



# FY2026/3 Financial Results Medium-term Management Plan

May 22, 2026

**STANLEY ELECTRIC CO., LTD.**

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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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Managing Executive Officers / CFO  
Ikuo Kuwata

# Key points of financial results for FY2026/3



## Net sales

**518.4 billion yen**

[ Compared to FY2025/3 : +1.7% ]

[ Compared to forecasts : +3.7% ]

## Operating income

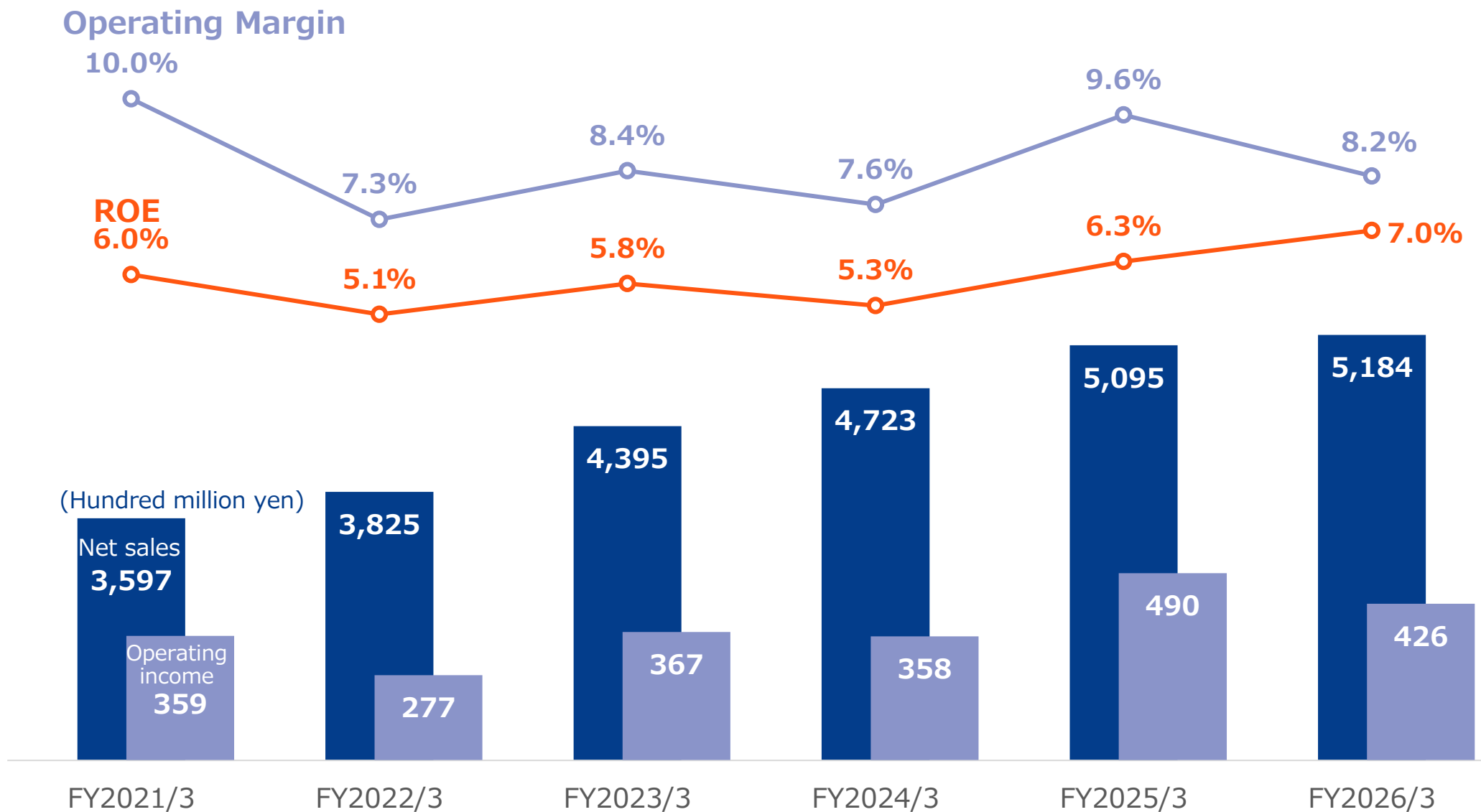
**42.6 billion yen**

[ 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		FY 2026/3		FY 2026/3		vs Plan	
	Results	Results	Amount	Percent	Plan on 2025/10	Amount	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	320	328	7	2.4%	314	14	4.5%	
attributable to owners of parent	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

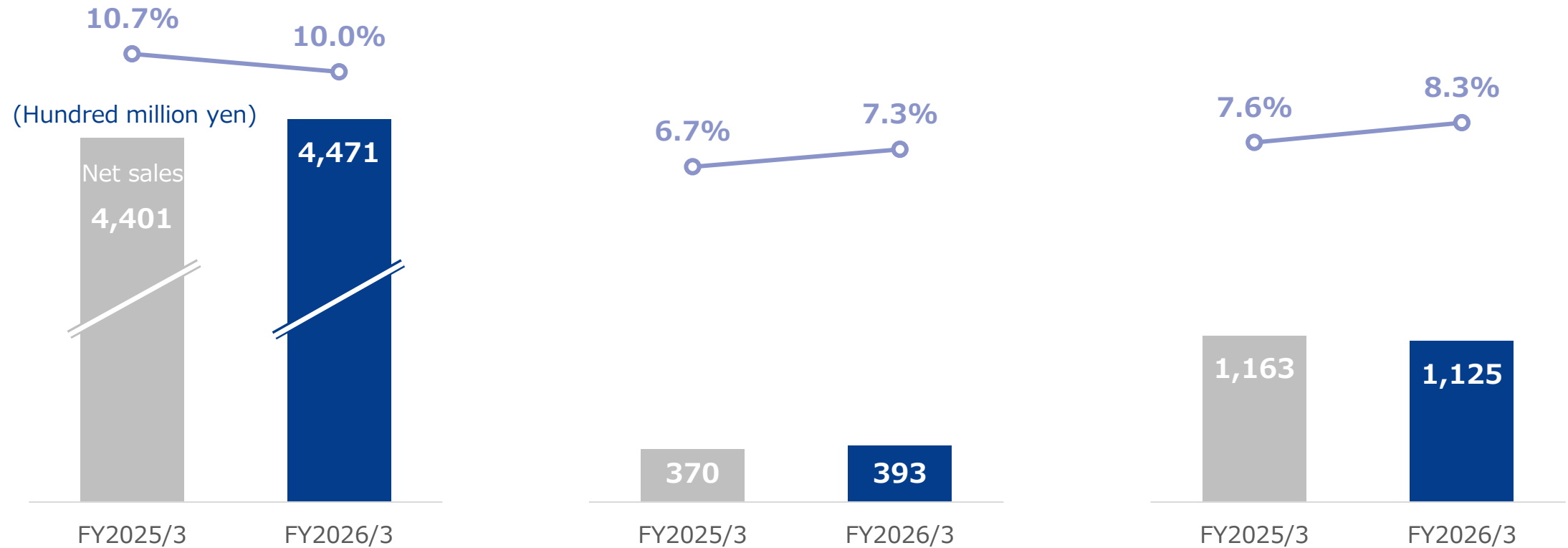


Automotive Equipment

Electronic Components

Applied Electronic Products

## Operating Margin



# FY2026/3 Information by geographical locations



## Japan

## The Americas

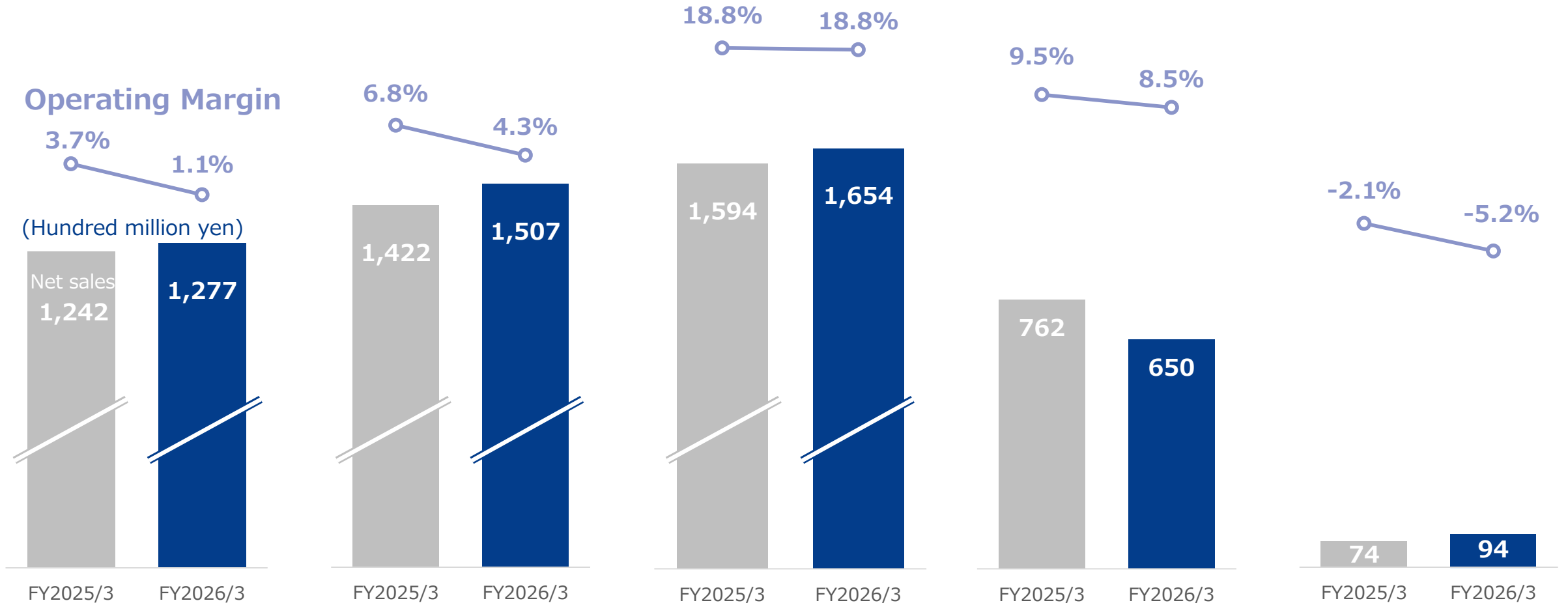
## Asia-Pacific

## China

## Europe

### Operating Margin

(Hundred million yen)

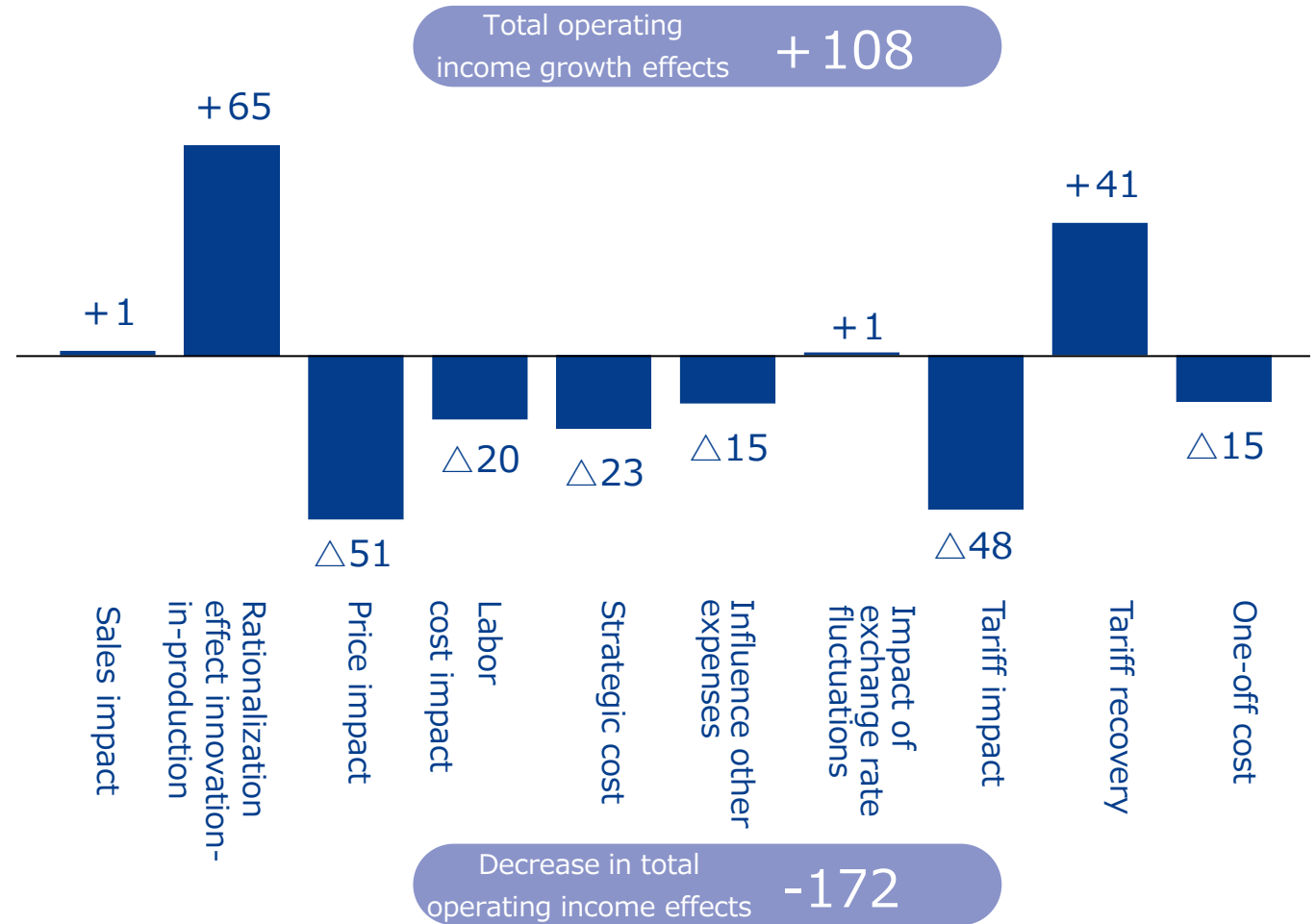
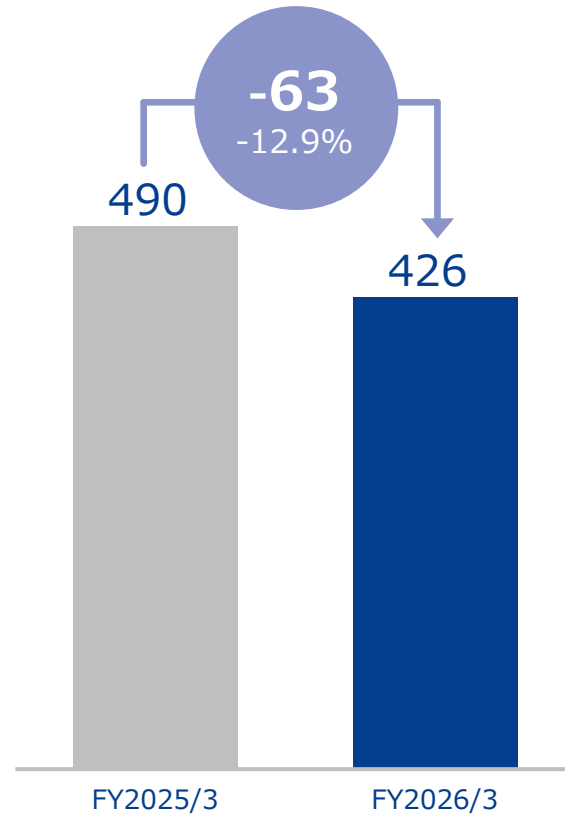


# FY2026/3 Consolidated results affecting operating income



## Operating income

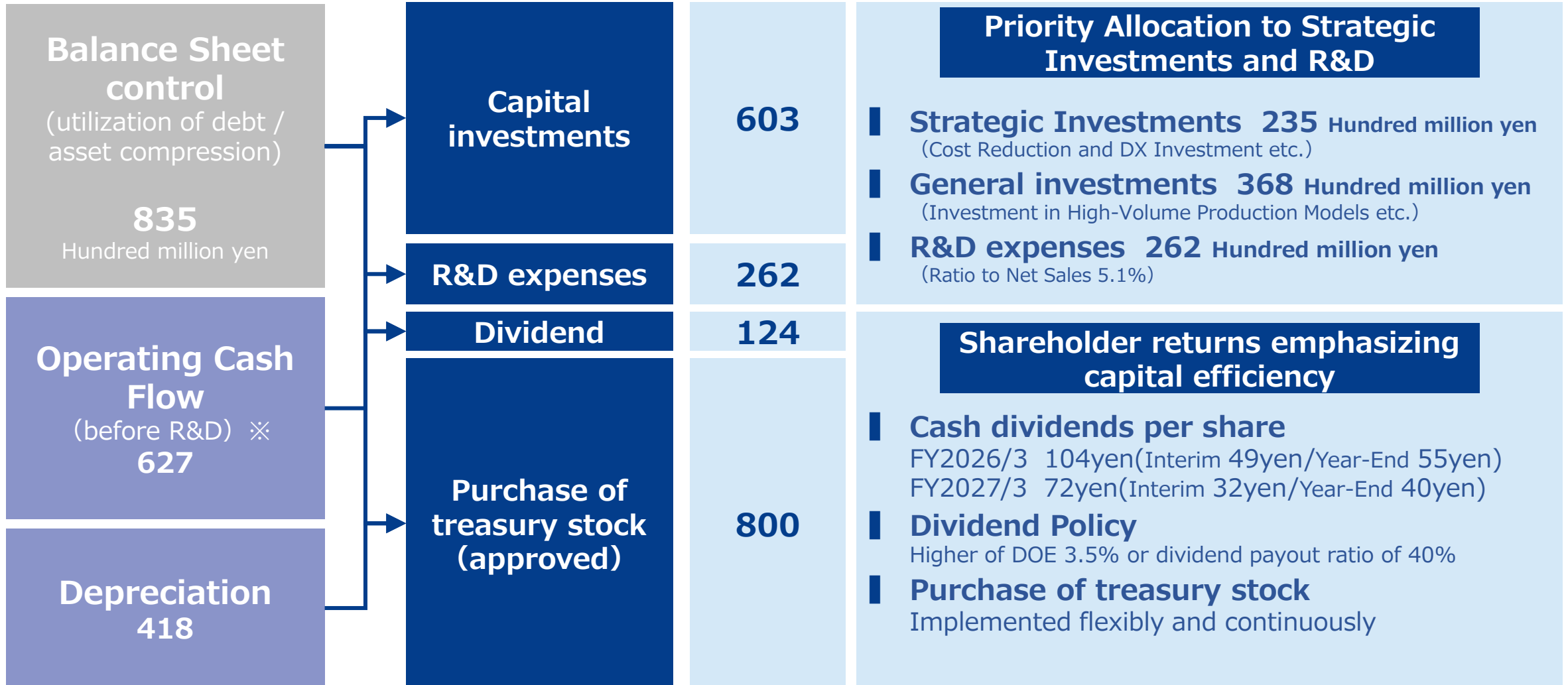
(Hundred million yen)  
Amounts less than shown are rounded down



# FY2026/3 Capital Allocation

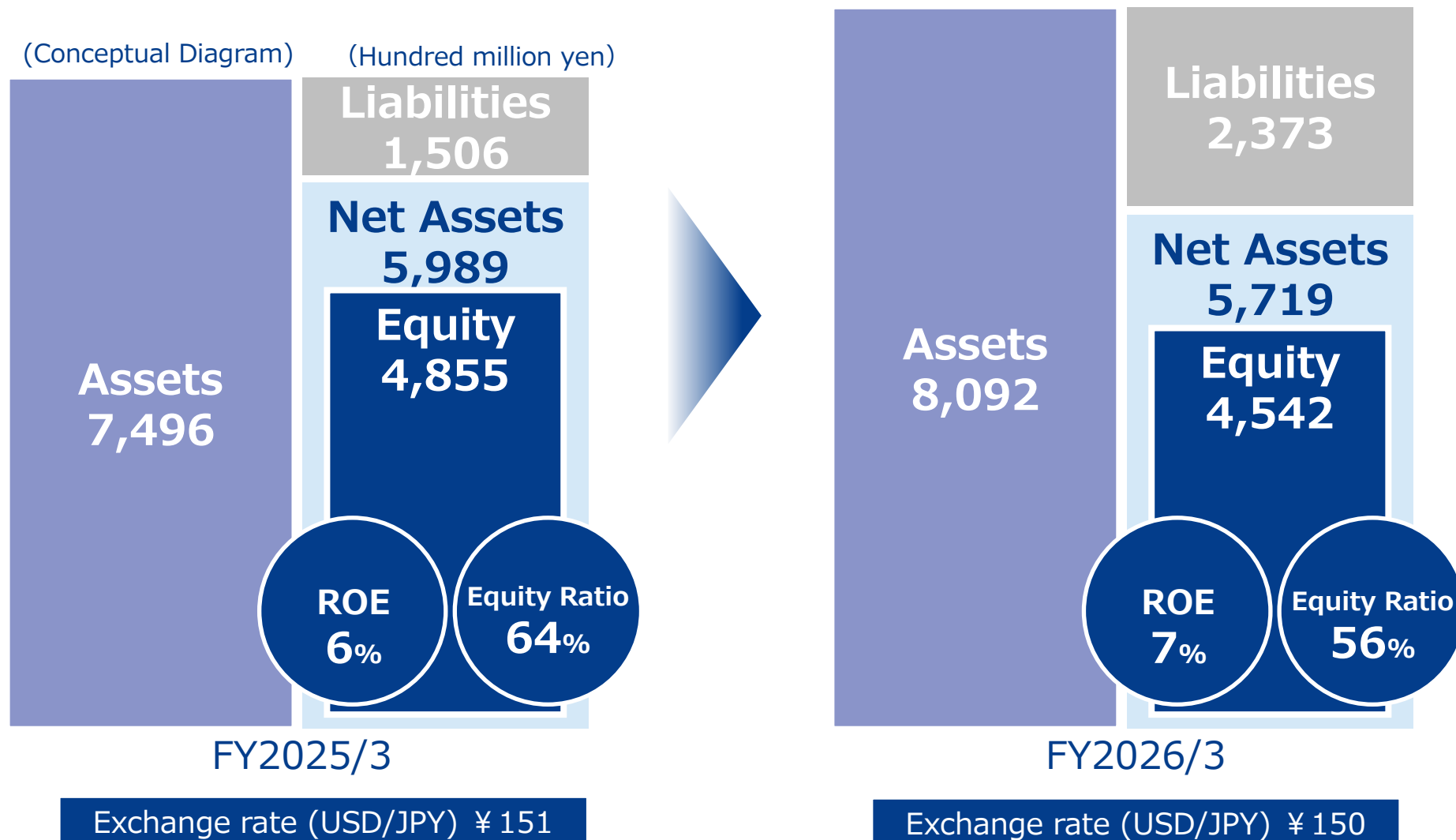


(Conceptual Diagram)



※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



# FY2026/3 Shareholder Returns



## 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<sub>2</sub> 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

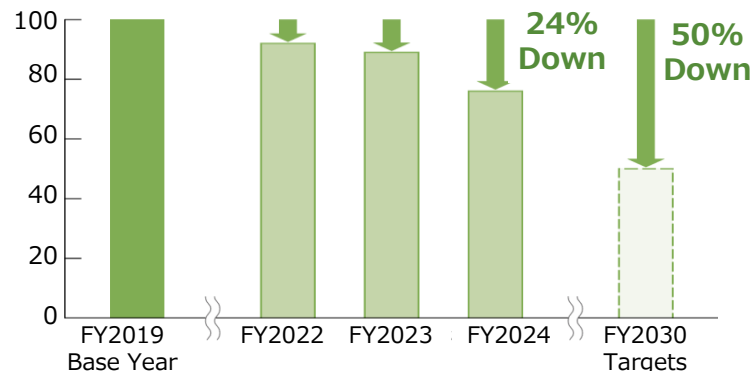
#### Basic Policy

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

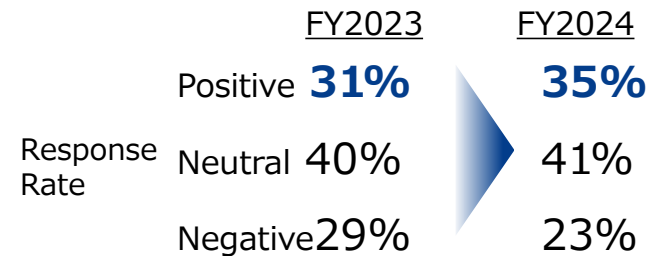
#### Key Initiatives

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

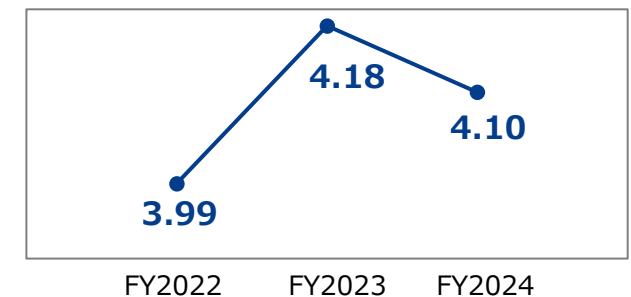
### CO<sub>2</sub> Emissions Reduction(%)



### Engagement Survey Score



### Board Effectiveness Evaluation (average)



## Selected for ESG Indices

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



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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



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



## Community Initiatives

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

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Director, Senior Managing Executive Officer / COO  
Kazuki Takano

## 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



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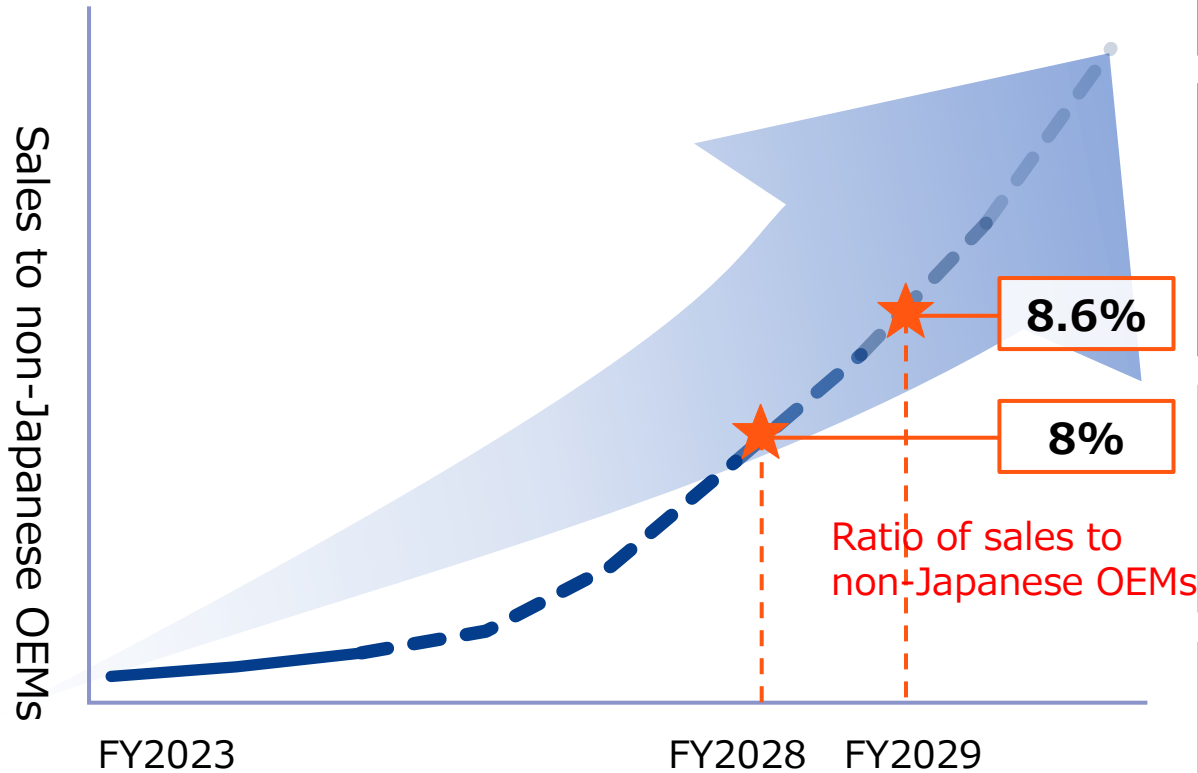
Leveraging Synergies to Expand into Mobility Infrastructure Systems Linking People, Infrastructure, and Vehicles



# 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 8<sup>th</sup> Mid-term Management Plan(FY2023–FY2025)

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

<b>Start of mass production in FY2025</b> 	<b>The Americas</b>	1 OEMs	Back/L, RR
	<b>China</b>	2 OEMs	H/L, Grille lamp
	<b>Europe</b>	1 OEMs	HMSL
	<b>Asia-Pacific</b>	1 OEMs	RR, R-Fog

<b>Start of mass production in FY2026</b> 	<b>The Americas</b>	1 OEMs	H/L, R/C
	<b>China</b>	3 OEMs	H/L, R/C, Grille lamp
	<b>Asia-Pacific</b>	1 OEMs	H/L, R/C

<b>Orders secured in FY2025</b> 	<b>The America</b>	3 OEMs	Planned start of mass production FY2027~2029
	<b>China</b>	3 OEMs	
	<b>Asia-Pacific</b>	2 OEMs	FY2027~2028

<b>Order activities ongoing in FY2026</b> 	<b>The Americas</b>	Order activities in progress for multiple models
	<b>China</b>	
	<b>Europe</b>	

## Expanding Orders from Non-Japanese OEMs

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

【Ratio of sales to non-Japanese OEMs】

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## 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



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

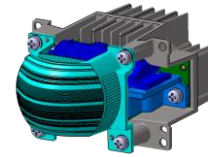
# Strategy for the Autonomous Driving

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

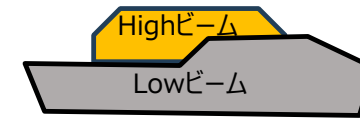
## Camera detection image of a pedestrian at 50m : FMVSS requirement)



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



Headlamp Unit



Headlamp Beam Pattern



Camera-Synchronized Beam Control

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

Camera View

Low visibility as only the lower body of pedestrians is illuminated

**Low Beam**

Camera View

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

**High Beam**

Camera View

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

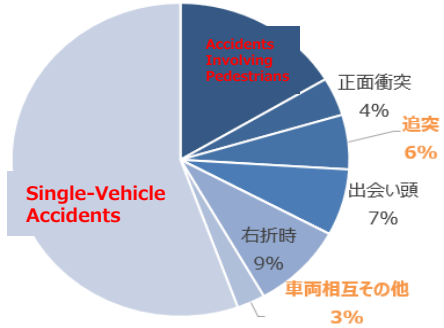
**Camera Beam**

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

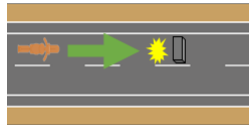
※Patented **STANLEY**

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

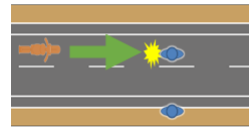
## Breakdown of Motorcycle Accidents <Nighttime>



Single-Vehicle Accidents (Property Damage Accidents)



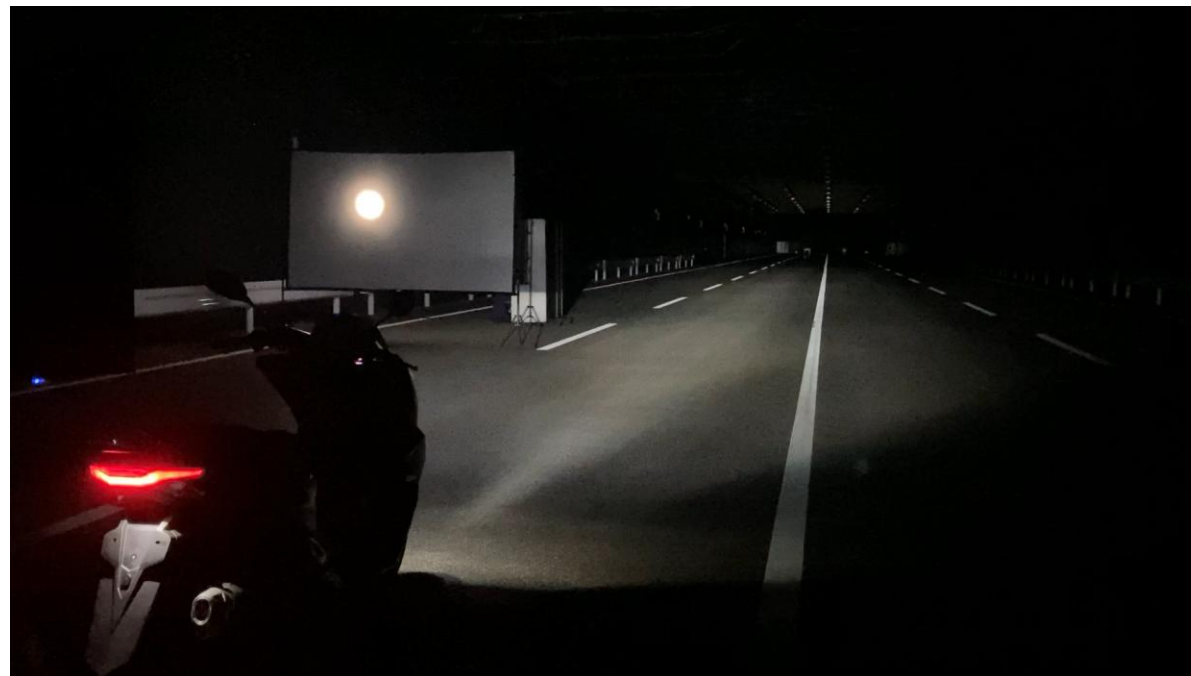
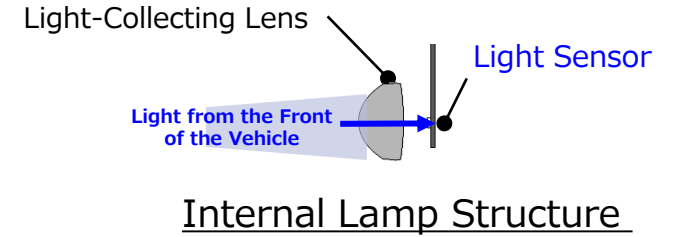
Accidents Involving Pedestrians



Conventional System  
Required Separate Camera  
YAMAHA TRACER 9GT+



Developed System  
Detection System Integrated into the Lamp



## 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

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【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



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<sub>2</sub> 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

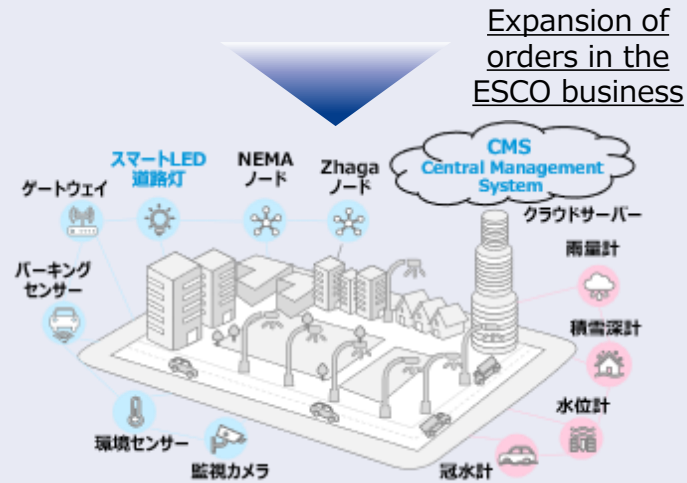
\*ESCO (Energy Service Company) Business:

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.

## Road Lighting

### Solutions to Social Issues

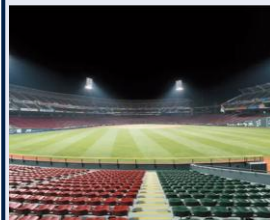
- Proven expertise in public infrastructure lighting projects for government and municipalities
- Nationwide one-stop service network with 37 locations
- Proven CSL (Connected Smart Lighting) solutions addressing energy efficiency and disaster/risk monitoring



## 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 Tourism Gassan Dam

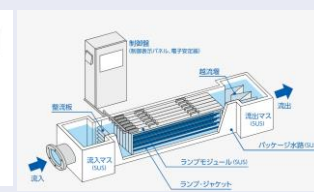
## light/environment

### 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

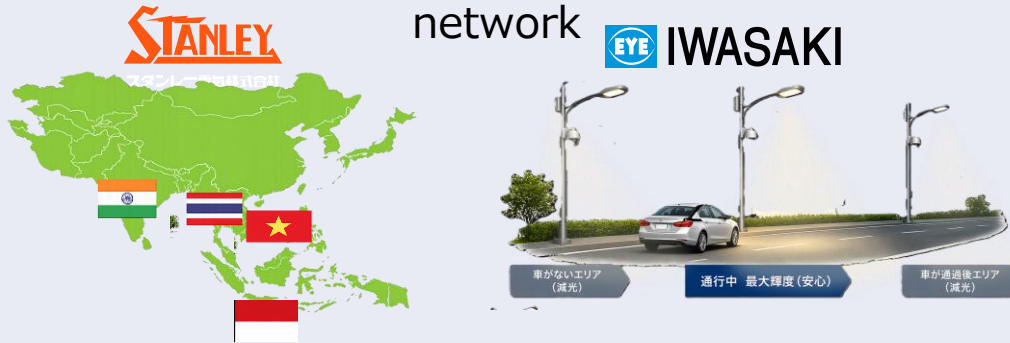
# Synergies with Stanley Electric



## 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

周囲とドライバーに最適な情報を提供



### Infrastructure

センシングとV2Iで、追跡環境をリアルタイム共有



### Pedestrians

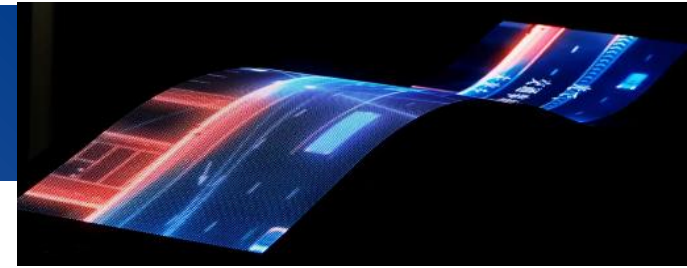
道路灯と車が連携し、路面描画で横断リスクを注意喚起



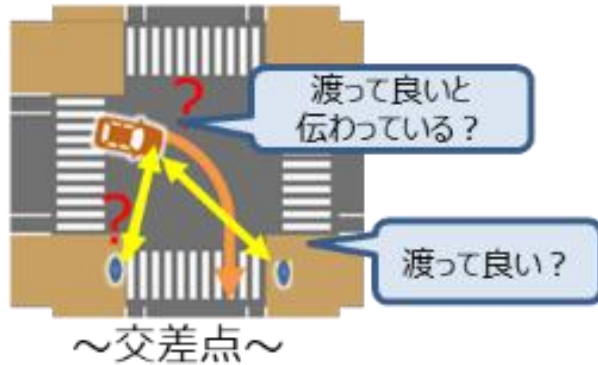
# Lighting technologies that address social challenges



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

**622.0 billion yen**

[Compared to FY2026/3 +20.0%]

## Operating income

**55.0 billion 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.

# 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%
<b>Total</b>		<b>5,184</b>	<b>6,220</b>	<b>+ 20%</b>

# FY2027/3 Summary Consolidated Business Forecasts



(Hundred million yen) Amounts rounded down	FY 2026/3 Results	FY 2027/3 Forecasts	Year-on-Year	
			Amount	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	328	340	11	3.6%
attributable to owners of parent	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 Consolidated results by Segment



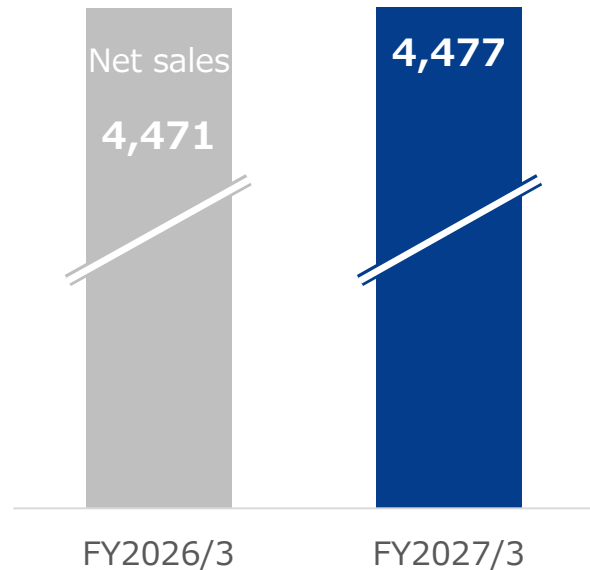
## Automotive Equipment

## Electronic Components

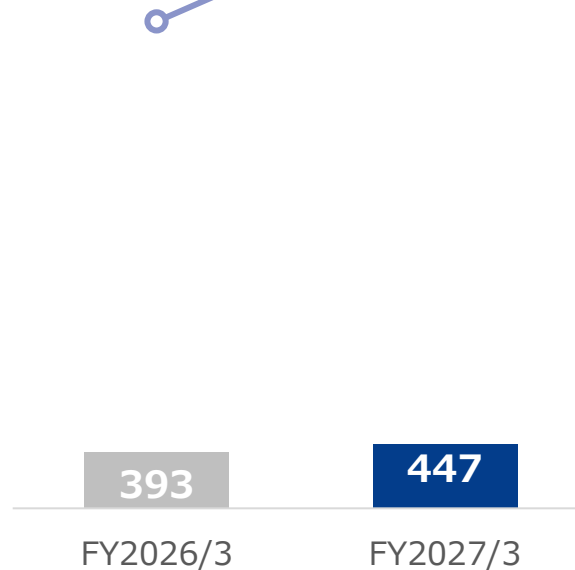
## Applied Electronic Products

Operating Margin 11.3%

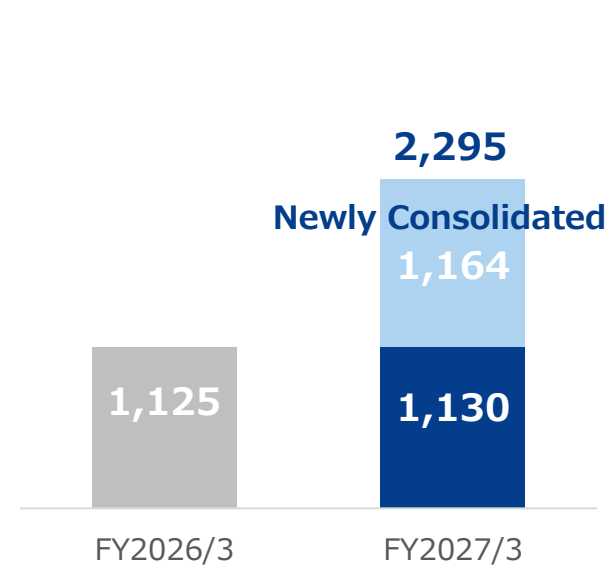
(Hundred million yen)



Operating Margin 10.5%



Operating Margin 8.2%



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

# FY2027/3 Information by geographical locations



## Japan

## The Americas

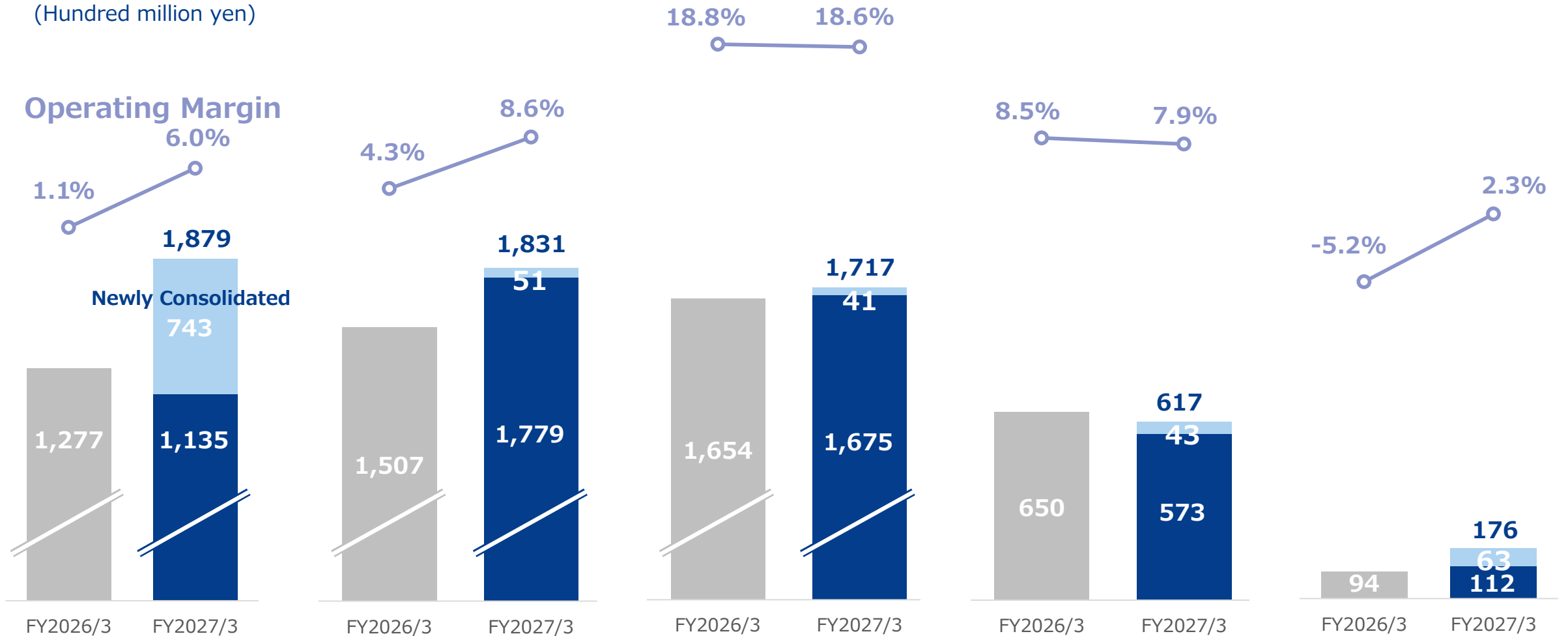
## Asia-Pacific

## China

## Europe

(Hundred million yen)

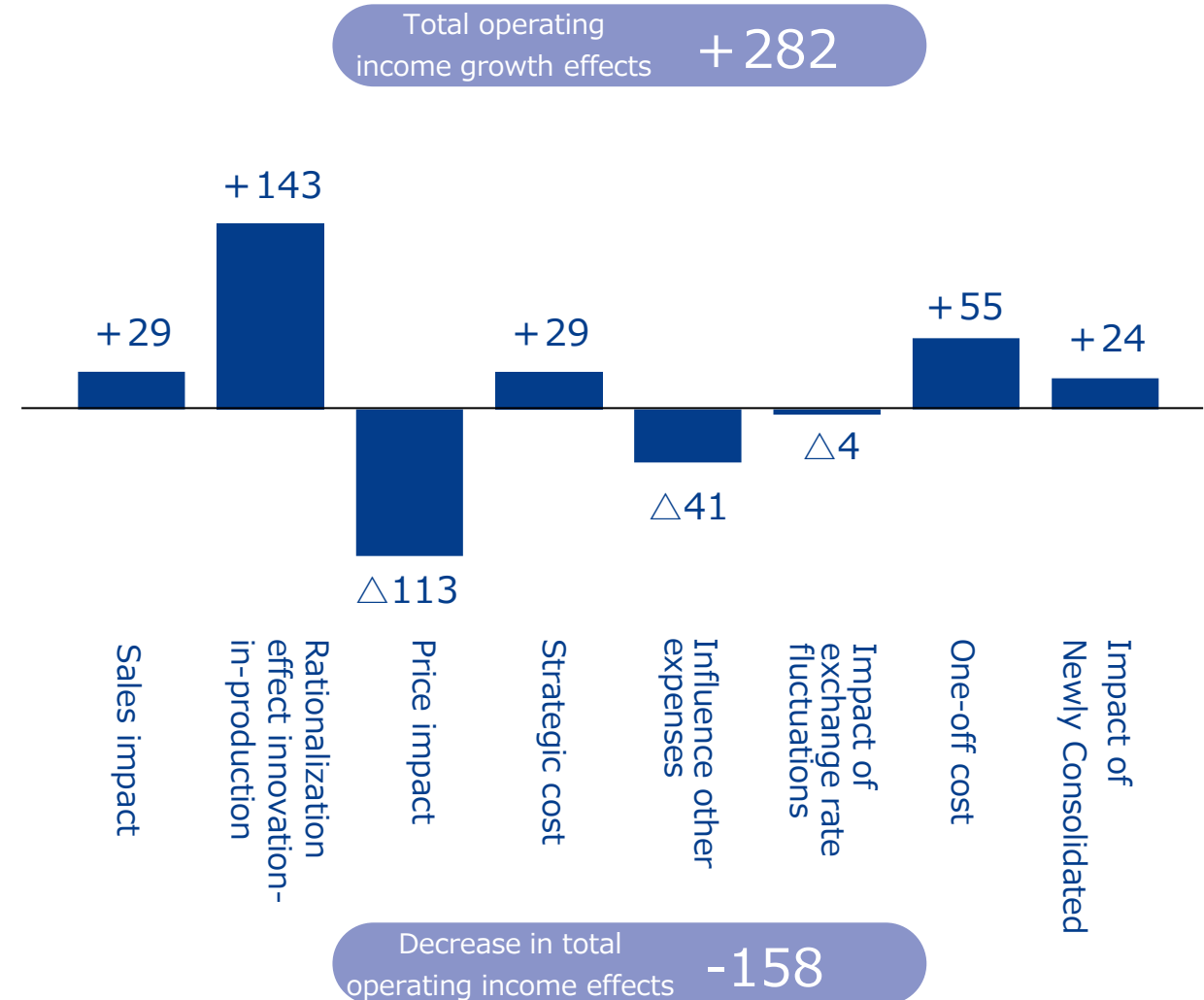
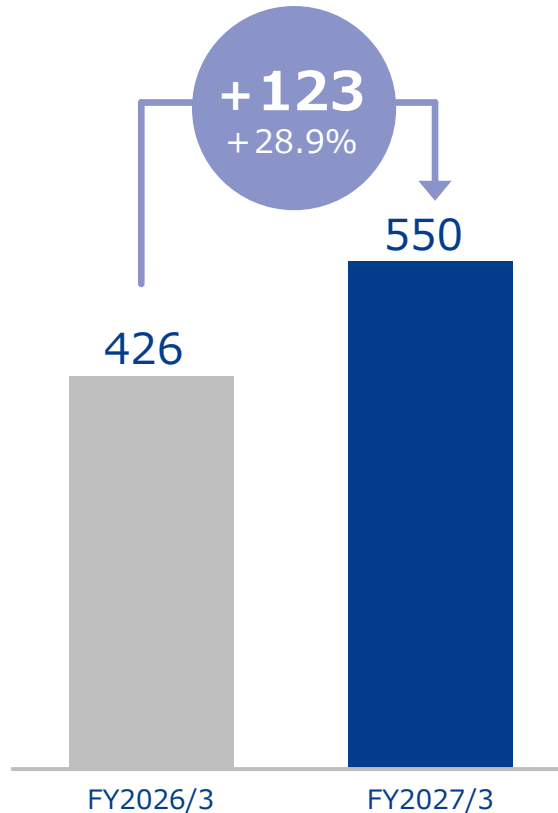
### Operating Margin



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

## Operating income

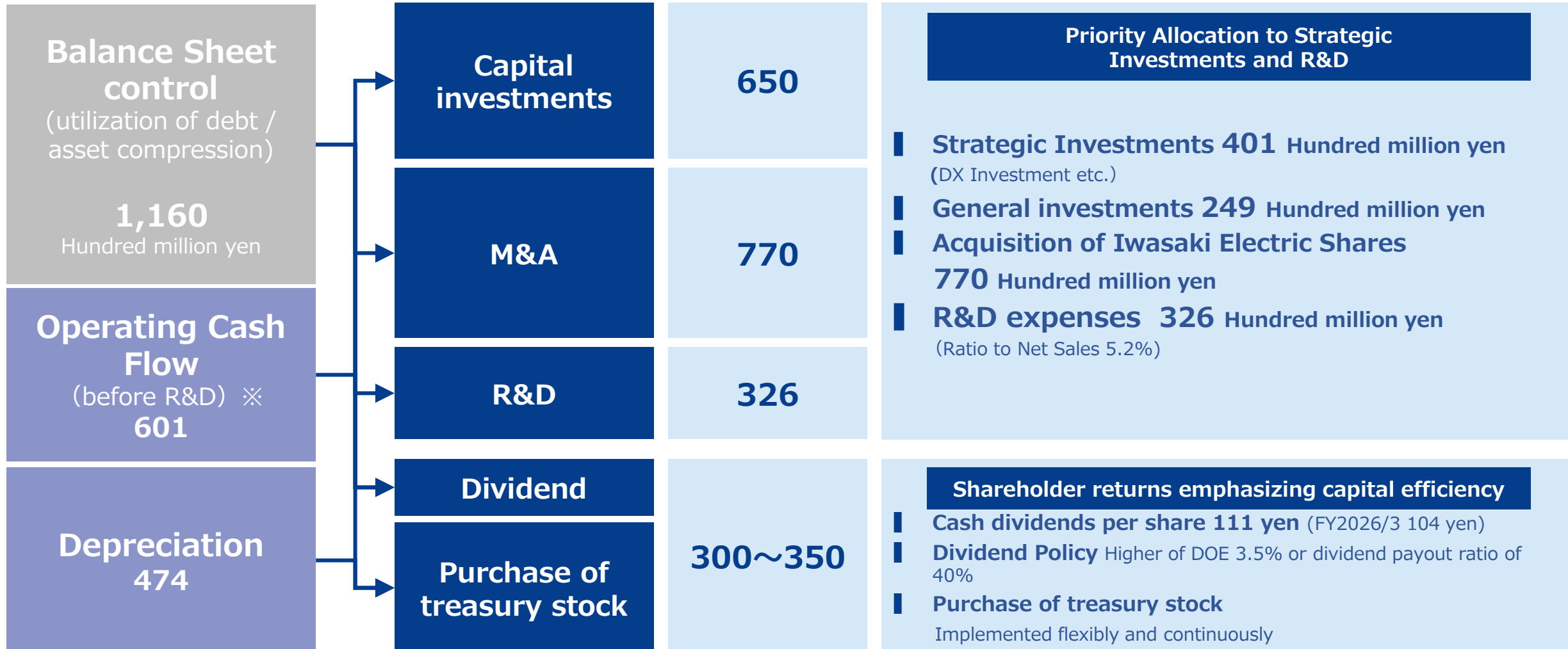
(Hundred million yen)  
Amounts less than shown are rounded down



# FY2027/3 Capital Allocation



(Conceptual Diagram)



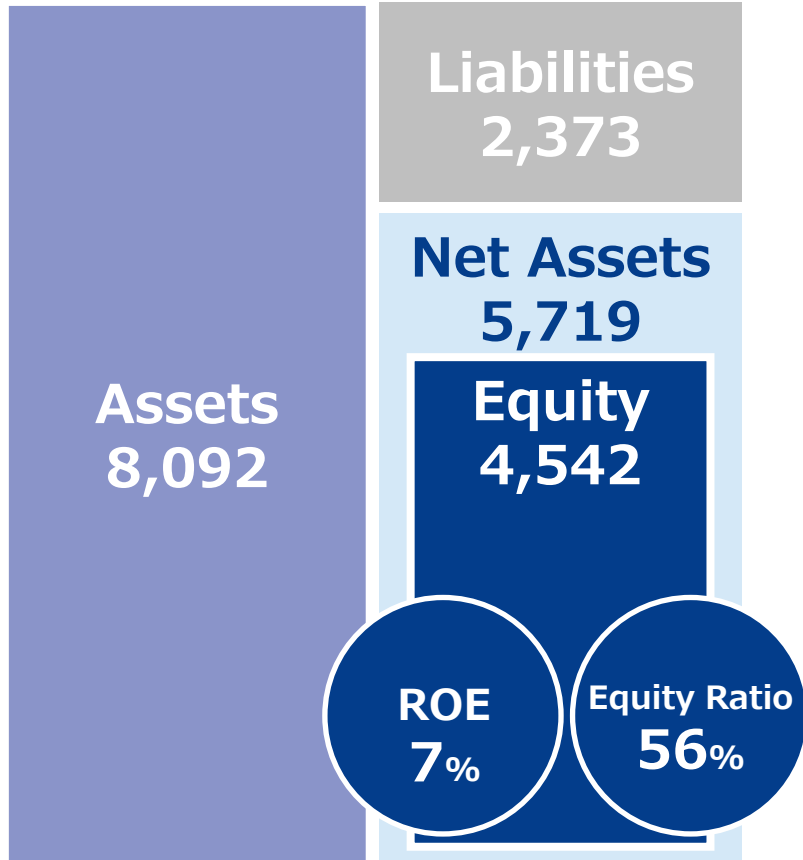
※Operating Cash Flow (before R&D) 601 Hundred million yen = Operating cash flow 750 Hundred million yen + R&D expenses 326 Hundred million yen – Depreciation 474 Hundred million yen

# FY2027/3 Equity Ratio



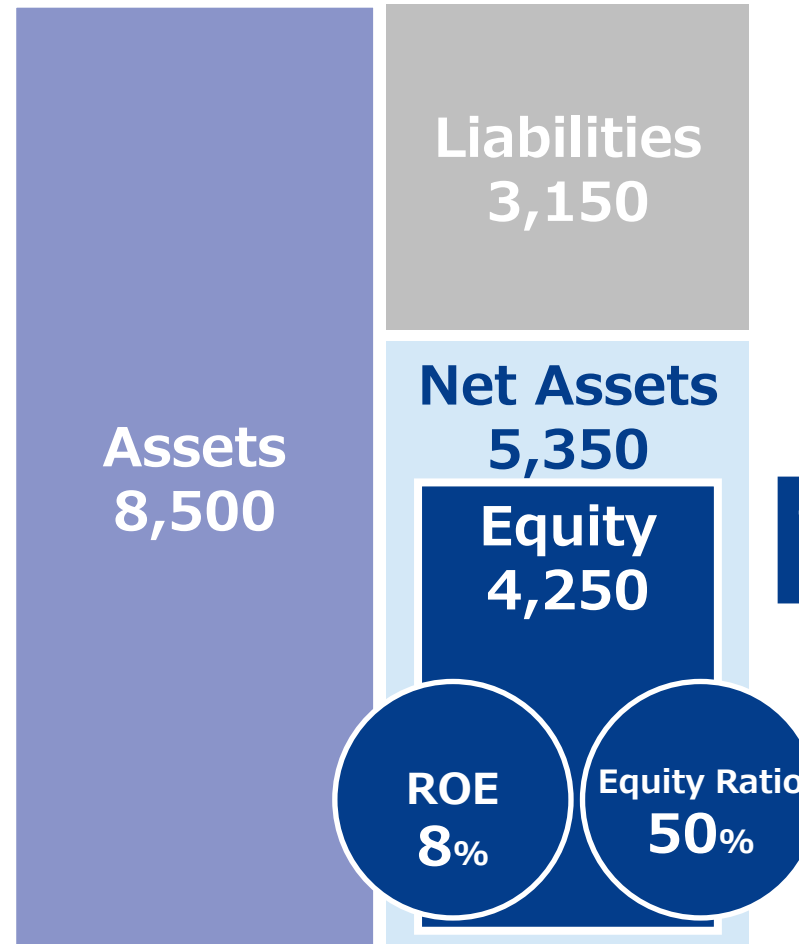
(Conceptual Diagram)

(Hundred million yen)



FY2026/3

Exchange rate (USD/JPY) ¥ 151



FY2027/3

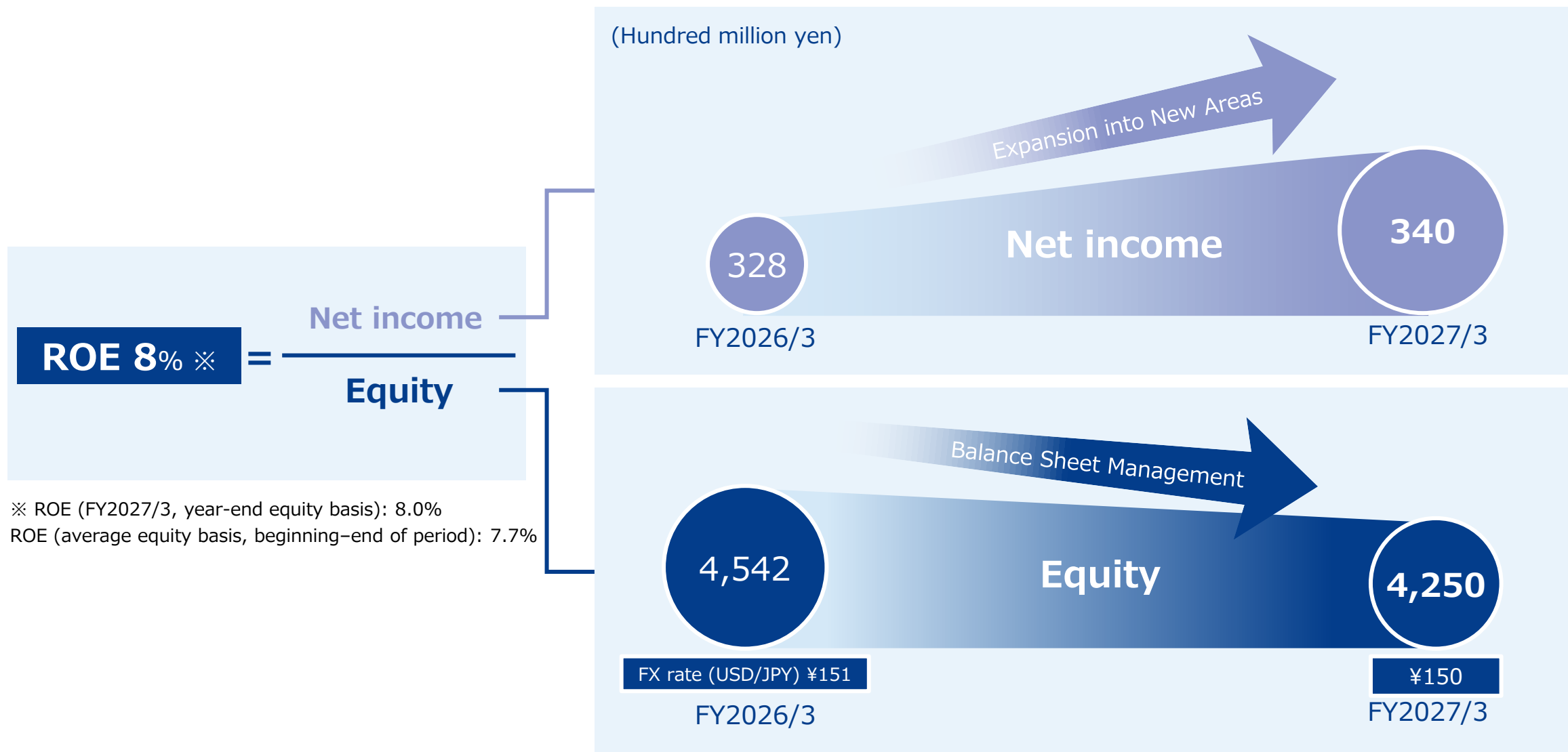
Exchange rate (USD/JPY) ¥ 150

Target Equity Ratio: Around 50%  
Balance Sheet Management

※ 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



# FY2027/3 Shareholder Returns



## 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**

## 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**
- 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

※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.

## 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.

## 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)

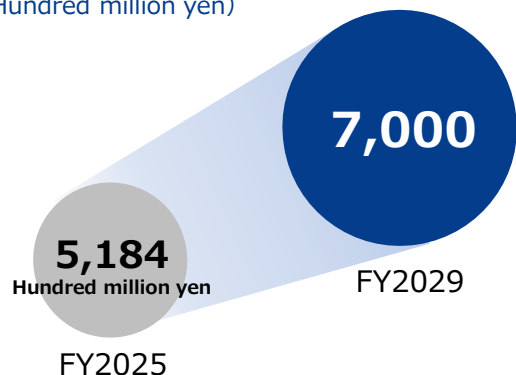
# Strategic Framework and KPI



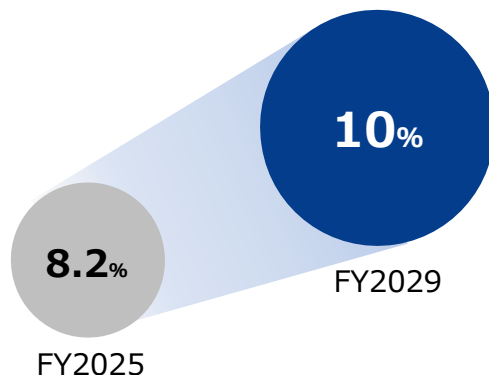
## <Management KPIs>

### Growth in Net Sales

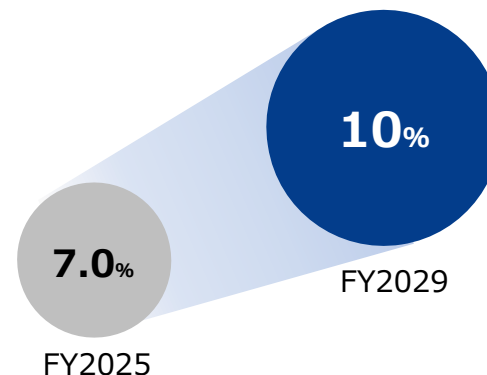
(Hundred million yen)



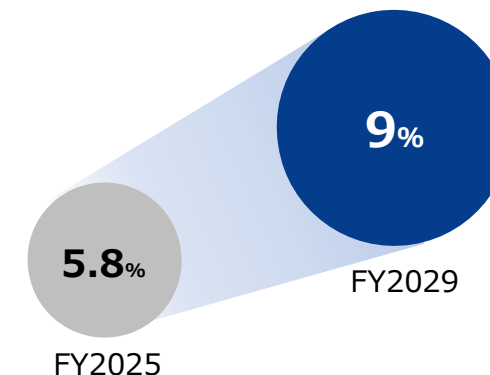
### Operating Margin



### ROE



### ROIC



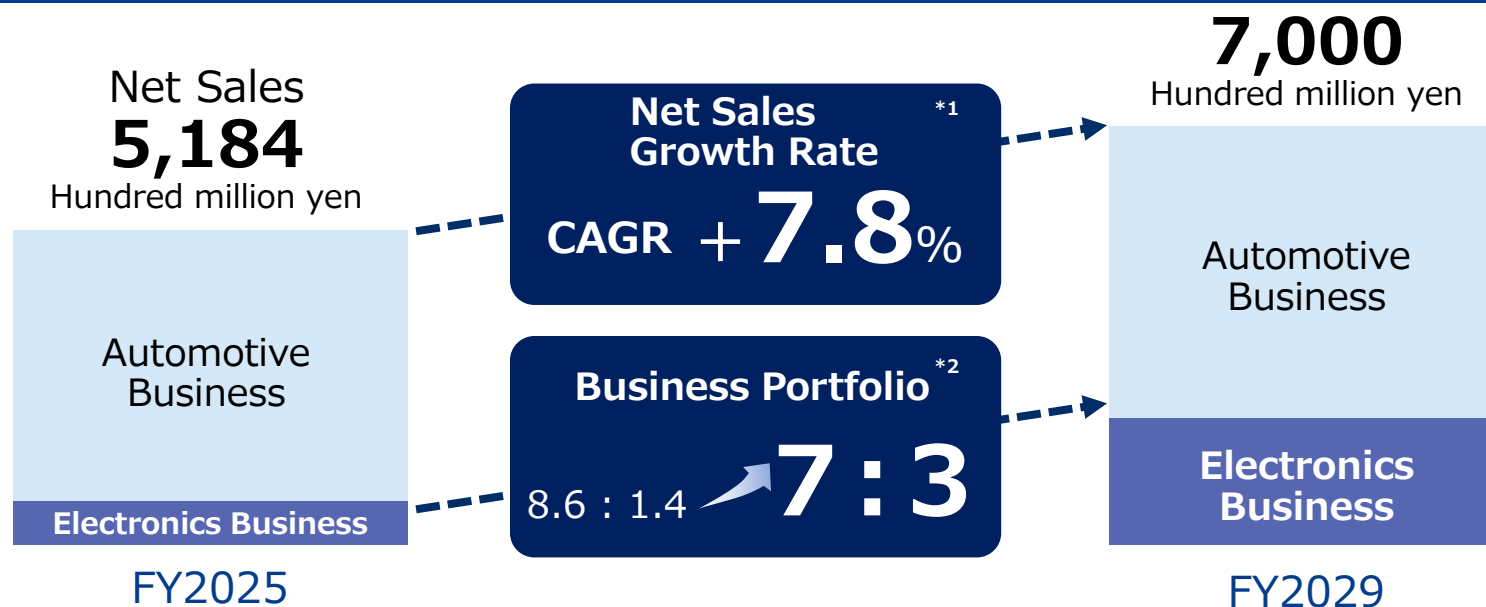
# 1. Expansion of Business Domains

## 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

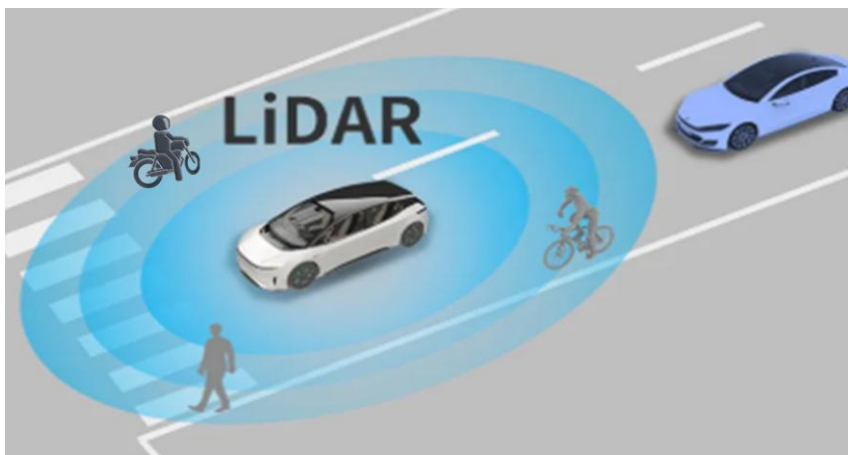


\*1: CAGR for FY2025–FY2029 (4 years)  
 \*2: Automotive / Electronics business ratio

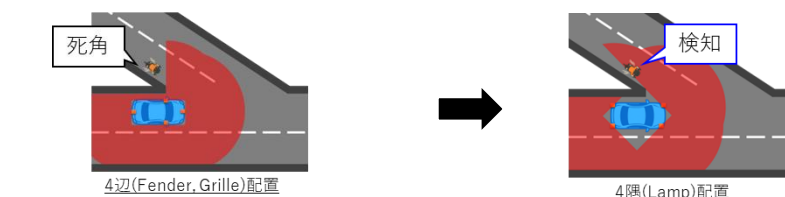
# Automotive Business Expansion ~Strategy for the Autonomous Driving~

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

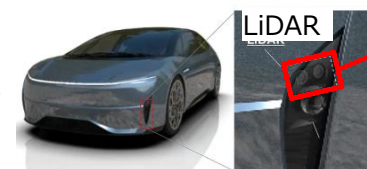


LiDAR Placement ※LiDAR: Distance sensor that measures 3D environments using laser



**Robotaxis in China**  
30 to 50 sensors  
⇒Space required

Lamp Integration



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

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

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

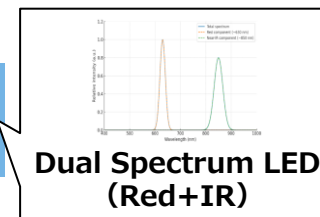
Signal Lighting



IR Signal Lighting (Omnidirectional)

Detection in Adverse Weather(ADAS)

**Enabling detection by surrounding vehicles**



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

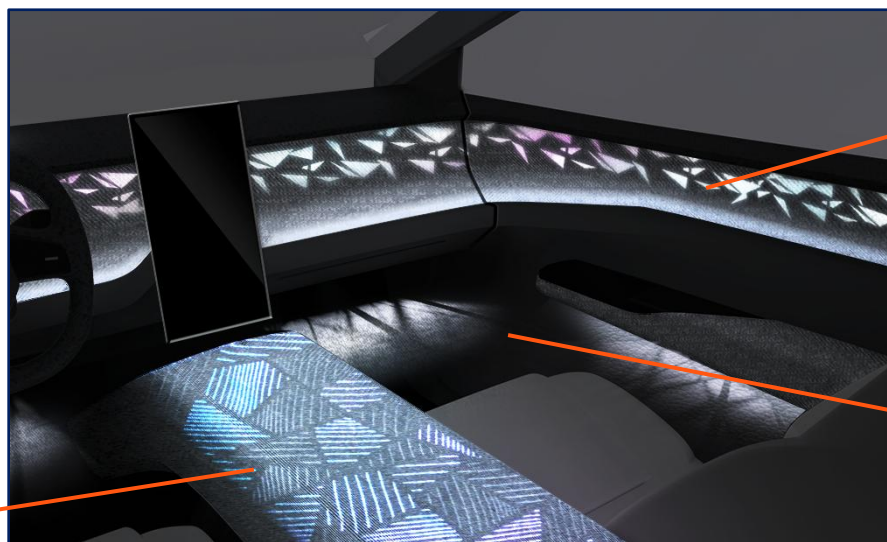
# Automotive Business Expansion ~Entry into Automotive Interiors~

## Evolution of In-Cabin Lighting for Next-Generation Vehicles

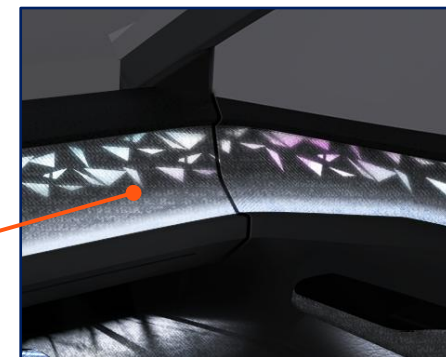
- 【Vision】**
- Noise-Free and Seamless Design for Enhanced Spaciousness
  - Optimized Light Source Selection Based on Light Quality
  - Fusion of Fabric and Lighting for Diverse Expressions



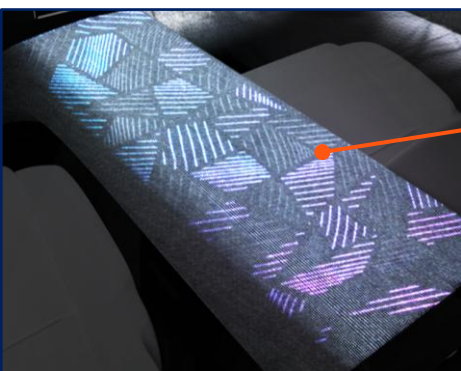
Seamless Design Motif Across Interior and Exterior through Optimized Lighting



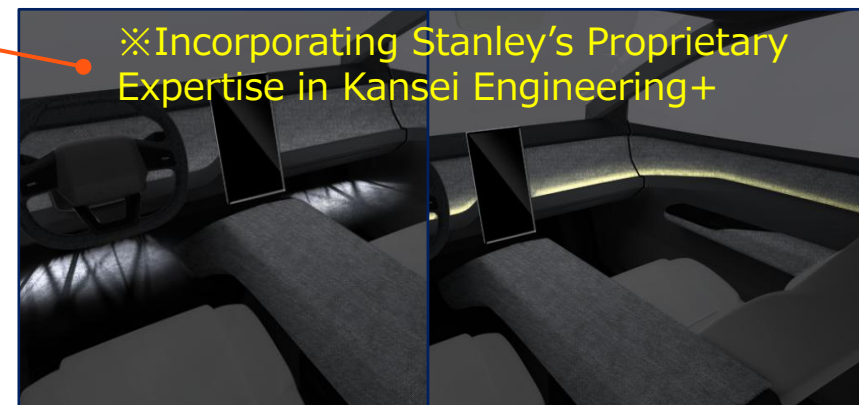
Application-Specific Beam Optimization Achieving Visibility and Design with Reduced Glare at Night  
Creating New Lighting Value Connecting Exterior and Interior with a Unified Vehicle Identity



**【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



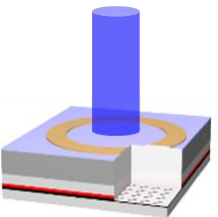
※Incorporating Stanley's Proprietary Expertise in Kansei Engineering+  
**【Fabric Materials×High-CRI LED】**  
Indirect Lighting with High-CRI LEDs to Enhance Spatial Depth and Design Expression

# 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

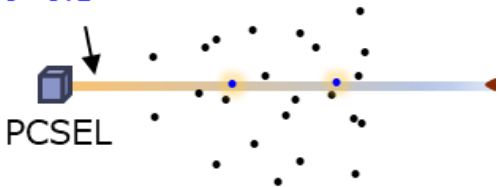
### Blue PCSEL (Photonic Crystal Surface-Emitting Laser)



Laser beam  
Divergence angle  $< 0.1^\circ$


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

$\theta = 0.1^\circ$



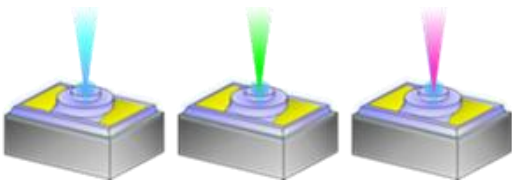
PCSEL

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

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

Technology	Backlight Power @ LCD 800 nits
High-brightness BEF	3.64 W
W-CBL	1.76 W

50% Down

**Automotive Segment**

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

導光フィルム(LGF) 厚み 0.4mm

**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

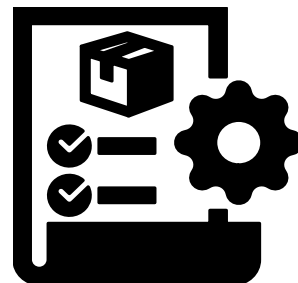
**Driving a fundamental overhaul of product structures, components, and the supply chain to establish true global competitiveness**

#### Structures



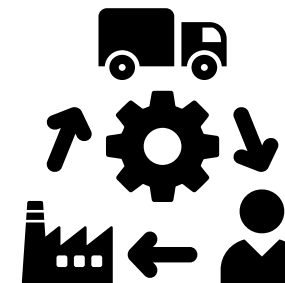
- Material Cost Reduction through Component and Structural Standardization
- Design Optimized for Automated Assembly

#### 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

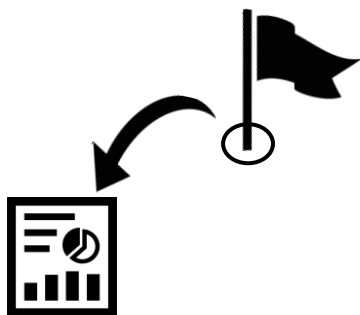
## Review Everything

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



**Minimizing overhead**

### Zero-based planning



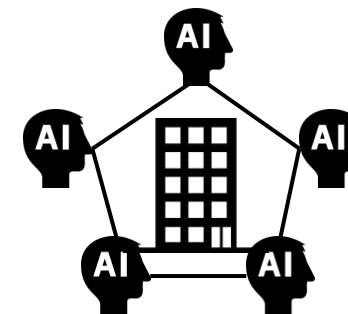
- Complete elimination of planning practices based on historical performance or prior-year assumptions
- All plans are developed using a backcasting approach from clearly defined target goals

### 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

### 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**

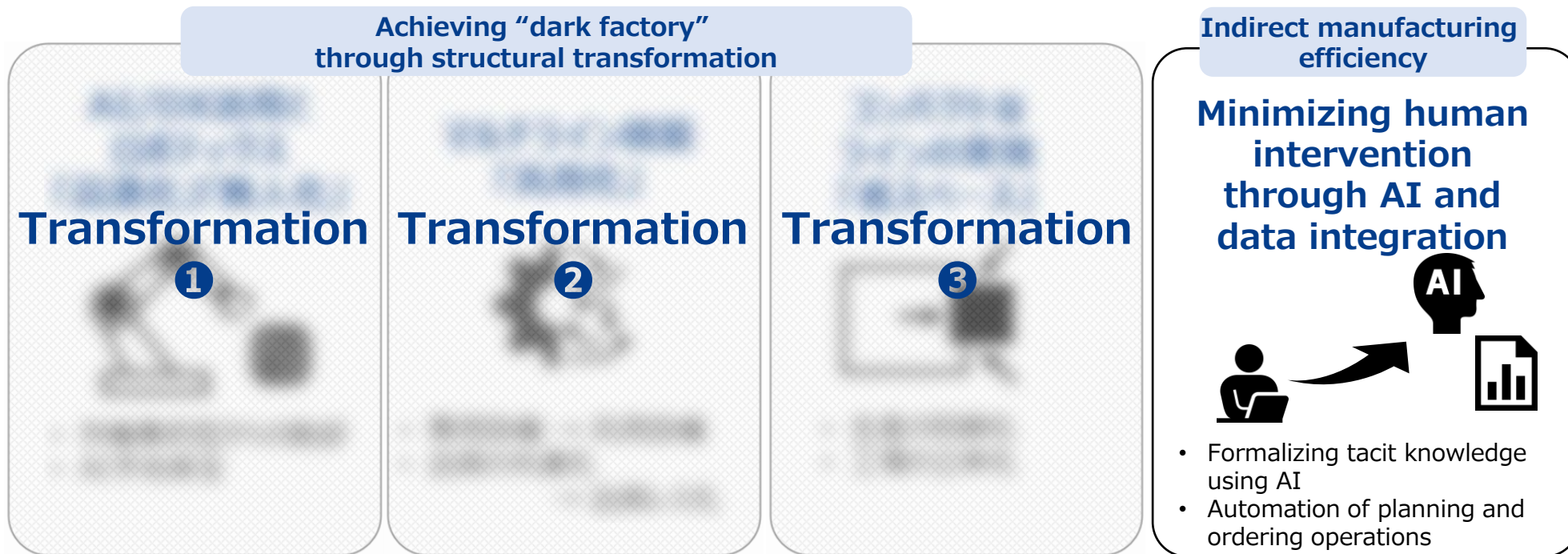
**24-hour development operation**

**3**

**Thorough optimization of global assets**

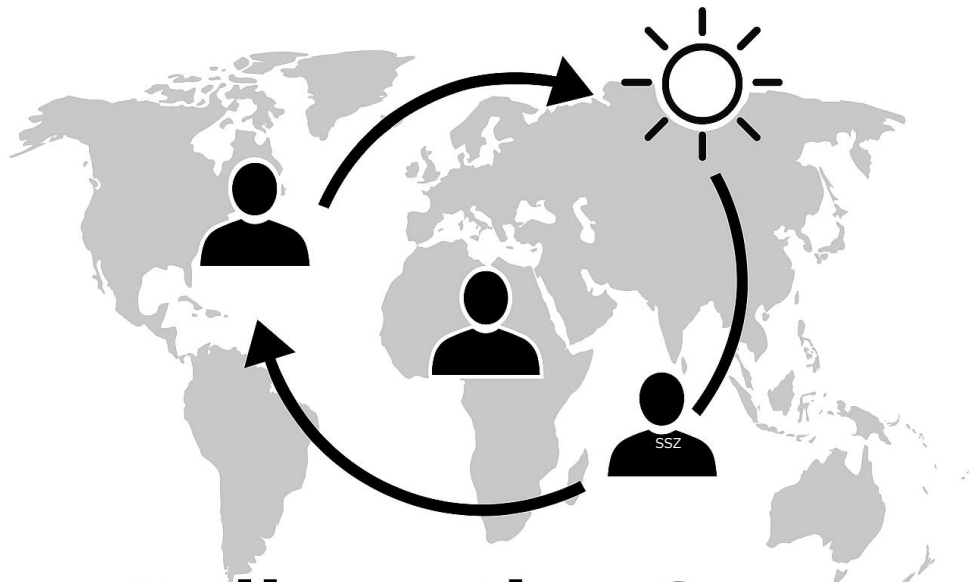
# Manufacturing Transformation

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



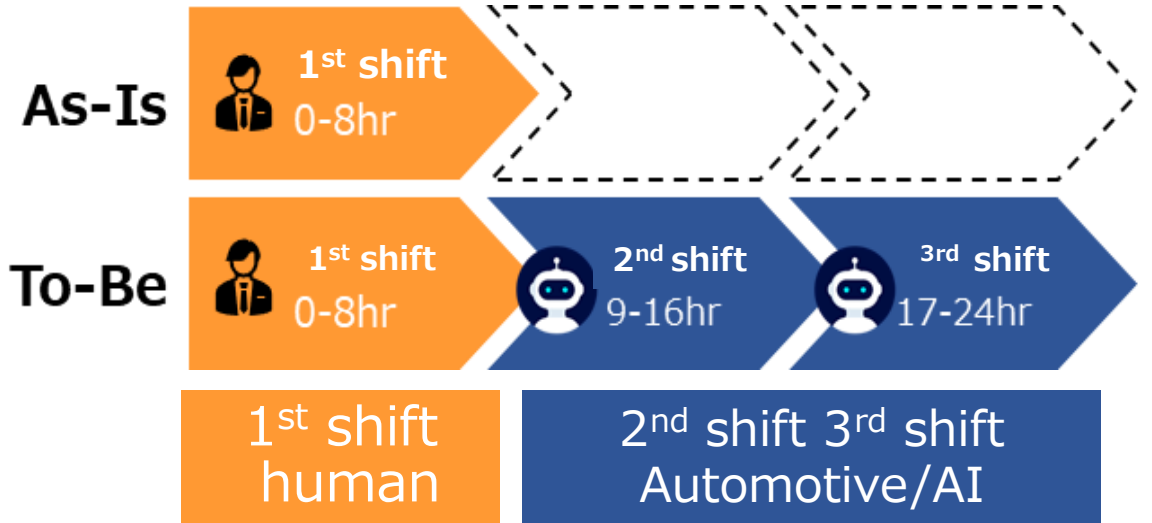
# Accelerating Development Speed

## 「Follow The Sun」 24-hour global development



### Follow the Sun

### 24-hour development enabled by human + automation/AI



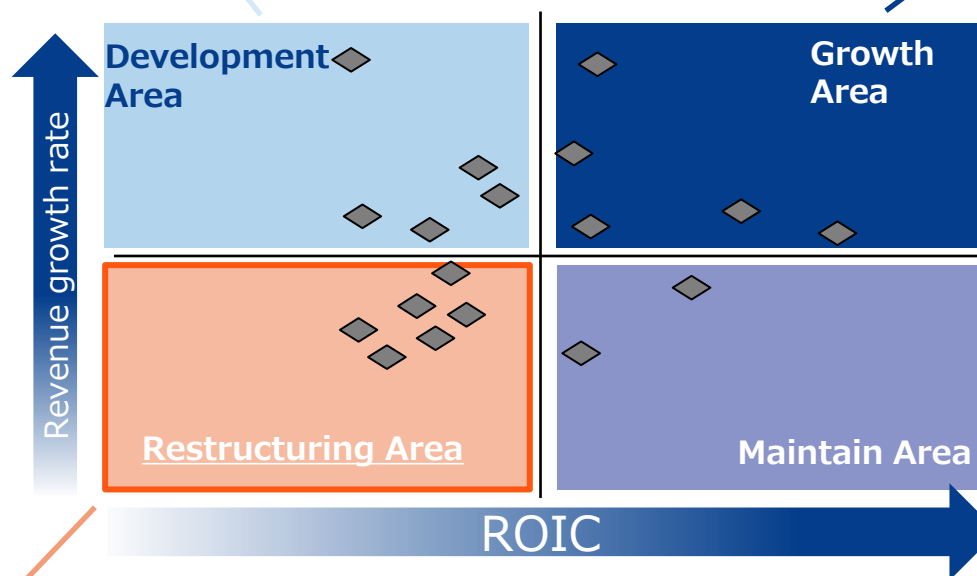


# Footprint Optimization

## 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

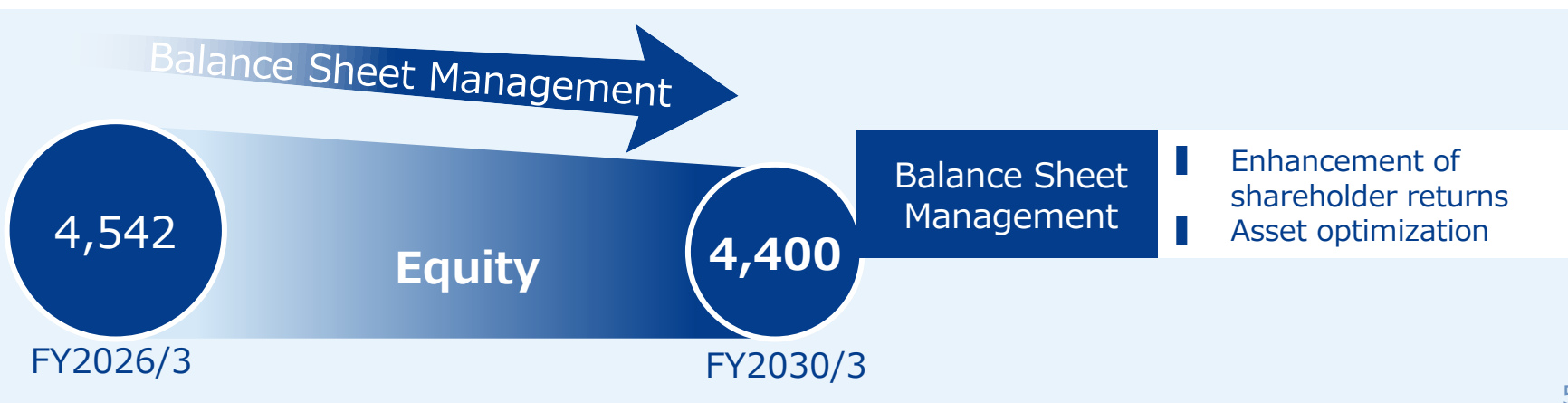
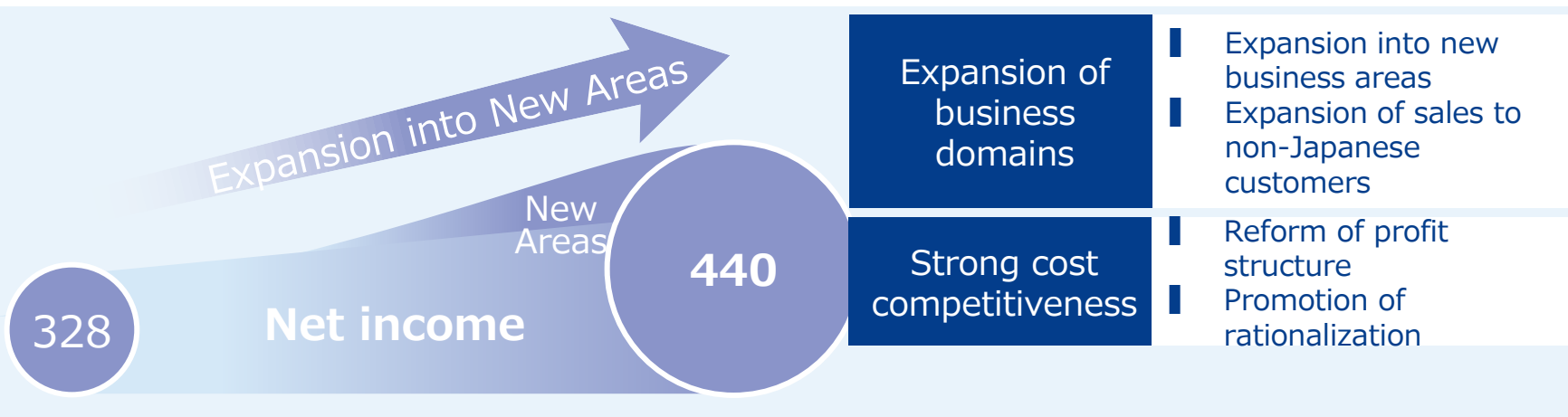
# Initiatives toward achieving the ROE target



Generate profits by optimizing equity levels and enhancing growth and profitability



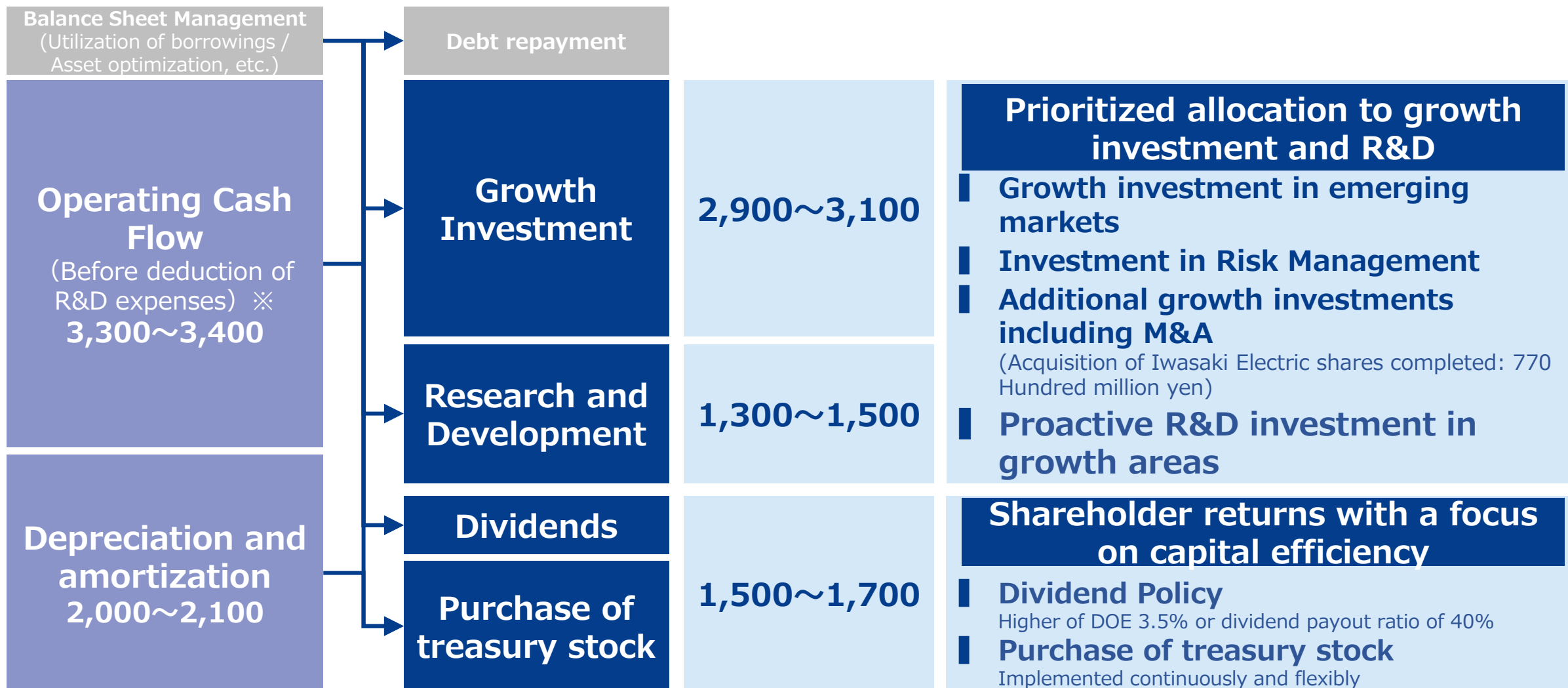
$$\text{ROE } 10\% = \frac{\text{Net income}}{\text{Equity}}$$



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



(Conceptual Diagram) (Hundred million yen)



※ 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

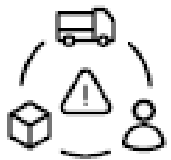
Risk of reduced reliability and adverse impact on performance due to product defects, etc.



- 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

# FY2026/3 Consolidated results by Segment



		(Hundred million yen)		Year-on-Year		vs Plan		
		FY 2025/3	FY 2026/3	Amount	Percent	FY 2026/3	vs Plan	
		Results	Results	Amount	Percent	Plan on 2025/10	Amount	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	449	(20)	(4.3%)	457	(7)	(1.7%)
		10.7%	10.0%	(0.6pt)	—	10.7%	(0.6pt)	—
	Electronic Components Business	24	28	3	15.6%	50	(21)	(42.3%)
		6.7%	7.3%	0.6pt	—	12.4%	(5.1pt)	—
	Applied Electronic Products Business	88	93	4	5.6%	98	(4)	(5.1%)
		7.6%	8.3%	0.7pt	—	9.0%	(0.7pt)	—
Others	0	1	0	—	1	0	—	
Adjustment	(93)	(145)	(52)	—	(156)	10	—	
Total	490	426	(63)	(12.9%)	450	(23)	(5.2%)	
	9.6%	8.2%	(1.4pt)	—	9.0%	(0.8pt)	—	

# FY2026/3 Information by geographical locations



		(Hundred million yen)		FY 2025/3		FY 2026/3		Year-on-Year		FY 2026/3		vs Plan	
		Amounts rounded down		Results	Results	Amount	Percent	Plan on 2025/10	Amount	Percent	Amount	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	13	(31)	(69.5%)	17	(3)	(18.2%)					
		3.7%	1.1%	(2.6pt)	—	1.3%	(0.2pt)	—					
	The Americas	97	65	(31)	(32.7%)	82	(16)	(20.1%)					
		6.8%	4.3%	(2.5pt)	—	5.6%	(1.3pt)	—					
	Asia-Pacific	300	310	10	3.5%	296	14	5.0%					
		18.8%	18.8%	(0.1pt)	—	19.6%	(0.8pt)	—					
China	72	54	(17)	(24.2%)	69	(14)	(20.4%)						
	9.5%	8.5%	(1.1pt)	—	10.8%	(2.4pt)	—						
Europe	(1)	(4)	(3)	—	2	(6)	—						
	(2.1%)	(5.2%)	(3.0pt)	—	1.9%	(7.1pt)	—						
Total	490	426	(63)	(12.9%)	450	(23)	(5.2%)						
	9.6%	8.2%	(1.4pt)	—	9.0%	(0.8pt)	—						

## FY2027/3 Forecasts of Consolidated results by Segment



		(Hundred million yen)				Excluding Newly Consolidated			
		Amounts rounded down		FY 2026/3 Results	FY 2027/3 Plan	Year-on-Year		FY 2027/3 Forecasts	Year-on-Year
				Amount	Percent	Amount	Percent	Amount	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	507	57	12.8%	507	57	12.8%	
		10.0%	11.3%	1.3pt	—	11.3%	1.3pt	—	
	Electronic Components Business	28	47	18	63.0%	47	18	63.0%	
		7.3%	10.5%	3.2pt	—	10.5%	3.2pt	—	
	Applied Electronic Products Business	93	189	95	103.2%	99	6	6.5%	
		8.3%	8.2%	(0.0pt)	—	8.8%	0.5pt	—	
Others	1	1	0	(18.0%)	1	0	(18.0%)		
Adjustment	(145)	(194)	(48)	—	(128)	17	—		
Total	426	550	123	28.9%	525	99	23.2%		
	8.2%	8.8%	0.6pt	—	10.0%	1.7pt	—		

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

## FY2027/3 Forecasts of Information by geographical locations



		(Hundred million yen)		Year-on-Year		Excluding Newly Consolidated		
		Amounts rounded down		FY 2026/3 Results	FY 2027/3 Plan	Amount	Percent	FY 2027/3 Forecasts
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	113	99	712.9%	29	15	112.9%
		1.1%	6.0%	4.9pt	—	2.6%	1.5pt	—
	The Americas	65	158	92	141.1%	154	88	135.4%
		4.3%	8.6%	4.3pt	—	8.7%	4.3pt	—
	Asia-Pacific	310	320	9	3.0%	318	7	2.4%
		18.8%	18.6%	(0.1pt)	—	19.0%	0.2pt	—
China	54	49	(5)	(10.8%)	50	(4)	(8.6%)	
	8.5%	7.9%	(0.5pt)	—	8.8%	0.3pt	—	
Europe	(4)	4	8	—	1	6	—	
	(5.2%)	2.3%	7.5pt	—	0.0%	5.2pt	—	
Total	426	550	123	28.9%	525	99	23.2%	
	8.2%	8.8%	0.6pt	—	10.0%	1.7pt	—	

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

## Exchange rate

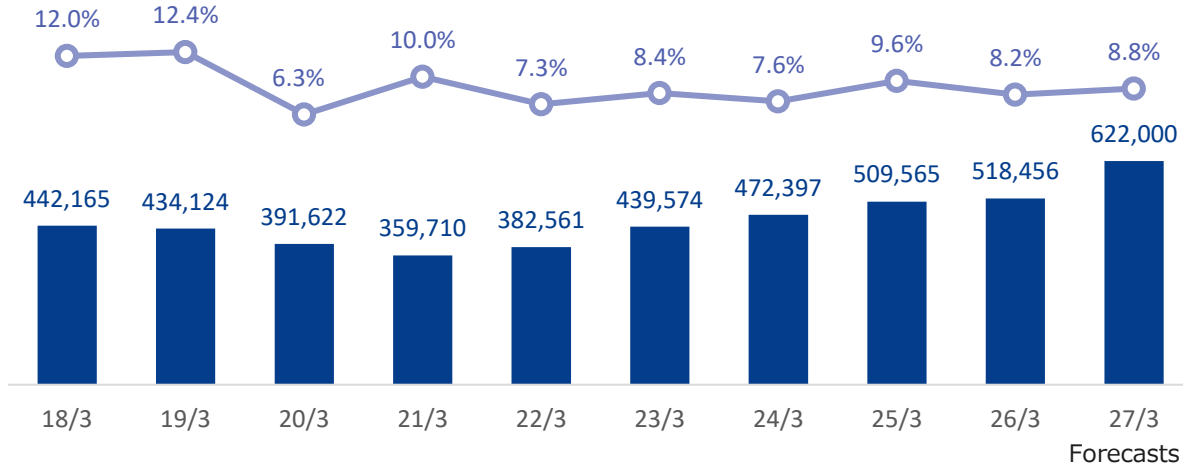


Average rate (yen)	FY 2025/3 Results	FY 2026/3 Results	FY 2027/3 Forecasts
USD/JPY	152.48	151.14	150.00
EUR/JPY	163.57	175.61	180.00
IDR/JPY	0.0095	0.0091	0.0088
VND/JPY	0.0060	0.0058	0.0056
THB/JPY	4.39	4.69	4.71
CNY/JPY	21.11	21.35	22.02

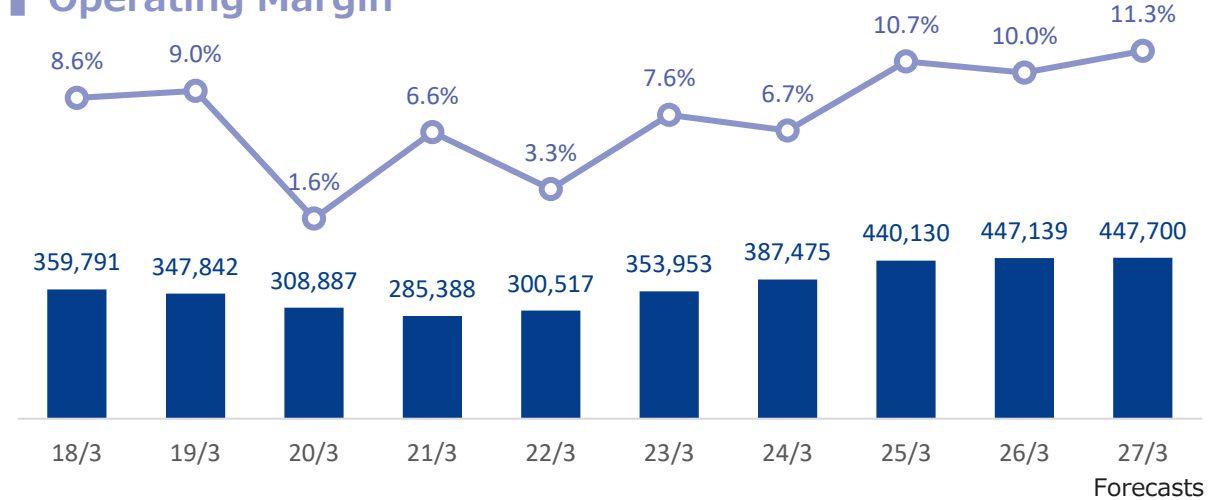
# Financial Highlights 10-Year Trends



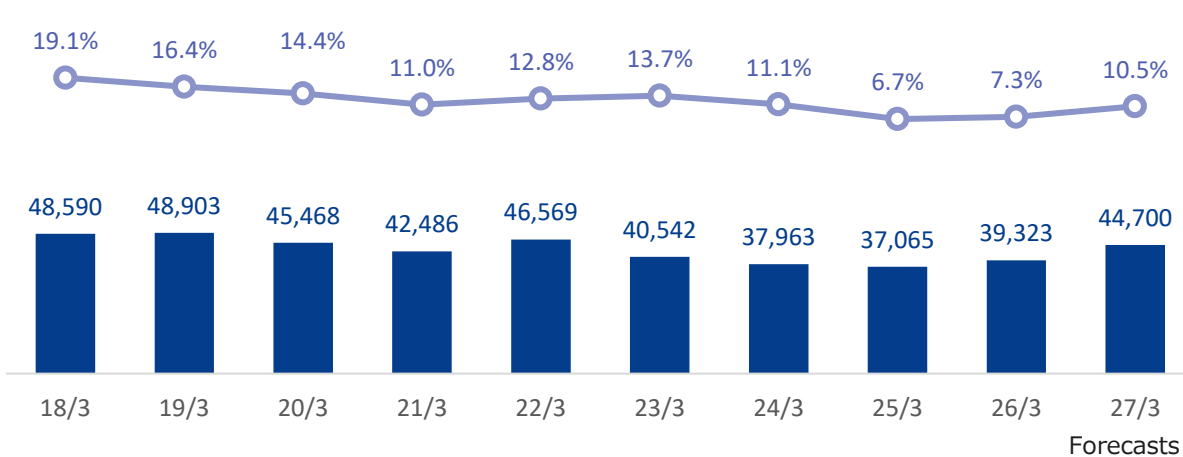
## Net Sales (Million yen) Operating Margin



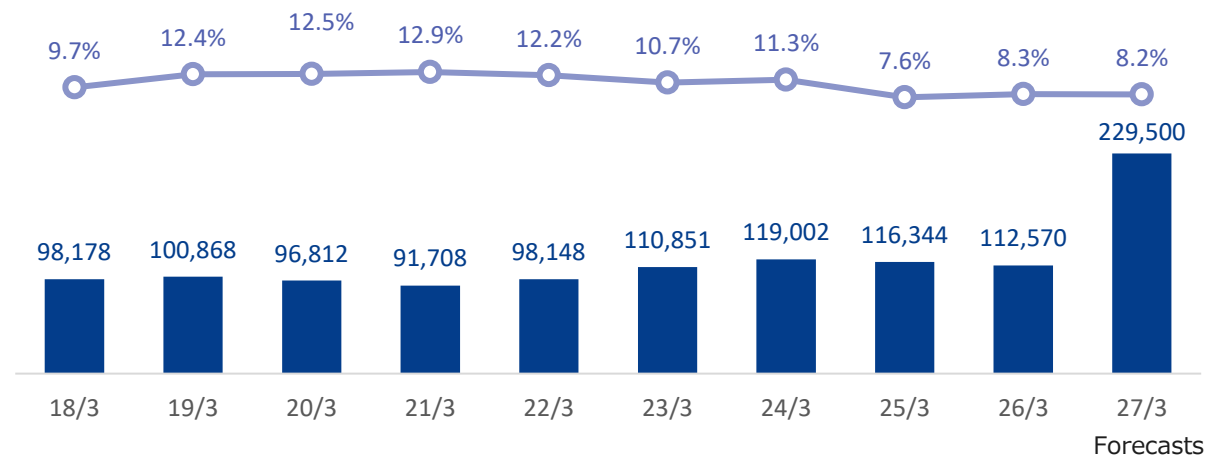
## Automotive Equipment Business : Net Sales (Million yen) Operating Margin



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



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

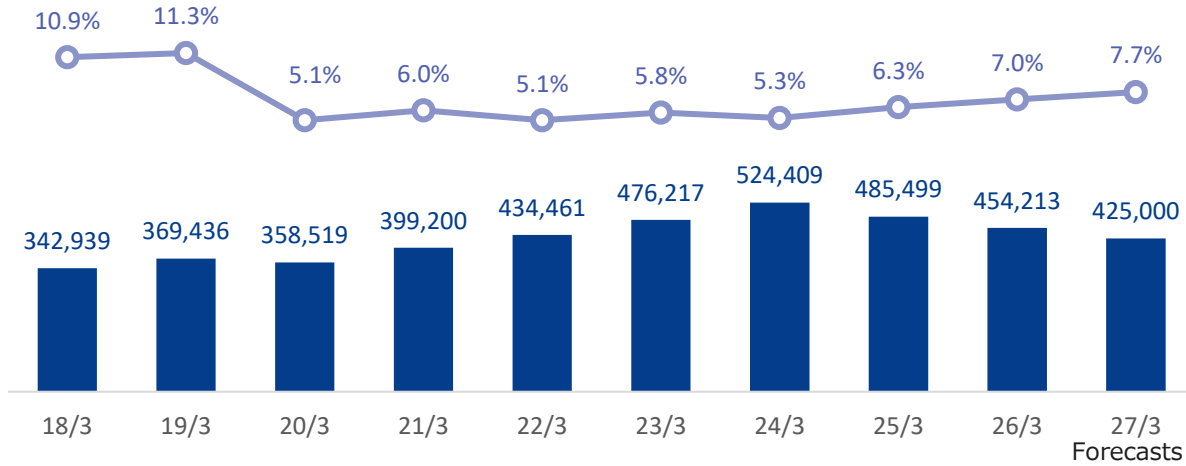


# Financial Highlights 10-Year Trends



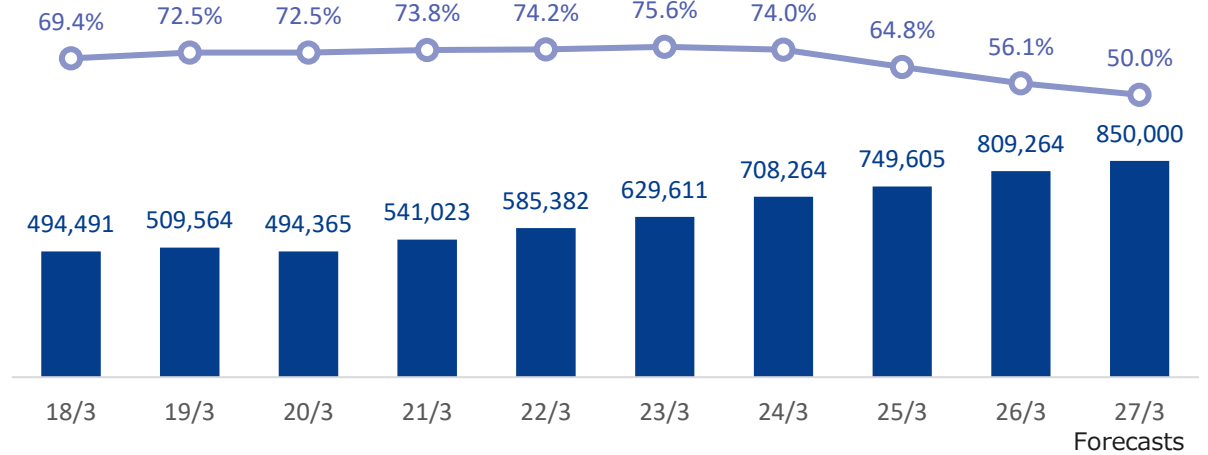
## Shareholders' Equity (Million yen)

### ROE



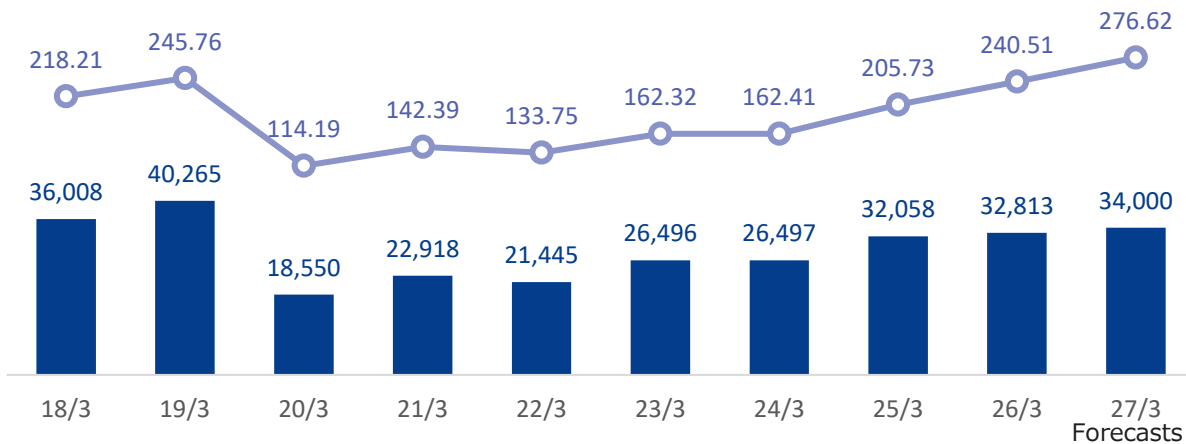
## Total Assets (Million yen)

### Equity Ratio



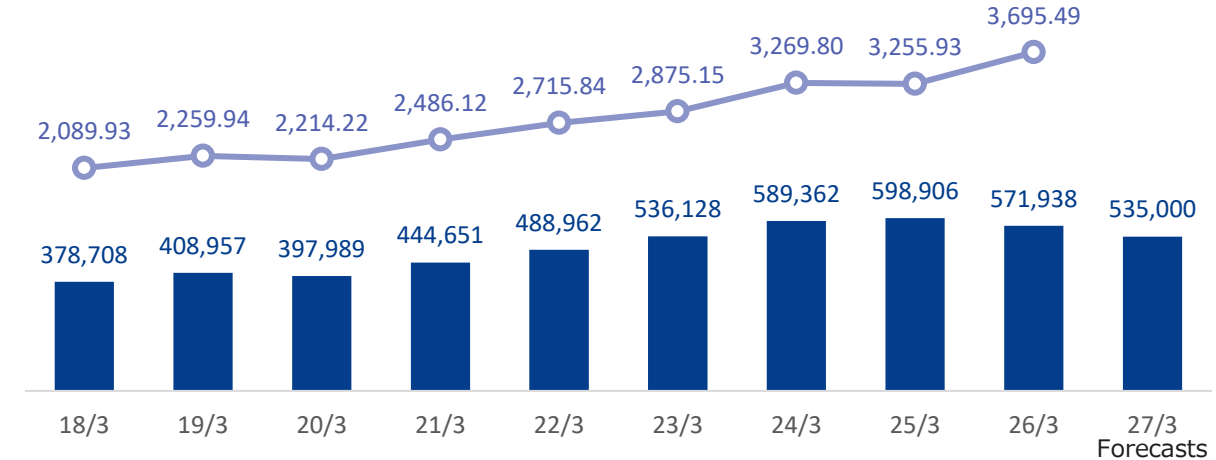
## Net Income (Million yen)

### Earnings per Share (Yen)



## Net Assets (Million yen)

### Net Assets per Share (Yen)

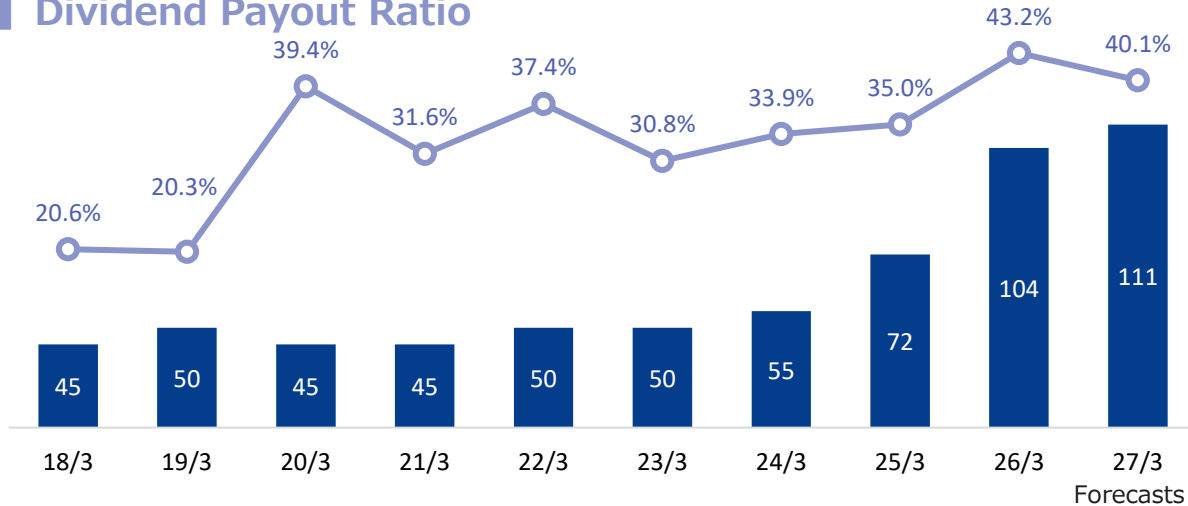


# Financial Highlights 10-Year Trends

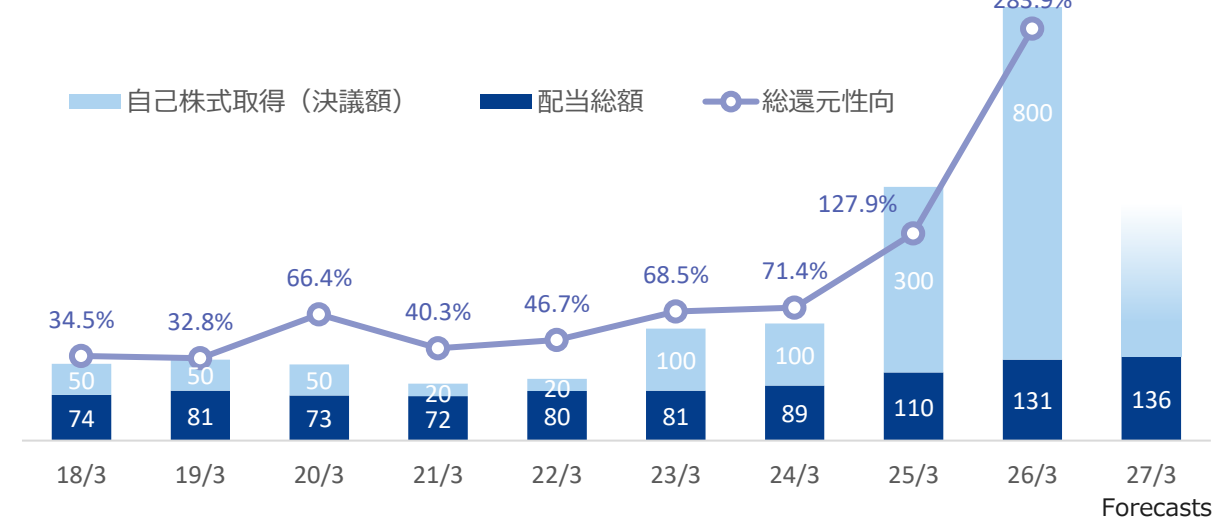


## Dividend per Share (Yen)

### Dividend Payout Ratio

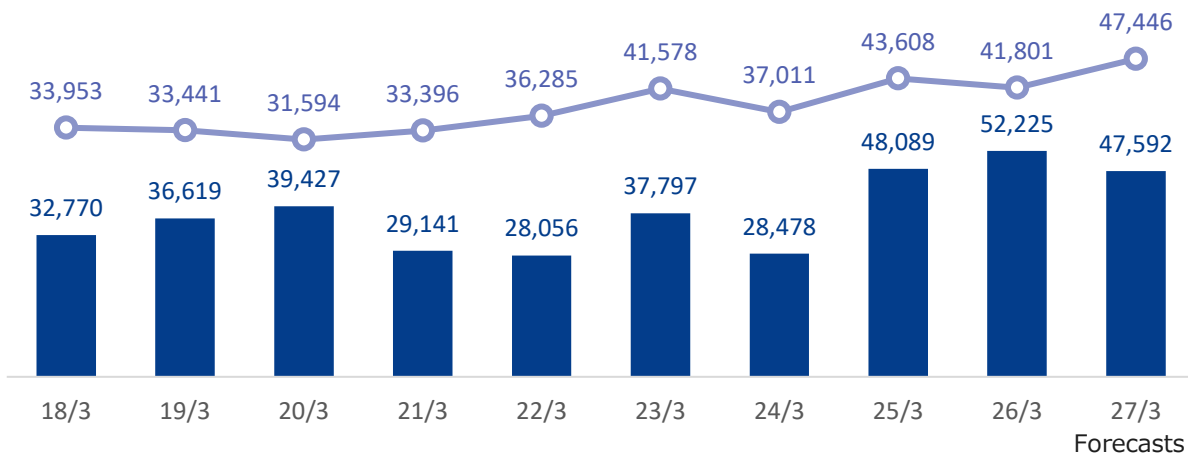


## Shareholder Returns (Hundred million yen)



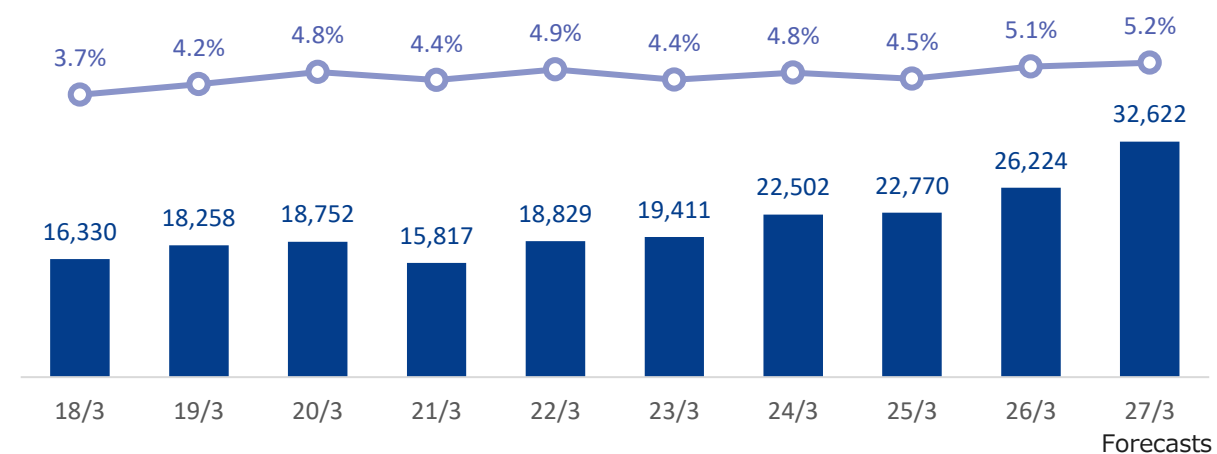
## Capital investments (Million yen)

### Depreciation (Million yen)



## R&D expenses (Million yen)

### R&D to Sales Ratio



# New coating technology toward carbon neutrality



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

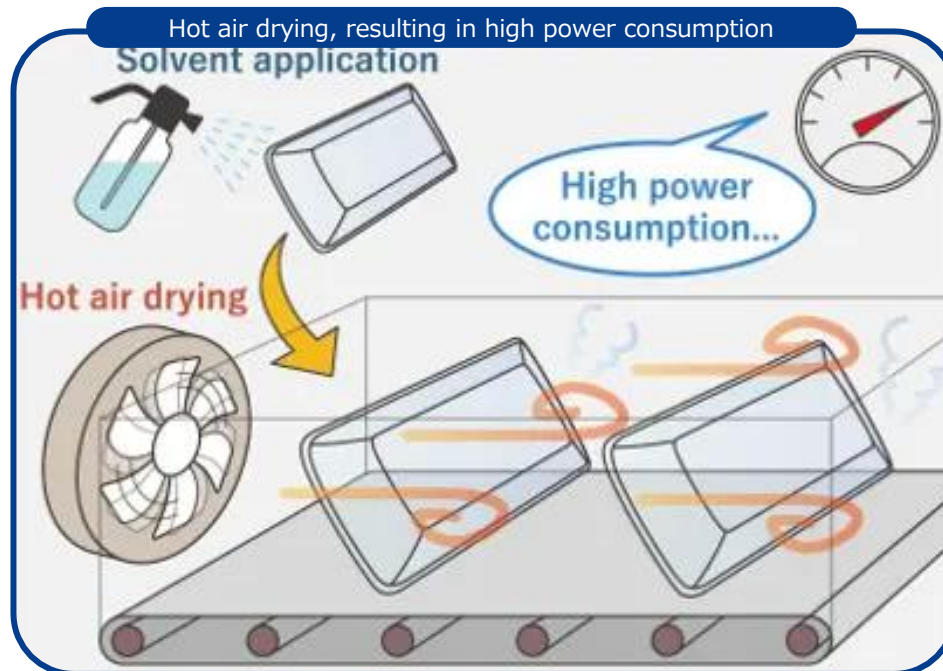
- Combines a newly developed UV-curable coating material with a manufacturing process that uses UV light.
- Energy consumption can be reduced by more than 70%.  
\*compared to FY2019 (coating processes)
- Prevent such streaking and maintaining long-term clarity by a UV-cured film.

## CO<sub>2</sub> emissions from business activities

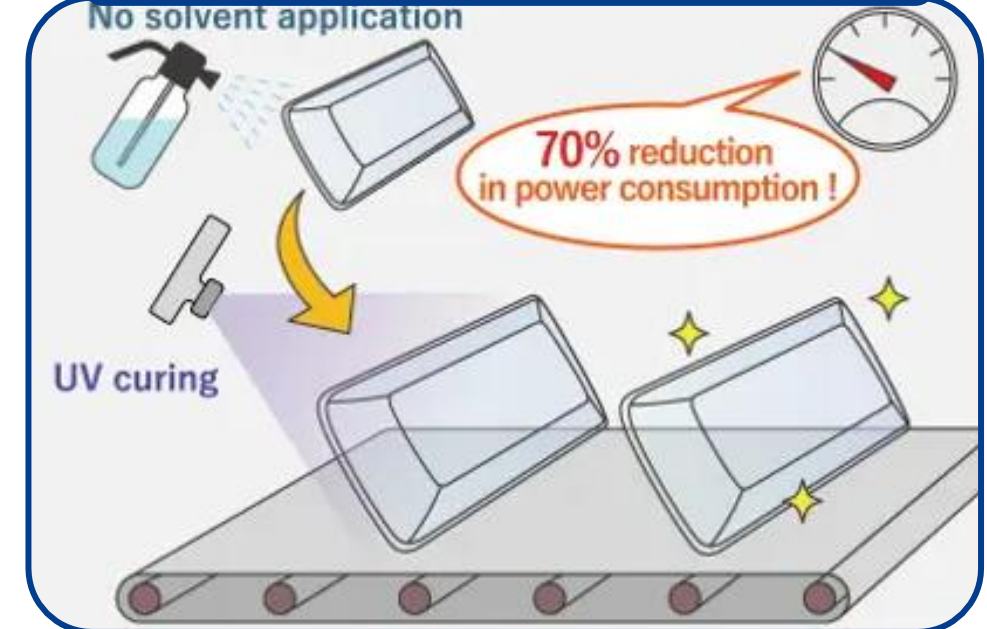
**Target** by 2030

**Reduce CO<sub>2</sub> emissions 50%** (compared to FY2019)

### Conventional Anti-Fog Coating



Cured by UV irradiation with a newly developed UV-curable coating material



## 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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