FY2027/3 1st Half
Financial Results

November 19, 2026

STANLEY ELECTRIC CO., LTD.

1. Summary of Financial Results for 1H of FY2027/3
2. Business Update
3. FY2027/3 Forecasts

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Director, Managing Executive Officer / CFO

Ikuo Kuwata

Key points of financial results for 1H of FY2027/3

Net sales	Operating profit
303.0 billion yen 〔Compared to 1H of FY2026/3 : +22.0%〕	**18.4 billion yen** 〔Compared to 1H of FY2026/3 : -0.3%〕

- Net sales increased despite continued challenging business conditions in China, supported by newly consolidated subsidiaries, solid performance in the Americas and Asia-Pacific (motorcycle business), and favorable foreign exchange effects.
- Operating profit remained in line with the same period of the previous fiscal year and exceeded our forecast.

1H of FY2027/3 Consolidated results summary

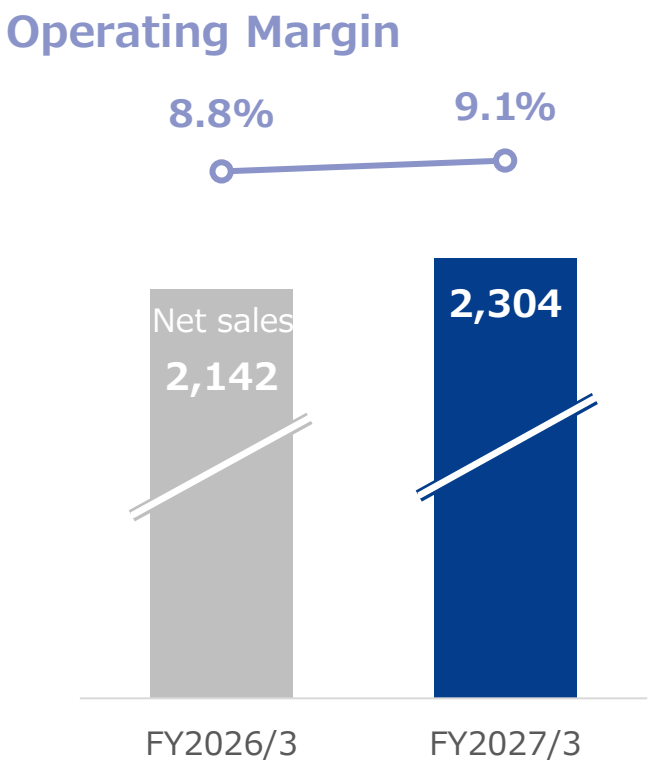
(Hundred million yen) Amounts rounded down	FY 2026/3 1H Results	FY 2027/3 1H Results	Year-on-Year Amount	 Percent
Net sales	2,484	3,030	546	22.0%
Operating profit	184	184	(0)	(0.3%)
	7.4%	6.1%	(1.4pt)	—
Ordinary profit	219	192	(27)	(12.5%)
Profit attributable to owners of parent	101	86	(15)	(14.8%)
	4.1%	2.9%	(1.2pt)	—
Capital expenditures	254	305	51	20.2%
Of which strategic investments	84	100	16	18.9%
Depreciation	201	246	44	22.2%
R&D expenses	132	182	50	37.9%
Equity Ratio	56.0%	49.3%	(6.7pt)	—
Basic earnings per share (yen)	69.37	70.39	1.02	1.5%
Exchange rate (USD/JPY)	146.16	159.95	13.79	9.4%

※ Capital expenditures include software investments related to SaaS.

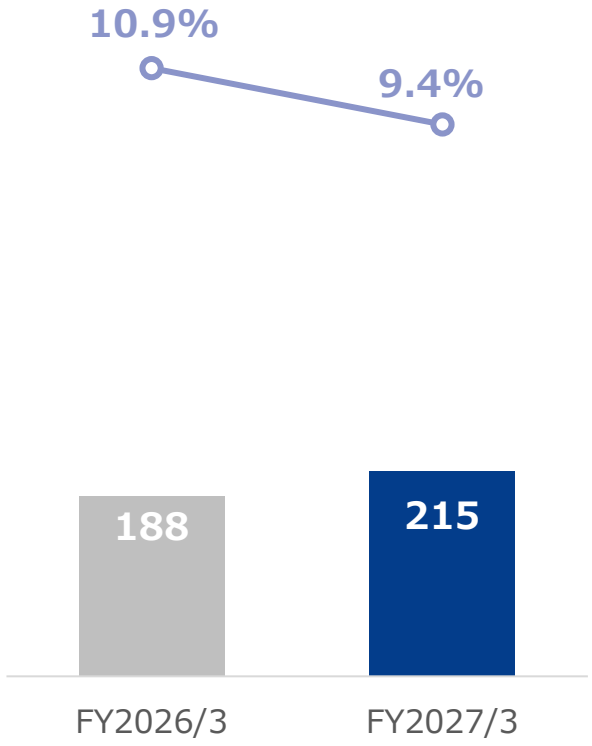
1H of FY2027/3 Consolidated results by Segment

(Hundred million yen)

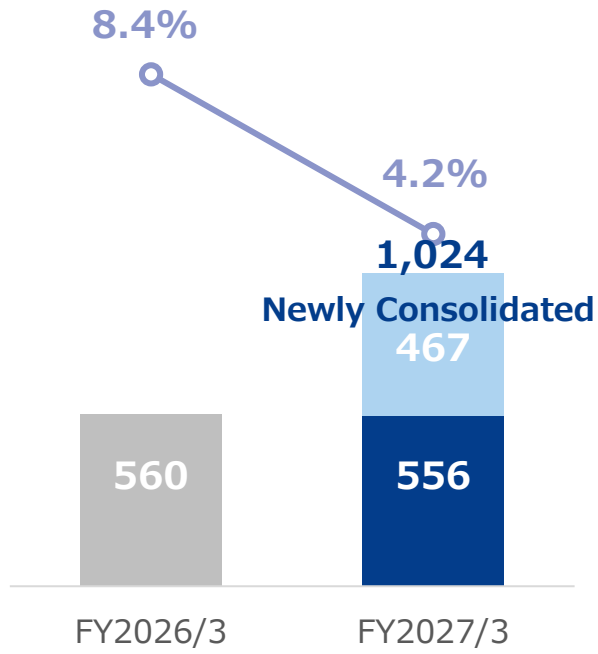
Automotive Equipment



Electronic Components



Applied Electronic Products



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

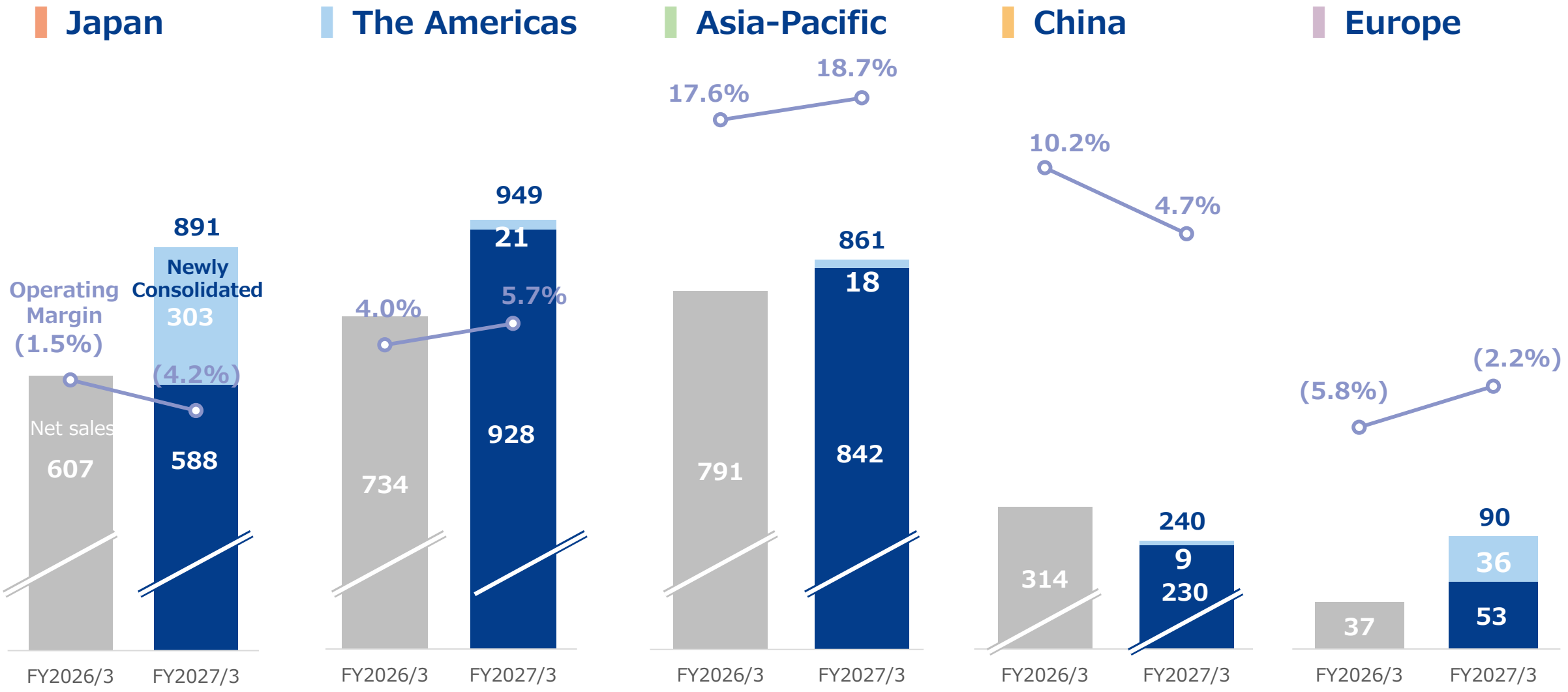
1H of FY2027/3 Sales to outside customers by Segment

	(Hundred million yen) Amounts rounded down	FY 2026/3 1H Results	FY 2027/3 1H Results	Year-on-Year Amount	Year-on-Year Percent
Automotive Equipment Business	Automobiles	1,690	1,747	57	3.4%
	Motorcycles	443	516	73	16.5%
	Subtotal	2,133	2,263	130	6.1%
Electronic Components Business		95	104	9	9.8%
Applied Electronic Products Business		255	272	16	6.6%
	Newly Consolidated	–	389	389	–
	Subtotal	255	662	406	158.9%
Total		2,484	3,030	546	22.0%

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

1H of FY2027/3 Information by geographical locations

(Hundred million yen)

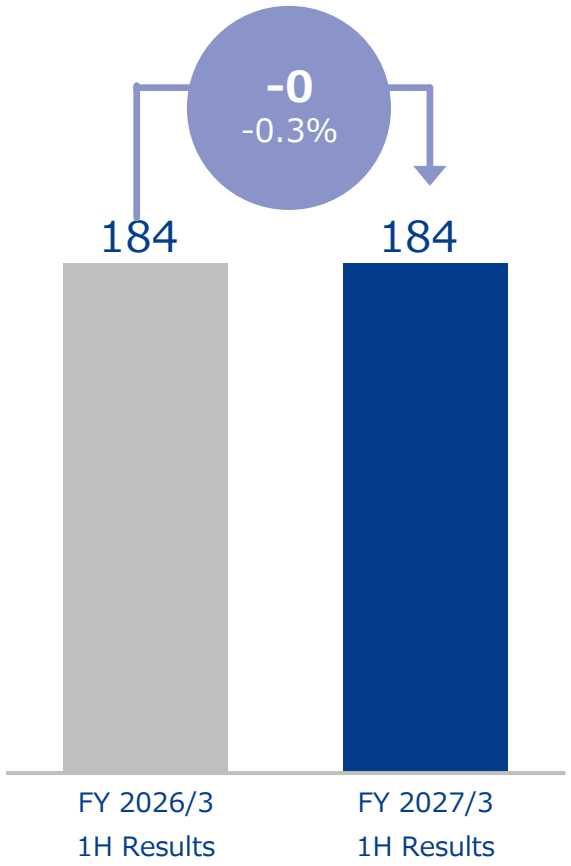


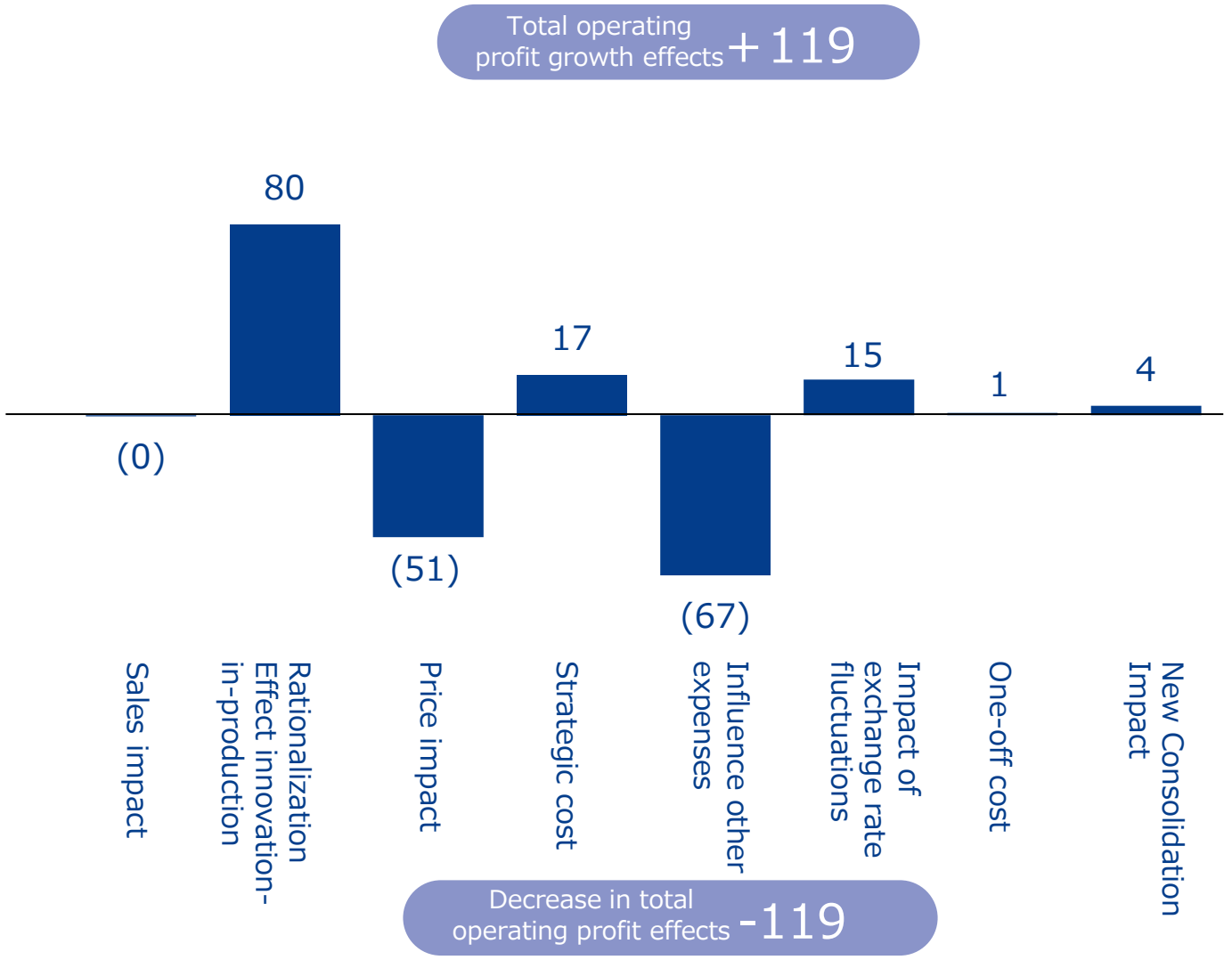
※ FY2027/3 Newly Consolidated (Applied Electronic Products Business) : Iwasaki Electric / Stanley Mobility Electric

1H of FY2027/3 Consolidated results affecting operating profit

Operating profit

(Hundred million yen)
Amounts rounded down





※ FY2027/3 New Consolidation (Electronic Applied Products Business): Iwasaki Electric / Stanley Mobility Electric

1. Summary of Financial Results for 1H of FY2027/3

2. Business Update

- Automotive Business: Customer Expansion
- China Business
- Electronics Business
- Initiatives to Improve Productivity

3. FY2027/3 Forecasts

Director, Senior Managing Executive Officer / COO / CSO
Kazuki Takano

Automotive Business: Customer Expansion

Winning non-Japanese OEM orders through local development and production

China

- Faster development through a stronger local development system
- Received RFQs from new local OEMs
- Motorcycle orders also increasing

Brazil

- Automobiles and motorcycle orders trending upward
- Production capacity expansion planned
- Stanley-Angstrom Electric (consolidated in 2024) now contributing to earnings

India

- Expanding proposals to Indian OEMs
- Strengthening proposals for ADAS installation

Models won from non-Japanese OEMs

FY2026 onward Mass production planned

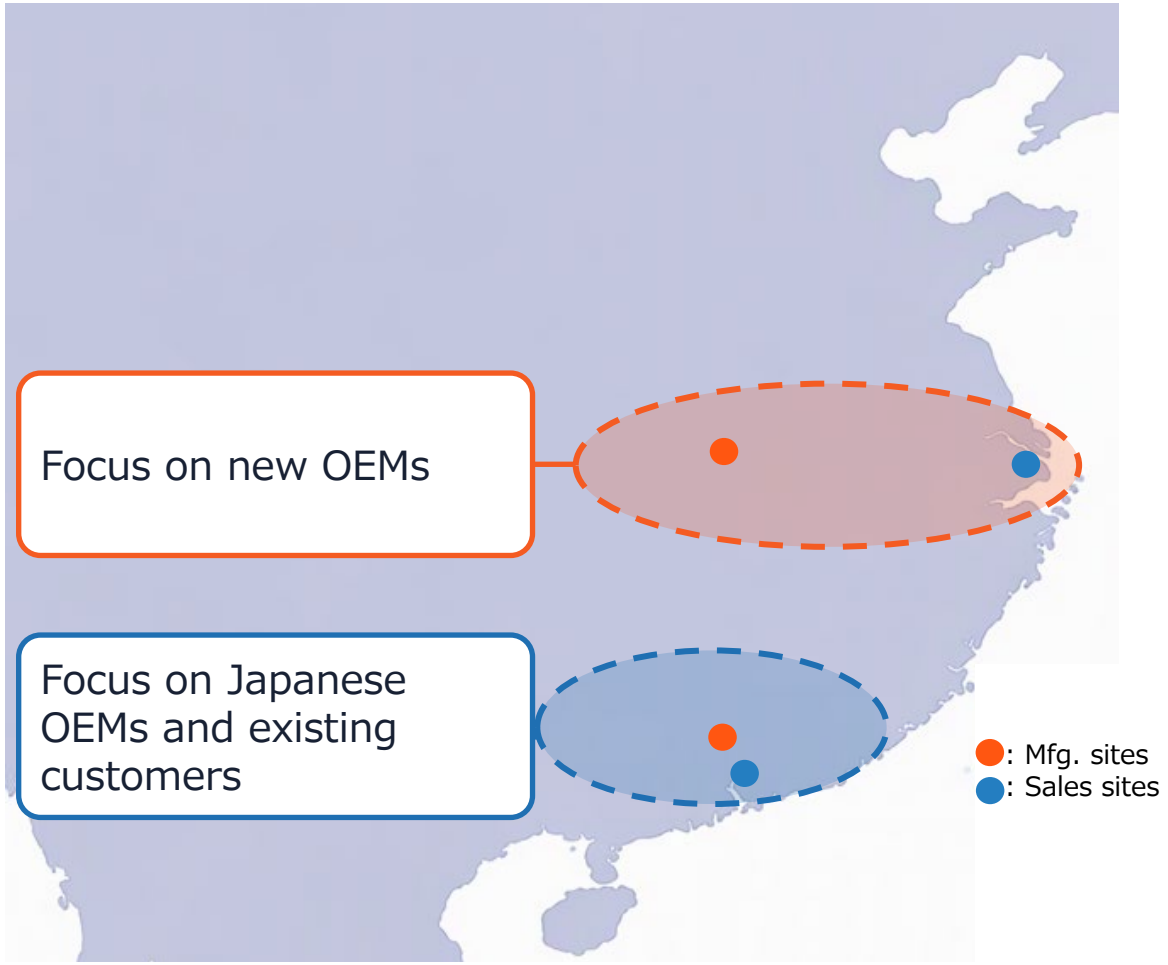
China	The Americas	Asia-Pacific
5 companies, **6** models	**3** companies, **5** models	**3** companies, **3** models

China Business

Expanding business with local OEMs through high-value-added products and price competitiveness

1. Build local connections through partner companies
2. Expand contacts and project opportunities with OEMs in the Huawei ecosystem; propose high-value-added products
3. Faster development through a stronger local development system
   Improve productivity to achieve cost competitiveness on par with local manufacturers
4. Review functional allocation to develop customers

Expand orders from local OEMs

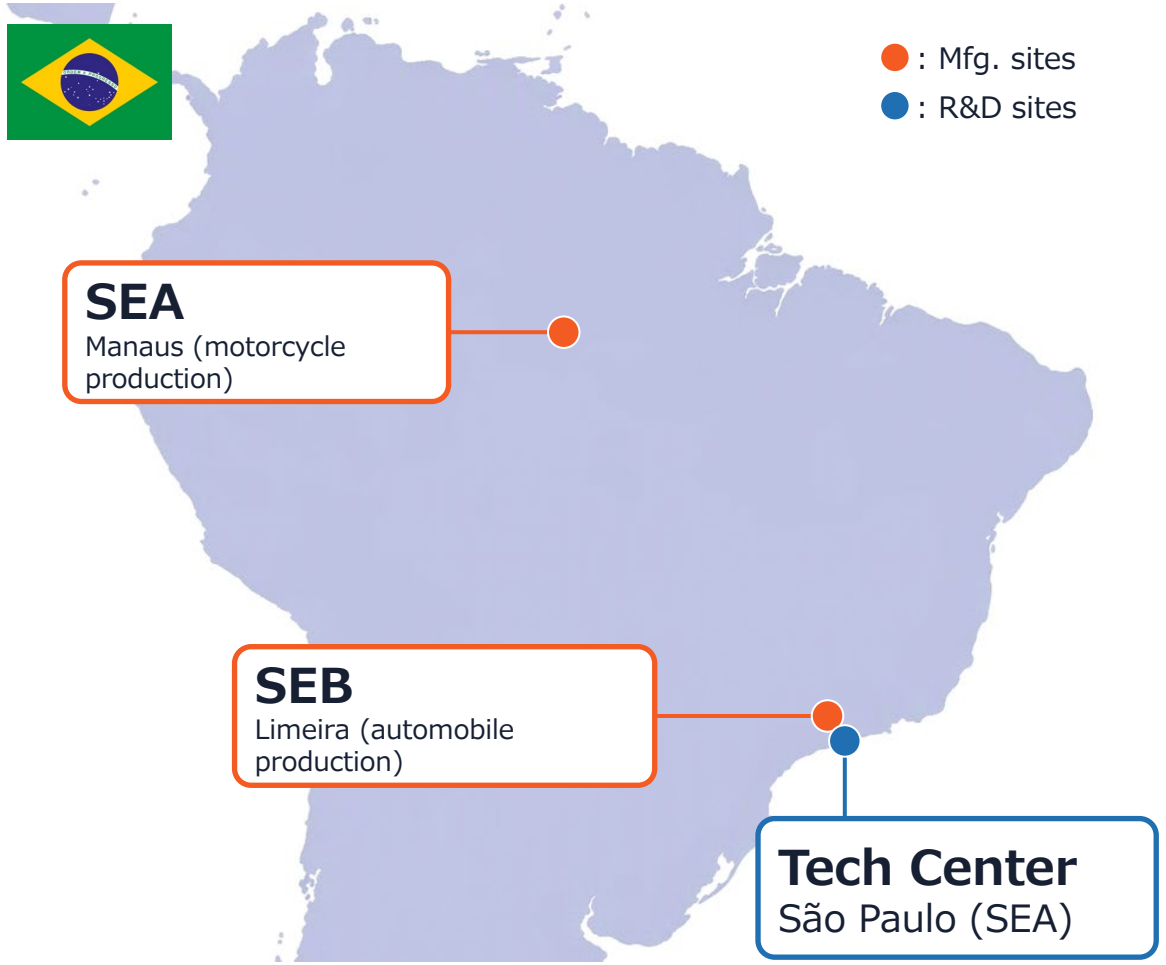


Brazil Business

Integrated local system in South America to develop non-Japanese automobile and motorcycle OEMs

1. Acquisition of SEA as a subsidiary secured a foundation to capture the motorcycle market
2. Strengthening approaches to non-Japanese OEMs in both automobiles and motorcycles
3. Leveraging SEA's Tech Center for end-to-end local support from design and development to production
4. Expanding production capacity for future orders

Order growth in both automobiles and motorcycles



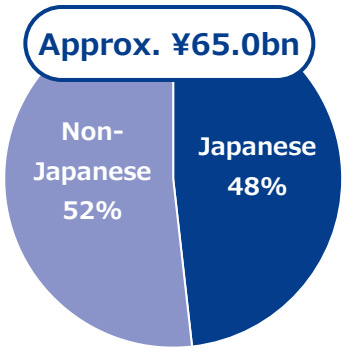
India Business

Strengthening collaboration with LUMAX to capture growth in India

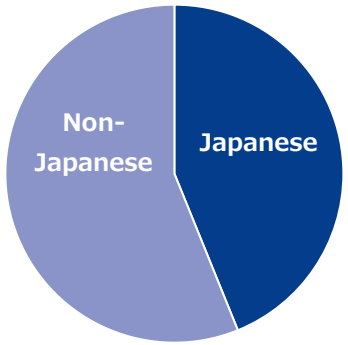
1. Deepen our partnership with LUMAX and broaden our offering from standalone lamps to lamp systems
2. Support Japanese OEMs' production growth with local capabilities leveraging LUMAX's development and production sites
3. Expand proposals to Indian OEMs, whose production is expected to grow, for both automobiles and motorcycles

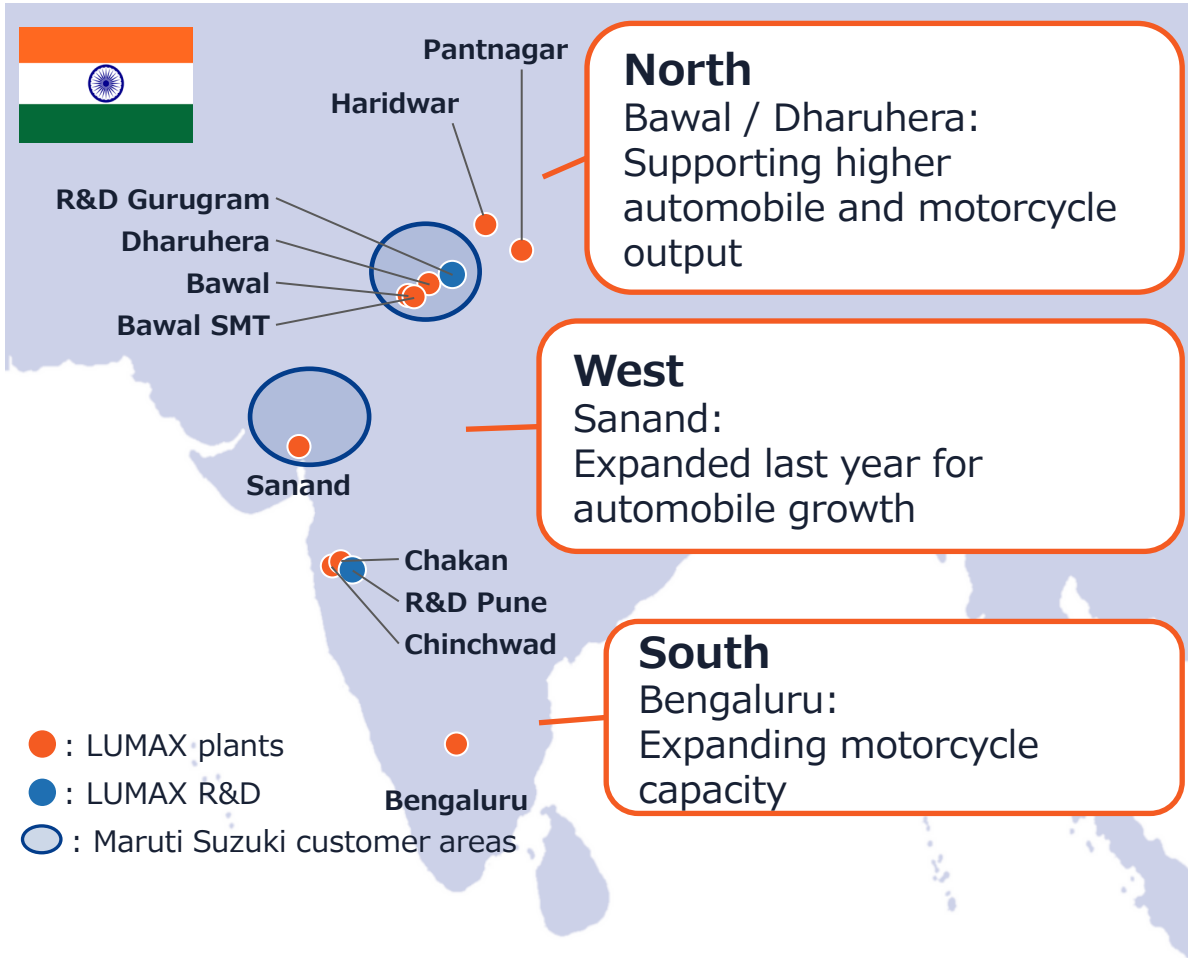
LUMAX Net Sales: Japanese / Non-Japanese OEM Mix

<2025>



<2029 (illustrative)>





North
Bawal / Dharuhera:
Supporting higher automobile and motorcycle output

West
Sanand:
Expanded last year for automobile growth

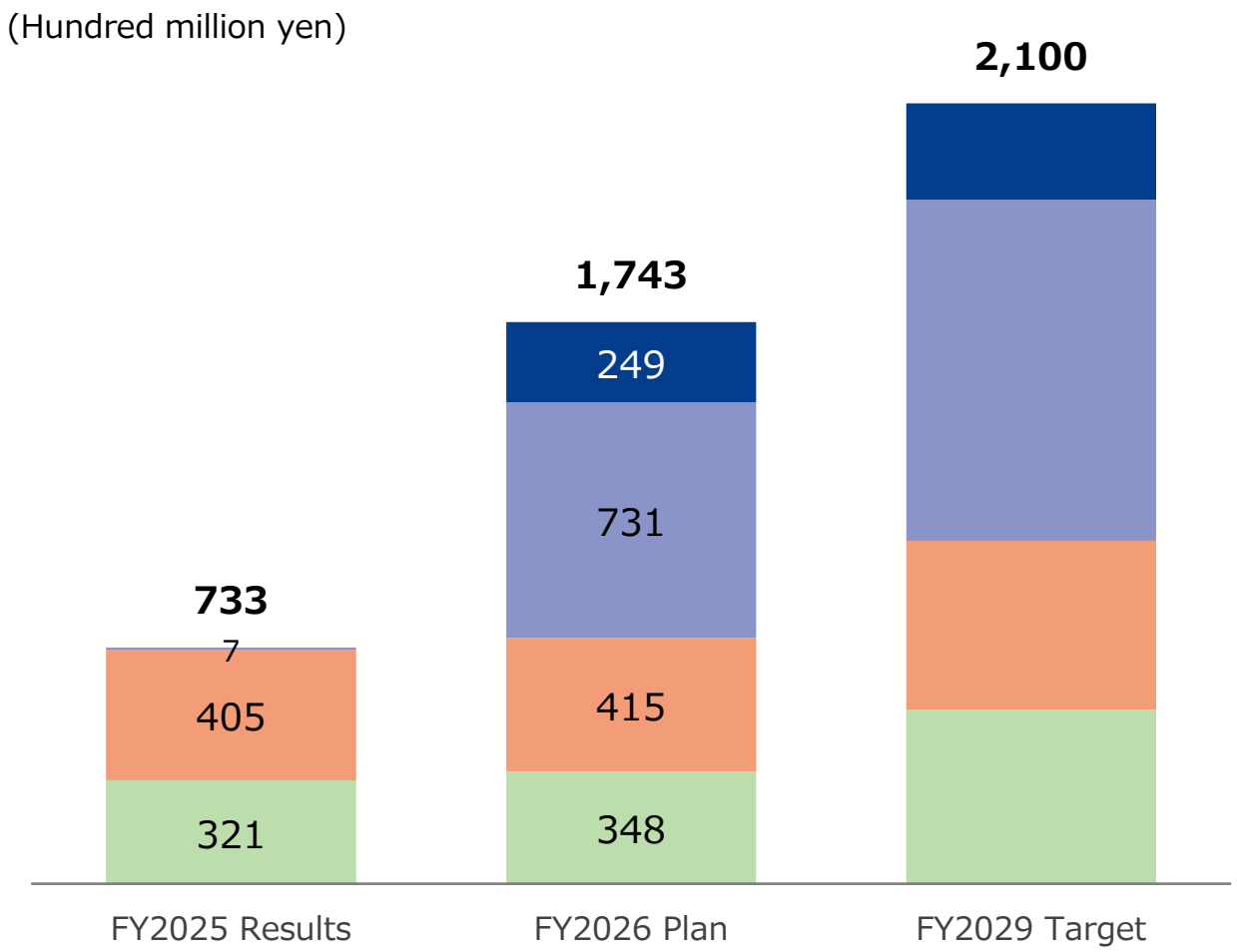
South
Bengaluru:
Expanding motorcycle capacity

Electronics Business

Grow the Electronics Business toward a 7:3 business portfolio

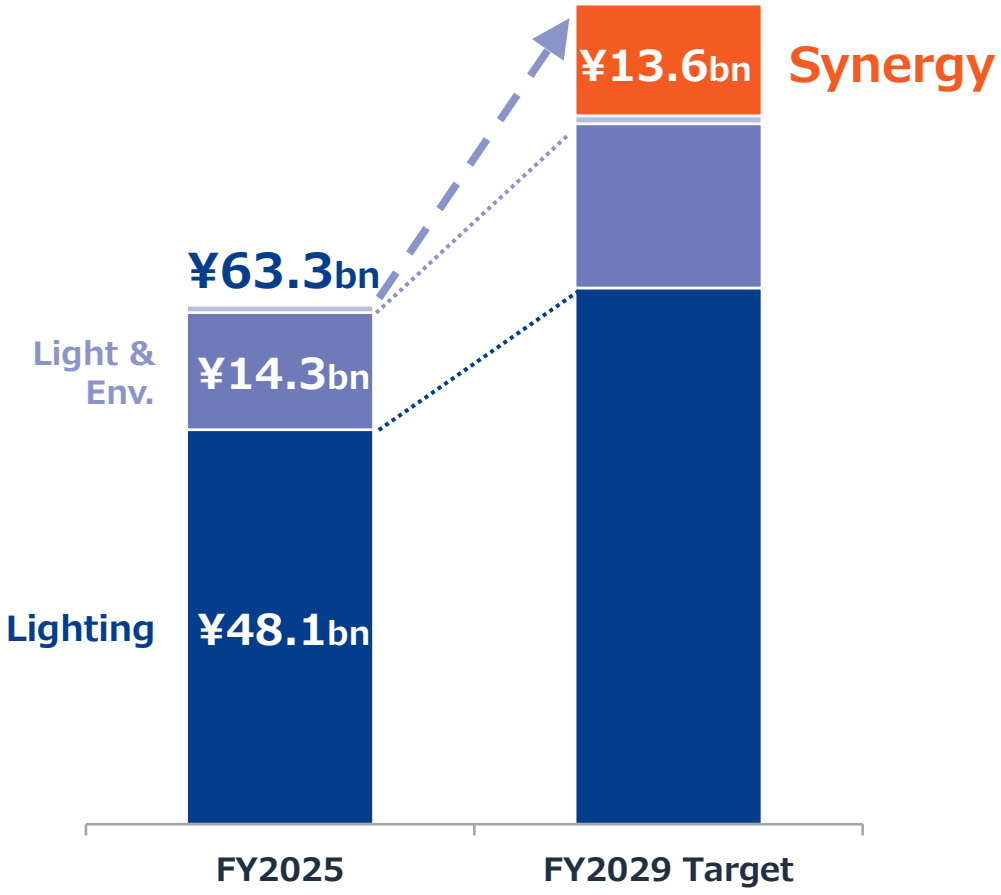
Automotive Systems	▌Lighting control modules ▌ECU
Social Infrastructure	▌UV products ▌Signage ▌Road lights, stadium lights, etc. ▌Industrial equipment
Automotive Devices	▌Automotive LEDs, sensors ▌Heater control panels ▌Automotive interiors ▌DMS
Consumer / Other	▌PC backlights ▌Printer operation panels

Electronics Business Net Sales Trend



Electronics Business: Social Infrastructure

Target ¥100.0bn in Social Infrastructure sales
via Iwasaki Electric's existing business growth and synergies



Synergy Effect ¥13.6bn

- Leverage Stanley's overseas production and sales channels to expand infrastructure LED lighting in ASEAN
- Cross-selling: mutual proposals to each other's customers
- Apply Stanley's technologies and light sources to Iwasaki Electric products



Growth Drivers of Existing Businesses

Lighting Solutions

- Capture government-driven LED replacement demand
- Expand ESCO business on energy-saving demand
- Win floodlight and sports lighting demand with light-pollution-control products

Lighting & Environment

- Capture demand for semiconductor manufacturing and UV disinfection equipment
- Comprehensive UV light source lineup to address high-power needs and mercury regulations

Electronics Business: ESCO Business

Covering equipment to maintenance expands order size and revenue period

ESCO Business

- All costs of a municipality's energy-saving renovation are covered by utility cost savings
- One-stop support from investment to maintenance

Equipment sales + **Prime contractor construction** + **Maintenance**

Long-term contract of approx. 10 years

Municipal Needs and Benefits

1. **Lower initial investment and level budgets**
2. **Single contact for installation and management reduces burden**
3. **Early energy savings and CO_2 reduction**
4. **Long-term outsourcing through operation and maintenance**

Iwasaki Electric

Strong public-sector customer base

- Project development and proposals well suited to each municipality's issues (bidding know-how × product specification expertise)
- Execution capability covering construction management, installation, and maintenance

Electronics Business: Iwasaki Electric Order Results

Kure City
Building ESCO (Civic Center)
FY2025 order **Approx. ¥1.4 bn**

Kawasaki City
Security Lighting ESCO
FY2026 order **Approx. ¥4.1 bn**

Chiba City
Security and Other Lighting ESCO
FY2025 order **Approx. ¥1.2 bn**

Hiroshima City

Outdoor Lighting ESCO (Parks)	FY2024 order **Approx. ¥1.8 bn**
Building ESCO (Fire Stations)	FY2024 order **Approx. ¥1.0 bn**
Building ESCO (Elementary Schools)	FY2025 order **Approx. ¥2.1 bn**
Building ESCO (Junior High Schools)	FY2025 order **Approx. ¥1.6 bn**

Matsuyama City
Public Facility Lighting ESCO
FY2026 order **Approx. ¥2.2 bn**

Okinawa Prefecture
Road Lighting ESCO
FY2025 order **Approx. ¥1.4 bn**

Okinawa

〈Illustration of a Security Lighting System〉



Initiatives to Improve Productivity

Strengthen earnings power by boosting productivity with AI and automation in both development and manufacturing

3x Development Speed

Now

**To identify issues,
started a two-shift trial in Japan**

Now

**Apply lessons learned
→ Establish a multi-site development system connecting Japan and Thailand**

- Standardize handover and decision criteria
- Expand application of AI and automation

**Follow-the-sun:
Global 24-hour development system**

2x Productivity

Now

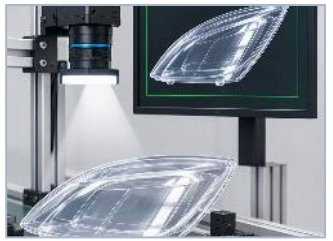
Pilot operation of process automation started at domestic sites



Resin molding
AI defect detection & packing



Transport
Robotic material handling



Surface treatment
AI defect detection

Expand automated and unmanned production

Achieve unmanned operation in all processes

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Director, Senior Managing Executive Officer / COO /CSO
Kazuki Takano

FY2027/3 Consolidated Forecast: Overview

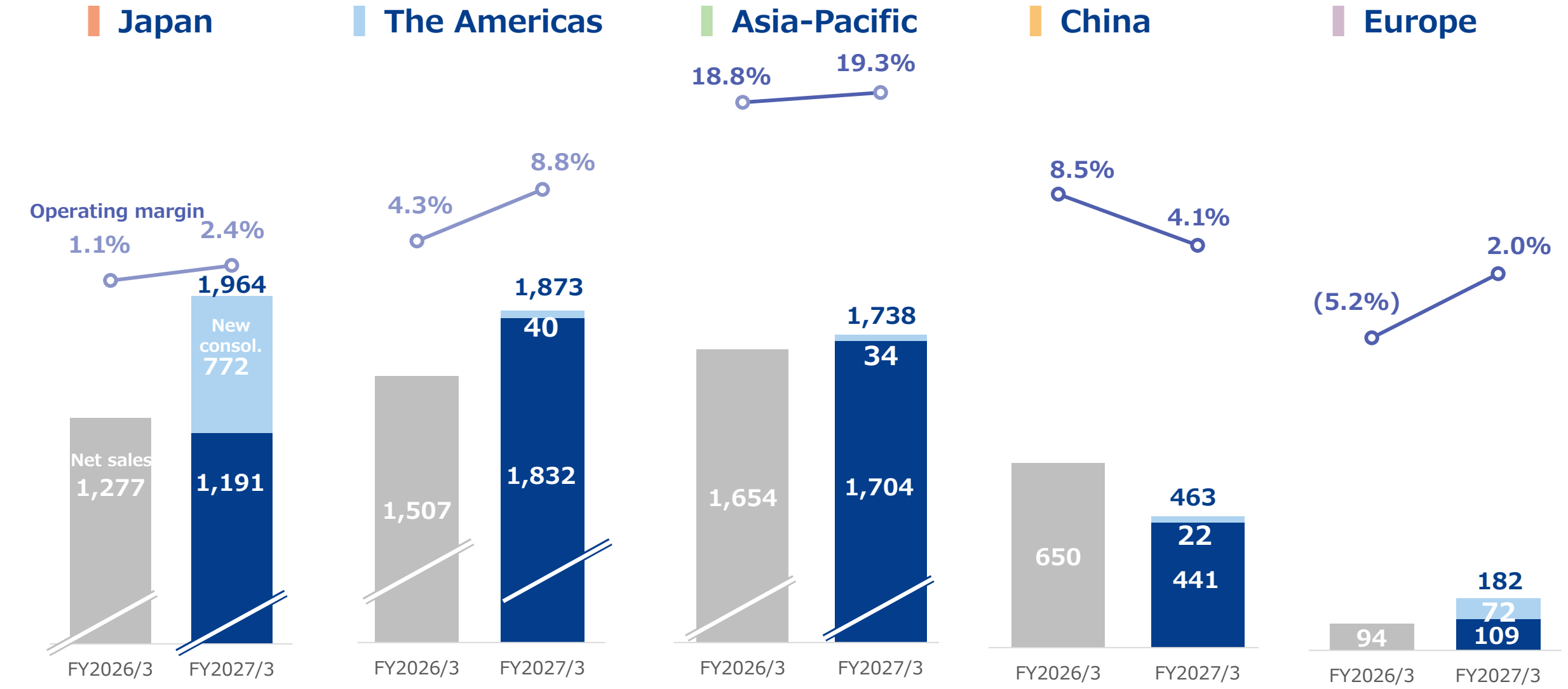
(Hundred million yen) Amounts rounded down	FY 2026/3 Results	FY 2027/3 Forecasts	Year-on-Year Amount	Year-on-Year Percent
Net sales	5,184	6,220	1,035	20.0%
Operating income	426	550	123	28.9%
	8.2%	8.8%	0.6pt	—
Ordinary income	508	580	71	14.1%
Profit attributable to owners of parent	328	340	11	3.6%
	6.3%	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	276.38	35.87	14.9%
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 Forecast: Results by Region

(Hundred million yen)

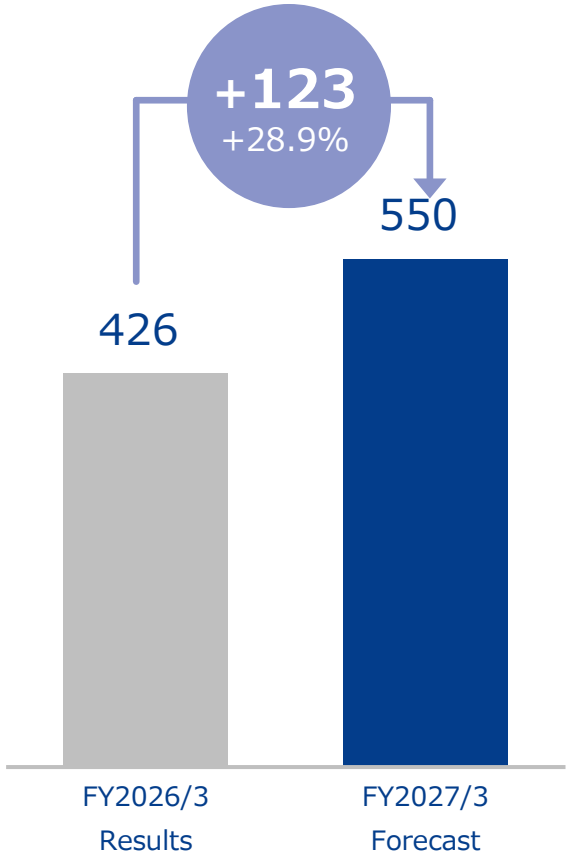


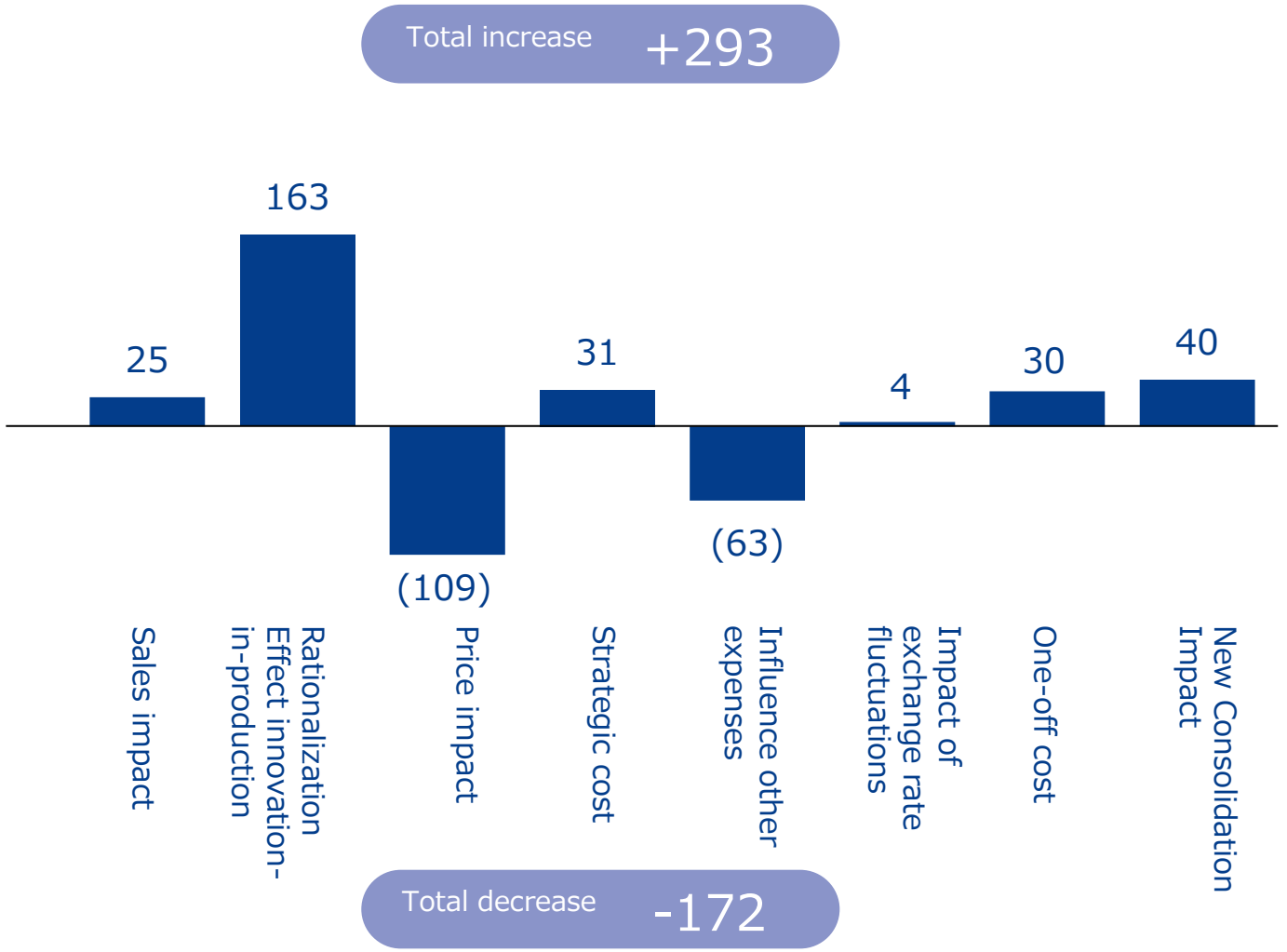
* FY2027/3 Newly consolidated (Applied Electronic Products Business): Iwasaki Electric / Stanley Mobility Electric

FY2027/3 Forecast: Operating Income Change Factors

Operating profit

(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 Shareholder Returns

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

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

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