

Notice Regarding Revision to Business Results Forecasts for the Full Fiscal Year and the Fiscal Year-End Dividend Forecast (Dividend Increase)

In light of recent trends in business results, STAR MICRONICS CO., LTD. (“the Company”) has decided to revise its business results forecasts previously announced in August 11, 2020. In addition, the Company resolved to revise its forecast for the period-end dividend for the fiscal year ending December 31, 2020 at a meeting of its Board of Directors held on November 12, 2020. Brief details are provided as follows.

1. Earnings forecast

(1) 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	41,000	650	700	100	2.83
Revised Forecasts: B	44,600	1,600	1,800	1,000	28.34
Change: B-A	3,600	950	1,100	900	
Change: B vs. A (%)	8.8	146.2	157.1	900.0	
(For reference) Results for the previous fiscal year (the year Ended December 31, 2019)	60,651	5,817	6,161	4,053	113.72

(2) Rationale

Despite continued uncertainty surrounding COVID-19 and when the effects of the pandemic are likely to dissipate, Special Products Segment sales targeting the food delivery sector, Machine Tools Segment sales to China, and other factors has trended in excess of expectations in the third quarter. Moreover, sales are projected to remain firm in the fourth quarter. Taking the aforementioned into consideration, both consolidated sales and profit for the full fiscal year are anticipated to surpass previous forecasts.

*Figures less than one million yen are rounded down. The results forecast is created based on the information available at the time of disclosure, and actual results may vary in accordance with a variety of factors, such as the timing of COVID-19 containment. In the event that there is a significant variation, the Company will promptly again amend its results forecast.

2. Dividend forecast

(1) Revision of Year-end Dividend Forecast

	Annual Dividend		
	2Q end	Year-end	Full year
Previous Forecast (Announced on August 11, 2020)	¥	¥ 28.00	¥ 56.00
Revised Forecast		30.00	58.00
Actual Dividend for Fiscal 2020	28.00		
Actual Dividend for Fiscal 2019	28.00	28.00	56.00

(2) Rationale

The Company positions the return and distribution of profits to shareholders as an important management priority. The Company intends to implement the basic policy while taking into consideration dividend on equity (DOE) and total consolidated payout ratio of at least 50% that includes the repurchase of own shares. Based on this policy, the Company initially planned to pay a year-end dividend of 28 yen per share for the fiscal year ending December 31, 2020. After adopting a comprehensive approach and incorporating such factors as business results trends and the Company's future financial position, the Company has decided to revise its year-end dividend to 30 yen per share, up 2 yen per share compared with its initial forecast. This reflects the Company's commitment to further enhancing the return of profits to shareholders through a variety of means including the payment of dividends. As a result, and together with the interim dividend of 28 yen per share, the Company plans to pay an annual dividend to 58 yen per share, a record high since the Company's listing