

Notice Regarding Revisions to Business Forecasts

Based on recent business trend, STAR MICRONICS CO., LTD. has revised its business forecasts announced on July 11, 2018 as follows.

1. Revision of Consolidated Business Forecasts for Full-year Fiscal 12/2018

(March 1, 2018 to December 31, 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	59,300	8,000	8,100	6,000	164.22
Revised Forecasts: B	61,200	8,200	8,300	6,000	164.06
Change: B-A	1,900	200	200	—	
Change: B vs. A (%)	3.2	2.5	2.5	—	

2. Reasons

As far as consolidated business results for the full fiscal year are concerned, net sales are projected to surpass the previous forecast owing to a variety of factors including an expected increase in sales in the Machine Tools Segment in the second quarter of FY12/2018.

From a profit perspective, operating income and ordinary income are anticipated to exceed previous forecasts in line with such factors as the increase in net sales. Net income attributable to owner of parent, on the other hand, remains unchanged from the previous forecast. This largely reflects the impact of estimated expenses in connection with the reorganization of certain businesses.

These projections assume foreign exchange rates of ¥105 to US\$1 and ¥125 to 1 euro from the 3Q of FY12/2018.

*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.

*As fiscal 12/2018 is a transitional period, forecast for the full consolidated fiscal year are listed for ten months (from March 1, 2018 to December 31, 2018) for consolidated companies whose fiscal year previously ended in February and for twelve months (from January 1, 2018 to December 31, 2018) for consolidated companies whose fiscal year ends in December.

(Supplemental Information)
Consolidated Forecasts (By Segment)

(Millions of yen)

		Full-year Fiscal 12/2018			
		Previous Forecasts	Revised Forecasts	Change	
				Amount	(%)
Special Products	Net Sales	11,960	12,350	390	3.3
	Operating Income	1,690	1,920	230	13.6
	Income Ratio (%)	14.1	15.5		
Machine Tools	Net Sales	43,380	44,900	1,520	3.5
	Operating Income	7,900	8,030	130	1.6
	Income Ratio (%)	18.2	17.9		
Precision Products	Net Sales	3,960	3,950	(10)	(0.3)
	Operating Income	360	360	-	-
	Income Ratio (%)	9.1	9.1		
Eliminations or Corporate		(1,950)	(2,110)	(160)	
Consolidated	Net Sales	59,300	61,200	1,900	3.2
	Operating Income	8,000	8,200	200	2.5
	Income Ratio (%)	13.5	13.4		