

Financial Results for the FY2025

Second Quarter

STAR MICRONICS CO., LTD.

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

Code 7718

August 12, 2025

* 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 FY2025 Second Quarter

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■ Net Sales	¥33.60 billion	8.4% up YoY
■ Operating Income	¥2.66 billion	71.9% up YoY
■ Ordinary Income	¥2.70 billion	34.7% up YoY
■ Net Income Attributable to Owners of Parent	¥1.96 billion	236.6% up YoY

- ✓ Sales of our mainstay Machine Tools Segment increased, and profits grew substantially, due to a recovery trend mainly in the Chinese market, while demand remained weak in Europe.
- ✓ Sales and profits increased substantially in Special Products Segment due to recovery in the U.S. market.

Consolidated Operating Results and Business Forecast



(Millions of Yen)

		Second Quarter					Full Year				
		June 2024 Actual		June 2025 Actual			FY12/24 Actual		FY12/25 Revised Forecasts (Announced on August 12)		
		Amount	Income Ratio (%)	Amount	Income Ratio (%)	Change (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Change (%)
Sales	Machine Tools	25,059		25,870		3.2	51,419		53,800		4.6
	Special Products	5,927		7,731		30.4	13,574		16,300		20.1
	Total	30,986		33,601		8.4	64,994		70,100		7.9
Operating Income	Machine Tools	2,503	10.0	3,139	12.1	25.4	5,047	9.8	4,850	9.0	(3.9)
	Special Products	(14)	-	794	10.3	-	885	6.5	1,850	11.3	109.0
	Eliminations or Corporate	(940)		(1,271)			(1,911)		(2,500)		
	Total	1,548	5.0	2,662	7.9	71.9	4,021	6.2	4,200	6.0	4.4
Ordinary Income		2,008	6.5	2,705	8.1	34.7	4,515	6.9	4,400	6.3	(2.6)
Net Income Attributable to Owners of Pare		584	1.9	1,968	5.9	236.6	1,855	2.9	3,100	4.4	67.1
ROE(%)		-		-			2.4		3.6		
Cash Dividends Applicable to the Year		¥30		¥35			¥60		¥70		

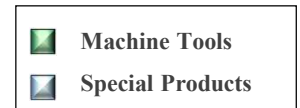
					Second half Assumed Exchange Rate	Full-Year Assumed Exchange Rate	Foreign Exchange Sensitivity*
Exchange Rate	US\$	¥152.25	¥148.61	¥151.57	¥145.00	¥146.81	7 million
	EUR	¥164.59	¥162.16	¥163.94	¥170.00	¥166.08	31 million
	GBP	¥192.66	¥192.58	¥193.68	¥195.00	¥193.79	1 million

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

Quarterly Information(Net Sales)



Net Sales



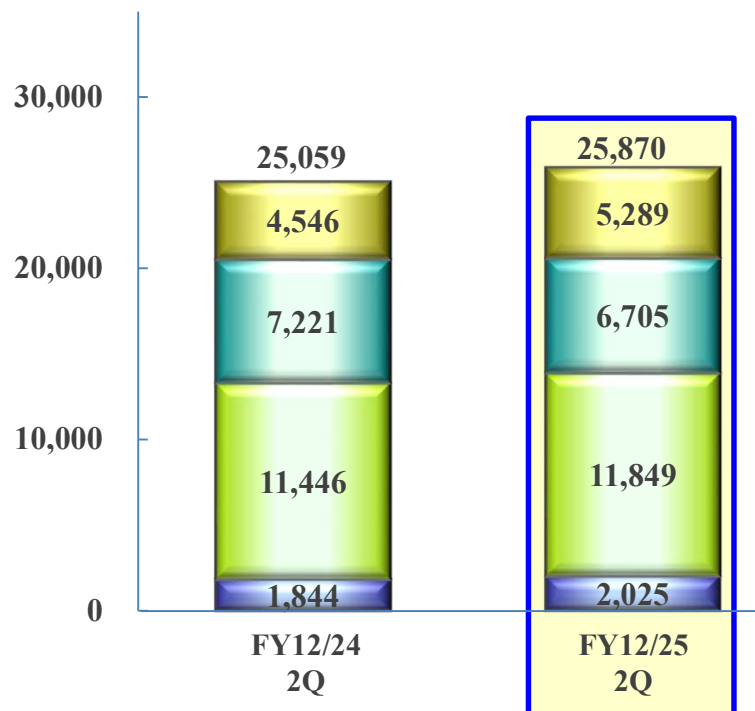
(Millions of Yen)





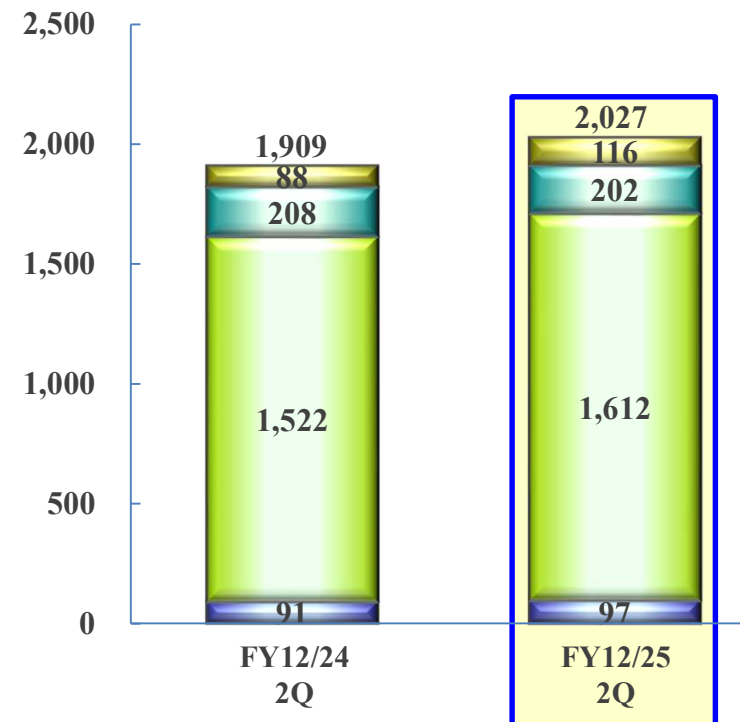
Sales

(Millions of Yen)



Sales Volume

(Units)

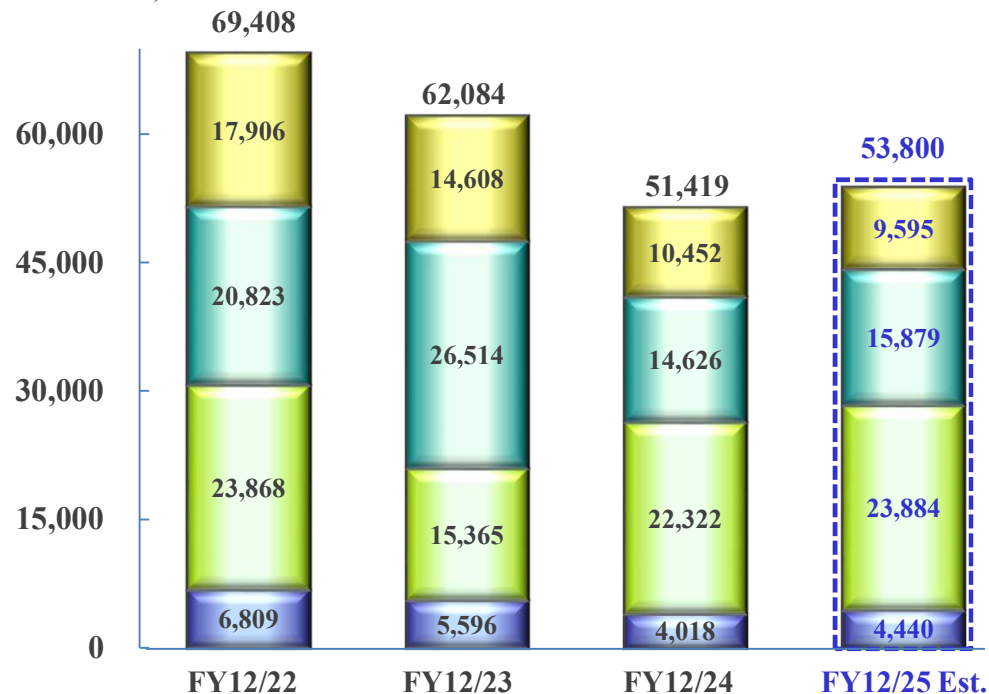


- In the U.S. market, sales increased due to a temporary improvement in orders and sales following the presidential election November last year, resulting in higher sales.
- In the European market, sales decreased due to a variety of factors, including sluggish sales in major countries, particularly Germany.
- In the Asian market, sales increased, centered on China, due to government's measures aimed at expanding domestic demand and an upswing in new component processing needs.
- In the domestic market, sales increased amid lackluster market conditions.



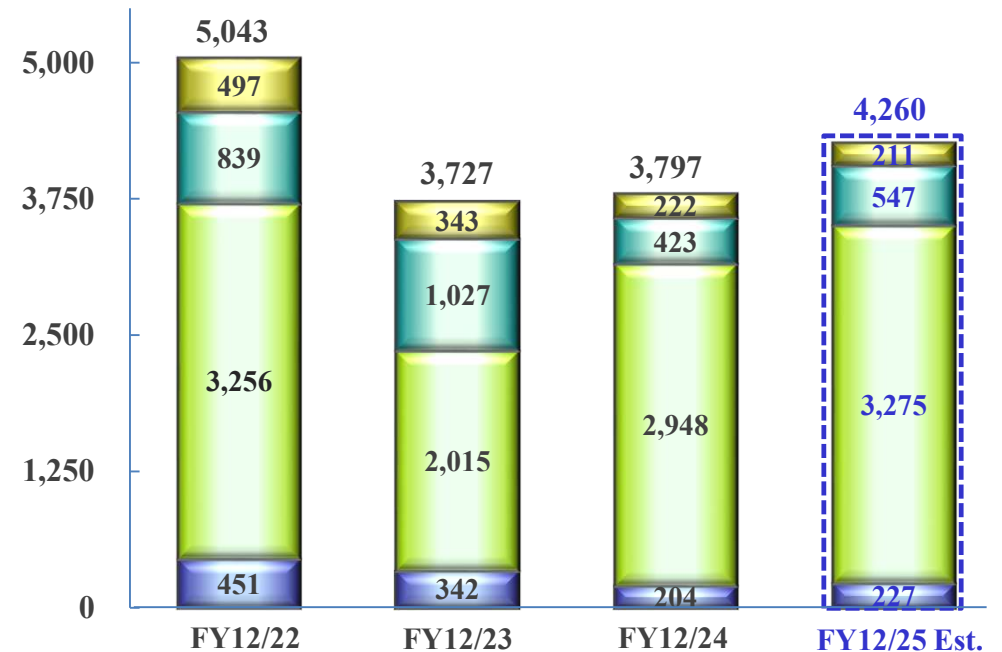
(Millions of Yen)

Sales



(Units)

Sales Volume

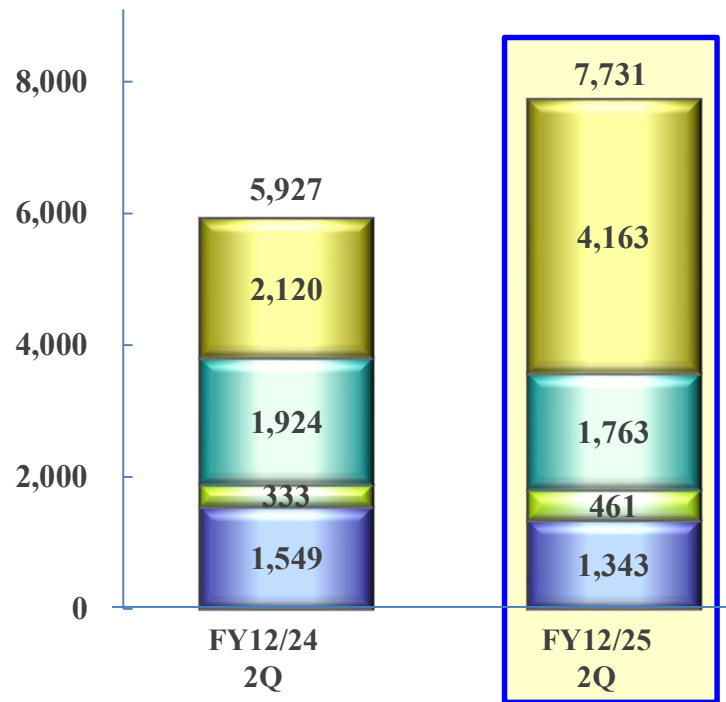


- While the recovery of the U.S. market are expected to be delayed, the European and domestic markets are projected to see a modest recovery despite remaining sluggish, and the Chinese market is anticipated to remain firm.
As a result, depending on sales mix by destination and other factors, sales are expected to increase while profits are projected to decline year on year.



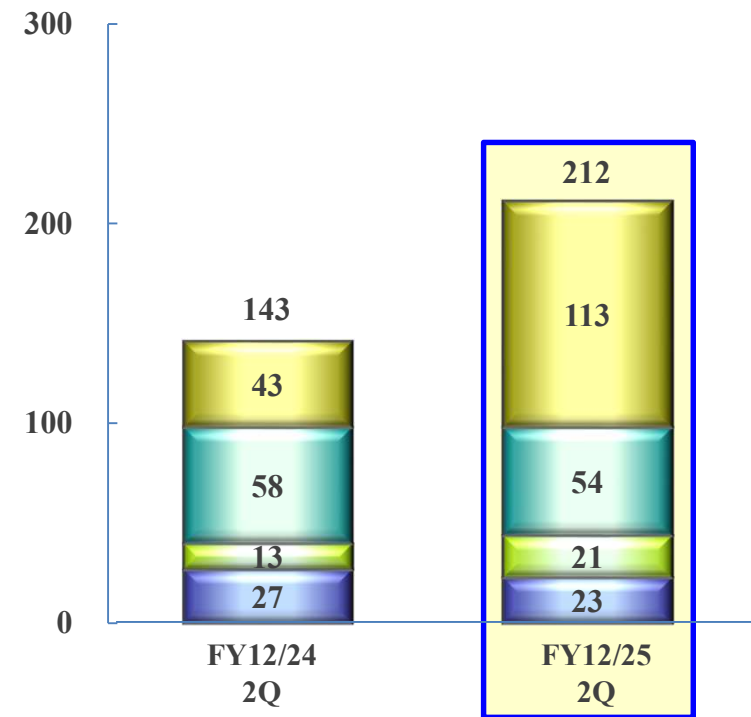
Sales

(Millions of Yen)



Sales Volume

(Thousand Units)

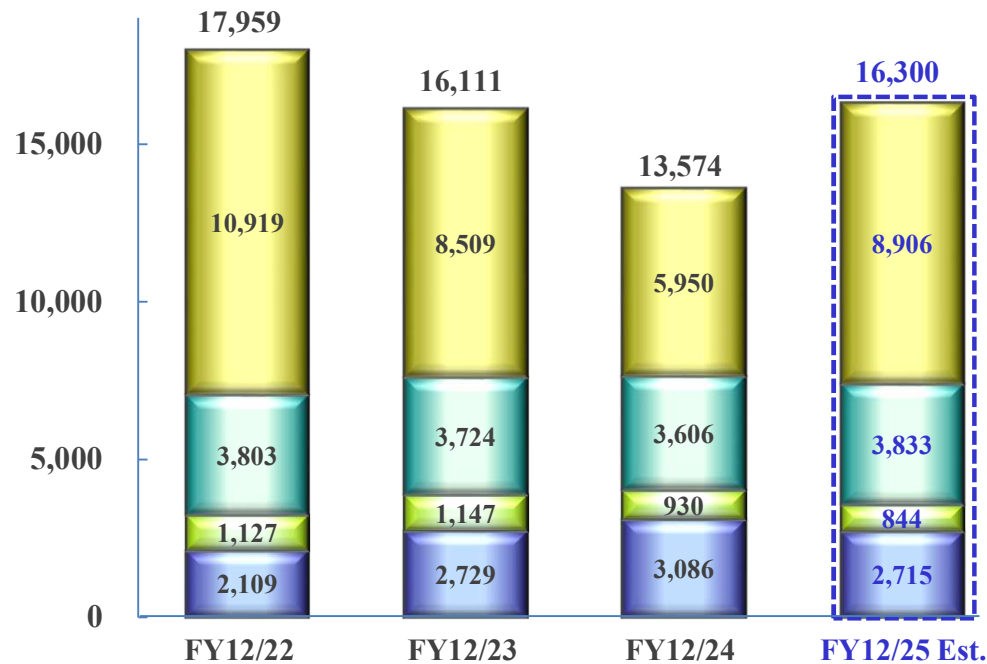


- In the U.S. market, sales increased significantly as distribution inventories returned to appropriate levels from the second half of the previous fiscal year and demand for mPOS remained firm.
- In the European market, sales decreased due to sluggish trends in the ability to capture large-lot orders.
- In the domestic market, sales decreased due to generally sluggish market conditions.



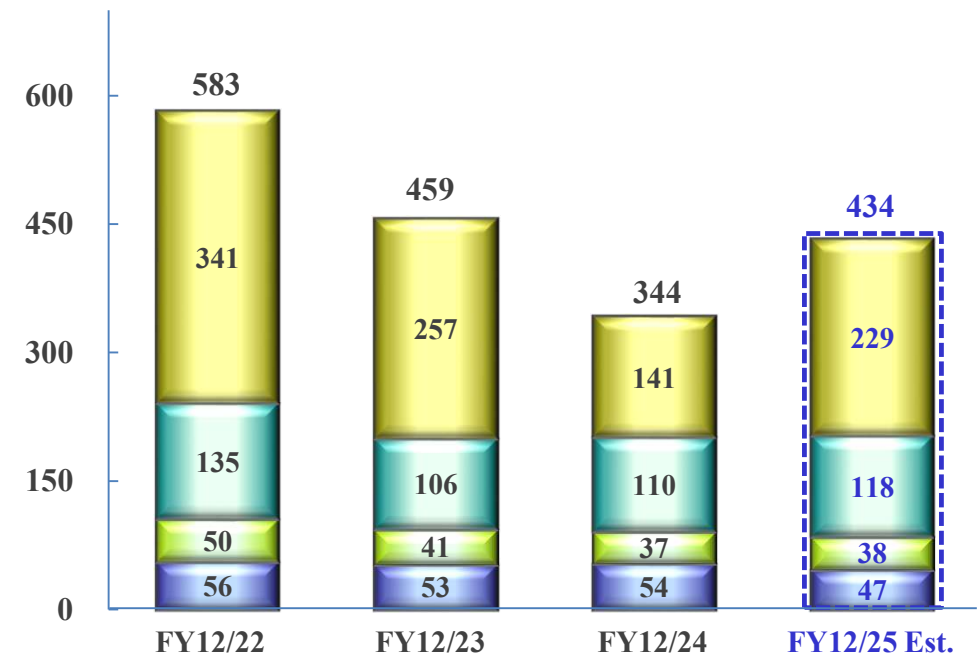
Sales

(Millions of Yen)



Sales Volume

(Thousand Units)



- Sales and profits are expected to increase significantly year on year, due to the mainstay U.S. market is anticipated to remain firm.

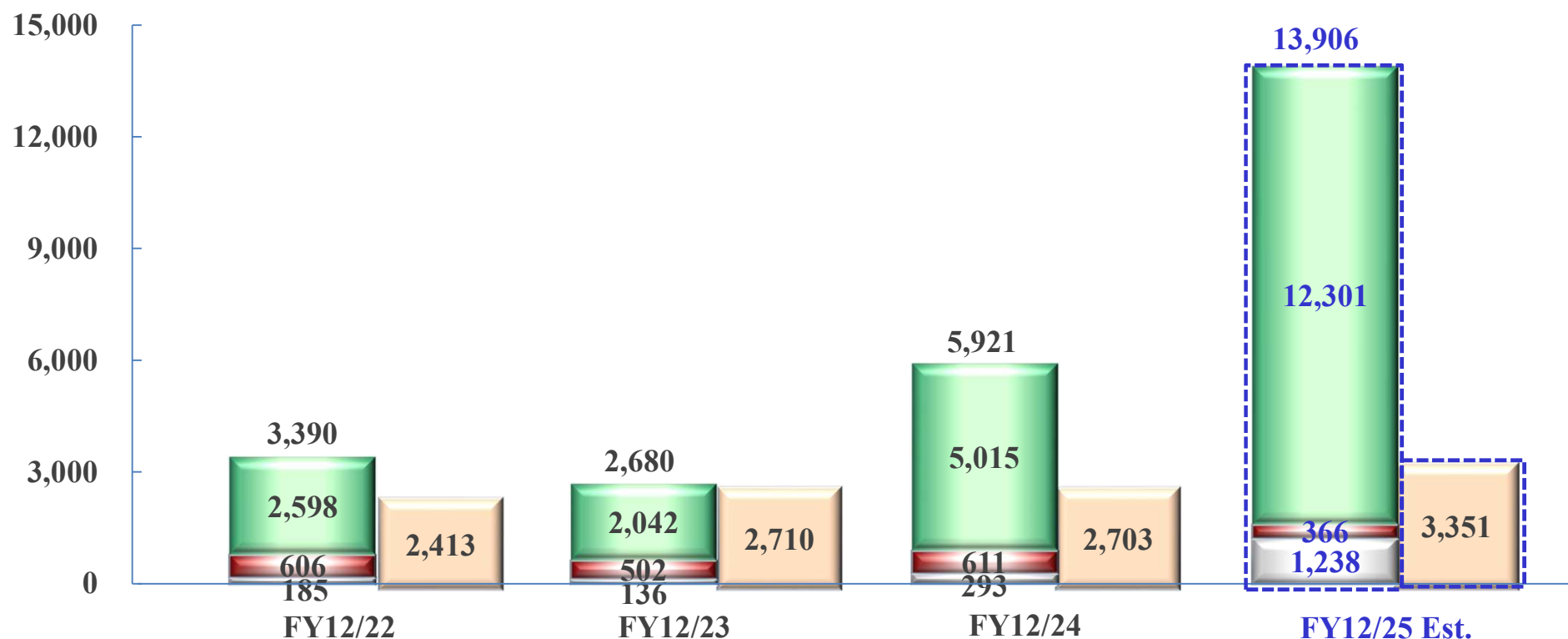
Capital Investment / R&D Costs



Capital Investment

(Millions of Yen)

■ Machine Tools ■ Special Products
■ Head Office and Others ■ Depreciation



【Main Capital Investment Plans for FY2025】

	Breakdown
Machine Tools	Large-scale renovation of domestic factories (tentative names: Kikugawa Minami Factory and Makinohara Factory) Construction of Europe Solution Center
Special Products	Software investments, etc.

R&D Costs

(Millions of Yen)

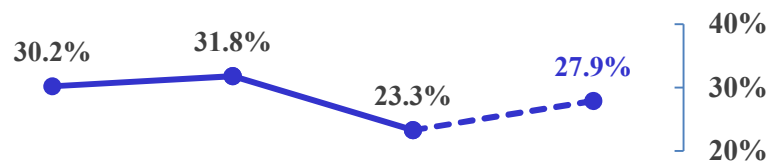
FY12/22	FY12/23	FY12/24	FY12/25 Est.
1,965	1,849	1,962	2,585

Balance Sheets

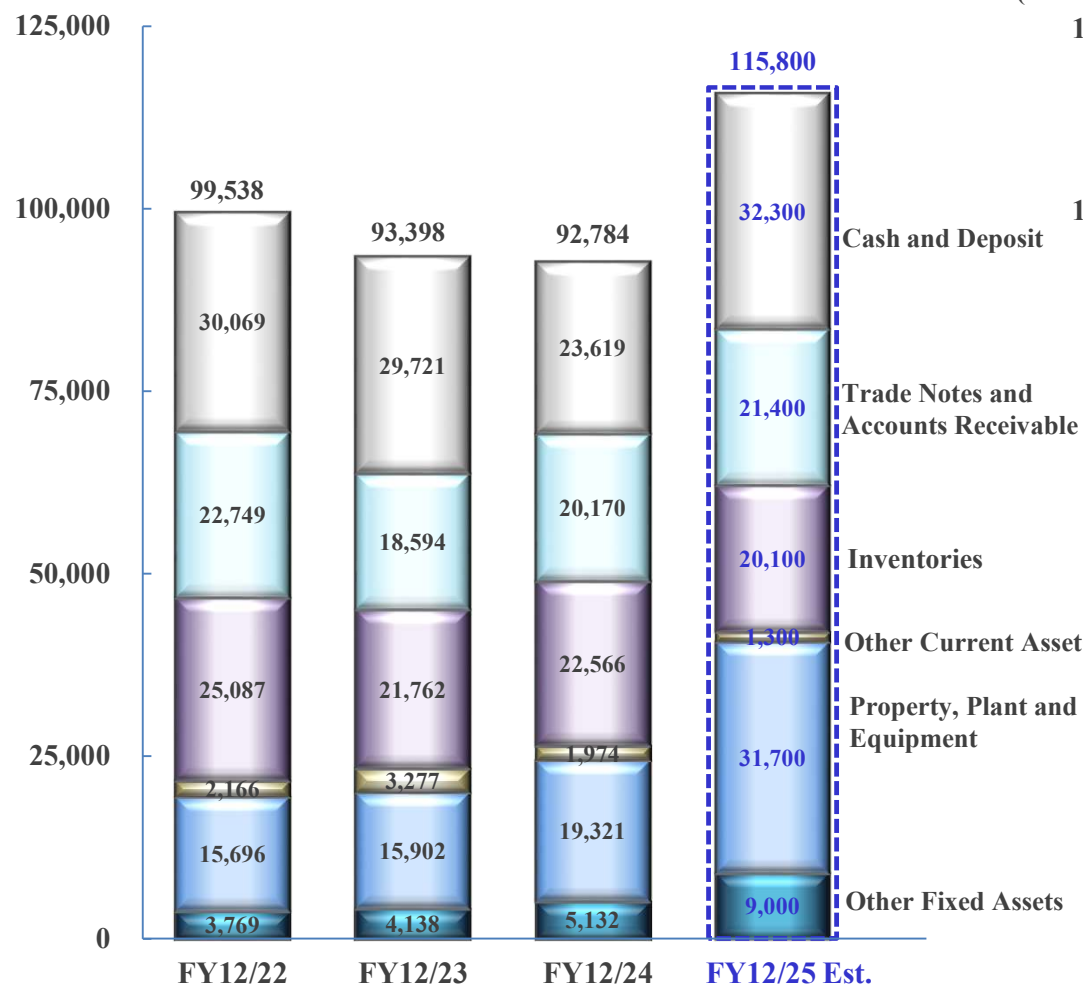


Assets

Ratio of Net Cash (to Total Assets)

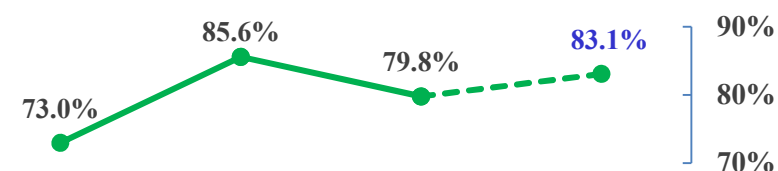


(Millions of Yen)

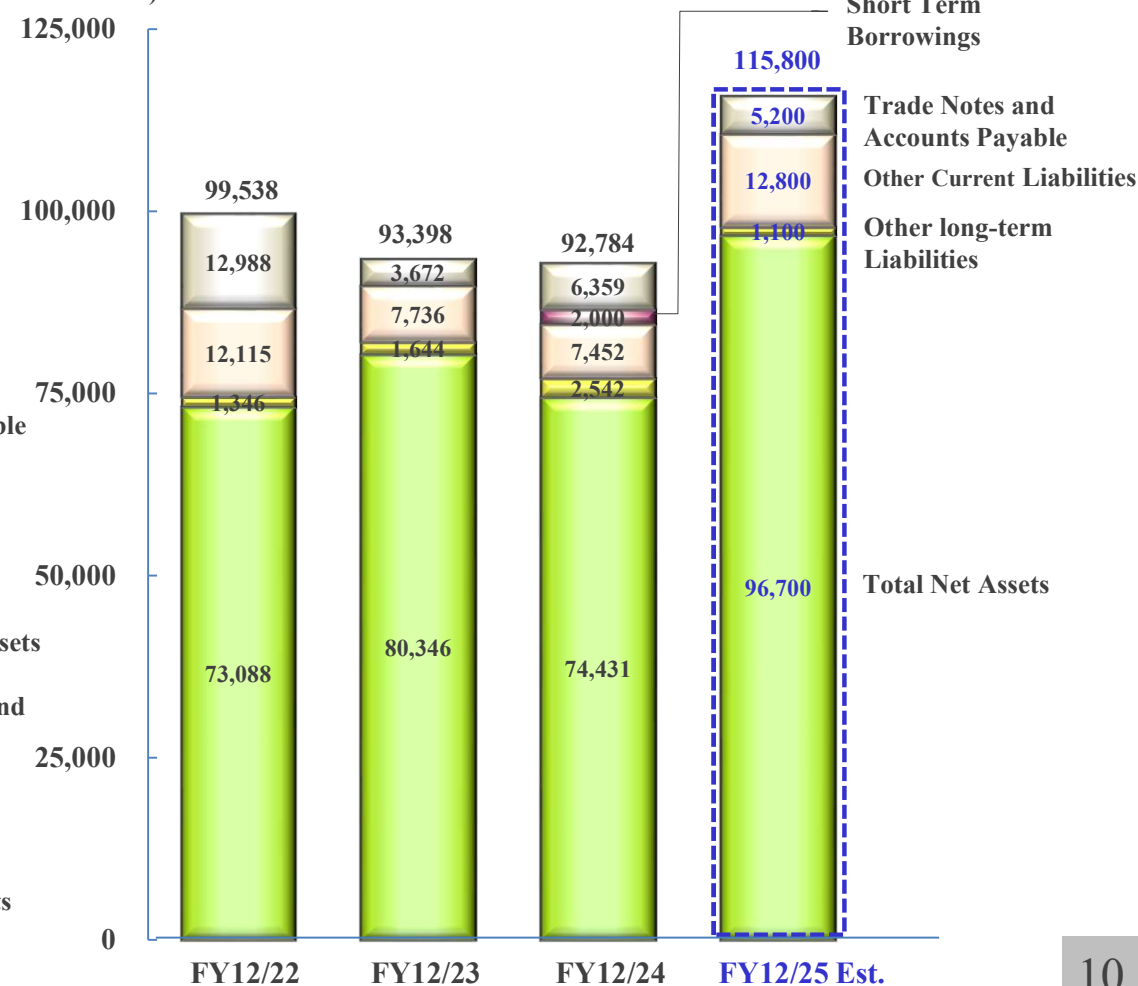


Liabilities/Net assets

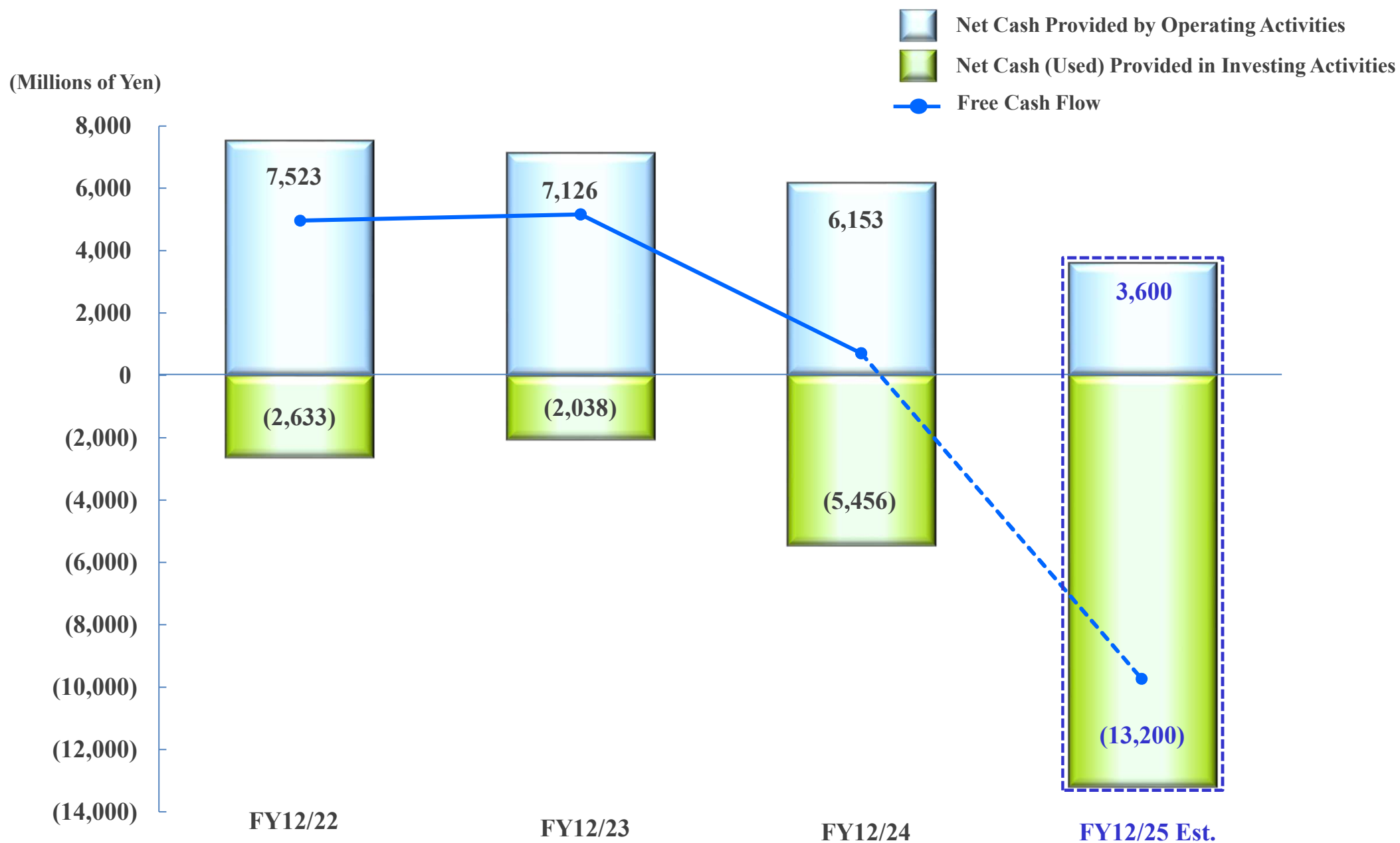
Equity Ratio



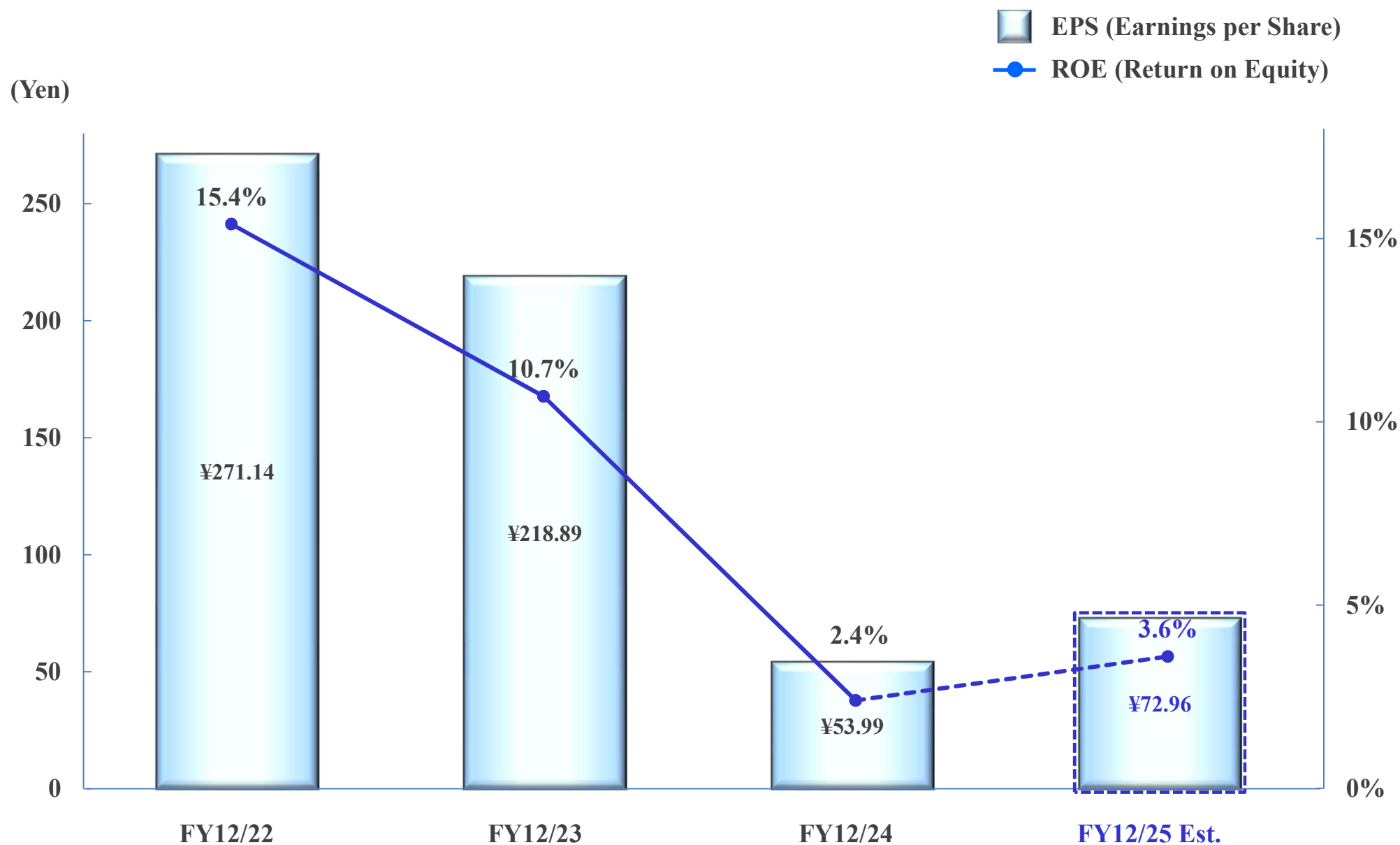
(Millions of Yen)



Cash Flows






Key Financial Indicators

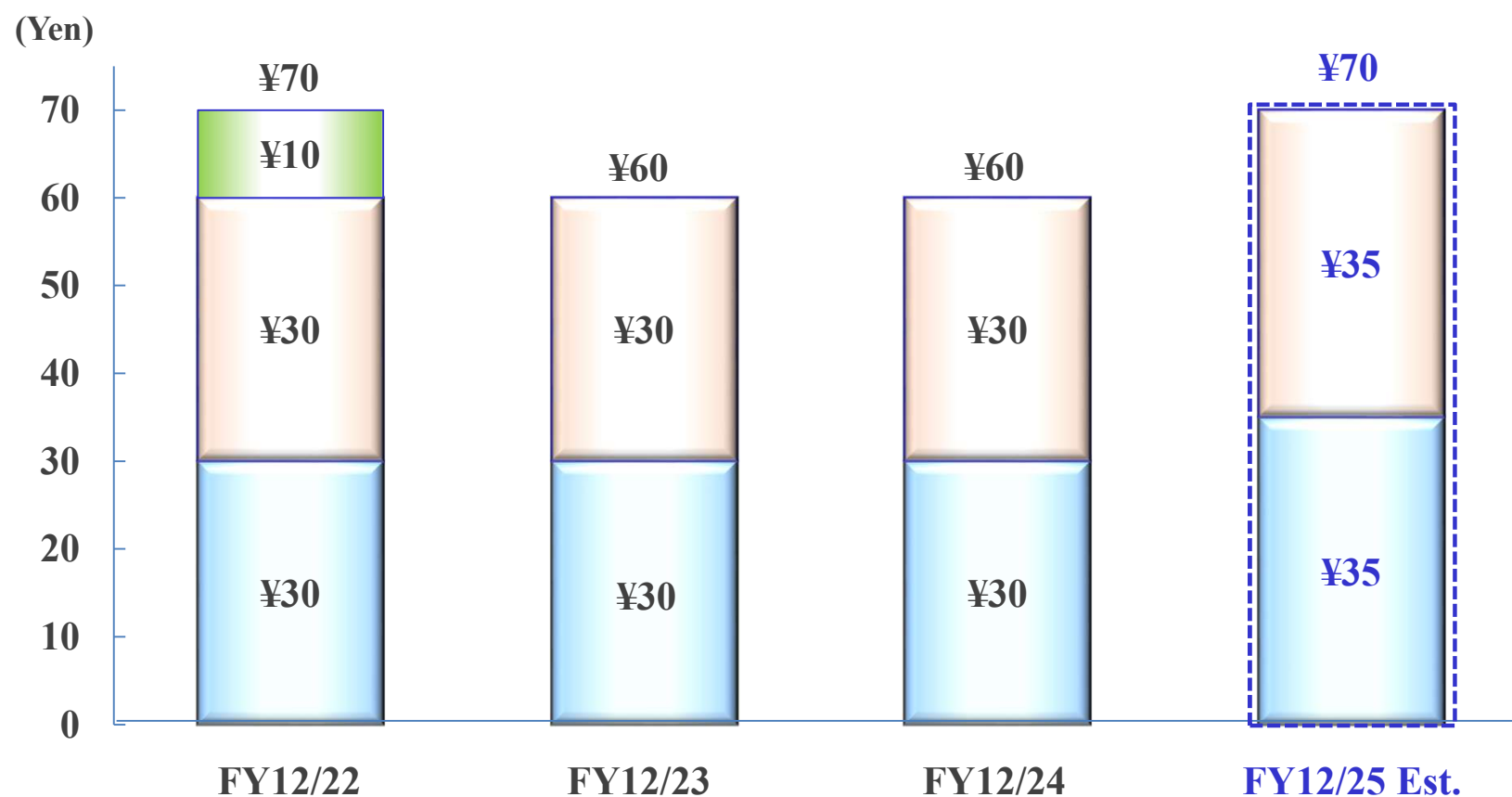


Returns to Shareholders

< Shareholder Return Policy > From the fiscal year ending December 2025 onwards

- Annual Dividend : ¥70 or more (progressive)
- Total Payout Ratio : 50% or more

-  Special Dividend per Share
-  Year-end Dividend per Share
-  Interim Dividend per Share



Total Payout Ratio	44.6%	51.6%	636.5%	50% or more
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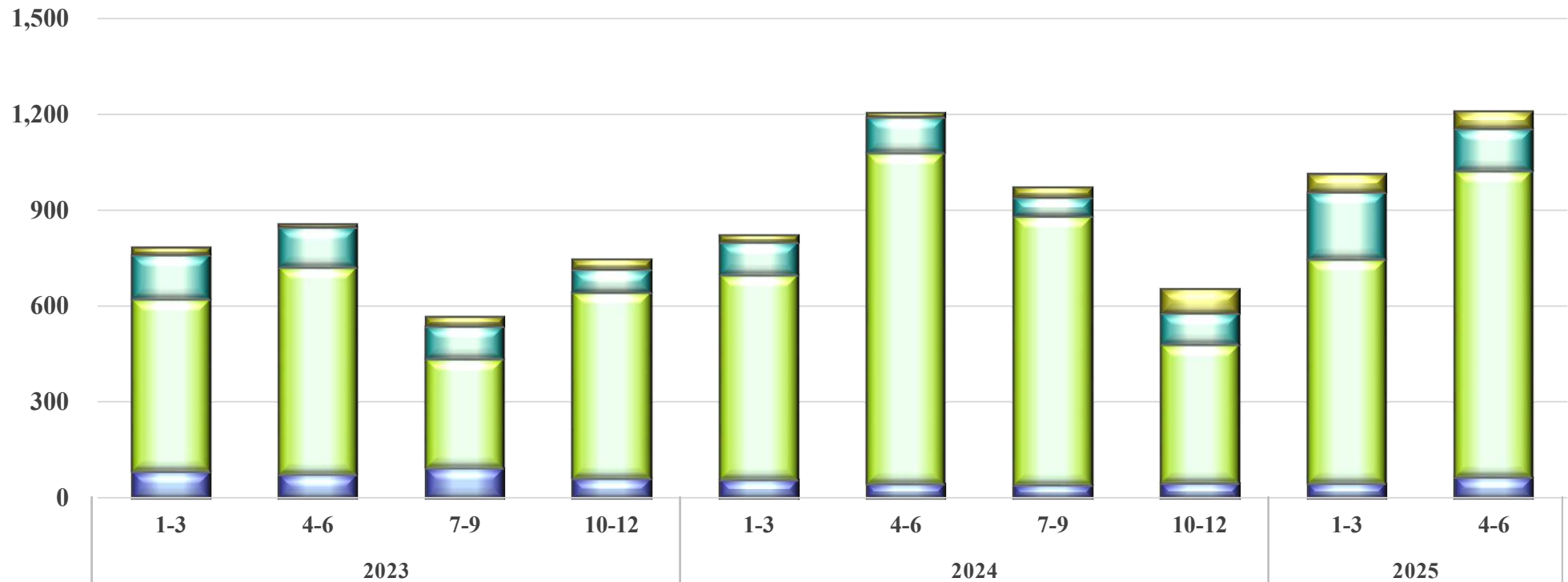
Reference

Trends in Quarterly Machine Tool Orders



(Ordered Unit)

(Units)



	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6
America	24	10	30	33	23	14	32	76	57	55
Europe	138	125	102	71	102	112	58	98	210	132
Asia	538	646	339	581	638	1,033	840	431	699	955
Domestic	83	74	94	62	58	45	41	47	46	66
Total	783	855	565	747	821	1,204	971	652	1,012	1,208

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)
FY2/2016	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※1	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※2	87,368	13,925	15.9	14,199	16.3	10,298	11.8	271.14	15.4	70.00
FY12/2023	78,196	10,350	13.2	10,960	14.0	8,175	10.5	218.89	10.7	60.00
FY12/2024	64,994	4,021	6.2	4,515	6.9	1,855	2.9	53.99	2.4	60.00
FY12/2025(Est.)	70,100	4,200	6.0	4,400	6.3	3,100	4.4	72.96	3.6	70.00

※1 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.

※2 Dividends per share for the fiscal period ended December 31, 2022 includes a special dividend of ¥10 per share.

Business Segments and Products



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
SR-20RIV type E



CNC Automatic Lathe
SK-51 type A



CNC Swiss Type Automatic Lathe
SB-20RII