

**Outshining
Light**



STANLEY ELECTRIC CO., LTD.

Semi-Annual Report 2009

Six-month period September 30, 2008

STANLEY NOW & FUTURE

To Our Shareholders

Stanley Electric Co., Ltd. and its Subsidiaries

We would like to express our deep gratitude to shareholders for their particularly loyal support and continuous patronage of our company.

We will report financial results for the second quarter of the current 2008 business year, as the quarter ended on Sept. 30, 2008.

Overall review of business operations for the quarters under review

During the first and second quarters of the current consolidated business year, the Japanese economy slowed further, affected by a host of problems. These included deteriorating corporate earnings, which came against the background of soaring crude oil and materials prices, and the financial turmoil and subsequent fall of stock prices, which can be traced back to the subprime mortgage crisis in the United States.

Looking overseas, a sense of cautiousness deepened over the course of the U.S. economy in light of the economic contraction deriving from the subprime crisis and the poor showing in the stock and currency markets.

In Asian countries, economic growth generally slowed, influenced by increased inflationary pressures. The pace of growth also tended to slow in China, although its growth rates remain high. Meanwhile, a feeling that economies are contracting is also increasingly being felt in Europe in view of higher crude oil prices, the accelerating appreciation of the euro against other key currencies, and the economic slowdowns in advanced countries, which are major export destinations for European businesses.

Under these economic circumstances, the Stanley Electric Group promoted results-oriented investment by developing products that exactly meet market needs and pushing for “innovation-in-production” activities aimed at enhancing productivity. By undertaking these measures, the Group tried to expand its profits during the quarter under review.

During the first and second quarters (April-September) of the current consolidated business year, net sales totaled ¥166,071 million, down 2.8% from the corresponding period last year. Operating income for the period came to ¥20,519 million, down 3.0%. Net income was to ¥14,588 million, up 0.1%.

Net sales for the second quarter (July-September) totaled ¥84,165 million, operating income was ¥9,599 million and net income was ¥7,711 million.

Segment Information

AUTOMOTIVE EQUIPMENT BUSINESS

Automobile production decreased significantly in North America, but output expanded in Japan, Europe, the Asia-Pacific region and China. As a result, global auto production grew smoothly.

Under these circumstances, sales of automotive equipment by the Stanley Electric Group increased, aided by higher demand for high-value-added products such as adaptive front-lighting systems (AFS) and discharge headlamps (HID). In the motorcycle business, sales fell overall, with higher sales in the Asia-Pacific region unable to offset weak sales in Japan, North America and Europe. Sales in the accessories and parts business declined, reflecting increased downward pressure on product prices on the commercial market that more than offset the Group's efforts to aggressively launch new products in the markets for authentic and commercial products amid increasingly intense competition.

As a result, sales in the automotive equipment business totaled ¥121,724 million in the first and second quarters (April-September) of the current consolidated business year, a 4.3 percent rise. Operating income for the two quarters came to ¥14,323 million, up 17.8%.

Sales in the automotive equipment business came to ¥62,083 million for the second quarter (July-September) and operating income was ¥7,029 million.

ELECTRONIC EQUIPMENT BUSINESS

Growth in the electronic equipment market slackened in terms of value, affected by continued falls in product prices, which more than offset volume gains in sales of digital still cameras (DSC), flat panel display (FPD) TVs and notebook-size PCs.

Under these market conditions, the electronic equipment business of Stanley Electric Group saw mixed results for the period under review. Sales of LED backlight units grew thanks to continued use of LED for light sources for backlights used for notebook PCs. But sales of electronic devices such as LEDs and cold cathode fluorescent lamps (CCFL) fell compared with the corresponding period of last year, affected by price falls for such products.

In the electronic equipment business, the Group expects to see larger orders as a result of the launch of new LED and CCFL models. By focusing on implementing these measures, the Group will try to achieve its intended results.

Sales in the electronic equipment business came to ¥44,204

million in the first and second quarters of the current consolidated business year, down 18.2% from a year before. Operating income in the two quarters came to ¥5,383 million, down 29.8%.

Sales in the electronic equipment business totaled ¥21,974 million for the second quarter and operating income ¥2,475 million.

OTHER BUSINESS

Sales in other business segments (the die-and-mold business, employment promotion for people with disabilities, as well as financial and other services) came to ¥142 million in the first and second quarters of the current consolidated business year. Operating income in the two quarters came to ¥27 million. Sales in other business segments totaled ¥107 million for the second quarter and operating income ¥24 million.

Consolidated Financial Standing

Gross assets at the end of the second quarter stood at ¥326,150 million, an increase on ¥352 million from the end of the previous consolidated business year.

Of total assets, tangible fixed assets increased by ¥2,644 million from the end of the previous consolidated business year. But current assets decreased by ¥967 million. Investment and other assets fell by ¥1,113 million. Of the liquid assets, notes and accounts receivable declined by ¥7,351 million. However, marketable securities grew by ¥2,383 million, cash and deposits by ¥1,928 million and inventories by ¥1,437 million. Of tangible fixed assets, machinery and equipment and transportation equipment posted a net increase of ¥1,788 million from the end of the previous consolidated business year and the account on construction in progress rose by ¥1,505 million. Of investment and other assets, investment securities fell by ¥824 million.

Liabilities declined by ¥8,940 million from the end of the previous consolidated business year. Notes and accounts payable decreased by ¥8,491 million and accrued income taxes dropped by ¥701 million. However, deferred tax liabilities-non-current increased by ¥887 million and short-term loans rose by ¥878 million.

Net assets when broken down saw an increase of ¥12,276 million in retained earnings, an increase of ¥1,069 million in the account on foreign currency translation adjustment, an increase of ¥1,058 million in minority interests and a decrease of ¥4,949 million in acquisition of treasury stocks.

Estimated consolidated earnings for full year and expected payments of dividends

In the second quarter (July-September), the global recession, prompted by the U.S.-originated financial turmoil, became more serious.

Under these economic conditions, the business climate for the Stanley Electric Group is expected to remain extremely difficult, casting a cloud over its full-year earnings projections amid falling automobile production worldwide, sluggish demand for cell phone units and a decline in prices of liquid-crystal display TVs.

As a result, net sales for the full business year through next March 31 are projected to total ¥337 billion, down 4.9% from the previous year, operating income is expected to total ¥46.5 billion, unchanged, and net income is expected to be ¥30 billion, up 0.9%. The projections largely show that the Group's earnings for the full current year will be below initially estimated levels.

As planned initially, Stanley Electric will pay a dividend of ¥18 per share for the second quarter. The Company will pay a year-end dividend of ¥18, bringing its annual dividend to ¥36 per share.

We hope that our shareholders will provide continued patronage and loyal support to our company.

December, 2008



Takanori Kitano
President

Financial Highlights

For the six-month period ended September 30, 2008

	Millions of Yen	Thousands of U.S. Dollars
Net sales	¥166,071	\$1,603,469
Operating income	20,519	198,121
Net income	14,588	140,853
Net income per share (yen and U.S. dollars)	¥81.8	\$0.79

Note: The figures in U.S. dollar are just for your reference, converted at the rate of ¥103.57 to US\$1.

*Projections for the third quarter and after are made based on the assumption that the dollar will stay at the ¥100 level.

*Projections for the full year have been made based on the latest information available. The projections therefore include currency-rate risks and other uncertainties. We appreciate your understanding that actual earnings results may deviate significantly from these projections.

Condensed Consolidated Balance Sheets

Stanley Electric Co., Ltd. and its Subsidiaries

	Millions of Yen			Thousands of U.S. Dollars (Note 3)		
	September 30, 2007	September 30, 2008	March 31, 2008	September 30, 2007	September 30, 2008	March 31, 2008
ASSETS						
Current assets:						
Cash and cash equivalents	¥59,296	¥56,349	¥51,525	\$572,528	\$544,076	\$497,499
Time deposits	10	25	35	97	241	338
Marketable securities	498	1,001	1,503	4,813	9,663	14,513
Notes and accounts receivable:						
Trade	71,667	67,820	74,895	691,963	654,822	723,128
Affiliates	684	547	823	6,608	5,278	7,952
Less, allowance for doubtful accounts	(76)	(63)	(33)	(733)	(610)	(323)
	72,275	68,304	75,685	697,838	659,490	730,757
Inventories	19,471	19,792	18,355	188,002	191,100	177,223
Deferred tax assets-current	3,237	2,863	2,726	31,252	27,647	26,322
Prepaid expenses and other current assets	10,123	10,078	9,550	97,735	97,302	92,201
Total current assets	164,910	158,412	159,379	1,592,265	1,529,519	1,538,853
Investments and advances:						
Investment securities	43,569	30,784	31,107	420,673	297,224	300,354
Investments in affiliates	7,864	10,419	10,919	75,929	100,603	105,427
Other investments and advances	2,716	2,827	3,268	26,222	27,296	31,551
	54,149	44,030	45,294	522,824	425,123	437,332
Property, plant and equipment:						
Land	11,029	11,253	11,597	106,490	108,661	111,971
Buildings	75,945	74,872	73,881	733,277	722,912	713,347
Machinery and equipment	209,471	219,332	209,499	2,022,503	2,117,718	2,022,779
Lease assets	-	117	-	-	1,127	-
Construction in progress	10,245	12,211	10,707	98,922	117,906	103,376
	306,690	317,785	305,684	2,961,192	3,068,324	2,951,473
Less, accumulated depreciation	(189,488)	(200,125)	(190,668)	(1,829,563)	(1,932,276)	(1,840,952)
	117,202	117,660	115,016	1,131,629	1,136,048	1,110,521
Other assets:						
Deferred tax assets-non-current	2,484	2,508	2,356	23,977	24,220	22,756
Other assets	3,959	3,540	3,753	38,223	34,176	36,221
Total assets	¥342,704	¥326,150	¥325,798	\$3,308,918	\$3,149,086	\$3,145,683

	Millions of Yen			Thousands of U.S. Dollars (Note 3)		
	September 30, 2007	September 30, 2008	March 31, 2008	September 30, 2007	September 30, 2008	March 31, 2008
LIABILITIES AND NET ASSETS						
Current liabilities:						
Short-term loans	¥9,255	¥9,709	¥8,831	\$89,367	\$93,749	\$85,270
Current portion of long-term debt	-	10,000	10,000	-	96,553	96,553
Notes and accounts payable:						
Trade	48,975	41,400	49,299	472,872	399,730	475,998
Affiliates	646	896	952	6,237	8,647	9,199
Other	7,569	6,100	6,322	73,084	58,896	61,041
	57,190	48,396	56,573	552,193	467,273	546,238
Accrued expenses	11,306	9,345	10,031	109,158	90,227	96,844
Accrued income taxes	5,181	5,661	6,363	50,028	54,663	61,433
Deferred tax liabilities-current	3	4	2	32	45	24
Other current liabilities	2,307	3,124	3,513	22,267	30,160	33,908
Total current liabilities	85,242	86,239	95,313	823,045	832,670	920,270
Long-term debt	10,000	-	-	96,553	-	-
Deferred tax liabilities-non-current	6,139	2,454	1,567	59,272	23,698	15,136
Accrued severance indemnities	22,839	22,286	22,382	220,517	215,178	216,113
Other non-current liabilities	2,436	2,362	3,020	23,518	22,799	29,151
Total liabilities	126,656	113,341	122,282	1,222,905	1,094,345	1,180,670
Commitments and contingent liabilities (Note 4)						
Net assets						
Shareholders' capital:						
Common stock:						
Authorized 750,000,000 shares at September 30, 2007, 2008 and March 31, 2008						
Issued 188,240,256 shares at September 30, 2007, 2008 and March 31, 2008	30,514	30,514	30,514	294,631	294,631	294,631
Additional paid-in capital	29,826	29,826	29,826	287,979	287,983	287,982
Retained earnings	132,760	157,445	145,168	1,281,844	1,520,177	1,401,643
Treasury stock:						
4,819,347 shares at September 30, 2007, 9,050,551 shares at March 31, 2008, and 11,257,447 shares at September 30, 2008	(8,657)	(23,618)	(18,669)	(83,598)	(228,041)	(180,260)
Total shareholders' capital	184,443	194,167	186,839	1,780,856	1,874,750	1,803,996
Valuation, translation and other adjustments						
Net unrealized gain on available-for-sale securities	20,336	13,275	13,438	196,356	128,174	129,744
Foreign currency translation adjustments	1,217	(6,822)	(7,892)	11,754	(65,870)	(76,195)
Total valuation and translation adjustments	21,553	6,453	5,546	208,110	62,304	53,549
Minority interest in consolidated subsidiaries	10,052	12,189	11,131	97,047	117,687	107,468
Total net assets	216,048	212,809	203,516	2,086,013	2,054,741	1,965,013
Total liabilities and net assets	¥342,704	¥326,150	¥325,798	\$3,308,918	\$3,149,086	\$3,145,683

The accompanying notes are an integral part of these balance sheets.

Condensed Consolidated Statements of Income

Stanley Electric Co., Ltd. and its Subsidiaries

	Millions of Yen			Thousands of U.S. Dollars (Note 3)		
	For the six-month period ended September 30, 2007	For the six-month period ended September 30, 2008	For the year ended March 31, 2008	For the six-month period ended September 30, 2007	For the six-month period ended September 30, 2008	For the year ended March 31, 2008
Net sales	¥170,857	¥166,071	¥354,469	\$1,649,685	\$1,603,469	\$3,422,508
Cost of sales	131,167	127,233	271,834	1,266,462	1,228,475	2,624,633
Gross profit	39,690	38,838	82,635	383,223	374,994	797,875
Selling, general and administrative expenses	18,539	18,319	36,072	178,997	176,873	348,288
Operating income	21,151	20,519	46,563	204,226	198,121	449,587
Non-operating income (expenses):						
Interest and dividend income	989	1,051	1,947	9,550	10,155	18,802
Interest expense	(162)	(174)	(338)	(1,572)	(1,681)	(3,270)
Gain on sales of property, plant and equipment	322	1,871	329	3,116	18,071	3,183
Loss on disposal of property, plant and equipment	(213)	(398)	(1,068)	(2,057)	(3,844)	(10,319)
Gain on sales of investment securities	7	—	831	73	—	8,024
Equity in earnings of affiliated companies	762	469	1,318	7,358	4,535	12,735
Royalty income	452	567	1,002	4,366	5,480	9,684
Other, net	(368)	102	(2,691)	(3,558)	967	(25,996)
	1,789	3,488	1,330	17,276	33,683	12,843
Income before income taxes and minority interest	22,940	24,007	47,893	221,502	231,804	462,430
Income taxes	6,668	7,558	14,823	64,385	72,978	143,126
Income before minority interest	16,272	16,449	33,070	157,117	158,826	319,304
Minority interest in earnings of consolidated subsidiaries	(1,699)	(1,861)	(3,338)	(16,408)	(17,973)	(32,231)
Net income	¥14,573	¥14,588	¥29,732	\$140,709	\$140,853	\$287,073
Per share (Note 2 (d)):	Yen			U.S. Dollars		
Net income	¥79.5	¥81.8	¥162.9	\$0.77	\$0.79	\$1.57
Cash dividends in respect of the period and year	15.0	18.0	30.0	0.14	0.17	0.29

The accompanying notes are an integral part of these statements.

Condensed Consolidated Statements of Cash Flows

Stanley Electric Co., Ltd. and its Subsidiaries

	Millions of Yen			Thousands of U.S. Dollars (Note 3)		
	For the six-month period ended September 30, 2007	For the six-month period ended September 30, 2008	For the year ended March 31, 2008	For the six-month period ended September 30, 2007	For the six-month period ended September 30, 2008	For the year ended March 31, 2008
Cash flows from operating activities:						
Income before income taxes and minority interest	¥22,940	¥24,007	¥47,893	\$221,502	\$231,804	\$462,430
Adjustments to reconcile income before income taxes and minority interest to net cash provided by operating activities:						
Depreciation and amortization	11,396	12,395	24,419	110,030	119,686	235,782
Increase (decrease) in accrued severance indemnities	78	(97)	(371)	754	(938)	(3,589)
Interest and dividend income	(989)	(1,051)	(1,947)	(9,550)	(10,155)	(18,802)
Interest expense	162	174	338	1,572	1,681	3,270
Equity in earnings of affiliated companies	(762)	(469)	(1,318)	(7,358)	(4,535)	(12,735)
Gain on sales of investment securities	(7)	—	(831)	(73)	—	(8,024)
(Gain) loss on sales and disposal of property, plant and equipment, net	(109)	(1,473)	739	(1,059)	(14,227)	7,135
(Increase) decrease in receivables	3,236	8,497	(3,402)	31,245	82,049	(32,851)
(Increase) decrease in inventories	(414)	(1,196)	(478)	(3,998)	(11,547)	(4,620)
Increase (decrease) in payables	(4,502)	(8,459)	(1,054)	(43,470)	(81,677)	(10,183)
Other, net	(3,666)	(2,782)	(1,898)	(35,396)	(26,861)	(18,308)
Sub-total	27,363	29,546	62,090	264,199	285,280	599,505
Receipts of interest and dividends	1,393	1,283	2,287	13,453	12,388	22,080
Payments of interest	(192)	(202)	(343)	(1,852)	(1,950)	(3,314)
Payments of income taxes	(7,281)	(7,378)	(14,267)	(70,304)	(71,233)	(137,754)
Net cash provided by operating activities	21,283	23,249	49,767	205,496	224,485	480,517
Cash flows from investing activities:						
Proceeds from sales of property, plant and equipment	1,317	2,306	802	12,716	22,268	7,744
Payments for purchases of property, plant and equipment	(16,843)	(13,581)	(32,496)	(162,624)	(131,132)	(313,767)
Payments for purchases of intangible assets	(479)	(341)	(1,147)	(4,622)	(3,293)	(11,083)
Proceeds from sales and redemption of marketable and investment securities	37	500	2,324	358	4,828	22,441
Payments for purchases of marketable and investment securities	(2,600)	—	(4,516)	(25,105)	—	(43,612)
Payments for purchases of investments in affiliates	(1,723)	—	(4,619)	(16,643)	—	(44,600)
Other, net	(221)	196	(313)	(2,130)	1,886	(3,000)
Net cash used in investing activities	(20,512)	(10,920)	(39,965)	(198,050)	(105,443)	(385,877)
Cash flows from financing activities:						
Repayments of long-term debt	(2)	—	—	(19)	—	—
Increase (decrease) in short-term loans, net	705	801	577	6,808	7,735	5,565
Cash dividends paid	(2,385)	(2,687)	(5,136)	(23,024)	(25,950)	(49,589)
Cash dividends paid to minority shareholders	(590)	(1,280)	(506)	(5,698)	(12,360)	(4,885)
Payments for acquisition of treasury stock	(20)	(4,949)	(10,033)	(198)	(47,790)	(96,873)
Other, net	1	0	2	6	9	18
Net cash used in financing activities	(2,291)	(8,115)	(15,096)	(22,125)	(78,356)	(145,764)
Effect of exchange rate changes on cash and cash equivalents	(286)	610	(4,283)	(2,753)	5,891	(41,337)
Net increase (decrease) in cash and cash equivalents	(1,806)	4,824	(9,577)	(17,432)	46,577	(92,461)
Cash and cash equivalents at beginning of period/year	61,102	51,525	61,102	589,960	497,499	589,960
Cash and cash equivalents at end of period/year	¥59,296	¥56,349	¥51,525	\$572,528	\$544,076	\$497,499

The accompanying notes are an integral part of these statements.

Notes to Condensed Consolidated Financial Statements

Stanley Electric Co., Ltd. and its Subsidiaries

1. Basis of Presentation of Condensed Semi-annual Consolidated Financial Statements

The accompanying condensed semi-annual consolidated financial statements have been prepared based on the accounts maintained by Stanley Electric Co., Ltd. (the "Company") and all of its domestic subsidiaries in accordance with the provisions set forth in the Japanese Corporation Law, the Financial Instruments and Exchange Law and the related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the semi-annual consolidated financial statements filed with the Kanto Finance Bureau of the Ministry of Finance in Japan have been reclassified and translated into English for the convenience of readers outside Japan. Certain footnote and supplementary information included in the statutory Japanese language semi-annual consolidated financial statements, but not considered necessary for fair presentation, is not presented in the accompanying condensed semi-annual consolidated financial statements.

2. Summary of Significant Accounting Policies:

(a) Measurement of Inventories

In financial year 2008, the Company has applied "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006). Accordingly, inventories are mainly stated at cost (for the value stated on the balance sheet, write-downs based on the decreased profitability). The adoption of this new standard did not have a material effect on the semi-annual consolidated financial statements.

(b) Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

In financial year 2008, the Company has applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18, May 17, 2006). Accordingly, the Company made necessary adjustments, which did not have a material effect on the semi-annual consolidated financial statements.

(c) Lease Transactions

In financial year 2008, the Company has applied "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16; the Japanese Institute of Certified Public Accountants, Accounting Committee, January 18, 1994; revised March 30, 2007). The revised accounting standard requires that finance lease transactions that do not transfer ownership should be accounted for in a

manner similar to the accounting for ordinary purchase transactions and capitalized as lease assets. Depreciation expenses arising from a leased asset in a finance lease transaction that does not transfer ownership shall be calculated, in principle, based on the assumption that the useful life equals to the lease term and the residual value equals to zero. The certain finance lease transactions that do not transfer ownership, which were acquired prior to April 1, 2008, continue to be accounted for in a manner similar to the accounting for ordinary rental transactions. The adoption of this revised accounting standard did not have a material effect on the semi-annual consolidated financial statements.

(d) Net Income and Dividends per Share

Net income per share of common stock is calculated by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during each period and year.

The number of common shares used in the net income per share computations was 178,458, 183,425 and 182,492 thousand for the six-month periods ended September 30, 2008 and 2007, and for the year ended March 31, 2008, respectively. Diluted net income per share information is not presented in the condensed semi-annual consolidated financial statements because the Company does not have any dilutive common shares. Cash dividends per share shown for each period and year in the accompanying condensed semi-annual consolidated statements of income represent dividends declared for each respective period and year.

3. United States Dollar Amounts

The Company and its domestic subsidiaries maintain their accounting records in Japanese yen. The dollar amounts included in the condensed semi-annual consolidated financial statements and notes thereto represent the arithmetical results of translating yen to dollars at a rate of ¥103.57=US\$1, the rate of exchange prevailing on September 30, 2008.

The inclusion of such dollar amounts is solely for the convenience of readers outside Japan and is not intended to imply that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at this or any other rate.

4. Commitments and Contingent Liabilities

The Company was contingently liable as guarantor for loans of ¥19 million (\$187 thousand) from certain financial institutions in respect of employees' housing, as of September 30, 2008.

5. Segment Information

The sales of the Company and its subsidiaries are classified into three industry segments: (a) automotive equipment business, consisting of the automotive lighting business, the motorcycle lighting business, the electronic equipment for automobiles business, and the accessory & parts business, (b) electronic equipment business, consisting of the component business, and the electric application business, and (c) other business.

Operating income represents net sales less cost of sales and selling, general and administrative expenses.

"Other" primarily includes the United Kingdom, the French Republic, the Republic of Hungary and the Federal Republic of Germany.

The operating information is attributed to countries and areas based on geographical proximity. Information by industry segment and geographic area for the six-month periods ended September 30, 2008 and 2007, and for the year ended March 31, 2008 is as follows:

	Millions of Yen			Thousands of U.S. Dollars		
	For the six-month period ended September 30, 2007	For the six-month period ended September 30, 2008	For the year ended March 31, 2008	For the six-month period ended September 30, 2007	For the six-month period ended September 30, 2008	For the year ended March 31, 2008
Industry segments:						
Net sales:						
Automotive Equipment Business:						
Customers	¥116,672	¥121,724	¥246,184	\$1,126,509	\$1,175,290	\$2,376,989
Intersegment	108	118	184	1,039	1,133	1,772
	116,780	121,842	246,368	1,127,548	1,176,423	2,378,761
Electronic Equipment Business:						
Customers	54,054	44,204	107,995	521,913	426,805	1,042,725
Intersegment	6,415	6,785	13,466	61,942	65,512	130,017
	60,469	50,989	121,461	583,855	492,317	1,172,742
Other Business:						
Customers	130	142	289	1,263	1,374	2,794
Intersegment	1,759	1,750	3,662	16,981	16,902	35,358
	1,889	1,892	3,951	18,244	18,276	38,152
Elimination of intersegment sales/corporate	(8,281)	(8,652)	(17,311)	(79,962)	(83,547)	(167,147)
	¥170,857	¥166,071	¥354,469	\$1,649,685	\$1,603,469	\$3,422,508
Operating income:						
Automotive Equipment Business	¥12,157	¥14,323	¥26,443	\$117,383	\$138,294	\$255,317
Electronic Equipment Business	7,671	5,383	16,114	74,067	51,982	155,587
Other Business	2	28	31	17	267	301
	19,830	19,734	42,588	191,467	190,543	411,205
Elimination of intersegment income/corporate	1,321	785	3,975	12,759	7,578	38,382
	¥21,151	¥20,519	¥46,563	\$204,226	\$198,121	\$449,587

	Millions of Yen			Thousands of U.S. Dollars		
	For the six-month period ended September 30, 2007	For the six-month period ended September 30, 2008	For the year ended March 31, 2008	For the six-month period ended September 30, 2007	For the six-month period ended September 30, 2008	For the year ended March 31, 2008
Geographic areas:						
Net sales:						
Japan:						
Customers	¥92,497	¥90,580	¥195,941	\$893,091	\$874,585	\$1,891,867
Intersegment	21,316	18,387	43,110	205,810	177,531	416,241
	113,813	108,967	239,051	1,098,901	1,052,116	2,308,108
North America:						
Customers	29,551	24,044	57,284	285,324	232,155	553,095
Intersegment	16	27	45	159	257	436
	29,567	24,071	57,329	285,483	232,412	553,531
Asia-Pacific:						
Customers	21,273	20,053	42,542	205,406	193,615	410,756
Intersegment	10,169	7,477	21,224	98,183	72,191	204,926
	31,442	27,530	63,766	303,589	265,806	615,682
China:						
Customers	15,763	21,518	35,196	152,204	207,765	339,826
Intersegment	8,625	7,366	18,248	83,277	71,122	176,195
	24,388	28,884	53,444	235,481	278,887	516,021
Other:						
Customers	11,772	9,875	23,507	113,660	95,349	226,965
Intersegment	214	150	366	2,063	1,444	3,534
	11,986	10,025	23,873	115,723	96,793	230,499
Elimination of intersegment sales/corporate	(40,339)	(33,406)	(82,994)	(389,492)	(322,545)	(801,333)
	¥170,857	¥166,071	¥354,469	\$1,649,685	\$1,603,469	\$3,422,508
Operating income:						
Japan	¥9,235	¥8,660	¥22,767	\$89,173	\$83,622	\$219,817
North America	2,757	1,603	4,572	26,623	15,482	44,148
Asia-Pacific	3,553	3,522	7,920	34,301	34,008	76,473
China	3,067	4,132	6,707	29,609	39,893	64,762
Other	1,149	1,242	1,724	11,098	11,988	16,641
	19,761	19,159	43,690	190,804	184,993	421,841
Elimination of intersegment income/corporate	1,390	1,360	2,873	13,422	13,128	27,746
	¥21,151	¥20,519	¥46,563	\$204,226	\$198,121	\$449,587

6. Subsequent Events

On October 27, 2008, the Board of Directors of the Company resolved a plan to repurchase up to 3 million shares of the Company's common stock at a cost of up to ¥2,500 million (\$24,138 thousand) for the period

from October 28, 2008 to February 20, 2009. Such repurchases are intended to return profits to the shareholders and to ensure its flexible capital strategy.

Company Profile

(As of September 30, 2008)

Establishment:	December 29, 1920
Incorporation:	May 5, 1933
Capital:	30,514 million yen
Number of employees:	Stanley Group: 13,207 Stanley Electric: 3,438
Head office:	2-9-13, Nakameguro, Meguro-ku, Tokyo 153-8636, Japan
Affiliated companies:	
<i>Domestic</i>	Stanley Iwaki Works Co., Ltd. Stanley Tsuruoka Works Co., Ltd. Stanley Miyagi Works Co., Ltd. Stanley Shiga Works Co., Ltd. Stanley Ina Works Co., Ltd. <i>Four others</i>
<i>Overseas</i>	Stanley Electric U.S. Co., Inc. I I Stanley Co., Inc. Stanley Electric Hungary Kft. Stanley Electric GmbH Asian Stanley International Co., Ltd. Stanley Electric (Asia Pacific) Ltd. Tianjin Stanley Electric Co., Ltd. Guangzhou Stanley Electric Co., Ltd. Thai Stanley Electric Public Co., Ltd. Hella - Stanley Holding Pty Ltd Lumax Industries Ltd. <i>Sixteen others</i>

Board of Directors

(As of September 30, 2008)

President	Takanori Kitano
Senior Managing Directors	Akihiro Nakamura Sueo Kaneda
Managing Directors	Shinichi Katano Makio Natsusaka Hidenari Yamazaki
Advisory Director	Yuji Nitta
Directors	Shigeki Muto Katsumi Kondo Yutaka Hiratsuka
Statutory Corporate Auditors	Yuichiro Kajiya Ryuta Yamaguchi Yoshiaki Yamauchi Yoichiro Sakuma Mitsuhiro Amitani



STANLEY ELECTRIC CO., LTD.