

Notice Regarding Revisions to Business Forecasts

Based on recent business trend, STAR MICRONICS CO., LTD. has revised its business forecasts announced on August 21, 2017 as follows.

1. Revision of Consolidated Business Forecasts for Full-year Fiscal 2018 (March 1, 2017 to February 28, 2018)

	Net Sales (Millions of yen)	Operating Income (Millions of yen)	Ordinary Income (Millions of yen)	Net Income Attributable to Owners of Parent (Millions of yen)	Net Income Per Share (Yen)
Previous Forecasts: A	56,500	5,100	5,500	4,100	110.36
Revised Forecasts: B	59,500	5,900	6,500	4,600	123.92
Change: B-A	3,000	800	1,000	500	
Change: B vs. A (%)	5.3	15.7	18.2	12.2	
(Reference) FY2017	48,937	3,606	3,583	3,181	81.77

2. Reasons

With respect to full-year consolidated earnings, we forecast sales of ¥59.5 billion amid a continued modest recovery in the economy, supported by firm capital expenditure demand in the machine tools business, centered on the automotive-related sectors in Europe and China, and by strong sales in the special products business, mainly in the U.S.

With respect to profits, we forecast operating income of ¥5.9 billion, ordinary income of ¥6.5 billion and net income attributable to owners of parent of ¥4.6 billion, supported by growth in sales.

*Figures less than one million yen are rounded down. The above forecasts are based on information available to management at the time of release. Investors are warned that a number of uncertainties may cause actual results to differ materially from forecasts.

*The business forecast for net income per share takes into account the impact of repurchase and retirement of own shares based on the resolution of the Board of Directors at a meeting held on January 10, 2018.

(Supplemental Information)
Consolidated Forecasts (By Segment)

(Millions of yen)

		Full-year Fiscal 2018			
		Previous Forecasts	Revised Forecasts	Change	
				Amount	(%)
Special Products	Net Sales	11,720	12,200	480	4.1
	Operating Income	1,540	1,740	200	13.0
	Income Ratio (%)	13.1	14.3		
Machine Tools	Net Sales	40,530	43,180	2,650	6.5
	Operating Income	6,020	6,840	820	13.6
	Income Ratio (%)	14.9	15.8		
Precision Products	Net Sales	4,250	4,120	(130)	(3.1)
	Operating Income	290	260	(30)	(10.3)
	Income Ratio (%)	6.8	6.3		
Cloud Services	Net Sales	-	-	-	-
	Operating Income	(220)	(220)	-	-
	Income Ratio (%)	-	-		
Eliminations or Corporate		(2,530)	(2,720)	(190)	
Consolidated	Net Sales	56,500	59,500	3,000	5.3
	Operating Income	5,100	5,900	800	15.7
	Income Ratio (%)	9.0	9.9		

*Cloud Services is included in Special Products in consolidated earnings report and other disclosure information.