

Financial Results for the FY2022

Second Quarter

STAR MICRONICS CO., LTD.

<https://www.star-m.jp>

Code 7718

August 9, 2022

* The projections in this document are based on information available at the time of release of this report and certain assumptions the Company considers reasonable.

* The Company does not promise that these projections will be achieved. Actual results may differ materially from projections due to a variety of factors.

Financial Results for the FY2022 Second Quarter

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Substantial Increases in Sales and Profits Year on Year

■ Net Sales	¥39.25 billion	40.5% up YoY
■ Operating Income	¥5.72 billion	117.5% up YoY
■ Ordinary Income	¥5.97 billion	107.9% up YoY
■ Net Income Attributable to Owners of Parent	¥4.20 billion	99.1% up YoY

- ✓ **Sales of Machine Tools Segment jumped significantly in both overseas and domestic markets. Furthermore, thanks to the yen's depreciation, sales and profits increased substantially.**

Consolidated Operating Results and Business Forecast



(Millions of Yen)

		Second Quarter					Full Year				
		June 2021		June 2022			FY12/21		FY12/22 Revised Forecasts (Announced on August 9)		
		Actual		Actual	Actual	Change (%)	Actual	Income Ratio (%)	Amount	Income Ratio (%)	Change (%)
	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Change (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Change (%)	
Sales	Special Products	7,457		7,961		6.8	15,569		15,890		2.1
	Machine Tools	20,472		31,290		52.8	48,790		64,610		32.4
	Total	27,930		39,252		40.5	64,360		80,500		25.1
Operating Income	Special Products	1,279	17.2	1,522	19.1	19.1	2,282	14.7	2,570	16.2	12.6
	Machine Tools	2,171	10.6	5,143	16.4	136.9	6,857	14.1	10,580	16.4	54.3
	Eliminations or Corporate	(820)		(943)			(1,725)		(2,350)		
	Total	2,630	9.4	5,722	14.6	117.5	7,415	11.5	10,800	13.4	45.6
Ordinary Income		2,872	10.3	5,971	15.2	107.9	7,795	12.1	11,100	13.8	42.4
Net Income Attributable to Owners of Parent		2,114	7.6	4,209	10.7	99.1	5,740	8.9	7,900	9.8	37.6

ROE(%)	-	-	10.4	12.3
Cash Dividends Applicable to the Year	¥29	¥30	¥58	¥60

					Second half Assumed Exchange Rate	Full-Year Assumed Exchange Rate	Foreign Exchange Sensitivity*
Exchange Rate	US \$	¥107.70	¥122.89	¥109.80	¥125.00	¥123.95	63 million
	EUR	¥129.82	¥134.25	¥129.88	¥130.00	¥132.13	53 million
	GBP	¥149.61	¥159.46	¥151.07	¥155.00	¥157.23	3 million
	CHF	¥118.67	¥130.08	¥120.14	¥130.00	¥130.04	(6) million

*Sensitivity of operating income to a ¥1 change in foreign exchange rates.

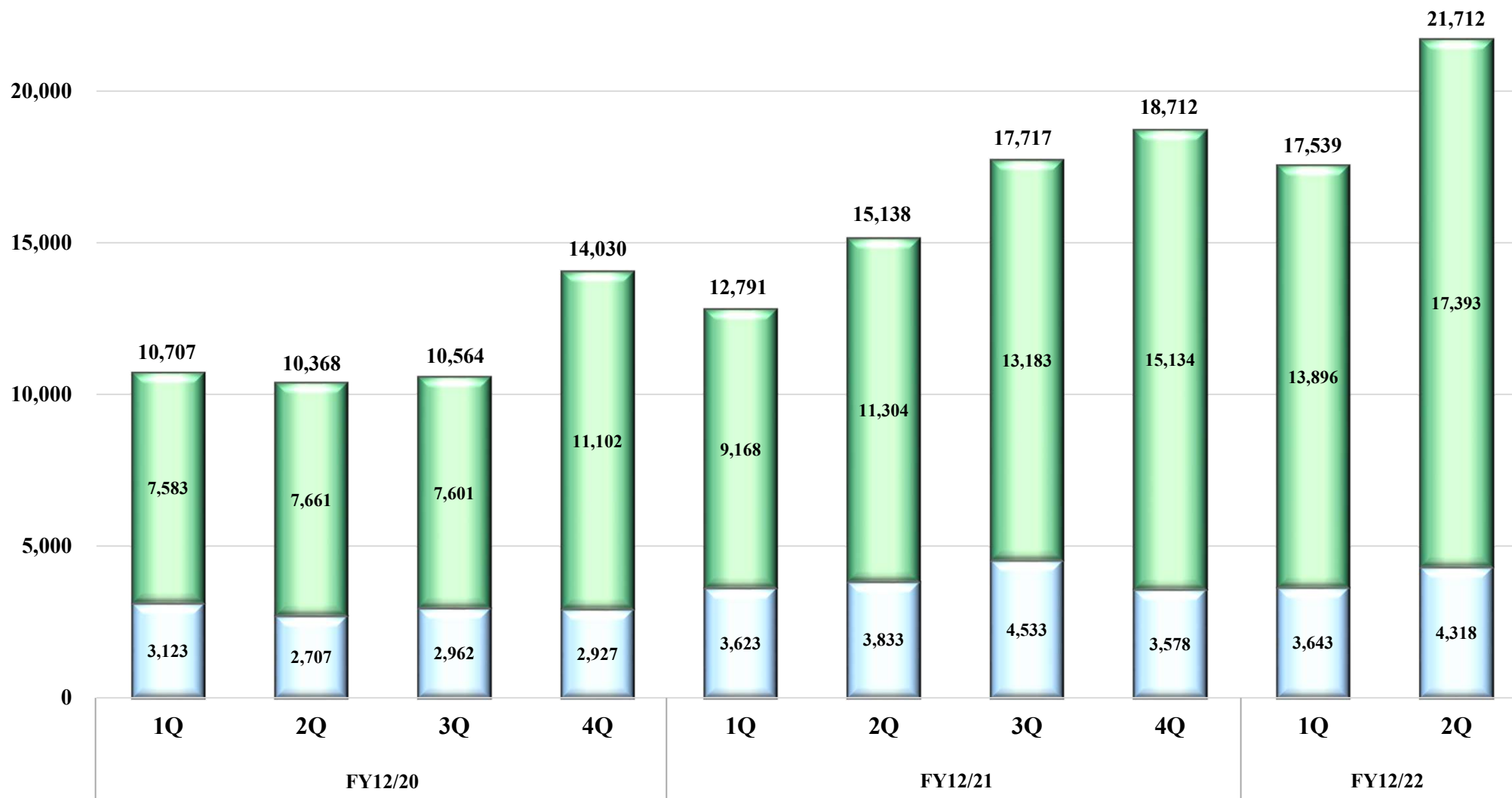
Quarterly Information(Net Sales)



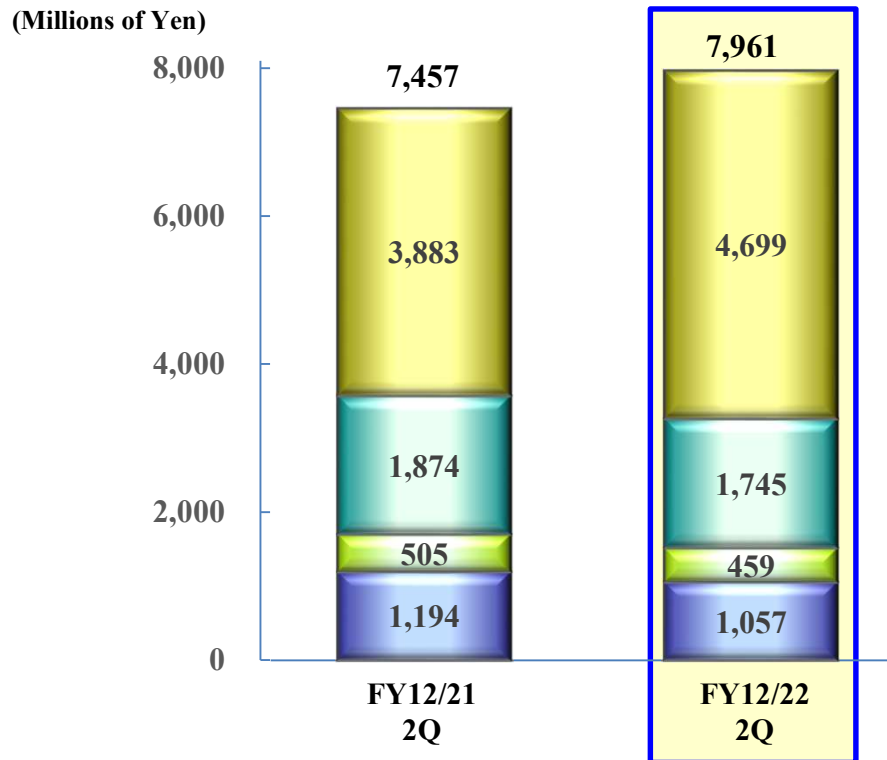
Net Sales

- Special Products
- Machine Tools

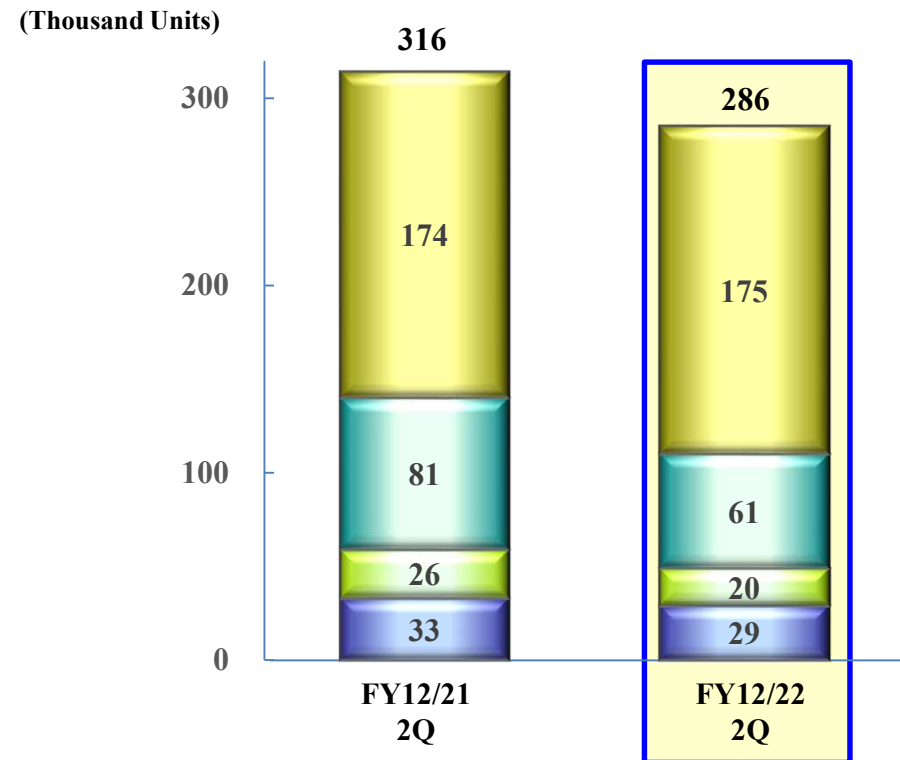
(Millions of Yen)



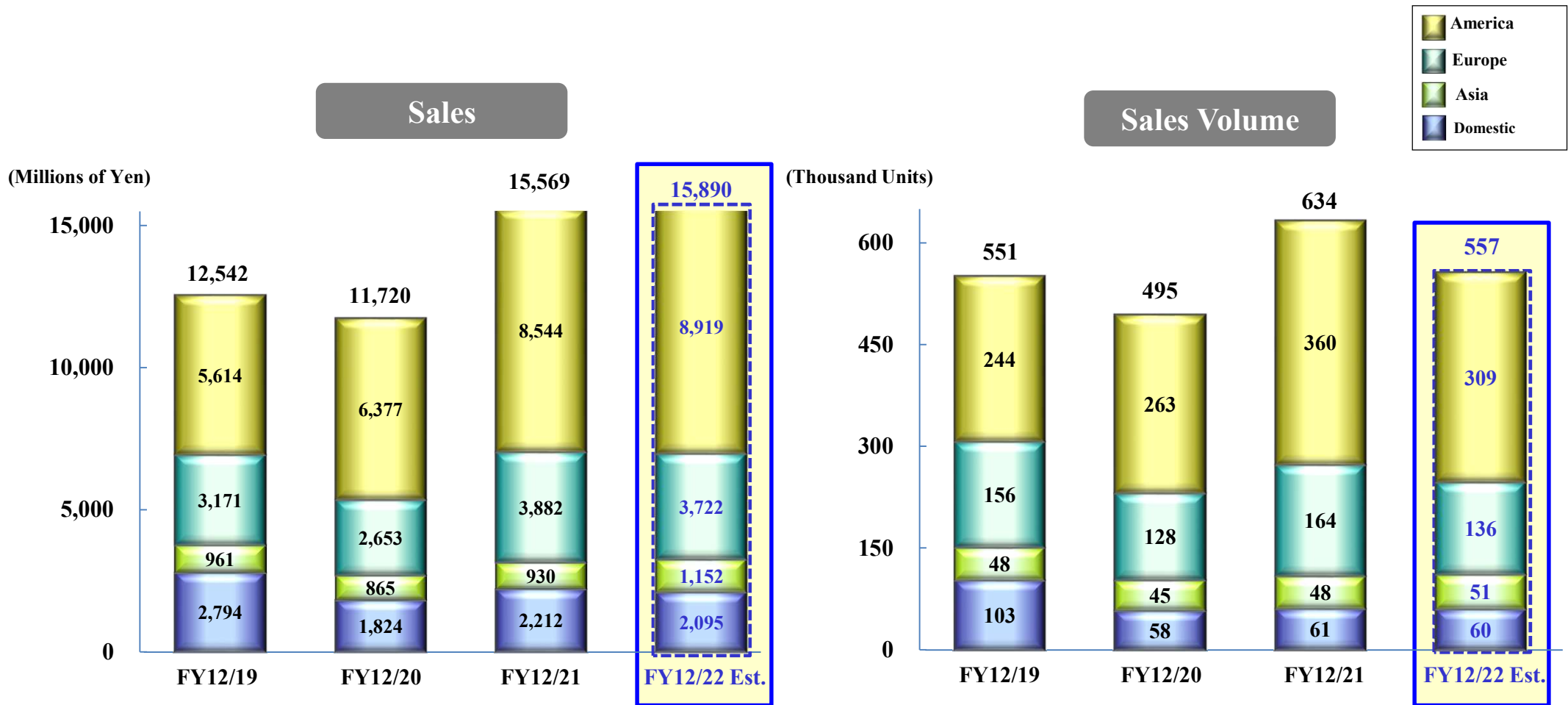
Sales



Sales Volume



- In the U.S. market, sales increased due in part to the impact of the yen's depreciation, although product shortages also had an effect.
- In the European and domestic markets, conditions were favorable, yet sales decreased due to shortages in the supply of products.

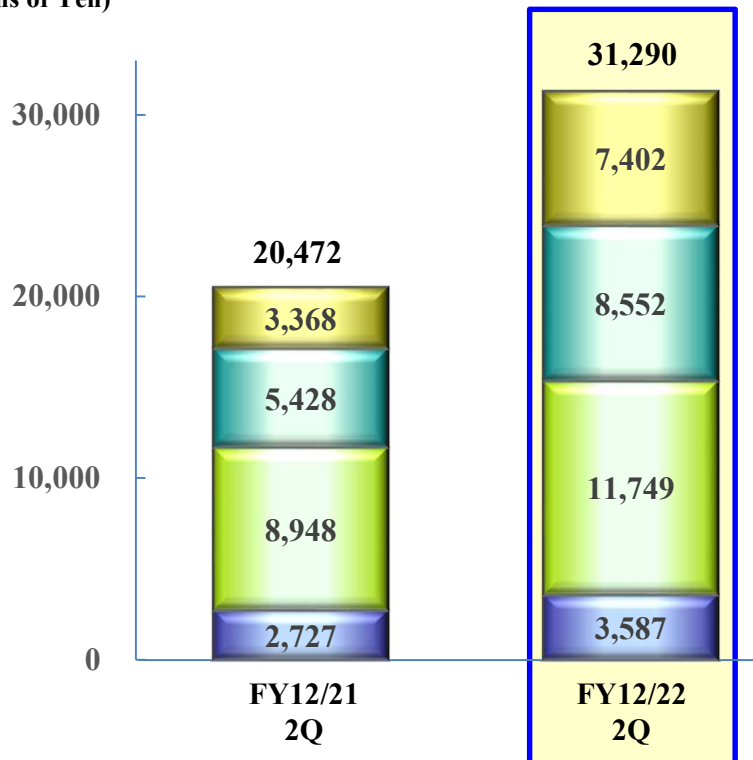


• As far as business results forecasts for the full-year are concerned, and despite the lingering uncertainty surrounding such factors as the procurement of components, in light of expectations that market conditions will remain robust as well as the impact of foreign currency exchange rates, both net sales and profits are projected to increase compared with the previous fiscal year.



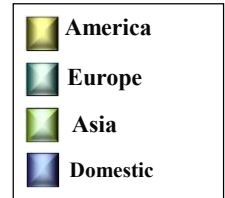
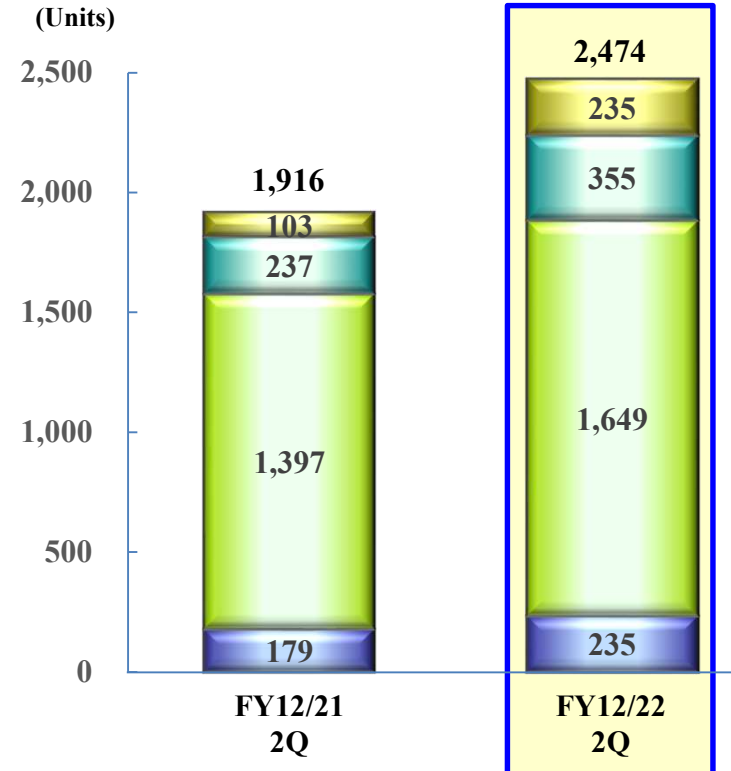
Sales

(Millions of Yen)



Sales Volume

(Units)

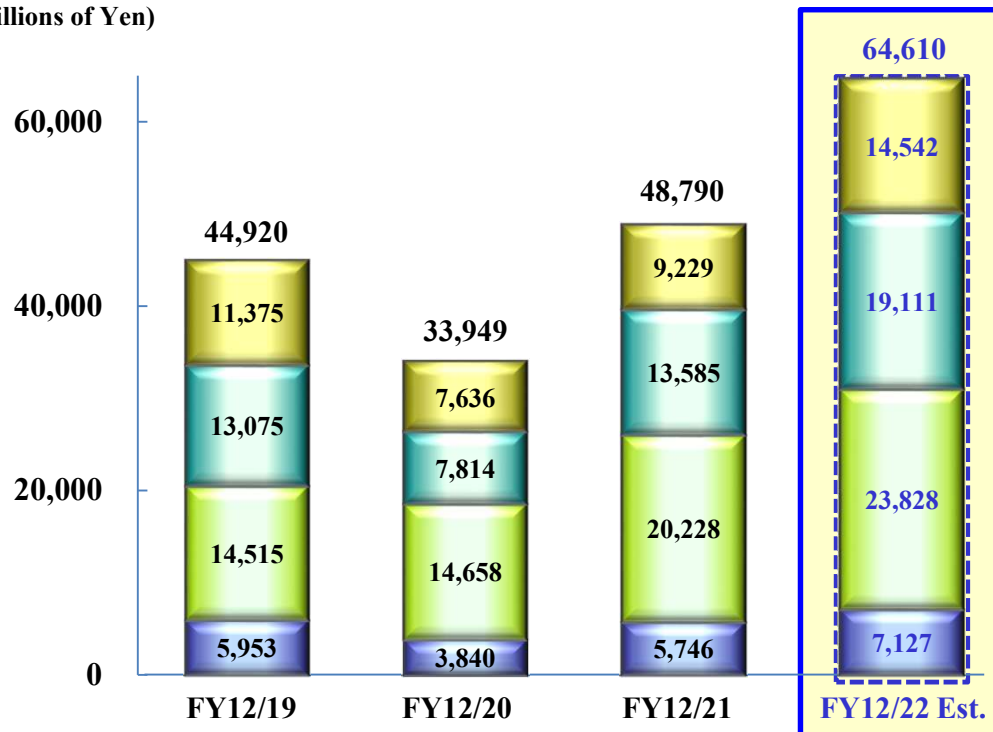


- In the U.S. market, sales were strong in a wide range of industries centered on the medical-related sector.
- In the European market, sales were robust in mainly the automotive-related industries.
- In the Asian market, sales grew substantially due to continued high levels in mainly automotive-related industries despite the temporary impact of lockdowns in China.
- In the domestic market, sales increased substantially owing to ongoing robust sales of mainly automotive-related products.



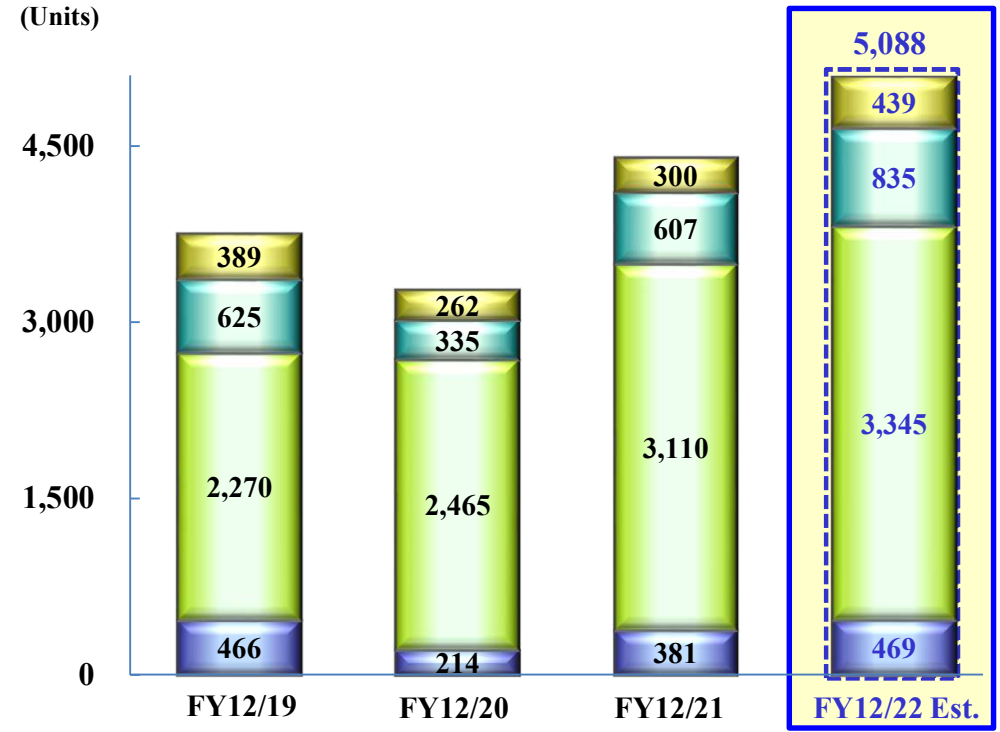
Sales

(Millions of Yen)



Sales Volume

(Units)



- As far as business results forecasts for the full-year are concerned, and despite the lingering uncertainty surrounding such factors as the procurement of components, in light of expectations that sales in the medical-related sector in the U.S. market and sales in the automotive industry in the other regions will remain robust as well as the impact of foreign currency exchange rates, both net sales and profits are projected to increase compared with the previous fiscal year.

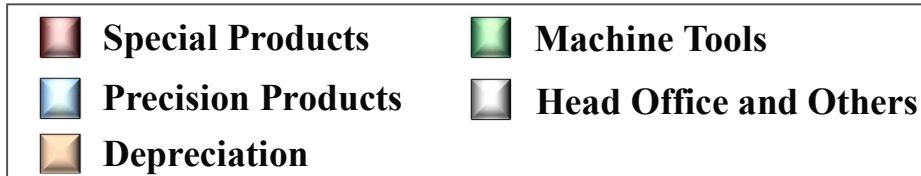
* Sales of "Precision Products" segment in the FY12/20 is included in the domestic sales of "Machine Tools" segment.

Capital Investment / R&D Costs



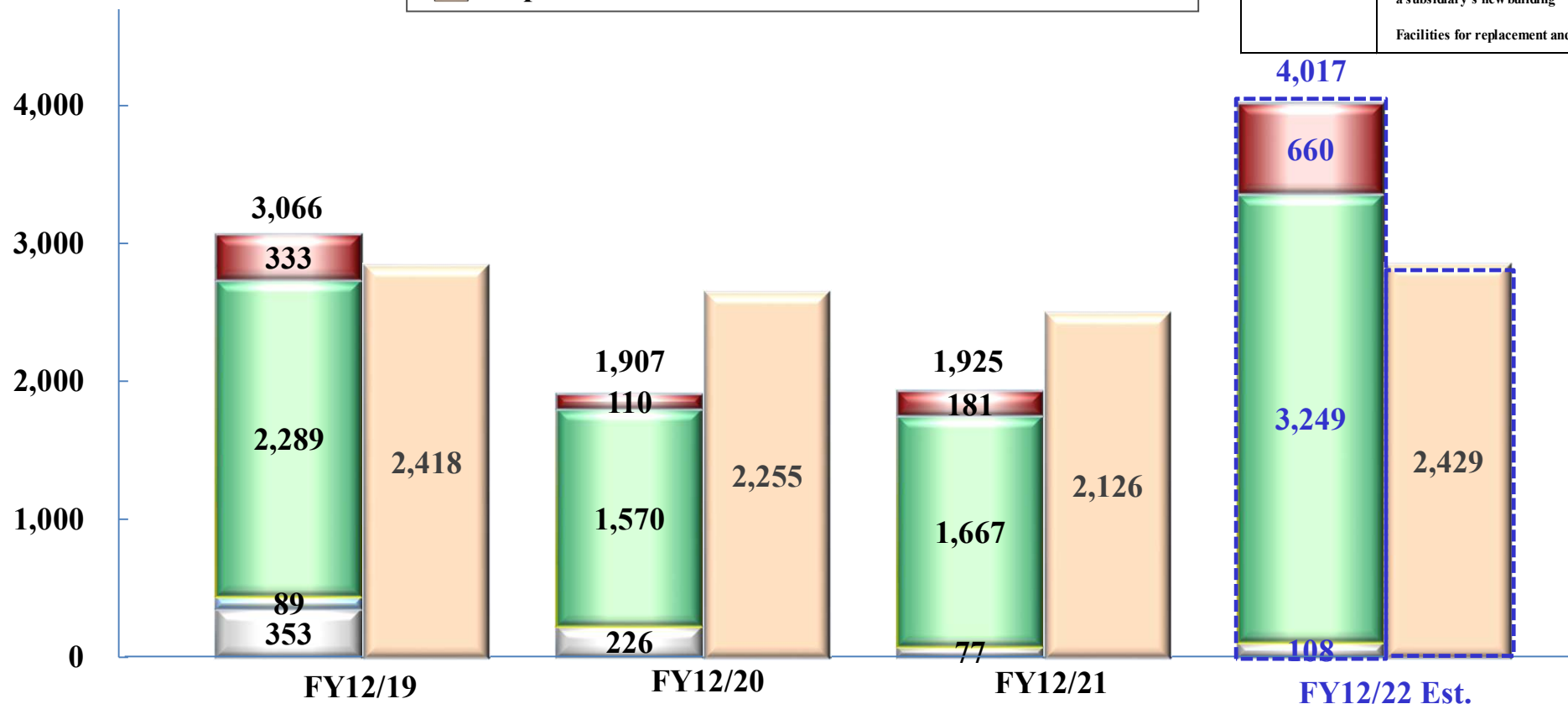
Capital Investment

(Millions of Yen)



【Main Capital Investment Plans】

	Breakdown
Special Products	Dies for new models, etc.
Machine Tools	Construction of Kikugawa Factory and a subsidiary's new building Facilities for replacement and maintenance



• Capital investment of "Precision Products" segment in the FY12/20 is included in "Machine Tools" segment.

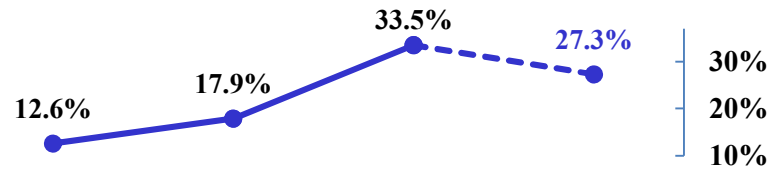
R&D Costs

(Millions of Yen)

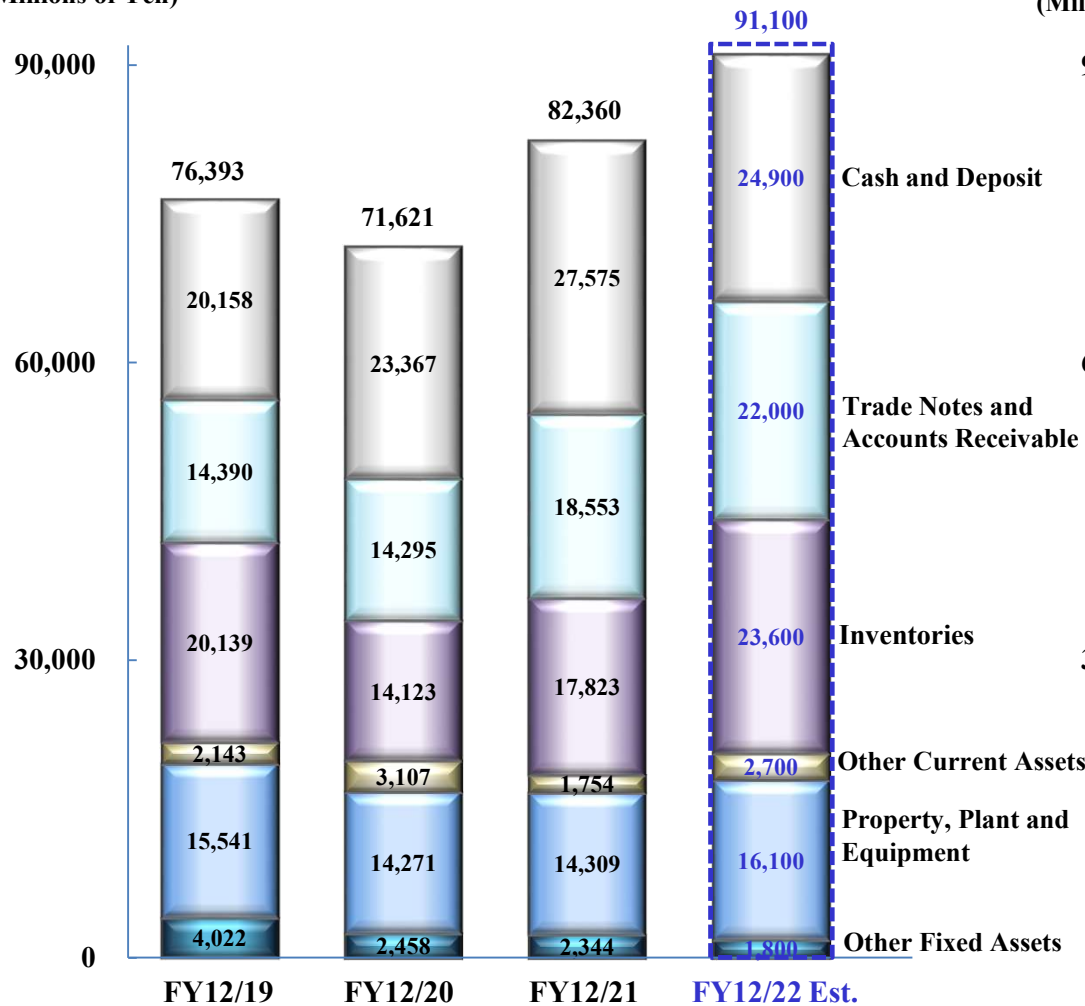
FY12/19	FY12/20	FY12/21	FY12/22 Est.
1,679	1,470	1,649	1,859

Assets

Ratio of Net Cash (to Total Assets)

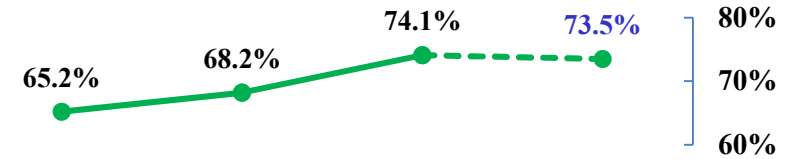


(Millions of Yen)

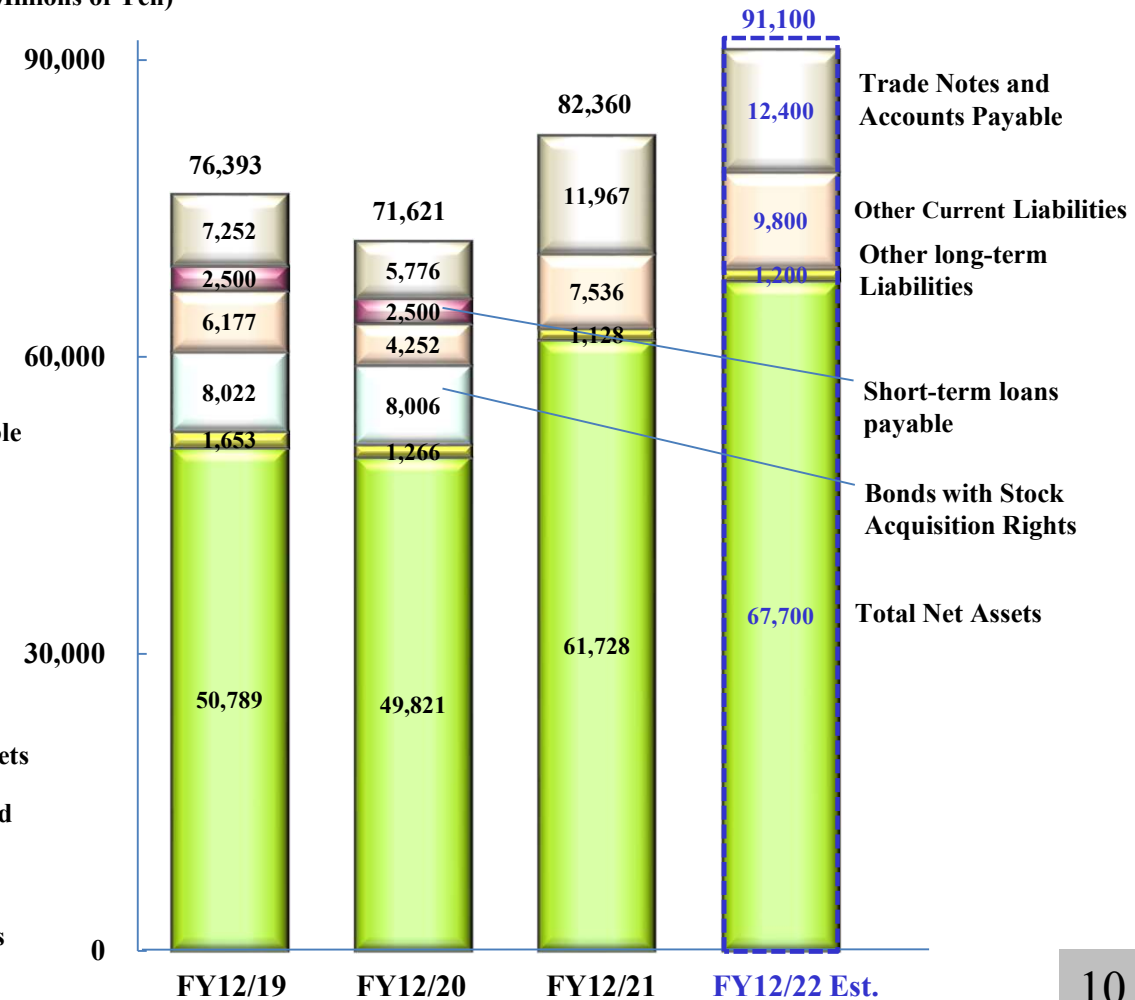


Liabilities/Net assets

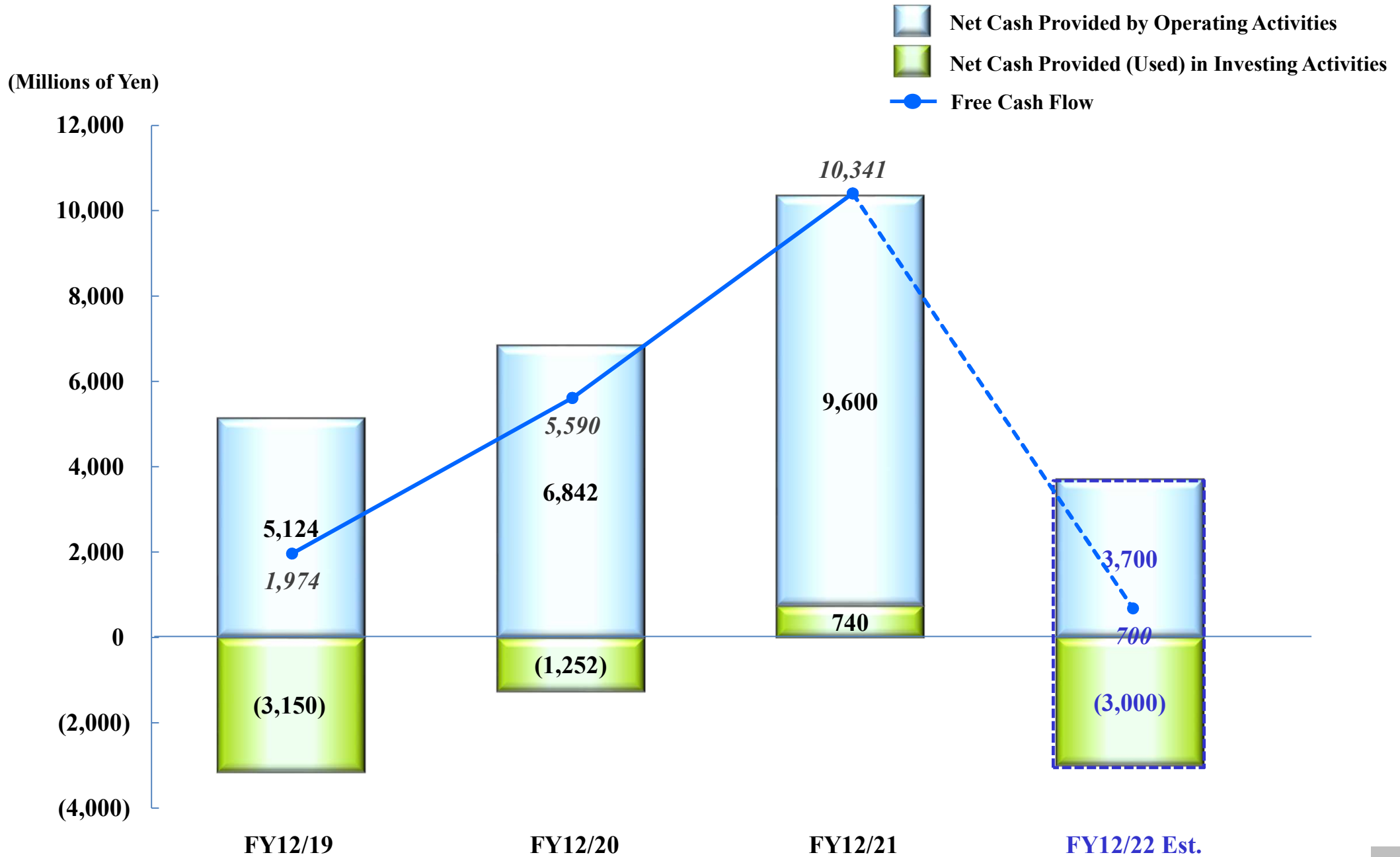
Equity Ratio



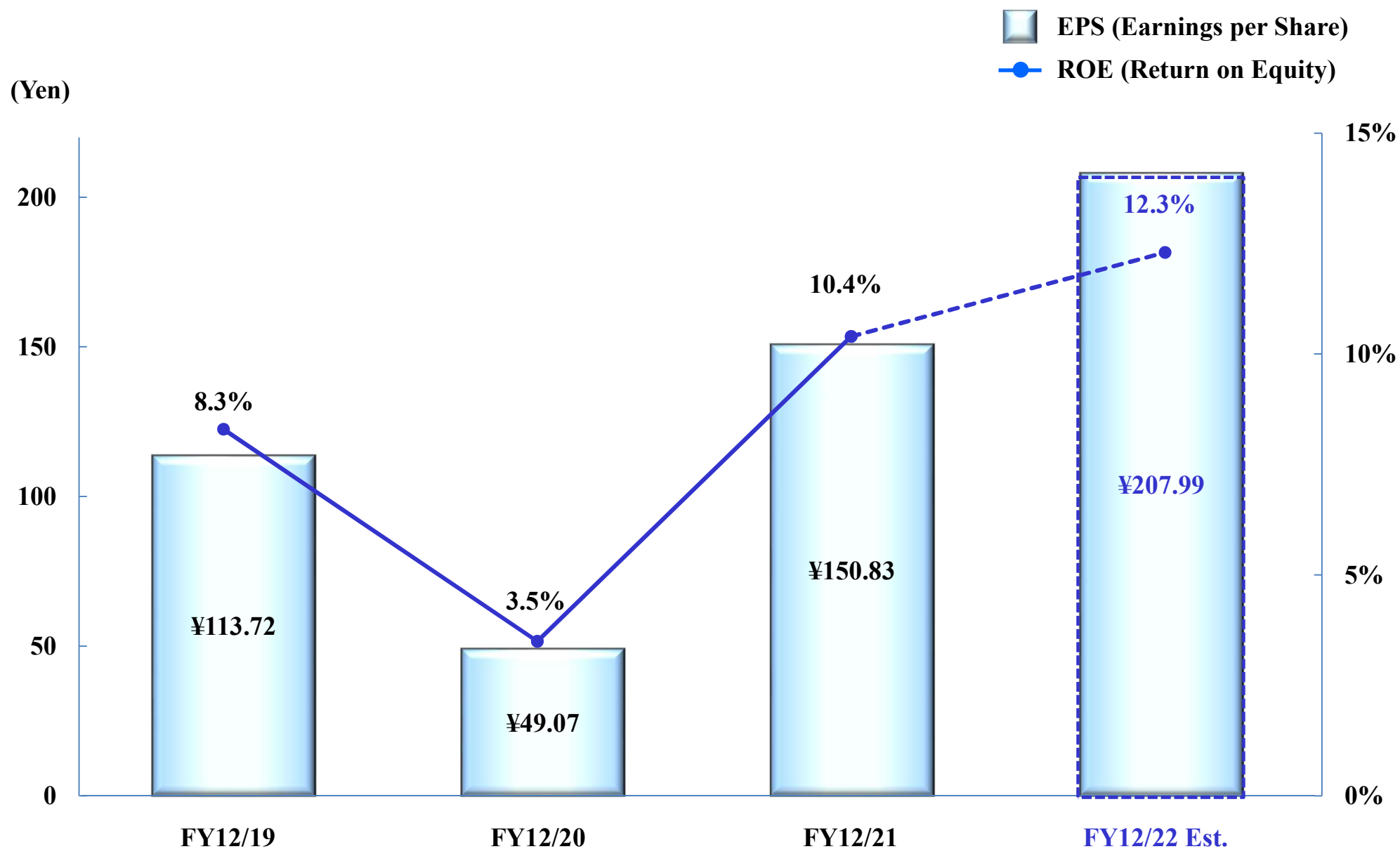
(Millions of Yen)



Cash Flows





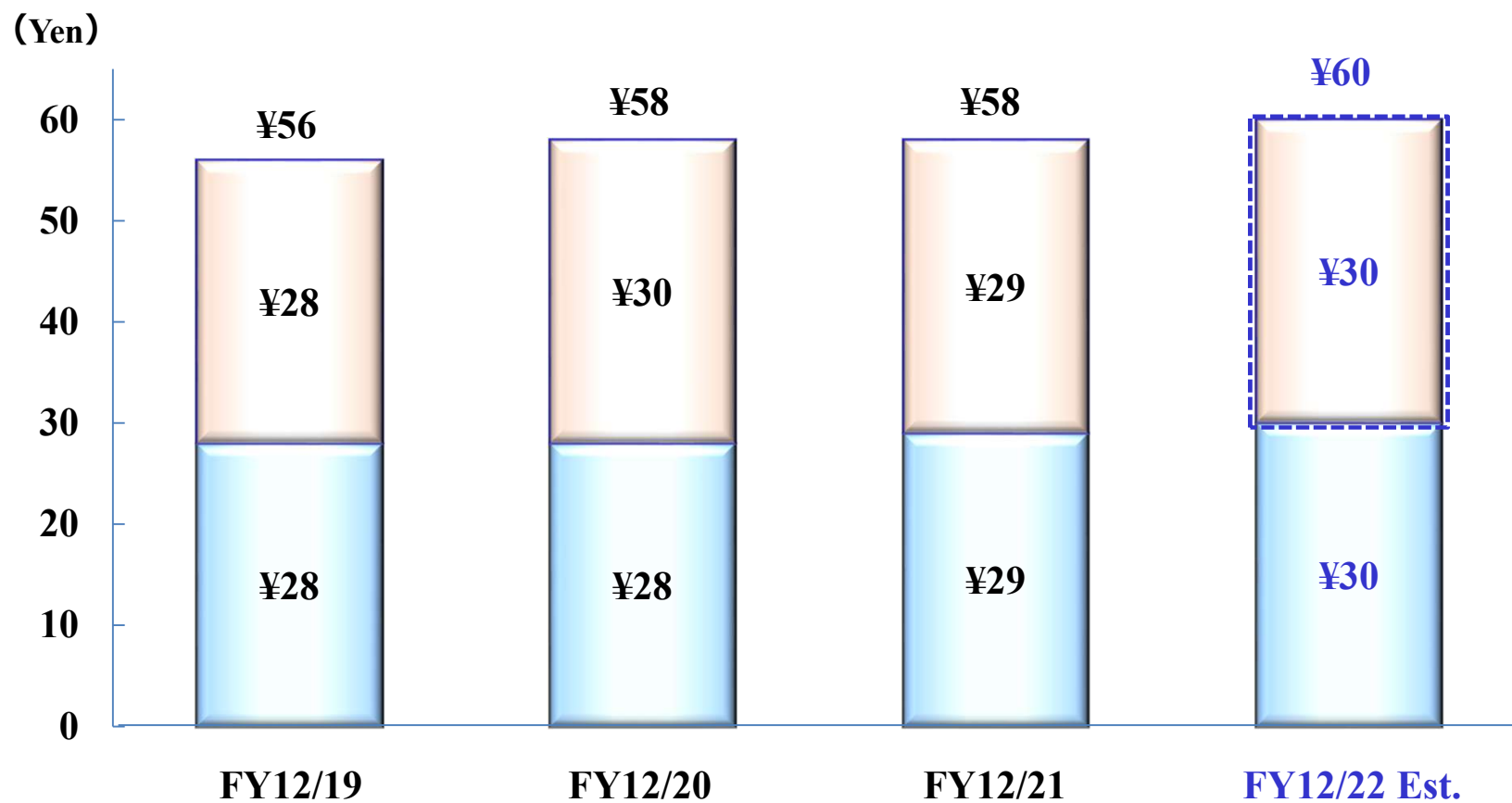
Key Financial Indicators



< Shareholder Return Policy > From FY12/22

- Annual Dividend : ¥60 or more
- Total Payout Ratio : 50% or more

 Year-end Dividend per Share
 Interim Dividend per Share



Total Payout Ratio	73.8%	118.2%	79.3%	50% or more
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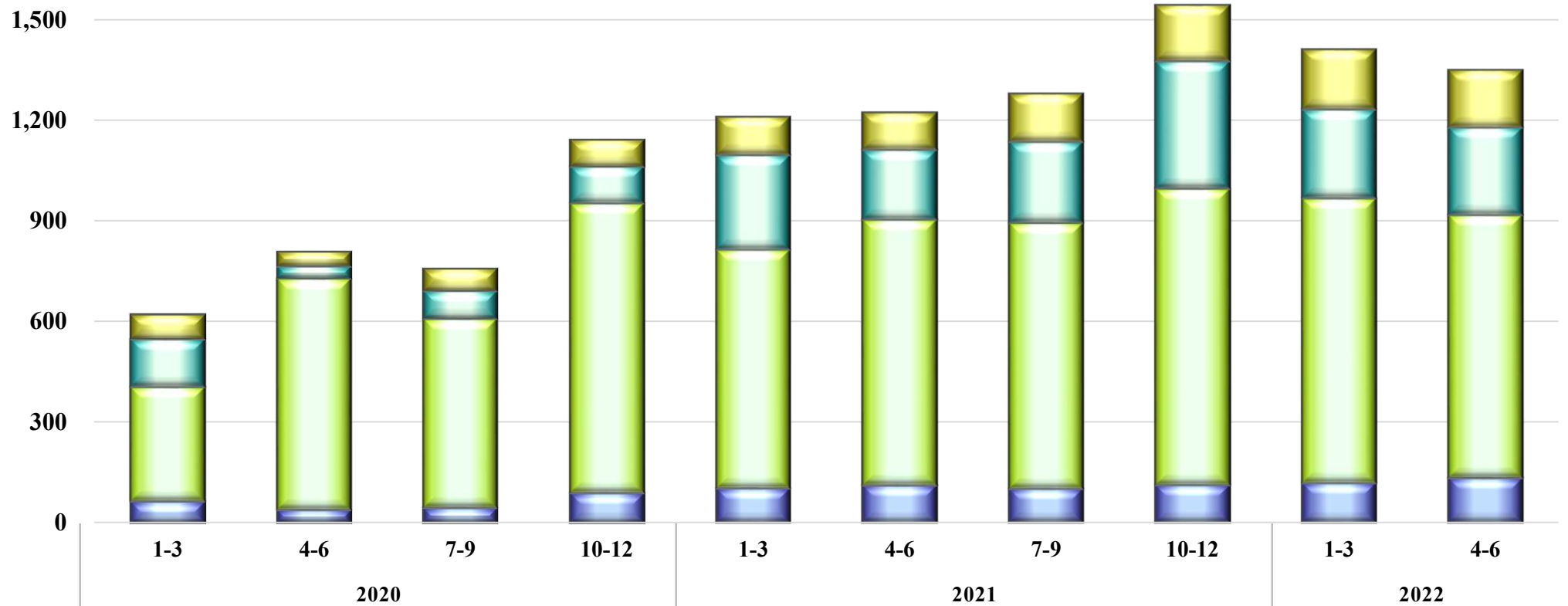
Reference

Trends in Quarterly Machine Tool Orders



(Ordered Unit)

(Units)



	2020				2021				2022	
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6
America	74	44	67	80	114	111	144	167	179	171
Europe	142	37	83	110	282	208	242	380	265	261
Asia	340	690	563	863	712	793	792	884	848	785
Domestic	63	38	44	88	102	111	101	112	118	133
Total	619	809	757	1,141	1,210	1,223	1,279	1,543	1,410	1,350

Performance Indicators (10-Year Data)



	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Income Ratio(%)	Ordinary Income (Millions of Yen)	Income Ratio(%)	Net Income Attributable to Owners of Parent (Millions of Yen)	Income Ratio(%)	EPS (Yen)	ROE (%)	Dividends per Share (Yen)
FY2/2013	37,858	1,579	4.2	2,254	6.0	2,299	6.1	54.66	6.0	30.00
FY2/2014	43,481	2,606	6.0	3,219	7.4	1,143	2.6	27.17	2.7	34.00
FY2/2015	50,957	5,476	10.7	6,150	12.1	4,695	9.2	111.36	9.8	44.00
FY2/2016	54,457	5,735	10.5	5,206	9.6	3,720	6.8	87.98	7.4	46.00
FY2/2017	48,937	3,606	7.4	3,583	7.3	3,181	6.5	81.77	6.9	48.00
FY2/2018	60,772	6,210	10.2	7,015	11.5	5,780	9.5	155.68	12.9	52.00
FY12/2018※	65,939	9,712	14.7	9,570	14.5	6,795	10.3	186.04	14.3	54.00
FY12/2019	60,651	5,817	9.6	6,161	10.2	4,053	6.7	113.72	8.3	56.00
FY12/2020	45,670	2,172	4.8	2,772	6.1	1,731	3.8	49.07	3.5	58.00
FY12/2021	64,360	7,415	11.5	7,795	12.1	5,740	8.9	150.83	10.4	58.00
FY12/2022(Est.)	80,500	10,800	13.4	11,100	13.8	7,900	9.8	207.99	12.3	60.00

※ The consolidated fiscal period for the fiscal period ended December 31, 2018 is based on and presented for a 10-month period for the Company and consolidated subsidiaries in Japan and a 12-month period for overseas consolidated subsidiaries.

Special Products



Cash Drawer and Receipt Printer
mPOP



POS Printer
TSP100IV series



Melody Speaker
mC-Sound



Blue back-lit, LCD display
SCD222U

Machine Tools



CNC Swiss Type Automatic Lathe
SL-10



CNC Swiss Type Automatic Lathe
SX-38 type B



CNC Swiss Type Automatic Lathe
SR-32JIII type B