



# FY2024/3 Financial Results

May.17th, 2024

STANLEY ELECTRIC CO., LTD.

▶ STANLEY GROUP VISION **Outshining Light**

# **FY2024/3 Financial Results**

- 1. Summary of financial results for FY2024/3 and the VIII Three-year Medium-term Management Plan (VIII MTP)**
- 2. Progress on VIII MTP**
- 3. Financial results for FY2024/3 and outlook for FY2025/3**

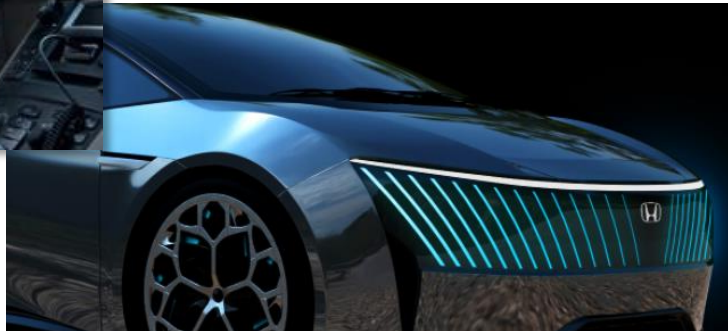
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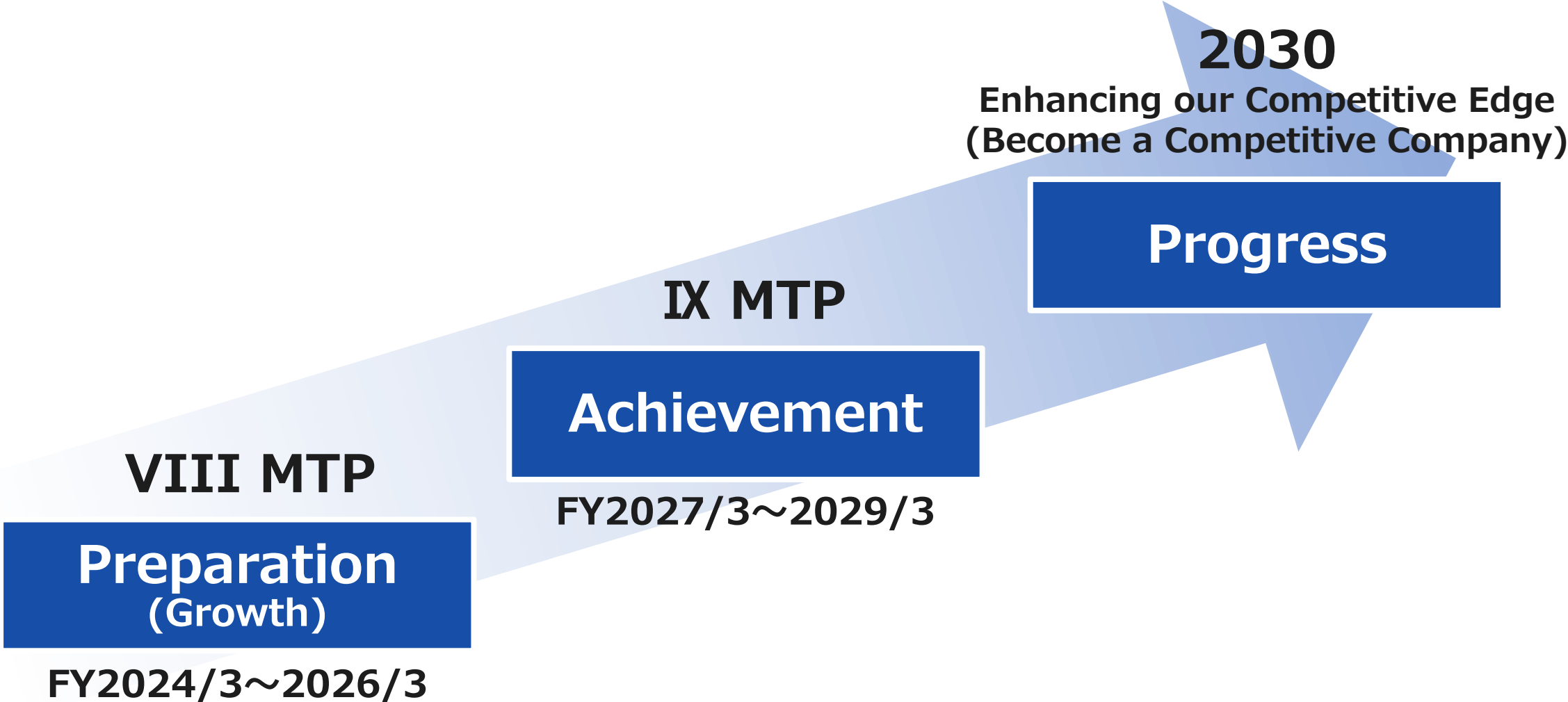
# 1-1 The value that we deliver



**Contributing to a society that has achieved a sense of safety and security**

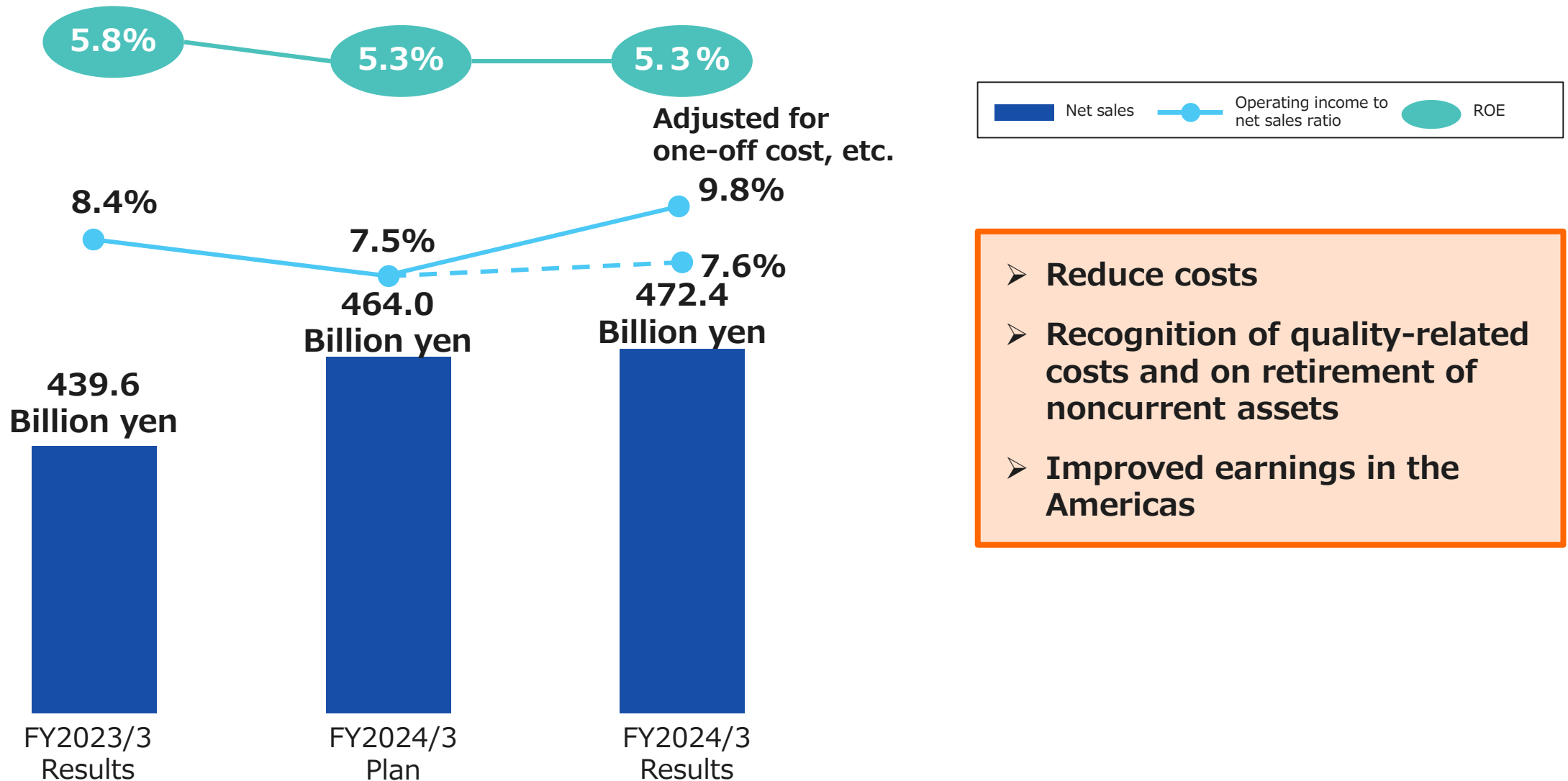


- 
- **Manufacturing under TADAS Concept**
  - **Developing new markets with distinct light technology**
  - **Challenging with speed as 'One Stanley'**



# Results of FY2024/3





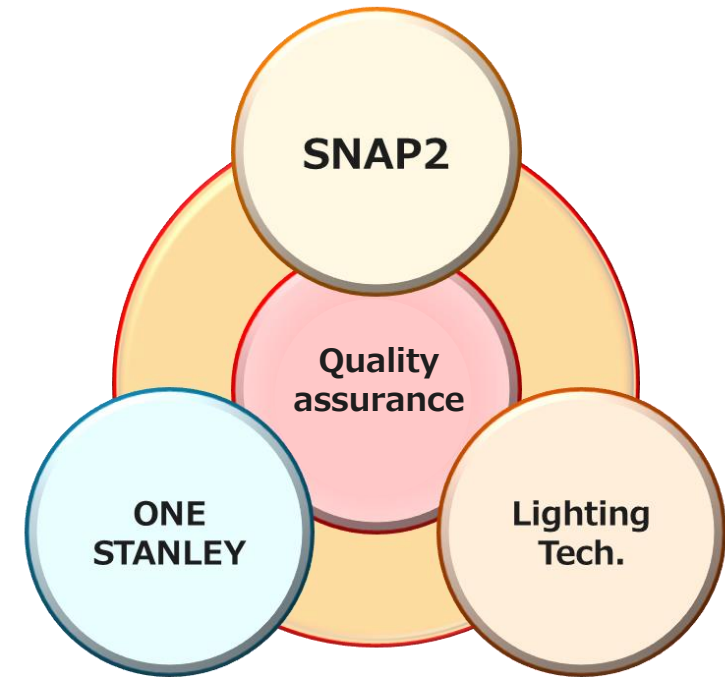
- Reduce costs
- Recognition of quality-related costs and on retirement of noncurrent assets
- Improved earnings in the Americas



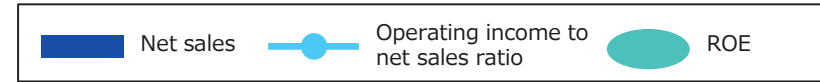
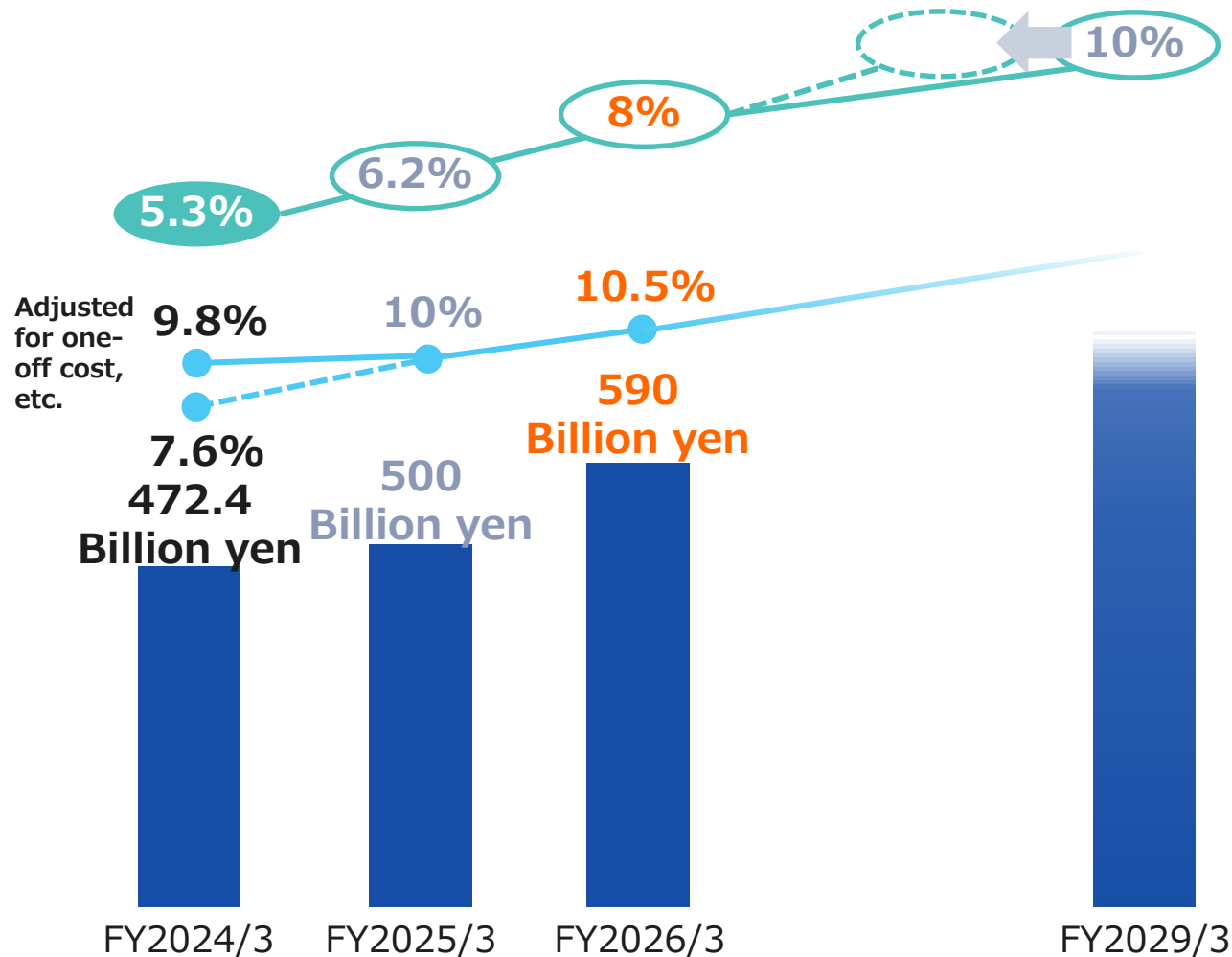
# Enhancing our Competitive Edge



## Enhancing our Competitive Edge



# 1-8 Enhancing our Competitive Edge



### Updated targets under VIII MTP

- Net sales : 550 Billion yen ⇒ 590 Billion yen
- Operating income to net sales ratio : 10% ⇒ 10.5%  
(Responsible profits 10%)
- ROE : 8% (unchanged)

# Initiatives for enhancing competitiveness

- **Automotive business strategy**
- **Electronics business strategy**
- **Production innovation activity ~SNAP 2~**

# 1-10 Automotive business strategy



## Trends in automobiles

- Turn signals are getting enlarged to define the front design of cars, while cornering lights (low/high) are being made invisible.
- The progress of ADAS has increased the importance of cabin space with more displays installed.
- A further shift to software defined vehicles (SDVs) is expected.

## Trends in motorcycles

- The ASEAN region is seeing an increase in the number of motorcycles sold.
- The number of electric motorcycles sold is on the rise due to stricter emission gas regulations, etc.
- More models are equipped with ARAS functions to reduce accidents.

### Automobile equipment business

Evolving into a new generation of lighting products: Integration of styling and safety

### Motorcycle equipment business

**SMART & COOL** **BEV**

Exterior: Communication with the surroundings

LED body lights

Road surface projection

Courtesy lamps (welcome function)

**ICE**

Interior devices connected to ADAS: Warning of danger by lighting utilizing eye-tracking technology

**SMART & COOL** **BEV**

Road surface projection

ADB headlamps for motorcycles

**LED body lights**

**ICE**

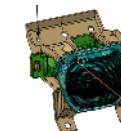
Road surface projection

### Common technologies

Light Source <Wind angle LED Source> <Narrow angle LED Source>



**H/L Module**  
10mm thick

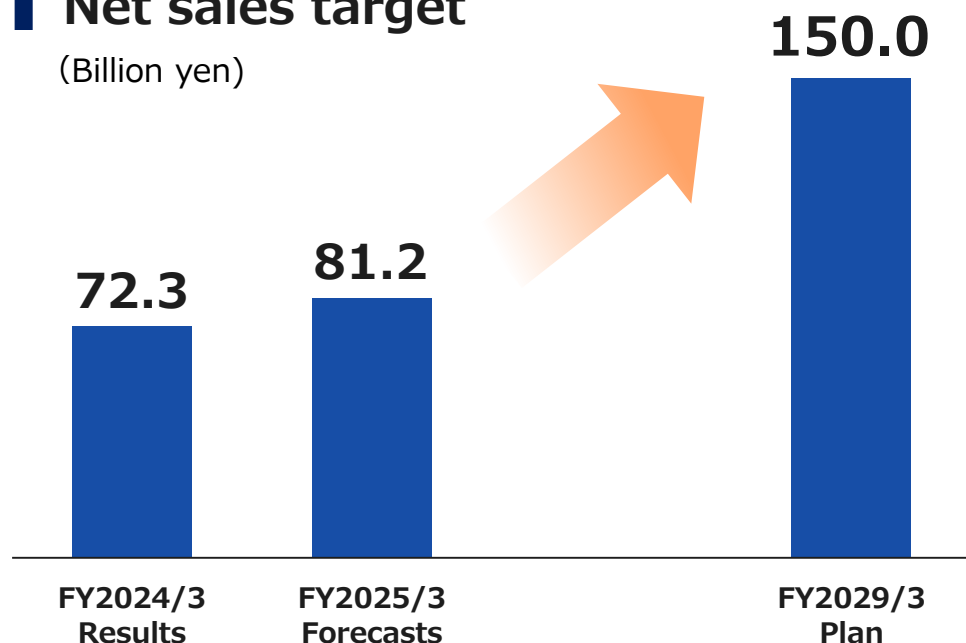


Non-mechanical compact  
Bi-ADBΦ40mm

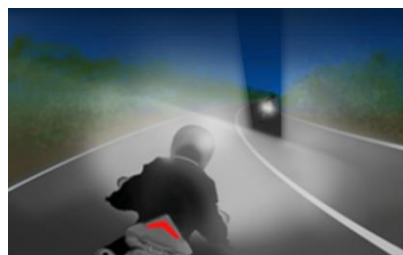
# 1-11 Expansion of the motorcycle equipment business

## Net sales target

(Billion yen)



Motorcycle EV [Smart&Cool]



Motorcycle ADB (Adopted for motorcycles for the first time in the world)

**Global FY2029/3 Net sales target : 150 Billion yen**

### ① Enhance business in South Asia

Turn THS into a consolidated subsidiary and establish it as an Asia-Pacific hub for our motorcycle equipment business to solidify our presence in terms of market shares in the ASEAN region and further expand shares in the Philippines and Pakistan.

### ② Expand market shares in India

Seek to expand shares in the supply of OEM parts in India through partnership with Lumax, a leading automotive lighting manufacturer in India, first in the supply to subsidiaries of Japanese companies such as Maruti Suzuki and then in the supply to Indian motorcycle manufactures.

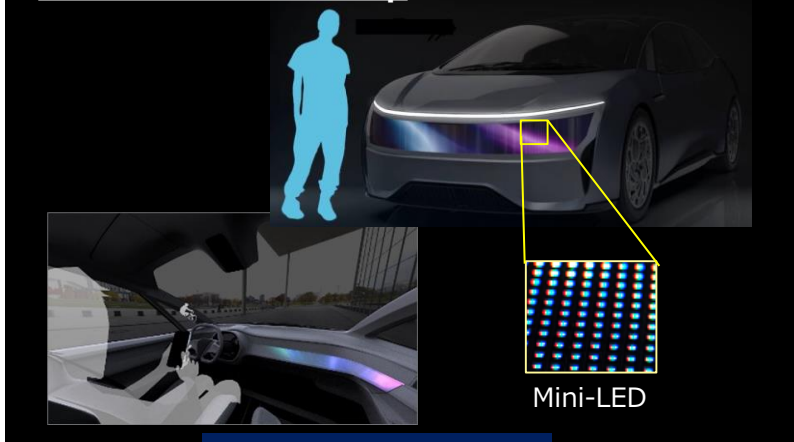
Strive to enhance the India Satellite Center and its R&D function, as we believe strengthening local capacity for product development is key to expanding shares.

### ③ Rebuild business in South America

Introduce new schemes to increase market shares particularly in Brazil, which is defined as our priority market.



## Communication Lamp



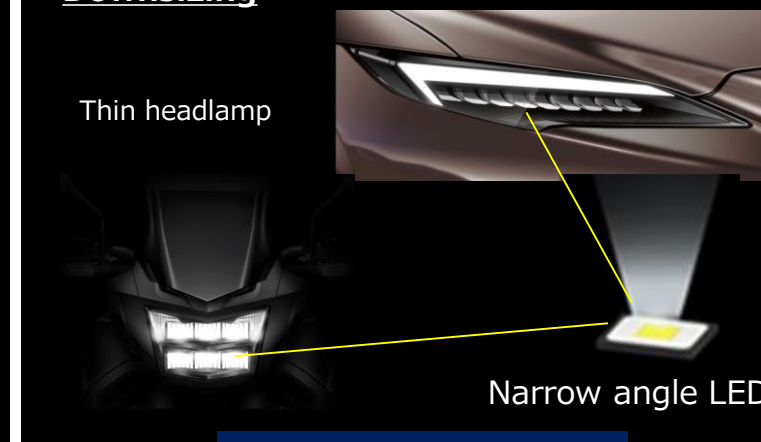
**Flexible Display**

## Multi-function Display



**Backlight**

## Downsizing



**Narrow angle LED**

## Accident-free society



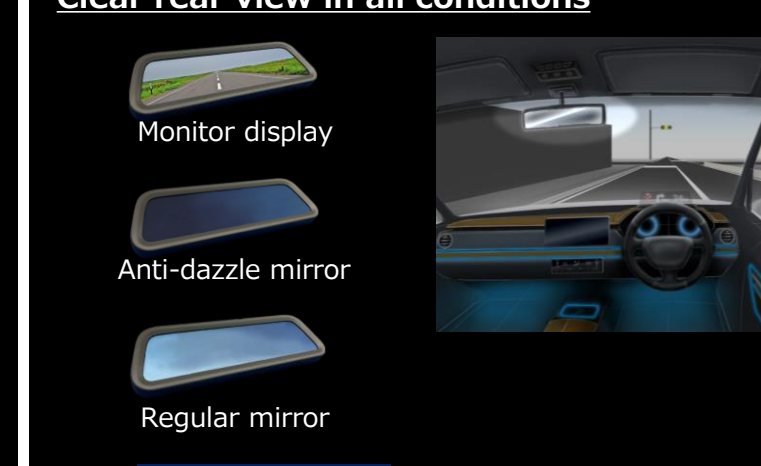
**LiDAR emitters**

## Safe and carefree water



**UV-C LED <265nm>**

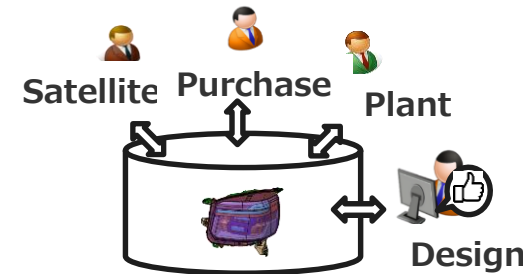
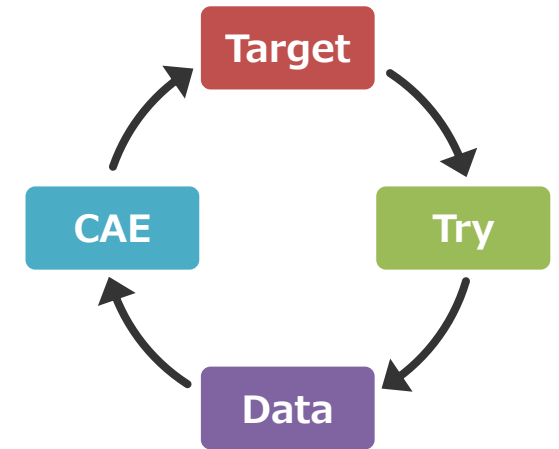
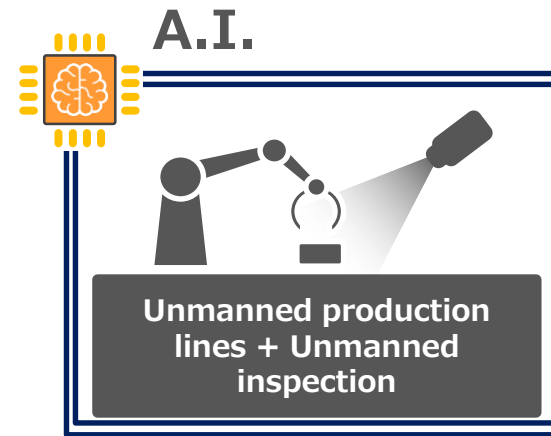
## Clear rear view in all conditions



**Mirror LCD**



- **Thorough redesign of product architecture**
- **Elimination of deep-rooted defects**
- **50% cut in the cost of development**
- **Global deployment of digital transformation technologies**



**For enhancing corporate value**

## Steady improvement in earnings

- Automobile equipment business
- Motorcycle equipment business
- Electronics business



## Appropriate capital policy

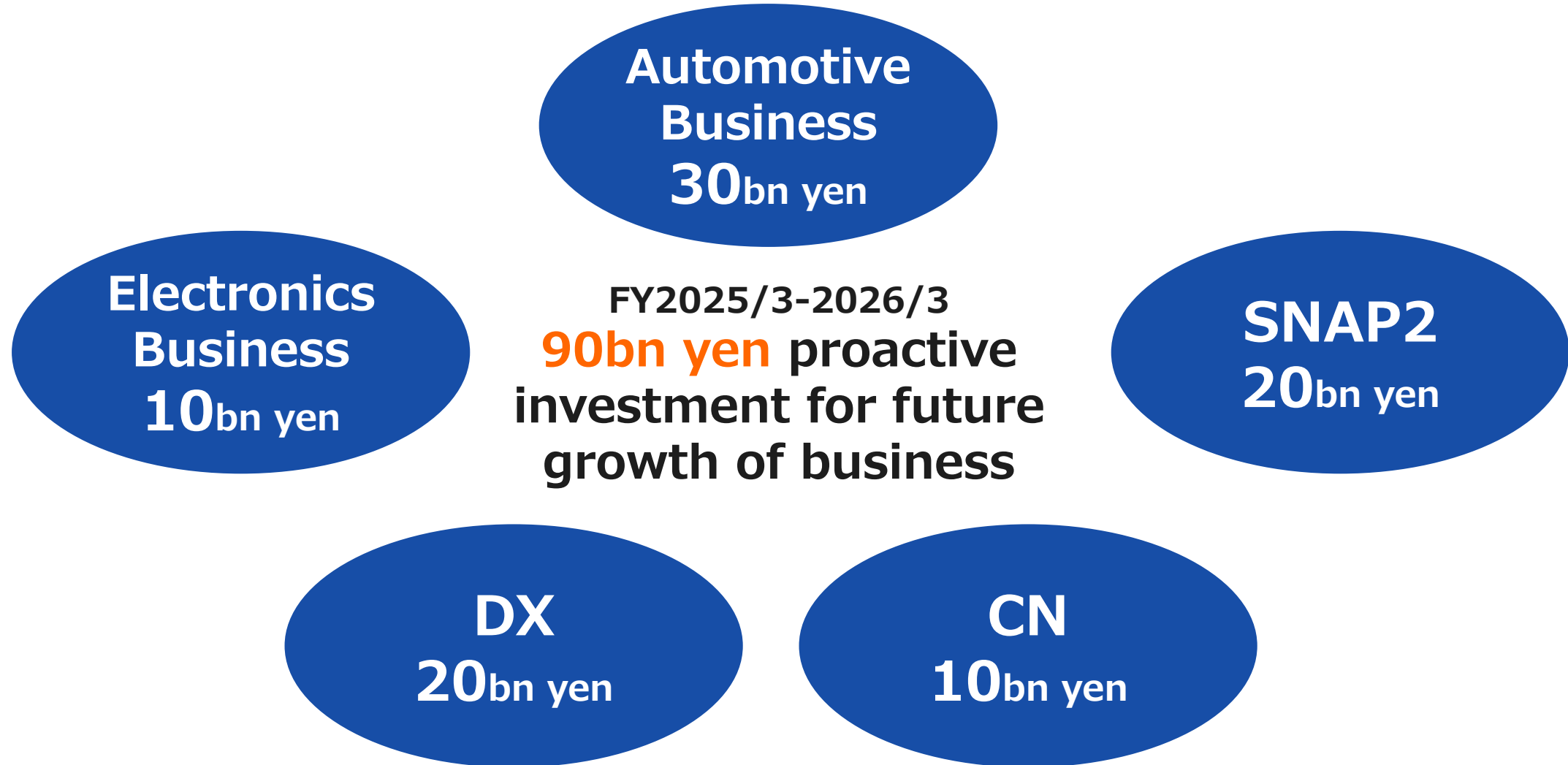
- Shift to BS-oriented management
- Appropriate investments (Cash allocation)
- Development into the future (M&A, etc.)



## Shareholder Returns

- Purchase of treasury stock
- Dividends

Seek to achieve **PBR above 1x**  
by pursuing business growth and improving capital efficiency



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# Automotive business strategy

## «Automotive equipment business»

- Automobiles : Offer exterior and interior systems connected to AD/ADAS functions for both BEVs and ICEs
- Motorcycles : Seek to acquire market shares in more emerging countries on top of those in Southeast Asia

Enhance automobile and motorcycle equipment business operations particularly in South America and India

### ① South America

- Consider various options including new investments, M&As, and business alliances to implement an optimal set of measures in the first half of FY2025/3 in Brazil, where our presence is limited to Sao Paulo-based SEB producing lights for automobiles, with an eye to exploring opportunities in the motorcycle market that is expected to grow steadily over the next 10 years or more, and expanding our customer base to include non-Japanese automobile manufacturers

### ② India

- In line with the concept that “cars produced locally should be developed locally,” speed up development and facilitate production preparation activities to improve customer satisfaction and increase order inflows
- Double the local production capacity by applying the production line plan for doubling efficiency, an initiative currently implemented in Japan, to Lumax plants in India, with an eye to boosting order inflows and improving profitability



### Automotive business strategy

#### Vis-à-vis Japanese customers

Increase shares in the supply to automobile and motorcycle manufactures by offering next-generation lighting devices based on the idea of being smart and cool

#### Vis-à-vis non-Japanese customers

##### ■ FY2024/3 Order received and accepted

OEM parts (HLs, RCs, LIDs, and grille lamps) for local companies in China

##### ■ FY2025/3 Production to be commenced

Americas: Start producing 3 types of lamps for 2 models

Europe: Start producing 1 type of lamp for 1 model

##### ■ FY2025/3 Competitors' plans

Americas: 4 models / Europe: 4 models / China: 2 models

☞ Seek to acquire new non-Japanese customers, particularly in **South America and India**, for OEM automobile and motorcycle parts

FY2029/3  
Share of sales to  
non-Japanese  
customers

8%

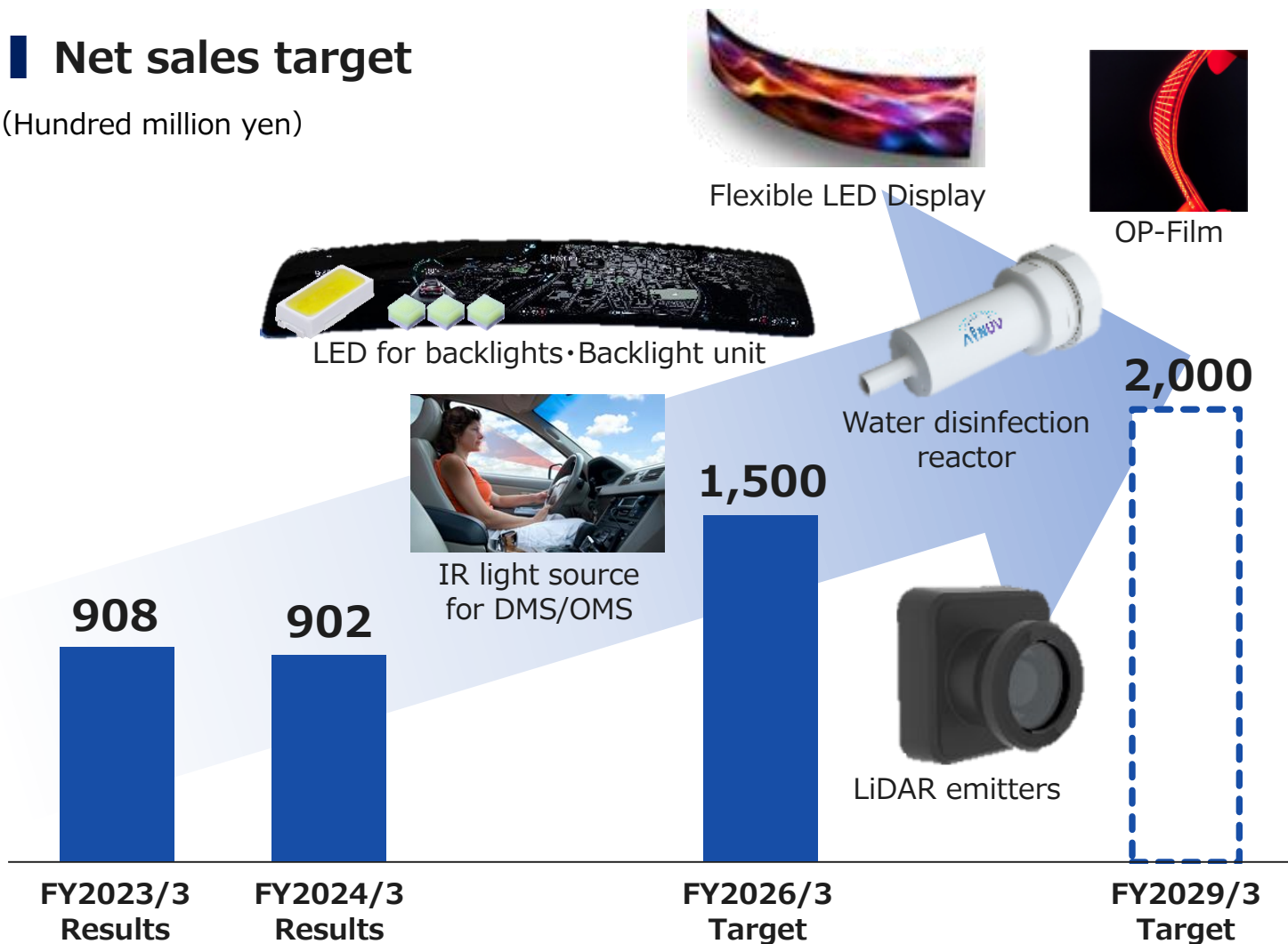




# 2-3 Electronics business strategy

## Net sales target

(Hundred million yen)



## FY2024/3 Results

Enjoyed a steady increase in orders for IR LEDs and IR VCSELs and entered the disinfection market where light sources for disinfection devices are shifting to LEDs

## Toward achieving targets for FY2026/3 and FY2029/3

- In the area of UV devices, expand sales of NUV-LEDs for deodorizing devices in addition to those for water disinfection
- Offer and promote flexible LED displays for automotive applications
- Enhance the line-up of LiDAR emitters for automotive and industrial machinery applications
- Offer and promote OP-Film for automotive applications and for lighting and artistic effects in games

etc.

※ The net sales amounts include sales of accessories and devices, which have been reclassified into the automotive equipment business effective from FY2024/3.  
 ※ These amounts represent the total of net sales of the electronic components business and the applied electronic products business generated by selling products to external customers

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(Hundred million yen) Amounts less than shown are rounded down	FY2023/3 Results	FY2024/3 Results	Compared to the previous year		FY2024/3 Plan on 2023/10/31	Compared to plan	
			Amount increase or decrease	Percent increase or decrease		Amount	Percent
Net sales	4,395.7	<b>4,723.9</b>	328.2	7.5%	4,640.0	83.9	1.8%
Operating income	367.1	<b>358.3</b>	-8.7	-2.4%	350.0	8.3	2.4%
Operating income to net sales ratio	8.4%	<b>7.6%</b>	-0.8pt	-	7.5%	0.0pt	-
Ordinary income	448.7	<b>480.6</b>	31.9	7.1%	425.0	55.6	13.1%
Net income attributable to owners of parent	264.9	<b>264.9</b>	0.0	0.0%	255.0	9.9	3.9%
Net income per share (yen)	162.32	<b>162.41</b>	0.09	0.1%	155.30	7.11	4.6%
Exchange rate (yen) USD	136.00	<b>145.31</b>	9.31	6.8%	135.00	10.31	7.6%

### ■ Impact of foreign exchange fluctuations

**Net sales** Up by some 17.6bn yen

**Operating income** Up by some 1.6bn yen

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

**Net sales** **3.01**bn yen

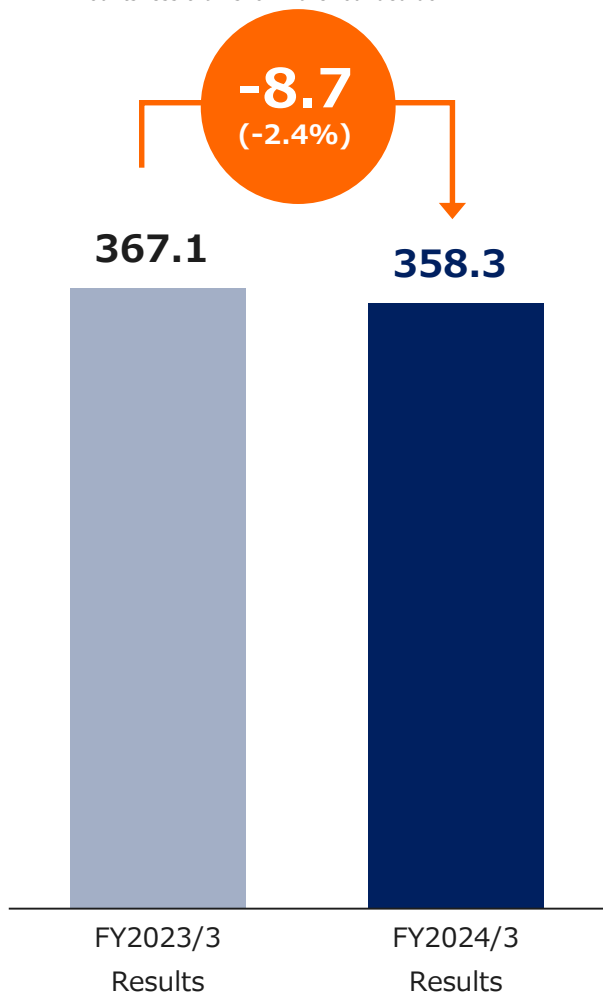
**Operating income** **0.23**bn yen

### ■ Investments

	FY2023/3 Results	FY2024/3 Results
<b>Capital investments</b>	<b>35.22</b> bn yen	<b>34.45</b> bn yen
	Of which strategic investments	<b>14.94</b> bn yen
<b>Depreciation</b>	<b>41.57</b> bn yen	<b>37.01</b> bn yen
<b>R&amp;D expenses</b>	<b>19.41</b> bn yen	<b>22.50</b> bn yen

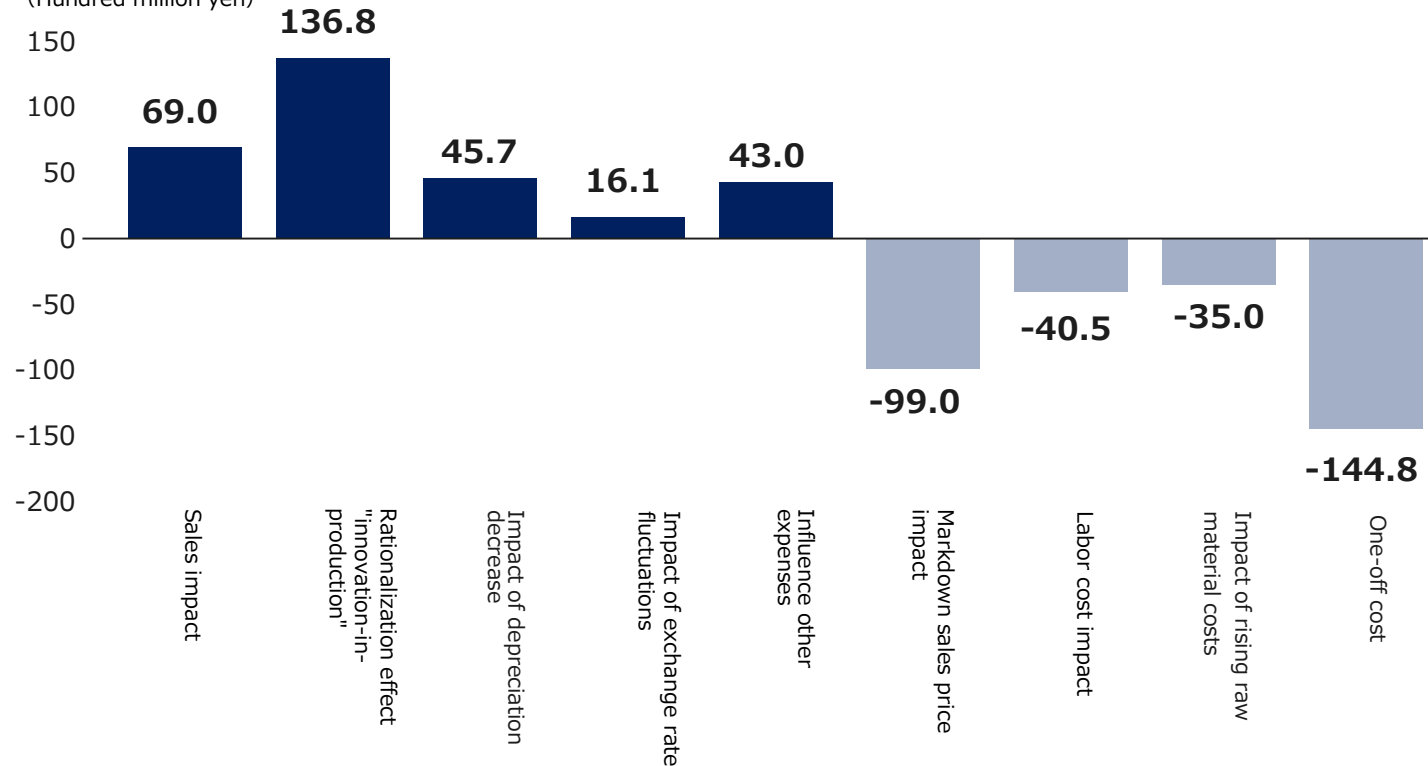
## Operating income

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



### Impact of operating income growth

(Hundred million yen)



### Impact of operating income decrease

Decrease in total operating income effects **319.3**

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

		FY2023/3 Results	FY2024/3 Results	Compared to the previous year		FY2024/3 Plan on 2023/10/31	Compared to plan	
				Amount increase or decrease	Percent increase or decrease		Amount	Percent
Net sales	Automotive Equipment Business	3,539.5	<b>3,874.7</b>	335.2	9.5%	3,715.0	159.7	4.3%
	Electronic Components Business	405.4	<b>379.6</b>	-25.7	-6.4%	443.0	-63.3	-14.3%
	Applied Electronic Products Business	1,108.5	<b>1,190.0</b>	81.5	7.4%	1,201.0	-10.9	-0.9%
	Others	29.5	<b>29.8</b>	0.2	-	31.0	-1.1	-
	Adjustment	-687.3	<b>-750.2</b>	-62.9	-	-750.0	-0.2	-
	Total	4,395.7	<b>4,723.9</b>	328.2	7.5%	4,640.0	83.9	1.8%
Operating income	Automotive Equipment Business	268.3	<b>260.2</b>	-8.0	-3.0%	219.0	41.2	18.8%
	Operating income to net sales ratio	7.6%	<b>6.7%</b>	-0.9pt	-	5.9%	0.8pt	-
	Electronic Components Business	55.6	<b>42.1</b>	-13.5	-24.3%	65.0	-22.8	-35.2%
	Operating income to net sales ratio	13.7%	<b>11.1%</b>	-2.6pt	-	14.7%	-3.6pt	-
	Applied Electronic Products Business	118.8	<b>134.7</b>	15.9	13.4%	148.0	-13.2	-8.9%
	Operating income to net sales ratio	10.7%	<b>11.3%</b>	0.6pt	-	12.3%	-1.0pt	-
	Others	-0.0	<b>0.1</b>	0.2	-	0.0	0.1	-
	Adjustment	-75.7	<b>-79.0</b>	-3.3	-	-82.0	2.9	-
	Total	367.1	<b>358.3</b>	-8.7	-2.4%	350.0	8.3	2.4%

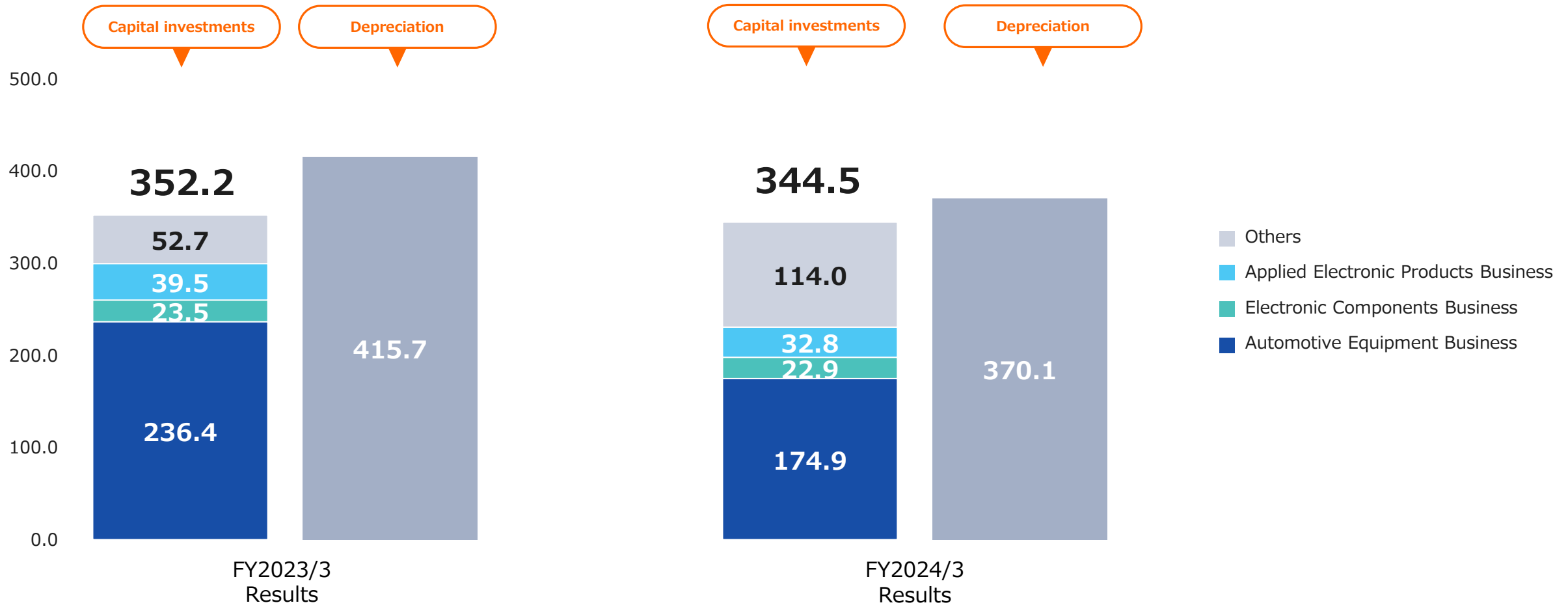
Upper row : Net Sales  
Lower row : Operating income

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

	FY2023/3 Results	FY2024/3 Results	Compared to the previous year		FY2024/3 Plan on 2023/10/31	Compared to plan	
			Amount increase or decrease	Percent increase or decrease		Amount	Percent
Japan	1,212.3	<b>1,299.7</b>	87.4	7.2%	1,375.0	-75.2	-5.5%
	82.2	<b>33.6</b>	-48.5	-59.0%			
The Americas	1,094.1	<b>1,330.2</b>	236.1	21.6%	1,220.0	110.2	9.0%
	9.7	<b>64.8</b>	55.0	562.7%			
Europe	87.9	<b>92.3</b>	4.4	5.0%	95.0	-2.6	-2.8%
	-0.3	<b>1.6</b>	2.0	-612.1%			
Asia-Pacific	1,090.4	<b>1,083.9</b>	-6.5	-0.6%	1,094.0	-10.0	-0.9%
	194.6	<b>204.8</b>	10.2	5.2%			
China	910.8	<b>917.6</b>	6.8	0.7%	856.0	61.6	7.2%
	81.7	<b>70.1</b>	-11.6	-14.2%			
Total	4,395.7	<b>4,723.9</b>	328.2	7.5%	4,640.0	83.9	1.8%
	367.1	<b>358.3</b>	-8.7	-2.4%			

# 3-5 FY2024/3 Capital investments

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



※Effective from FY2024/3, we changed the accounting method for molds. The results for FY2023/3 have been adjusted retrospectively to allow comparability.

※Capital investments includes SaaS-related software investments.



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

	FY2024/3 Results	FY2025/3 Forecasts	Compared to the previous year	
			Amount increase or decrease	Percent increase or decrease
Net sales	4,723.9	5,000.0	276.0	5.8%
Operating income	358.3	500.0	141.6	39.5%
Operating income to net sales ratio	7.6%	10.0%	2.4pt	-
Ordinary income	480.6	562.0	81.3	16.9%
Net income attributable to owners of parent	264.9	311.0	46.0	17.4%
Net income per share (yen)	162.41	193.91	31.50	-
Exchange rate (yen) USD	145.31	140.00	-5.31	-3.7%

#### ■ Impact of foreign exchange fluctuations

**Net Sales** Down by some 16.6bn yen

**Operating income** Down by some 3.1bn yen

#### ■ Foreign exchange sensitivity

(Impact of a 1-yen change against the US dollar)

**Net Sales** 2.72bn yen

**Operating income** 0.43bn yen

#### ■ Investments

**Capital investments**

Of which strategic investments

**Depreciation**

**R&D expenses**

FY2024/3  
Results

**34.45**bn yen

**14.94**bn yen

**37.01**bn yen

**22.50**bn yen

FY2025/3  
Forecasts

**70.64**bn yen

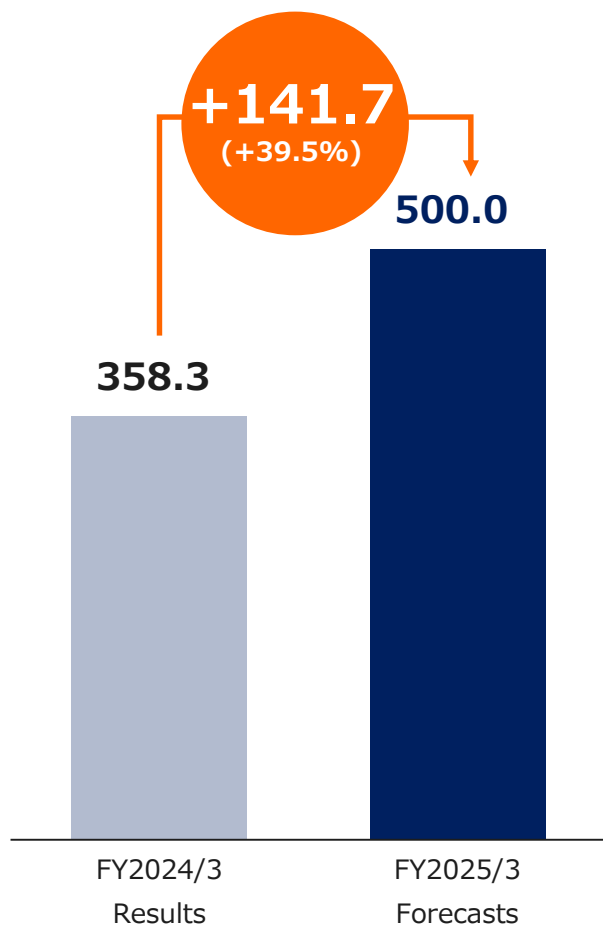
**32.87**bn yen

**43.40**bn yen

**25.57**bn yen

## Operating income

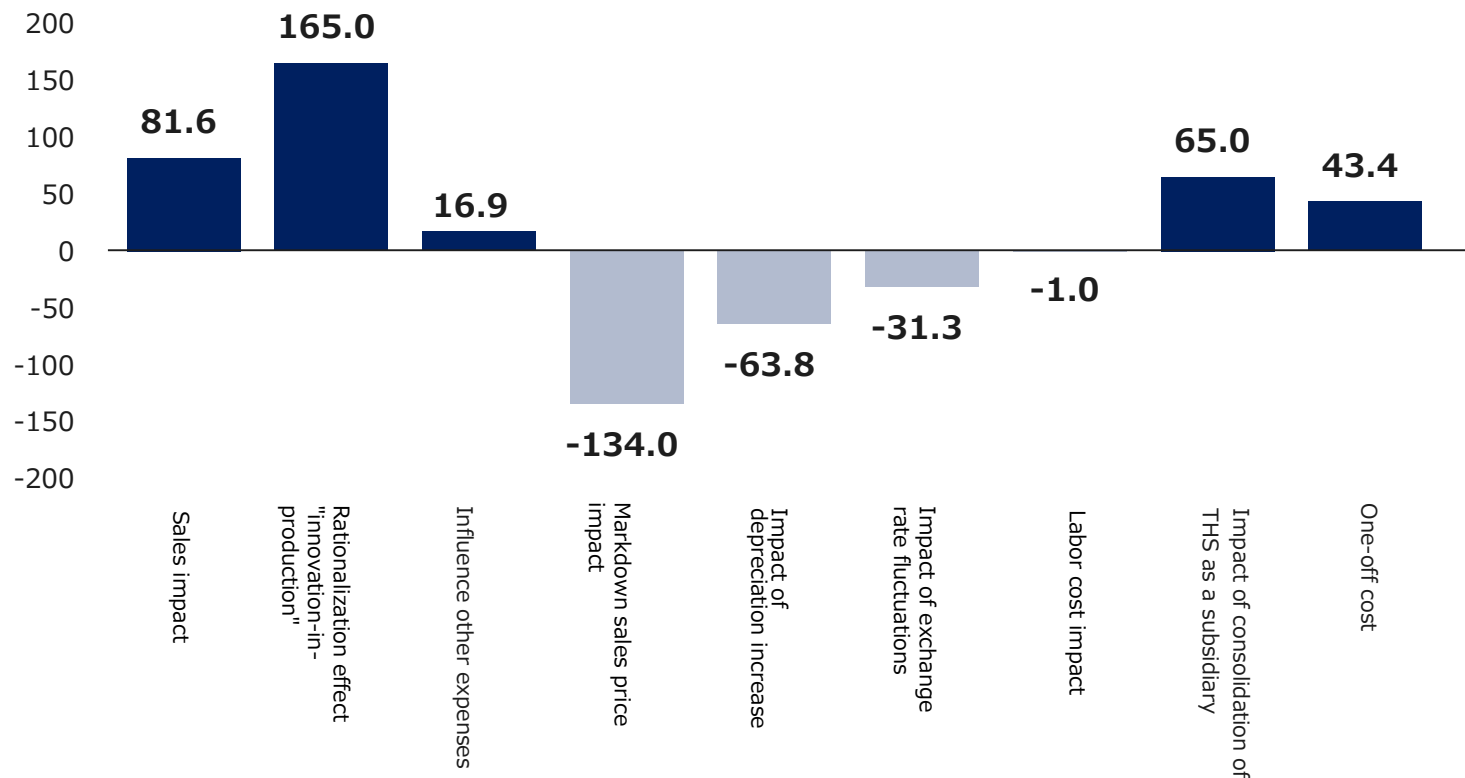
(Hundred million yen)  
Amounts less than shown are rounded down



## Impact of operating income growth

Total operating income growth effects **371.8**

(Hundred million yen)



## Impact of operating income decrease

Decrease in total operating income effects **230.1**

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

		FY2024/3 Results	FY2025/3 Forecasts	Compared to the previous year	
				Amount increase or decrease	Percent increase or decrease
<b>Net Sales</b>	Automotive Equipment Business	3,874.7	<b>4,165.0</b>	290.2	7.5%
	Electronic Components Business	379.6	<b>475.0</b>	95.3	25.1%
	Applied Electronic Products Business	1,190.0	<b>1,210.0</b>	19.9	1.7%
	Others	29.8	<b>25.0</b>	-4.8	-
	Adjustment	-750.2	<b>-875.0</b>	-124.7	-
	<b>Total</b>	<b>4,723.9</b>	<b>5,000.0</b>	<b>276.0</b>	<b>5.8%</b>
<b>Operating income</b>	Automotive Equipment Business	260.2	<b>435.0</b>	174.7	67.1%
	Operating income to net sales ratio	6.7%	<b>10.4%</b>	3.7pt	-
	Electronic Components Business	42.1	<b>65.0</b>	22.8	54.2%
	Operating income to net sales ratio	11.1%	<b>13.7%</b>	2,6pt	-
	Applied Electronic Products Business	134.7	<b>100.0</b>	-34.7	-25.8%
	Operating income to net sales ratio	11.3%	<b>8.3%</b>	-3.1pt	-
	Others	0.1	<b>0.0</b>	-0.1	-
	Adjustment	-79.0	<b>-100.0</b>	-20.9	-
	<b>Total</b>	<b>358.3</b>	<b>500.0</b>	<b>141.6</b>	<b>39.5%</b>

# FY2025/3 Forecasts of Information by geographical locations

Upper row : Net Sales  
Lower row : Operating income

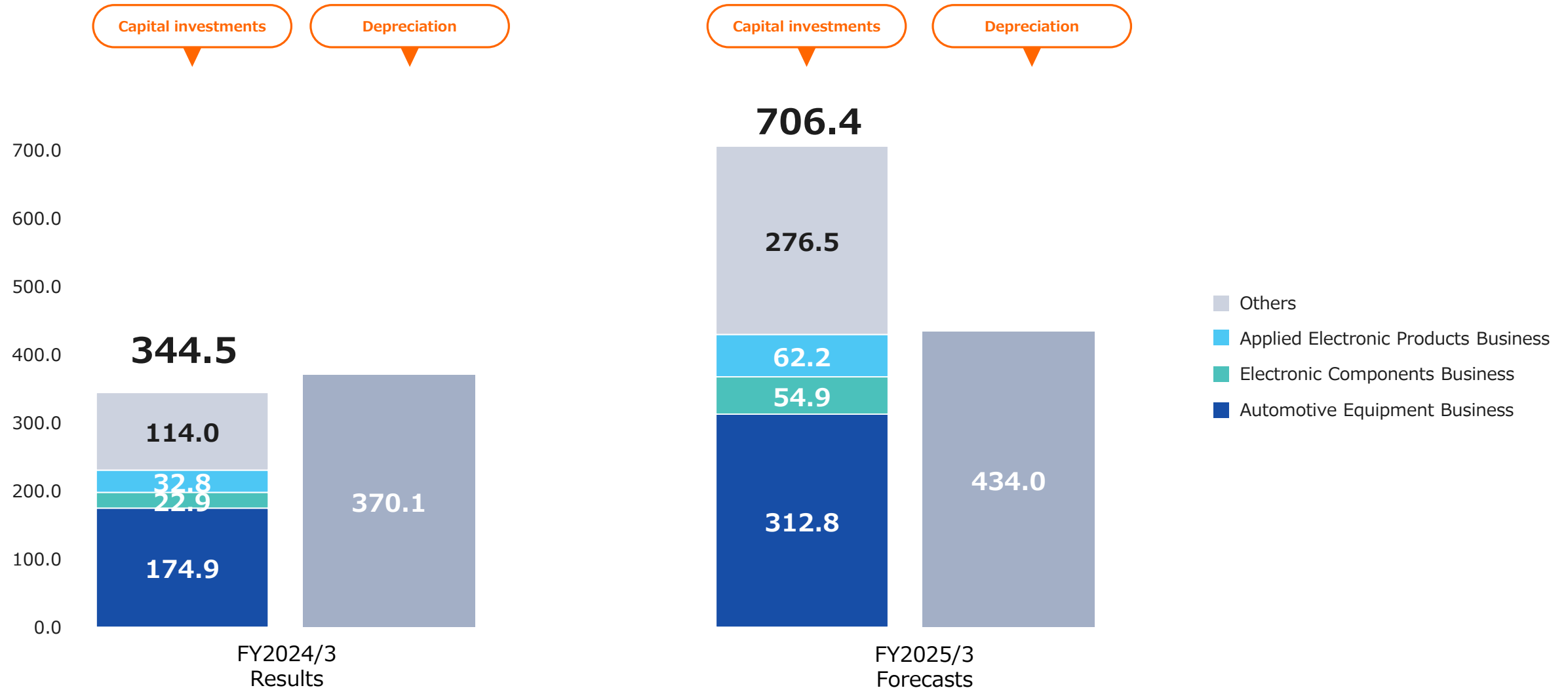
(Hundred million yen)  
Amounts less than shown are rounded down

	FY2024/3 Results	FY2025/3 Forecasts	Compared to the previous year	
			Amount increase or decrease	Percent increase or decrease
<b>Japan</b>	1,299.7	<b>1,320.0</b>	20.2	1.6%
	33.6	<b>74.0</b>	40.3	119.8%
<b>The Americas</b>	1,330.2	<b>1,280.0</b>	-50.2	-3.8%
	64.8	<b>97.0</b>	32.1	49.7%
<b>Europe</b>	92.3	<b>80.0</b>	-12.3	-13.4%
	1.6	<b>2.0</b>	0.3	18.3%
<b>Asia-Pacific</b>	1,083.9	<b>1,500.0</b>	416.0	38.4%
	204.8	<b>250.0</b>	45.1	22.0%
<b>China</b>	917.6	<b>820.0</b>	-97.6	-10.6%
	70.1	<b>75.0</b>	4.8	6.9%
<b>Total</b>	4,723.9	<b>5,000.0</b>	276.0	5.8%
	358.3	<b>500.0</b>	141.6	39.5%

# 3-10 FY2025/3 Forecasts of Capital investments



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



※Capital investments includes SaaS-related software investments.

## Financial targets for business growth

	FY2024/3 Results		FY2026/3 Target
ROE	5.3%	→	8%

**Main indexes**

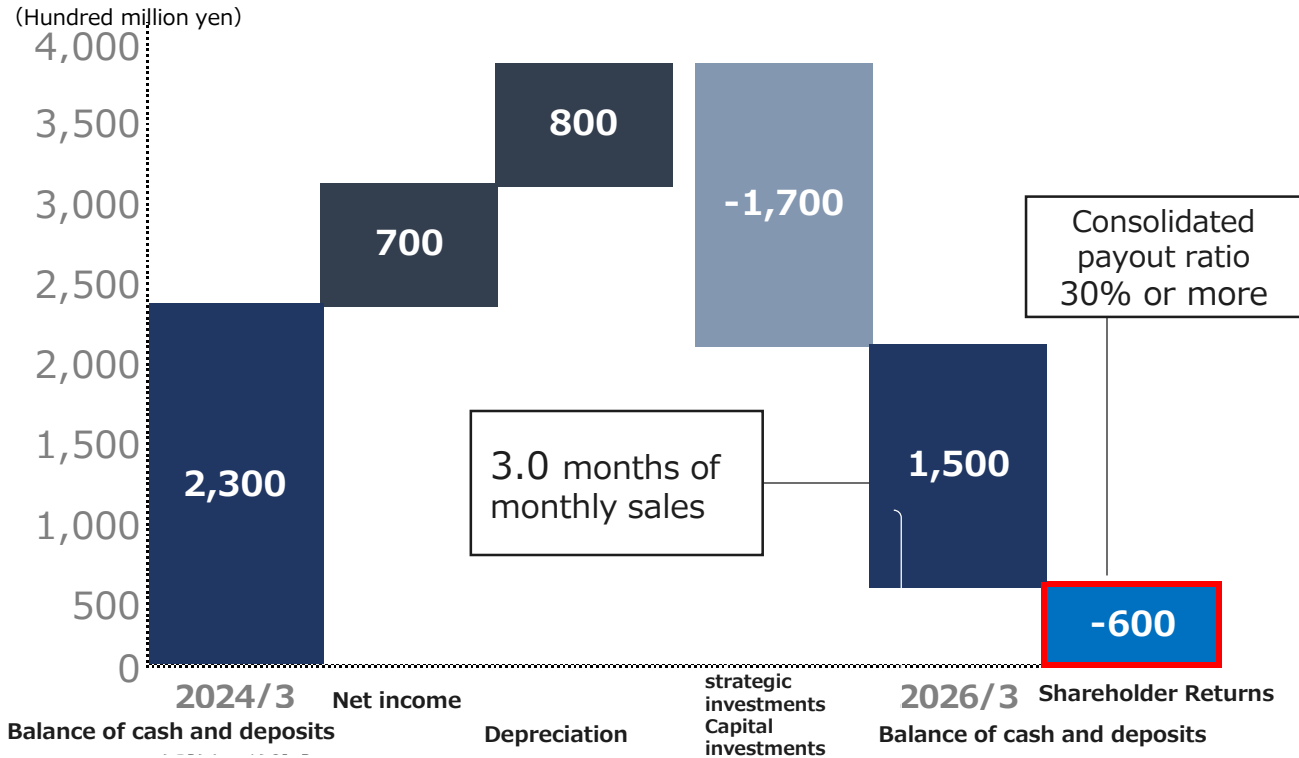
Net sales	590 Billion yen
Operating income to net sales ratio	10.5%
Net income	40 Billion yen

PBR	—	→	Above 1x
Capital adequacy ratio	74.0%	→	65%
Liquidity on hand	4.9 months of monthly sales	→	3.0 months

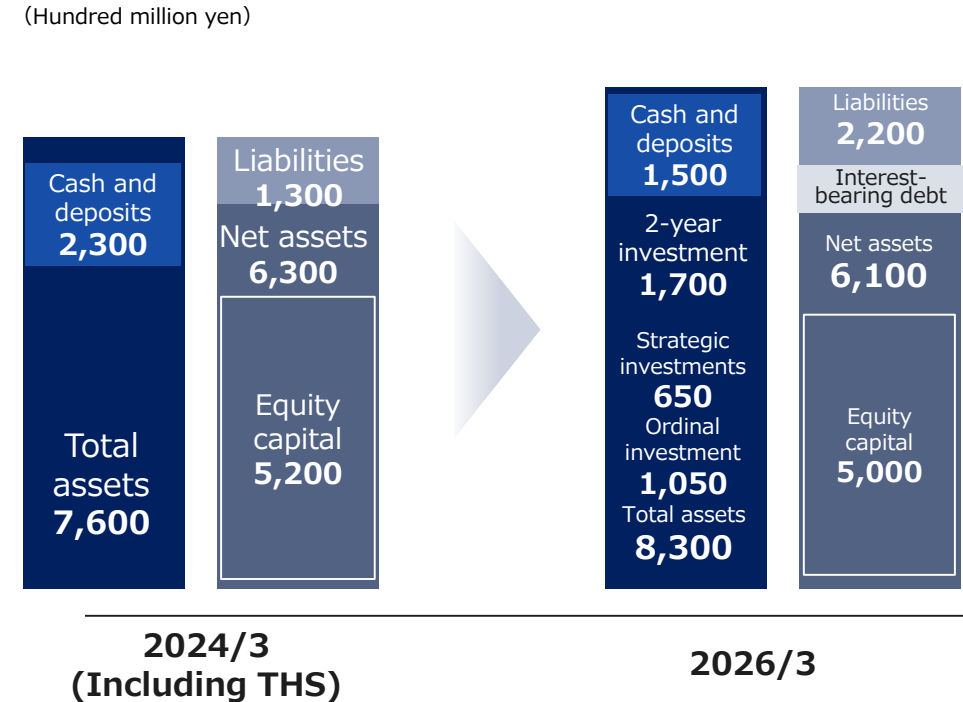
# 3-12 Financial Strategy Capital allocation



## 2-year cash flow through the end of FY2026/3 (illustrative chart)



## Supposed B/S of the final FY during VIII MTP (illustrative chart)

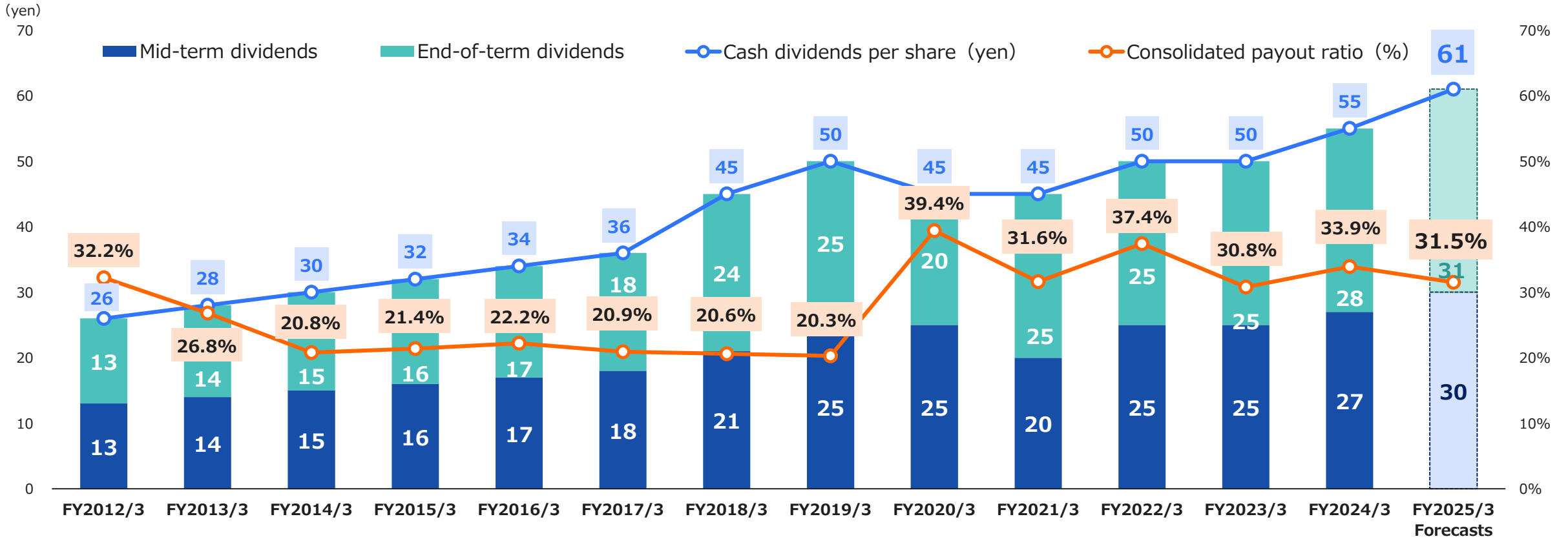


### ①Steady improvement of revenue base + ②Strategic and capital investments for growth + ③Further increase in shareholder returns

- | Points | Details  |
|--------|--|
| ①      | Enhance the revenue base by expanding operating CF (improving profitability) through business growth (FY2026/3 Operating income to net sales ratio : <b>10.5%</b> Compared to FY2024/3+ <b>2.9%</b> )  |
| ②      | Strengthen the foundation for growth by making proactive investments (to the tune of some 170bn yen) with an eye on business growth and the future   |
| ③      | Actively allocate cash generated from operations to shareholders <b>Total cash allocation to shareholders in FY2025/3 and FY2026/3 expected to reach some 60bn yen</b> (Compared to the amount stated in "FY2024/3 1H Financial Results": <b>+30bn yen. Total 80bn yen</b> under VIII MTP) |



# 3-13 Shareholder Returns Dividends



## Dividends

FY2024/3

FY2025/3 Forecasts

Cash dividends per share

**55yen**

**61yen**

End-of-term dividends

**28yen**

**31yen**

Mid-term dividends

**27yen**

**30yen**

Consolidated payout ratio

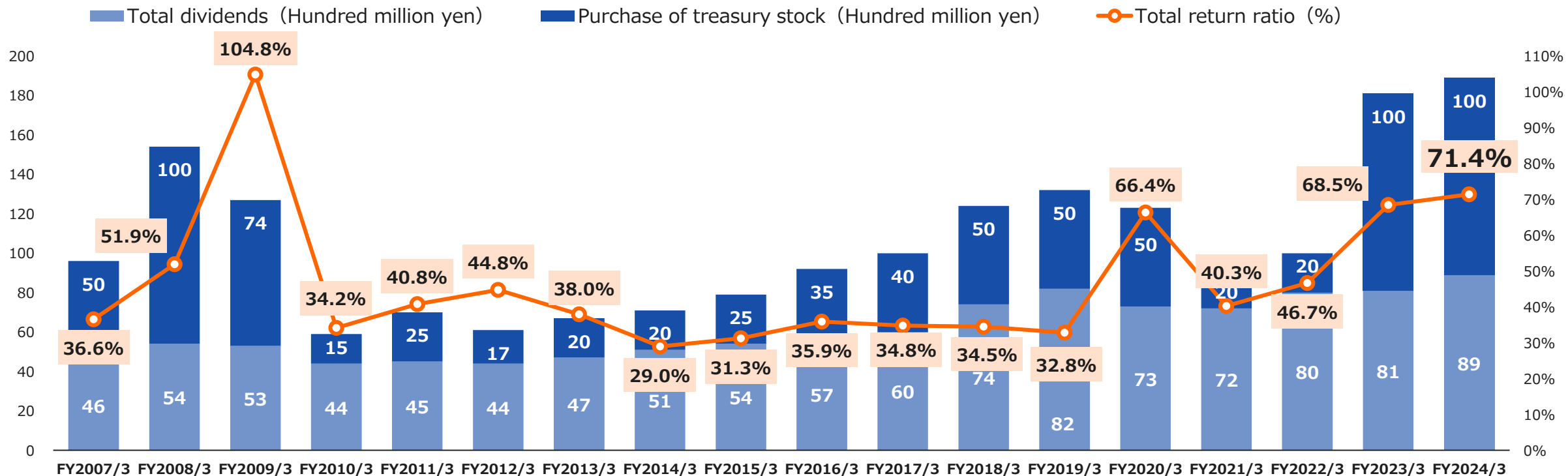
FY2024/3

**33.9 %**

FY2025/3 Forecasts

**31.5 %**

(Hundred million yen)



## ■ Purchase of treasury stock

	FY2023/3	FY2024/3
Purchase of treasury stock	10.0bn yen	10.0bn yen
Total dividends	8.1bn yen	8.9bn yen
Total return ratio	68.5 %	71.4 %

Stanley Electric's current plans, outlooks, strategies, and other future trends in this document were prepared by the management based on their judgment in accordance with currently available information.

Therefore, please refrain from placing undue reliance on these earnings forecasts.

Please recognize that actual results may differ materially from the forecasts due to a variety of important factors.

In addition, this document should be used only to deepen your understanding of Stanley Electric, and does not necessarily encourage investment in Stanley Electric.

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

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