

# Consolidated Financial Results for the Nine Months Ended December 31, 2023 <Under Japanese GAAP>



January 31, 2024

Company name: Stanley Electric Co., Ltd.

Securities code: 6923

(URL: <https://www.stanley.co.jp/>)

Stock exchange listing: Tokyo Stock Exchange

Representative: Yasuaki Kaizumi, President and Representative Director

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Scheduled date of filing of the quarterly financial report (Shihanki Houkokusho): February 13, 2024

Scheduled date of commencement of dividend payments: –

Availability of supplementary briefing material on quarterly results: No

Schedule of quarterly results briefing session: No

(Figures are rounded down to the nearest million yen.)

## 1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

### (1) Consolidated Results of Operations (cumulative)

(% figures denote year-on-year change.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine months ended								
December 31, 2023	355,398	9.7	27,414	22.0	34,905	29.0	13,821	(1.7)
December 31, 2022	323,950	15.3	22,464	0.2	27,049	2.3	14,059	(5.1)

Note: Comprehensive income: Nine months ended December 31, 2023: ¥41,356 million [81.9%]

Nine months ended December 31, 2022: ¥22,732 million [(26.7)%]

	Net Income per Share (Basic)		Net Income per Share (Diluted)	
	Yen		Yen	
Nine months ended				
December 31, 2023	84.30		84.29	
December 31, 2022	86.66		-	

Note: Effective from the three months ended June 30, 2023, the Company changed the method of presentation. Year-on-year percentage changes are based on comparison with the figures after reclassification to reflect the change.

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
Nine months ended			
December 31, 2023	666,300	552,961	73.9
Fiscal year ended			
March 31, 2023	629,611	536,128	75.6

(Reference) Equity: As of December 31, 2023: ¥492,351 million; As of March 31, 2023: ¥476,217 million

## 2. Dividends

	Cash Dividends per Share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-end	Annual
	Yen				
Fiscal year ended					
March 31, 2023	-	25.00	-	25.00	50.00
Fiscal year ending					
March 31, 2024	-	27.00	-		
Fiscal year ending					
March 31, 2024 (Forecast)				28.00	55.00

Note: Revision to the dividend forecast from recently released figures: Yes

### 3. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(% figures denote year-on-year change.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	464,000	5.6	35,000	(4.7)	42,500	(5.3)	25,500	(3.8)	155.95

Note: Revision to the consolidated business forecasts from recently released figures: No

Effective from the three months ended June 30, 2023, the Company changed the method of presentation. Year-on-year percentage changes are based on comparison with the figures after reclassification to reflect the change.

### 4. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and corrections of errors
  - 1) Changes in line with revision to accounting standards: No
  - 2) Other changes in accounting policies: No
  - 3) Changes in accounting estimates: No
  - 4) Corrections of errors: No
- (4) Number of shares issued and outstanding (common stock)
  - 1) Number of shares issued and outstanding at the end of the period (including treasury stock)
 

Nine months ended December 31, 2023:	171,200,000 shares
Fiscal year ended March 31, 2023:	173,000,000 shares
  - 2) Number of shares of treasury stock at the end of the period
 

Nine months ended December 31, 2023:	9,186,433 shares
Fiscal year ended March 31, 2023:	7,367,901 shares
  - 3) Average number of shares during the period
 

Nine months ended December 31, 2023:	163,963,893 shares
Nine months ended December 31, 2022:	162,230,796 shares

\* These quarterly financial statements are outside the scope of quarterly review by certified public accountants or audit corporations.

#### \* Explanation for the appropriate use of performance forecasts and other special notes:

For the fourth quarter of the fiscal year ending March 31, 2024, it is expected that automobile production will remain generally robust globally and the positive effect of foreign exchange rates will continue. However, the impact of lower production in China is also expected to continue. Therefore, we made no changes to the consolidated business forecasts for the fiscal year ending March 31, 2024, announced on April 27, 2023.

The Company made these projections in forecasts based on currently available economic and business information; as such, these projections include certain risks and other uncertainties, and the Company does not intend to guarantee the achievement of these projections. Actual business performance may differ significantly from current projections resulting from various critical factors.

## 5. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	173,408	178,804
Notes and accounts receivable-trade	70,317	79,815
Securities	-	3,998
Inventories	46,226	55,072
Other	31,490	30,778
Allowance for doubtful accounts	(7)	(16)
<b>Total current assets</b>	<b>321,435</b>	<b>348,452</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	73,148	74,274
Machinery, equipment and vehicles, net	63,908	65,091
Tools, furniture and fixtures, net	22,671	15,064
Land	14,795	14,896
Lease assets, net	3,429	3,120
Construction in progress	16,936	12,577
<b>Total property, plant and equipment</b>	<b>194,889</b>	<b>185,025</b>
Intangible assets		
Goodwill	704	660
Other	7,364	9,077
<b>Total intangible assets</b>	<b>8,069</b>	<b>9,737</b>
Investments and other assets		
Investment securities	98,863	114,376
Net defined benefit asset	584	912
Deferred tax assets	2,645	3,676
Other	3,123	4,120
<b>Total investments and other assets</b>	<b>105,217</b>	<b>123,085</b>
<b>Total noncurrent assets</b>	<b>308,175</b>	<b>317,847</b>
<b>Total assets</b>	<b>629,611</b>	<b>666,300</b>

(Millions of Yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	37,902	45,773
Current portion of bonds payable	-	10,000
Lease obligations	1,348	1,422
Income taxes payable	3,234	4,121
Provision for product warranties	4,522	4,327
Provision for bonuses	5,087	3,422
Provision for directors' bonuses	342	203
Other	17,412	26,524
Total current liabilities	69,849	95,796
Noncurrent liabilities		
Bonds payable	10,000	-
Lease obligations	2,820	2,799
Deferred tax liabilities	7,820	12,218
Provision for directors' retirement benefits	53	56
Other provisions	274	344
Net defined benefit liability	2,011	1,483
Asset retirement obligations	496	477
Other	155	162
Total noncurrent liabilities	23,633	17,542
Total liabilities	93,483	113,338
<b>Net assets</b>		
Shareholders' equity		
Capital stock	30,514	30,514
Capital surplus	29,852	29,669
Retained earnings	373,682	374,196
Treasury stock	(18,938)	(24,318)
Total shareholders' equity	415,111	410,063
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,163	36,606
Foreign currency translation adjustment	34,898	45,732
Remeasurements of defined benefit plans	44	(50)
Total accumulated other comprehensive income	61,106	82,288
Subscription rights to shares	425	497
Non-controlling interests	59,485	60,113
Total net assets	536,128	552,961
Total liabilities and net assets	629,611	666,300

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income

Nine-month period

(Millions of Yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	323,950	355,398
Cost of sales	266,164	291,936
Gross profit	57,785	63,461
Selling, general and administrative expenses	35,321	36,047
Operating income	22,464	27,414
Non-operating income		
Interest income	1,797	3,272
Dividends income	639	1,257
Equity in earnings of affiliates	2,082	2,068
Foreign exchange gains	75	870
Miscellaneous income	704	529
Total non-operating income	5,299	7,998
Non-operating expenses		
Interest expenses	153	141
Bad debt expenses	257	-
Foreign withholding tax	97	102
Miscellaneous loss	206	263
Total non-operating expenses	714	507
Ordinary income	27,049	34,905
Extraordinary income		
Gain on sales of noncurrent assets	67	137
Gain on sales of investment securities	258	2,473
Total extraordinary income	326	2,610
Extraordinary losses		
Impairment losses	304	4,081
Loss on retirement of noncurrent assets	718	3,363
Provision for environmental measures	-	69
Loss from money transfer scam at foreign subsidiary	-	3,354
Total extraordinary losses	1,022	10,869
Income before income taxes	26,352	26,646
Income taxes	6,464	7,988
Net income	19,888	18,657
Net income attributable to non-controlling interests	5,829	4,836
Net income attributable to owners of parent	14,059	13,821

Quarterly Consolidated Statements of Comprehensive Income  
 Nine-month period

(Millions of Yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net income	19,888	18,657
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,574)	10,441
Foreign currency translation adjustment	5,941	10,723
Remeasurements of defined benefit plans	(217)	(93)
Share of other comprehensive income of affiliates accounted for using equity method	694	1,627
Total other comprehensive income	2,843	22,699
Comprehensive income	22,732	41,356
Comprehensive income attributable to owners of parent	16,721	35,003
Comprehensive income attributable to non-controlling interests	6,011	6,353

### (3) Review of Segment Operations

#### Segment information

#### I. Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

##### 1. Sales and income or loss by reportable segment

(Millions of Yen)

	Automotive Equipment Business	Electronic Components Business	Applied Electronic Products Business	Others (Note 1)	Adjustment (Note 2)	Total amount recognized in quarterly consolidated statements of income (Note 3)
Sales						
Sales to outside customers	259,431	18,664	45,840	13	-	323,950
Intersegment sales or transfer	1,248	12,300	36,176	2,064	(51,790)	-
Total	260,680	30,964	82,016	2,078	(51,790)	323,950
Segment income (loss)	16,637	3,956	7,754	(17)	(5,866)	22,464

Notes: 1. "Others" mainly includes the following project and services not included in the reportable segments: the project for promotion of employment of the physically disabled; and financial and management services provided within the Stanley Group.

2. (5,866) million yen adjustment to segment income (loss) includes company-wide expenses not allocated to the reportable segments of (5,790) million yen. The company-wide expenses are mainly general research and development expenses and administrative expenses, which are not attributable to the reportable segments.

3. Segment income (loss) is adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

##### 2. Information concerning impairment loss on noncurrent assets by reportable segment

(Significant impairment loss on noncurrent assets)

The information is omitted due to lack of materiality.

#### II. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

##### 1. Sales and income or loss by reportable segment

(Millions of Yen)

	Automotive Equipment Business	Electronic Components Business	Applied Electronic Products Business	Others (Note 1)	Adjustment (Note 2)	Total amount recognized in quarterly consolidated statements of income (Note 3)
Sales						
Sales to outside customers	290,674	16,629	48,029	65	-	355,398
Intersegment sales or transfer	978	12,466	41,235	1,954	(56,636)	-
Total	291,653	29,096	89,264	2,019	(56,636)	355,398
Segment income (loss)	20,586	2,964	9,756	(51)	(5,840)	27,414

Notes: 1. "Others" mainly includes the following project and services not included in the reportable segments: the project for promotion of employment of the physically disabled; and financial and management services provided within the Stanley Group.

2. (5,840) million yen adjustment to segment income (loss) includes company-wide expenses not allocated to the reportable segments of (5,581) million yen. The company-wide expenses are mainly general research and development expenses and administrative expenses, which are not attributable to the reportable segments.

3. Segment income (loss) is adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

## 2. Matters concerning changes to reportable segments

Effective from the three months ended June 30, 2023, the accessories & devices products previously included in the Electronic Components Business is now reclassified into Automotive Equipment Business, and certain products utilizing ultraviolet lights also previously included in the Electronic Components Business is now reclassified into Applied Electronic Products Business.

The segment information for the nine months ended December 31, 2022 above was prepared based on the method of classification after the revision.

## 3. Information concerning losses on impairment of noncurrent assets by reportable segment

(Significant impairment loss on noncurrent assets)

Losses on impairment of noncurrent assets were recorded in the “Automotive Equipment Business”, the “Electronic Components Business”, the “Applied Electronic Products Business”, and for corporate assets which are not attributable to the reportable segments. The breakdown of the impairment losses for the nine months ended December 31, 2023 was 2,674 million yen in the “Automotive Equipment Business”, 877 million yen in the “Electronic Components Business”, 512 million yen in the “Applied Electronic Products Business”, and 17 million yen for corporate assets which are not attributable to the reportable segments.