

Stanley Electric and Mitsubishi Electric Mobility Reach a Basic Agreement to Establish a Joint Venture Company for Lamp System Business for Next-Generation Vehicles

TOKYO, November 25, 2024 - Stanley Electric Co., Ltd. (TOKYO: 6923) (“Stanley Electric”) and Mitsubishi Electric Mobility Corporation (“Mitsubishi Electric Mobility”) announced today the two companies have reached a basic agreement to establish a joint venture (the “JV”) to handle electronic and control components for lamp systems for next-generation vehicles (four-wheel and two-wheel vehicles) (the “Transaction”). Stanley Electric has resolved at today’s Board of Directors meeting to sign the basic agreement for the Transaction.

The JV will combine the strengths of Stanley Electric’s automotive lamp system business and Mitsubishi Electric Mobility’s electronic and control components business, and will develop, design, manufacture, and sell electronic and control components for automotive lamp systems for next-generation vehicles (four-wheel and two-wheel vehicles). In recent years, as the automotive industry has undergone significant changes in response to Advanced Driver Assistance Systems (“ADAS”) and the realization of a self-driving society, Stanley Electric and Mitsubishi Electric Group (Mitsubishi Electric and Mitsubishi Electric Mobility are collectively referred to as “Mitsubishi Electric Group”), based on the business partnership announced on December 25, 2020, titled “Announcement of Business Partnership in the Automotive Lamp System Business – Aiming for Zero Traffic Fatalities –,” have aimed to achieve automotive lamp systems with even higher levels of safety and functionality compared to existing systems. As a result, Stanley Electric and Mitsubishi Electric Mobility have reached a basic agreement to establish the JV, going beyond the mere business partnership, with the goal of providing high-value-added products that will contribute to the realization of a sustainable society, where zero traffic fatalities in the mobility society can be achieved.

Stanley Electric places “The boundless pursuit of the Value of Light,” at the core of its management philosophy, aims to contribute to society by providing products equipped with safe and reliable lamp systems that help achieve zero traffic fatalities, and pursues the infinite value of light based on thorough research into light output and ergonomics, through the light tunnel owned by Stanley Electric. Stanley Electric Group’s (Stanley Electric and its affiliated companies are collectively referred to as “Stanley Electric Group”) main business consists of the manufacturing and sales of automotive equipment business, components business and applied electronic products business, with research and development (“R&D”) functions closely connected to each of the three business segments. With these three segments, Stanley Electric Group can capture diverse needs, create value that meets those needs through its R&D activities, and generates social and economic value through new technologies and products by the interconnection of these segments.

Mitsubishi Electric Group has strengths in optical devices, LED lighting for homes and industries, and control optimization technologies. Mitsubishi Electric Mobility, which handles the automotive equipment business,

leverages the comprehensive capabilities of Mitsubishi Electric Group to engage in the lighting and illumination control business. In response to the increasing demand for safety in automobiles, driven by the development of ADAS and autonomous driving, Mitsubishi Electric Mobility aims to achieve further growth in the lighting and illumination control business by harnessing synergies with new partners, which will enable the realization of higher value-added systems, both in terms of product form and functionality.

The JV will offer new and attractive products to a wide range of customers, maximizing the synergy of Stanley Electric's optical control system technology that contributes to safety and reliability through automotive lamp systems and Mitsubishi Electric Mobility's advanced control system technology.

The JV is expected to have Stanley Electric as the majority shareholder. The completion of the Transaction will be subject to regulatory clearances and consents of competition and other relevant authorities.

An overview of the new JV is in the Appendix. Further details, which are currently under discussion between Stanley Electric and Mitsubishi Electric Mobility, will be announced as they become available.

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Overview of the joint venture company

(1) Scope of the joint venture company

The scope of the JV will include the development, design, manufacturing, and sales of electronic and control components for automotive lamp systems for current-generation and next-generation vehicles (four-wheel and two-wheel vehicles.)

(2) Overview of the relevant parties forming the joint venture company

(i) Company name	Stanley Electric Co., Ltd.	Mitsubishi Electric Mobility Corporation
(ii) Head Office	2-9-13 Nakameguro, Meguro-ku, Tokyo	2-7-3 Marunouchi, Chiyoda-ku, Tokyo
(iii) Representative	Yasuaki Kaizumi Representative Director, President	Kunihiko Kaga Director, President & CEO
(iv) Summary of Business	Automotive equipment business, components business, applied electronic products business and others	Development, manufacturing, sales, and service of automotive equipment and others
(v) Date of Incorporation	May 5, 1933	April 1, 2024
(vi) Paid-in Capital	30,514 million yen (as of March 31, 2024)	10,000 million yen (as of April 1, 2024)
(vii) Number of Issued Shares	167,500,000 shares (as of September 30, 2024)	1,001 shares (as of April 1, 2024)
(viii) Fiscal Year End	March 31	March 31
(ix) Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd. (Trust Account) 12.91% Honda Motor Co., Ltd. 10.43% Custody Bank of Japan, Ltd. (Trust Account) 5.48% Sumitomo Mitsui Banking Corporation 4.62% Nippon Life Insurance Company (Permanent Agent: The Master Trust Bank of Japan, Ltd.) 4.29% (As of March 31, 2024)	Mitsubishi Electric Corporation 100.00% (as of April 1, 2024)
(x) Operating Results for the Most Recent Business Year and Financial Positions as of the End of the Fiscal Year (FY ended March 2024)		
Consolidated Net Assets	589,362 million yen	—
Consolidated Total Assets	708,264 million yen	—
Consolidated Net Assets per Share	3,269.80 yen	—
Consolidated Revenue	472,397 million yen	—
Consolidated Operating Profit	35,834 million yen	—
Consolidated Ordinary Profit	43,018 million yen	—
Net Profit Attributable to Shareholders	26,497 million yen	—

Consolidated Net Income per Share	162.41 yen	—
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Note: Mitsubishi Electric Mobility Corporation was established on April 1, 2024, and therefore, the operating results for the most recent business year and financial positions as of the end of the fiscal year are not included.

(3) Timeline

The parties plan to execute a definitive agreement for the Transaction in March, 2025, and to start operations of the JV in the first half of fiscal year 2025.

(4) Outlook

The impact of the Transaction on the consolidated financial results of Stanley Electric and specific matters regarding the establishment of the JV will be announced respectively when they become clear.