

## Consolidated Earnings Report for the Fiscal Year Ended December 31, 2024 (Japanese GAAP)

These financial statements have been prepared for reference in accordance with accounting principles and practices generally accepted in Japan.

Company name: Star Micronics Co., Ltd. Stock listing: Tokyo Stock Exchange  
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Scheduled annual general meeting of shareholders: March 27, 2025 Scheduled payment of dividends: March 11, 2025  
Scheduled release of FY2024 business report: March 27, 2025  
Preparation of supplementary explanatory materials for earnings report: Yes  
Earnings presentation: Yes

(Figures less than one million are rounded down)

### 1. Consolidated Results for the Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

#### (1) Consolidated Operating Results (Percentages represent changes over the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
Year Ended December 31, 2024	64,994	(16.9)	4,021	(61.2)	4,515	(58.8)	1,855	(77.3)
Year Ended December 31, 2023	78,196	(10.5)	10,350	(25.7)	10,960	(22.8)	8,175	(20.6)

(Note) Comprehensive income

Year Ended December 31, 2024 ¥5,831 million [(50.4)%] Year Ended December 31 2023 ¥11,755 million [(23.5)%]

	Net Income per Share	Diluted Net Income per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	(¥)	(¥)	%	%	%
Year Ended December 31, 2024	53.99	53.78	2.4	4.9	6.2
Year Ended December 31, 2023	218.89	218.17	10.7	11.4	13.2

Reference: Equity in earnings of affiliated companies

Year Ended December 31, 2024 ¥(5) million Year Ended December 31, 2023 ¥(2) million

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(¥ million)	(¥ million)	%	(¥)
As of December 31, 2024	92,784	74,431	79.8	2,327.02
As of December 31, 2023	93,398	80,346	85.6	2,178.54

Reference: Shareholders' Equity

As of December 31, 2024 ¥74,038 million As of December 31, 2023 ¥79,964 million

#### (3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Year-end Cash and Cash Equivalents
	(¥ million)	(¥ million)	(¥ million)	(¥ million)
Year Ended December 31, 2024	6,153	(5,456)	(10,275)	23,619
Year Ended December 31, 2023	7,126	(2,038)	(5,054)	31,434

### 2. Dividends

	Dividends per Share					Dividends Total (Total)	Dividend Payout Ratio (Consolidated)	Dividend on Equity Ratio (Consolidated)
	1Q End	2Q End	3Q End	Year-End	Full Year			
	(¥)	(¥)	(¥)	(¥)	(¥)	(¥ million)	%	%
FY 2023	—	30.00	—	30.00	60.00	2,217	27.4	2.9
FY 2024	—	30.00	—	30.00	60.00	1,982	111.1	2.7
FY 2025 (Projected)	—	35.00	—	35.00	70.00		55.5	

3. Consolidated Outlook for the Fiscal Year Ending December 31, 2025 (From January 1, 2025 to December 31, 2025)  
(Percentages represent changes over the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income per Share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Interim term	31,400	1.3	1,800	16.2	1,900	(5.4)	1,600	173.5	50.44
Full Year	71,200	9.5	5,200	29.3	5,300	17.4	4,000	115.6	126.09

\*Note

(1) Significant changes in subsidiaries during the period under review (changes in certain specified subsidiaries resulting in revised scope of consolidation): None

New company: — (Company name), Excluded company: — (Company name)

(2) Changes in accounting policies, estimates and restatement or corrections

(i) Changes associated with revised accounting standards: None

(ii) Changes other than those in (i) above: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatement: None

(3) Number of shares issued and outstanding (Common stock)

(i) Number of shares issued and outstanding at period-end (Including treasury stock)

As of December 31, 2024	41,373,034 shares	As of December 31, 2023	41,921,434 shares
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(ii) Number of treasury stock at period-end

As of December 31, 2024	9,556,102 shares	As of December 31, 2023	5,215,874 shares
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(iii) Average number of outstanding shares

As of December 31, 2024	34,357,501 shares	As of December 31, 2023	37,349,647 shares
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(Reference) Overview of Non-consolidated Financial Results

Non-consolidated Results for the Fiscal Year Ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(1) Non-consolidated Operating Results

(Percentages represent changes over the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
Year Ended December 31, 2024	26,404	(36.0)	(1,235)	—	(766)	—	(639)	—
Year Ended December 31, 2023	41,235	(14.8)	4,528	(38.0)	9,733	13.7	8,309	28.1

	Net Income per Share	Diluted Net Income per Share
	(¥)	(¥)
Year Ended December 31, 2024	(18.62)	—
Year Ended December 31, 2023	222.48	221.75

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(¥ million)	(¥ million)	%	(¥)
As of December 31, 2024	53,866	36,651	67.5	1,143.00
As of December 31, 2023	57,202	49,048	85.3	1,328.79

Reference: Shareholders' Equity

As of December 31, 2024 ¥36,366 million As of December 31, 2023 ¥48,774 million

\* This earnings report is not included in the scope of the audit or the certified public accountant.

\* Regarding the appropriate use of earnings projections and other noteworthy matters

The above projections are based on information available at the time of release of this report and certain assumptions the Company considers reasonable. The Company does not promise that these projections will be achieved. Actual results may differ materially from projections due to a variety of factors. For information regarding the assumptions and other matters related to earnings projections in this report, refer to “(4) Future Outlook” under “1. Overview of Operating Results and Financial Position” on page 3.

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## 1. Overview of Operating Results and Financial Position

### (1) Overview of Operating Results for the Year Ended December 31, 2024

Looking at fiscal 2024, the fiscal year ended December 31, 2024, the global economy as a whole remained on a moderate recovery trend amid signs of a slowdown in inflation arising from factors such as the prolonged implementation of monetary tightening policies by various countries.

Despite indications of a shift in economic trends, including moves to lower interest rates in the U.S. and Europe, there were ongoing concerns about a recession, owing to persistently high interest rates, among other factors. Moreover, the outlook remained uncertain amid concerns surrounding overall economic stagnation caused by a variety of factors, including the slump in real estate market conditions in China and continued depreciation in the yen in Japan.

In each of the major markets in which the Star Micronics Group operates, while overall demand for POS printers remained weak, demand in the U.S. set out on a recovery trend. In addition, while demand for the Group's mainstay machine tools remained sluggish in the U.S., Europe, and Japan, demand in China rallied temporarily on the back of subsidy policies and other factors.

Under these circumstances, while the weak yen contributed to the overall performance of the Star Micronics Group in the fiscal year under review, the Group recorded sales of ¥64,994 million, down 16.9% compared with the previous fiscal year, due mainly to the significant decline in sales of machine tools. On the profit front, operating income was down 61.2% to ¥4,021 million, ordinary income was down 58.8% to ¥4,515 million, and net income attributable to owners of parent decreased 77.3% to ¥1,855 million.

Performance by segment was as follows:

#### (Special Products)

Despite the overall impact of the weak yen, sales of POS printers decreased substantially, primarily reflecting trends in the U.S. By geographical segment, although the U.S. market rallied in the second half, with distribution inventories returning to appropriate levels, full-year sales were down sharply due to sluggish performance in the first half. Market conditions in Europe also remained firm, with sales there on a par with the previous fiscal year. Meanwhile, sales in Japan increased amid steady domestic market conditions. This reflected the inclusion of Smart Solution Technology, Inc. in the Company scope of consolidation in the second quarter of fiscal 2023.

As a result of these factors, sales in the Special Products business were down 15.7% to ¥13,574 million, while operating profit fell to ¥885 million, a significant 54.7% year-on-year decline.

#### (Machine Tools)

Although the weak yen contributed to the overall performance of CNC automatic lathes, sales were down substantially, owing largely to sluggishness in the U.S. and European markets. By region, an ongoing cautious stance toward capital investment in the U.S. due to the impact of the presidential election and persistently high interest rates, as well as ongoing weakness in overall demand in the European market, were behind the significant decrease in sales. Sales in the Asian market increased substantially, notwithstanding the recent impact of inventory adjustments by distributors, mainly in China. In contrast, sales in Japan fell significantly amid a lackluster performance as a whole, especially in the automotive sector.

As a result of these factors, sales in the Machine Tools business were down 17.2% to ¥51,419 million, while operating profit was ¥5,047 million, a significant 51.2% year-on-year decline.

### (2) Overview of Financial Position for the Year Ended December 31, 2024

Total assets as of the end of the fiscal year under review stood at ¥92,784 million, a decrease of ¥613 million compared with the end of the previous fiscal year. The decrease largely reflects a downturn in cash and deposits, which offset increases in the balances of trade notes and accounts receivable and property, plant and equipment. Total liabilities came in at ¥18,353 million, an increase of ¥5,301 million from the previous fiscal year-end, chiefly on the back of an upswing in trade notes and short-term bank loans. Despite an increase in foreign currency translation adjustments, total net assets were down ¥5,915 million compared with the end of the previous fiscal year, to ¥74,431 million, due in part to the repurchase of own shares.

### (3) Overview of Cash Flows for the Year Ended December 31, 2024

Cash and cash equivalents as of the end of the fiscal year under review came to ¥23,619 million, a decrease of ¥7,814 million compared with the end of the previous fiscal year. This was the result of net cash provided by operating activities of ¥6,153 million, and partially offset by net cash used in investing and financing activities of ¥5,456 million and ¥10,275 million, respectively, and the addition of a translation adjustment on cash and cash equivalents.

(Operating Activities)

Net cash provided by operating activities totaled ¥6,153 million (¥7,126 million for the previous fiscal year). While the principal cash outflows included income taxes paid, the major cash inflows included income before income taxes and depreciation.

(Investing Activities)

Net cash used in investing activities came to ¥5,456 million (¥2,038 million for the previous fiscal year). The major cash outflow was for purchases of property, plant and equipment.

(Financing Activities)

Net cash used in financing activities totaled ¥10,275 million (¥5,054 million for the previous fiscal year), owing largely to payments for the purchase of treasury stock and dividends paid, which offset a net increase in cash provided by short-term bank loans.

(Reference) Trends in Cash Flow Related Indices

	FY12 2020	FY12 2021	FY12 2022	FY12 2023	FY12 2024
Equity Ratio (%)	68.2	74.1	73.0	85.6	79.8
Market Value Basis Equity Ratio (%)	81.5	72.8	61.2	67.6	64.7
5ebt / Cash Flow Ratio (Years)	0.4	0.1	0.2	0.2	0.5
Interest Coverage Ratio (Times)	351.8	512.4	271.8	233.9	162.5

Equity Ratio : Shareholders Equity / Total Assets  
Market Value Basis Equity Ratio : Market Capitalization / Total Assets  
Debt / Cash Flow Ratio : Debt / Cash Flows  
Interest Coverage Ratio : Cash Flows / Interest Payments

(Note)

- 1 Calculation based on the consolidated basis financial figures.
- 2 Market capitalization is calculated by multiplying the closing price as of the end of the fiscal year by the total number of shares issued and outstanding (excluding treasury stock).
- 3 “Cash flow” uses the net cash provided by operating activities.
- 4 “Interest-bearing liabilities” comprises all the liabilities recorded on the consolidated balance sheet for which interest must be paid.

**(4) Future Outlook**

Looking ahead, as geopolitical risks continue worldwide, the global economic outlook is expected to remain uncertain, reflecting concerns about an ongoing economic downturn in Europe and China as well as uneasiness over the policy direction of the new U.S. administration and the impact of rising prices and interest rates on the Japanese economy.

Under these circumstances, in terms of consolidated business results for the coming fiscal year, sales in the mainstay Machine Tools Segment are forecast to increase. This reflects expectations of a moderate recovery in demand for medical products in the U.S. market, offsetting a drop-off in demand in the Chinese market, which had showed signs of a temporary upswing in the previous fiscal year. A turnaround in overall market demand is also expected in Europe and Japan, which have both faced protracted sluggishness in capital investment demand. The Special Products Segment is expected to see ongoing firm market conditions, chiefly in the U.S., which started to pick up in the second half of the previous fiscal year, which will result in significant sales growth.

Taking these factors into account, the outlook for consolidated results in the coming fiscal year calls for a 9.5% year-on-year increase in sales to ¥71.2 billion, a 29.3% increase in operating income to ¥5.2 billion, a 17.4% increase in ordinary income to ¥5.3 billion, and a 115.6% increase in net income attributable to owners of parent to ¥4.0 billion in the fiscal year ending December 31, 2025.

Forecasts are based on the assumptions that the yen/US dollar exchange rate will be ¥145 and the yen/Euro exchange rate will be ¥155.

## **(5) Basic Dividend Policy and Dividends for This Fiscal Year and the Next Fiscal Year**

Star Micronics positions the return and distribution of profits to shareholders as an important management priority. With this in mind, the Company has put in place the basic policy of continuing to pay a progressive and stable annual dividend of at least ¥60 per share and committing to achieve a total payout ratio of at least 50%, including the repurchase of its own shares.

Based on this policy, Star Micronics plans to pay a period-end dividend of ¥30 per share. Together with the interim dividend of ¥30 per share, the Company is looking to pay an annual dividend of ¥60 per share. This annual dividend is unchanged from the previous fiscal year.

The Company also recently formulated a new Medium-Term Management Plan, covering the three years to the fiscal year ending December 31, 2027. The plan calls for paying a progressive annual dividend per share of ¥70 or more and targets a consolidated total payout ratio of 50% or more. Based on this policy, the Company plans to increase the annual dividend for the next fiscal year by ¥10 from the current fiscal year, to ¥70, consisting of a ¥35 interim and period-end dividend.

Turning to the Company's internal reserves, Star Micronics is committed to enhancing its corporate value while increasing shareholders' profits. At the same time, the Company will look to engage in a variety of activities including investment in future growth fields in a bid to ensure its sustainable growth.

## **2. Basic Policy regarding the Selection of Accounting Standards**

Taking into consideration comparability of consolidated financial statements between periods and between companies, the policy of the Star Micronics Group is to prepare consolidated financial statements according to Japanese accounting standards for the foreseeable future.

We will address the application of International Financial Reporting Standards as appropriate, taking into account conditions in Japan and other countries.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	29,721,934	23,619,570
Trade notes and accounts receivable	18,594,767	20,170,101
Merchandise and finished goods	14,542,598	14,169,299
Work in process	4,276,374	4,714,009
Raw materials and supplies	2,943,701	3,683,213
Other	3,475,268	2,089,074
Allowance for doubtful accounts	(197,701)	(115,494)
Total current assets	73,356,942	68,329,773
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,261,093	7,086,884
Machinery, equipment and vehicles, net	3,343,966	3,420,113
Tools, furniture and fixtures, net	1,354,520	1,488,769
Land	2,488,800	2,491,261
Lease assets, net	60,672	53,595
Construction in progress	144,002	3,553,245
Other, net	1,249,890	1,227,754
Total property, plant and equipment	15,902,946	19,321,624
Intangible assets		
Other	793,994	1,257,955
Total intangible assets	793,994	1,257,955
Investments and other assets		
Investment securities	662,038	903,529
Deferred tax assets	497,702	432,566
Net defined benefit asset	1,655,209	2,053,971
Other	529,711	485,216
Total investments and other assets	3,344,661	3,875,284
Total non-current assets	20,041,602	24,454,865
Total assets	93,398,545	92,784,638

(Unit: Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	3,345,274	5,827,719
Electronically recorded obligations-operating	326,753	532,489
Short-term borrowings	—	2,000,000
Current portion of long-term bank loans	28,404	8,315
Lease obligations	29,637	22,495
Income taxes payable	313,660	540,901
Contract liabilities	331,598	534,935
Provision for bonuses	896,288	696,107
Other	6,136,430	5,648,525
Total current liabilities	11,408,047	15,811,490
Non-current liabilities		
Long-term bank loans	8,315	—
Lease obligations	37,827	37,243
Net defined benefit liability	116,575	425,853
Deferred tax liabilities	615,041	1,318,083
Other	866,317	760,889
Total non-current liabilities	1,644,076	2,542,070
Total liabilities	13,052,124	18,353,560
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,721,939	12,721,939
Capital surplus	10,948,546	10,171,152
Retained earnings	55,401,296	55,127,327
Treasury stock	(7,637,848)	(16,481,370)
Total shareholders' equity	71,433,933	61,539,049
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	167,186	149,641
Foreign currency translation adjustments	7,058,883	11,248,444
Remeasurements of defined benefit plans	1,304,441	1,101,414
Total accumulated other comprehensive income	8,530,511	12,499,500
Stock acquisition rights	274,809	284,436
Noncontrolling interests	107,166	108,091
Total net assets	80,346,421	74,431,078
Total liabilities and net assets	93,398,545	92,784,638

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
(Consolidated Statement of Income)

(Unit: Thousands of yen)

	As of December 31, 2023 (from January 1, 2023 to December 31, 2023)	As of December 31, 2024 (from January 1, 2024 to December 31, 2024)
Net sales	78,196,383	64,994,694
Cost of sales	47,472,288	41,558,573
Gross profit	30,724,094	23,436,120
Selling, general and administrative expenses	20,373,214	19,414,874
Operating income	10,350,879	4,021,245
Non-operating income		
Interest income	339,312	323,136
Foreign exchange gain	22,838	84,287
Rent income	41,987	41,539
Miscellaneous income	254,503	97,633
Total non-operating income	658,642	546,597
Non-operating expenses		
Interest expense	30,310	32,816
Miscellaneous loss	18,733	19,834
Total non-operating expenses	49,043	52,651
Ordinary income	10,960,478	4,515,192
Extraordinary income		
Gain on sales of non-current assets	15,244	14,998
Gain on sale of investment securities	—	46,121
Gain on revision of retirement benefit plan	203,002	—
Total extraordinary income	218,246	61,120
Extraordinary losses		
Loss on disposal of non-current assets	77,803	195,513
Total extraordinary losses	77,803	195,513
Income before income taxes	11,100,921	4,380,799
Income taxes-current	2,693,339	1,656,873
Income taxes-deferred	234,708	875,948
Total income taxes	2,928,047	2,532,822
Net income	8,172,873	1,847,977
Net loss attributable to noncontrolling interests	(2,618)	(7,133)
Net income attributable to owners of the parent	8,175,492	1,855,111

## (Consolidated Statement of Comprehensive Income)

(Unit: Thousands of yen)

	As of December 31,2023 (from January 1, 2023 to December 31, 2023)	As of December 31,2024 (from January 1, 2024 to December 31, 2024)
Net income	8,172,873	1,847,977
Other comprehensive income		
Valuation difference on available-for-sale securities	59,594	(17,544)
Foreign currency translation adjustments	3,690,180	4,215,644
Remeasurements of defined benefit plans	(177,025)	(203,026)
Share of other comprehensive income of entities accounted for using equity method	10,362	(11,131)
Total other comprehensive income	3,583,111	3,983,942
Comprehensive income	11,755,985	5,831,919
(Total comprehensive income attributable to:)		
Owners of parent	11,750,519	5,824,100
Noncontrolling interests	5,465	7,819

**(3) Consolidated Statement of Changes in Equity**

Fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)

(Unit : Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current period	12,721,939	11,710,490	49,849,455	(6,608,499)	67,673,385
Changes of items during period					
Cash dividends			(2,623,651)		(2,623,651)
Net income attributable to owners of parent			8,175,492		8,175,492
Purchase of treasury stock				(2,000,670)	(2,000,670)
Disposal of treasury stock		11,197		198,179	209,377
Retirement of treasury stock		(773,141)		773,141	—
Net changes of items other than shareholders' equity					
Net change in the year	—	(761,943)	5,551,841	(1,029,349)	3,760,547
Balance at end of current period	12,721,939	10,948,546	55,401,296	(7,637,848)	71,433,933

	Accumulated other comprehensive income				Stock Acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	107,591	3,366,425	1,481,466	4,955,484	351,712	107,545	73,088,128
Changes of items during period							
Cash dividends							(2,623,651)
Net income attributable to owners of parent							8,175,492
Purchase of treasury stock							(2,000,670)
Disposal of treasury stock							209,377
Retirement of treasury stock							—
Net changes of items other than shareholders' equity	59,594	3,692,458	(177,025)	3,575,026	(76,903)	(378)	3,497,744
Net change in the year	59,594	3,692,458	(177,025)	3,575,026	(76,903)	(378)	7,258,292
Balance at end of current period	167,186	7,058,883	1,304,441	8,530,511	274,809	107,166	80,346,421

Fiscal year ended December 31, 2024(From January 1, 2024 to December 31, 2024)

(Unit : Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at beginning of current period	12,721,939	10,948,546	55,401,296	(7,637,848)	71,433,933
Changes of items during period					
Cash dividends			(2,129,079)		(2,129,079)
Net income attributable to owners of parent			1,855,111		1,855,111
Purchase of treasury stock				(9,825,499)	(9,825,499)
Disposal of treasury stock		25,463		179,120	204,583
Retirement of treasury stock		(802,857)		802,857	—
Net changes of items other than shareholders' equity					
Net change in the year	—	(777,394)	(273,968)	(8,843,521)	(9,894,884)
Balance at end of current period	12,721,939	10,171,152	55,127,327	(16,481,370)	61,539,049

	Accumulated other comprehensive income				Stock Acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	167,186	7,058,883	1,304,441	8,530,511	274,809	107,166	80,346,421
Changes of items during period							
Cash dividends							(2,129,079)
Net income attributable to owners of parent							1,855,111
Purchase of treasury stock							(9,825,499)
Disposal of treasury stock							204,583
Retirement of treasury stock							—
Net changes of items other than shareholders' equity	(17,544)	4,189,560	(203,026)	3,968,989	9,627	924	3,979,541
Net change in the year	(17,544)	4,189,560	(203,026)	3,968,989	9,627	924	(5,915,342)
Balance at end of current period	149,641	11,248,444	1,101,414	12,499,500	284,436	108,091	74,431,078

**(4) Consolidated Statements of Cash Flows**

(Unit: Thousands of yen)

	As of December 31, 2022 (From January 1, 2022 to December 31, 2022)	As of December 31, 2023 (From January 1, 2023 to December 31, 2023)
<b>Operating activities</b>		
Income before income taxes	11,100,921	4,380,799
Depreciation and amortization	2,710,204	2,703,364
Gain on revision of retirement benefit plan	(203,002)	—
Loss (gain) on valuation of investment securities	—	(46,121)
Increase (decrease) in allowance for doubtful receivables	41,904	(90,920)
Increase (decrease) in net defined benefit liability	(391,539)	(383,760)
Interest and dividends income	(361,477)	(343,683)
Interest expenses	30,310	32,816
Loss (gain) on sales of property, plant and equipment	(15,244)	(14,998)
Loss (gain) on disposal of property, plant and equipment	77,803	195,513
Decrease (increase) in trade receivables	6,389,800	(27,908)
Decrease (increase) in inventories	4,710,822	335,953
Increase (decrease) in trade payables	(11,762,165)	767,636
Other-net	(483,506)	(274,940)
Subtotal	11,844,832	7,233,749
Interest and dividends income received	362,344	391,945
Interest expenses paid	(30,463)	(37,857)
Income taxes refund	93,043	368,198
Income taxes paid	(5,143,127)	(1,802,471)
Net cash provided by operating activities	7,126,630	6,153,565
<b>Investing activities</b>		
Purchases of property, plant and equipment	(2,321,006)	(4,956,500)
Proceeds from sales of property, plant and equipment	69,275	13,768
Purchases of investment securities	—	(303,515)
Proceeds from sales of investment securities	600,000	75,014
Payments into time deposits	(284,880)	(3,303)
Proceeds from withdrawal of time deposits	534,631	310,520
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(382,959)	—
Other-net	(253,850)	(592,612)
Net cash provided by (used in) investing activities	(2,038,789)	(5,456,628)
<b>Financing activities</b>		
Increase (decrease) in short-term bank loans	(15,000)	2,000,000
Repayments of long-term bank loans	(90,856)	(28,404)
Repayments of finance lease obligations	(30,108)	(34,627)
Payments for purchase of treasury stock	(2,002,170)	(9,832,117)
Disposal of treasury stock	60,877	135,996
Dividends paid to shareholders	(2,627,762)	(2,130,423)
Dividends paid to noncontrolling shareholders of consolidated subsidiaries	(5,844)	(6,894)
Other-net	(343,331)	(378,571)
Net cash used in financing activities	(5,054,195)	(10,275,041)
Foreign currency translation adjustments on cash and cash equivalents	1,836,442	1,763,195
Net increase (decrease) in cash and cash equivalents	1,870,086	(7,814,909)
Cash and cash equivalents at beginning of year	29,564,392	31,434,479
Cash and cash equivalents at end of year	31,434,479	23,619,570

**(5) Notes to Consolidated Financial Statements**  
(Note on Going Concern Assumption)

Not applicable

(Segment Information)

1. Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. Star Micronics is comprised of the Special Products, and Machine Tools segments. These two reporting segments are configured on a business division basis by products and services.

The Special Products Segment engages in the manufacture and sale of point-of-sale (POS) printers. The Machine Tools Segment undertakes the manufacture and sale of machine tools including CNC automatic lathes.

2. Methods of measurement for the amounts of sales, profit (loss), assets, liabilities and other items for each Reportable segment

The accounting method for reportable business segments is consistent with the accounting method use to prepare consolidated financial statements.

Figures for income in reportable segment are on an operating income basis.

3. Information about sales, profit (loss), assets, liabilities and other items

Fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)

(Unit: Thousands of yen)

	Reportable Segment			Adjustments (Note 1)	Consolidated Financial Statement Amounts (Note 2)
	Special Products	Machine Tools	Total		
Sales					
Sales to external customers	16,111,522	62,084,860	78,196,383	—	78,196,383
Intersegment sales or transfers	—	—	—	—	—
Total	16,111,522	62,084,860	78,196,383	—	78,196,383
Segment profit	1,953,241	10,349,536	12,302,777	(1,951,898)	10,350,879
Segment assets	14,138,778	64,647,591	78,786,369	14,612,175	93,398,545
Other items:					
Depreciation	496,367	2,045,771	2,542,139	168,064	2,710,204
Investments in associates	301,246	—	301,246	—	301,246
Increase in property, plant and equipment and intangible assets	502,185	2,042,097	2,544,282	136,190	2,680,473

Notes:

1. Adjustments were made as follows.

(1) Adjustments to segment income represent corporate expenses that are not allocated to a particular reporting segment. Corporate expenses mainly comprise expenses relating to the Company's head office administration department.

(2) Adjustments to segment assets represent corporate assets that are not allocated to a particular reporting segment. Corporate assets mainly comprise surplus funds (cash and deposits) as well as assets relating to the Company's administration department.

(3) Reconciliations recorded for depreciation include depreciation incurred by corporate assets that are not allocated to any reportable segment.

(4) Reconciliations recorded for increase in property, plant and equipment and intangible assets are capital investments principally for corporate assets that are not allocated to any reportable segment.

2. Segment profit agrees with operating profit in the accompanying consolidated statement of income.

Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(Unit: Thousands of yen)

	Reportable Segment			Adjustments (Note 1)	Consolidated Financial Statement Amounts (Note 2)
	Special Products	Machine Tools	Total		
Sales					
Sales to external customers	13,574,876	51,419,817	64,994,694	—	64,994,694
Intersegment sales or transfers	—	—	—	—	—
Total	13,574,876	51,419,817	64,994,694	—	64,994,694
Segment profit	885,161	5,047,602	5,932,764	(1,911,518)	4,021,245
Segment assets	13,297,353	70,656,200	83,953,554	8,831,084	92,784,638
Other items:					
Depreciation	407,648	2,148,296	2,555,945	147,418	2,703,364
Investments in associates	284,165	—	284,165	—	284,165
Increase in property, plant and equipment and intangible assets	611,872	5,015,436	5,627,309	293,738	5,921,047

Notes:

1. Adjustments were made as follows.

(1) Adjustments to segment income represent corporate expenses that are not allocated to a particular reporting segment. Corporate expenses mainly comprise expenses relating to the Company's head office administration department.

(2) Adjustments to segment assets represent corporate assets that are not allocated to a particular reporting segment. Corporate assets mainly comprise surplus funds (cash and deposits) as well as assets relating to the Company's administration department.

(3) Reconciliations recorded for depreciation include depreciation incurred by corporate assets that are not allocated to any reportable segment.

(4) Reconciliations recorded for increase in property, plant and equipment and intangible assets are capital investments principally for corporate assets that are not allocated to any reportable segment.

2. Segment profit agrees with operating profit in the accompanying consolidated statement of income.

## (Per Share Information)

	FY12/2023 (From January 1, 2023 to December 31, 2023)	FY12/2024 (From January 1, 2024 to December 31, 2024)
Net assets per share	¥2,178.54	¥2,327.02
Net income per share	¥218.89	¥53.99
Diluted net income per share	¥218.17	¥53.78

Notes: Basis for calculations of net assets per share and diluted net income per share are as follows.

	FY12/2023 (From January 1, 2023 to December 31, 2023)	FY12/2024 (From January 1, 2024 to December 31, 2024)
Net income per share		
Net income attributable to owners of parent (¥ thousand)	8,175,492	1,855,111
Value not attributed to common stock (¥ thousand)	—	—
Net income attributable to common shareholders (¥ thousand)	8,175,492	1,855,111
Average number of outstanding shares (shares)	37,349,647	34,357,501
Diluted net income per share		
Net income adjustments attributable to parent company shareholders (¥ thousand)	—	—
The number of shares of common stock increase (shares)	122,612	134,936
[Stock acquisition rights (shares)]	[122,612]	[134,936]
Descriptions of potentially dilutive common shares that were not included in the computation of Diluted net income per share because of their anti-dilutive effect	The 11th stock acquisition rights as ordinary stock options (126,000 shares) The 12th stock acquisition rights as ordinary stock options (166,000 shares) The 13th stock acquisition rights as ordinary stock options (161,000 shares) The 17th stock acquisition rights as ordinary stock options (100,000 shares)	The 12th stock acquisition rights as ordinary stock options (160,000 shares) The 18th stock acquisition rights as ordinary stock options (116,000 shares)

## (Significant Subsequent Events)

Not applicable