

Notice regarding Start of Consideration of Entry into the Medical Business

At the Board of Directors meeting held on September 27, 2024, STAR MICRONICS CO., LTD. (the “Company”) resolved to begin considering entry into the medical business as a part of its growth strategy. Details are as follows:

1. Background to Consideration of Entry into the Medical Business

The Group is currently pursuing its First Medium-Term Management Plan 2022-2024, under which it seeks to realize its Vision for 2030. The Plan calls for actively investing management resources to expand existing businesses and create new businesses.

In this context, the Company decided to begin considering investing in medical device startup companies, to leverage the precision processing and assembly technologies and high-precision positioning control technologies the Company has cultivated since its founding, and at the same to consider entry into the medical business.

The medical device industry is a promising field, marked by rising expectations driven by the global advancement of aging societies and technological innovation. Among the growth rates of leading global industries, the medical device market is expected to grow sustainably, at 5.7% (*1). In light of this new growth opportunity, and desiring to create new businesses while contributing to society, and as part of its open innovation activities, the Company in June of this year invested in F.MED Co., Ltd., a developer of microsurgery assist robots (*2). In addition, the following September, the Company invested in Mu Lab, Ltd., a company that uses in-house technology to develop small, high-torque reducers (*3) for use in robot joints, as well as high-precision hands to be attached to the tips of robots.

Viewing investments in these startup companies as new growth opportunities, the Company will begin to consider in earnest entry into the medical business. The Company will also capitalize on its technology and knowledge to maximize synergies with the investee companies, thus contributing to the sustainable development of society and working to sustainably enhance corporate value.

*1 Sources: Ministry of Economy, Trade and Industry, Medical Device Industry Vision Study Group First Working Group, Mizuho Bank Materials

*2 Microsurgery is a technique that uses a surgical microscope and minute surgical instruments to connect blood vessels, nerves, and other tissue that are less than 1mm in diameter. When performing such delicate procedures, physicians have to control hand vibrations and use intricate techniques. These technical challenges make such surgeries difficult to master.

*3 A reducer is a device that achieves high torque by using gears to lower the rotational speed of a motor. By using a reducer, a small motor can achieve the same torque as a large motor. So, small, high-torque reducer technology contributes to the miniaturization of robots and other devices.

2. Investment Information

Company Name	F.MED Co., Ltd.	Mu Lab, Ltd.
Representative Director	Keita Shimomura	Masahide Fushimi
Established	March 2021	April 2015
Capital	¥308 million	¥150 million
Location	Fukuoka City, Fukuoka Prefecture	Fukushima City, Fukushima Prefecture
Business Description	Development of microsurgery assist robots	Development, manufacturing, and sales of small high torque reducers and electric grippers
Investment ratio	8.8%	7.7%

3. Impact on Business Performance

The Company expects the impact of this transaction on consolidated financial results for the fiscal year ending December 2024 to be minor.