

**Notice Regarding Differences between Business Results Forecasts
and Financial Results for the First Half of the Fiscal Year Ending December 31, 2024
(Interim Period) and Revisions to Full Fiscal Year Earnings Forecast**

In addition to differences between business results forecasts announced on February 9, 2024 and financial results for the first half of fiscal 2024, the fiscal year from January 1, 2024 to December 31, 2024, disclosed today, STAR MICRONICS CO., LTD. (“the Company”) provides details of its decision to revise earnings forecasts for the full fiscal year, also announced on February 9, 2024, as follows.

1. Differences between business results forecasts and financial results for the first half of fiscal 2024 (January 1, 2024 to June 30, 2024)

| | 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 | 27,440 | 1,900 | 2,000 | 1,300 | 35.42 |
| Results: B | 30,986 | 1,548 | 2,008 | 584 | 16.26 |
| Change: B-A | 3,546 | (351) | 8 | (715) | |
| Change: B vs. A (%) | 12.9 | (18.5) | 0.4 | (55.0) | |
| (Reference) FY 2023 Second-quarter | 42,926 | 7,380 | 7,614 | 5,238 | 139.36 |

2. Revisions to consolidated earnings forecasts for the full fiscal year (fiscal 2024: January 1, 2024 to December 31, 2024)

| | 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 | 65,800 | 7,000 | 7,200 | 5,100 | 138.94 |
| Revised Forecasts: B | 68,000 | 5,400 | 6,000 | 3,700 | 107.68 |
| Change: B-A | 2,200 | (1,600) | (1,200) | (1,400) | |
| Change: B vs. A (%) | 3.3 | (22.9) | (16.7) | (27.5) | |
| (Reference) FY 2023 | 78,196 | 10,350 | 10,960 | 8,175 | 218.89 |

3. Reasons

In the first half of the fiscal year under review, sales exceeded forecasts. Despite weak sales mainly in the Machine Tools business across all regions, excluding the Chinese market, amid the overall effects of the weak yen, this was largely due to the strong recovery trend in China. Meanwhile, as far as profits are concerned, operating income declined primarily as a result of delays in the recovery in market conditions across all regions except China. While ordinary income was essentially in line with previous forecasts, net income attributable to owners of parent for the first half of the fiscal year under review fell substantially below forecasts owing to such factors as an increase in the tax burden resulting from the impact of tax effect accounting on unrealized income.

Turning to earnings forecasts for the full fiscal year, profits are projected to fall substantially below previous forecasts despite an improvement in sales. Notwithstanding robust sales in the Chinese market in the Machine Tools business, and in addition to the impact of the weak yen, these forecast results are attributable to such factors as delays in the market's recovery in both the Special Products and Machine Tools businesses in the U.S. and persistent weak conditions from the third quarter. In revising its earnings results forecasts, STAR MICRONICS has adjusted its underlying foreign currency exchange rate assumptions from ¥135 to ¥145 for the U.S. dollar and from ¥150 to ¥155 for the euro from the third quarter of the fiscal year under review.

Earnings forecasts by segment are provided in the supplemental information as follows.

* All amounts are rounded down to the nearest million yen. Forecasts are based on information available as of the date of this release. Actual results may differ materially from forecasts due to a variety of factors.

(Supplemental Information)

Consolidated Forecasts (By Segment)

(Millions of yen)

| | | Full-year Fiscal 2024 | | | |
|---------------------------|------------------|-----------------------|----------------------|---------|--------|
| | | Previous Forecasts | Revised Forecasts | Change | |
| | | | | Amount | (%) |
| Special Products | Net Sales | 14,870 | 13,300 | (1,570) | (10.6) |
| | Operating Income | 1,310 | 480 | (830) | (63.4) |
| | Income Ratio (%) | 8.8 | 3.6 | | |
| Machine Tools | Net Sales | 50,930 | 54,900 | 3,970 | 7.8 |
| | Operating Income | 7,720 | 7,000 | (720) | (9.3) |
| | Income Ratio (%) | 15.2 | 12.8 | | |
| Eliminations or Corporate | | (2,030) | (2,080) | (50) | |
| Consolidated | Net Sales | 65,800 | 68,200 | 2,400 | 3.6 |
| | Operating Income | 7,000 | 5,400 | (1,600) | (22.9) |
| | Income Ratio (%) | 10.6 | 13.4 | | |

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