low heat generation and power load, ideal for wearables



- Low-power lasers for wearables (compact, long-lasting, high-resolution imaging)
- Expanding applications to HUD and work-support systems

Expansion of the Electronics Business – Expansion into Automotive Backlight Applications

Designing the future of automotive displays through ultra-thin and narrow-bezel technologies

Privacy

Mitigating the risk of data leakage through integrated **privacy functions**

Share mode

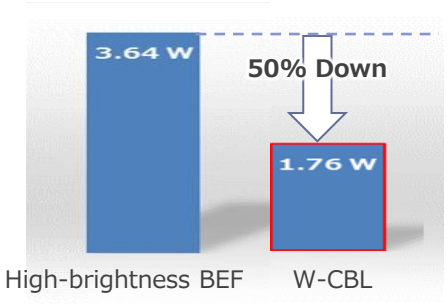
Privacy mode



W-CBL

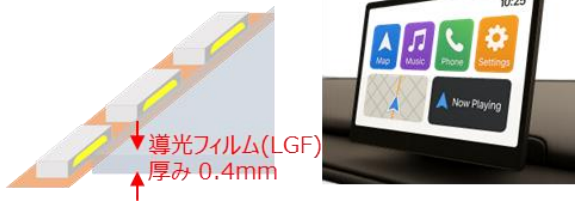
Reducing increased power consumption associated with the proliferation of AI-enabled devices, **thereby contributing to extended battery life**

Backlight Power @ LCD 800 nits



Automotive Segment

Addressing the trend toward larger and independently configured displays by providing **thin-profile and narrow-bezel** design solutions



Leveraging technological expertise cultivated in the consumer electronics field to expand into the automotive market

[New Technology 1] Development of proprietary automotive-grade Light Guide Film (LGF), differentiated from competitors

[New Technology 2] Development of LEDs optimized for automotive-grade LGF applications

Engaging in joint development initiatives through strong partnerships with Tier 1 suppliers and LCD manufacturers

Aiming to achieve industry-leading performance in **thinness, bezel width, and power efficiency(Target: 5mm thickness / 5mm bezel / 5W power consumption)**

2. Structural reform of profitability

Ongoing Profit Structure Reform Surpassing Competitors
Competing for Survival in an Intensifying Market

1 Review Everything. Components

2 Review Everything. Structures

3 Review Everything. Supply Chain

4 Review Everything. SG&A

2. Structural reform of profitability ～ PROJECT NO BORDER 1 ～

Review Everything

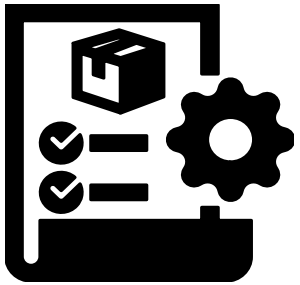
Driving a fundamental overhaul of product structures, components, and the supply chain to establish true global competitiveness

Structures



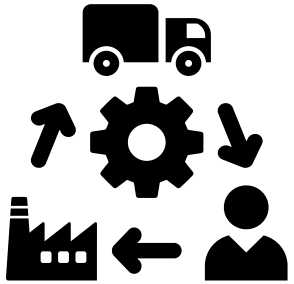
- Material Cost Reduction through Component and Structural Standardization
- Design Optimized for Automated Assembly

Components



- Specification Review and Standardization
- Maximization of Volume

Supply Chain



- Optimization of Supplier Portfolio
- Review of In-house Production and Outsourcing

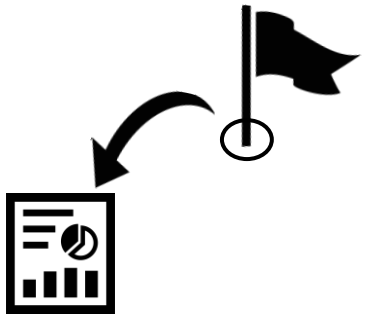
PROJECT NO BORDER 2

Review Everything

SG&A*is no exception
Generating future value by eliminating organizational and operational barriers

Minimizing overhead

Zero-based planning



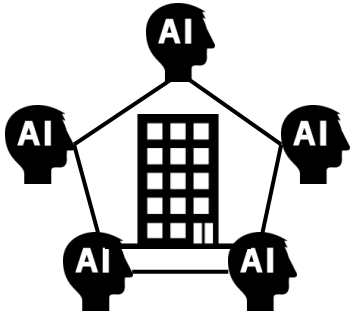
- Complete elimination of planning practices based on historical performance or prior-year assumptions
- All plans are developed using a backcasting approach from clearly defined target goals

Prohibition of standalone proposals



- Driving collaboration across business units, regions, and organizations to maximize scale advantages

Full AI-driven internal management



- Eliminating redundant administrative activities that do not create value
- Promoting AI and DX transformation across all corporate functions without organizational boundaries

- SG&A: Selling, General and Administrative Expenses

3. Maximizing organizational capabilities

Establishing capital efficiency as the most critical management indicator and rigorously pursuing both organic and inorganic strategies

1 More than doubling productivity

2 24-hour development operation

3 Thorough optimization of global assets

Manufacturing Transformation

Transitioning to an asset-light production model while establishing highly automated, unmanned production lines that minimize human intervention

Achieving "dark factory" through structural transformation

Transformation ❶

Transformation ❷

Transformation ❸

Indirect manufacturing efficiency

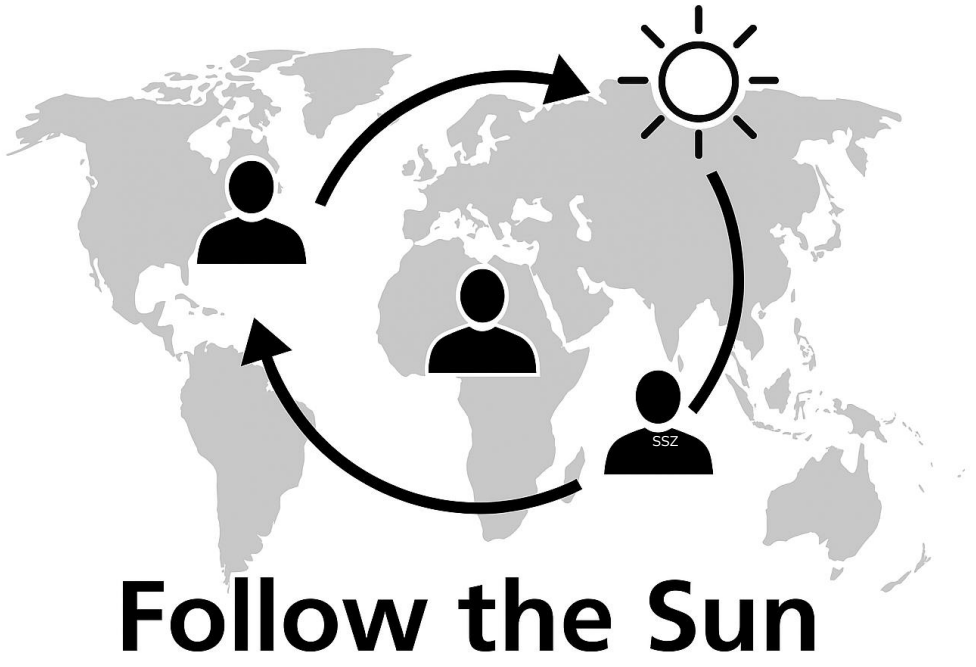
Minimizing human intervention through AI and data integration



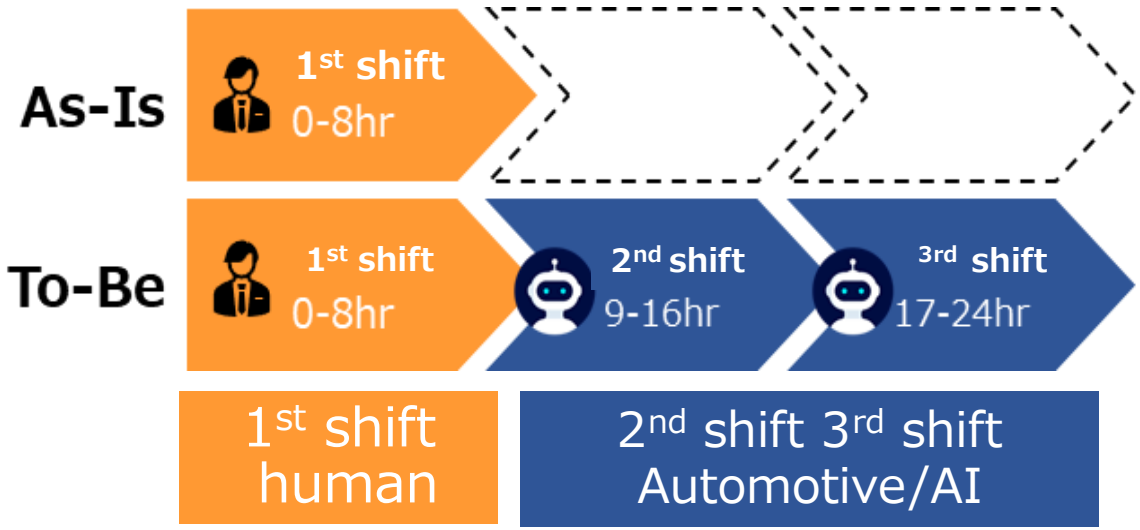
- Formalizing tacit knowledge using AI
- Automation of planning and ordering operations

Accelerating Development Speed

「Follow The Sun」24-hour global development



24-hour development enabled by human + automation/AI

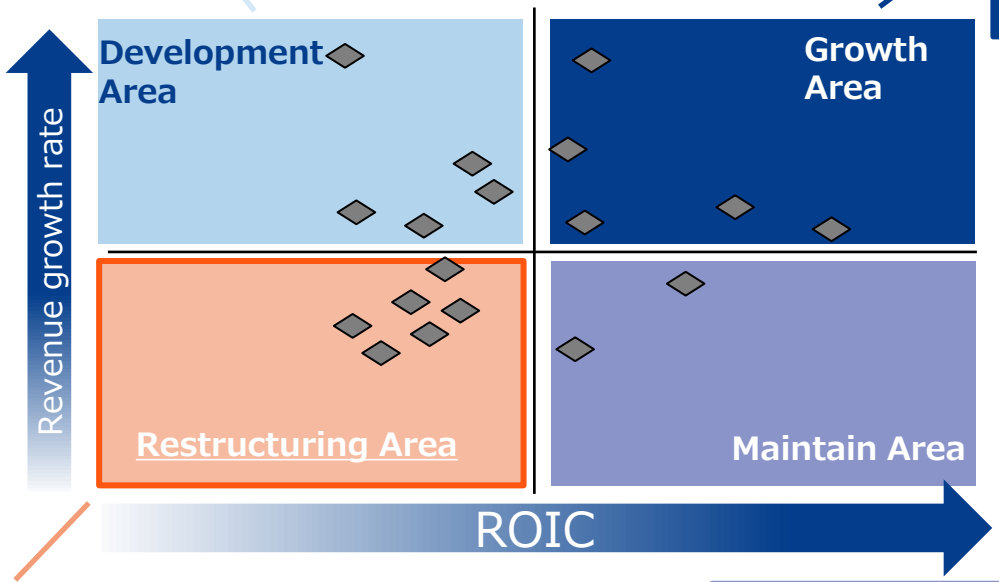


Footprint Optimization

Reorganization of all production sites based on asset efficiency

Investment prioritized with **a focus on improving ROIC**

Aggressive investments aimed at **enhancing profitability and securing long-term competitiveness**



Restructuring of underperforming businesses and production sites
Investments limited to enhance capital efficiency

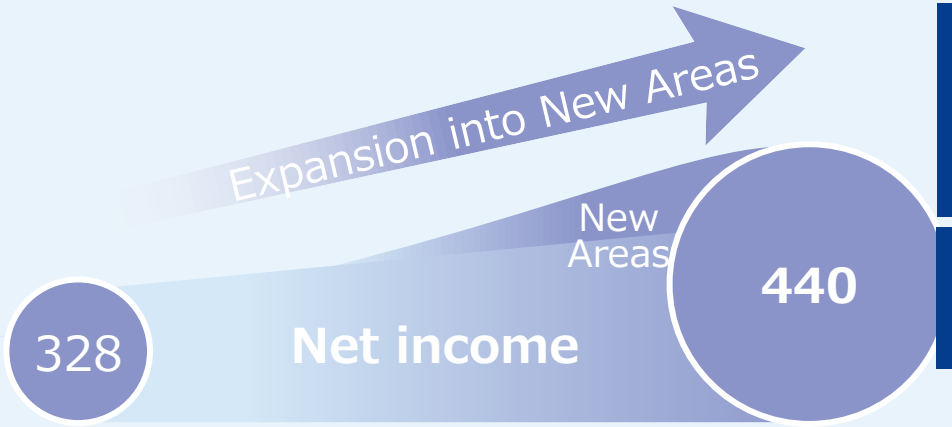
Maintain competitiveness and ensure stable operations of existing businesses
Investments executed within depreciation levels

Initiatives toward achieving the ROE target

Generate profits by optimizing equity levels and enhancing growth and profitability

ROE 10% = **Net income** / **Equity**





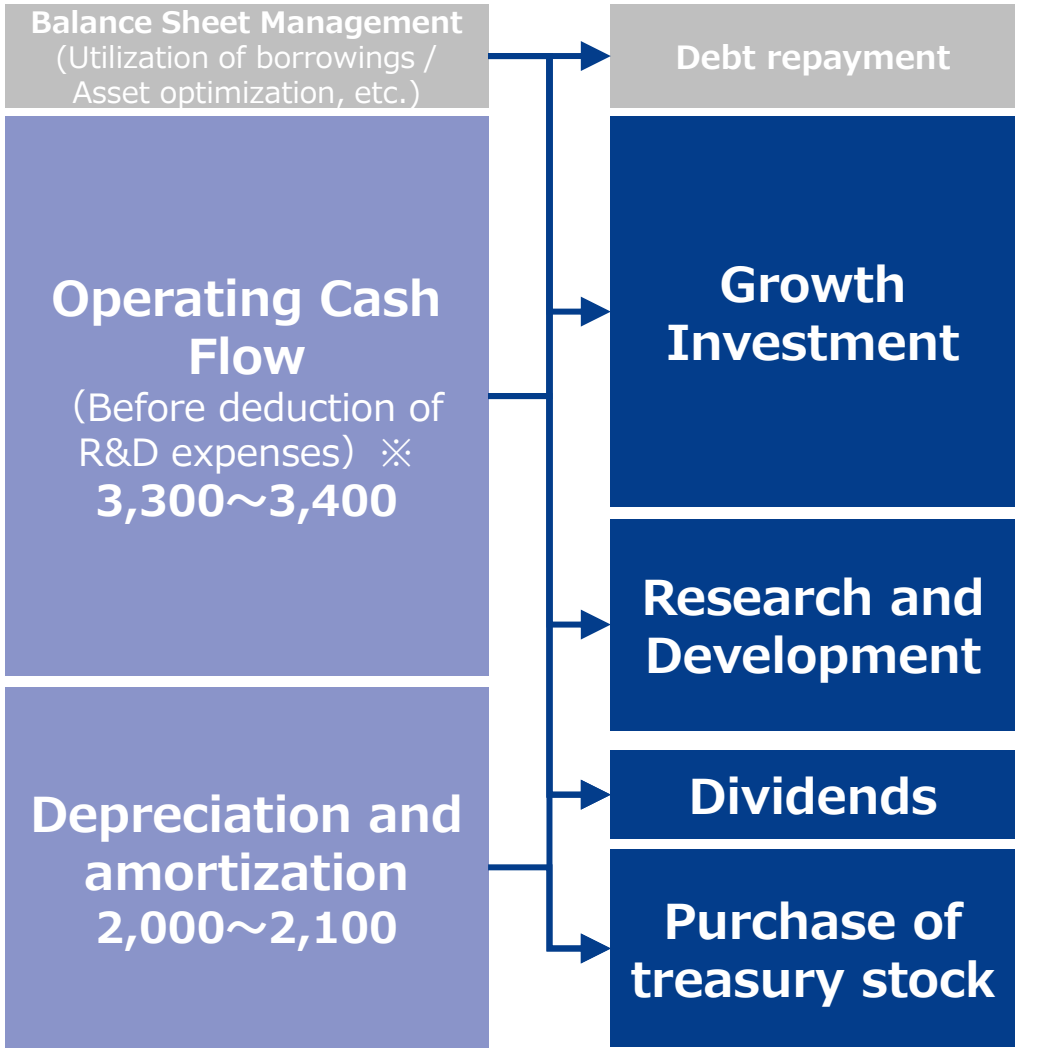
- **Expansion of business domains**
  - Expansion into new business areas
  - Expansion of sales to non-Japanese customers
- **Strong cost competitiveness**
  - Reform of profit structure
  - Promotion of rationalization



- **Balance Sheet Management**
  - Enhancement of shareholder returns
  - Asset optimization

Capital Allocation for the Four-Year Period from FY ending 2027/3 to FY ending 2030/3

(Conceptual Diagram) (Hundred million yen)



Growth Investment	2,900～3,100
Research and Development	1,300～1,500
Dividends / Purchase of treasury stock	1,500～1,700

Prioritized allocation to growth investment and R&D

- **Growth investment in emerging markets**
- **Investment in Risk Management**
- **Additional growth investments including M&A**
  (Acquisition of Iwasaki Electric shares completed: 770 Hundred million yen)
- **Proactive R&D investment in growth areas**

Shareholder returns with a focus on capital efficiency

- **Dividend Policy**
  Higher of DOE 3.5% or dividend payout ratio of 40%
- **Purchase of treasury stock**
  Implemented continuously and flexibly

※ Operating Cash Flow (Before deduction of R&D expenses)3,300～3,400Before deduction of R&D expenses
= Operating Cash Flow 4,000 hundred million yen + Research and Development Expenses1,300~1,500 hundred million yen − Depreciation and amortization2,000～2,100 hundred million yen

Risk Management

We manage and mitigate risks that may affect business continuity in order to ensure the consistent and steady execution of the Medium-Term Management Plan

Planned investment in risk management initiatives: **60–75 Hundred million yen**

Ensuring Business Continuity

Risk of business interruption due to natural disasters, etc.



・Establishment of BCP framework
・Development of multi-source supply systems

Quality

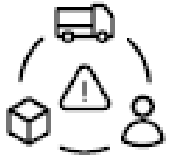
Risk of reduced reliability and adverse impact on performance due to product defects, etc.



・Conversion of tacit knowledge into explicit knowledge
・Contribution to rapid development

Supply Chain

Risk of supply instability due to geopolitical conditions and trade policies



・Supply chain visualization
・Establishment of alternative procurement systems including in-house production

Cybersecurity

Risk of business interruption and loss of credibility due to global cyberattacks and information leaks



・Zero Trust–based security
・Strengthening of 24/7 monitoring systems
・IT-BCP measures

A New Stanley Electric

Expansion of Business Domains ✚ **Profit Structure** ✚ **Maximization of Organizational Capabilities**

Execution with Speed

Risk Management

This is not a question of feasibility;
it is imperative that we act.
There are already teams actively executing these initiatives.

Appendix

Reference

FY2026/3 Consolidated results by Segment

(Hundred million yen) Amounts rounded down		FY 2025/3 Results	FY 2026/3 Results	Year-on-Year Amount	Year-on-Year Percent	FY 2026/3 Plan on 2025/10	vs Plan Amount	vs Plan Percent
Net Sales	Automotive Equipment Business	4,401	4,471	70	1.6%	4,290	181	4.2%
	Electronic Components Business	370	393	22	6.1%	403	(9)	(2.4%)
	Applied Electronic Products Business	1,163	1,125	(37)	(3.2%)	1,089	36	3.4%
	Others	31	32	0	—	35	(2)	—
	Adjustment	(871)	(837)	33	—	(817)	(20)	—
	Total	5,095	5,184	88	1.7%	5,000	184	3.7%
Operating income	Automotive Equipment Business	469 10.7%	449 10.0%	(20) (0.6pt)	(4.3%) —	457 10.7%	(7) (0.6pt)	(1.7%) —
	Electronic Components Business	24 6.7%	28 7.3%	3 0.6pt	15.6% —	50 12.4%	(21) (5.1pt)	(42.3%) —
	Applied Electronic Products Business	88 7.6%	93 8.3%	4 0.7pt	5.6% —	98 9.0%	(4) (0.7pt)	(5.1%) —
	Others	0	1	0	—	1	0	—
	Adjustment	(93)	(145)	(52)	—	(156)	10	—
	Total	490 9.6%	426 8.2%	(63) (1.4pt)	(12.9%) —	450 9.0%	(23) (0.8pt)	(5.2%) —

Reference

FY2026/3 Information by geographical locations

	(Hundred million yen) Amounts rounded down	FY 2025/3 Results	FY 2026/3 Results	Year-on-Year Amount	Year-on-Year Percent	FY 2026/3 Plan on 2025/10	vs Plan Amount	vs Plan Percent
Net sales	Japan	1,242	1,277	34	2.8%	1,296	(18)	(1.4%)
	The Americas	1,422	1,507	85	6.0%	1,454	53	3.7%
	Asia-Pacific	1,594	1,654	60	3.8%	1,509	145	9.7%
	China	762	650	(111)	(14.7%)	638	12	1.9%
	Europe	74	94	20	27.1%	103	(8)	(8.5%)
	Total	5,095	5,184	88	1.7%	5,000	184	3.7%
Operating income	Japan	45 3.7%	13 1.1%	(31) (2.6pt)	(69.5%) —	17 1.3%	(3) (0.2pt)	(18.2%) —
	The Americas	97 6.8%	65 4.3%	(31) (2.5pt)	(32.7%) —	82 5.6%	(16) (1.3pt)	(20.1%) —
	Asia-Pacific	300 18.8%	310 18.8%	10 (0.1pt)	3.5% —	296 19.6%	14 (0.8pt)	5.0% —
	China	72 9.5%	54 8.5%	(17) (1.1pt)	(24.2%) —	69 10.8%	(14) (2.4pt)	(20.4%) —
	Europe	(1) (2.1%)	(4) (5.2%)	(3) (3.0pt)	— —	2 1.9%	(6) (7.1pt)	— —
	Total	490 9.6%	426 8.2%	(63) (1.4pt)	(12.9%) —	450 9.0%	(23) (0.8pt)	(5.2%) —

Reference

FY2027/3 Forecasts of Consolidated results by Segment

(Hundred million yen) Amounts rounded down		FY 2026/3 Results	FY 2027/3 Plan	Year-on-Year Amount	Year-on-Year Percent	Excluding Newly Consolidated FY 2027/3 Forecasts	Excluding Newly Consolidated Year-on-Year Amount	Excluding Newly Consolidated Year-on-Year Percent
Net Sales	Automotive Equipment Business	4,471	4,477	5	0.1%	4,477	5	0.1%
	Electronic Components Business	393	447	53	13.7%	447	53	13.7%
	Applied Electronic Products Business	1,125	2,295	1,169	103.9%	1,130	4	0.4%
	Others	32	11	(21)	(65.7%)	11	(21)	(65.7%)
	Adjustment	(837)	(1,010)	(172)	—	(788)	49	—
	Total	5,184	6,220	1,035	20.0%	5,276	92	1.8%
Operating income	Automotive Equipment Business	449 10.0%	507 11.3%	57 1.3pt	12.8% —	507 11.3%	57 1.3pt	12.8% —
	Electronic Components Business	28 7.3%	47 10.5%	18 3.2pt	63.0% —	47 10.5%	18 3.2pt	63.0% —
	Applied Electronic Products Business	93 8.3%	189 8.2%	95 (0.0pt)	103.2% —	99 8.8%	6 0.5pt	6.5% —
	Others	1	1	0	(18.0%)	1	0	(18.0%)
	Adjustment	(145)	(194)	(48)	—	(128)	17	—
	Total	426 8.2%	550 8.8%	123 0.6pt	28.9% —	525 10.0%	99 1.7pt	23.2% —

※ FY2027/3 Newly Consolidated (Applied Electronic Products Business) : Iwasaki Electric / Stanley Mobility Electric

Reference

FY2027/3 Forecasts of Information by geographical locations

(Hundred million yen)
Amounts rounded down

		FY 2026/3 Results	FY 2027/3 Plan	Year-on-Year Amount	Year-on-Year Percent	Excluding Newly Consolidated: FY 2027/3 Forecasts	Excluding Newly Consolidated: Year-on-Year Amount	Excluding Newly Consolidated: Year-on-Year Percent
Net sales	Japan	1,277	1,879	601	47.1%	1,135	(141)	(11.1%)
	The Americas	1,507	1,831	323	21.4%	1,779	271	18.0%
	Asia-Pacific	1,654	1,717	62	3.8%	1,675	20	1.2%
	China	650	617	(33)	(5.1%)	573	(76)	(11.7%)
	Europe	94	176	81	86.8%	112	18	19.8%
	Total	5,184	6,220	1,035	20.0%	5,276	92	1.8%
Operating income	Japan	13 1.1%	113 6.0%	99 4.9pt	712.9% —	29 2.6%	15 1.5pt	112.9% —
	The Americas	65 4.3%	158 8.6%	92 4.3pt	141.1% —	154 8.7%	88 4.3pt	135.4% —
	Asia-Pacific	310 18.8%	320 18.6%	9 (0.1pt)	3.0% —	318 19.0%	7 0.2pt	2.4% —
	China	54 8.5%	49 7.9%	(5) (0.5pt)	(10.8%) —	50 8.8%	(4) 0.3pt	(8.6%) —
	Europe	(4) (5.2%)	4 2.3%	8 7.5pt	— —	1 0.0%	6 5.2pt	— —
	Total	426 8.2%	550 8.8%	123 0.6pt	28.9% —	525 10.0%	99 1.7pt	23.2% —

※ FY2027/3 Newly Consolidated (Applied Electronic Products Business) : Iwasaki Electric / Stanley Mobility Electric

Reference

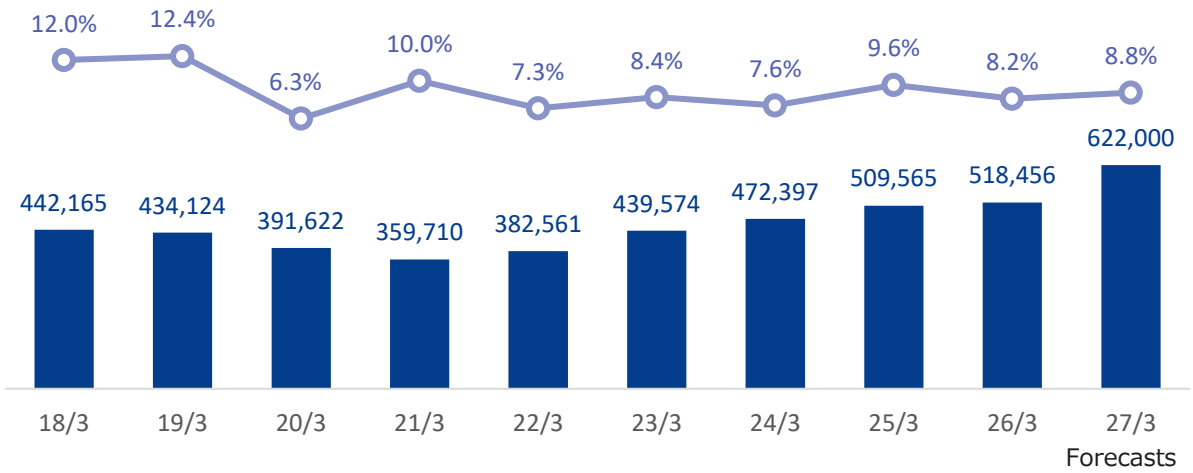
Exchange rate

Average rate (yen)	FY 2025/3 Results	FY 2026/3 Results	FY 2027/3 Forecasts
USD/JPY	152.48	151.14	150.00
EUR/JPY	163.57	175.61	180.00
IDR/JPY	0.0095	0.0091	0.0088
VND/JPY	0.0060	0.0058	0.0056
THB/JPY	4.39	4.69	4.71
CNY/JPY	21.11	21.35	22.02

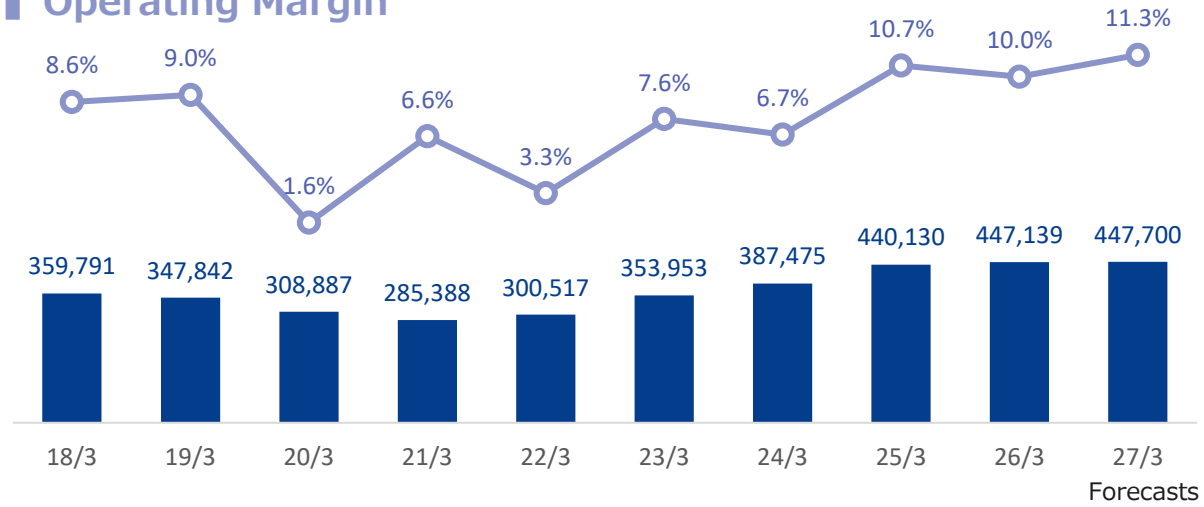
Reference

Financial Highlights 10-Year Trends

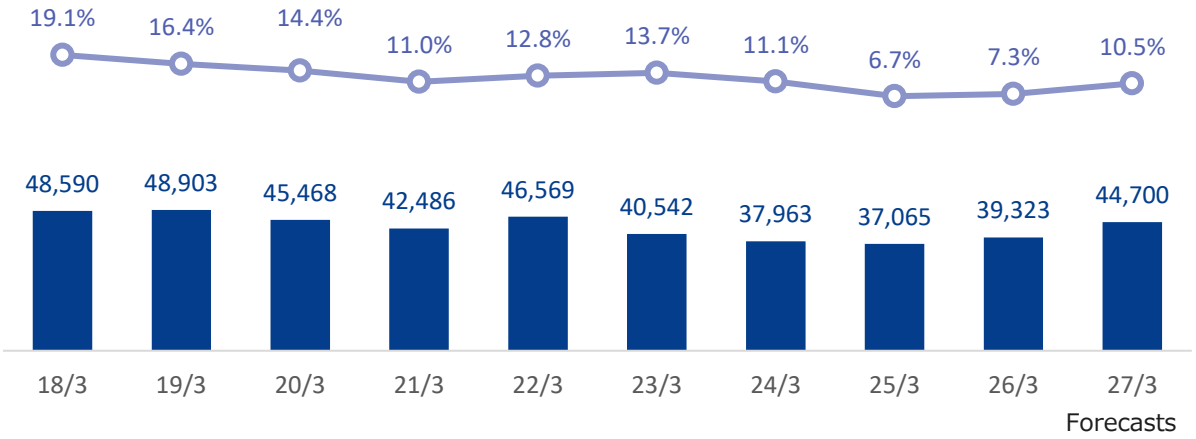
Net Sales (Million yen)
Operating Margin



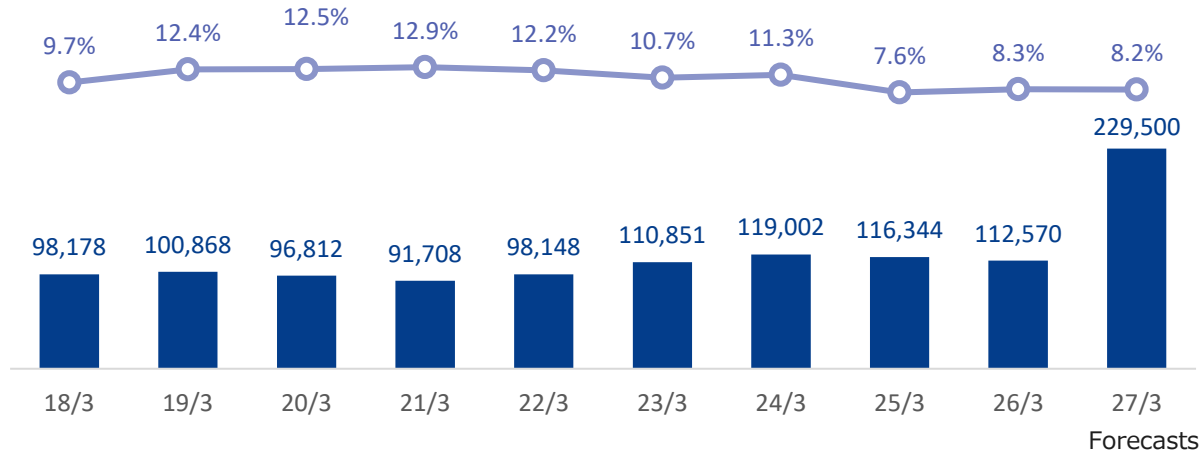
Automotive Equipment Business : Net Sales (Million yen)
Operating Margin



Electronic Components Business : Net Sales (Million yen)
Operating Margin



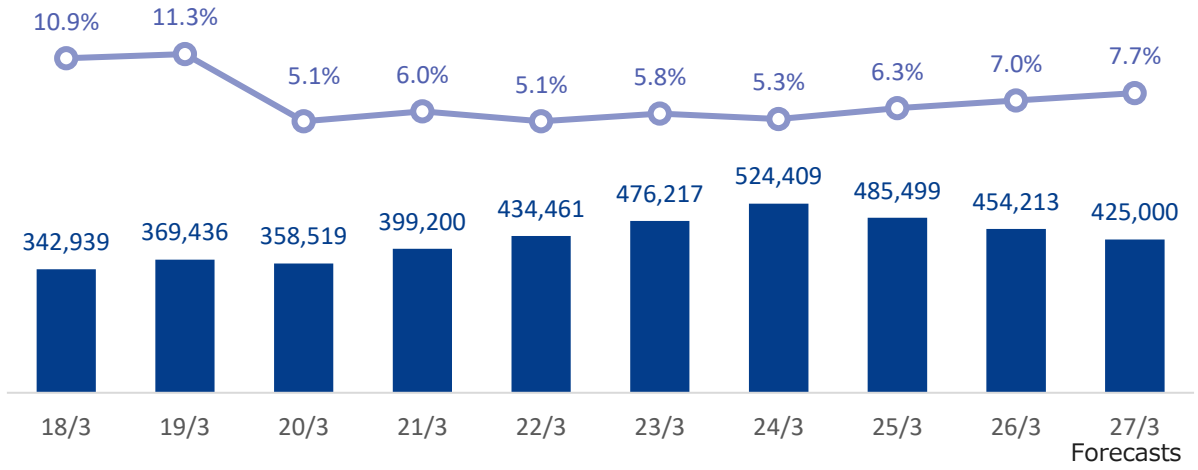
Applied Electronic Products Business : Net Sales (Million yen)
Operating Margin



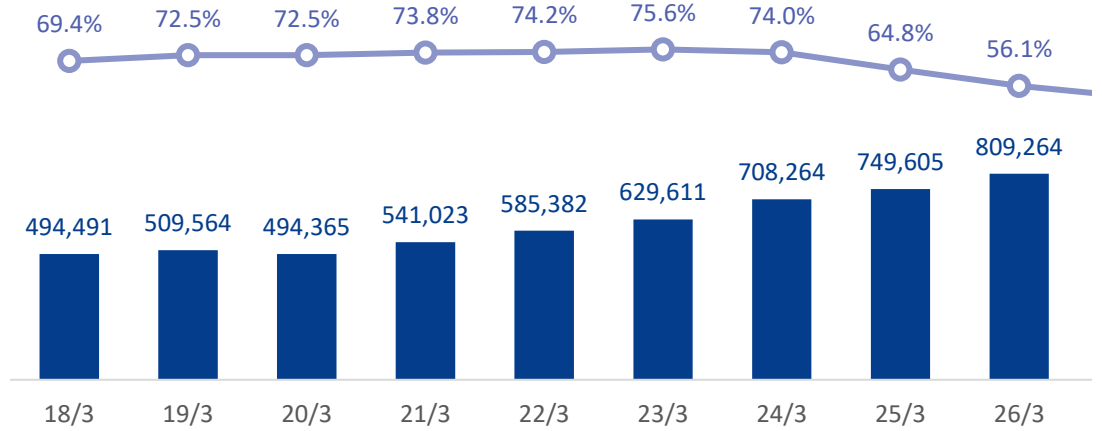
Reference

Financial Highlights 10-Year Trends

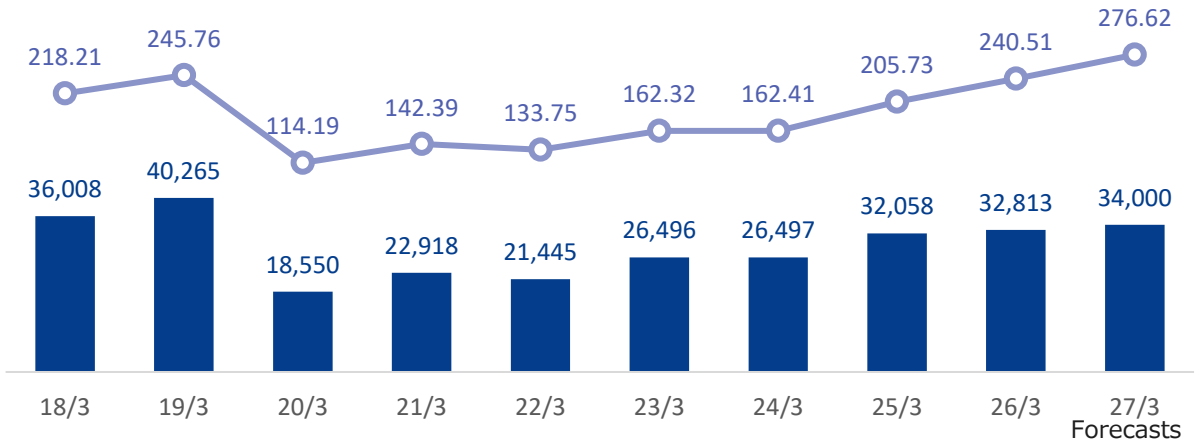
Shareholders' Equity (Million yen)
ROE



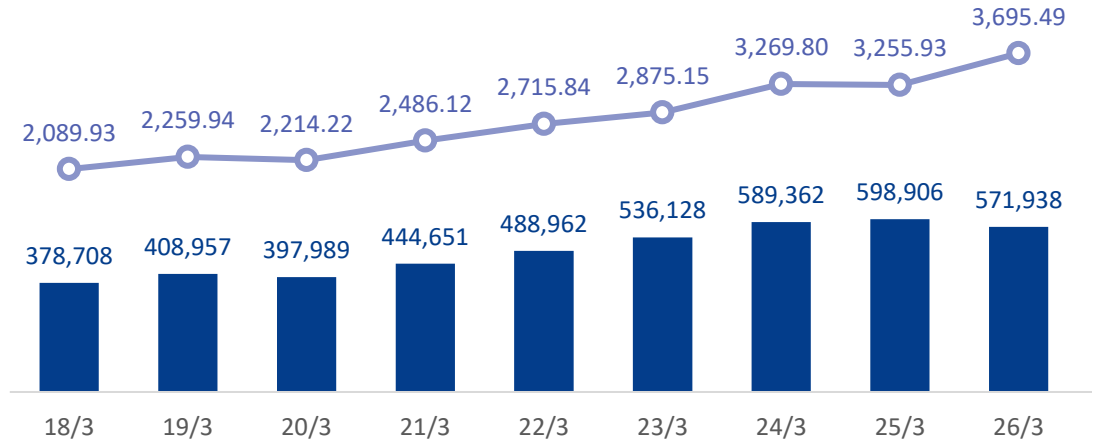
Total Assets (Million yen)
Equity Ratio



Net Income (Million yen)
Earnings per Share (Yen)



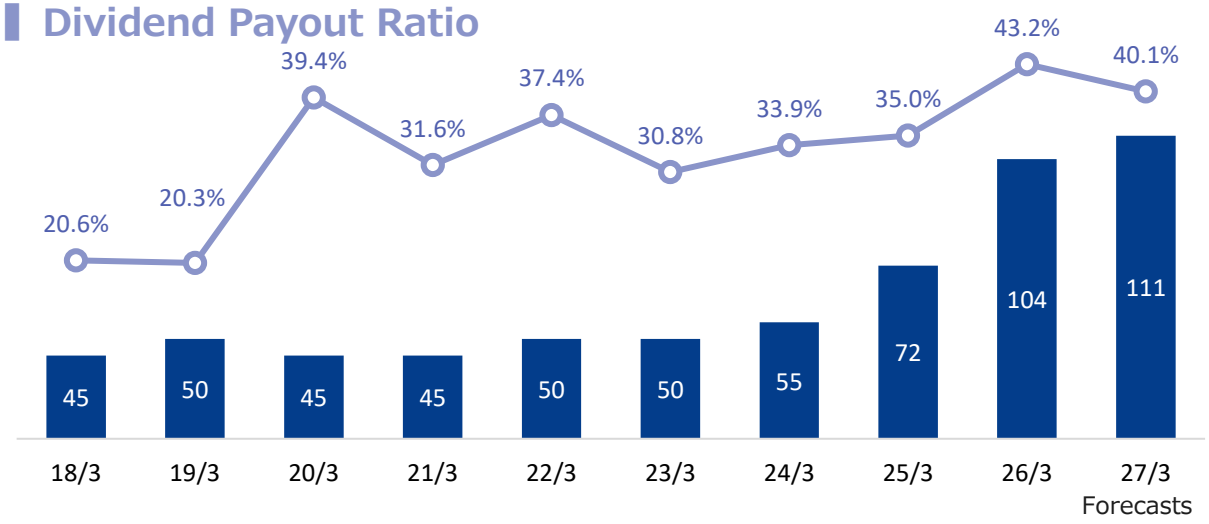
Net Assets (Million yen)
Net Assets per Share (Yen)



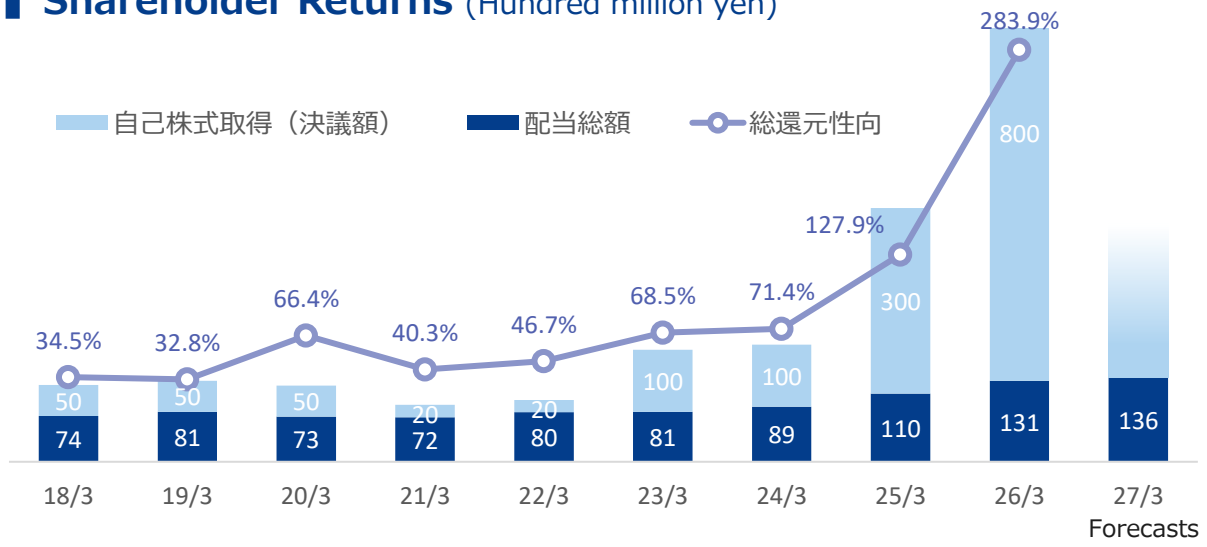
Reference

Financial Highlights 10-Year Trends

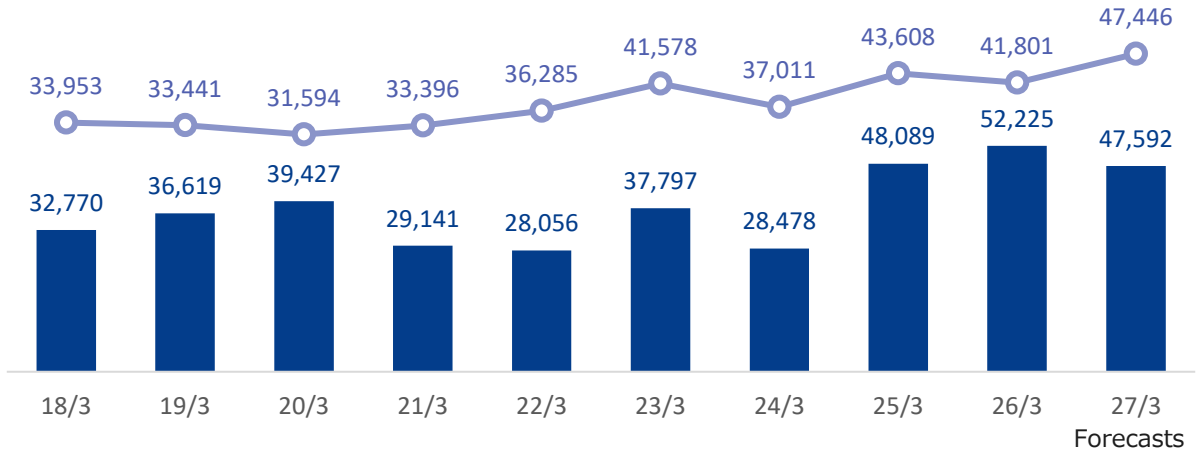
Dividend per Share (Yen)
Dividend Payout Ratio



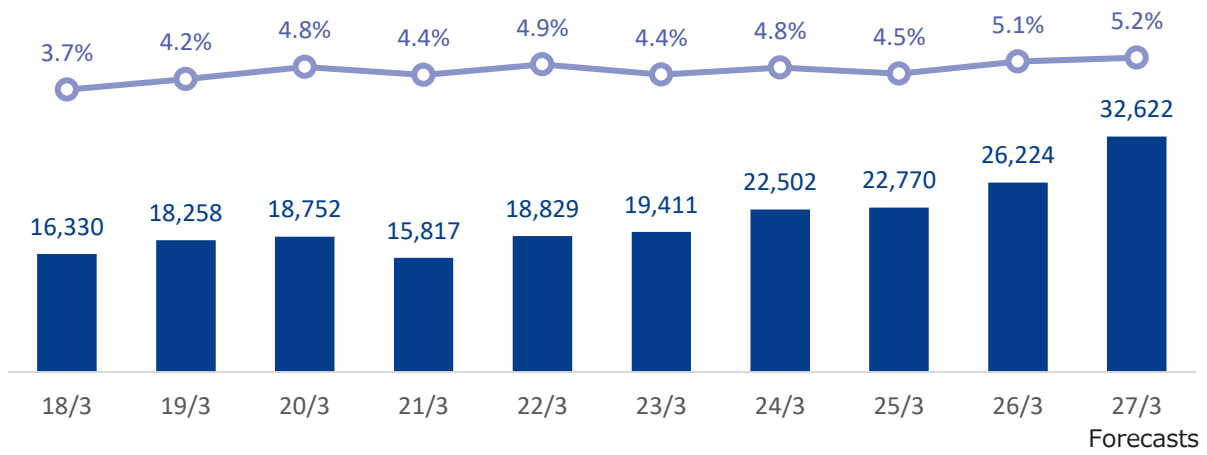
Shareholder Returns (Hundred million yen)



Capital investments (Million yen)
Depreciation (Million yen)



R&D expenses (Million yen)
R&D to Sales Ratio



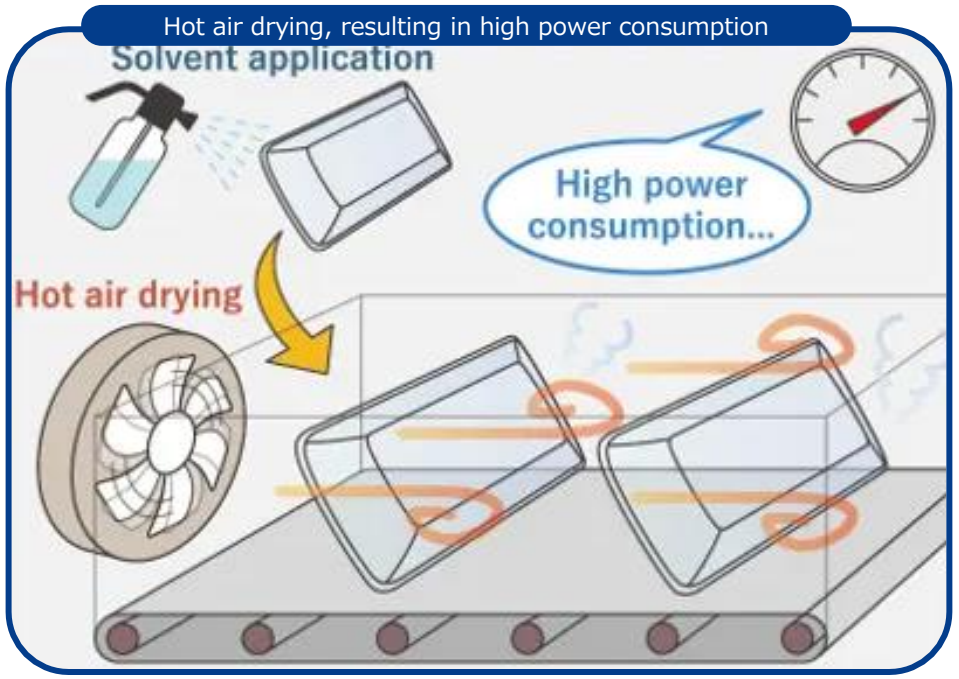
Reference

New coating technology toward carbon neutrality

Stanley Electric Launches "ASTUV", Industry-First Coating Technology Brand

- Combines a newly developed UV-curable coating material with a manufacturing process that uses UV light.
- Energy consumption can be reduced by more than 70%.
  *compared to FY2019 (coating processes)
- Prevent such streaking and maintaining long-term clarity by a UV-cured film.

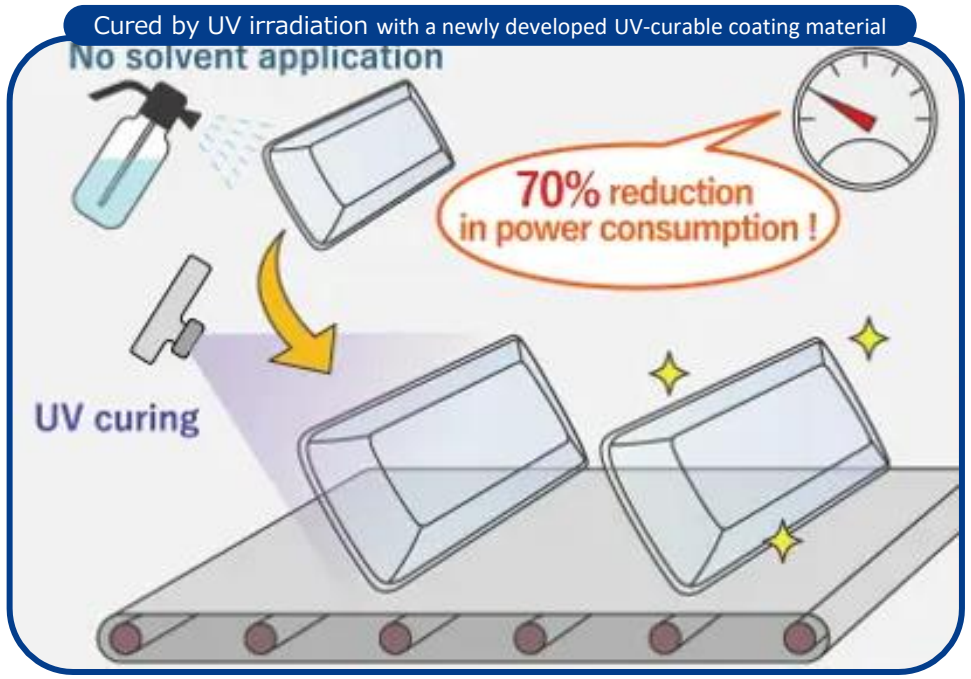
Conventional Anti-Fog Coating



CO_2 emissions from business activities

Target by 2030

Reduce CO_2 emissions 50% (compared to FY2019)



Disclaimer

All forward-looking statements in this document regarding Stanley Electric's plans, forecasts, strategies and other future developments are based on the company's current judgments in light of the information available as of the respective announcement dates and include known or unknown risks and uncertainties. Please be aware that the actual results may differ materially due to various factors, including economic conditions, exchange rates, and market trends. Also note that such information is subject to change without notice. Therefore, please use this document and material at your own discretion.

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This material has been filed with the Tokyo Stock Exchange for disclosure and is also available on our website.

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