



October 31, 2023

To whom it may concern:

Company name: Stanley Electric Co., Ltd.
Representative: Yasuaki Kaizumi, President and Representative Director
Securities code: 6923 (TSE Prime Market)
Contact: Ikuo Kuwata, Executive Officer, Executive General Manager,
Accounting & Finance Control Division
Tel: +81-3-6866-2222

Change of Status of Equity Method Affiliate to Consolidated Subsidiary and Establishment of Subsidiary by Our Subsidiary

Stanley Electric Co., Ltd. (the “Company”) hereby announces that at a meeting of the Board of Directors of the Company held on October 31, 2023, the Company resolved to approve (i) a plan to make Thai Stanley Electric Public Co., Ltd. (“THS”), a Thai equity method affiliate of the Company in which the Company’s Singapore subsidiary Stanley Electric Holding Asia-Pacific Pte. Ltd. (“SEAP”) has an equity stake, a consolidated subsidiary, and (ii) a plan for SEAP to establish a subsidiary in Thailand (the “New Investment Company”) for the transaction under (i) above, as detailed below. The same resolution was approved by SEAP at a meeting of its Board of Directors held on the same day.

(i) Making THS a consolidated subsidiary

The Company resolved to increase the ratio of voting rights of the Stanley Group in THS to at least 40.0% through the acquisition of THS shares by SEAP and the New Investment Company.

THS has signed a technical assistance agreement with the Company. Under this agreement, the Company provides THS with technologies and know-how on automotive lamps and licenses THS to manufacture and sell them. With this technical assistance agreement, which forms the foundation of THS’ business operations, and the increase in the ratio of voting rights held by the Stanley Group to at least 40.0%, THS will become a consolidated subsidiary of the Company in accordance with the control criteria.

(ii) Establishment of the New Investment Company

The Company resolved to approve a plan for SEAP to establish a New Investment Company in Thailand.

The ratio of SEAP’s voting rights in the New Investment Company will be 49.0%, but the New Investment Company will become the Company’s consolidated subsidiary under the control criteria.

1. Reason for making THS a consolidated subsidiary

THS, which has been the Company’s partner since its establishment in 1980, undertakes lamp development and production for Japanese automakers in Thailand. THS has grown in tandem with the growth of Thailand’s automotive market, but now faces an urgent need for reforms amid intensifying competition with rival firms.

It needs to transform itself into a “lamp system maker” that can address needs of automakers at the same level and speed as the Company to serve automakers that are shifting to battery electric vehicles (BEVs) in the Asia-Oceania region.

We aim to improve cost competitiveness by providing all available know-how to THS to reinforce various functions.

In order to realize this, we will make THS a consolidated subsidiary and work to achieve further growth as a “hub of the Asia-Oceania region” under the One Stanley philosophy.

2. Outline of subsidiary undergoing change

(1)	Name	Thai Stanley Electric Public Co., Ltd.														
(2)	Location	29/3 Moo 1, Bangpoon-Rungsit Rd. Banklang, Muang, Pathumthanee 12000, Thailand														
(3)	Title and name of representative	Apichart Lee-issaranukul, Director/Executive Chairman Kazunori Nakai, Director/President														
(4)	Business description	Manufacture and sale of electric light bulbs and lighting equipment for automobiles, motorcycles and other vehicles														
(5)	Capital	THB383.12 million														
(6)	Date established	May 30, 1980														
(7)	Major shareholders and voting rights ratios	<table> <tr> <td>SEAP</td> <td>35.7%</td> </tr> <tr> <td>Mr. Apichart Leeissaranukul</td> <td>7.1%</td> </tr> <tr> <td>Mrs. Porndee Leeissaranukul</td> <td>5.9%</td> </tr> <tr> <td>Thai NVDR Co., Ltd.</td> <td>5.8%</td> </tr> <tr> <td>Mr. Thanong Leeissaranukul</td> <td>5.4%</td> </tr> <tr> <td>Asian Stanley International Co., Ltd.</td> <td>0.4%</td> </tr> </table>			SEAP	35.7%	Mr. Apichart Leeissaranukul	7.1%	Mrs. Porndee Leeissaranukul	5.9%	Thai NVDR Co., Ltd.	5.8%	Mr. Thanong Leeissaranukul	5.4%	Asian Stanley International Co., Ltd.	0.4%
SEAP	35.7%															
Mr. Apichart Leeissaranukul	7.1%															
Mrs. Porndee Leeissaranukul	5.9%															
Thai NVDR Co., Ltd.	5.8%															
Mr. Thanong Leeissaranukul	5.4%															
Asian Stanley International Co., Ltd.	0.4%															
(8)	Relationship between the Company and Thai Stanley Electric Public Co., Ltd.	Capital relationship	An equity method affiliate of the Company.													
		Personnel relationship	Two Directors and two employees of the Company concurrently serve as Directors of Thai Stanley Electric Public Co., Ltd.													
		Business relationship	Thai Stanley Electric Public Co., Ltd. manufactures and sells the Company's products.													
(9)	Consolidated results of operations and consolidated financial position of Thai Stanley Electric Public Co., Ltd. for the last three years															
	Fiscal year ended	March 31, 2021	March 31, 2022	March 31, 2023												
	Consolidated net assets	THB18,717 million	THB20,026 million	THB21,286 million												
	Consolidated total assets	THB21,542 million	THB23,056 million	THB24,325 million												
	Consolidated net sales	THB11,727 million	THB13,582 million	THB14,447 million												
	Consolidated operating income	THB1,054 million	THB1,608 million	THB1,766 million												
	Net income attributable to owners of parent	THB1,061 million	THB1,520 million	THB1,745 million												

In addition, a New Investment Company will be established as explained above. Details of the New Investment Company are yet to be determined, but its business will be limited to owning THS shares.

3. Acquired shares, acquisition price and shareholding before and after acquisition

The ratio of voting rights of the Stanley Group in THS is as outlined below.

(1)	Voting rights ratio before change	36.1%
(2)	Voting rights ratio to be acquired	3.9% or higher (tentative)
(3)	Acquisition price	To be decided
(4)	Voting rights ratio after change	40.0% or higher (tentative)

As stated above, a New Investment Company will also be established and SEAP's voting rights ratio in the New Investment Company will be 49.0%.

4. Schedule

Concrete methods and timing of the acquisition of THS shares are yet to be determined, but the acquisition will be carried out in phases and the Stanley Group's voting rights ratio in THS will increase to 40.0% or higher on or after April 1, 2024.

As stated above, a New Investment Company will also be established and its establishment is scheduled for November 2023.

5. Future outlook

This share acquisition will be included in the consolidated financial results from the first quarter of the fiscal year ending March 31, 2025 as the deemed acquisition date for consolidated accounting purposes is planned to be April 1, 2024. The share acquisition will have no impact on consolidated financial results for the fiscal year ending March 31, 2024.

The impact on the fiscal year ending March 31, 2025 is currently under review.