

Financial Results for the FY2024 Third Quarter

STAR MICRONICS CO., LTD.

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

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* 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 FY2024 Third Quarter

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Sales and Profits decreased substantially, Year on Year

■ Net Sales	¥48.04 billion	20.9% down YoY
■ Operating Income	¥3.30 billion	65.7% down YoY
■ Ordinary Income	¥3.64 billion	63.9% down YoY
■ Net Income Attributable to Owners of Parent	¥1.56 billion	77.9% down YoY

- ✓ Sales and profits decreased substantially in Special Products Segment mainly due to sluggish mPOS demand.
- ✓ Sales and profits of Group's mainstay Machine Tools Segment decreased substantially owing to sluggishness in the U.S. and European markets despite the impact of yen's depreciation.

Consolidated Operating Results and Business Forecast



(Millions of Yen)

		Third Quarter					Full-Year						
		FY12/2023		FY12/2024			FY12/2023		FY12/2024 Forecasts				
		Actual		Actual			Actual		Previous Forecast (Announced on August 9)		Revised Forecast (Announced on November 13)		
		Amount	Income Ratio (%)	Amount	Income Ratio (%)	Rate of Change (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Rate of Change (%)
Net Sales	Special Products	12,847		9,702		(24.5)	16,111		13,200		13,700		3.8
	Machine Tools	47,921		38,345		(20.0)	62,084		54,800		49,100		(10.4)
	Total	60,768		48,047		(20.9)	78,196		68,000		62,800		(7.6)
Operating Income	Special Products	2,175	16.9	616	6.4	(71.7)	1,953	12.1	480	3.6	900	6.6	87.5
	Machine Tools	8,936	18.6	4,160	10.8	(53.4)	10,349	16.7	6,980	12.7	4,430	9.0	(36.5)
	Eliminations or Corporate	(1,453)		(1,467)			(1,951)		(2,060)		(1,930)		
Total	9,658	15.9	3,309	6.9	(65.7)	10,350	13.2	5,400	7.9	3,400	5.4	(37.0)	
Ordinary Income		10,075	16.6	3,642	7.6	(63.9)	10,960	14.0	6,000	8.8	3,900	6.2	(35.0)
Net Income Attributable to Owners of Parent		7,065	11.6	1,563	3.3	(77.9)	8,175	10.5	3,700	5.4	1,800	2.9	(51.4)

Exchange Rate	US \$	¥138.10	¥151.28	¥140.55	¥146.13	¥149.17
	EUR	¥149.61	¥164.39	¥151.98	¥159.80	¥163.17
	GBP	¥171.94	¥193.12	¥174.85	¥186.33	¥192.61

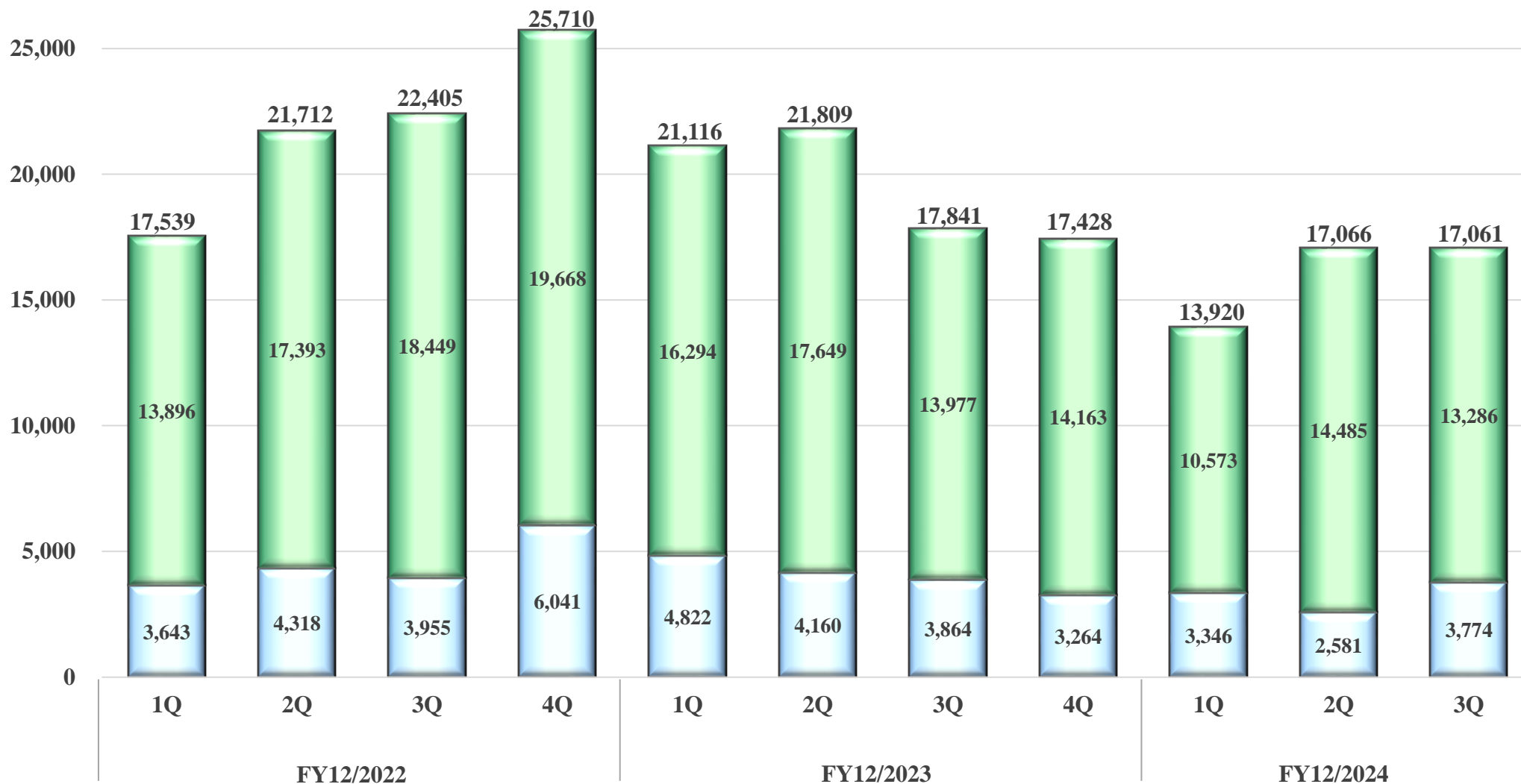
Quarterly Information (Net Sales)



Net Sales

- Special Products
- Machine Tools

(Millions of Yen)





Net Sales

Net Sales Volume



<Quarterly>

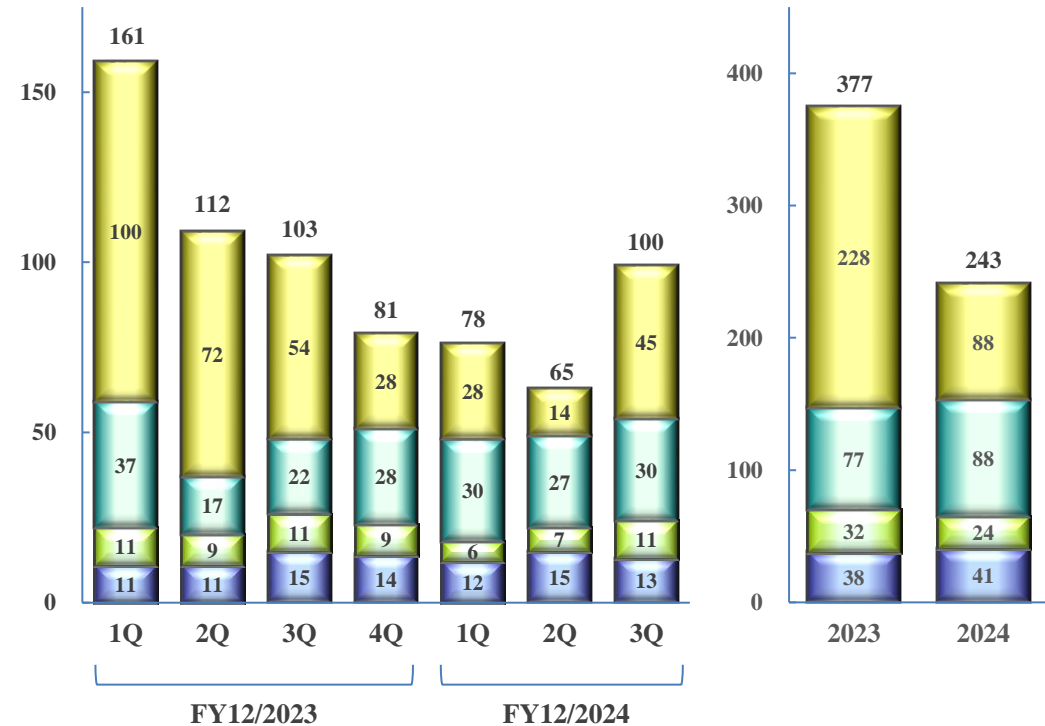
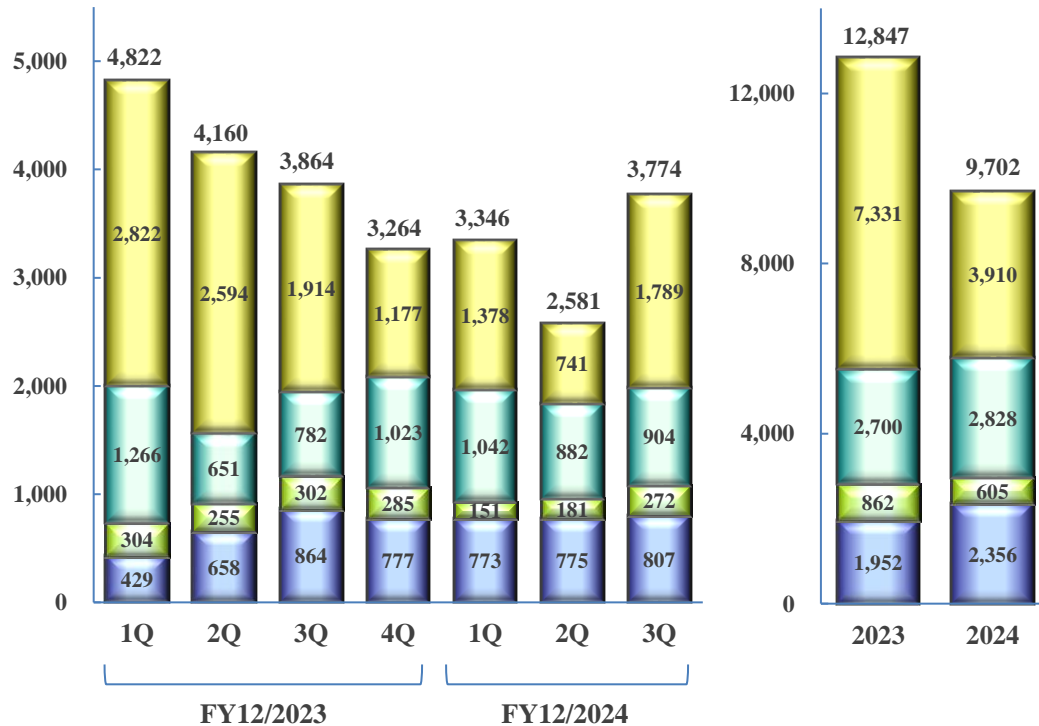
<3Q PTD>

<Quarterly>

<3Q PTD>

(Millions of Yen)

(Thousands of Units)



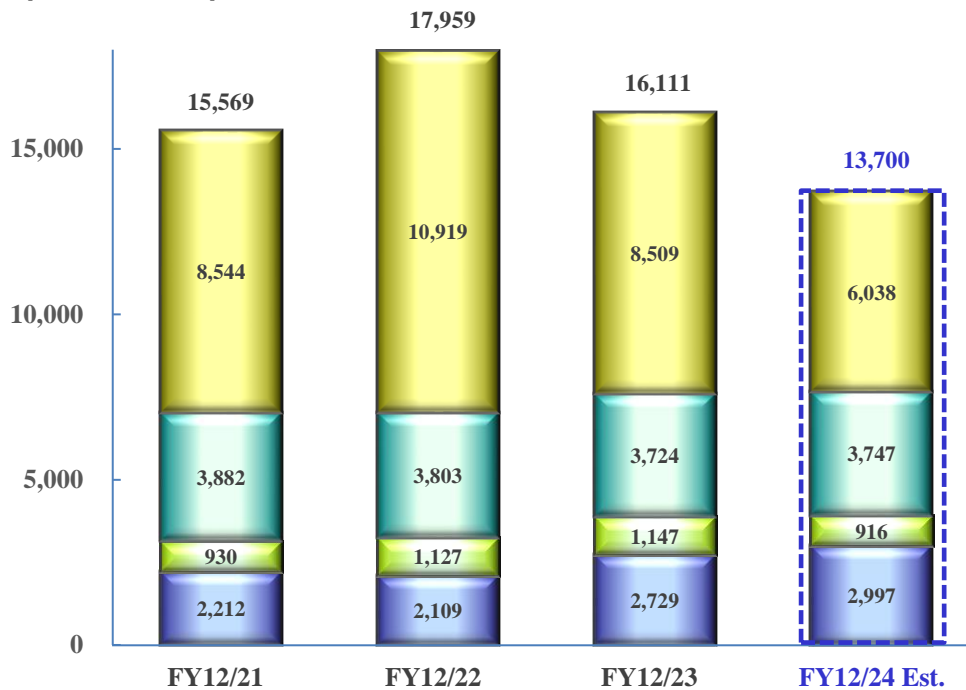
※ The figures reflect the sales volume of POS printers only

- In the U.S. market, notwithstanding signs of a recent recovery, sales decreased significantly owing to sluggish mPOS demand.
- In the European market, sales increased amid firm trends in market condition.
- In the domestic market despite steady market conditions, sales increased mainly reflecting contributions from Smart Solution Technology, Inc., which was newly consolidated in the second quarter of fiscal 2023.



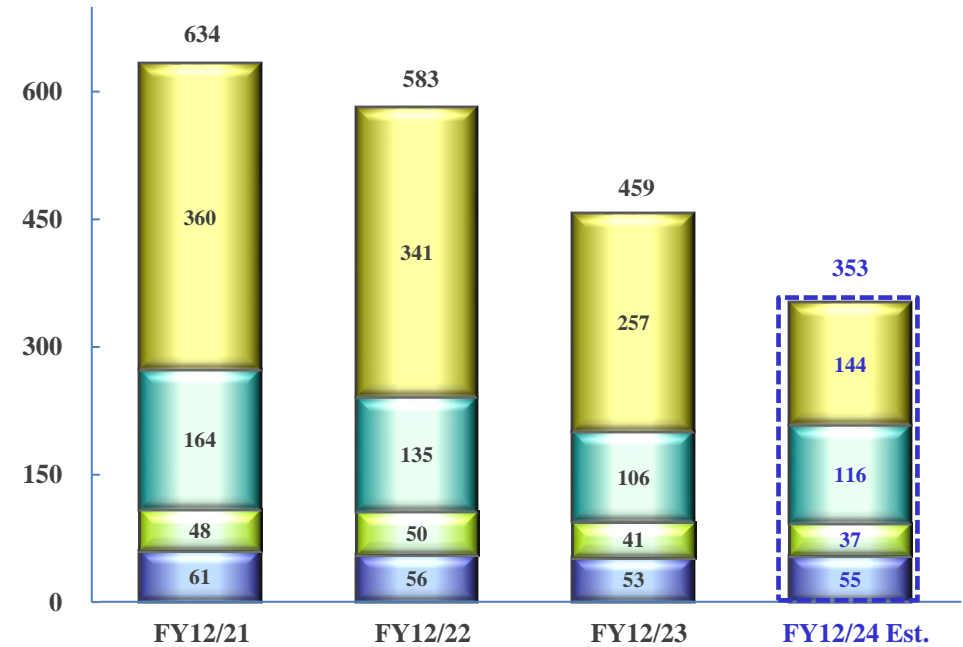
Sales

(Millions of Yen)



Sales Volume

(Thousands of Units)



*The figures reflect the sales volume of POS printers only

• While the impact of the yen's depreciation and signs of a recent recovery in the U.S. market, both sales and profit are expected to decrease significantly year on year due to the substantial decline in 3Q PTD sales.



Net Sales

Net Sales Volume



<Quarterly>

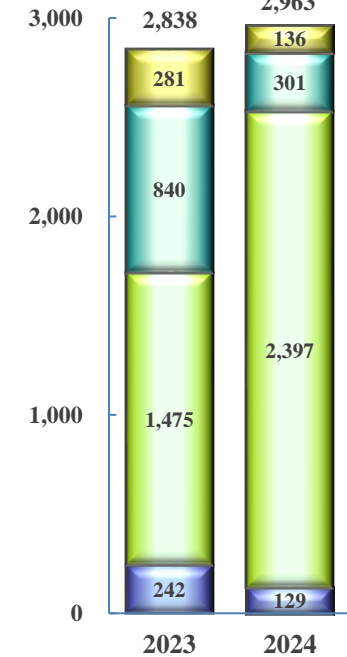
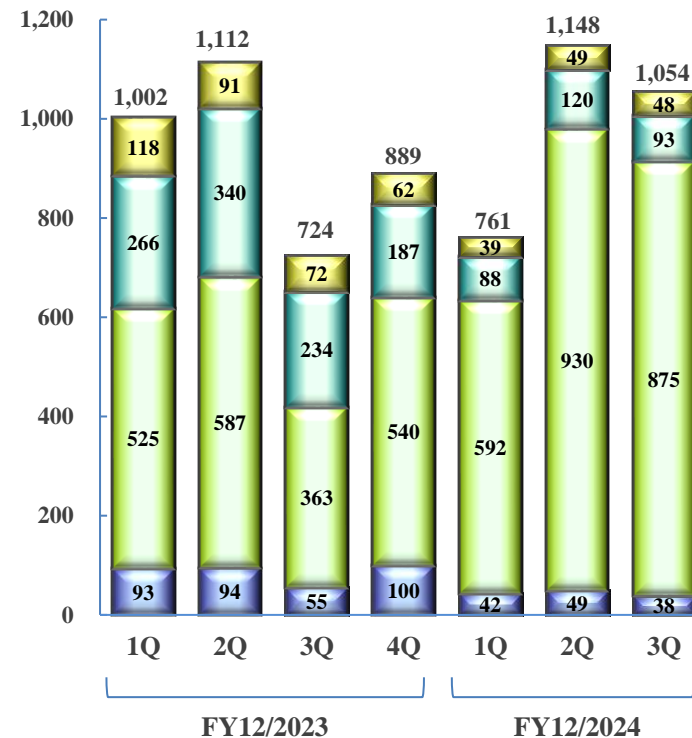
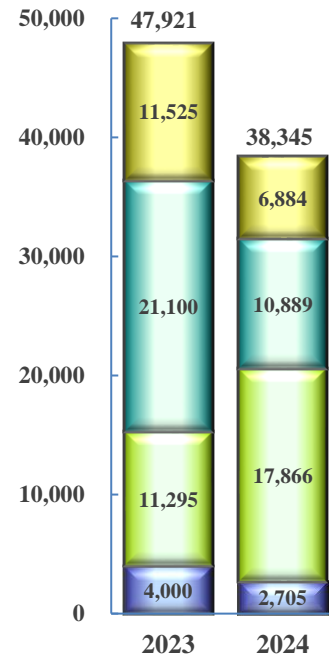
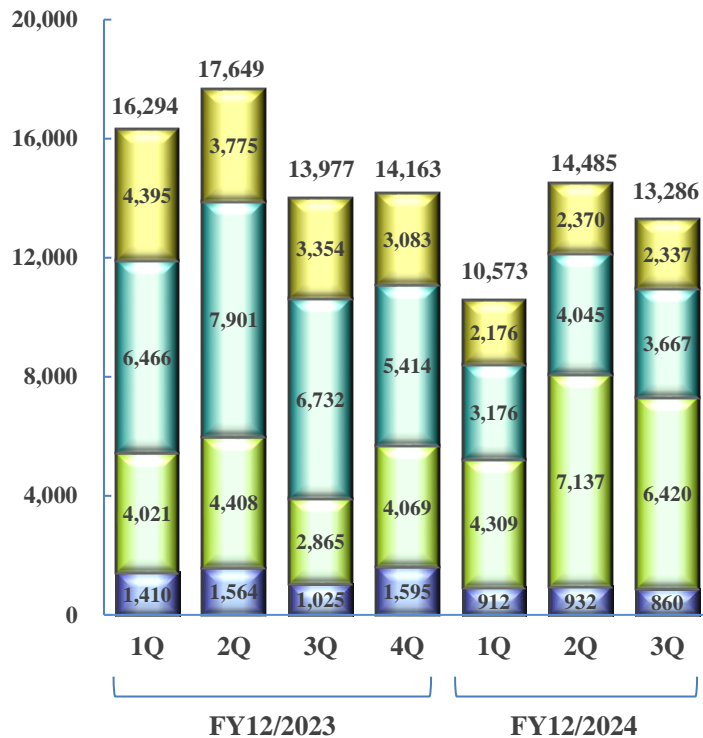
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(Millions of Yen)

(Units)

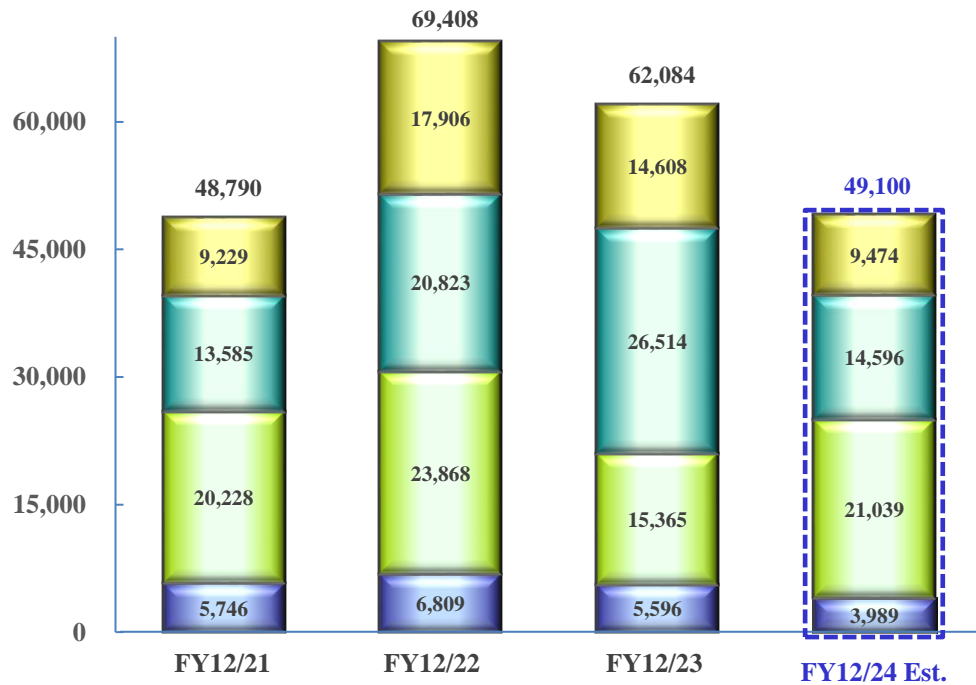


- In the US market, the continued cautious approach towards capital investment due to persistently high interest rates has led to a significant decline in sales.
- Sales in the European market decreased significantly due to ongoing weakness in overall demand in the market.
- Amid signs that recent market conditions in China have settled and the ongoing modest recovery in overall terms, sales in the Asian market increased substantially.
- In the domestic market, sales decreased significantly amid lackluster performance as a whole, particularly in the automotive sector.



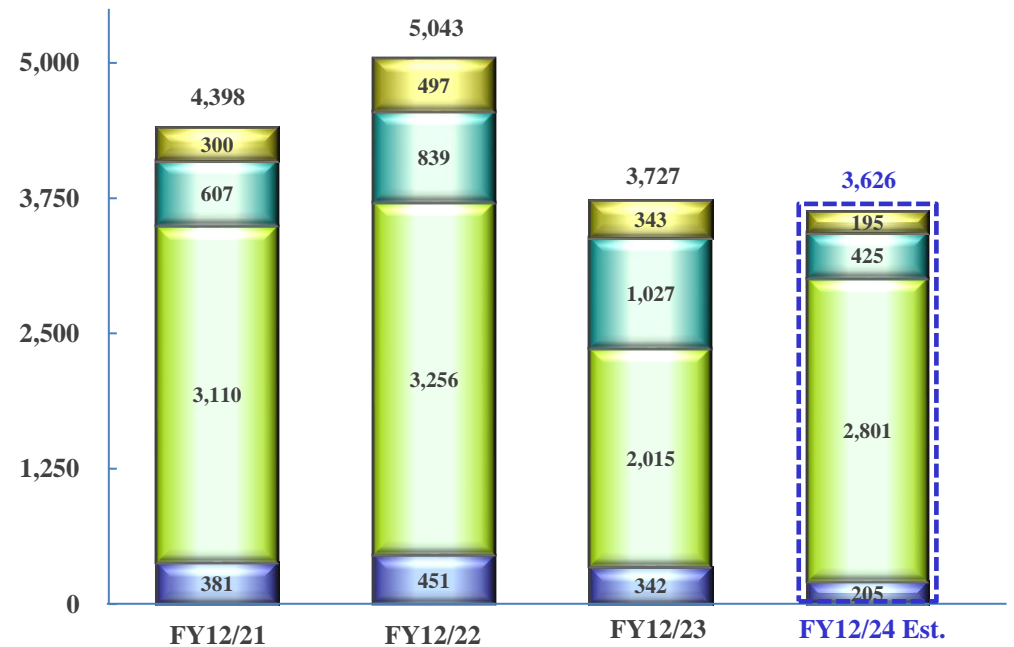
Sales

(Millions of Yen)



Sales Volume

(Units)



- Amid the impact of the yen's depreciation, a significant decrease in both sales and profit is expected year on year due to factors such as slowdown in the recovery of the Chinese market and slower-than-expected recovery in other regions.

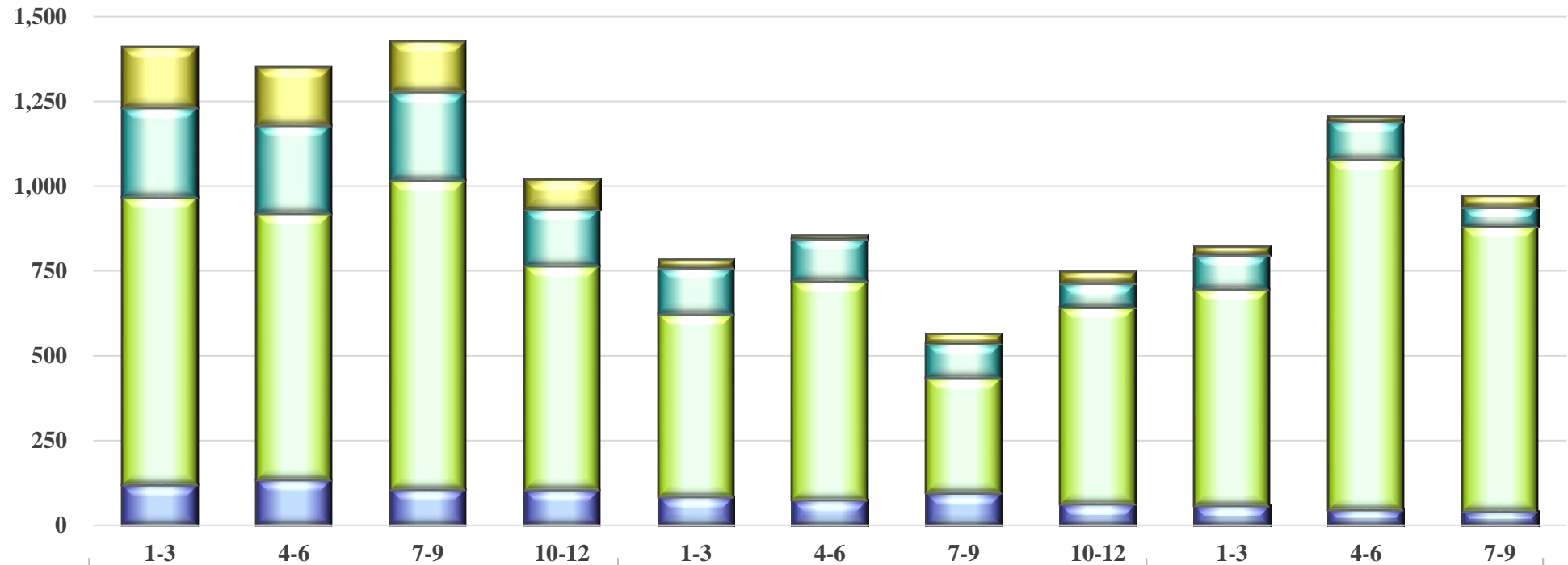
Reference

Trends in Quarterly Machine Tool Orders



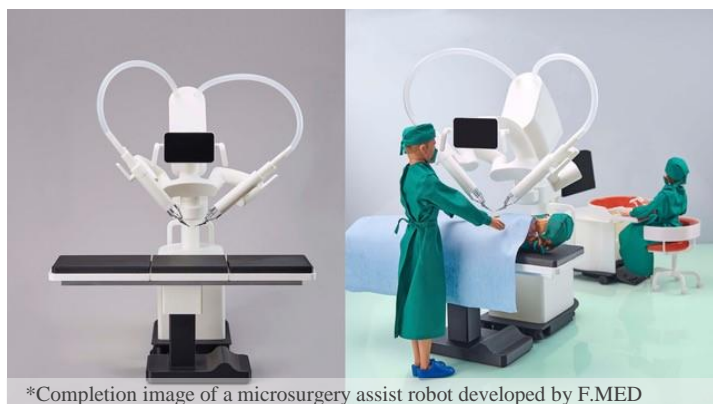
(Ordered Unit)

(Units)



	2022				2023				2024		
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9
America	179	171	149	87	24	10	30	33	23	14	32
Europe	265	261	260	168	138	125	102	71	102	112	58
Asia	848	785	911	660	538	646	339	581	638	1,033	840
Domestic	118	133	106	104	83	74	94	62	58	45	41
Total	1,410	1,350	1,426	1,019	783	855	565	747	821	1,204	971

Investing in medical device startup companies Start of consideration of entry into the Medical Business



*Completion image of a microsurgery assist robot developed by F.MED

● **June 2024**
Invested in F.MED Co., Ltd., a developer of microsurgery assist robots



● **September 2024**
Invested in Mu Lab, Ltd., a company that uses in-house technology to develop small, high-torque reducers for use in robot joints, as well as high-precision hands to be attached to the tips of robots



*Robot hand using a small reducer

*For details, please refer to “Notice regarding Start of Consideration of Entry into the Medical Business” announced on September 27, 2024.

Special Products



Cash Drawer and Receipt Printer
mPOP



POS Printer
TSP100IV series



Label Printer
mC-Label series



Peripheral Equipment



Contactless IC card Reader
PitTouch Pro3 series

Machine Tools



CNC Swiss Type Automatic Lathe
SP-20



CNC Swiss Type Automatic Lathe
SD-26 type S



CNC Swiss Type Automatic Lathe
SL-10