

Financial Results for the FY12/2021

STAR MICRONICS CO., LTD.

<https://www.star-m.jp>

Code 7718

February 9, 2022

* The projections in this document 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.

Financial Results for the FY12/2021

- **Overview of the FY2021** P.2
- **Consolidated Operating Results** P.3
- **Consolidated Business Forecast** P.4
- **Quarterly Information(Net Sales)** P.5
- **Segment Overview**
 - Special Products** P.6
 - Machine Tools** P.7
- **Capital Investment / R&D Costs** P.8
- **Balance Sheets** P.9
- **Cash Flows** P.10
- **Key Financial Indicators** P.11
- **Returns to Shareholders** P.12

Reference

- **Trends in Quarterly Machine Tool Orders** P.13
- **Performance Indicators (10-Year Data)** P.14
- **Business Segments and Products** P.15

Substantial Increases in Sales and Profits Year on Year

■ Net Sales	¥64.36 billion	40.9% up YoY
■ Operating Income	¥7.41 billion	241.3% up YoY
■ Ordinary Income	¥7.79 billion	181.1% up YoY
■ Net Income Attributable to Owners of Parent	¥5.74 billion	231.5% up YoY

- ✓ **Economic conditions were on a recovery trend in general, and both the Special Products Segment and Machine Tools Segment rose significantly compared to the previous fiscal year.**
- ✓ **Special Products Segment recorded the highest sales.**
- ✓ **Machine Tools Segment recorded the highest sales and ordered units.**

Consolidated Operating Results



(Millions of Yen)

		FY12/2020		FY12/2021		
		Actual		Actual		
		Amount	Income Ratio (%)	Amount	Income Ratio (%)	Change (%)
Sales	Special Products	11,720		15,569		32.8
	Machine Tools	33,949		48,790		43.7
	Total	45,670		64,360		40.9
Operating Income	Special Products	1,545	13.2	2,282	14.7	47.7
	Machine Tools	2,697	7.9	6,857	14.1	154.2
	Eliminations or Corporate	(2,070)		(1,725)		
	Total	2,172	4.8	7,415	11.5	241.3
Ordinary Income		2,772	6.1	7,795	12.1	181.1
Net Income Attributable to Owners of Parent		1,731	3.8	5,740	8.9	231.5
ROE (%)		3.5		10.4		
Cash Dividends Applicable to the Year		¥58		¥58		
Exchange Rate	US \$	¥106.83		¥109.80		
	EUR	¥121.82		¥129.88		
	GBP	¥137.09		¥151.07		
	CHF	¥113.80		¥120.14		

Following its decision to abolish the Precision Products Segment, Star Micronics undertook a revision of its business activities and reclassified its business segments in the previous fiscal year. Effective from the fiscal year under review, the Company changed and reclassified its reportable segments from the three former Special Products Segment, Machine Tools Segment, and Precision Products Segment into the two Special Products Segment and Machine Tools Segment. Amounts included in the Precision Products Segment in the segment information for the previous fiscal year are now included in the Machine Tools Segment.

Consolidated Business Forecast



(Millions of Yen)

		FY12/2021		FY12/2022 Forecast						
		Actual		1st Half		2nd Half		Full-Year		Change (%)
		Amount	Income Ratio(%)	Amount	Income Ratio(%)	Amount	Income Ratio(%)	Amount	Income Ratio(%)	
Sales	Special Products	15,569		6,260		7,080		13,340		(14.3)
	Machine Tools	48,790		28,440		27,320		55,760		14.3
	Total	64,360		34,700		34,400		69,100		7.4
Operating Income	Special Products	2,282	14.7	600	9.6	970	13.7	1,570	11.8	(31.2)
	Machine Tools	6,857	14.1	4,750	16.7	4,520	16.5	9,270	16.6	35.2
	Eliminations or Corporate	(1,725)		(950)		(1,090)		(2,040)		
	Total	7,415	11.5	4,400	12.7	4,400	12.8	8,800	12.7	18.7
Ordinary Income		7,795	12.1	4,500	13.0	4,400	12.8	8,900	12.9	14.2
Net Income Attributable to Owners of Parent		5,740	8.9	3,300	9.5	3,100	9.0	6,400	9.3	11.5

ROE(%)	10.4
Cash Dividends Applicable to the Year	¥58

10.4
¥60

Exchange Rate	US\$	¥109.80
	EUR	¥129.88
	GBP	¥151.07
	CHF	¥120.14

Planned Rate	Foreign Exchange Sensitivity*
¥110.00	139million
¥125.00	48million
¥150.00	5million
¥120.00	35million

*Foreign Exchange Sensitivity: Sensitivity of operating income to a ¥1 change in foreign exchange rates.

Following its decision to abolish the Precision Products Segment, Star Micronics undertook a revision of its business activities and reclassified its business segments in the previous fiscal year. Effective from the fiscal year under review, the Company changed and reclassified its reportable segments from the three former Special Products Segment, Machine Tools Segment, and Precision Products Segment into the two Special Products Segment and Machine Tools Segment.

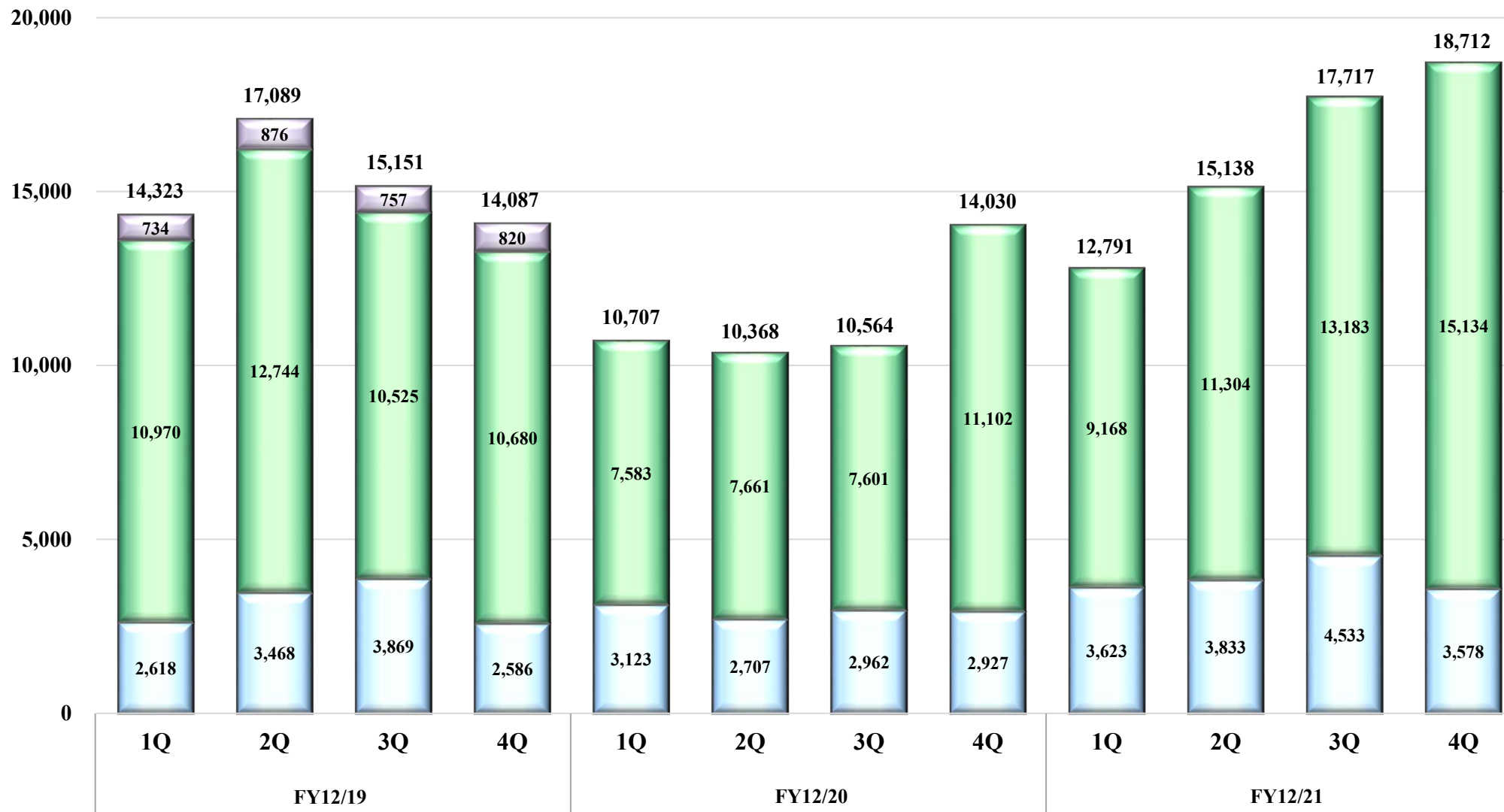
Quarterly Information(Net Sales)



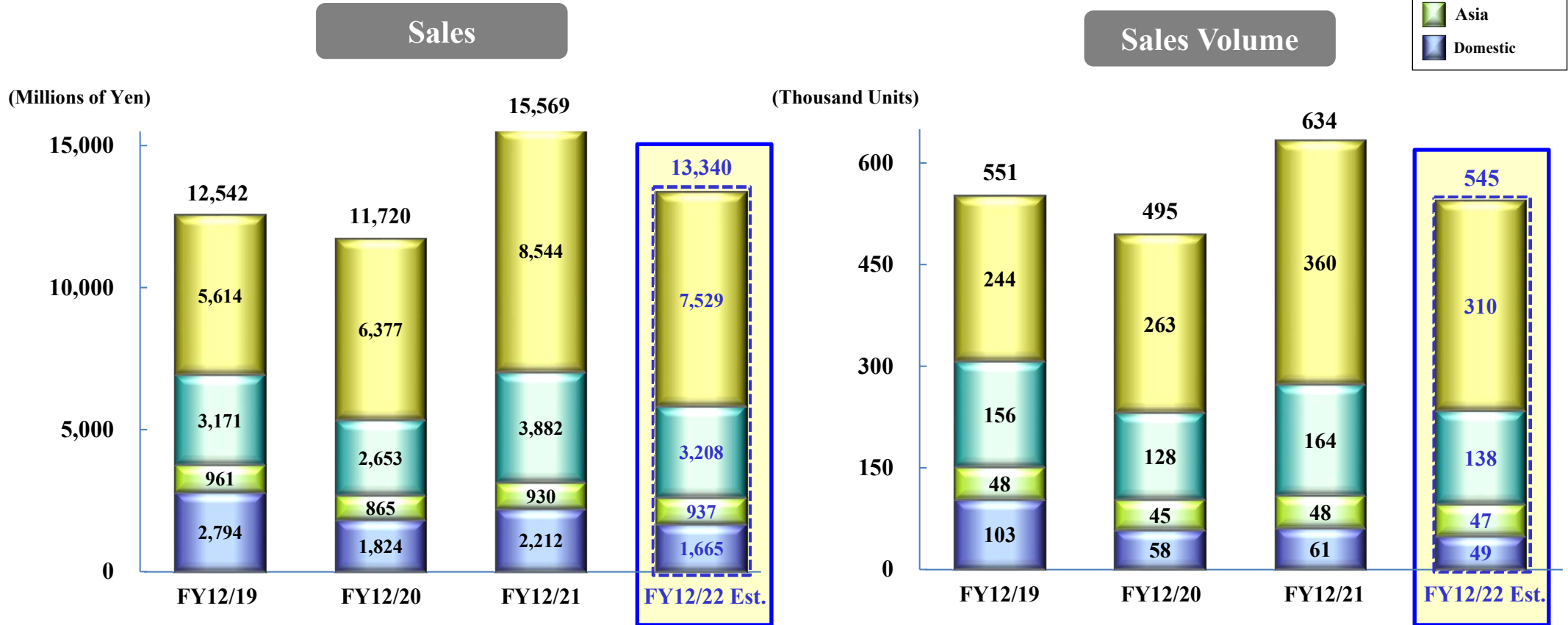
Net Sales

(Millions of Yen)

- Special Products
- Machine Tools
- Precision Products



*Effective from the fiscal year ended December 31, 2020, the Precision Products Segment has been included in the Machine Tools Segment.

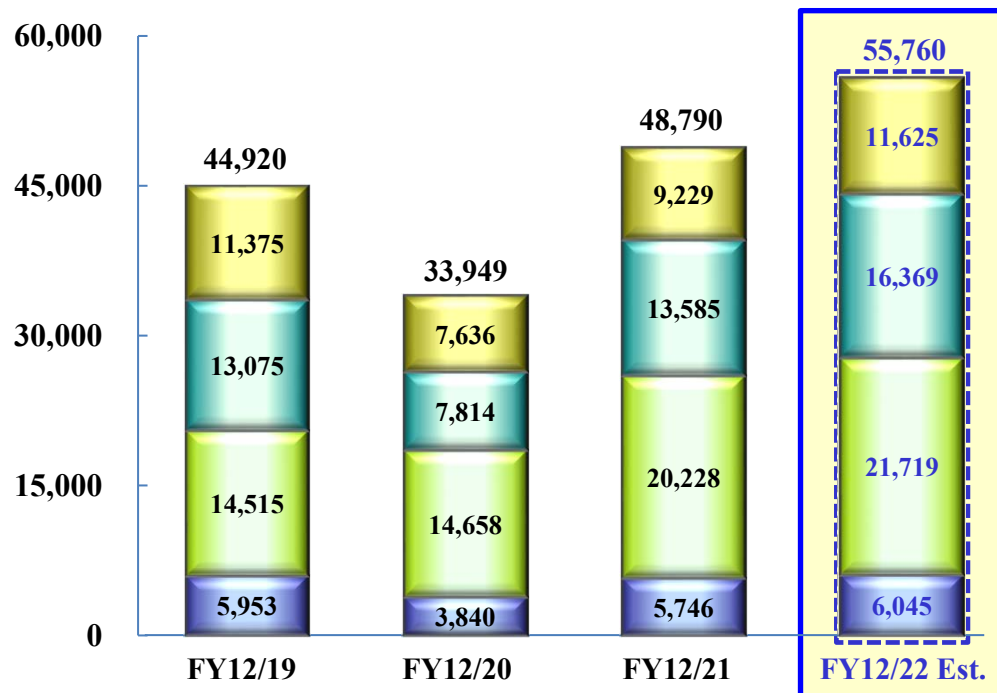


- In the U.S. market, sales increased substantially due largely to robust sales of printers to mPOS and the food delivery sector.
- In the European market, sales increased substantially owing mainly to large orders.
- In the domestic market, sales increased substantially due to robust trends in demand for mPOS applications.



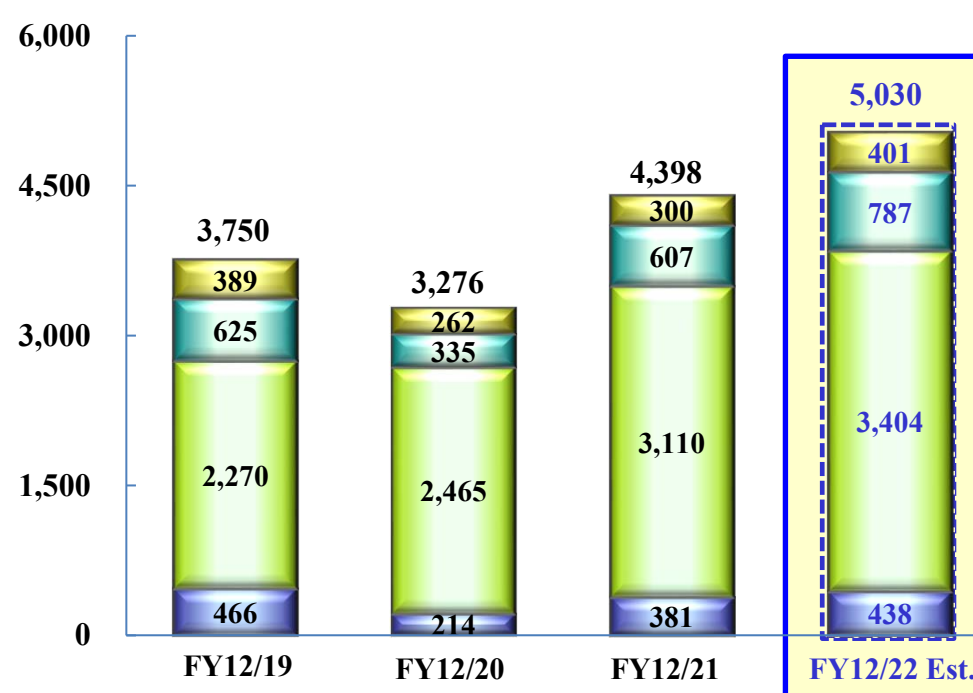
Sales

(Millions of Yen)



Sales Volume

(Units)



- In the U.S. market, sales increased substantially because of ongoing favorable market conditions across a wide range of industries.
- In the European markets, sales were robust on the back of an automotive-related recovery.
- In the Asian market, sales increased substantially owing to ongoing robust sales of mainly telecommunications- and automotive-related products in China.
- In the domestic market, sales increased substantially owing to ongoing robust sales of mainly automotive-related products.

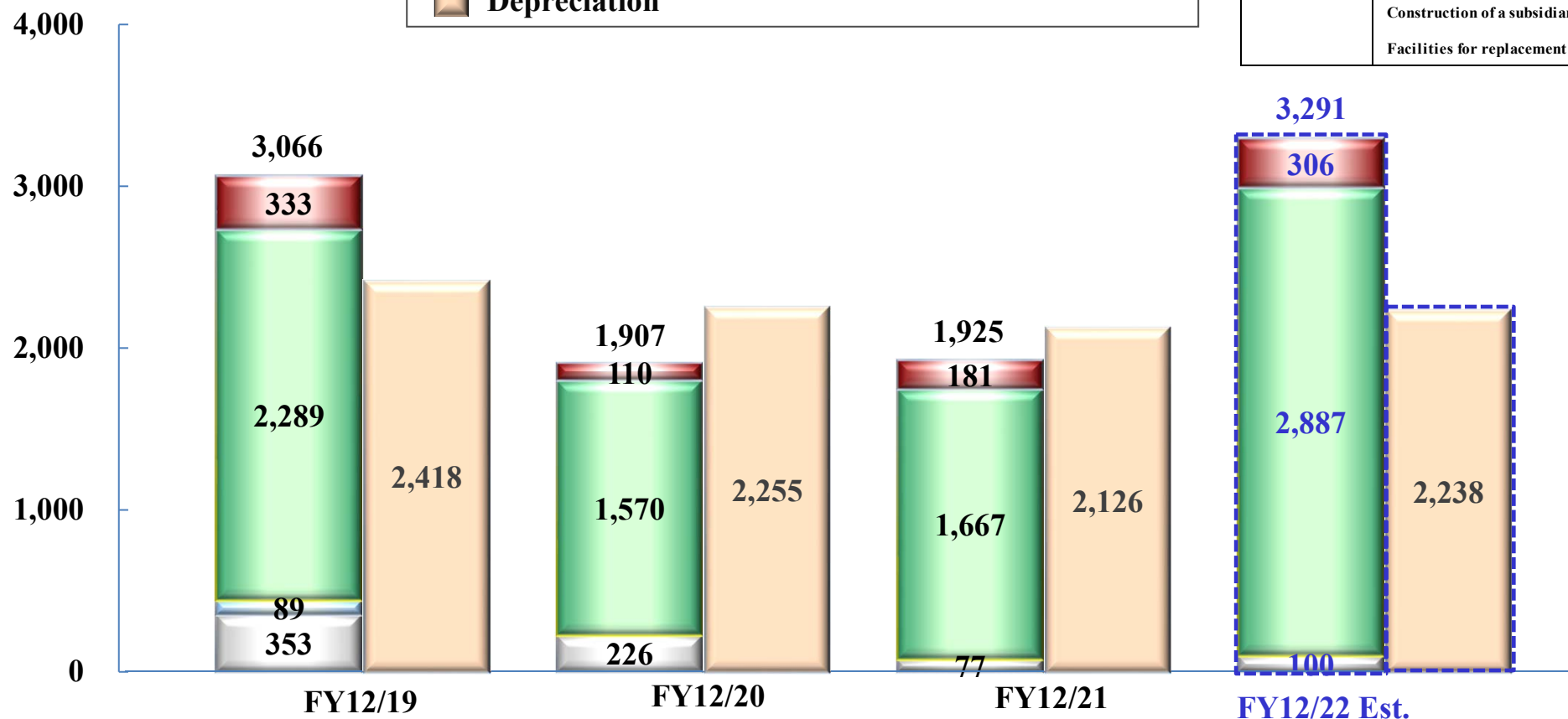
* Sales of "Precision Products" segment in the FY12/20 is included in the domestic sales of "Machine Tools" segment.

Capital Investment / R&D Costs



Capital Investment

(Millions of Yen)



【Main Capital Investment Plans】

	Breakdown
Special Products	Dies for new models, etc.
Machine Tools	Kikugawa Factory Construction of a subsidiary's new building Facilities for replacement and maintenance

• Capital investment of "Precision Products" segment in the FY12/20 is included in "Machine Tools" segment.

R&D Costs

(Millions of Yen)

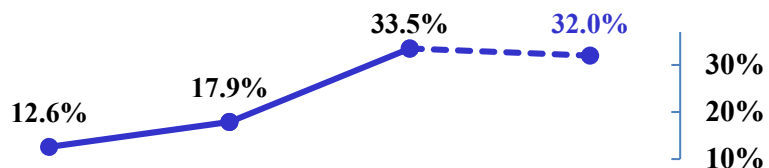
FY12/19	FY12/20	FY12/21	FY12/22 Est.
1,679	1,470	1,649	1,993

Balance Sheets

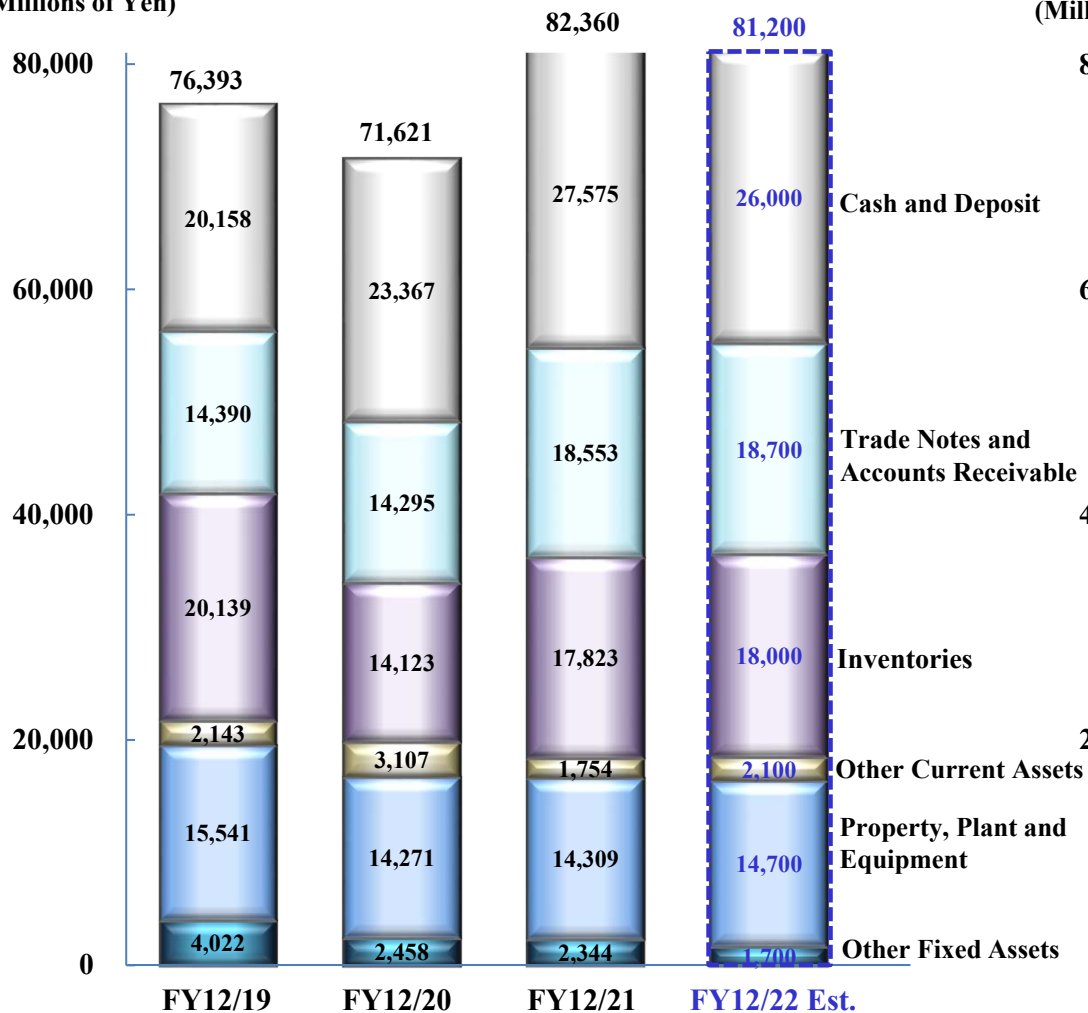


Assets

Ratio of Net Cash (to Total Assets)

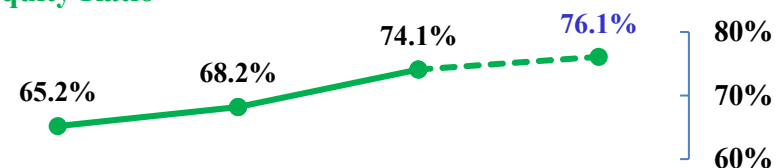


(Millions of Yen)

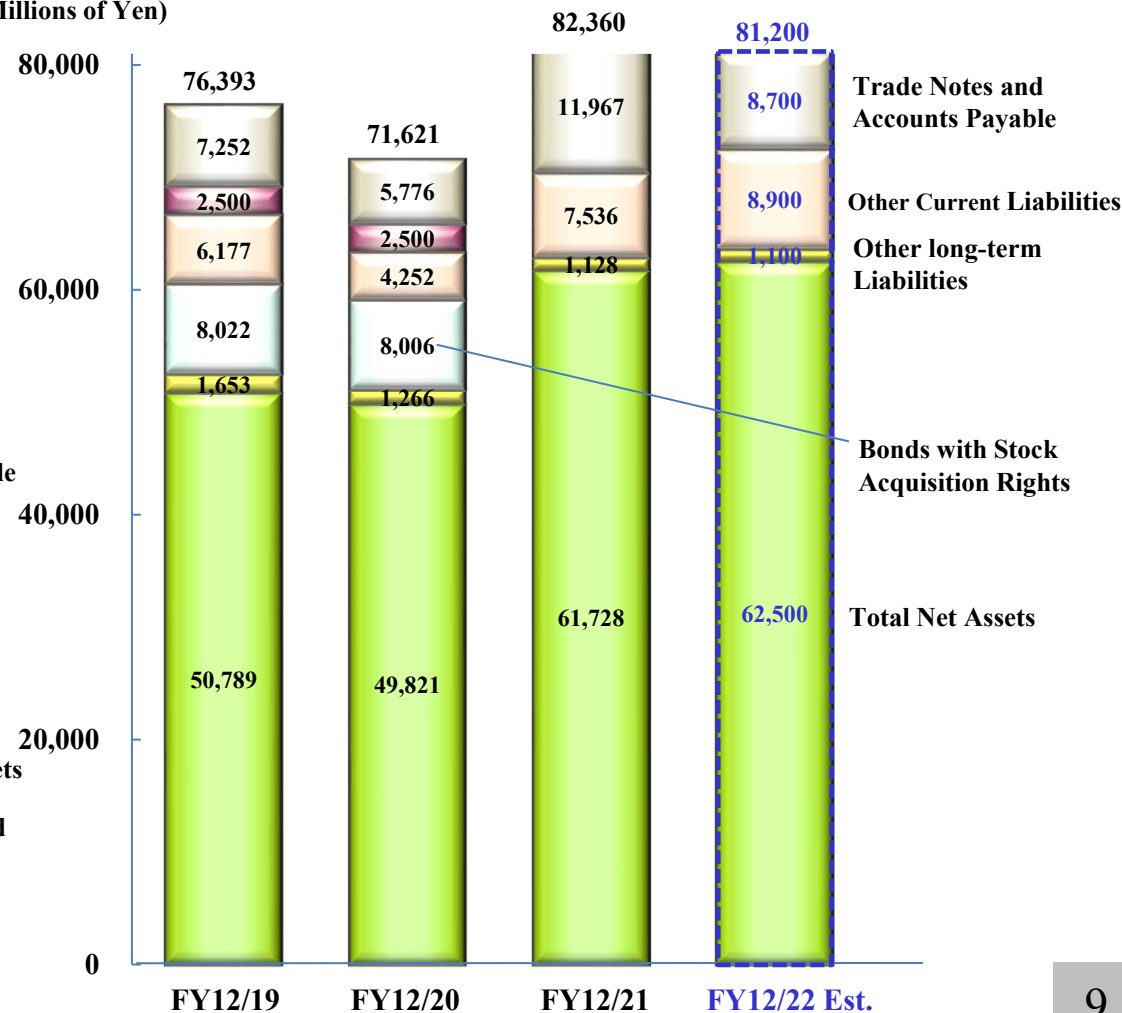


Liabilities/Net assets

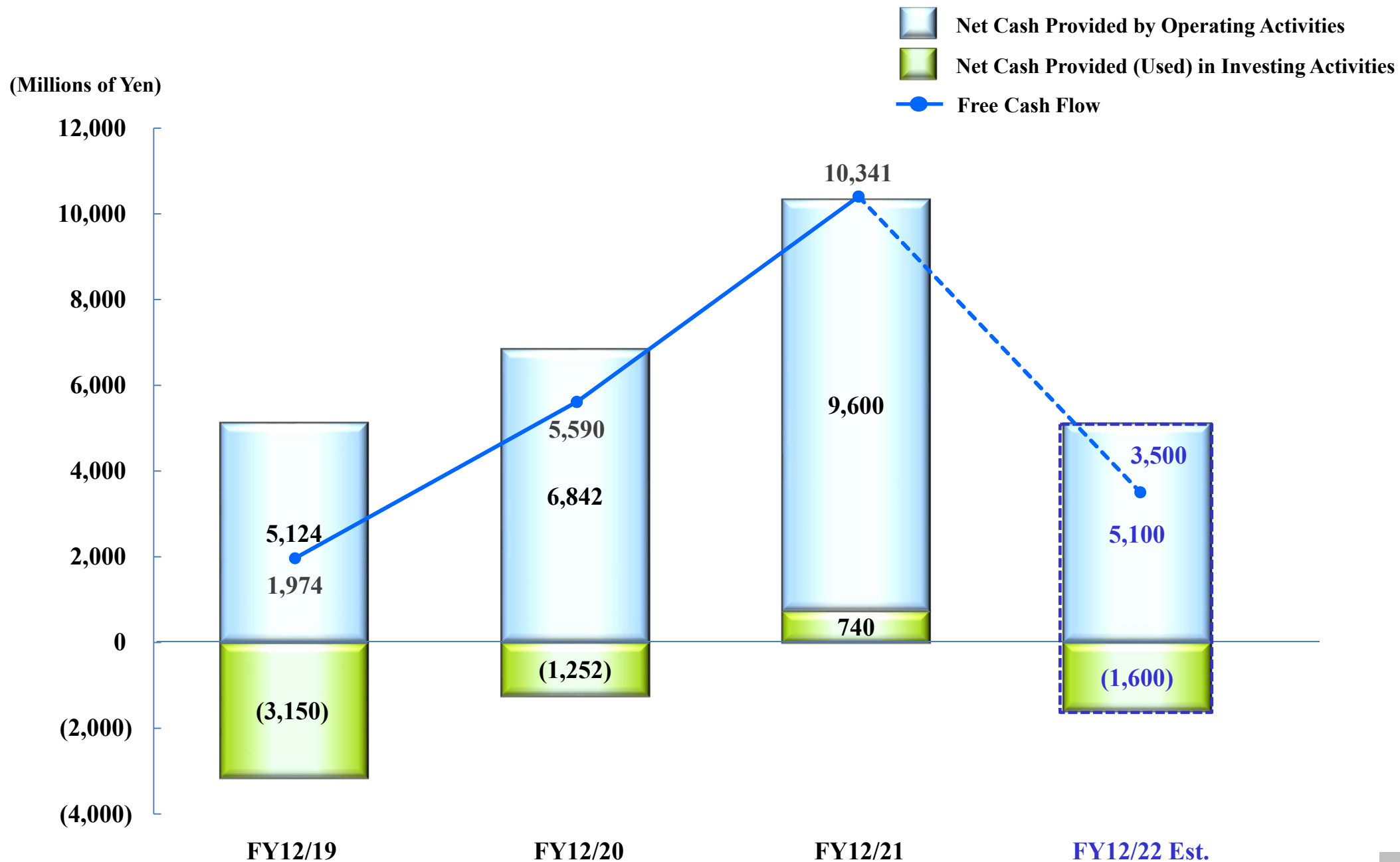
Equity Ratio



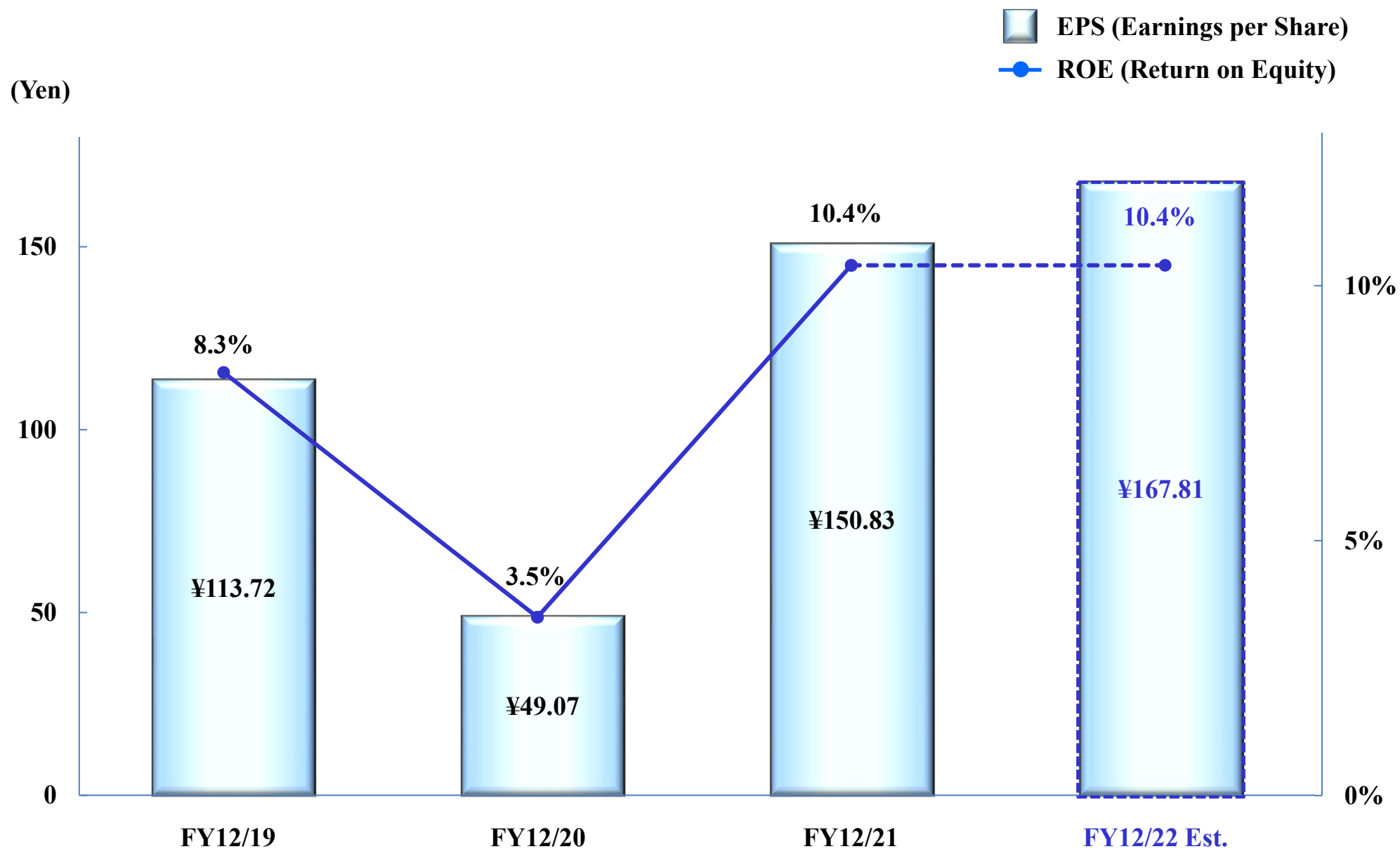
(Millions of Yen)



Cash Flows





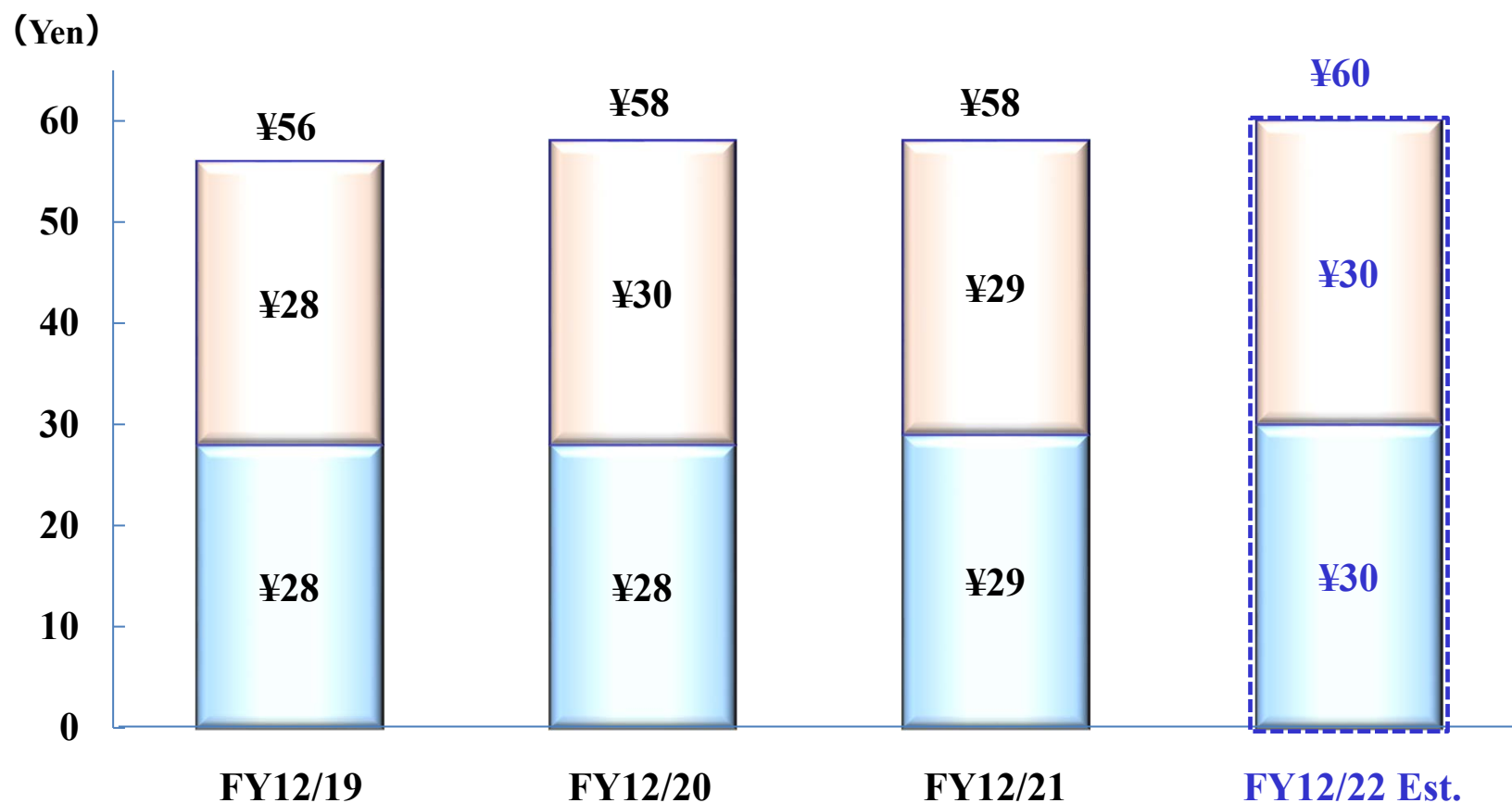
Key Financial Indicators



< Shareholder Return Policy > From FY12/22

- Annual Dividend : ¥60 or more
- Total Payout Ratio : 50% or more

 Year-end Dividend per Share
 Interim Dividend per Share



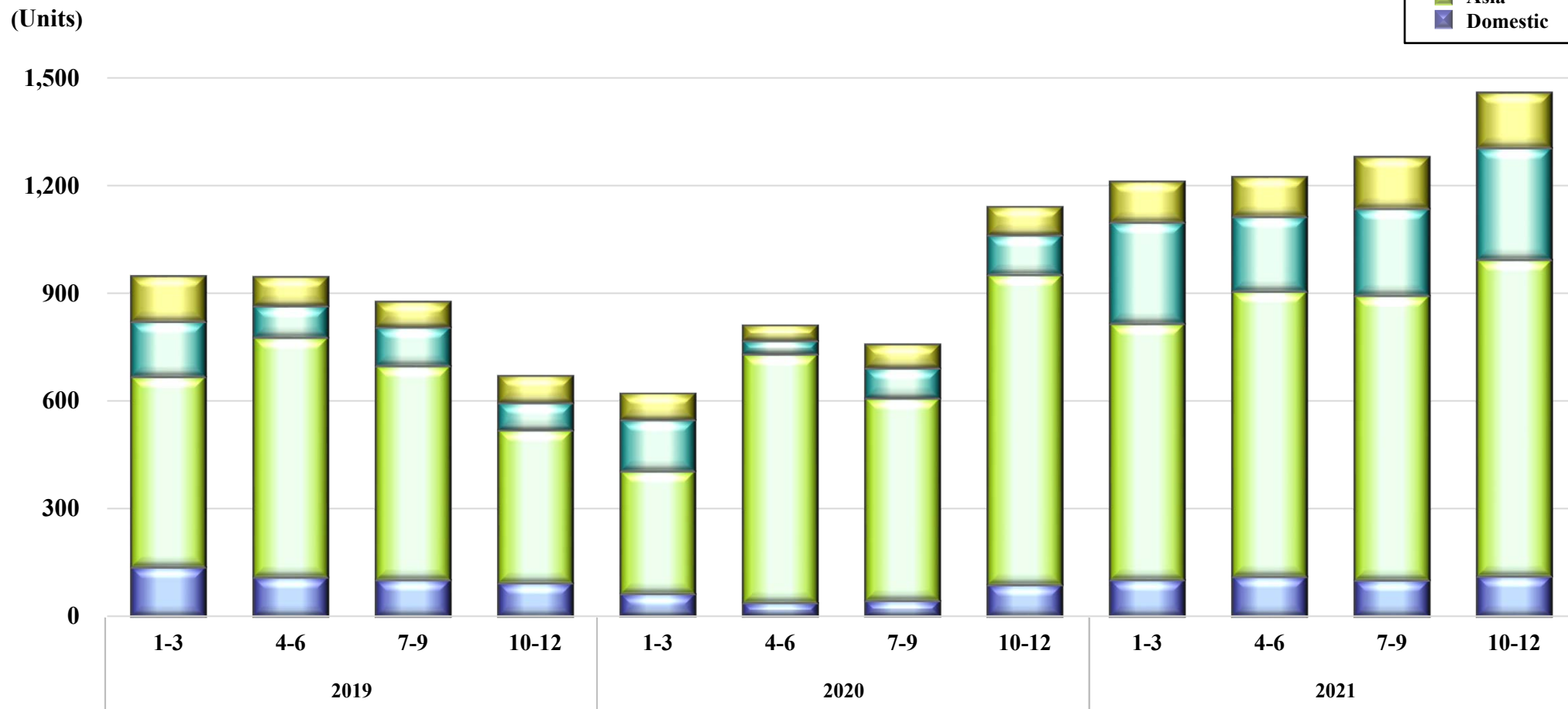
Total Payout Ratio	73.8%	118.2%	79.3%	50% or more
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Reference

Trends in Quarterly Machine Tool Orders



(Ordered Unit)



	2019				2020				2021			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
America	127	82	71	76	74	44	67	80	114	111	144	167
Europe	153	87	108	75	142	37	83	110	282	208	242	380
Asia	529	666	595	425	340	690	563	863	712	793	792	884
Domestic	137	109	102	93	63	38	44	88	102	111	101	112
Total	946	944	876	669	619	809	757	1,141	1,210	1,223	1,279	1,543

Performance Indicators (10-Year Data)



	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Income Ratio(%)	Ordinary Income (Millions of Yen)	Income Ratio(%)	Net Income Attributable to Owners of Parent (Millions of Yen)	Income Ratio(%)	EPS (Yen)	ROE (%)	Dividends per Share (Yen)
FY2/2013	37,858	1,579	4.2	2,254	6.0	2,299	6.1	54.66	6.0	30.00
FY2/2014	43,481	2,606	6.0	3,219	7.4	1,143	2.6	27.17	2.7	34.00
FY2/2015	50,957	5,476	10.7	6,150	12.1	4,695	9.2	111.36	9.8	44.00
FY2/2016	54,457	5,735	10.5	5,206	9.6	3,720	6.8	87.98	7.4	46.00
FY2/2017	48,937	3,606	7.4	3,583	7.3	3,181	6.5	81.77	6.9	48.00
FY2/2018	60,772	6,210	10.2	7,015	11.5	5,780	9.5	155.68	12.9	52.00
FY12/2018※	65,939	9,712	14.7	9,570	14.5	6,795	10.3	186.04	14.3	54.00
FY12/2019	60,651	5,817	9.6	6,161	10.2	4,053	6.7	113.72	8.3	56.00
FY12/2020	45,670	2,172	4.8	2,772	6.1	1,731	3.8	49.07	3.5	58.00
FY12/2021	64,360	7,415	11.5	7,795	12.1	5,740	8.9	150.83	10.4	58.00
FY12/2022(Est.)	69,100	8,800	12.7	8,900	12.9	6,400	9.3	167.81	10.4	60.00

※The consolidated fiscal period for the fiscal period ended December 31, 2018 is based on and presented for a 10-month period for the Company and consolidated subsidiaries in Japan and a 12-month period for overseas consolidated subsidiaries.

Special Products



Cash Drawer and Receipt Printer
mPOP



POS Printer
mC-Print series



POS Printer
TSP100IV series

Machine Tools



CNC Swiss Type Automatic Lathe
SX-38 type B



CNC Swiss Type Automatic Lathe
SL-10



CNC Swiss Type Automatic Lathe
SR-32JIII type B