

Notice Regarding Revisions to Business Forecasts

STAR MICRONICS CO., LTD. hereby announces that it has temporarily withdrawn its earnings forecasts previously disclosed on February 13, 2020. As of the date of this release, the Company's outlook is yet to be determined.

1. Revisions to consolidated earnings forecasts

(1) Revision of Consolidated Business Forecasts for the First Half of Fiscal 2020 (January 1, 2020 to June 30, 2020)

	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	26,600	2,000	2,100	1,200	34.04
Revised Forecasts: B	–	–	–	–	–
Change: B-A	–	–	–	–	
Change: B vs. A (%)	–	–	–	–	
(For reference) Results for the First Half of the Previous Period (the second quarter of December 31, 2019)	31,412	3,269	3,536	2,406	67.07

(2) Revision of Consolidated Business Forecasts for Full-year Fiscal 2020 (January 1, 2020 to December 31, 2020)

	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	55,200	4,600	4,800	3,200	90.78
Revised Forecasts: B	–	–	–	–	–
Change: B-A	–	–	–	–	
Change: B vs. A (%)	–	–	–	–	
(For reference) Results for the previous fiscal year (the year Ended December 31, 2019)	60,651	5,817	6,161	4,053	113.72

*Figures less than one million yen are rounded down.

2. Rationale for the revision

While the STAR MICRONICS Group anticipates that its operating results will be impacted by the slump in economic activity attributable to COVID-19, the degree to which earnings will be affected is difficult to reasonably estimate at this time. With its outlook yet to be determined, the Company has decided to temporarily withdraw its earnings forecasts announced on February 13, 2020. Details will be disclosed when an estimate becomes possible.

3. Response to and status of COVID-19

The STAR MICRONICS Group undertakes various measures to ensure the health and safety of its employees and other related parties as a priority. In addition to promoting staggered working hours and telecommuting at each of its operating locations, the Group implemented such measures as the wearing of masks, the use of disinfectants, and social distancing at employee cafeterias and meeting rooms.

The current status of each business segment is presented as follows.

Business Segment	Region	Status
Special Products	U.S.	<ul style="list-style-type: none"> All sales subsidiary employees are working from home except for those in charge of shipping and receiving.
	Europe	<ul style="list-style-type: none"> Sales subsidiary operations in the U.K. are mainly being conducted on a telecommuting basis.
	Asia	<ul style="list-style-type: none"> In connection with the Group's electronics manufacturing services, personnel in China have for the most part returned to work. Operations are essentially back to normal. Production partially resumed in Malaysia in early May after a one-and-a-half-month suspension of operations. Despite certain delays in the delivery of procured parts in China, sales have not been affected. Sales subsidiary operations in Thailand are underway including telecommuting.
	Japan	<ul style="list-style-type: none"> In addition to telecommuting, Tokyo sales subsidiary operations are underway at the Shizuoka head office.
Machine Tools	U.S.	<ul style="list-style-type: none"> Sales subsidiary operations are mainly being conducted on a telecommuting basis.
	Europe	<ul style="list-style-type: none"> Swiss sales subsidiary operations are being conducted on a restricted basis except for work undertaken by engineers and warehouse staff. Sales subsidiary operations in the U.K. and Germany are mainly being conducted on a telecommuting basis. While one local staff member is confirmed to have contracted COVID-19, sales subsidiary operations in France are mainly being conducted on a telecommuting basis.
	Asia	<ul style="list-style-type: none"> Production adjustments are being made at the Group's Dalian factory in China through furloughing in line with falling demand. The Group has not experienced any particular problems with logistics or the procurement of parts. While employees are reporting to work as usual at the Group's sales subsidiary in Shanghai, China, lingering partial restrictions on travel including business trips are having a slight impact. Production adjustments are being made at the Group's Nakhon Ratchasima factory in Thailand through furloughing in line with falling demand. The Group has not experienced any particular problems with logistics or the procurement of parts. While sales subsidiary operations in Thailand are underway as usual, the Group is experiencing difficulties in conducting sales activities on business trips to Southeast Asian countries due to substantive travel restrictions.
	Japan	<ul style="list-style-type: none"> The Kikugawa factory and production subsidiaries are adjusting production from April to May in response to falling demand. Sales office operations in Japan are mainly being conducted on a telecommuting basis.
Precision Products	Japan	<ul style="list-style-type: none"> While employees are still available for work at the Group's Hokkaido factory, certain adjustments are being made to machinery operations to reflect reduced demand.