

# **Star Micronics Sustainability Report 2024**

Contents

	<ul style="list-style-type: none"> <li>02 Contents and Editorial Policy</li> <li>03 Company Information and Business Information</li> <li>04 Our Guiding Vision</li> <li>05 Promoting Sustainability Management</li> <li>06 Top Message</li> </ul>
Environment	
	<ul style="list-style-type: none"> <li>08 Environmental Management</li> <li>09 Addressing Climate Change</li> <li>11 Initiatives to Environmentally Friendly Products</li> <li>13 Promoting Waste Reduction and Recycling Activities</li> <li>14 Lowering Environmental Contamination Risk</li> <li>14 Initiatives for Biodiversity Conservation</li> <li>15 Water Resources Management</li> <li>16 Environmental Data</li> </ul>
Society	
	<ul style="list-style-type: none"> <li>21 Respect for Human Rights</li> <li>22 Star Micronics Group Human Rights Respect Policy</li> <li>23 Human Capital Management</li> <li>29 Labor Relations</li> <li>30 Contribution to the Community</li> <li>31 Promoting Sustainable Production and Procurement</li> <li>32 Social Data</li> </ul>
Governance	
	<ul style="list-style-type: none"> <li>35 Corporate Governance</li> <li>39 Risk Management</li> <li>40 Compliance</li> <li>41 Dialogue with Shareholders and Investors</li> <li>42 Membership associations</li> <li>42 Governance Data</li> </ul>
GRI Standard Contents Index	
	<ul style="list-style-type: none"> <li>44 GRI Standard Contents Index</li> </ul>

Editorial Policy

■ Issuance purpose and frequency

Our purpose is to contribute to the sustainable development of society as a “leading small and medium-sized enterprise” that seeks to excel on the world stage.

We operate with the support of a broad range of stakeholders, and we believe it is essential as a corporate responsibility to disclose our initiatives transparently.

The Star Micronics Sustainability Report is issued annually with the aim of clarifying our sustainability activities and outcomes, and of helping to build trust with our stakeholders.

Note: The previously issued “SOCIAL & ENVIRONMENTAL REPORT” has been consolidated into this report, and the 2023 edition marks the final issue of that series.

■ Reference guidelines

This is prepared with reference to the GRI Standards 2021 and the final report of the Task Force on Climate-related Financial Disclosures (TCFD).

■ Scope

In principle, the Star Micronics Group is covered. If the scope of coverage differs, a note is provided stating that fact.

■ Applicable Period

This covers FY2024 (January 1, 2024 through December 31, 2024), but activities around 2024 may also be included as appropriate.

■ Reporting medium

We publish the Japanese and English versions as PDFs.

■ Revisions to previously disclosed information

There are no major corrections or amendments to the disclosures in the Social & Environmental Report issued last year, or in the Environmental Data / Environmental Accounting and Social Data. However, minor revisions have been made due to changes in calculation policies, and notes have been added on the relevant pages.

■ External assurance

Some environmental and social data are audited by our Internal Audit Department, but we have not obtained third-party certification.

■ Date of Issue

August 2025

■ Contact

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 TEL: +81-54-263-1111 (main)



Company Information (as of December 31,2024)

Trade Name	Star Micronics Co., Ltd.
Head Office	20-10 Nakayoshida, Suruga-ku, Shizuoka 422-8654, Japan
Established	July 6, 1950
Paid-in Capital	¥12,721 million
Industry	Manufacturing
Business Area	1. Special Products(Small Printers)
	2. Machine tools(CNC Automatic Lathes and other Machine Tools)

List of Group Subsidiaries and Office Locations (as of December 31, 2024)

Country	Company
Japan	Star Micronics Co., Ltd.
Japan	Star Marketing Japan Co., Ltd.
Japan	Star Metal Company
Japan	Micro Sapporo Company
Japan	Smart Solution Technology, Inc. (SST)
U.S.A.	Star Micronics America Inc.
U.S.A.	Star CNC Machine Tool Corp.
U.S.A.	Star America Holding Inc.
U.K.	Star Micronics Europe Ltd.
U.K.	Star Micronics GB Ltd.
Germany	Star Micronics GmbH
Switzerland	Star Micronics AG
France	Star Machine Tool France SAS
China	Star Micronics Manufacturing Dalian Co., Ltd.
China	Shanghai Xingang Machinery Co., Ltd.
Hong Kong	Star Precisions Ltd.
Thailand	Star Micronics (Thailand) Co., Ltd.
Thailand	Star Micronics Southeast Asia Co., Ltd.
Thailand	Star Micronics Manufacturing (Thailand) Co., Ltd.
India	STAR MICRONICS INDIA Pvt. Ltd.

Business Information

Star Micronics derives its name from the idea of a predecessor who aspired to be a company that shines brightly, though small, like a star in the night sky. We strive to meet society’s expectations with Star quality, and we will continue to create new value through innovative technologies.

Special Products

By fusing cutting-edge electronics with precision machining technology that has been cultivated since the company's founding, the company has established its own mechatronics engineering. In recent years, the company has promoted the development of high-value-added products by integrating with services utilizing software and the cloud. This engineering has been utilized in its products and services for the special products, including small printers and electronic journal services. We have also established an overseas production system early on, and now we are pursuing advanced technologies and high quality with a global perspective.



TSP100IV Series Receipt printer



mC-Label3 Series label printer



Star Micronics Cloud Service

Machine Tools

With high performance and precision, our products have won high ratings from around the world as "Machines that users make for users." Beginning with the export of automatic lathes to the United Kingdom in 1962, Star Micronics has now established a production, sales, and service system in Asia, Europe, and the United States. Star has a line of machines to meet all your machining needs.



Swiss-type CNC automatic lathe  
SX-38 type B



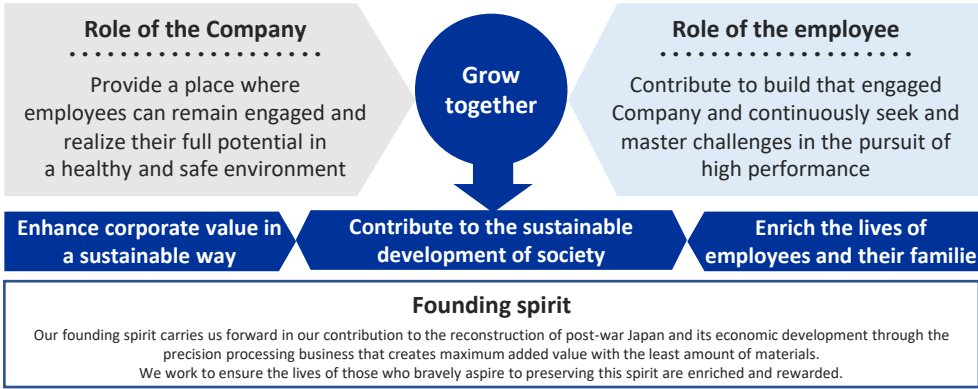
Swiss-type CNC automatic lathe  
SB-20R II



Swiss-type CNC automatic lathe  
SD-26 type S

Corporate Philosophy

A company and its employees must constantly evolve through a process of steady development while also making every effort possible to improve the lives of each individual. This growth must happen together.



Management Policy

- 1

Do not pursue scale unnecessarily; position **capital efficiency and labor productivity** as primary evaluation indicators
- 2

Maintain the **ability to continuously offer new value** to society in response to changes in the environment
- 3

Constantly look to the global market for each business, and position “**global niche**” at the core of the Company’s strategy
- 4

Invest in building an environment that allows employees to realize their full potential and the pursuit of unique technologies from a long-term perspective, regardless of the business environment
- 5

Strive to become **a company that perpetually evolves** in harmony with society through its products and its people

Purpose

**Contribute to the sustainable development of society as a “leading small and medium-sized enterprise” that seeks to excel on the world stage**

As a technology group, Star Micronics strives to provide new value through unique technologies that increase corporate value. At the same time, the Company will enrich the lives of its employees by providing a place where diverse engaged employees can contribute their best. Our goal as a group is to stand at the forefront of Japan’s small and medium-sized enterprises by generating a high level of productivity that rivals large companies as we contribute to the sustainable development of society.

Action Guidelines

<b>Act with initiative and courage</b>	<b>Continue learning</b>	<b>Pursue technology</b>	<b>Focus on team productivity</b>
Take accountability and pride in your work; think, inquire, decide, and then act ethically and with courage	Seek out challenges that will foster personal continuous learning and growth in ways that ultimately improve the Company’s value	Seek to develop and refine technology in ways that bring unrivaled solutions to market	Hold the utmost respect for colleague perspectives. Work collaboratively and decisively to achieve a high level of productivity






Promoting Sustainability Management

Sustainability Policy

The Star Micronics Group aims to help bring about a sustainable society and enhance corporate value by putting into practice the core concept of the Company and employees growing together and contributing to society.

- Guided by a longer-term vision for the Group, we will provide society with new value created using our proprietary technologies.
- We will draw on the global network we have built up over the years to address common issues facing society worldwide.
- We will realize fair and highly transparent management through dialogue and cooperation with all of our stakeholders.

Initiatives to Address Material Issues(2022-2024)

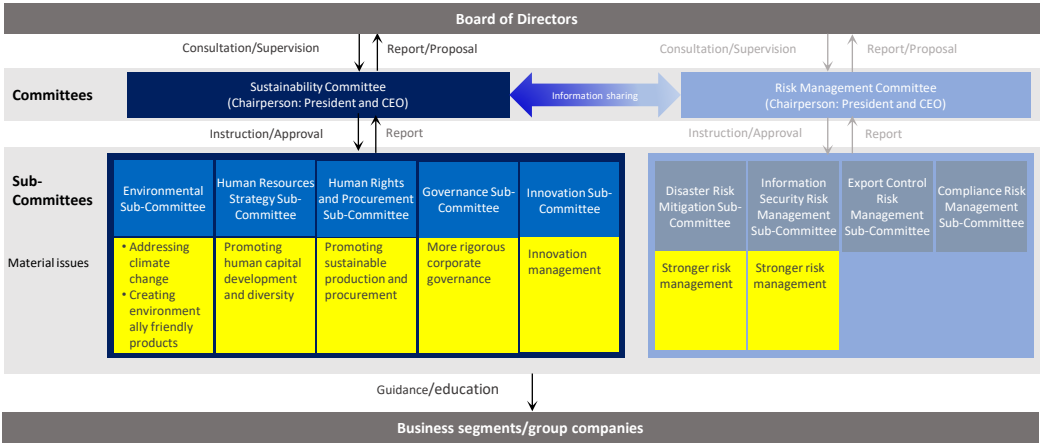
	Material issues	Targets	SDGs
E	<ul style="list-style-type: none"><li>• Addressing climate change by reducing CO2 emissions</li><li>• Creating environmentally friendly products</li></ul>	<ul style="list-style-type: none"><li>• Reducing greenhouse gas emissions</li><li>• Promoting disclosure under TCFD and other frameworks</li><li>• Creating new businesses and products leveraging proprietary technologies</li></ul>	
S	<ul style="list-style-type: none"><li>• Fostering and utilizing diverse human resources</li></ul>	<ul style="list-style-type: none"><li>• Setting targets for women in management and monitoring progress; career training and support</li><li>• Expanding and sustaining education and training programs for global HR development</li></ul>	
G	<ul style="list-style-type: none"><li>• More rigorous corporate governance</li></ul>	<ul style="list-style-type: none"><li>• Building a more fair and transparent governance framework by addressing Corporate Governance Code guidelines</li></ul>	

Sustainability Promotion System

At the Group, the Sustainability Committee, which is a body to make decisions on important matters related to sustainability, and chaired by the Representative Director, President and CEO, and comprised of full-time directors and executive officers, identifies material issues, sets targets for the resolution of these issues, and promotes Group-wide initiatives.

In addition, as necessary, information is shared with the Risk Management Committee, which is comprised of the same members as the Sustainability Committee.

The results of deliberations by the Sustainability Committee and the Risk Management Committee are regularly reported to the Board of Directors, which consults and supervises the Sustainability Committee’s initiatives.



※The above is the structure as of June 30, 2025.

Promoting Initiatives to Address Material Issues

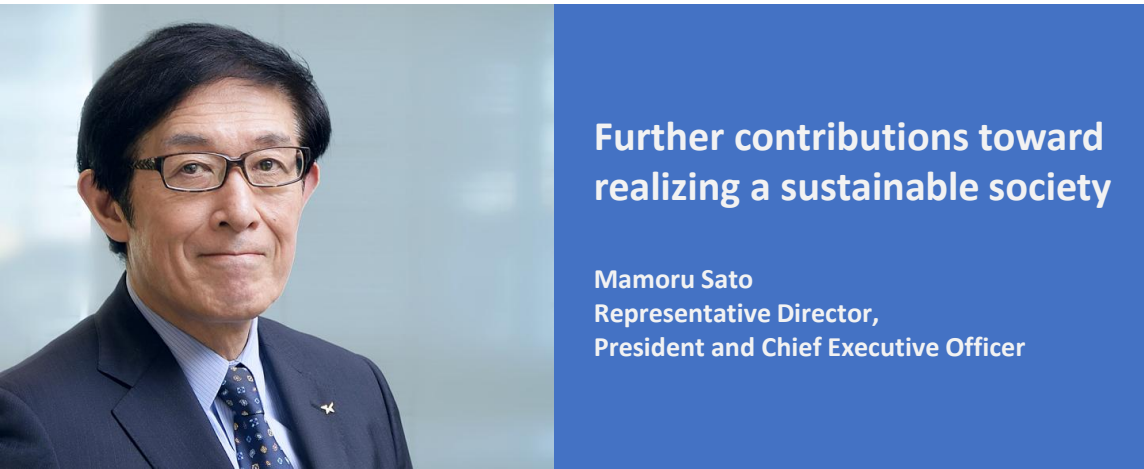
The Group reviewed the material issues in 2024 based on the following process. In line with the Second Medium-Term Management Plan starting in 2025, we will promote initiatives based on new material issues.

Step1. Extraction of potential key issues	Step2. Assessment of materiality	Step3. Verification of validity and completeness	Step4. Identification of key issues
Referring to international guidelines such as SASB, GRI, and SDGs, as well as evaluation items from ESG evaluation organizations, various social issues in addition to conventional materiality issues were listed. The issues were analyzed in terms of their impact on each stakeholder and the Group, their importance was evaluated, resulting in a shortlist of 25 items.	The items on the shortlist were evaluated in terms of both their “impact on society” and “importance to the Company,” and key issues were identified based on the evaluation results.	Referring to advice from external consultants, internal consideration and reviews were conducted to confirm the validity and completeness of the content.	Identified key issues were reclassified into seven materiality issues, deliberated by the Sustainability Committee, approved by the Board of Directors, and finalized.

Material issues(2025-)

	Material issues	Reasons for materiality to the Group	Main initiatives
E	Addressing climate change	As a global issue, it is essential for a company to actively promote measures against climate change to ensure business continuity in the future. In addition, by reducing risks related to climate change we will protect our corporate value.	<ul style="list-style-type: none"><li>• Reducing greenhouse gas emissions</li><li>• Promoting disclosure under TCFD and other frameworks</li></ul>
	Creating environmentally friendly products	Growing awareness of environmental issues presents a significant business opportunity for the Group as a manufacturer. Focusing on the development of environmentally friendly products, we will establish competitive advantages and aim for sustainable growth.	<ul style="list-style-type: none"><li>• Creating new businesses and products leveraging proprietary technologies</li><li>• Creating products that help address issues in the natural environment</li></ul>
S	Promoting human capital development and diversity	It is important to increase employee diversity and engagement to revitalize the organization. Investing in human resources will be the foundation that supports the long-term growth of a company.	<ul style="list-style-type: none"><li>• Improving employee engagement</li><li>• Fostering human resources, building capacity</li><li>• Pursuing diversity</li></ul>
	Promoting sustainable production and procurement	For the Group, which has a global supply chain, it is the company’s responsibility to thoroughly respect human rights, preserve the environment, and comply with laws and regulations. In addition, it is also important for reducing risks in the supply chain and ensuring stable procurement.	<ul style="list-style-type: none"><li>• Initiatives to respect human rights within the Group and among suppliers</li></ul>
G	More rigorous corporate governance	While maintaining high ethical standards and transparency, we will strive to conduct appropriate and efficient management, earn the trust of society, and enhance corporate value.	<ul style="list-style-type: none"><li>• Further improving effectiveness of the Board of Directors</li><li>• Establishing an executive compensation system that serves as a sound incentive</li></ul>
	Stronger risk management	Risks surrounding the Company are becoming increasingly complex and diverse due to changes in the business environment and technological innovation. We will support stable corporate growth by promoting appropriate risk management, including risk prevention, response to incidents, and strengthening business continuity systems.	<ul style="list-style-type: none"><li>• Tightening information security governance</li><li>• Reinforcing the response to natural disaster risks</li></ul>
	Innovation management	Continuous investment in technological innovation and new business creation will be the core of our medium- to long-term growth strategies.	<ul style="list-style-type: none"><li>• Establishing a management policy</li><li>• Establishing and strengthening management framework</li></ul>

Top Message



We would like to express our sincere appreciation to all stakeholders for your ongoing support.

Star Micronics Group has, since its founding, provided products and services that contribute to society based on our foundational expertise in precision machining, assembly, and software technology. In recent years, the world has faced numerous challenges such as climate change, resource depletion, and social inequality, and there is a growing expectation for companies to actively contribute toward a sustainable society.

The Star Micronics Group regards addressing these challenges through our business activities as a core responsibility. In 2024, we accelerated our sustainability initiatives and achieved steady progress across environmental, social, and governance (ESG) areas.

Environmental

In our environmental efforts, we are pursuing a mid-term target to reduce greenhouse gas emissions in Scope 1 and 2 by 46% by 2030 (compared with 2013). In 2024, we achieved a 45% reduction from 2013 levels, driven by ongoing initiatives such as energy-efficient installations, use of renewable energy, and employee awareness programs.

Furthermore, at the new factory for our machine tool business, scheduled to be completed in 2025, we have obtained top-tier certifications under the Building Energy Efficiency Labeling System (BELS), achieving both the ZEB (Zero Energy Building) standard and the highest rank S under the CASBEE evaluation. We will continue to pursue a state-of-the-art, environmentally conscious, and efficient sustainable factory. We are also strengthening the development of products and services that contribute to solving global environmental issues, focusing on energy efficiency and resource recycling in new product development.

Social

In the social field, we are fostering a corporate culture that emphasizes diversity and inclusion by increasing the share of female managers and enhancing education and training for developing global talent.

Governance

In governance, we are strengthening board oversight and improving disclosure to enhance transparency and accountability, and we are advancing a governance framework built through ongoing dialogue with our stakeholders.

Materiality

Taking these efforts into account, we identified and reviewed our material issues, announced in February 2025 as part of the second medium-term management plan. Each past initiative reflects our strong commitment to ensuring that our business activities contribute to a sustainable society. Going forward, we will implement the three guiding principles of our corporate philosophy-“Sustained Enhancement of Corporate Value,” “Contribution to the Sustainable Development of Society,” and “Enriching Employees’ Lives”-in accordance with our Sustainability Policy, and promote new materiality-driven initiatives.

Collaboration with stakeholders

We aim to strengthen collaboration with stakeholders worldwide and work together toward a sustainable society. We appreciate your continued understanding and support for the Star Micronics Group.

# Environment

As a company, to ensure sustainable development, we will contribute to the preservation of the global environment by reducing environmental impact and pursuing business activities in harmony with the environment, fulfilling our responsibility to future generations.



Environmental Management

Environmental Philosophy

As a technical group with a core of information-related technology, compact precision machining, and assembly; Star positions environmental management activities as an important issue for the company and promotes business activities and fulfills social responsibilities to contribute to the realization of a society that is in harmony with the global environment.

Basic Environment Policies

1. Among the environmental aspects related to the company's activities, products and services, the following items are the focus of environmental management. Each division (each factory) prepares and implements an environmental policy that sets the theme for its activities.

- Promote reducing waste and reusing and recycling activities.
  - Promote the efficient use of resources and energy conservation.
  - Reduce the use of harmful substances and properly manage chemicals.
  - Promote the development, manufacture, and service of environmentally friendly products.
  - Promote green purchasing.
  - Promote environment-communication internally and externally.
2. Make improvements to the environmental management system and conduct pollution prevention activities.

3. Comply with laws, regulations and regional agreements related to environmental aspects, as well as establish and undertake voluntary standards.

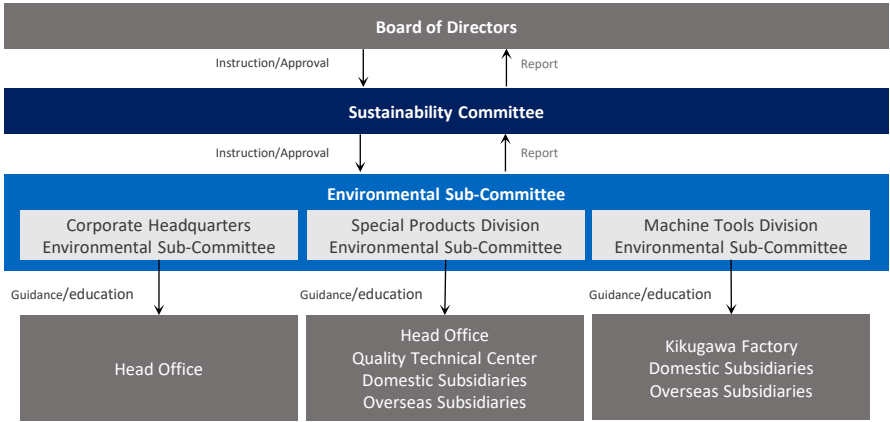
4. Understand the company's environmental activities, the social environment, and the requests of stakeholders, and review the basic environmental policy.

Environmental management promotion system

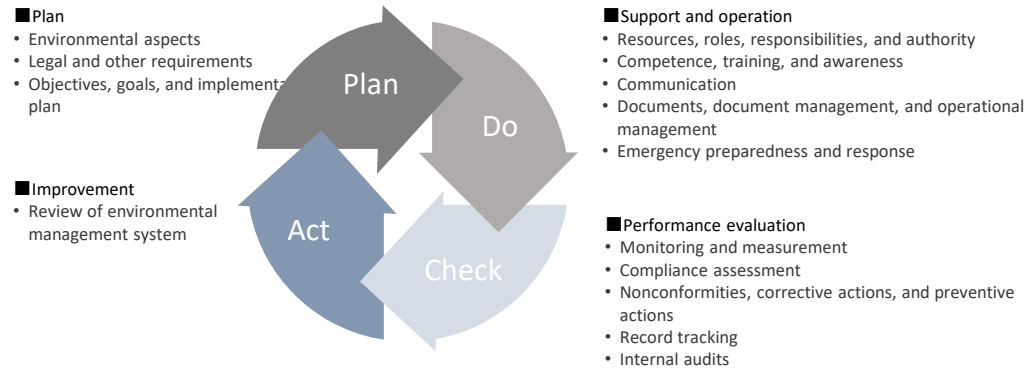
At the Group, the Sustainability Committee, which is a body to make decisions on important matters related to the environment, and chaired by the Representative Director, President and CEO, and comprised of full-time directors and executive officers, identifies material issues, sets goals for the resolution of these issues, and promotes Group-wide initiatives. The material issues and goals identified for the environment are disseminated to each unit responsible for the environment across the entire Group through the Environmental Sub-Committee of each division.

Environmental education

To maintain and enhance environmental activities, we believe a mindset shift by each employee is essential. Accordingly, we provide training opportunities for four pillars of education: general education, role- and level-specific education, advocacy/leadership training, and specialized education, covering everyone from new hires to top management.



PDCA implementation



Acquisition of ISO14001

The Group has established an ISO14001 environmental management system as a mechanism for continuous improvement of environmental management to obtain certification and renew the certification as necessary.

ISO Certs	Company	Notes
4	Star Micronics Co., Ltd.	2(Kikugawa Factory/Kikugawa South Factory)
	Star Metal Company	1
	Star Micronics Manufacturing Dalian Co., Ltd.	1

※Number of certifications obtained from external auditing bodies (self-declaration of conformity not included)

Internal Environmental Audit

We conduct annual inteconformity and effectiveness of the Environmental Management System (EMS), the adequacy of the Environmental Management Program, and compliance with laws and regulations. To raise the proficiency of internal auditors, we also hold Internal Environmental Auditor Skill-Up Seminars. For any nonconformities identified during internal rnal environmental audits to verify the environmental audits, we prepare an “Internal Environmental Audit Summary Report” and submit it as input information to the management review of the environmental management conducted at year-end, thereby contributing to the improvement of the next year's level.

External Environmental Audit

For facilities that have obtained ISO 14001 certification, environmental audits (Environmental Management System audits) are conducted through annual surveillance audits by external certification bodies and triennial recertification audits. The audit results are submitted as input information to the year-end Environmental Management Review conducted by management, contributing to improvements for the following year.



Addressing Climate Change

Response to TCFD Recommendations

Our group established the Sustainability Policy in February 2022, declaring: "We aim to realize a sustainable society and enhance corporate value through the practices of a company and its employees growing together." In our business activities, we recognize not only economic aspects but also social and environmental considerations, and we manage based on this awareness.

As a global company with operations across countries and regions, we view responses to societal challenges such as climate change as a key management issue. To meet the expectations and requests of stakeholders across the group, we have identified two material environmental topics: "Addressing climate change by reducing CO2 emissions" and "Creating environmentally conscious products," and we are advancing efforts accordingly.

In this context, our group expressed support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in February 2023. We are promoting analyses of the impacts of climate change on our business, the associated risks and opportunities, and integrating these considerations into our business strategy through scenario-based planning.



Governance

At the Group, the Sustainability Committee, which is a body to make decisions on important matters related to climate change, and chaired by the Representative Director, President and CEO, and comprised of full-time directors and executive officers, identifies material issues, sets goals for the resolution of these issues, and promotes Group-wide initiatives.

Risk management

The Sustainability Committee evaluates and manages risks related to climate change. The results of deliberations by the Sustainability Committee are regularly reported to the Board of Directors, which consults and supervises the Sustainability Committee's initiatives. In addition, the Environmental Sub-Committee, which is composed of members from various departments such as development, manufacturing, and sales, discusses specific measures based on the policies and plans presented by the committee, and promotes implementation and education within each business unit.



Strategy

The Group adopts a medium- to long-term approach when conducting scenario analyses to identify climate change risks and opportunities. In this manner, every effort is made to properly reflect the impact of risks and opportunities in strategic plans. The Group refers to scenarios\* published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) aimed at achieving the objective put forward under the Paris Agreement of holding the average increase in global temperatures to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C. Accordingly, the Group is conducting two analyses, based on a 1.5°C scenario and a 4°C scenario that assumes greenhouse gas emissions at the current level, to assess the significance of the impact on business activities.

- \* Main reference scenarios
- 1.5°C scenario: IEA NZE, IPCC 1.1-1.9
- 4°C scenario: IPCC SSP5-8.5

List of risks and opportunities

	Classification	Item	Financial impact		Countermeasures
			1.5°C	4°C	
Transition risk	Introduction of a carbon tax	Surge in commodity prices and an increase in costs fueled by higher direct and indirect expenses owing to the introduction of a carbon tax.	Large	Small	• Switch to energy-saving equipment • Promote operating efficiency
	Tighten GHG emissions regulations	Increase in various costs (including capital expenditures and R&D expenses) in line with efforts to comply with environmental regulations	Large	Small	• Switch to energy-saving equipment
	Change in the energy mix	Increase in energy costs commensurate with a decrease in the share of fossil energy	Medium	Small	• Switch to energy-saving equipment • Promote operating efficiency
	Customer reputation	Decrease in sales due to changes in customer needs and product demand as a result of fluctuations in the weather	Medium	Small	• Create environmentally friendly products
	Investor reputation	Increase in costs associated with the disclosure of information on efforts to address environmental and other issues	Medium	Small	• Enhance corporate value through the proactive disclosure of ESG Information
Physical risks	Increase in average temperatures	Increase in facility management, utility, and other costs associated with rising temperatures	Small	中	• Switch to energy-saving equipment • Promote operating efficiency
	Intensification of extreme weather conditions	Decrease in sales and increase in restoration costs due to the shutdown of production plants and supplier damage attributable to floods and torrential rains	Medium	Large	• Strengthen BCP measures
Opportunities	Products and services	Increase in sales owing to the market release of products that comply with regulations and upswing in demand	Large	Small	• Create environmentally friendly products
		Incidence of new component machining needs in line with the shift to EVs; increase in sales on the back of optimal processing machine sales	Large	Small	• Create environmentally friendly products
	Resource efficiency	Decrease in manufacturing costs due to switch to energy-saving equipment and improved operating efficiency	Medium	Small	• Switch to energy-saving equipment • Promote operating efficiency
	Intensification of extreme weather conditions	Increases in demand for air conditioning equipment as well as orders for machine tools from plants producing related parts resulting in higher sales	Small	Medium	• Create environmentally friendly products
		Increase in sales on the back of steps taken to strengthen the service structure and systems and growing reputation among customers for prompt after-sales service	Medium	Large	• Strengthen the service network

※The financial impact is based on a qualitative assessment.  
Large: significant impact on business operations Medium: some impact on business operations Small: limited impact on business operations

Indicators and targets

Indicators

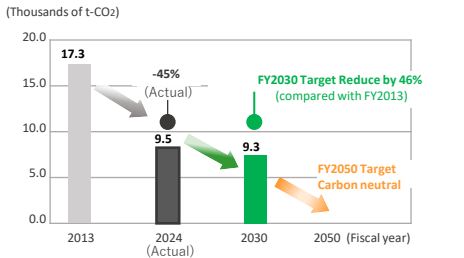
The Group uses greenhouse gas emissions as an indicator to manage climate-related risks and opportunities.

Targets

The Group has set targets for the “reduction of Scope 1 and 2 GHG emissions of 46% in FY2030 compared with FY2013” and “virtually zero emissions by FY2050.” To this end, the Group is promoting reductions in greenhouse gas emissions in a bid to achieve the 1.5° C scenario. As part of this effort, we have been promoting the selection and concentration of its global production base network and is working to improve productivity since FY2013. Through these and other means, the Group is endeavoring to reduce GHG emissions. In FY2024, as a result of promoting the introduction of renewable energy at domestic manufacturing sites, we achieved a 45% reduction.

Results

Results in reducing Scope 1 and 2 GHG emissions are presented as follows.



Addressing Climate Change

April 2024 - Adoption of Renewable Energy

Our domestic production sites for the machine tool business, Kikugawa Factory and Star Metal, have switched their electricity to CO2-free renewable energy to support a decarbonized society. As a result, the domestic production sites of the machine tool business achieved a 69% reduction in CO2 emissions compared with 2023.

► CO2 Emissions Trend at Kikugawa Factory and Star Metal (Unit: CO2 tons)

	2020	2021	2022	2023	2024
Kikugawa Factory	1,841	2,005	2,655	2,853	888
Star Metal	256	339	431	376	121
Machine tool domestic production sites total	2,097	2,344	3,086	3,229	1,009

Other examples of initiatives

► Transition from Gasoline-Powered Vehicles to Electric Vehicles (EVs) and Hybrids

Our UK subsidiary, Star Micronics GB Ltd., is progressing with the switch from gasoline-powered vehicles to EVs and hybrid vehicles.

	2023	2024
EV vehicle	2units	4units
Hybrid vehicles	8units	14units

※The numbers reflect the total after the switch.



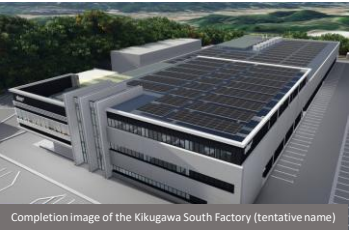
Future energy consumption reduction plan

► Environmental consideration in the design of the Kikugawa South Factory (tentative name)

The Kikugawa South Factory (tentative name), scheduled for completion in November 2025, has obtained both the ZEB\*1 certification and the highest S rank under the CASBEE evaluation method\*2, which are indicators of energy-saving performance according to the Building-Housing Energy-efficiency Labeling System (BELS).

As a factory designed with environmental consideration, it aims to enhance energy use efficiency by incorporating features such as a high insulation performance exterior envelope (walls, roof, and windows), highly efficient air conditioning equipment, and earth tube facilities\*3 that utilize geothermal heat.

Additionally, approximately 800kW of solar power generation panels will be installed on the roof. The design and equipment are intended to achieve high levels of energy conservation and energy creation, with the plan to reduce primary energy consumption.



► Employee energy-saving awareness enhancement

At our Hong Kong subsidiary, Star Precisions Ltd., we have an initiative to turn off the office air conditioning between 12:30 and 13:30 for lunch hours. We also operate with the office air conditioning set at 27°C.

► Participation in Earth Hour

Our Chinese subsidiary, Star Micronics Manufacturing Dalian Co., Ltd., participates in Earth Hour every year.

Employee participation reaches 100%, the same as last year.

Note: Earth Hour is the world's largest environmental action, where people around the world switch off lights at the same date and time to demonstrate a commitment to preventing global warming and environmental protection.



During the period, we display banners and posters to raise awareness of Earth Hour among employees.



\*1 The abbreviation for Net Zero Energy Building, the aim is for a building to achieve a zero balance in its annual primary energy consumption, and for its performance to be certified by designated organizations under the BELS certification system, a system for indicating the energy-saving performance of buildings. Standards are set for the amount of energy required by conventional buildings for each building use, buildings being broadly classified into four levels depending on the reduction rate from that standard, with ZEB being the highest rank.

\*2 Developed under a Ministry of Land, Infrastructure, Transport and Tourism and The Institute for Built Environment and Carbon Neutral for SDGs (IBECs) as the Comprehensive Assessment System for Built Environment Efficiency, this system comprehensively evaluates the environmental performance and quality of buildings. Environmental performance efficiency is calculated based on evaluation items that include a building's environmental quality and performance as well as features designed to reduce its environmental impact. A system by which designated institutions conduct evaluations and certify properties using a five-level ranking, from C the lowest to S the highest.

\*3 Equipment that pumps outside air into rooms via pipes buried underground. Underground, the temperature remains stable throughout the year, and the load placed on heating and cooling systems is reduced by bringing the cold air of winter and the hot air of summer closer to the underground temperature as it passes through the ground.

► Overseas production facilities initiatives

At Star Micronics Manufacturing (Thailand) Co., Ltd., the machine tool business' production site in Thailand completed the installation of rooftop solar panels totaling approximately 999 kW in 2024, and operation is planned to commence in 2025.



Initiatives to Environmentally Friendly Products

Basic approach

The Group recognizes that creating products that take into consideration environmental aspects is an important issue for society as a whole. We will strive to achieve sustainable social development and sustainable corporate value enhancement by creating products that contribute to business growth while contributing to resolving environmental issues such as climate change and

resource depletion. The Company’s machine tools have maintained high production efficiency through continuous operation over many years, contributing greatly to the users’ business activities. On the other hand, products that operate for long periods of time continue to consume energy, which affects the users’ environmental impact. Therefore, making products more energy efficient and enhancing their environmental friendliness are also important from the perspective of user-oriented manufacturing.

Promotion system

At the Group, the Sustainability Committee, which is a body to make decisions on important matters related to climate change, and chaired by the Representative Director, President and CEO, and comprised of full-time directors and executive officers, identifies material issues, sets goals for the resolution of these issues, and promotes Group-wide initiatives. Initiatives to environmentally friendly products are discussed by the Environmental Sub-Committee, which is composed of members from various departments, including development, manufacturing, and sales in each business department, and we take the environment into consideration from the planning and design stage of our products.



Approach

The Group will promote initiatives for energy and resource conservation (improving efficiency, promoting recycling, and promoting the use of sustainable materials) mainly to reduce the environmental impact of its customers.

►Creating new businesses and products leveraging proprietary technologies

- Developing products that contribute to reducing environmental impact, such as energy conservation leveraged by proprietary technologies

►Creating products that help address issues in the natural environment


- Addressing climate change: reducing CO2 emissions through energy conservation and efficiency improvements
- Addressing resource saving: reducing environmental impact throughout the entire life cycle, including plastic reduction and recycling

Machine Tools business


Waste reduction

Reduction in electricity consumption

The system allows switching between the guide bush and the non-guide bush based on the overall length of the workpiece, minimizing the length of remaining scrap. In addition, the high rigidity of the tool post delivers high productivity and long tool life.



Support for customer initiatives for the environment



**Initiatives in the company**

- Disuse of hazardous chemicals
- Proactive replacement to eco-friendly equipment
- Renewal to a smart factory that reduces its impact on the environmental
- Procurement of eco-friendly parts and materials
- Introduction of CO2-free electricity at Kikugawa Factory

**Star Motion Control**  
With our proprietary technology that ensures optimal shaft movement, non-cutting times are greatly reduced, and power consumption per component is reduced.

**Step Cycle Pro**  
Splitting chips by swinging shaft movements and achieving long-term continuous operation reduces machine downtime and reduces power consumption.

**Operation Monitoring Software SMOOSS-i**  
We help our customers improve their productivity by visualizing the state of the machine. Also, it is possible to confirm power consumption for each component unit of the product using the power consumption display screen. This assists our customers in their efforts to conserve power.

**Eco Mode**  
Reduced power consumption while the machine is idling.

**Development of energy-saving technology**  
We are developing technologies that reduce coolant and air consumption, which currently consume large amounts of power during machine operation.

Next-generation eco-machines "Swiss-type CNC automatic lathe SD-26"

The SD-26 is capable of accommodating a broad range of workpieces with outer diameters from φ8mm to φ26mm, allowing for selection from four types depending on the processing application. This enables machining of all kinds of workpieces for automobiles, hydraulics, pneumatic equipment, and medical-related devices. By consolidating various workpieces into a single machine, it significantly improves customer equipment efficiency. The accessibility of the spindle, guide bush, and tool post has been greatly improved compared to conventional models, thereby reducing operator workload. Furthermore, productivity is enhanced by reducing setup times, and power consumption is also diminished. Equipped with Star Motion Control and Step Cycle Pro, along with the newly developed "Eco Mode" feature, power consumption is reduced when the machine is idle. Pursuing improvements in productivity and power consumption reduction on both hardware and software fronts, the SD-26 stands as a next-generation eco-machine.



Initiatives to Environmentally Friendly Products

Special Products business

Smaller size and lighter weight design for product and packaging

- Keeping the same convenience yet, a stylish and compact design enables it to be smaller size and lighter weight.
- Reducing packaging size yields an approximate 20–30% improvement in loading efficiency and reduces CO<sub>2</sub> emissions during packaging waste disposal.



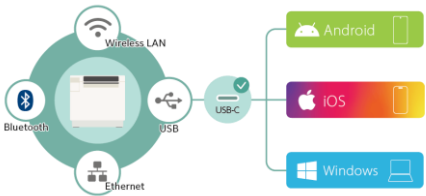
Environmentally friendly packaging materials

- By promoting plastic reduction, we aim to address the issues of plastic waste and disposal and mitigating the risks of related ocean pollution.
- By using pulp molds made from 100% recycled paper as cushioning materials, we contribute to the realization of a Recycling Society.



Initiatives for the reduction of electronics waste (E-waste)

Alongside the spread of mobile POS (mPOS) systems, a variety of connecting methods between devices are available other than wired cables. Globally, there is a direction toward standardization of USB protocols, which could be able to improve user convenience and reduce E-waste. In response to this trend, new models incorporate USB Type-C functionality, allowing customers to use their existing cables. This reduces unnecessary cable disposal, contributing to the reduction of E-waste, which is an international social problem.



Liner less Label Printer "mC-Label®3"

►Liner less Label Printer Features

- No mount for labels

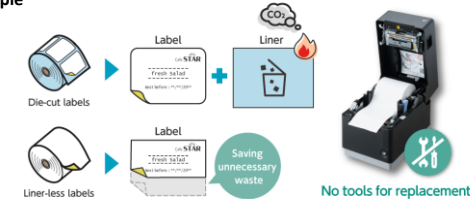
Since there is no mount for the label, we have saved resources, and CO<sub>2</sub> generated when the mount is incinerated can be eliminated.

- You can change the length of the label according to the printed content.

Unlike die-cut labels (labels with mounts that are cut out to a fixed length), liner-less labels can change the length of the label to match the printed content. For that reason, you can print information efficiently and won't use excess amounts of paper.

►Easy maintenance design that is environmentally friendly and gentle on people

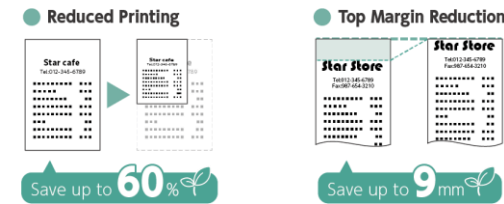
- "mC-Label®3" can replace parts that have been worn out by use over many years, so the printer can continue to be used for a long time.
- "mC-Label®3" does not require a tool for part replacement. "Easy maintenance design" allows customers easily to replace parts themselves.
- The easy maintenance design reduces the number of shipments required for repairs. For that reason, this contributes to the reduction of CO<sub>2</sub> emissions



Efforts to addressing environmental issues relating to receipt paper

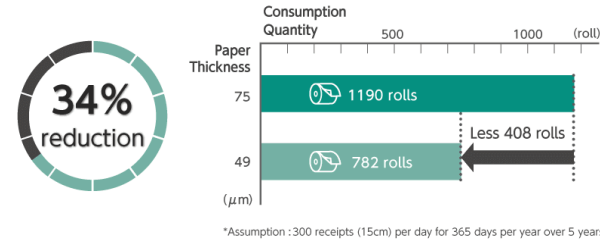
►Paper-saving function

Reduced the amount of paper used for receipts through paper-saving functions including shrunk printing and reduced margins.



►Addressing thermal paper with a low environmental impact

- Contributes to reducing environmental impact by supporting thin thermal receipt papers, and BPA (bisphenol A) free thermal receipt paper complied with European regulations.
- Through compatibility with chemical-free recyclable paper, our products contribute to reduce environmental burden.



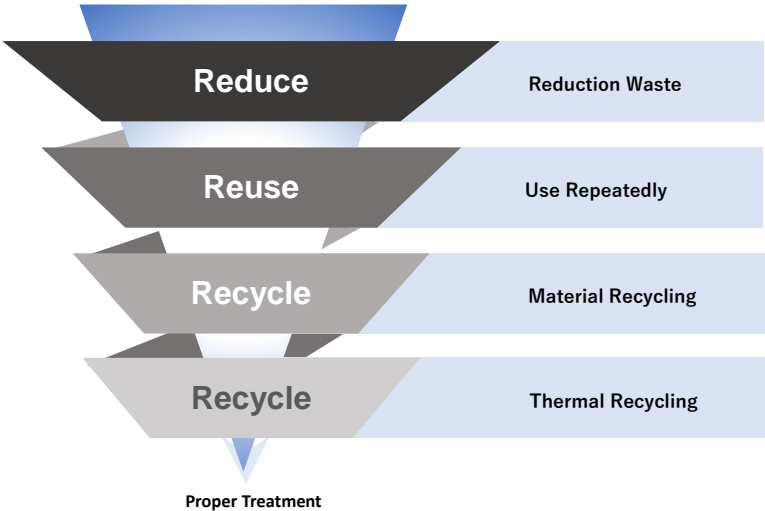


Promoting Waste Reduction and Recycling Activities

The Star Micronics Group conducts thorough segregation, management, recycling, and final disposal of waste generated from its business activities in compliance with applicable laws and regulations. At present, no waste with significant environmental, social, or health impacts has been identified. Our group, in order to ensure proper waste treatment and to promote proactive voluntary activities in connection with our business operations, has established and operates “Waste Management Regulations” pursuant to the Waste Management and Public Cleansing Act. Going forward, by maintaining compliance with laws and regulations, ensuring thorough segregation and recycling, and ensuring proper disposal, we will continue to minimize environmental, social, and health risks associated with waste.

Activities to Reduce Waste to Zero

Recycling rate\*2: Target 99.0%



Note\*1: The scope includes three domestic companies in Japan (Star Micronics Co., Ltd., Star Metal Company, Micro Sapporo Company).  
Note\*2: Recycling rate (%) = (Amount recycled ÷ Total waste emissions) × 100

Recycling

Company uniforms use plastic bottles as the raw material.  
Also, used uniforms are recycled into residential insulation and cleaning mops.

Other examples of initiatives

At overseas subsidiaries as well, dedicated areas and dedicated boxes are provided within the premises to sort waste by type and attribute, and waste is handed over to processing contractors accordingly.



Images of the collection and sorting boxes at each facility.

►Material recycling of used wood pallets

At our UK subsidiary, Star Micronics GB Ltd., obsolete wood pallets are collected by a recycling firm, finely ground into wood chips, and used as raw material for particleboard. Particleboard is easy to process and is used in assembled furniture and other products. The fine dust generated during pallet crushing is used as bedding for livestock.





## Lowering Environmental Contamination

### Managing Chemical Substances

The Star Micronics Group has established and implements internal regulations for the handling of harmful substances and dangerous materials to ensure safe and proper chemical management. Based on applicable laws and regulations, these guidelines cover purchasing, storage, use, and disposal with environmental considerations.

Note\*: The term "Star Micronics Group" refers to the target companies within the group that are specifically involved in this initiative. The scope includes three domestic companies in Japan (Star Micronics Co., Ltd., Star Metal Company, Micro Sapporo Company) and two overseas companies (Star Micronics Manufacturing Dalian Co., Ltd., Star Micronics Manufacturing (Thailand) Co., Ltd).

#### ►Response to PRTR\* Law

With respect to the PRTR Law, we continue to fulfill our obligation to report emissions and transfers of Class 1 Designated Chemical Substances. The annual usage of these substances has declined significantly due to adopting solvent-free powder coatings and using alternative materials. Nonetheless, we maintain diligent data collection on both emissions and transfers in line with proper chemical management principles.

Note\*: The PRTR (Pollutant Release and Transfer Register) Law, established to enhance transparency and public awareness regarding environmental impacts, requires businesses to report their handling, emission, and transfer of specific hazardous chemical substances. This system assists in environmental preservation efforts and promotes safer chemical management practices.

### Reduced VOC Emissions (Powder Coating)

Our subsidiary Star Metal Company uses powder coating that does not contain organic solvents (including PRTR-targeted substances) in the coating work of sheet metal parts on our company's machining tools. This reduces environmental impacts during manufacturing processes. As an environmental effect, it has been possible to significantly reduce emissions of air pollutants (VOCs) and reduce industrial waste by one-third.

At our overseas production base, Star Micronics Manufacturing Dalian Co., Ltd., we have improved VOC purification efficiency by over 90% by installing a ventilation system at the paint site and upgrading the washing site, reducing exhaust gas air pollution. At the assembly site, activated carbon adsorption boxes were added to improve exhaust gas treatment at the washing site and reduce air pollution, thereby enhancing the working environment for employees.

### Soil Pollution Countermeasures

Star Micronics Group\* has created and operates "Soil Pollution Prevention Regulations" to prevent and properly manage soil contamination of land that is owned and used, and newly purchased land.

Note\*: The scope includes three domestic companies in Japan (Star Micronics Co., Ltd., Star Metal Company, Micro Sapporo Company)

### Response to EU Environmental Regulations

In the EU region and various other countries, many Japanese manufacturers are responding to regulatory demands. At Star Micronics Co., Ltd., we manage substances with environmental impact under our internal regulations and follow green purchasing guidelines for products covered by the WEEE and RoHS directives. For REACH, we conduct periodic surveys to identify SVHCs in our products, updated annually.

Notes (for clarity):

- WEEE: Waste Electrical and Electronic Equipment
- RoHS: Restriction of Hazardous Substances
- SVHC: Substances of Very High Concern
- CE mark indicates RoHS compliance

### Noise and Vibration Countermeasures

Star Micronics Group\* has created and operates "Noise and Vibration Management Regulations" to measure and manage noise and vibration in compliance with legal requirements.

Note\*: The scope includes three domestic companies in Japan (Star Micronics Co., Ltd., Star Metal Company, Micro Sapporo Company).

## Initiatives for Biodiversity Conservation

Our group participates in environmental conservation activities at each facility, such as forest and coastline cleanup efforts. Although the sites and lands owned or managed by our group are not designated as legally protected areas nor located in areas with high biodiversity value or adjacent to such areas, we actively contribute to ecosystem maintenance and biodiversity conservation through collaborating with local communities and relevant organizations, including activities such as forest protection and beach cleanup.

We will continue these efforts, striving to be mindful of the environment and to contribute to society.

### Activities to conserve forests

Our subsidiary in Dalian, China (Star Micronics Manufacturing Dalian Co., Ltd.) engages in forest protection by collecting litter discarded in forests. In 2024, 98 employees participated.



### Plastic waste has a devastating impact on marine ecosystems

Star Micronics Co., Ltd. calls on employees and their families to participate in coastal cleanup activities organized by Shizuoka City, including the Miho-Masaki Coast Cleanup Service and the Okitsu River Clean-Up Operation. In 2024, 19 employees participated.



\*Scene at Miho-Masaki Coast



## Water Resource Management

We conduct annual EMS-based evaluations of regulatory compliance for water resources at our headquarters and domestic manufacturing sites.

In 2024, all sites complied, except for sheet metal manufacturing at Star Metal Co., Ltd., where wastewater management is in place.

Each site notifies the relevant authorities, complies with wastewater standards, maintains wastewater records, and appoints Pollution Control Managers to minimize environmental impact. We uphold an EMS governance framework while considering local communities and the environment.

### Drainage Management Policy and Structure

We, the Star Micronics Group, ensure thorough drainage management at our headquarters and domestic manufacturing sites in accordance with applicable laws including the Water Pollution Control Act. Under the Environmental Management System (EMS), each domestic facility annually identifies regulatory applicability and, when applicable, ensures compliance through notifications, records, and retention.

### Applicable vs. Non-applicable Regulations

In 2024, we assessed regulatory applicability under the Water Pollution Control Act for domestic facilities. The headquarters, Quality Technical Center , Kikugawa Factory (Star Micronics Co., Ltd.), Star Metal Company (machine manufacturing), and Micro Sapporo Company are non-applicable as their discharges go to municipal sewer systems. The only applicable site is Star Metal Company (sheet metal finishing).

For applicable facilities, we conduct the following controls:

- Notify the relevant authorities
- Comply with wastewater standards and any upper limits
- Record and retain wastewater data
- Appoint and notify required managers

### Compliance with wastewater standards

At each facility, we monitor and comply with local additional discharge standards and ordinances (e.g., Shizuoka Prefecture, Ishikari City, etc.).Even for non-applicable facilities, we treat wastewater in accordance with sewerage and other discharge rules.

### Pollution Prevention Management Structure

- Where applicable, we appoint and notify Pollution Control Managers, Supervisors, and Chief Managers under the Water Pollution Control Act.
- Using the EMS forms, we annually manage cross-cutting assessments of applicability and the implementation content and structure.

### Environmental consideration

To minimize the impact of wastewater on local communities and the environment, we conduct not only compliance with laws but also regular reviews of the system and ongoing education.

►Applicable vs. Non-applicable Summary Table

Facility name	Applicable / Non-applicable	Applicable / Non-applicable conditions and details	Regulatory implementation details
Star Micronics Co., Ltd. [Headquarters]	Non-applicable	Specific facility: wastewater discharged to public sewer is non-applicable	—
Star Micronics Co., Ltd. [Quality Technical Center ]	Non-applicable	Specific facility: wastewater discharged to public sewer is non-applicable	—
Star Micronics Co., Ltd. [Kikugawa Factory]	Non-applicable	Specific facility: None	—
Star Metal Company [Machinery Manufacturing]	Non-applicable	Specific facility: None	—
Star Metal Company [Sheet Metal Manufacturing]	Applicable	Specific facility: Surface treatment facility	Notifications, records, and retention
Micro Sapporo Company	Non-applicable	Specific facility: wastewater discharged to public sewer is non-applicable	—

Environmental data

Scope of aggregation

- The annual aggregation period is from January 1 to December 31 of the displayed year.
- We disclose five years, in principle.
- The facilities covered by environmental data are, in principle, listed in the following table.

Meaning of symbols:  
●: Data is being collected  
×: Data is not being collected  
—: Not applicable (the facility does not exist in the relevant year)

Country	Company	2020				2021				2022				2023				2024			
		Scope1	Scope2	Water	Waste	Scope1	Scope2	Water	Waste	Scope1	Scope2	Water	Waste	Scope1	Scope2	Water	Waste	Scope1	Scope2	Water	Waste
Japan	Star Micronics Co., Ltd.	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Japan	Star Marketing Japan Co., Ltd.	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	×	×
Japan	Star Metal Company	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Japan	Micro Sapporo Company	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Japan	Smart Solution Technology, Inc. (SST)	—	—	—	—	—	—	—	—	—	—	—	—	—	●	—	—	●	●	●	×
U.S.A.	Star Micronics America Inc.	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	●	×
U.S.A.	Star CNC Machine Tool Corp.	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	●	×
U.K.	Star Micronics Europe Ltd.	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	×	×
U.K.	Star Micronics GB Ltd.	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	×	×
Germany	Star Micronics GmbH	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	×	×
Switzerland	Star Micronics AG	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	×	×
France	Star Machine Tool France SAS	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	×	×
China	Star Micronics Manufacturing Dalian Co., Ltd.	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
China	Shanghai Xingang Machinery Co., Ltd.	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	●	×
Hong Kong	Star Precisions Ltd.	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	×	×
Thailand	Star Micronics (Thailand) Co., Ltd.	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	●	×
Thailand	Star Micronics Southeast Asia Co., Ltd.	×	×	×	×	×	×	×	×	×	×	×	×	×	●	×	×	●	●	×	×
Thailand	Star Micronics Manufacturing (Thailand) Co., Ltd.	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
India	STAR MICRONICS INDIA Pvt. Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	×	×	×	×

Environmental data

	Overview	Unit	2020	2021	2022	2023	2024
Emissions	Scope1	t-CO <sub>2</sub>	598	820	1,006	841	1,077
	Scope2	t-CO <sub>2</sub>	9,324	10,820	11,102	10,724	8,455
	Total	t-CO <sub>2</sub>	9,922	11,641	12,108	11,565	9,533
CO <sub>2</sub> Emissions per Revenue Unit		t-CO <sub>2</sub> /million yen	0.217	0.181	0.139	0.148	0.146
CO <sub>2</sub> Emissions Reduction (%) vs. 2013		%	42.8	32.9	30.2	33.4	45.1

- Details of the aggregation scope: please refer to page 16.
- Scope 1: Direct emissions are calculated only for CO<sub>2</sub> in accordance with the GHG Protocol.
- Methods for calculating CO<sub>2</sub> and emission factors follow Ministry of the Environment guidelines.
- Scope 2: For electricity emission factors, domestic figures use market-based factors from the Ministry of the Environment, and overseas figures use Japan's representative values.
- Some items may not sum exactly due to rounding.
- Rounding rules have been unified, resulting in differences from last year.
- Revenue-based CO<sub>2</sub> emissions are calculated using consolidated revenue.

Overview			Unit	2020	2021	2022	2023	2024	
Total energy consumption			GJ	217,379	264,279	275,850	257,596	269,140	
Total energy consumption per revenue unit			GJ/million yen	4.759	4.161	3.177	3.310	4.14 0	
Breakdown of energy use	Gasoline		ℓ	92,565	114,517	115,988	100,670	73,271	
	LPG		Kg	54,920	113,515	144,332	109,480	79,599	
	Natural Gas		m <sup>3</sup>	—	—	—	—	26,527	
	Town Gas		Nm <sup>3</sup>	—	—	—	—	102,023	
	kerosen		ℓ	138	144	203	144	3,352	
	Light Oil		ℓ	6,988	9,332	3,206	772	16,157	
	Heavy Oil		ℓ	74,000	70,140	109,000	102,140	124,300	
	Steam		T	4,259	3,748	1,656	1,098	357	
	Electricity		MWh	19,334	24,213	25,644	24,230	25,072	
		Renewable energy amount		MWh	0	0	0	0	5,181
			Purchased energy	MWh	0	0	0	0	5,181
			On-site generation	MWh	0	0	0	0	0
Non-renewable energy		MWh	19,334	24,213	25,644	24,230	19,890		
Share of renewable energy in electricity			%	0.0	0.0	0.0	0.0	20.6	
On-site electricity sold			MWh	420	455	453	446	345	

- For details of the aggregation scope, please refer to page 16.
- The GJ conversions for each fuel are based on the Ministry of the Environment guidelines.
- Some items may not sum exactly due to rounding.
- Rounding rules have been standardized, resulting in differences from last year.
- Revenue-based CO<sub>2</sub> emissions are calculated using consolidated revenue.

	Overview	Unit	2020	2021	2022	2023	2024
Water usage	Tap water	m <sup>3</sup>	38,715	45,312	41,963	35,346	40,344
	Industrial water	m <sup>3</sup>	13,808	20,312	25,856	31,867	27,641
	Groundwater	m <sup>3</sup>	0	0	0	0	0
	Total	m <sup>3</sup>	52,523	65,624	67,819	67,213	67,985
Water usage per revenue unit		m <sup>3</sup> /million yen	1.150	1.019	0.776	0.859	1.046
Discharge	Public sewer	m <sup>3</sup>	48, 321	60,374	62,393	61,835	62,546
	Other	m <sup>3</sup>	4,201	5,249	5,425	5,377	5,438
	Total	m <sup>3</sup>	52,523	65,624	67,819	67,213	67,985

- For details of the aggregation scope, please refer to page 16.
- Discharge volume is based on water utility evidences in principle; however, in cases where wastewater data is not provided, we estimate wastewater volume as 92% of the total freshwater intake and 8% as “other,” applying this as the uniform estimate.
- The “other” category for wastewater includes drinking water, irrigation, and vehicle washing.
- Some items may not sum exactly due to rounding.
- The rounding rules have been standardized, causing differences from last year.
- Revenue-based CO<sub>2</sub> emissions are calculated using consolidated revenue.

	Overview	Unit	2020	2021	2022	2023	2024
Waste	Total waste	t	609	921	930	736	782
	(Of which, hazardous waste)	t	(128)	(192)	(149)	(118)	(169)
	Recycling amount	t	542	790	843	601	69 3
	Final disposal amount	t	66	130	87	135	89
	Disposal method	t	66	130	87	135	89
	Incineration without resource recovery	t	0	0	0	0	0
	Recycling rate	%	89.0	85.7	90.5	81.6	88.6

- For details of the aggregation scope, please refer to page 16.
- Hazardous waste is classified as special industrial waste under domestic waste management laws.
- Recycling amount equals the total of thermal recycling and material recycling.
- Some items may not sum exactly due to rounding.
- We do not track incineration abroad without material recycling.

	Overview	Unit	2020	2021	2022	2023	2024
PRTR substances	Emissions	kg	784	1,266	1,934	815	899
	Air	kg	784	1,266	1,934	593	677
	Public water bodies	kg	0	0	0	222	222
	Office soil	kg	0	0	0	0	0
	Office on-site landfill	kg	0	0	0	0	0
	Movement amount	kg	215	438	334	87	186
	Sewage discharge	kg	4	4	4	0	2
	Off-site waste	kg	221	434	330	87	184
	Total of emissions and movements	kg	999	1,704	2,268	902	1,085

- Scope: Domestic production sites, including Kikugawa Factory (Star Micronics Co., Ltd.), Star Metal Co., Ltd., and Micro Sapporo Co., Ltd.

	Overview	Unit	2020	2021	2022	2023	2024
Environmental incidents, violations, and fines	Significant violations of environmental-related laws and regulations	case	0	0	0	0	0
	Major environmental incidents	case	0	0	0	0	0

- Scope: Star Micronics Co., Ltd.

Environmental data

Scope3 （Unit：t-CO<sub>2</sub>）

Category		2021	2022	2023	2024
Category2	Capital goods	1,733.53	2,991.86	1,776.13	3,371.68
Category5	Waste generated from business activities	323.65	263.46	373.11	273.77
Category6	Travel	211.51	229.84	227.63	226.20
Category7	Employee commuting	1,677.46	1,814.84	1,813.22	1,793.96
Category11	Use of sold products	218,379.60	248,934.78	191,823.61	174,646.08
Total		222,325.75	254,234.78	196,013.70	180,311.69

CO<sub>2</sub> emissions calculation method for Scope 3

Category	Overview	Calculation method
1	Purchased goods and services	Not yet implemented as calculation methods are under consideration.
2	Capital goods	For capital expenditures (capital goods) acquired in the applicable year, emissions per investment amount are calculated by multiplying the emission factor per investment unit.
3	Fuel and energy-related activities not included in Scope 1 or Scope 2	Not subject to calculation.
4	Transportation and distribution (upstream)	Included in Category 1
5	Waste generated from business activities	For waste excluding the valuable materials discharged from manufacturing facilities in the applicable year, emissions per unit of waste generation are calculated by multiplying the emission factor by the waste amount.
6	Travel	For the applicable year, emissions per employee are calculated by multiplying by the emission factor per employee.
7	Employee commuting	For the applicable year, emissions per commuting day are calculated by multiplying the average commuting distance by the average emission factor. The average commuting distance used is 23.8 km for round trips of Japanese private car commuters.
8	Leased assets (upstream)	Not subject to calculation.
9	Transportation and distribution (downstream)	Not subject to calculation.
10	Processing of sold products	Not subject to calculation.
11	Use of sold products	Set emission factors for each product and multiply by the number of units sold in the applicable year to calculate.
12	Waste from sold products	Not subject to calculation.
13	Leased assets (downstream)	Not applicable due to no relevant business activities No franchise stores, not applicable.
14	Franchise	No franchise stores, not applicable.
15	Investments	No applicable investments, not applicable.



Environmental data

Site-specific data (2024)

Country	Company name / Facility	CO <sub>2</sub> emissions(t-CO <sub>2</sub> )			Water intake(m <sup>3</sup> )			Waste(t)	
		Scope1	Scope2	Total	Tap water	Industrial water	Total	Total amount	External recycling
Japan	Star Micronics Co., Ltd.								
	Headquarters	14	440	454	5,036	0	5,036	5	5
	Quality Technical Center	0	71	71	118	0	118	0	0
	Kikugawa Factory	359	529	888	7,381	0	7,381	204	202
	Kikugawa South Factory	0	152	152	3,957	0	3,957	(Included in Kikugawa Factory)	
	Tokyo Sales Office	32	5	37	30	0	30	1	1
	Osaka Sales Office	18	3	22	×	×	×	0	0
	Nagoya Sales Office	17	4	21	×	×	×	0	0
	Suwa Sales Office	13	3	3	13	0	13	0	0
	Star Marketing Japan Co., Ltd.	0	3	3	×	×	×	×	×
	Star Metal Company	62	58	121	1,936	0	1,936	6	6
	Micro Sapporo Company	18	962	981	3,289	0	3,289	59	59
	Smart Solution Technology, Inc. (SST)								
	Headquarters	0	13	13	×	×	×	×	×
	Sapporo	4	18	23	16	0	16	×	×
U.S.A.	Star Micronics America Inc.								
	New Jersey	88	54	142	109	0	109	×	×
	California	0	2	2	×	×	×	×	×
	Chicago	0	0	0	×	×	×	×	×
	Miami	0	5	5	×	×	×	×	×
	Star CNC Machine Tool Corp.	116	119	235	286	0	286	×	×
U.K.	Star Micronics Europe Ltd.	0	0	0	×	×	×	×	×
	Star Micronics GB Ltd.	14	44	58	×	×	×	×	×
Germany	Star Micronics GmbH	0	73	73	×	×	×	×	×
Switzerland	Star Micronics AG	0	20	20	×	×	×	×	×
France	Star Machine Tool France SAS	0	17	17	×	×	×	×	×
China	Star Micronics Manufacturing Dalian Co., Ltd.	89	2,761	2,851	17,829	0	17,829	379	295
	Shanghai Xingang Machinery Co., Ltd.								
	Asia Solution Center	0	17	17	95	0	95	×	×
	Shanghai Office	0	3	3	20	0	20	×	×
	Shenzhen Office	0	3	3	228	0	228	×	×
Hong Kong	Star Precisions Ltd.	0	17	17	×	×	×	×	×
Thailand	Star Micronics (Thailand) Co., Ltd.	28	30	58	×	273	273	×	×
	Star Micronics Southeast Asia Co., Ltd.	2	5	7	×	×	×	×	×
	Star Micronics Manufacturing (Thailand) Co., Ltd.	196	3,012	3,209	0	27,368	27,368	125	122
India	STAR MICRONICS INDIA Pvt. Ltd.	×	×	×	×	×	×	×	×
Total		1,077	8,455	9,533	40,344	27,641	67,985	782	693

Note:

- Some items may not sum exactly due to rounding.
- The “×” symbol represents facilities where data is not collected.
- Scope 1 is calculated for direct CO2 emissions only, based on the GHG Protocol.
- The CO2 calculation method and emission factors are based on the Ministry of the Environment guidelines.
- For Scope 2, electricity emission factors use market-based figures for domestic sources per the Ministry of the Environment, and representative values for overseas sources.

# Social

We are committed to upholding human rights and promoting diversity, prioritizing strong relationships with employees, business partners, and local communities.

Through improvements in the work environment and talent development, we contribute to realizing a sustainable society and fulfill our role as a responsible corporate citizen.



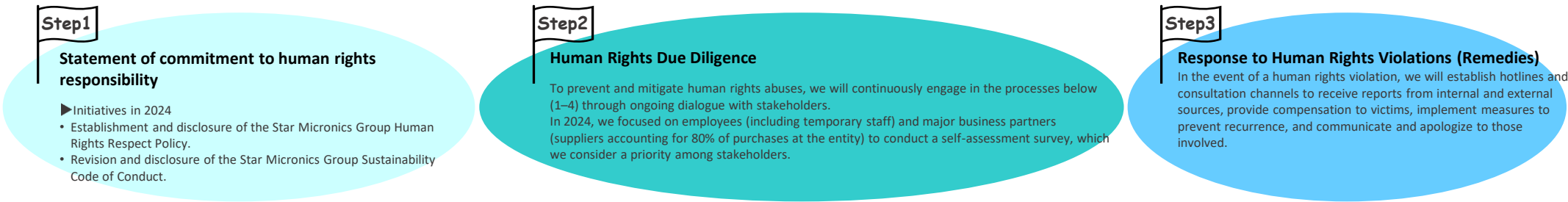
Commitment to Respect for Human Rights

We believe that respect for human rights is a fundamental responsibility of a company. Our company has specified human rights standards in the Star Micronics Code of Conduct, adopted in 2005, and has practiced human rights respect and anti-discrimination. On July 1, 2024, our group established and published the Star Micronics

Group Human Rights Respect Policy to affirm our commitment to respecting the dignity and rights of all stakeholders involved in our business and to avoid complicity in human rights abuses. We require understanding and compliance from all business partners involved with our products and services. Within the organization, to integrate our human rights policy across all

employees, we revised the Code of Conduct in line with the policy and renamed it the Star Micronics Group Sustainability Code of Conduct. Furthermore, this Code of Conduct has been translated into five languages and disseminated to group employees.

Star Micronics’ Steps toward Respect for Human Rights

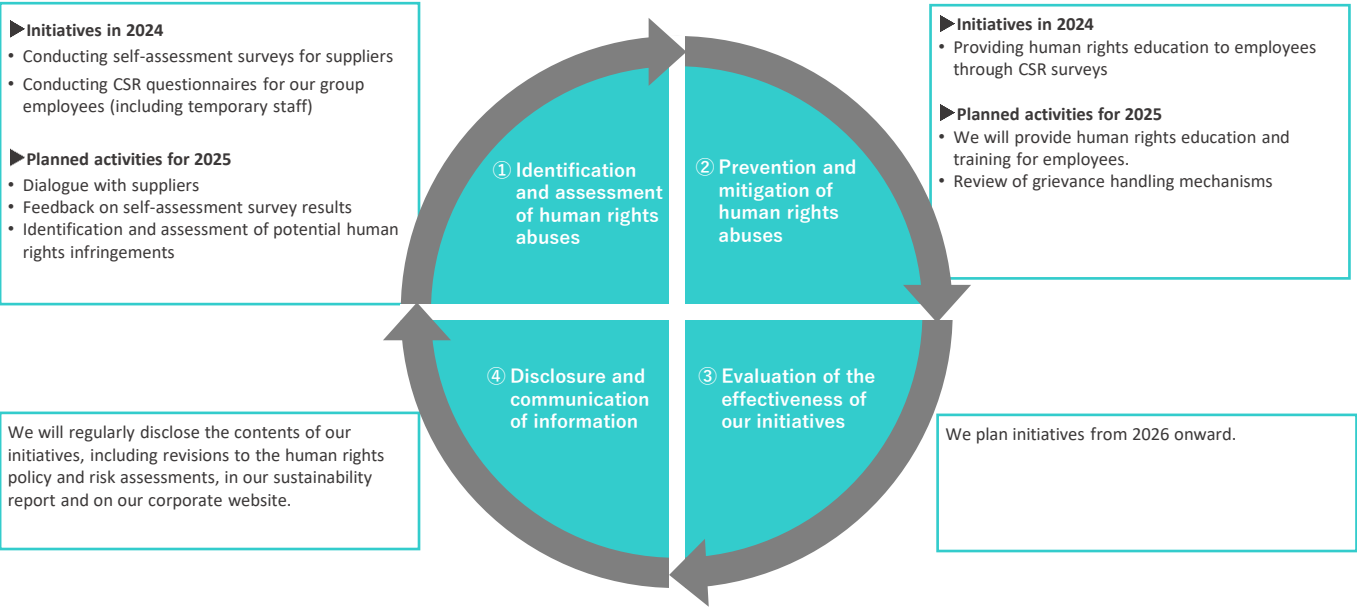


Star Micronics Group Human Rights Respect Policy  
<https://star-m.jp/eng/company/sustainability/esgissues/humanrights.html>

Star Micronics Group Sustainability Code of Conduct  
[https://star-m.jp/eng/files/sustainability\\_code\\_of\\_conduct.pdf](https://star-m.jp/eng/files/sustainability_code_of_conduct.pdf)

Star Micronics respects the human rights outlined in the International Covenant on Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, and conducts its business activities in compliance with the laws applicable in each country or region in line with guidelines such as the United Nations Guiding Principles on Business and Human Rights. When international human rights standards differ from national or regional laws, we pursue ways to uphold international human rights principles and continue our work on respect for human rights. Our commitments to respecting human rights are stated in the Star Micronics Group Human Rights Respect Policy and the Star Micronics Group Sustainability Code of Conduct, and are published on our corporate website. The content of these commitments extends to all business partners involved with our products and services, who are expected to understand and comply.

► **Planned activities for 2025**  
Establishment of the Human Rights Subcommittee  
To further advance our work on human rights, we will establish the Human Rights Subcommittee under the Sustainability Committee.



Star Micronics Group Human Rights Respect Policy

The unwavering belief of the Star Micronics Group (hereinafter referred to as "our Group") is "the company and employees grow together and contribute to society." To practice this belief, we have established the "Star Micronics Group Sustainability Code of Conduct" (hereinafter referred to as "our Sustainability Code of Conduct") based on the three guidelines of "sustainable enhancement of corporate value," "contribution to the sustainable development of society," and "enrichment of employees' lives." This code sets forth business activities that consider human rights and serves as a standard for our Group's executives and employees, actively promoting awareness of human rights.

Furthermore, in response to the increasing expectations for respect for human rights in business, we have established the "Star Micronics Group Human Rights Respect Policy" (hereinafter referred to as "this Policy") to explicitly extend our commitment to human rights to include our business partners, including suppliers. Our Group is committed to respecting the dignity and rights of all stakeholders involved in our business activities and promptly addressing any human rights violations or negative impacts on human rights that may arise.

1. Basic Principles and Scope of Application

This Policy represents our Group's values and codes of conduct and applies to all executives and employees. We also expect our business partners, including all suppliers related to our products and services, to understand and respect this Policy. Our Group's business activities are supported by numerous stakeholders, including executives, employees, and business partners. We believe that fostering a respectful relationship among these diverse partners, sharing our values and codes of conduct, will enrich the lives of our executives and employees and, ultimately, the lives of all our partners. We expect proactive efforts to eliminate discrimination and harassment, create a safe and hygienic work environment, conduct business activities with environmental consideration, and foster a high awareness of compliance.

2. Respect for Human Rights

In our Group's business activities, the human rights we respect include the following:

i. Prohibition of Inhumane Treatment

- We respect human rights and do not engage in inhuman treatment such as mental and physical abuse, coercion, or harassment.

ii. Prohibition of Discrimination, Understanding, and Respect for Different Cultures

- Religious practices will be given due consideration.
- We do not discriminate irrationally based on birth, nationality, race, ethnicity, skin color, creed, religion, gender, sexual orientation, age, disability, educational background, etc.

iii. Prohibition of Forced Labor

- We do not use labor derived from coercion, detention, inhumane prison labor, slavery or human trafficking. We also protect the right of employees to quit or terminate their employment voluntarily without forcing them to work.
- We will not use status in the company or position to pressure or coerce others.

iv. Prohibition of Child Labor and Consideration for Young Workers

- Children under the minimum working age are not allowed to work. Further, we will not allow young workers to engage in hazardous work that may impair their health and safety.

v. Consideration for Working Hours

- We will not allow working beyond the limits prescribed by the laws and regulations of the region where one works. We will also appropriately manage working hours

and holidays.

vi. Appropriate Wages and Allowances

- We will comply with the laws and regulations of the region where one works and compensate them appropriately.

vii. Freedom of Association and Collective Bargaining Rights

- While complying with the laws and regulations of the region where one works, we will respect worker's right to organize as a means of achieving labor-management consultations on issues such as working environment and wage standards.

viii. Occupational Safety and Health

- We will keep our work environment in a safe, sanitary, and comfortable condition for the workers, in accordance with all applicable laws and regulations.
- We will minimize the effects, in the case of an accident and take immediate measures to prevent another.
- Management never compels overwork, keeping watch on physical and mental conditions of the employees.

ix. Privacy Protection

- We respect privacy of the customers, business connections, all officers and employees of the Group.
- We will use personal information only for business purposes and keep them under strict confidentiality. We never disclose such information either inside or outside without explicit personal consent.

x. Providing Safe and Quality Products

- When developing, manufacturing, selling and repairing products and services, we always pay attention to safety and comply with relevant laws and regulations and safety standards while aiming for higher levels of safety.
- We will pursue customer satisfaction and provide socially useful products and service of a higher level of quality and reliability.
- We will maintain and grow the system to collect information of defective products, inferior service or accidents properly and promptly and make our most efforts to avoid any reoccurrence.

xi. Awareness of Earth Environment

- Through our business activities, we will work to reduce greenhouse gas emissions and create environmentally friendly products.
- We will guide the realization of the recycling society, trying to utilize all possible resources at all steps from designing to disposal of our products and promoting the environmental load reduction.
- We will work to prevent leakage and dispersal of chemical substances in order to prevent water and soil pollution. If in case leakage or dispersal occurs, we will try to minimize the damage.

3. Human Rights Due Diligence

i. Identification and Evaluation of Human Rights Violations

- Our Group will establish a human rights due diligence system in cooperation with business partners, including all suppliers related to our products and services, to identify, evaluate, prevent, mitigate, and correct potential human rights impacts.
- We will continuously monitor to appropriately address identified negative impacts on human rights.

ii. Appropriate Disclosure and Dialogues

- Our Group will publish this Policy on our website and regularly disclose and report on the implementation status of human rights due diligence.

- We will use the knowledge and advice of independent external experts and sincerely consider stakeholders' opinions regarding the initiatives specified in this Policy.

iii. Education and Training

- To ensure all executives and employees understand and comply with this Policy, we will continuously educate and train them about this Policy and human rights due diligence initiatives.
- We will strive to deepen the understanding of this Policy among our business partners, including all suppliers related to our products and services.

4. Remediation

If it becomes clear that our Group has caused or contributed to negative impacts on human rights, we will appropriately address correction and remediation through appropriate procedures both internally and externally.

5. Responsible Person

The person responsible for this Policy is the President and CEO, who chairs the Sustainability Committee and oversees its implementation.

6. Revision

Our Group will continuously review this Policy, and if revisions are necessary, they will be deliberated by the Sustainability Committee and approved by the Board of Directors.

Enacted 7/1/2024  
Star Micronics Co., Ltd.

Mamoru Sato  
Representative Director,  
President and Chief Executive Officer



## Human Capital Management

The Company builds an environment where all employees can grow autonomously regardless of gender, age, or race. Based on continuous investment in human resources, we aim to secure a competitive advantage, grow together with our employees, and make ongoing contributions to society.

### Basic approach

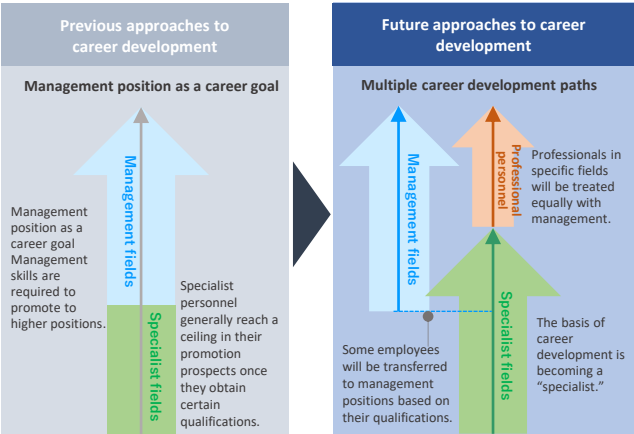
The Company provides an environment where companies and employees can grow together, and places importance on bringing out the maximum potential of each individual. We will create a flexible and fair employment environment by providing systems that support diverse work styles while leveraging the expertise of our employees. We will promote the development of each employee's abilities by investing in education and establishing transparent evaluation criteria. We will build a corporate culture that balances business sustainability and social contribution.

### Overview of human capital management



### Aim of the new human resource system

The new human resource system, which came into effect in January 2025, aims to support employee growth and improve organizational productivity. We aim to promote the autonomous growth of individuals and organizations by emphasizing expertise and introducing a fair evaluation system and dual career paths, thereby realizing appropriate treatment that accurately reflects performance.



### Linkage between human resource strategy and new human resource system

The Company aims to be an "autonomous organization" that brings out the independence of each employee and encourages autonomous growth. The new human resource system introduced as one of the measures to achieve this goal aims to effectively support the human resource strategy.

Under the new human resource system, the seniority-based remuneration system has been abolished, and grades and remuneration are now aligned with roles and positions. We have established an evaluation system based on course categories and expected roles, with the aim of acquiring highly specialized human resources and securing human resources in growth areas.

Next, we are introducing a dual career path system to provide growth opportunities tailored to each employee's expertise and career aspirations, with the aim of developing human resources who can play active roles globally and systematically nurturing autonomous human resources who can act independently.

In addition to introducing flexible and diverse work styles such as remote work and flextime systems, we have abolished non-career track and staff positions.

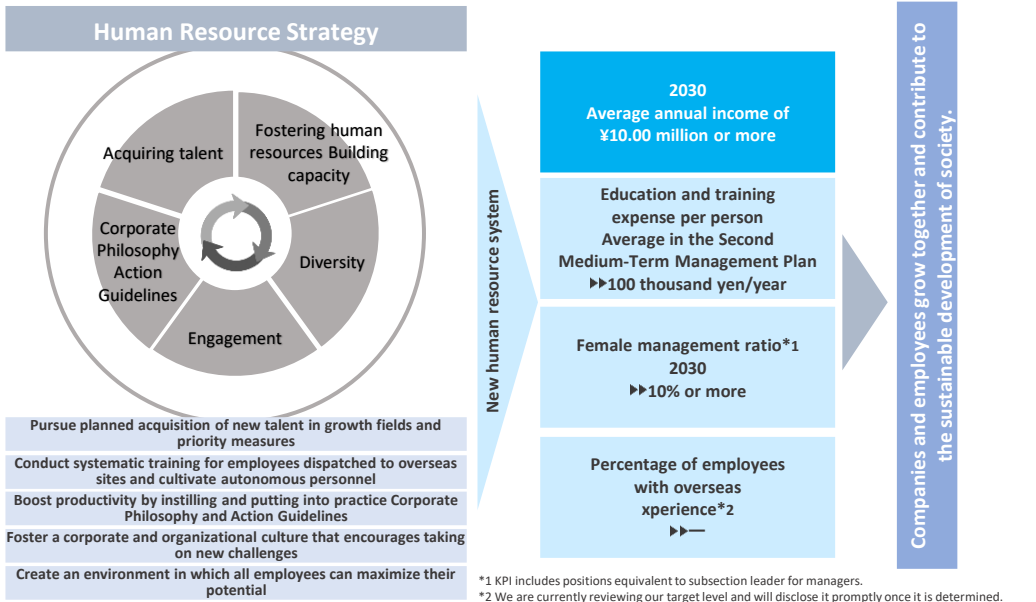
Through this, we aim to create an environment where all employees can maximize their abilities, regardless of background factors such as gender or age.

Furthermore, we have established a system that reflects employee efforts and achievements in their treatment by placing greater emphasis on individual evaluation results.

This system helps foster a corporate and organizational culture that encourages and promotes a spirit of challenge.

Finally, through the new human resource system, employees clearly understand their roles and goals, and by promoting their implementation, we are working to instill our Corporate Philosophy and Action Guidelines, leading to improved productivity across the entire organization.

The Company is focusing not only on reforming its human resource system, but also on reforming its organizational culture by improving engagement, promoting diversity, and ensuring psychological safety. By promoting both organizational culture reform and system reform, we aim to create an environment where employees can take initiative and act on their aspirations, such as "what they want to achieve in their lives" and "what they want to achieve at the Company."



\*1 KPI includes positions equivalent to subsection leader for managers.  
\*2 We are currently reviewing our target level and will disclose it promptly once it is determined.



Acquisition and development of human resources

Basic approach

As a technology group, the Company strives to provide new value through unique technologies that increase corporate value. At the same time, the Company will enrich the lives of its employees by providing a place where diverse engaged employees can contribute their best. Our goal as a group is to stand at the forefront of Japan’s small and medium-sized enterprises by generating a high level of productivity that rivals large companies as we

contribute to the sustainable development of society. To achieve this, each employee will practice the following guidelines: “act with initiative and courage,” “continue learning,” “pursue technology,” and “focus on team productivity.” The Company will actively promote systems and environments that nurture and evaluate such human resources.

►Goals, indicators, and results for acquiring and developing human resources

	Indicators and Targets	Results
Acquisition of human resources	Recruitment fulfillment rate in growth areas and priority areas	Generally satisfactory
Fostering human resources, building capacity	Education and training expense per person 100 thousand yen/person (First Medium-Term Plan average) Percentage of employees with overseas experience	86 thousand yen/person The definition of “person with overseas experience” is currently under review and will be disclosed once it is determined.

Acquisition of human resources

The Company considers human resources to be its most important asset and is systematically acquiring new talent in growth fields and priority areas.  
In particular, the Machine Tools Division is focusing on the systematic recruitment of hardware design engineers and sales engineers who provide before- and after-sales services, while the Special Products business is focusing on the recruitment of software development engineers and making extensive use of human resources within the Group to improve profitability.  
In addition, in response to the diversity of needs in recent years regarding work styles, we are promoting job-type-specific recruitment and utilizing a variety of recruitment channels, including not only the recruitment of new graduates but also the recruitment of experienced (mid-career) employees, foreign nationals, referrals from employees, and the reemployment of retired employees, in an effort to effectively secure human resources with diverse backgrounds.

Fostering human resources

Based on the idea that employee self-development leads to corporate growth, we have established a wide range of human resource development systems based on the basic concepts of “building an autonomous organization” and “strengthening expertise.” In addition, for the three years of the Second Medium-Term Plan, we will focus on “systematic training of employees assigned to overseas bases” as a key measure, with the aim of increasing the percentage of employees with overseas experience.  
In addition, with regard to “building an autonomous organization” and “strengthening expertise,” we will continue to implement training measures in line with the new human resource system, such as expanding open recruitment training and training that is not limited to specific times, locations, or content, as well as promoting a qualification acquisition support system, in order to further spread and establish the basic concept. We aim to create social value and enhance corporate value by fostering and providing an environment in which diverse human resources can improve their abilities independently and maximize their potential, through the mutual interaction of human resource acquisition and development.

Retention and stabilization of human resources

In recent years, in addition to hiring new graduates, the Company has been expanding its recruitment of experienced professionals with diverse backgrounds. In FY2024, the ratio of mid-career hires among regular employees reached approximately 80%, and the percentage of employees with diverse backgrounds is increasing more than ever before.  
In light of this situation, the Company considers the long-term retention and active participation of human resources with diverse knowledge and experience to be an important issue, and is implementing various measures to create an environment in which employees with diverse values can work with peace of mind over the long term and maximize their abilities.  
As a result of these efforts, the average length of service exceeds 18 years, and the voluntary retirement rate remains below 3%, demonstrating visible results in terms of talent retention and stability.

	2022	2023	2024
Mid-career Recruitment Ratio	70.6%	67.6%	81.6%
Average Length of Employment	19.1years	18.7years	18.1years
Voluntary Retirement Ratio	1.2%	1.1%	0.4%

Performance Appraisal System

At our company, we conduct annual reviews of performance and career development for employees and specialist staff, based on the performance appraisal system (self-assessment, supervisor interview, and feedback). The target group includes employees and specialist staff; individuals on leave of absence or maternity/paternity leave under certain conditions are not eligible.

Corporate Philosophy and Action Guidelines

Basic approach

The Company aims to establish an organizational culture where each and every employee can think and act independently, thereby realizing sustainable growth and improvement of corporate value.  
To this end, it is essential to instill the Corporate Philosophy, a value shared among all the employees, and the Action Guidelines, which serve as the basis for daily decisions and actions.  
Through the implementation of award ceremonies and the introduction of systems that promote flexible working styles, we will promote a change in the awareness of each and every employee, with the aim of realizing an autonomous organization and improving productivity.

Main initiatives

►Action Guidelines award

We hold an “Action Guidelines award” every year to recognize employees who embody the guidelines. This award is planned and operated by employees selected through an internal public call for nominations and the award ceremony is held at the general meeting of employees. Award winners are determined by employee voting. Voting takes place by recommending employees who embody each of the four categories: “act with initiative and courage,” “continue learning,” “pursue technology,” and “focus on team productivity.”

►Conducting periodic questionnaire surveys for employees

We conduct surveys on the Corporate Philosophy and Action Guidelines, measuring items such as “Are you taking actions that embody the Action Guidelines?” to visualize the degree of awareness among employees. Based on these results, we are working on continuous improvement, such as formulating further awareness-raising measures, to ensure that our Corporate Philosophy and Action Guidelines are firmly established.

►Introducing the system to support an autonomous work style

In addition to the new human resource system, we have introduced a remote work system and flextime system to enable flexible working styles, abolished dress codes to promote free thinking, and implemented a free address system in office areas to stimulate communication.



Action Guidelines Award Ceremony



Human Capital Management

Engagement

Basic approach

The Company promotes initiatives that contribute to improving employee engagement, thereby enhancing a sense of community to the company, fostering a corporate and organizational culture that encourages challenges, and aiming to retain talented human resources and improve the productivity of each and every employee.

To realize this, we are promoting the following initiatives. By building relationships in which employees, including officers, can exchange opinions frankly, we improve communication within the

organization and bring out the initiative of our employees. In addition, through family-friendly events, we encourage employees to deepen their understanding of the work environment. Furthermore, we regularly conduct engagement surveys targeting all employees and visualize their engagement status, thereby identifying and specifying issues from both quantitative and qualitative perspectives and promoting initiatives to improve them.

Main initiatives

▶Engagement Surveys

We have conducted engagement surveys targeting all employees since 2022 and measured the level of awareness and satisfaction on an ongoing basis.

In addition to the score-based quantitative surveys, we conduct qualitative surveys using a free comment style. The overall score has been improving. However, we will continue to analyze and identify issues in each category and division, and promote initiatives that help to solve such issues.

Trend in the engagement survey score (non-consolidated)

	2022		2023		2024	
	First half	Second half	First half	Second half	First half	Second half
Total score	69	71	72	72	73	73

\*Used “Wevox,” engagement survey by Atrae, Inc.

▶Planning and hosting family-friendly events

We invite employees and their families to enjoy company events such as fireworks and festivals.

During the event, we invite them to our factories and offices so that employees’ families can gain a deeper understanding of the Company.



Scene from the fireworks viewing event at the Headquarters



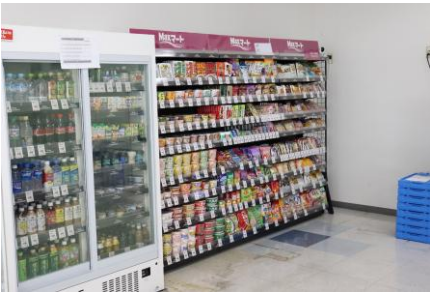
Scene from the Kikugawa Factory event



▶Convenience store at Kikugawa Factory

The Kikugawa Factory of the machine tool business is located in a tranquil, nature-rich area of Kikugawa City. While this setting is soothing, there are few shops nearby, with the nearest convenience store about a 30-minute walk away. To provide employees and on-site staff with easy access to drinks, bento meals, snacks, and to foster a place for interaction, we opened Max Mart Star Micronics Store in January 2024.

In October 2025, a second store is planned to open at the currently under-construction Kikugawa South Factory (provisional name).



▶General Meeting of Employees

In addition to reports from executives on the progress of the mid-term management plan, we host a company-wide social gathering to foster camaraderie among all employees. This aims to boost cross-department communication and enhance unity.



▶Relationship between executives and employees

Under the concept of “open management,” we renovated the executive floor.

We aim to bring management and staff closer, enhance psychological safety within the organization, and foster the realization of an autonomous, self-managing organization



The doors to the executive office are kept open, and the space is designed to resemble a “store” so that employees can drop by casually.

▶Valuing connections among employees

We value open communication among colleagues and have a cafe corner as a space to refresh and socialize.



Improving the workplace environment by promoting diversity

Basic approach

The Company has set the goal of “creating an environment in which all employees can maximize their potential regardless of gender, age, or race” as part of its human resource strategy, and is promoting diversity as part of its Medium-Term Management Plan.

<Female> The number of female employees of the Company is 109, accounting for 21.6% of the total number of employees as of December 2024. Furthermore, women in management positions (equivalent to section manager or above) account for 1.6% of the total number of managers. Prior to 2006, there were no female hires in career track positions, and the low percentage of women in career track and senior positions was a major factor in the low percentage of women in management positions.

Therefore, we are focusing on promoting women’s participation in the workforce and increasing the percentage of female managers as key issues.

<Foreign Nationals> At the Company, many of the management positions that play a central role in the business operations of the consolidated overseas subsidiaries that support the Group are held by foreign nationals. The Company has established an environment and system that allows diverse human resources to play an active role regardless of nationality or race throughout the entire Group, including overseas bases, and will continue to actively utilize foreign human resources in the future.

<Mid-career Employees> The Company actively recruits mid-career employees in addition to hiring new graduates. Currently, approximately 70% of new hires are mid-career recruitment, accounting for approximately 30% of all employees and approximately 20% of managers. We will continue to actively recruit and appoint new graduates and mid-career employees without distinction to respond to changes in the business environment.

►Diversity indicators and targets

KPI	Targets	Results
Female Management Ratio*1	2030：10%	As of December 2024: 4.4%
Female Recruitment Ratio	Annual average: technical fields 10% or more*2, administrative fields 50% or more	Average from 2022 to 2024: technical fields 18%, administrative fields 30%

\*1 Managing positions include subsection leaders and equivalent positions.  
 \*2 The target value for the technical fields is based on the percentage of female students majoring in mechanical engineering.

Initiatives to promote women’s participation in the workforce

Under the previous system, it was not possible to change employment status to advance one’s career from noncareer track or staff positions, which limited the promotion of qualified employees to management positions. Starting in January 2025, we commenced implementation of a new human resource system that will integrate non-career track and staff positions with high percentages of female employees into career track positions. We are establishing a system that will enable a diverse range of employees, regardless of gender, to pursue career advancement, while also working to eliminate gender role stereotypes.

Also, there were issues with female employees’ motivation to receive promotions, mainly due to the lack of role models who were able to balance work and family life while holding leadership positions. For this reason, we have introduced “Schoola,” an open online school for female employees, to make childcare leave or balancing of work and childcare a new opportunity for growth triggered by a change in circumstances rather than a gap or handicap in their careers. By learning methods for achieving results as a team without being constrained by time, we are able to increase motivation for promotions. In addition, through cross-border learning, we create opportunities for female employees to encounter diverse role models and interact with them, gaining new perspectives and insights that allow them to reexamine their own values and sense of fulfillment in their work, thereby supporting them in forming their own independent careers.

Additionally, with the aim to create a workplace environment that is more friendly to women, the name of “menstrual leave” has been renamed to “F leave,” and the scope of this leave has been expanded to include cases of poor health due to premenstrual syndrome (PMS).

Through this initiative, we aim to create a more comfortable working environment for female employees.

Promoting flexible and diverse work styles

We provide an environment where each employee can choose a diverse and flexible work style according to their life stage and lifestyle. Through these efforts, we aim to create a workplace where all employees, including women, can maximize their abilities.

►Telework and flextime systems

As a specific measure, we first introduced a remote work system in 2022, followed by the flextime system in 2023. The remote work system allows all employees to work remotely up to eight times per month, enabling a hybrid work style that combines remote work and in-office work. This enables employees to efficiently perform tasks that require concentration at home, while strengthening teamwork through face-to-face communication when they come to the office, enabling smooth business operations.

In addition, while clearly defining the divisions covered by the flextime system, we have established a system that can be flexibly applied to employees belonging to divisions not covered by the system, and we operate the system with respect for the work content and circumstances of each individual.

►Childcare leave and short-time childcare work system

makes it easy for employees, regardless of gender, to take childcare leave. We are fostering a culture where employees can take leave with peace of mind by promoting initiatives to deepen understanding of childcare leave, such as sharing the experiences of male employees who have taken childcare leave in our company newsletter. This promotes understanding among the entire workplace, including supervisors and team members, and encourages employees to take childcare leave.

In addition, to provide an environment that makes it easier to balance childcare and work after returning to work, we have established a reduced working hours system for caregiving that can be used until children enter junior high school. In this way, by creating an environment where childcare can be undertaken regardless of gender, we are striving to eliminate stereotypes regarding gender roles and promote diversity.

In recognition of these initiatives, the Company obtained the “Kurumin Certificate” in 2020.



Content	Category	Unit	2020	2021	2022	2023	2024
Childcare leave uptake	Number of women taking leave	People	3	2	6	3	4
	Rate of leave among women	%	100	100	100	100	100
	Number of men taking leave	People	1	4	8	3	7
	Rate of leave among men	%	6	21	40	19	58

►Nursing care leave and short-time caregiving system

At our company, employees with family members requiring care can take nursing care leave regardless of gender. We also have a short-time working system to facilitate work-life balance with caregiving.

Content	Category	Unit	2020	2021	2022	2023	2024
Nursing care leave uptake	Women	People	0	0	0	1	0
	Men	People	0	0	0	0	0

Human Capital Management

Health management

Basic approach

The Company believes that enriching the lives of each and every employee and promoting their physical and mental health leads to both personal happiness and company growth, and therefore implements a variety of health promotion activities.

Targets and health indicators

Among the following key indicators, the rate of regular health checkups has remained at 100%, and the specific health guidance implementation rate and the rate of detailed medical examinations are showing an improving trend due to the distribution of health videos, email newsletters, and health guidance initiatives. On the other hand, the exercise habit ratio is far below the target value, raising concerns about the impact on metabolic syndrome, ideal body weight, and mental health. For this reason, we plan to strengthen our efforts by holding health seminars and walking events. In addition, with regard to mental health, we will continue to focus on self-care initiatives such as mindfulness seminars and strive to reduce the number of people suffering from mental health issues.

Content	Unit	2020	2021	2022	2023	2024	Target value
Regular Health Checkup Participation Rate	%	100.0	100.0	100.0	100.0	100.0	100.0
Specific Health Guidance Implementation Rate	%	57.1	75.8	46.4	82.6	87.5	75.0
Stress Check Response Rate	%	97.1	99.2	100.0	96.7	95.5	98.0
Metabolic Syndrome Prevalence Rate	%	9.0	8.6	8.7	11.4	12.9	8.0
Appropriate Weight Maintenance Rate*1	%	72.1	71.3	72.4	73.0	71.1	75.0
Smoking Rate	%	15.6	15.1	13.4	12.7	13.6	12.2
Exercise Habit Ratio*2	%	22.9	24.9	23.3	21.3	24.3	50.0
Blood Pressure Risk Rate*3	%	0.0	0.0	0.4	0.6	0.6	0.0
Breast Cancer Screening (Mammography or Breast Ultrasound)	%	51.3	37.9	35.7	31.0	35.5	50.0
Cervical Cancer Screening	%	41.0	32.8	30.4	25.0	28.2	50.0
Detailed Medical Examination Participation Rate	%	74.3	68.4	86.4	78.1	87.9	100.0
Taking Leave of Absence for One Month or More Due to Mental Health Issues	People	0	3	2	1	1	0

Note: The published figures have changed due to reevaluation of calculation rules and re-calculation including past results.  
\* 1: Individuals with a BMI between 18.5 and 25  
\* 2: Percentage of people who exercise for 30 minutes or more twice a week  
\* 3: Percentage of people with a systolic blood pressure of 180 mmHg or higher, or a diastolic blood pressure of 110 mmHg or higher

Specific initiatives

To improve health literacy, the Group regularly holds health consultations, health seminars, and various events conducted by industrial physicians and external lecturers for officers, employees, and, when necessary, their families. We also focus on mental health and actively engage in mental health self-care.

As an external evaluation of these initiatives, we aim to obtain certification as an Outstanding Organizations of KENKO Investment for Health, and in FY2025, we were certified as an Outstanding Organization for KENKO Investment for Health in the large enterprise category.

►Main initiatives

- Walking and BBQ events
- Launching health seminars
- Mental health seminars and mindfulness
- Health consultations and email newsletters by industrial health staff
- Financial assistance for medical checkups, introduction of health tools



2025

健康経営優良法人

KENKO Investment for Health

大規模法人部門

A07718

Occupational health and safety

Basic Approach

Star Micronics Group places the safety and health of all employees, their families, and stakeholders as the top priority under our corporate philosophy of “enriching employees’ lives.” We strive to prevent disasters and health impairments across all workplaces and to maintain a healthy, safe, and hygienic working environment that is easy to work in.

Note: Our occupational health and safety management system is not based on international standards such as ISO 45001, but is operated under our own policies and governance structure.

- 1.We will comply with laws and create a safe, hygienic, and comfortable work environment.
- 2.In the event of a workplace accident, we will minimize the incident and implement prescribed procedures, including immediate reporting, to prevent recurrence.

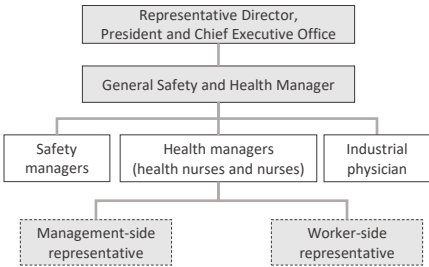
- 3.We will not impose workload that overextends employees, and managers will always monitor the health and well-being of their subordinates.

Scope of application

This policy applies not only to Star Micronics Group executives and employees but also to all business partners, including companies and organizations with whom we have contracts or business relationships, suppliers, and contractors. The contents are published and disclosed in the Star Micronics Group Sustainability Code of Conduct to promote understanding and compliance among all stakeholders. We will continue to promote understanding of this policy and ongoing compliance among all parties involved.

Occupational Health and Safety Management System

In accordance with the Occupational Safety and Health Act, we serve as an advisory and promotion body for safety and health management and establish “Safety and Health Committees” at each facility to elevate employees’ safety and health mindset and to prevent disasters and epidemics. We have established a management framework to ensure appropriate working environments across all sites. Centered on the Safety and Health Committee, we regularly identify workplace hazards and conduct risk assessments for each facility. When new equipment is installed or operations change, we perform risk assessments and implement necessary preventive measures. In the event of a workplace accident or incident, we promptly conduct an accident investigation, analyze the causes, and implement corrective and preventive actions. These processes involve worker representatives.



Related indicators and initiatives

To prevent occupational accidents, the Company conducts monthly safety patrols at manufacturing sites. During these patrols, the Company checks the working environment from the perspective of 5S activities, such as tidying up the workspace, and provides guidance and safety and health awareness training to workers as necessary. The Safety and Health Promotion Sub-Committee discusses safety and health issues in the workplace and promotes improvement activities.

	Unit	2022	2023	2024
Fatal Workplace Accidents	cases	0	0	0
Accidents Requiring Absence (4 or more days)	cases	0	0	0
Accident Frequency Rate*1	%	0.00	0.00	0.00
Accident Intensity Rate*2	%	0.000	0.000	0.000

\*1:Lost-time injury frequency rate (LTIFR) = (number of injuries and fatalities due to work-related accidents / total reported man-hours) × 1,000,000  
This indicates the frequency of work-related injuries and fatalities per 1,000,000 man-hours.  
\*2:Lost-time severity rate = (number of lost work days due to occupational injuries) ÷ (total hours worked) × 1,000  
This indicates the severity of workplace accidents, measured as lost workdays per 1,000,000 man-hours.



Retirement benefits and pension system

Overview of retirement benefit system

To support long-term financial security and diverse life plans for employees, we have introduced defined contribution (DC) and defined benefit (DB) corporate pension plans. These programs apply to regular employees and specialist staff and enroll them upon joining the company.

►Defined Benefit (DB) Corporate Pension System

We employ a point-based scheme that reflects factors such as length of service and job responsibilities, and benefits are provided under predetermined conditions (retirement, death, company circumstances, illness, etc.). In response to system revisions and as a transitional measure during the shift from DB to DC, for existing employees we have established supplementary measures that take into account the points at the time of transition, interest, and benefit rates.

►Defined Contribution (DC) Corporate Pension System

Pension assets are accumulated for each individual based on years of service and the company’s contributions, and can be received as a lump-sum payment or as a pension upon retirement. The benefit amount is determined by the company’s contributions (including monthly point conversions) and investment performance.

Life Plan Support Grant System

We have established a “Life Plan Support Grant System” to support diverse life plans and enhance welfare for our employees. This system consists of the following components.

►Eligible recipients

Regular employees and specialist staff who are employed at the time of bonus payment.

►System content

1. Life Plan Support Grant (lump-sum)

Paid as a lump-sum grant at the time of bonus payment, in accordance with the salary regulations.  
2. Life Plan Pension  
Depending on the course selected by the employee, the company makes direct contributions to the defined contribution pension account twice a year.

►Company burden and contribution status

- For defined contribution (DC) and Life Plan Support Grant, the company makes monthly contributions at its own expense.
- When revising the system, we establish protections for employees’ rights and transitional measures to ensure a secure and usable framework.

►Distinguished Service Award Allowance System

We also have a separate provision to pay a service award allowance to employees who have demonstrated particular merit during their tenure.

►Payment timing

Retirement benefits and the service award allowance are generally paid in a lump sum at the time of retirement.

►System revisions and transitional measures

When changing the system, we have introduced transitional measures to protect employees’ rights, including the transfer of points from DB to DC, special interest accrual, and additive schemes. For employees, we have established additional measures that take into account points, interest, and benefit rates at the time of transition.

►Contribution method

In accordance with the defined contribution pension regulations, the company makes Life Plan Support Grant contributions within the monthly contribution limit, according to the employee’s selection. If the limit would be exceeded, the amount is paid together with the salary.

►Handling during leave of absence

Even when contributions are suspended due to leave of absence, payments are made upon return under certain conditions.

►System review

Each program is reviewed and revised as appropriate in response to changes in laws and social conditions. When making changes, we consult with labor unions and other stakeholders to ensure that employees are not disadvantaged.

Re-employment Support for Retirees

In addition to a wide range of training and education programs to support employees’ skills development and career formation, we have established transitional support systems to ensure employees can continue to work with confidence during life-stage and career transitions.

Senior Employee Employment Program

When regular employees reach retirement age, they can choose between the “Continuing Employment Course (Re-employment)” or the “ Retirement-to-Retirement Course” under the “Senior Employee Employment Regulations.” If selecting the Continuing Employment Course, they can be re-employed as an elder employee until age 65, allowing continued employment.

Career Transition Support System

For employees aged 55 or older with more than 15 years of service who retire for personal reasons, we have a “Career Transition Support System” to assist with new life plans and career changes. Employees using this system receive a Transition Support Allowance (20 months’ base salary) and, if desired, access to re-employment support services from specialized firms.

Through these programs, we aim to create an environment where employees can pursue career options and transitions with confidence and realize diverse career paths.



Labor–management relations

Guided by the principle that safeguarding freedom of association and the right to collective bargaining, we promote a fair, equitable, and harmonious labor–management relationship to improve productivity, and our common goals are the advancement of union members’ economic and social status and corporate prosperity. With mutual trust in good faith and common sense, we strive to maintain peace between labor and management and work together as one.

Membership eligibility for labor unions

Regular employees who are our employees (excluding non-members) are, in principle, members of the labor union.

Enrollment status						
category	Unit	2020	2021	2022	2023	2024
Number of union members	People	360	343	349	366	385
Membership rate	%	80.0	79.4	77.2	76.3	75.9

Scope of non-members

- The following categories (1–9) are not eligible for union membership.
- 1.Middle managers, professionals or those at equivalent or higher levels
  - 2.Specialist employees who do not wish to be union members
  - 3.Those engaged in planning or supervising personnel, labor, sales, payroll, or accounting operations
  - 4.Administrative support staff
  - 5.Those involved in planning or handling confidential affairs, who have discussed and decided with the company and the union
  - 6.Telephone operators, security staff (including security guards and fire protection)
  - 7.Temporary or contract workers, day laborers
  - 8.Those under probation
  - 9.Other persons agreed upon through consultation between the company and the union者

Scope of labor agreement

The labor agreement applies to union members as well as non-member employees, covering a wide range of matters including wages, working hours, holidays and vacations, workplace environment, welfare, and safety and health.

Dialogue with labor and management

We engage in regular discussions with labor unions to review labor agreements and reflect employees’ opinions. The contents of the labor agreement and the negotiation process are communicated to employees via the company intranet and other channels.

▶2024 Dialogue Achievements

category		Timing	Number of sessions
Central Labor–Management Council		Regular	5 times
Branch Labor–Management Council	Headquarters Branch	Regular	3 times
	ikugawa Branch	Regular	3 times
Labor–management meetings		Irregular	3 times

Key agenda items and agreements for 2024

▶Central Labor–Management Council

Agenda :Company performance, economic outlook, and requests and responses for spring bargaining

Agreements :Here are the demands and agreements for 2024

- ①Request to extend the eligible period for parental half-day leave from “until the fourth grade of elementary school” to “until age 18;” after negotiations, the company agreed to an extension to “until elementary school graduation.”
- ②Request to revise the treatment of overseas assignment allowances; after negotiations, the company agreed to a comprehensive review of salaries and welfare.

▶Branch Labor–Management Council

Agenda :Reporting on divisional performance and discussions on improving the workplace environment

Example of agreements (Kikugawa Branch) :Agreement reached with the company regarding requests for cleaning uniforms at the manufacturing site

Examples of labor union activities in 2024

- News releases of discussions and decisions based on Central Labor–Management Council meeting minutes (five times per year)
- News releases of discussions and decisions based on Branch Labor–Management Council meeting minutes (Headquarters and Kikugawa Branch, three times per year)
- Surveys of union members (two surveys for Spring Negotiations in 2025)
- Labor-management communication activities
  - Bus tours (April: Gotemba Premium Outlets; December: Yamanashi Winery tour)
- Sending young employees to Citizen’s Union sponsorship events for youth and women (May: Lake Kawaguchi; six young employees + two executive committee members)
- Hosting NISA seminars to improve financial literacy (February: Headquarters and Kikugawa Factory))

Grievance filing and consultation channels

The labor agreement requires the company and the union to establish a grievance handling mechanism to ensure rapid and fair resolution of complaints without hindering production, thereby stabilizing labor-management relations. We gather feedback in conjunction with Spring Negotiations (annual) and Branch labor-management councils (Headquarters, Kikugawa branches, three times per year). Additionally, we accept complaints and inquiries year-round without a fixed period, and in 2024 we received three inquiries.

Notification of significant personnel changes such as transfers and dismissals

When making significant business changes such as transfers or dismissals, we generally provide written notice of the required details one month in advance. In emergencies or other unavoidable cases, this period may be shortened. For other major actions, we consult with the labor union in advance. These notification periods and procedures are determined in accordance with domestic laws and labor-management agreements.

Contribution to the Community

The Group aims to contribute to the sustainable development of society through the mutual growth of the company and its employees. To achieve this, we are not only contributing through our business and products, but also working to solve issues in local communities and engage in activities that revitalize them.

Basic concept

Based on the core concept of the Sustainability Policy of the Company and employees growing together and contributing to society,” we aim to realize a sustainable society and enhance corporate value through community contributions in each local community where we operate globally.

Contributing to the sustainable development of the local community leads to a more prosperous life for the people who live there. The Company’s employees and their families are also rooted in the community and live their daily lives there. Supporting local community development is the foundation for promoting the Group’s Corporate Philosophy of “A company and its employees must constantly evolve through a process of steady development while also making every effort possible to improve the lives of each individual. This growth must happen together.”

Based on this concept, we will continue to contribute to the sustainable development of the region by focusing on the following two activities to address various economic, environmental, and social issues.

- ①Activities that effectively utilize the resources of the Group
- ②Activities that the Group’s employees can relate to and take pride in for their community and the Company (including support for voluntary activities by employees)

2024 Examples of Initiatives

►Sponsorship of regional professional sports teams

We support rugby (Shizuoka Qualifiers: Shizuoka Brave Leagues), soccer (Shimizu S-Pulse), and basketball (Vertex Shizuoka) teams active in Shizuoka Prefecture. Through these teams, we also run programs inviting local children to free attendance at matches. For 2025, we plan to support Para-sport events in Shizuoka City as an official partner. These activities increase children's participation and interaction in sports and strengthen community ties and health. Going forward, we will assess the impact by measuring participant satisfaction and residents’ interest in sports and culture.



►Blood Donation Supporter

Blood, which is essential for life, cannot be artificially produced or stored long-term, so blood needed for medical care is sustained by voluntary donors. Our company and its subsidiary Micro Sapporo Co., Ltd. have registered as blood donation supporters with the Japanese Red Cross Society and participate in the Red Cross mobile blood drives twice a year. These efforts support the regional medical system and contribute to regional medical safety by increasing blood donation. Going forward, we will evaluate the number of donors and changes in local residents’ awareness to quantify the impact of our activities.

Participation status for 2024 (cumulative number of participants)

Star Micronics Co., Ltd.	95 people
Star Metal Company	17 people
Micro Sapporo Company	20 people
Star Micronics Manufacturing (Thailand) Co., Ltd.	84 people
Total	216 people

Employees participating in mobile blood drives



►Donation and support activities

Special Products Division conducts voluntary donation activities every year. In 2024, 22 employees participated, contributing 68,500 yen to Shizuoka Children’s Hospital. The donations will be used for medical activities for children.



►Donations and support activities in the UK: Example of Star Micronics GB Ltd.’s initiatives

An annual donation totaling £27,250 to Sheffield Children’s Hospital

Sheffield Children’s Hospital is one of the UK’s leading pediatric specialist hospitals, providing cutting-edge pediatric care, education, and research, supporting the health of many children and their families. Star Micronics GB Ltd. has consistently supported Sheffield Children’s Hospital, helping children receiving treatment and their families. This support contributes to advancing medical care and research and assisting children’s treatment and recovery, playing a part in medical assistance. We will continue to evaluate the impact of the donations on long-term health improvements for children.



● Donations to Patchwork House

We donated £1,000 to Patchwork House, which provides safe havens for abused children and women suffering from violence. Supporting this initiative promotes safe shelter and psychological care, increasing the prospects for victims’ recovery and reintegration into society.



2024 Donations and Support Activities	
Recipients of support	Amount of donations
Sheffield Children's Hospital	£ 27,250
Patchwork House	£ 1,000
Ashgate Hospital	£250
Action Medical Research	£1,600
Richard Jepp	£2,000
Jamie Duncan	£2,000
Various soccer teams	£9,000
Total	£ 43, 100

## Promoting Sustainable Production and Procurement

For the Company, which operates not only in Japan but also globally, the realization of stable and sustainable production, procurement, supply, and services, which we aim to achieve together with our business partners, is becoming increasingly important from the perspective of business continuity.

### Basic approach

The Group has identified “Promoting Sustainable Production and Procurement” as a material issue since 2025 and we are working to procure materials in a sustainable manner that emphasizes respect for human rights and reduction of environmental impact. In this way, we aim to fulfill our corporate social responsibility while reducing risks throughout the supply chain and ensuring stable production and procurement. For the Company, which has a global supply chain, considering sustainability is an important issue directly linked to enhancing corporate value, and we believe that collaboration with business partners throughout the supply chain is essential to achieving this. We place importance on building relationships of trust through dialogue with our business partners, and aim to create mutually beneficial relationships through feedback on procurement processes and quality control. Based on “Star Micronics Group Human Rights Respect Policy,” the Company aims to achieve sustainable procurement by focusing on the following five areas.

#### ►Respect for Human Rights

We respect the human rights of all stakeholders, prevent human rights violations, and conduct responsible procurement activities.

#### ►Environment Preservation

We will reduce our environmental impact and promote sustainable resource use.

#### ►Ethical Conduct

We will conduct fair and transparent procurement activities and comply with laws and regulations.

#### ►Responsibility for the Entire Supply Chain

We will promote respect for human rights and environmental preservation throughout the supply chain and strengthen cooperation with partner companies.

#### ►Sustainable Procurement

We will promote procurement activities that take into consideration the impact on society and the environment from a long-term perspective.

### Dialogue with suppliers/business partners: activities in 2024

The Group considers suppliers/business partners to be important stakeholders. We believe that building sound relationships based on trust through fair transactions is essential to achieving sustainable management over the medium to long term. In particular, conducting fair and equitable transactions and maintaining high ethical standards form the foundation for achieving sustainable growth while fulfilling social responsibilities in business activities. The Group established the “Star Micronics Group Human Rights Respect Policy” on July 1, 2024 to enhance sustainability across the entire supply chain. In addition, we revised the “Star Micronics Group Sustainability Code of Conduct” at the same time. We expanded the scope of application to include all business partners related to our products and services, and have begun developing a system to promote sustainable procurement and transactions. Furthermore, we have launched a questionnaire survey based on the Star Micronics Group Human Rights Respect Policy, targeting a total of 204 companies, including 33 key suppliers (suppliers accounting for 80% of non-consolidated purchases). This survey confirms the status of efforts to address human rights and environmental issues at business partners, and the current state of labor environment improvements. Through this, we will identify issues throughout our supply chain and consider approaches to enhance sustainability.

### Future actions

#### ►Dialogues with suppliers based on the Star Micronics Group Human Rights Respect Policy

Confirmation of the situation through interviews with key suppliers based on the results of a survey conducted in 2024.

#### ►Revision of Procurement Guidelines

- Establishing the promotion system
- Refining the Procurement Guidelines

#### ►Promoting employee training

### Quality management

The Group’s “star brand” is supported by high quality that can compete globally. We have obtained the ISO9001 international standard for quality management systems and have established a quality control system. The Company constantly pursues the highest level of quality and establishes global standards.◦

#### ►Acquisition of ISO9001

		ISO9001
Machine Tools Division (manufacturing sites)	Star Micronics Co., Ltd. (Kikugawa Factory)	○
	Star Micronics Co., Ltd. (Kikugawa South Factory(tentative name))	○
	Star Micronics Manufacturing Dalian Co., Ltd.	○
	Star Micronics Manufacturing (Thailand) Co., Ltd.	○
Special Products Division	Star Micronics Co., Ltd. (Head Office)	○
	Star Micronics Co., Ltd. (Quality Technical Center)	○

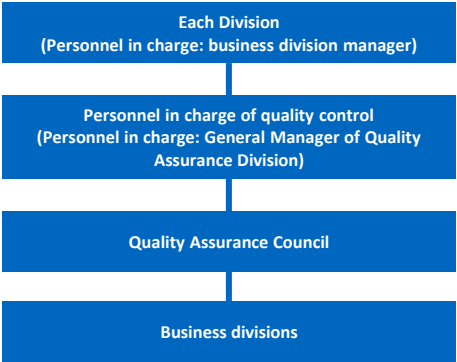
### Quality control system

The Group has established a quality control system for each of its two business divisions, which manufacture different products. Each business division manager serves as the personnel in charge, and personnel in charge of quality control serve as the heads of the secretariats.

Quality issues within each business division are shared and managed through quality assurance meetings.

In the Machine Tools Division, we have established similar systems at each manufacturing site and thoroughly implement quality control at each site.

In the Special Products Division, we have established a similar system at the head office, where we manage and oversee manufacturing contractors by presenting them with audit and inspection standards. When selecting manufacturing contractors, we require ISO9001



Social Data

Note: The numbers below represent the average for each year.

	Unit	Scope		2020			2021			2022			2023			2024		
				Regular employees	Temporary staff	Total	Regular employees	Temporary staff	Total	Regular employees	Temporary staff	Total	Regular employees	Temporary staff	Total	Regular employees	Temporary staff	Total
Number of Employees	People	Japan	Star Micronics Co., Ltd.	450	34	484	432	43	475	452	49	501	480	48	528	507	48	555
			Star Marketing Japan Co., Ltd.	17	0	17	18	0	18	18	0	18	19	0	19	17	0	17
			Star Metal Company	34	7	41	37	7	44	51	6	57	34	6	40	33	7	40
			Micro Sapporo Company	43	24	67	43	21	64	41	18	59	42	18	60	44	16	60
			Smart Solution Technology, Inc.	—	—	—	—	—	—	—	—	—	50	0	50	56	0	56
			Total	544	65	609	530	71	601	562	73	635	625	72	697	657	71	728
		U.S.A.	Star Micronics America Inc.	42	0	42	50	0	50	54	0	54	52	0	52	53	0	53
			Star CNC Machine Tool Corp.	58	0	58	56	0	56	62	0	62	63	0	63	60	0	60
			Star America Holding Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Total	100	0	100	106	0	106	116	0	116	115	0	115	113	0	113
		Europe	Star Micronics Europe Ltd.	29	0	29	29	0	29	29	0	29	31	0	31	32	0	32
			Star Micronics GB Ltd.	27	0	27	28	0	28	33	0	33	30	0	30	30	0	30
			Star Micronics GmbH	68	4	72	70	5	75	73	6	79	78	7	85	77	8	85
			Star Micronics AG	28	0	28	27	0	27	32	0	32	34	0	34	35	0	35
			Star Machine Tool France SAS	11	0	11	10	0	10	11	0	11	10	0	10	11	0	11
			Total	163	4	167	164	5	169	178	6	184	183	7	190	185	8	193
		Asia	Star Micronics Manufacturing Dalian Co., Ltd.	375	4	379	402	33	435	434	26	460	399	0	399	380	18	398
			Shanghai Xingang Machinery Co., Ltd.	20	1	21	19	1	20	19	1	20	19	1	20	18	1	19
			Star Precisions Ltd.	8	0	8	8	0	8	8	0	8	7	0	7	5	0	5
			Star Micronics (Thailand) Co., Ltd.	19	0	19	18	0	18	17	0	17	15	0	15	16	0	16
			Star Micronics Southeast Asia Co., Ltd.	10	0	10	11	0	11	12	0	12	14	0	14	11	0	11
			Star Micronics Manufacturing (Thailand) Co., Ltd.	203	0	203	259	0	259	316	0	316	294	0	294	250	0	250
			STAR MICRONICS INDIA Pvt. Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	7	0	7
			Total	635	5	640	717	34	751	806	27	833	748	1	749	687	19	706
		Total		1,442	74	1,516	1,517	110	1,627	1,662	106	1,768	1,671	80	1,751	1,642	98	1,740

Social Data

- Aggregated results as of December 31 of each year.
- The scope is Star Micronics alone.

	Unit	category	2020	2021	2022	2023	2024
New Graduate Recruitment	People	Female	1	0	0	3	1
		Male	6	0	5	8	6
Mid-career Recruitment	People	Female	0	0	3	8	8
		Male	5	6	9	15	23
Mid-career Hiring Ratio	%	Female	0	0	100	72.7	88.8
		Male	45.4	100	64.2	65.2	79.3
Employee Gender Ratio	%	Female	19.5	20.0	20.4	21.4	21.6
		Male	80.5	80.0	79.6	78.6	78.4
Gender Ratio of Management Positions	%	Female	0	0	0	1.7	1.6
		Male	100	100	100	98.3	98.4
Average Age	Years old	Female	43.50	44.33	44.70	43.92	43.55
		Male	41.64	41.87	41.80	41.92	41.78
Average Length of Employment	Years	Female	21.50	22.34	22.40	21.13	20.33
		Male	18.14	18.36	18.24	18.04	17.45
Rates of Employees with Disabilities	%	Total	3.70	3.56	3.30	3.00	2.49
Turnover Rate	%	Total Turnover Rate	11.54	4.96	4.52	2.95	2.68
		Personal Reasons	8.23	2.89	1.16	1.10	0.41
Gender Pay Ratio (Male/Female)	%	All	64.24	63.41	62.32	64.22	65.26
Average Training Expenses Per Employee	Yen	All	37,462	52,731	89,084	70,344	101,297
Number of Technician Certification Holders	People	Special Grade	5	5	5	5	5
		1st Grade	62	60	62	59	61
		2nd Grade	86	98	100	106	108

	Unit	category	2020	2021	2022	2023	2024
Childcare Leave Taken	People	Number of Female Taking Leave	3	2	6	3	4
	%	Ratio of Female Taking Leave	100	100	100	100	100
	People	Number of Male Taking the Leave	1	4	8	3	7
	%	Ratio of Male Taking the Leave	6	21	40	19	58
Labor Union Membership	People	Number of Members	360	343	349	366	385
	%	Membership Ratio	80.0	79.4	77.2	76.3	75.9
Occupational Health and Safety	Cases	Fatal Workplace Accidents	0	0	0	0	0
	Cases	Accidents Requiring Absence	0	0	0	0	0
	%	Accident Frequency Rate	2.2	2.17	0	0	0
	%	Accident Intensity Rate	0.07	0.004	0	0	0
Health Management	%	Regular Health Checkup Participation Rate	100	100	100	100	100
		Specific Health Guidance Implementation Rate	57.1	75.8	46.4	82.6	87.5
		Stress Check Response Rate	97.1	99.2	100	96.7	95.5
		Smoking Rate	15.7	15.1	13.4	12.7	13.6
Engagement Score	Score	Wevox Engagement Score	—	—	71	72	73
Social Contribution Activities	Ten thousands of yen	Total	10.4	11.0	309.0	14.9	311.7



# Governance

We are building a governance framework that prioritizes transparency and accountability, and we drive management that earns the trust of stakeholders.

By strengthening corporate governance, we aim for sustainable growth and enhanced corporate value, and we strive for sound and fair business operations.



Corporate Governance

The Group will work to strengthen and enhance corporate governance to realize our corporate philosophy of “A company and its employees must constantly evolve through a process of steady development while also making every effort possible to improve the lives of each individual. This growth must happen together,” respond appropriately to changes in the business environment, and contribute to the sustainable improvement of corporate value and the sustainable development of society.

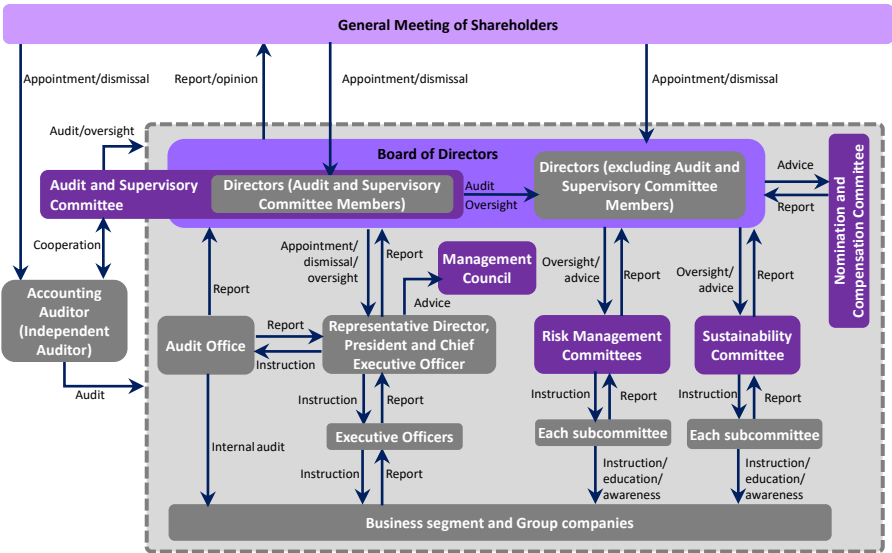
Basic approach for corporate governance

The Company’s basic approach to corporate governance is based on fulfilling our social responsibilities as a company. To this end, we strive to achieve appropriate and efficient management with a view to the “enhancement of corporate value in a sustainable way” and “contribution to the sustainable development of society” and to distribute the results of these efforts appropriately to shareholders and other stakeholders.

Governance system

- The Company has adopted the structure of a company with an audit and supervisory committee in order to strengthen the supervisory function of its Board of Directors and to enhance its corporate governance capabilities.
- Furthermore, an executive officer system was introduced to the Company to speed up and raise the efficiency of business execution even further.
- The Board of Directors is comprised of a total of seven members, four Directors excluding Directors who serve as Audit and Supervisory Committee Members (one of whom is an Outside Director) and three Directors who serve as Audit and Supervisory Committee Members, and is responsible for appropriate and efficient management decisions while supervising the execution of Directors’ duties from an independent standpoint.

Corporate governance system



Details and deliberation status of major meeting bodies

Board of Directors

The Board of Directors oversees the execution of duties by directors and executive officers, while also making decisions and reporting on statutory matters specified in the Board of Directors Regulations, important management matters, basic management policies, and other important management matters.

►Main deliberations in FY2024

- Matters related to annual budgets and quarterly financial results
- Matters related to the Second Medium-Term Management Plan
- Matters related to the appointment and compensation of directors and executive officers
- Matters related to sustainability
- Matters related to realizing management that is conscious of cost of capital and stock price
- Matters related to purchase of treasury stock

Audit and Supervisory Committee

The Committee is responsible for auditing the performance of duties by directors, auditing financial statements, preparing audit reports, and other duties. It conducts audits in accordance with audit policies and plans, in cooperation with the accounting auditor, Audit Office, and other parties.

►Main deliberations in FY2024

- Matters related to audit policies, audit plans, audit methods, and division of audit duties
- Preparation of audit reports

Nomination and Compensation Commi

The Committee deliberates on matters related to the appointment, dismissal, and compensation of directors and executive officers in response to requests for consultation from the Board of Directors, and submits its recommendations to the Board of Directors.

►Main deliberations in FY2024

- Matters related to the appointment and dismissal of directors and executive officers
- Matters related to the compensation of directors and executive officers

Management Council

The Council discusses and reports on important management policies and matters related to management.

►Main deliberations in FY2024

- Monthly financial reports of the Company and its subsidiaries
- Reorganization of internal departments

Risk Management Committees

The Committee conducts surveys and analyses of risk situations, selects significant risks and determines response policies, and supervises the progress of company-wide risk management to reduce and prevent the loss of management resources associated with the company’s business operations, natural disasters, accidents, and other events.

Sustainability Committee

The Committee formulates basic policies for promoting group-wide initiatives to address sustainability issues, sets targets and indicators for materiality initiatives, and manages progress toward those targets.

Composition and frequency of major meeting bodies

		Board of Directors	Audit and Supervisory Committee	Nomination and Compensation Committee
Composition	Attendees	3 Internal Directors 4 Independent Outside DirectorsTotal of 7 members	Directors who are Audit and Supervisory Committee Members 3	1 Internal Director 4 Independent Outside Directors Total of 5 members
	Observers	6 Executive Officers	—	—
	Chairperson	President and CEO	Audit and Supervisory Committee Member (full-time)	President and CEO
Number of meetings in FY2024		9 times	10 times	4 times
		Management Council	Risk Management Committees	Sustainability Committee
Composition	Attendees	3 Internal Directors 1 Director who is an Audit and Supervisory Committee Member (full-time) 6 Executive Officers Total of 10 members		
	Chairperson	President and CEO		
Number of meetings in FY2024		24 times	2 times	4 times

Improving effectiveness of the Board of Directors

Effectiveness evaluation

►Overview of evaluation

- In order to continuously improve the effectiveness of the Board of Directors, we have been conducting an annual survey since FY2016, targeting all directors, including audit and supervisory committee members.
- We collect and analyze opinions on matters such as the composition, operation, and discussions of the Board of Directors, and report the results to the Board of Directors.
- Starting with the survey in FY12/2024, we are utilizing a new web platform provided by a third-party organization.

►Evaluation item

- Role and functions of the Board of Directors
- Composition of the Board of Directors
- Operation status of the Board of Directors
- Discussion status of the Board of Directors
- Self-evaluation by directors

Executive training and support system for outside directors

- We provide the support necessary to fulfill the expected roles and responsibilities appropriately.
- Executives and directors strive to acquire the necessary knowledge to fulfill their responsibilities by attending external seminars and other programs.
- Outside directors deepen their understanding of the Company by visiting major business sites and receiving explanations of business and operations from each division.
- The internal audit division (Audit Office) assists the Audit and Supervisory Committee Members in their duties at the request of the Audit and Supervisory Committee Members.

►Implementation status in FY2024

- Holding of outside director meetings (2 times)
- Site visit to the factory by outside directors (Kikugawa Factory, 1 time)

Effectiveness evaluation: implementation status in FY2024



List of Company Officers (as of March 27, 2025)

Directors		Mamoru Sato	Yasunao Sasai	Seigo Sato	Mikio Katayama	Seiichi Nishikawa	Motoki Sugimoto	Itsue Miyata
Position		Representative Director, President and Chief Executive Officer	Director, Managing Executive Officer General Manager, Development Headquarters	Director, Managing Executive Officer General Manager, Corporate Headquarters	Outside Directors	Outside Directors (Audit and Supervisory Committee Member (full-time))	Outside Directors (Audit and Supervisory Committee Member)	Outside Directors (Audit and Supervisory Committee Member)
Term of Office		17 years	5 years	1 years	0 years	5 years	11 years	3 years
Number of Shares Held		122,900 shares	40,300 shares	100,300 shares	0 shares	5,100 shares	7,100 shares	0 shares
Attendance at the Board of Directors(FY12/2024)		9／9 Chairperson	9／9	7／9	—	9／9	9／9	9／9
Attendance at the Audit and Supervisory Committee (FY12/2024)		—	—	—	—	10／10 Chairperson	10／10	10／10
Attendance at the Nomination and Compensation Committee (FY12/2024)		4／4 Chairperson	—	—	—	4／4	4／4	4／4
Skills Matrix	Corporate Manage	●			●			
	Strategic Planning	●	●	●	●	●		
	Finance and Accounting	●		●		●	●	
	Legal Affairs and Compliance	●		●	●			●
	Global	●		●	●	●		
	R&D		●		●			
	Sales and Marketing	●	●	●	●			

Executive Officers (as of January 1, 2025)

Senior Executive Officer	Executive Officer
<b>Kazuyoshi Terao</b> General Manager, Special Products Division	<b>Masatake Hanada</b> Deputy General Manager, Corporate Headquarters, Executive Manager, Finance & Accounting Department, Corporate Headquarters
<b>Fumio Masuda</b> General Manager, Machine Tools Division	<b>Kohji Sano</b> Deputy General Manager, Machine Tools Division
	<b>Katsuhiko Shinomiya</b> Executive Manager, Development Department, Machine Tools Division
	<b>Takahiro Kogasaka</b> Deputy General Manager, Development Headquarters

(Note)

1. Mr. Seigo Iwasaki retired at the conclusion of the Annual General Meeting of Shareholders held on March 27, 2025.

2. Mr. Mikio Katayama was appointed at the Annual General Meeting of Shareholders held on March 27, 2025, and has no track record of activities.

3. Mr. Seigo Sato was appointed at the Annual General Meeting of Shareholders held on March 28, 2024, and has attended all of the Board of Directors meetings held since his appointment.

Approach to the appointment of officers

Candidates for internal directors

- They are required to have excellent personality and insight, share the Company’s Corporate Philosophy, embody the Action Guidelines, and have high ethical standards.
- They are required to have a wealth of diverse experience necessary for executing business, a global perspective and communication skills for understanding market trends both domestically and internationally, and the ability to adapt quickly to changes in the business environment.
- They are required to make management decisions aimed at optimizing the business portfolio, promoting new businesses, and maintaining financial soundness, thereby fulfilling their role in achieving sustainable corporate value enhancement.

Candidates for outside directors

- They are required to have no interests in the Company based on the independence criteria established by the stock exchange so that their opinions and recommendations from an objective and independent perspective can be effectively utilized in management decisions.
- In order to achieve a Board of Directors composed of individuals with diverse backgrounds, the Company considers the balance of extensive knowledge and experience in various fields such as corporate management, finance and accounting, legal affairs and compliance, and risk management.

Decision-making process

The Company has established a Nomination and Compensation Committee (comprising five members: one internal director and four independent outside directors) with a majority of independent outside directors to enhance the transparency and objectivity of the decision-making process for Executive Compensation and to strengthen corporate governance. The Nomination and Compensation Committee deliberates on Executive Compensation and submits its recommendations to the Board of Directors. The Board of Directors respects the recommendations of the Nomination and Compensation Committee and makes decisions regarding Executive Compensation in accordance with resolutions passed at the General Meeting of Shareholders.

Revision of stock compensation system

At the 100th Annual General Meeting of Shareholders held on March 27, 2025, a proposal was submitted and approved to introduce a new performance-linked stock compensation system in addition to the existing restricted stock compensation system to directors (excluding Audit and Supervisory Committee Members and Outside Directors) in order to promote the sustainable improvement of the Company’s corporate value and further value sharing with shareholders and to clarify the link with the Company’s Medium-Term Management Plan. Similarly, we have introduced a performance-linked stock compensation system for executive officers, and we are working to strengthen incentives for all executives to achieve sustainable improvement in corporate value and the goals of our Medium-Term Management Plan.

Policy on the determination of executive remuneration and related matters (revised on March 27, 2025)

At the Board of Directors meeting held on March 27, 2025, we resolved to amend the policy governing the determination of individual remuneration for directors (excluding directors who are Audit Committee members). The relevant policy is consulted with an ad hoc Nomination and Remuneration Committee (majority independent external directors), and the decision is made by the Board of Directors based on the committee’s recommendations, as described below.

**►Policy on base remuneration**  
For directors (excluding directors who are Audit Committee members), base remuneration shall be a fixed monthly amount, set according to a monthly remuneration table that reflects rank and other factors. The Board of Directors will determine the amount in accordance with the company’s performance plan achievement, and, together with director bonuses, payments will be limited to a total of 300 million yen per year (within this, compensation for external directors is limited to 20 million yen per year) and paid to each director.

**►Policy on performance-based remuneration and related matters**  
For performance-based compensation (cash rewards), the base amount defined for each rank is multiplied by a performance evaluation payout rate that reflects the degree of achievement of profitability indicators. When performance targets are achieved, the payout is determined by applying this rate to a base value of 100; the resulting amount typically fluctuates within approximately 50% to 150% and is paid at a fixed time each year.

**►Policy on non-monetary rewards**  
Non-monetary rewards comprise two types of equity-based compensation: Performance Stock Units (PSU) and Restricted Stock (RS). RS is intended to provide incentives for sustainable increases in corporate value and to further share value with shareholders; it grants a number of shares based on the base amount for each rank. PSU, in addition to RS’s objectives, links executive remuneration more closely to the company’s consolidated performance. PSU grants are calculated by multiplying the base number of shares (determined by rank) by a payout rate corresponding to achievement of performance targets in the medium-term management plan, causing the number of granted shares to vary. The fluctuation in the number of granted shares is generally about 50% to 150%. Together with PSU and RS, grants to each director are allocated within an annual cap of 100 million yen, as determined by the Board of Directors.

**►Policy on remuneration mix**  
The amounts of base remuneration, director bonuses, and equity compensation (PSU and RS) vary according to performance, rank, and share price. By combining these components, we aim to provide an appropriate mix that functions as an incentive for performance improvement for directors (excluding Audit Committee members and external directors).

**►Other matters concerning the determination of remuneration**  
For directors (excluding Directors who are Audit Committee members), the Board of Directors will decide the specific amount of base remuneration, the method of calculating director bonuses, and the contracts and number of shares for the performance-based restricted stock units, after consulting with the Nomination and Remuneration Committee. For directors who are Audit Committee members, base remuneration is determined through consultations among the Audit Committee members, within an annual limit of 30 million yen.

►Matrix chart of Executive Compensation items and recipients (as of March 27, 2025)

Compensation type	Name of compensation	Internal Directors/ Executive Officers	Outside Directors/Audit and Supervisory Committee Members		Purpose and objective of the system
Fixed	Base compensation	●	●	●	Compensation corresponding to roles and responsibilities
Variable Compensation (short-term)	Bonus for directors	●	—	—	Incentive compensation for short-term performance linked to annual performance
Variable compensation (medium - to long-term)	Restricted stock compensation	●	—	—	Incentive compensation related to long-term corporate value enhancement and value sharing with shareholders
	Performance linked stock compensation	●	—	—	Incentive compensation linked to the achievement of medium-term management plans by linking them to KPIs set out in the plans

►Compensation results (FY12/2024)

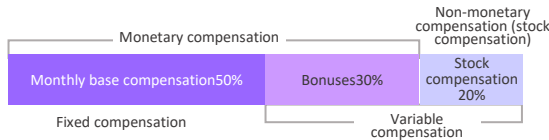
Executive category	Total compensation (Millions of yen)	Total compensation by type (Millions of yen)			Number of subject executives (Persons)
		Fixed compensation	Performance-linked compensation	Stock compensation	
Directors (excluding Audit and Supervisory Committee Members) (of which Outside Directors)	165 (9)	116 (9)	18	31	4 (1)
Directors (Audit and Supervisory Committee Members) (of which Outside Directors)	26 (26)	26 (26)	—	—	3 (3)
Total (of which Outside Directors)	191 (36)	142 (36)	18	31	7 (4)

(Note)  
The amount of restricted stock compensation and performance-linked compensation is the amount recorded in the current fiscal year.  
The above director compensation amounts do not include the salaries of directors who also serve as employees.

Policy on compensation ratios

The amounts of base compensation, bonuses, and stock compensation vary depending on performance, position, and stock price. However, these are combined in appropriate proportions so that they function as incentives for improving performance for directors excluding outside directors. Base compensation, bonuses, and stock compensation generally comprise 50%, 30%, and 20% of total compensation, respectively.

►Image of compensation ratio for directors excluding outside directors





Corporate Governance

Status of Establishment of Internal Control System

Our group consists of the parent company, 19 subsidiaries, and 3 affiliates (as of December 31, 2024). We conduct business activities in Japan and around the world through local subsidiaries, focusing on machine tools and special equipment. As a whole, we strive to implement and strengthen internal control systems to achieve sound and efficient management and to sustain growth in corporate value.

Each subsidiary, while coordinating with and sharing information with the parent, builds an autonomous structure based on the group's management policy and strategy, considering its size, business nature, applicable laws, and organizational design.

In addition, under our Subsidiary Management Regulations, directors and executive officers responsible for each subsidiary regularly require reports on business plans, performance, risk information, etc., to monitor management status and issue necessary guidance and oversight. When needed, our company officers may also serve concurrently as subsidiary officers to maximize group-wide corporate value.

On the compliance front, we have established the Star Micronics Group Sustainability Code of Conduct as the standard of behavior for the group's directors, executive officers, and employees, and we are developing related regulations and organizational structures. CSR departments lead education and awareness activities, and we regularly hold committees to monitor and reinforce compliance.

For reliable financial reporting, we appropriately address the Internal Control over Financial Reporting under the Financial Instruments and Exchange Act.

Furthermore, the Internal Audit Department conducts regular internal audits of group companies, reporting results to the Audit Committee. Based on audit findings, we issue improvement recommendations to each subsidiary and follow up on implementation, strengthening internal controls, enhancing risk management, and advancing governance across the group for ongoing improvement.

Strategic shareholding

The Company will acquire and hold shares for purposes other than investment as strategic shareholding only when it is deemed that such shares will contribute to the improvement of the Company's medium- to long-term corporate value from the perspective of facilitating the smooth operation of the Company's business and maintaining and strengthening business relationships.

Based on this policy, we have proceeded with disposal and reduction, and currently hold six stocks (including one listed stock, accounting for 0.7% of net assets).

Conflict of interest

If any executive director or corporate officer engages in a related-party transaction with the company, we obtain approval from the Board of Directors in accordance with the Companies Act and our internal regulations, and if such a transaction is carried out, we report the material facts regarding the transaction to the Board of Directors without delay.

Star Micronics Group Tax Policy

Our group, guided by our corporate philosophy, aims to contribute to the sustainable development of society through compliance with tax laws, management of tax risk, and proper tax payments.

1. Compliance

Our group adheres to tax laws and regulations in each country or region where we conduct business, as well as international tax rules such as OECD guidelines, and strives for proper tax filings and payments.

2. Tax Governance

Tax governance is built and maintained under the ultimate responsibility of our accounting executives. The Finance Department manages taxation and accounting and works to establish, maintain, and strengthen tax governance. When tax risks become apparent in audits of subsidiaries, we collect detailed information and take appropriate action.

3. Tax Planning

We utilize favorable tax regimes in various countries when available as part of normal business activities to achieve a fair tax burden. We do not engage in tax planning that constitutes tax avoidance through tax havens or contrary to the spirit of tax laws.

4. Tax Risk Management

When tax uncertainties are anticipated in business activities, we seek to reduce tax risk through external expert advice and guidance or confirmation with tax authorities as needed.

5. Transfer Pricing

For intercompany transactions, we aim for an appropriate profit allocation based on the functions and risks of each party, following the arm's-length principle. We prepare transfer pricing documentation in accordance with the tax laws of each country.

6. Relations with Tax Authorities

We provide appropriate information to tax authorities and strive to build and maintain a healthy relationship with them.

Effective date: August 1, 2025

Mamoru Sato  
Representative Director,  
President and Chief Executive Officer

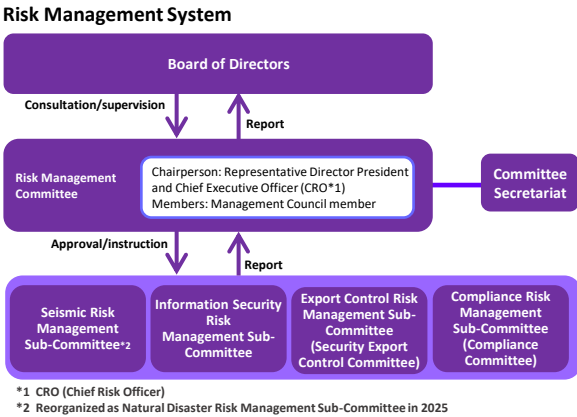
Risk Management

The company must be able to anticipate all the risks facing the business, conduct routine prevention activities, and prepare for and implement contingency measures in advance. The company has established "Risk Management Regulations" that combine both those daily prevention activities and emergency responses, defining the company's internal risk management system as shown in the figure below.

Basic Policy of Risk Management

To ensure the soundness of management and the reliability of corporate value, the company positions risk management as an important issue for management and implements the following matters.

1. Recognize various management risks, prevent the occurrence of crises, and take reasonable and appropriate measures in advance to minimize any damage caused by a crisis and any impact on society.
2. Establish a management policy for each risk and maintain a continuous management cycle with an organizational system.
3. In the event of a major incident, the company will do its utmost to full our corporate social responsibility by preserving the company's assets and quickly recovering its business, putting people's safety first.



Seismic Risk Management

Basic Policy

1. Prioritize the safety and welfare of employees by ensuring their well-being.
2. Preserve company facilities and accelerate system recovery to promptly resume and continue operations.
3. Support customers' business resumption and maintain trust.
4. Foster a corporate culture in which employees maintain crisis awareness and are prepared to respond in emergencies.
5. Cooperate and coordinate with the regional community to support restoration and reconstruction efforts.

2024 Activities

- Conducted training for employee safety verification using the casualty confirmation system
- Conducted evacuation drills based on the Business Continuity Plan (BCP)
- Held life-saving courses such as CPR and first aid training

Objectives for activities from 2025 onward

- Develop a Business Continuity Plan (BCP) that also addresses risks from natural disasters other than earthquakes and infectious diseases
  - Conduct various training programs
- \*From 2025, rename the committee to "Natural Disaster Risk Management Sub-Committee" and strengthen its activities

Information Security Risk Management Sub-Committee

Basic Policy

1. We will systematically and continually ensure information security in the management of information assets.
2. For the use of information assets, we establish internal standards to protect and ensure the reliability of information assets and implement appropriate measures.
3. We will comply with laws, guidelines, and company standards and social norms related to information security.
4. In the event of any information security incident, we will respond promptly to minimize damage and conduct cause analysis to implement preventive measures against recurrence.
5. We will continuously conduct information security awareness activities for users and provide education on this policy and related regulations.
6. Each group company will appoint an Information Security Officer. The number and roles of these officers will be determined as appropriate to the company's organization and size, but generally the information system administrators and responsible personnel will take on this duty.

2024 Activities

- Held semiannual internal security policy briefing sessions to review the status
- Confirmed responses to ransomware incidents at our overseas subsidiary Star Micronics Southeast Asia Co., Ltd.
- Follow-up on Firewall deployment and security measures at domestic subsidiary Smart Solutions Technology Co., Ltd.
- Confirmed enrollment in cyber insurance
- Confirmed security measures at the establishment of Star Micronics India Pvt. Ltd.
- Conduct monthly email security training and review the training contents

Objectives for activities from 2025 onward

- Hold semiannual security policy review meetings to monitor status
- Consider and implement a security education system
- Annually verify the security measures at group subsidiaries
- Develop an IT-BCP (Business Continuity Plan)

Export Control Risk Management Sub-Committee

Basic Policy

1. From the perspective of maintaining international peace and security, exports and transfers of goods and technologies that could be diverted to development or production of weapons of mass destruction or conventional weapons are managed within the framework of international security export controls.
2. In Star Micronics Group as well, when exporting goods or providing technologies overseas, we conduct screening for exportability and transaction screening (destination country/region, use, customer verification), obtain the necessary export licenses, and ensure strict management.
3. The Export Control Risk Management Subcommittee advances measures to comply not only with the Foreign Exchange and Foreign Trade Act (the "FEFTA") but also with security export control regulations based on FEFTA.

2024 Activities

- For machine tools, we conduct rigorous screening for export eligibility, customer screening, and transaction screening for all cargo exports and overseas technology transfers, and report the overview at the Export Control Risk Management Subcommittee. (Total annual transaction screenings in 2024: 8,328 cases)
- We regularly conduct employee training and audits of security export control operations.
- We are examining countermeasures in response to the enforcement of China's Export Control Law.

Objectives for activities from 2025 onward

- Maintain and continue the three screening processes (export eligibility, customer screening, and transaction screening) along with ongoing employee education and audits
- Implement countermeasures in response to the enforcement of China's Export Control Law
- Consider balancing compliance with the Foreign Exchange and Foreign Trade Act and internal regulations with the pursuit of business opportunities
- Consider responses to risks that could have a material impact on our reputation

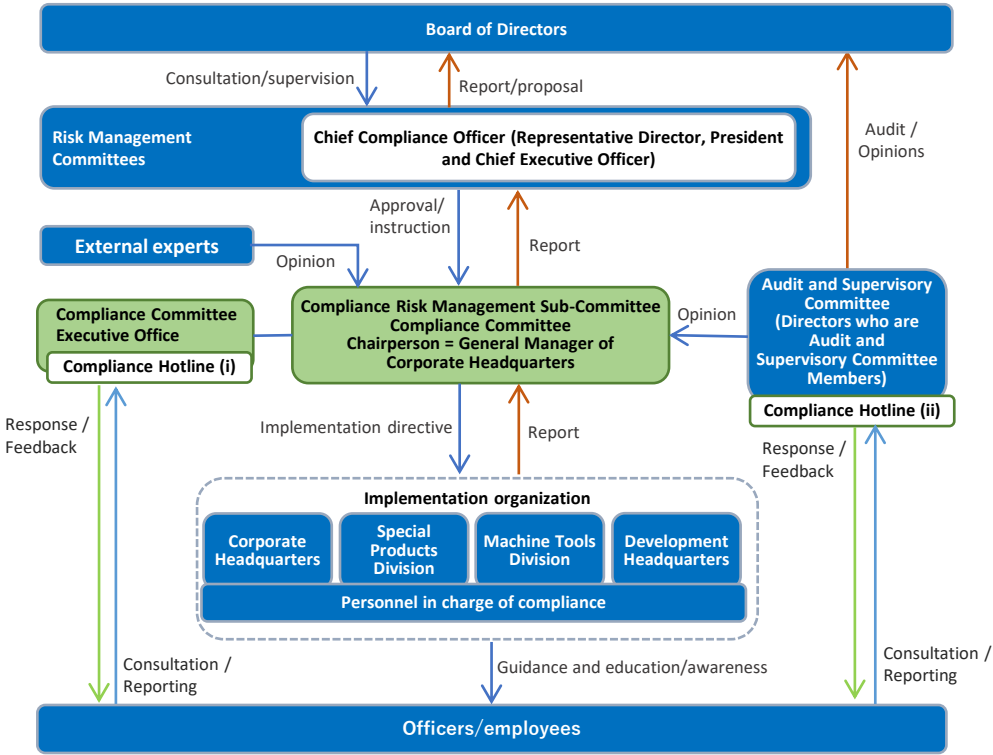
Compliance

With the globalization of the economy and corporate activities, the Group is also expanding its business activities across countries and regions with different administrative systems, business practices, and values. Under these circumstances, the Company, which aims for sustainable development, believes that practicing fair and ethical management and striving for harmony with society are essential elements in gaining the trust of its stakeholders.

Basic Policy of the Compliance Regulations

- 1.The company fully recognizes that non-compliance can shake the company's management foundation, and positions thorough compliance as a basic principle of management.
- 2.The company promotes business with a world-class compliance system in its global business activities.
- 3.The company will develop the compliance activities set forth in the preceding paragraph. With this, the company will be highly appreciated by shareholders, customers, and all localities, will gain trust from the public and will establish it as one that will not lose.

Compliance Promotion System



Compliance enhancement initiatives

▶2024 Activities

Content			Number of participants
Compliance education	Star Micronics Co., Ltd.	For new hires and mid-career hires	41 people
	Domestic subsidiaries	For employees	193 people
	Overseas subsidiaries	For employees	231 people
Related education and training	Star Micronics Co., Ltd.	For employees	705 people

▶Dissemination of Star Micronics Group Sustainability Code of Conduct

The “Star Micronics Group Sustainability Code of Conduct” (“the Company’s Sustainability Code of Conduct”) sets forth standards that we should adhere to in our daily activities in order to instill our corporate philosophy throughout the Group and to put into practice the three guidelines for mutual growth outlined in our corporate philosophy: “enhance corporate value in a sustainable way,” “contribute to the sustainable development of society,” and “enrich the lives of employees and their families.” The Company’s Sustainability Code of Conduct has been translated into five languages, English, Chinese, Thai, German, and French, and distributed to all officers and employees of the Group in printed or electronic formats. The officers and employees of the Group are required to thoroughly understand the contents of the Company’s Sustainability Code of Conduct and, in addition to complying with laws and regulations, to respect social norms and act with integrity, common sense, and responsibility.

▶Conducting surveys on compliance

In our group, we conduct annually a survey on compliance awareness and corruption risk assessment, covering 16 out of 19 companies\* (84%) whose employees are eligible. In 2024, all 16 surveyed companies conducted the survey, and no significant corruption risks were identified. The survey results are reported to the Compliance Committee and used to improve training and awareness activities. For Smart Solution Technology Co., Ltd., which joined the group in January 2023, we confirmed widespread adoption of the code of conduct and increased awareness of the whistleblowing/consultation channels.

\*For the three non-covered companies: Star Micronics Manufacturing Dalian Co., Ltd. and Star Micronics Manufacturing (Thailand) Co., Ltd. are conducting surveys led by their subsidiaries. STAR MICRONICS INDIA Pvt. Ltd., established in 2024, will be included starting from 2025.

Fundamental approach to anti-corruption

Our group firmly rejects all forms of corruption, including bribery, and we promote fair, transparent, and competitive practices and proper transactions. This policy is stated in the Star Micronics Group Sustainability Code of Conduct and is communicated to directors, executive officers, and all employees. We also require our business partners and suppliers to understand and respect the Star Micronics Group Sustainability Code of Conduct. Violations are subject to disciplinary action under the relevant work rules and regulations. For reporting, we have established a compliance consultation desk.

▶Violations status

2020	2021	2022	2023	2024
0 cases	0 cases	0 cases	0 cases	0 cases

Internal reporting system

The Company has established a hotline to receive consultations (Compliance Hotline) regarding acts that violate or are suspected of violating laws and regulations, administrative guidelines, and the Company’s internal regulations, with the aim of early detection and correction of compliance violations.

There are two Compliance Hotlines: at the Compliance Committee Executive Office and the Audit and Supervisory Committee, which accept reports and consultations from officers, employees, and temporary staff of the Company and the Group.

In order to make it easier for local staff overseas to use, we have established Compliance Committees and Compliance Hotlines at Star Micronics Manufacturing Dalian Co., Ltd. and Star Micronics Manufacturing (Thailand) Co., Ltd., our main production base overseas.

We have established an environment that makes it easy for users to consult with us, offering various methods of contact such as telephone, email, letter, and face-to-face meetings, as well as anonymous reporting. We are working to strengthen our compliance system so that each and every employee can maintain a high level of ethical standards.

The Company’s internal reporting system thoroughly protects whistleblowers by prohibiting dismissal or other disadvantageous treatment based on reports made in accordance with the Whistleblower Protection Act and other laws.

►Number of consultations at the Compliance Hotline

Most of the consultations concern harassment cases, and we are taking appropriate measures, such as conducting investigations by the Compliance Committee and taking corrective action and measures to prevent recurrence.

2020	2021	2022	2023	2024
2 cases	5 cases	3 cases	3 cases	8 cases

Fundamental stance on excluding antisocial forces

Our group does not associate with antisocial forces in any form, responds firmly to unjust demands, and does not engage in any transactions with entities related to antisocial forces or similar groups.

This policy is stated in the Star Micronics Group Sustainability Code of Conduct and is communicated to directors, executive officers, and all employees, with expectations that business partners and suppliers understand and respect the code as well.

We actively gather information on antisocial forces through regular channels, such as our headquarters’ prefectural countermeasures councils and other local bodies, and we educate directors, executive officers, and employees on appropriate responses to improper requests.

Violations are subject to disciplinary action under the relevant work rules and regulations. For reporting, we have established a compliance consultation desk.

►Violations status

2020	2021	2022	2023	2024
0 cases	0 cases	0 cases	0 cases	0 cases

Stakeholder Engagement (Shareholders and Investors)

Disclosure Policy

Star Micronics discloses information promptly and appropriately in accordance with the timely disclosure regulations set by the Tokyo Stock Exchange. In addition, even information that does not fall under the timely disclosure regulations may be actively disclosed if deemed useful for shareholders and investors to understand the Star Micronics Group.

Shareholders' Meetings

We strive to deliver meeting notices early and provide pre-disclosure on our website. We also support electronic voting via the internet, participate in institutional investor electronic voting platforms, and publish an English summary of the convocation notice to ensure shareholders fully understand the proposals when voting.

Shareholder Dialogue

The Chief Executive Officer, the President-executive, and designated directors and officers conduct appropriate dialogue with shareholders in coordination with the Corporate Planning Office and the Finance Department. Based on the importance of the input received, shareholder feedback is reported to the President and CEO or the Board of Directors as appropriate. We also enhance IR activities through information disclosure on our website and earnings briefing sessions.

IR Activities

We actively conduct investor relations activities, including earnings briefing sessions for analysts and one-on-one meetings with institutional investors. We also provide various tools such as the Integrated Report and the Annual Securities Report to ensure timely and accurate disclosure of management information. In particular, we view our website disclosures as a key means of fair information disclosure and promptly publish this information in the Investor Information section on our site.

Shareholder returns

Our group regards returning profits to shareholders as a key management policy, with a policy of progressive dividends of at least 70 yen per share annually and a consolidated return ratio of at least 50%.



Organizations with membership

►External relations / Industry groups

Star Micronics is a member of the following organizations to foster collaboration with the industry and society.

Organization name	Membershi p status	Purpose and activities of the organization	Impact on the organization
Japan Machine Tool Builders' Association	Regular member	Organizations that engage in diverse activities to develop the machinery tool industry and promote the economy	As regular members, we utilize latest policies and statistical information, and priority displays at JIMTOF, to enhance the quality of our products and services. We also contribute to the development of the industry through committee activities and networking events.
IIA-Japan	Regular member	Organizations that disseminate and improve internal auditing through training and information provision	Through memberships, we acquire the latest auditing techniques and theories and gather information on practices from other companies to improve the quality of our internal audits. We also contribute to industry development by participating in study groups and similar activities.
Japan Intellectual Property Association	Member	Organizations that promote the dissemination and development of intellectual property through research and awareness-raising activities	Through memberships, we gather the latest trends in intellectual property and information on practices from other companies, develop our personnel, and contribute to strengthening IP capabilities and to industry development.
Japanese Standards Association	Supporting member	Organizations that set and promote standards to improve standardization and quality	As a supporting member, we promptly obtain various standard-related information to help improve our product quality and ensure compliance with standards. We also contribute to the development of standardization by supporting the association’s standardization activities and dissemination programs.
Center for Information on Security Trade Control	Supporting member	Organizations that promote security trade management through information provision and training	As a supporting member, we promptly obtain domestic and international laws and systems related to security export controls, and through our subcommittee activities we provide input to the Ministry of Economy, Trade and Industry and receive advance information on strengthened export controls, thereby ensuring strict compliance and contributing to industry development.
Financial Accounting Standards Foundation	Corporate member	Organizations that establish and disseminate financial accounting standards through standard-setting and information dissemination	In addition to obtaining the latest accounting standards to strengthen practical capabilities, we contribute to the reliability of financial reporting through the fulfillment of our social responsibilities.

Governance data

- Aggregated results as of December 31 of each year.
- The scope is Star Micronics only.

内容	Unit	2020	2021	2022	2023年	2024
Number of Directors	People	7	7	7	6	7
Number of Independent Directors	People	4	4	4	4	4
Number of Female Directors	People	0	0	1	1	1
Number of female executive officers	People	0	0	0	0	0
Number of Board of Directors Meetings Held	Times	9	11	9	10	9
Attendance Rate at Board of Directors	%	100	99	91	99	100
Political Donations	Yen	0	0	0	0	0
Number of legal/regulatory violations	Cases	0	0	0	0	0
Number of Employee Disciplinary Actions and Dismissals	Cases	0	0	0	0	0
Fines, Penalties, and Settlements	Cases	0	0	0	0	0
Number of Internal Reports	Cases	2	5	3	3	8

# GRI Standard Contents Index



GRI Standard Contents Index

Statement on Use	Star Micronics Group has reported the information listed in this GRI Content Index for the period from January 1, 2024, to December 31, 2024, with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standards	Required reporting item		Corresponding data	
GRI 2: General Disclosures 2021	2-1	Organizational details	Sustainability Report 2024 -Company and Business Information	p.03
	2-2	Entities included in the organization's sustainability reporting	Sustainability Report 2024 -Editorial Policy (Scope)	p.02
	2-3	Reporting period, frequency and contact point	Sustainability Report 2024 -Editorial Policy (Applicable Period) (Issuance purpose and frequency) (Contact)	p.02
	2-4	Restatements of information	Sustainability Report 2024 -Editorial Policy (Revisions to previously disclosed information)	p.02
	2-5	External assurance	Sustainability Report 2024 -Editorial Policy (External assurance)	p.02
	2-6	Activities, value chain and other business relationships	Sustainability Report 2024 -Business Information	p.03
			[Note : Japanese only] Annual Securities Report (100th term) -Business descriptions and status of related companies	pp.5-7
	2-7	Employees	Sustainability Report 2024 -Social Data (Number of Employees)	p.32
	2-8	Workers who are not employees	Information not available (data not obtained for non-employees)	—
	2-9	Governance structure and composition	Sustainability Report 2024 -Governance system -Corporate governance system -Details and deliberation status of major meeting bodies -Composition and frequency of major meeting bodies	p.35
	2-10	Nomination and selection of the highest governance body	Sustainability Report 2024 -Corporate governance system	p.35
			Sustainability Report 2024 -Approach to the appointment of officers	p.37
	2-11	Chair of the highest governance body	Sustainability Report 2024 -List of Company Officers	p.36
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report 2024 -Corporate governance system -Details and deliberation status of major meeting bodies	p.35

GRI Standards	Required reporting item		Corresponding data	
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	Sustainability Report 2024 -Compliance Promotion System -Internal reporting system -Number of consultations at the Compliance Hotline	pp.40-41
	2-17	Collective knowledge of the highest governance body	Sustainability Report 2024 -Executive training and support system for outside directors	p.36
	2-18	Evaluation of the performance of the highest governance body	Sustainability Report 2024 -Effectiveness evaluation	p.36
	2-19	Remuneration policies	Sustainability Report 2024 -Compensation for executives	p.37
	2-20	Process to determine remuneration	Sustainability Report 2024 -Decision-making process	p.37
	2-21	Annual total compensation ratio	Sustainability Report 2024 -Compensation for executives	p.37
	2-22	Statement on sustainable development strategy	STAR MICRONICS Integrated Report 2024 -Top Message	pp.07-13
	2-23	Policy commitments	Star Micronics Group Sustainability Code of Conduct	<a href="#">Link</a>
			Sustainability Report 2024 -Star Micronics Group Human Rights Respect Policy	p.22
			Sustainability Report 2024 -Basic Policy of the Compliance Regulations -Compliance Promotion System	p.36
			Sustainability Report 2024 -Fundamental approach to anti-corruption	p.40
	2-24	Embedding policy commitments	Sustainability Report 2024 -Commitment to Respect for Human Rights	p.21
			Sustainability Report 2024 -Compliance enhancement initiatives -Internal reporting system -Number of consultations at the Compliance Hotline	pp.40-41
	2-25	Processes to remediate negative impacts	Sustainability Report 2024 -Environmental Management	p.08
			Sustainability Report 2024 -Commitment to Respect for Human Rights	p.21
	2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report 2024 -Internal reporting system -Number of consultations at the Compliance Hotline	p.41
	2-27	Compliance with laws and regulations	Sustainability Report 2024 -Compliance	pp.40-41
			Sustainability Report 2024 -Governance data	p.42
	2-28	Membership associations	Sustainability Report 2024 -Organizations with membership	p.42

GRI Standards	Required reporting item		Corresponding data	
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	Sustainability Report 2024 -Engagement -Labor–management relations	p.25 p.29
			Sustainability Report 2024 -Contribution to the Community	p.30
			Sustainability Report 2024 -Commitment to Respect for Human Rights -Promoting Sustainable Production and Procurement	p.21 p.31
			Sustainability Report 2024 -Stakeholder Engagement (Shareholders and Investors)	p.41
	2-30	Collective bargaining agreements	Sustainability Report 2024 -Labor–management relations	p.29
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Sustainability Report 2024 -Promoting Initiatives to Address Material Issues	p.05
	3-2	List of material topics	Sustainability Report 2024 -Initiatives to Address Material Issues(2022-2024) -Material issues(2025-)	p.05
	3-3	Management of material topics	Sustainability Report 2024 -Promoting Sustainability Management	p.05
			Sustainability Report 2024 -Environment	pp.07-19
			Sustainability Report 2024 -Social	pp.20-33
			Sustainability Report 2024 -Governance	pp.34-42
GRI201: Economic Performance 2016	201-1	Direct economic value generated and distributed	[Note : Japanese only] Annual Securities Report (100th term) -Trends in key management indicators -Direct economic value created and distributed -Consolidated income statement	pp.2-3 p.9 p.1
			Sustainability Report 2024 -Social Data(Social Contribution Activities)	p.33
	201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report 2024 -Addressing Climate Change	p.09
	201-3	Defined benefit plan obligations and other retirement plans	Sustainability Report 2024 -Retirement benefits and pension system	p.28
	201-4	Financial assistance received from government	Not applicable (no government funding received)	—
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Information not available (data for this item not available)	—
	202-2	Proportion of senior management hired from the local community	Information not available (data for this item not available)	—
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	STAR MICRONICS Integrated Report 2024 -Allocate ¥34.0 billion to growth investment and upfront investment and ¥11.0 billion or more to shareholder returns, etc.	p.38
	203-2	Significant indirect economic impacts	STAR MICRONICS Integrated Report 2024 -Allocate ¥34.0 billion to growth investment and upfront investment and ¥11.0 billion or more to shareholder returns, etc.	p.38


GRI Standards	Required reporting item		Corresponding data	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Information not available (data for this item not available)	—
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Sustainability Report 2024 -Compliance	p.40
	205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report 2024 -Compliance	p.40
	205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2024 -Compliance	p.40
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability Report 2024 -Compliance	p.41
GRI 207: Tax 2019	207-1	Approach to tax	Sustainability Report 2024 -Star Micronics Group Tax Policy	p.38
	207-2	Tax governance, control, and risk management	Sustainability Report 2024 -Star Micronics Group Tax Policy	p.38
	207-3	Stakeholder engagement and management of concerns related to tax	Sustainability Report 2024 -Star Micronics Group Tax Policy	p.38
	207-4	Country-by-country reporting	Information not available (our company discloses consolidated subsidiary information, region-by-region sales, regional employee counts, and corporate tax adjustments for the consolidated total in the annual securities report. However, country-by-country corporate tax data has not been collected or disclosed at this time.)	—
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Information not available (data for this item not available)	—
	301-2	Recycled input materials used	Information not available (data for this item not available)	—
	301-3	Reclaimed products and their packaging materials	Information not available (data for this item not available)	—
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Sustainability Report 2024 -Environmental data(energy consumption)	p.17
	302-2	Energy consumption outside of the organization	Sustainability Report 2024 -Environmental data (Scope3)	p.18
	302-3	Energy intensity	Sustainability Report 2024 -Environmental data(energy consumption)	p.17
	302-4	Reduction of energy consumption	Sustainability Report 2024 -Addressing Climate Change -Environmental data(energy consumption)	p.10 p.17
	302-5	Reductions in energy requirements of products and services	Sustainability Report 2024 -Initiatives to Environmentally Friendly Products/	pp.11-12
GRI303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Sustainability Report 2024 -Water Resource Management -Environmental data(Scope of aggregation) -Environmental data(Site-specific data 2024)	p.15 p.16 p.19
	303-2	Management of water discharge-related impacts	Sustainability Report 2024 -Water Resource Management	p.15



GRI Standards	Required reporting item		Corresponding data	
GRI303: Water and Effluents 2018	303-3	Water withdrawal	Sustainability Report 2024 -Environmental data(Scope of aggregation) -Environmental data(Site-specific data 2024)	p.16 p.19
	303-4	Water discharge	Sustainability Report 2024 -Environmental data(Scope of aggregation) -Environmental data(Site-specific data 2024)	p.16 p.19
	303-5	Water consumption	Sustainability Report 2024 -Environmental data(Scope of aggregation) -Environmental data(Site-specific data 2024)	p.16 p.19
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable (Our group's facilities and plants are not located in legally protected areas, areas with high biodiversity value, or in adjacent areas)	—
	304-2	Significant impacts of activities, products, and services on biodiversity	Not applicable (Our group's facilities and plants are not located in legally protected areas or areas with high biodiversity value or adjacent areas; as a result, there are no cases where our activities, products, or services have a significant impact on biodiversity)	—
	304-3	Habitats protected or restored	Sustainability Report 2024 -Initiatives for Biodiversity Conservation	p.14
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable (Our group's facilities and plants are not located in legally protected areas or areas with high biodiversity value or adjacent areas; therefore, our operations do not affect species listed on the IUCN Red List or domestic conservation lists).	—
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Sustainability Report 2024 -Environmental data(Scope of aggregation) -Environmental data(Emissions/Scope1) -Environmental data(Site-specific data)	p.16 p.17 p.19
	305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report 2024 -Environmental data(Scope of aggregation) -Environmental data(Emissions/Scope2) -Environmental data(Site-specific data)	p.16 p.17 p.19
	305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report 2024 -Environmental data(Scope3)	p.18
	305-4	GHG emissions intensity	Sustainability Report 2024 -Environmental data(CO2 Emissions per Revenue Unit)	p.17
	305-5	Reduction of GHG emissions	Sustainability Report 2024 -Addressing Climate Change -Environmental data(CO2 Emissions Reduction (%) vs. 2013)	p.09 p.10 p.17
	305-6	Emissions of ozone-depleting substances (ODS)	Not applicable (no applicable cases in our company)	—
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable (no applicable cases in our company)	—

GRI Standards	Required reporting item		Corresponding data	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Sustainability Report 2024 -Promoting Waste Reduction and Recycling Activities -Environmental data(Scope of aggregation) -Environmental data(Waste) -Environmental data(Site-specific data)	p.13 p.16 p.17 p.19
	306-2	Management of significant waste-related impacts	Sustainability Report 2024 -Promoting Waste Reduction and Recycling Activities -Environmental data(Scope of aggregation) -Environmental data(Waste) -Environmental data(Site-specific data)	p.13 p.16 p.17 p.19
	306-3	Waste generated	Sustainability Report 2024 -Promoting Waste Reduction and Recycling Activities -Environmental data(Scope of aggregation) -Environmental data(Waste) -Environmental data(Site-specific data)	p.13 p.16 p.17 p.19
	306-4	Waste diverted from disposal	Sustainability Report 2024 -Environmental data(Waste)	p.17
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Not applicable (At present, we have not conducted new supplier selection based on environmental criteria, and we have not collected related data).	—
	308-2	Negative environmental impacts in the supply chain and actions taken	Not applicable (At present, there are no investigations, identifications, or responses related to negative environmental impacts in the supply chain).	—
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Sustainability Report 2024 -Social Data (Number of Employees) -Social Data(New Graduate Recruitment/Mid-career Recruitment/Turnover Rate)	p.32 p.33
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not applicable (Star Micronics does not have differences in allowances between regular employees and non-regular employees. The situation across the group-wide operations is not currently known.)	—
	401-3	Parental leave	Sustainability Report 2024 -Human Capital Management (Childcare leave and short-time childcare work system)	p.26
GRI 402: Labour/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Sustainability Report 2024 -Labor-management relations	p.29
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Sustainability Report 2024 -Occupational health and safety	p.27
	403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report 2024 -Occupational health and safety	p.27
	403-3	Occupational health services	Sustainability Report 2024 -Health management	p.27
	403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report 2024 -Occupational health and safety	p.27

GRI Standards	Required reporting item		Sustainability Site	
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	Sustainability Report 2024 ~Health management/Occupational health and safety	p.27
	403-6	Promotion of worker health	Sustainability Report 2024 ~Health management	p.27
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report 2024 ~Occupational health and safety(Scope of application/Occupational Health and Safety Management System)	p.27
	403-8	Workers covered by an occupational health and safety management system	Sustainability Report 2024 ~Occupational health and safety(Scope of application/Occupational Health and Safety Management System)	p.27
	403-9	Work-related injuries	Sustainability Report 2024 ~Occupational health and safety(Related indicators and initiatives)	p.27
	403-10	Work-related ill health	Sustainability Report 2024 ~Health management(Targets and health indicators) -Occupational health and safety(Related indicators and initiatives)	p.27
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Information is incomplete(We track and disclose annual average training cost per employee, but at present we do not accumulate or track the time spent on training.)	—
	404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report 2024 -Human Capital Management (Fostering human resources) -Human Capital Management (Re-employment Support for Retirees)	p.24 p.28
	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report 2024 -Human Capital Management (Performance Appraisal System)	p.24
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Sustainability Report 2024 -Human Capital Management (Improving the workplace environment by promoting diversity)	p.26
	405-2	Ratio of basic salary and remuneration of women to men	Information not available (we do not have specific data at this time)	—
GRI 406: Nondiscrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Not applicable (no applicable cases in our company)	—
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our facilities : Not applicable (no applicable cases in our company) Suppliers: Under investigation (Self-assessment surveys are being conducted, and results are currently being reviewed. We will report the findings in due course.)	p.21 p.31
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Our facilities : Not applicable (no applicable cases in our company) Suppliers: Under investigation (Self-assessment surveys are being conducted, and results are currently being reviewed. We will report the findings in due course.)	p.21 p.31

GRI Standards	Required reporting item		Sustainability Site	
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our facilities:Not applicable (no applicable cases in our company) Suppliers: Under investigation (Self-assessment surveys are being conducted, and results are currently being reviewed. We will report the findings in due course.)	p.21 p.31
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Not conducted (We have not provided training on human rights for personnel of external security contract workers, but we require suppliers and contractors to comply with our policies and guidelines on human rights and anti-discrimination.)	p.21 p.22 p.31
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Not applicable (no applicable cases in our company)	—
GRI 413: LocalCommunities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report 2024 -Contribution to the Community	p.30
	413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable (no applicable cases in our company)	—
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Not conducted (We plan to commence this matter in 2025)	p.31
	414-2	Negative social impacts in the supply chain and actions taken	Under investigation (We are conducting self-assessment surveys for suppliers and are currently reviewing the results.)	p.21 p.31
GRI 415: Public Policy 2016	415-1	Political contributions	Not applicable (no applicable cases in our company) Sustainability Report 2024 -Governance data(Political Donations)	p.42
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Report 2024 -Quality management/Quality control system	p.31
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable (no applicable cases in our company)	—
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	[Note : Japanese only] Star Micronics Website — STAR-ECO Profile	
	417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable (no applicable cases in our company)	—
	417-3	Incidents of non-compliance concerning marketing communications	Not applicable (no applicable cases in our company)	—
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable (no applicable cases in our company)	—