

Stanley Electric and Mitsubishi Electric Mobility Sign an Integration Agreement for the Establishment of a Joint Venture Company for Lamp System Business for Next-Generation Vehicles via Company Split

TOKYO, April 24, 2025 - As announced on November 25, 2024 that “Stanley Electric and Mitsubishi Electric Mobility Reach a Basic Agreement to Establish a Joint Venture Company for Lamp System Business for Next-Generation Vehicles”, Stanley Electric Co., Ltd. (TOKYO: 6923) (“Stanley Electric”) and Mitsubishi Electric Mobility Corporation (“Mitsubishi Electric Mobility”) have entered into the basic agreement (the “Basic Agreement”) on the same day regarding the establishment of a joint venture company (the “JV”) (the “Integration”) for the electronic and control component business (the “Target Business”), which constitutes lamp systems for next-generation vehicles (four-wheel and two-wheel vehicles), scheduled to commence operations in the first half of fiscal year 2025. In accordance with the Basic Agreement, Stanley Electric and Mitsubishi Electric Mobility have formally resolved to implement the Integration at their respective board of directors meetings held today and on April 10 respectively, and entered into the Basic Integration Agreement (the “Integration Agreement”), which provides for the terms and conditions of the Integration, as of today.

Stanley Electric and Mitsubishi Electric Mobility plan to conclude an absorption-type company split agreement with the Preparatory Company, which will be the predecessor of the JV, in accordance with the Integration Agreement in the first half of fiscal year 2025.

Description

1. Purpose of the Integration

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”), Software-Defined Vehicle (“SDV”), 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. Furthermore, Stanley Electric and Mitsubishi Electric Mobility have decided to establish the JV as a result of concluding the Basic Agreement and continuing concrete discussions, 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, through the establishment of the JV, going beyond the mere business partnership.

The two companies will use the realization of this integration as an opportunity to build a stronger partnership than ever before and provide a variety of customers with new and attractive products by maximizing the synergies between 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.

2. Procedures for the Integration

(i) Overview of the Integration Procedures

The Integration will be executed through the following transactions:

- ① Stanley Electric will establish the Succeeding Company in Absorption-type Company Split, a preparatory company, as a wholly owned subsidiary.
- ② Mitsubishi Electric Mobility plans to conclude an absorption-type company split agreement with the Preparatory Company in the first half of fiscal year 2025, and implement an absorption-type company split (the “Absorption-type Company Split (Mitsubishi Electric Mobility)”) with an effective date of October 1, 2025 for the purpose of transferring the business related to the design, development and sales of the Lighting Control Equipment Business of Mitsubishi Electric Mobility.
- ③ Stanley Electric plans to enter into an absorption-type company split agreement with the Preparatory Company in the first half of fiscal year 2025, and implement an absorption-type company split (the “Absorption-type Company Split (Stanley Electric)”) with an effective date of October 2, 2025 for the purpose of transferring the business related to design, development and sales of Stanley Electric's electronic business related to automobiles (four-wheel, two-wheel vehicles and interiors).

(ii) Schedule of the Integration

November 25, 2024: Date of conclusion of the Basic Agreement

April 10, 2025: The date of the organizational decision of the Integration Agreement (Mitsubishi Electric Mobility)

April 24, 2025: The date of the organizational decision of the Integration Agreement (Stanley Electric),
Date of the Integration Agreement

In the first half of fiscal year 2025 (scheduled): Conclusion of Absorption-type Company Split Agreement

October 1, 2025 (scheduled) : Effective Date of the Absorption-type Company Split (Mitsubishi Electric Mobility)

October 2, 2025 (scheduled) : Effective Date of the Absorption-Type Split (Stanley Electric)

Note1: The effective date of the Integration is subject to the regulatory clearances and consents of competition and other relevant authorities in Japan and overseas.

Note2: The absorption-type company split to be implemented by Stanley Electric and Mitsubishi Electric Mobility is expected to fall under the category of simplified absorption-type company split pursuant to Article 784, Paragraph 2 of the Companies Act. Therefore, Stanley Electric and Mitsubishi Electric Mobility plan to implement the absorption-type company split without the approval of the General Meeting of Shareholders.

3. Outline of Company Split

(i) Company Split Method

The Company Split is an absorption-type company split in which the Preparatory Company established by Stanley Electric as a wholly-owned subsidiary is the succeeding company in the absorption-type company split, and Stanley Electric and Mitsubishi Electric Mobility are the transferring companies in the absorption-type company split respectively, and the Target Business shall be the succeeded business.

(ii) Company Split Schedule

As described in 2 (ii) above.

(iii) Share Allotment Details related to the Company Split

The Preparatory Company plans to allocate 17,315,200 shares to Mitsubishi Electric Mobility as consideration for the Absorption-type Company Split (Mitsubishi Electric Mobility). The Preparatory Company also plans to allocate 3,598,000 shares to Stanley Electric as consideration for the Absorption-type Company Split (Stanley Electric).

On the effective date of the Absorption-type Company Split (Stanley Electric), the investment ratio of the JV will be adjusted between Stanley Electric and Mitsubishi Electric Mobility so that Stanley Electric will hold 66% and Mitsubishi Electric Mobility 34%, respectively.

(iv) Handling of stock acquisition rights and bonds with stock acquisition rights accompanying the Company Split

The obligations under the stock acquisition rights issued by Stanley Electric will not be transferred or succeeded to the JV. Stanley Electric has not issued bonds with subscription rights to shares.

Mitsubishi Electric Mobility has not issued any stock acquisition rights or bonds with stock acquisition rights.

(v) Capitalization Changes Accompanying the Company Split

There will be no increase or decrease in the amount of capital of Stanley Electric and Mitsubishi Electric Mobility due to the Company Split.

(vi) Rights and Obligations to be Assumed by the Company Split

Through the Company Split, the JV will succeed to the assets, other rights and obligations, and contractual status of the Target Business from Stanley Electric and Mitsubishi Electric Mobility. The details of the succeeded assets and the scope of the agreement will be stipulated in the absorption-type company split agreement.

(vii) Prospect of Fulfilment of obligations

Stanley Electric and Mitsubishi Electric Mobility have determined that there will be no problem with the certainty of performance of the obligations borne by the JV after the Company Split.

4. Approach to Calculation of Allotment for the Company Split

The number of Shares of the JV to be allotted to Stanley Electric and Mitsubishi Electric Mobility from the JV upon the Company Split was determined through mutual consultation between the two companies based on the results of the calculation of the business value after consideration of the assets, contracts, rights and obligations, etc. to be succeeded, as well as the business performance trends (revenue, expenses, profit, and cash flow) of the Target Business.

5. Overview of the relevant parties to the Company Split

(i) Transferring company

① Company name	Stanley Electric Co., Ltd.	Mitsubishi Electric Mobility Corporation
② Head Office	2-9-13 Nakameguro, Meguro-ku, Tokyo	2-7-3 Marunouchi, Chiyoda-ku, Tokyo
③ Representative	Yasuaki Kaizumi Representative Director, President	Kazunori Tanaka Director, President & CEO
④ Summary of Business	Automotive equipment business, components business, applied electronic products business and others	Development, manufacturing, sales, and service of automotive equipment and others
⑤ Date of Incorporation	May 5, 1933	April 1, 2024
⑥ Paid-in Capital	30,514 million yen (as of March 31, 2025)	10,000 million yen (as of April 1, 2024)
⑦ Number of Issued Shares	152,000,000 shares (as of March 31, 2025)	1,001 shares (as of April 1, 2024)
⑧ Fiscal Year End	March 31	March 31
⑨ Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd. (Trust Account) 12.91% Honda Motor Co., Ltd. 10.43%	Mitsubishi Electric Corporation 100.00% (as of April 1, 2024)

	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)	
⑩ Operating Results for the Most Recent Business Year and Financial Positions as of the End of the Fiscal Year (FY ended March 2025)		
Consolidated Net Assets	598,906 million yen	—
Consolidated Total Assets	749,605 million yen	—
Consolidated Net Assets per Share	3,255.93 yen	—
Consolidated Revenue	509,565 million yen	—
Consolidated Operating Profit	49,002 million yen	—
Consolidated Ordinary Profit	55,454 million yen	—
Net Profit Attributable to Shareholders	32,058 million yen	—
Consolidated Net Income per Share	205.73 yen	—

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.

(ii) Succeeding Company in Absorption-type Company Split

① Company Name	To be determined
② Head Office	2-9-13, Nakameguro, Meguro-ku, Tokyo
③ Representative	To be determined
④ Summary of Business	Development, design, manufacture, and sale of electronic and control components for automotive lamp systems for four-wheel, two-wheel vehicles, and next-generation vehicles (four-wheel and two-wheel vehicles)
⑤ Paid-in Capital	301 million yen
⑥ Date of Incorporation	in the first half of fiscal year 2025 (scheduled)
⑦ Number of Issued Shares	602,000 shares
⑧ Fiscal Year End	March 31
⑨ Major Shareholder and Shareholding Ratio	Stanley Electric Co., Ltd. 100.00%

Note: Since the preparatory company for the Company Split is scheduled to be established in the first half of fiscal year 2025, there is no final business year that has been confirmed.

6. Outline of the business to be split

(i) Details of the business to be split

Stanley Electric	Mitsubishi Electric Mobility
Design, development and sales of automobiles (four-wheel, two-wheel vehicles and interiors).	Design, development and sales of the Lighting Control Equipment Business

(ii) Operating results of the business to be split (fiscal year ended March 2024)

Stanley Electric	Mitsubishi Electric Mobility
Net sales 7,056 million yen	—

Note: Mitsubishi Electric Mobility Corporation was established on April 1, 2024, and therefore, the operating result for the most recent business year is not included.

(iii) Assets and liabilities to be split (fiscal year ended March 31, 2024)

Stanley Electric

Assets		Liabilities	
Current assets	1,390 million yen	Interest-bearing debt	—
Fixed assets	614 million yen	Other liabilities	—
Total	2,004 million yen	Total	—

Mitsubishi Electric Mobility

Assets		Liabilities	
Current assets	—	Interest-bearing debt	—
Fixed assets	—	Other liabilities	—
Total	—	Total	—

Note: Mitsubishi Electric Mobility Corporation was established on April 1, 2024, and therefore, the financial position for the most recent business year is not included.

7. Status after the Company Split

(i) Outline of the splitting company

① Company name	Stanley Electric Co., Ltd.	Mitsubishi Electric Mobility Corporation
② Head Office	2-9-13 Nakameguro, Meguro-ku, Tokyo	2-7-3 Marunouchi, Chiyoda-ku, Tokyo

③ Representative	Yasuaki Kaizumi Representative Director, President	Kazunori Tanaka Director, President & CEO
④ Summary of Business	Automotive equipment business, components business, applied electronic products business and others	Development, manufacturing, sales, and service of automotive equipment and others
⑤ Paid-in Capital	30,514 million yen	10,000 million yen
⑥ Fiscal Year End	March 31	March 31

(ii) Overview of the Succeeding Company (the JV)

① Company Name	To be determined
② Head Office	2-9-13 Nakameguro, Meguro-ku, Tokyo
③ Representative	To be determined
④ Summary of Business	Development, design, manufacture, and sale of electronic and control components for automotive lamp systems for four-wheel, two-wheel vehicles, and next-generation vehicles (four-wheel and two-wheel vehicles)
⑤ Paid-in Capital	301 million yen
⑥ Fiscal Year End	March 31

Note: The pending matters of the JV will be announced as soon as it is determined.

8. Outlook

The impact of the Company Split on the performance of Stanley Electric and Mitsubishi Electric Mobility will be announced as soon as it becomes clear.

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