

# Financial Results for the FY2023 Second Quarter

STAR MICRONICS CO., LTD.

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

Code 7718

August 9, 2023

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\* 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 FY2023 Second Quarter

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## Increases in Sales and Substantial Increases in Profits Year on Year

■ Net Sales	¥42.92 billion	9.4% up YoY
■ Operating Income	¥7.38 billion	29.0% up YoY
■ Ordinary Income	¥7.61 billion	27.5% up YoY
■ Net Income Attributable to Owners of Parent	¥5.23 billion	24.5% up YoY

- ✓ **Special Products Segment, Sales and Profit increased mainly due to the impact of the yen's depreciation.**
- ✓ **Machine Tools Segment, Sales increased due to the steady filling of backlog orders and the impact of the yen's depreciation, and Profit increased significantly.**

# Consolidated Operating Results and Business Forecast



(Millions of Yen)

		Second Quarter					Full Year				
		June 2022		June 2023			FY12/22		FY12/23 Revised Forecasts		
		Actual		Actual			Actual		(Announced on August 9)		
		Amount	Income Ratio (%)	Amount	Income Ratio (%)	Change (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Change (%)
Sales	Special Products	7,961		8,982		12.8	17,959		16,300		(9.2)
	Machine Tools	31,290		33,943		8.5	69,408		62,700		(9.7)
	Total	39,252		42,926		9.4	87,368		79,000		(9.6)
Operating Income	Special Products	1,522	19.1	1,701	18.9	11.7	3,754	20.9	2,200	13.5	(41.4)
	Machine Tools	5,143	16.4	6,684	19.7	30.0	12,248	17.6	10,800	17.2	(11.8)
	Eliminations or Corporate	(943)		(1,005)			(2,077)		(2,000)		
	Total	5,722	14.6	7,380	17.2	29.0	13,925	15.9	11,000	13.9	(21.0)
Ordinary Income		5,971	15.2	7,614	17.7	27.5	14,199	16.3	11,400	14.4	(19.7)
Net Income Attributable to Owners of Parent		4,209	10.7	5,238	12.2	24.5	10,298	11.8	8,400	10.6	(18.4)
ROE(%)		-		-			15.4		11.3		
Cash Dividends Applicable to the Year		¥30		¥30			¥70*		¥60		

\* Included a special dividend of ¥10 per share

		Second half Assumed Exchange Rate	Full-Year Assumed Exchange Rate	Foreign Exchange Sensitivity*
Exchange Rate	US \$	¥122.89	¥134.84	40 million
	EUR	¥134.25	¥145.76	55 million
	GBP	¥159.46	¥166.38	4 million

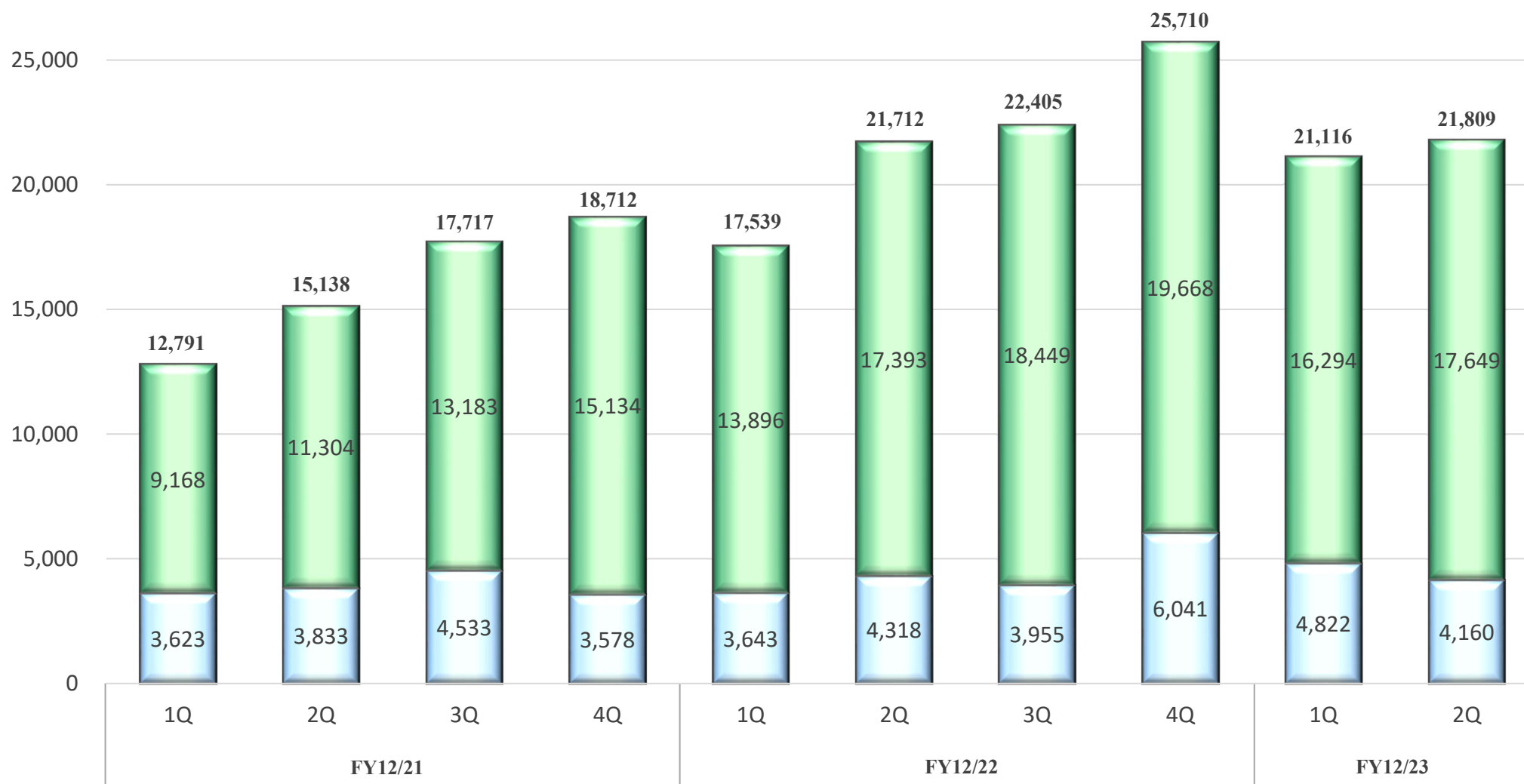
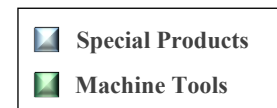
\*Sensitivity of operating income to a ¥1 change in foreign exchange rates.

# Quarterly Information(Net Sales)



## Net Sales

(Millions of Yen)

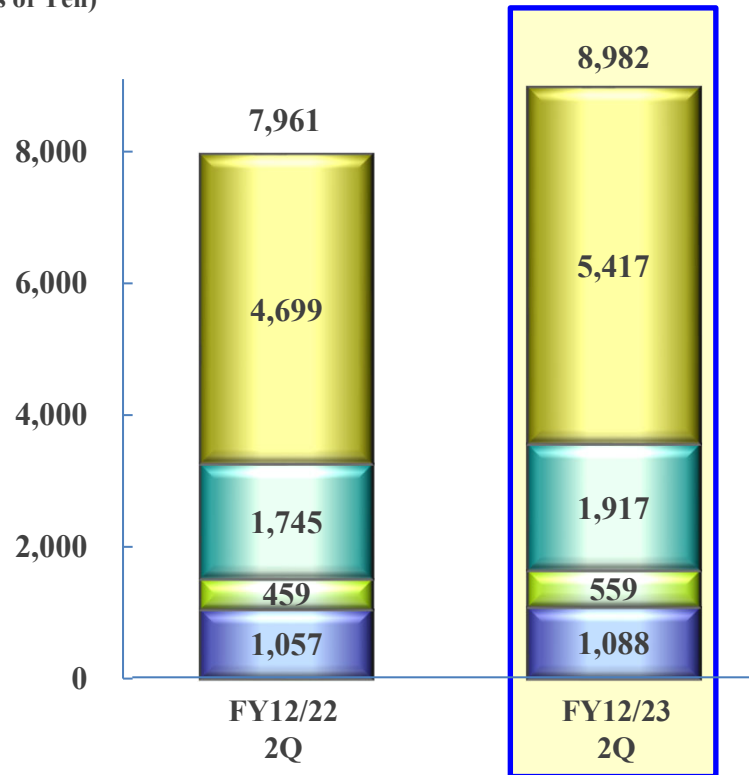


# Special Products Second Quarter Actual



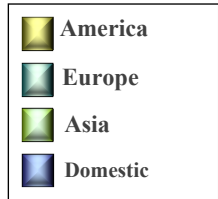
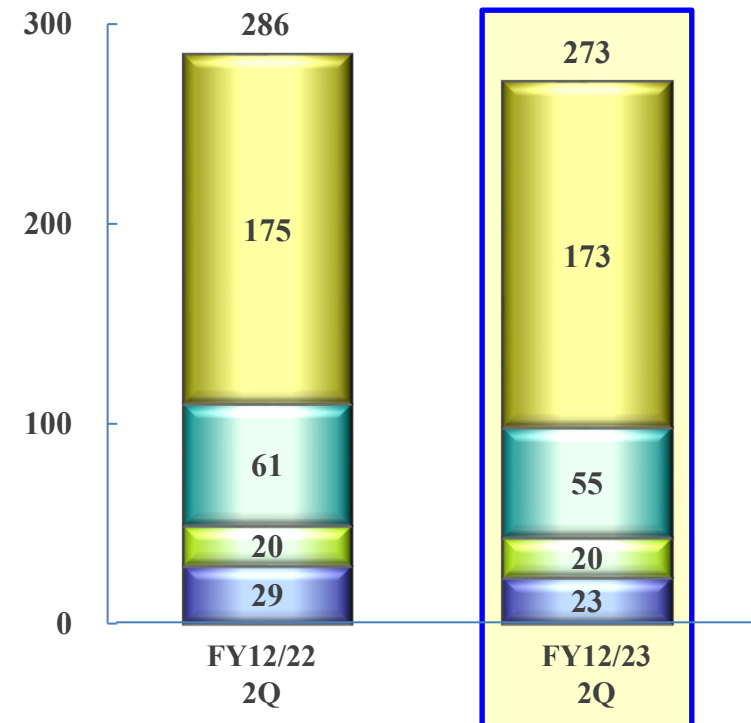
Sales

(Millions of Yen)



Sales Volume

(Thousand Units)



\* Sales Volume are for POS printers only.

- In the U.S. and European market, sales increased due to the impact of the yen's depreciation.
- In the domestic market, despite weak market conditions, sales were on a par with the corresponding period of the previous fiscal year owing to the inclusion of SST in the Company's scope of consolidation.



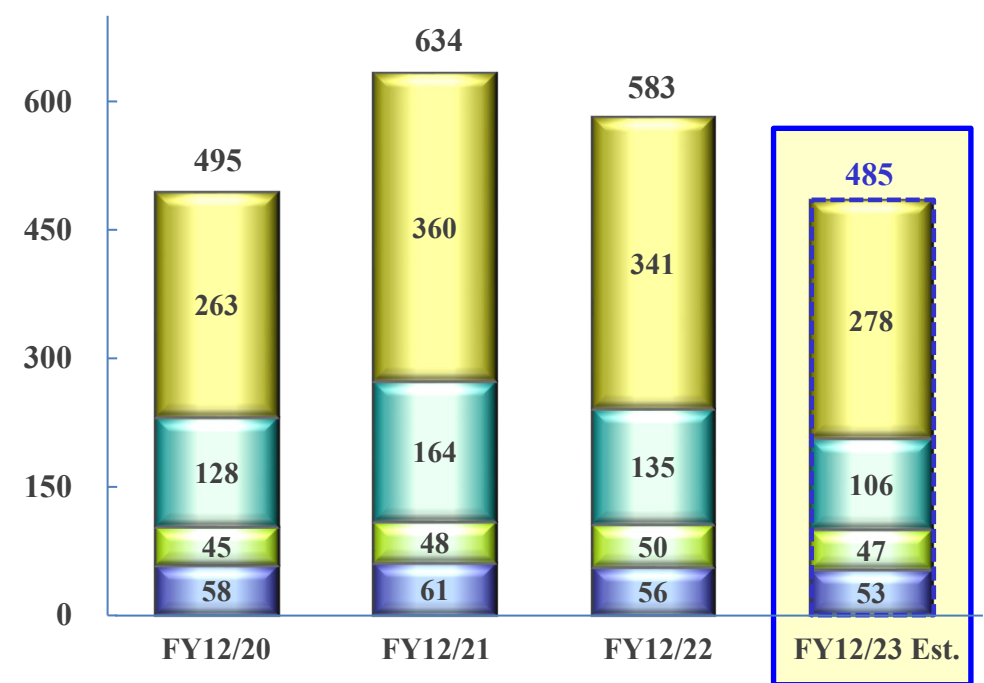
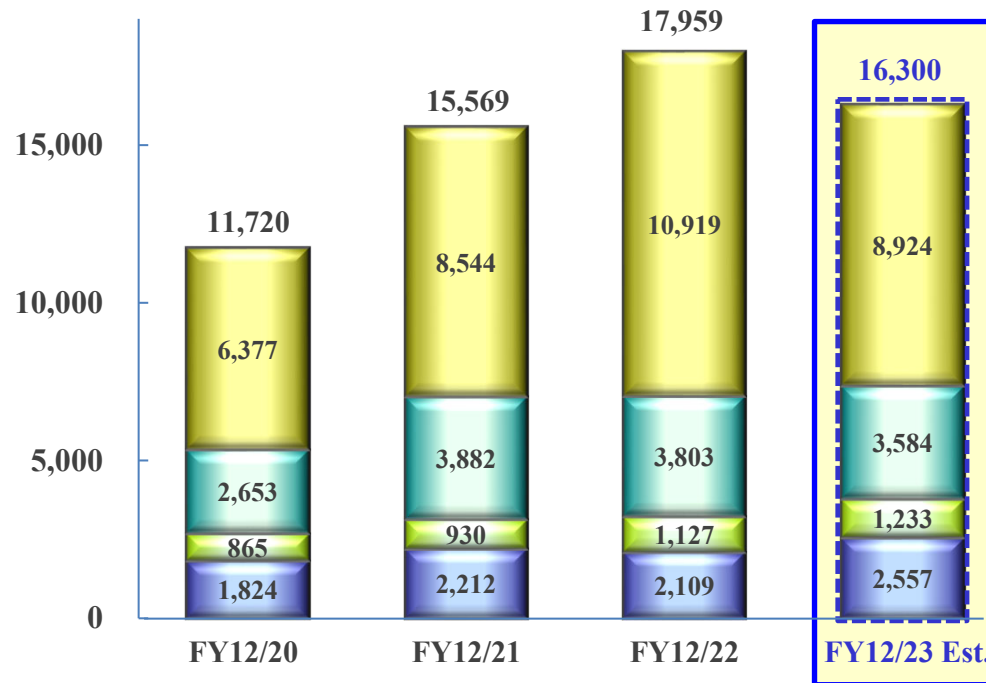
### Sales

### Sales Volume



(Millions of Yen)

(Thousand Units)

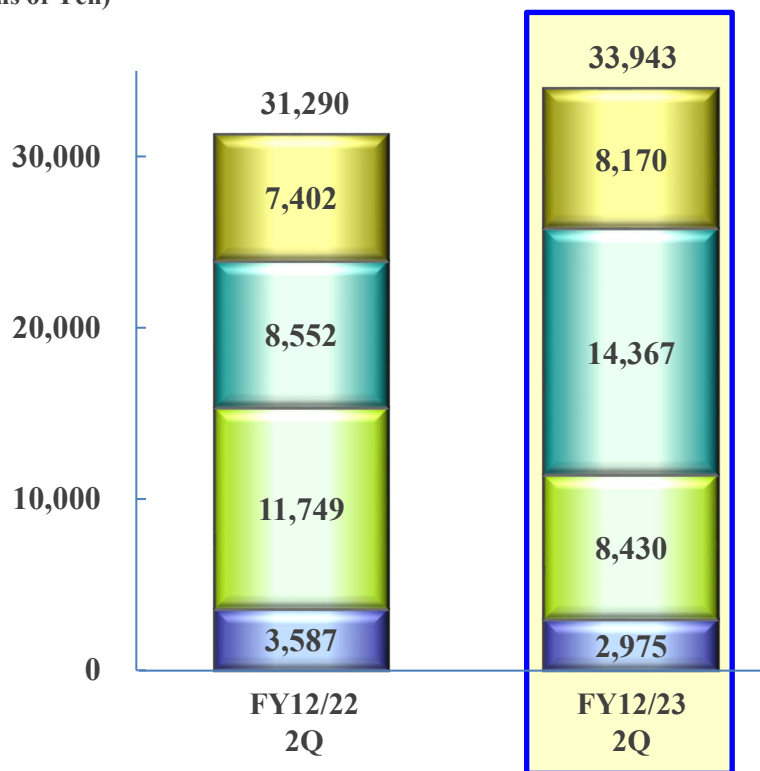


• As far as business forecasts for the full fiscal year are concerned, net sales are projected to decrease compared with the previous fiscal year; profits are expected to substantially decline year on year; despite the impact of such factors as the yen's depreciation, this downturn largely reflects expectations that market conditions will remain generally sluggish.



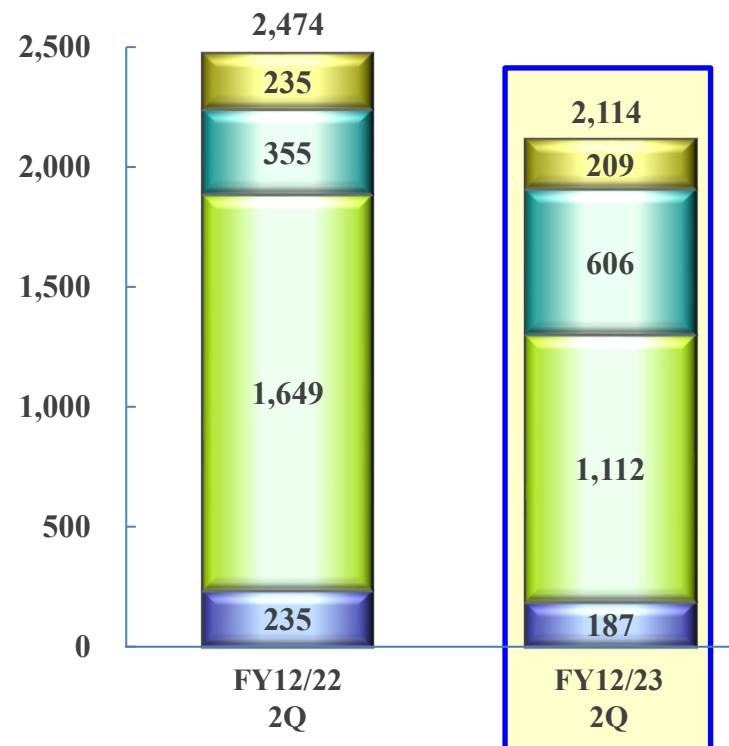
## Sales

(Millions of Yen)



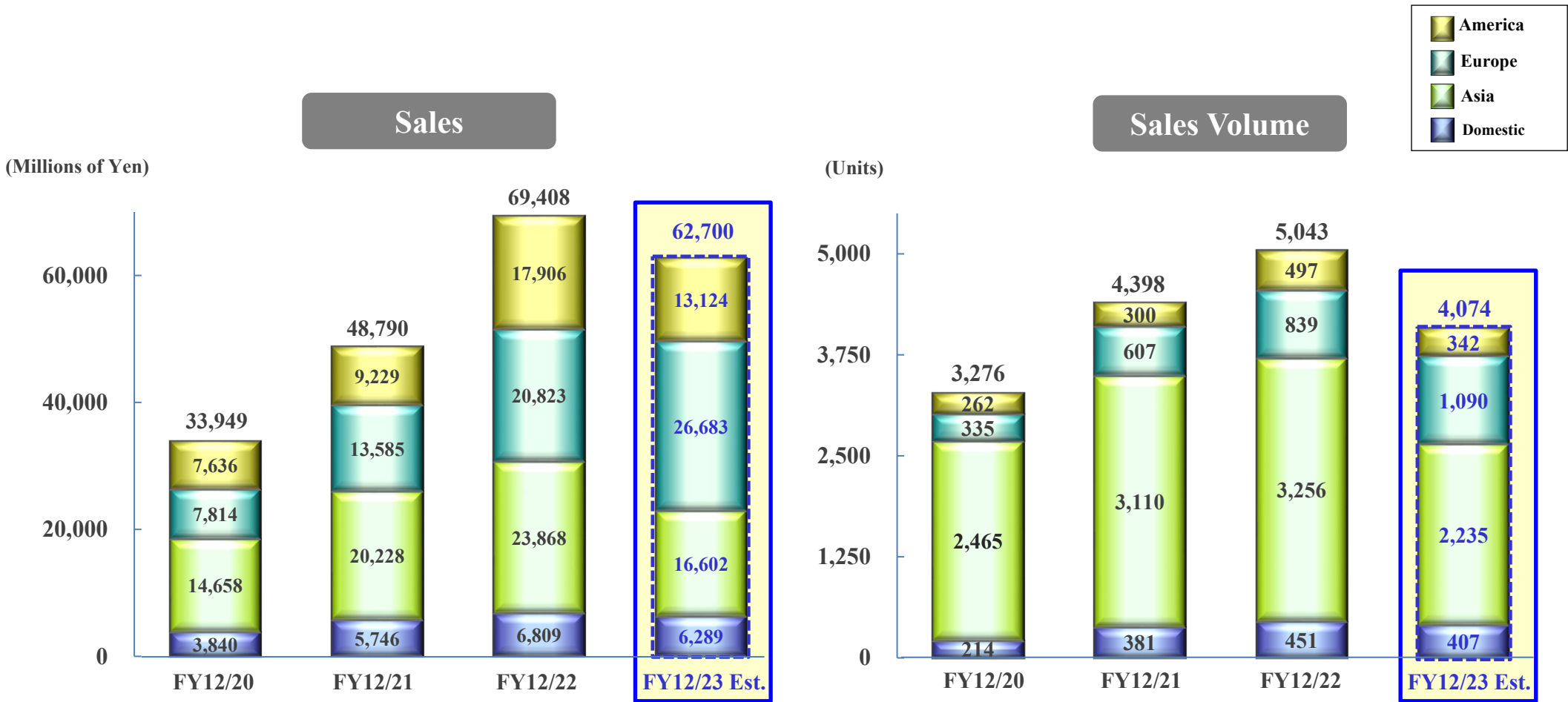
## Sales Volume

(Units)



- In the U.S. market, sales increased mainly in the medical-related sector.
- In the European market, sales increased significantly mainly in the automotive-related sector.
- In the Asian market, sales decreased significantly mainly in the automotive-related sector in China.
- In the domestic market, sales decreased due to lack of momentum of the automotive-related sector.





• As far as business forecasts for the full fiscal year are concerned, net sales and profits are projected to decrease year on year, despite an increase in Europe, this downturn is mainly due to expectations of weak market conditions in general in other regions.

# Capital Investment / R&D Costs



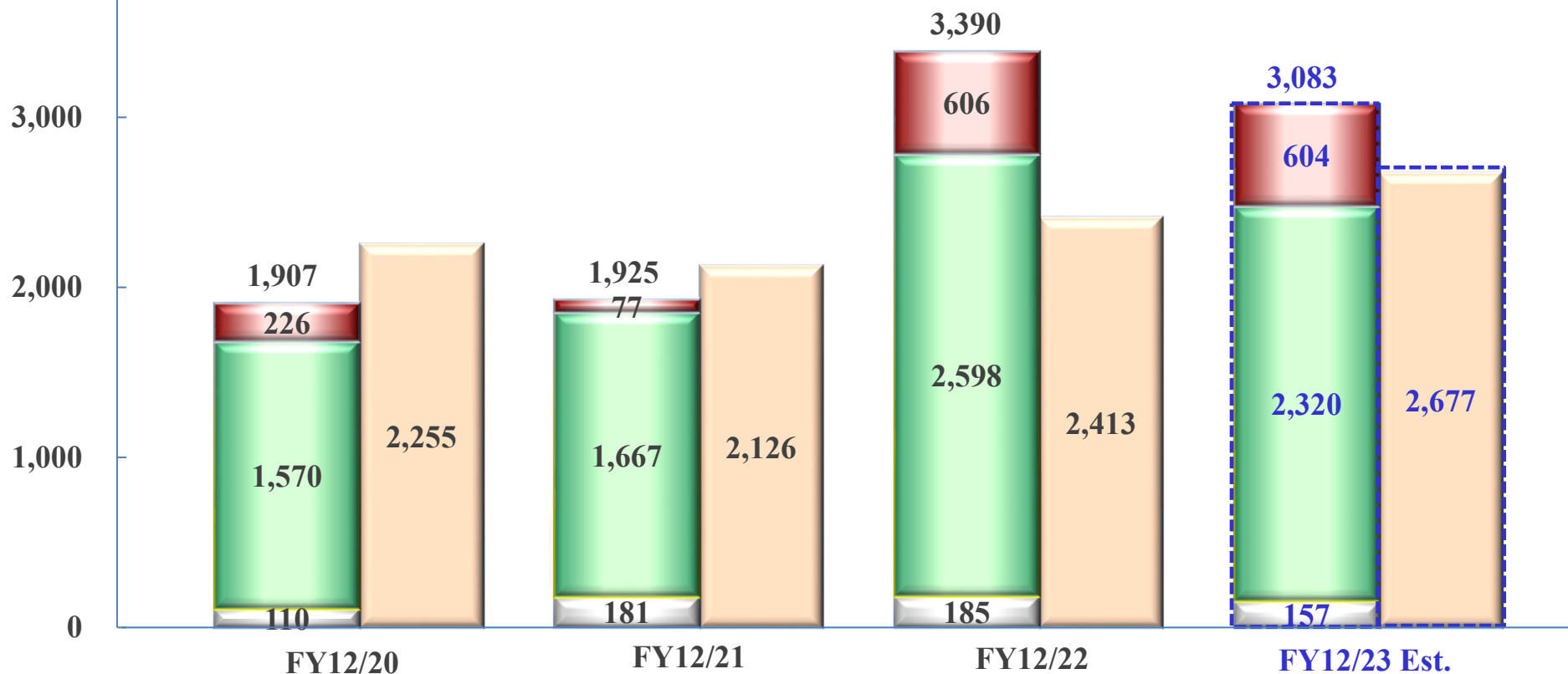
## Capital Investment



【Main Capital Investment Plans】

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

(Millions of Yen)



## R&D Costs

(Millions of Yen)

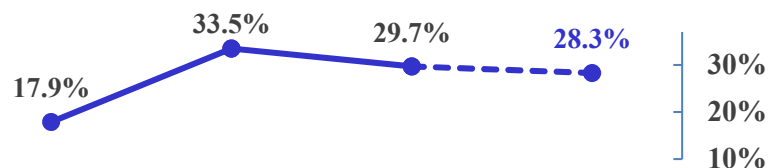
FY12/20	FY12/21	FY12/22	FY12/23 Est.
1,470	1,649	1,965	2,096

# Balance Sheets

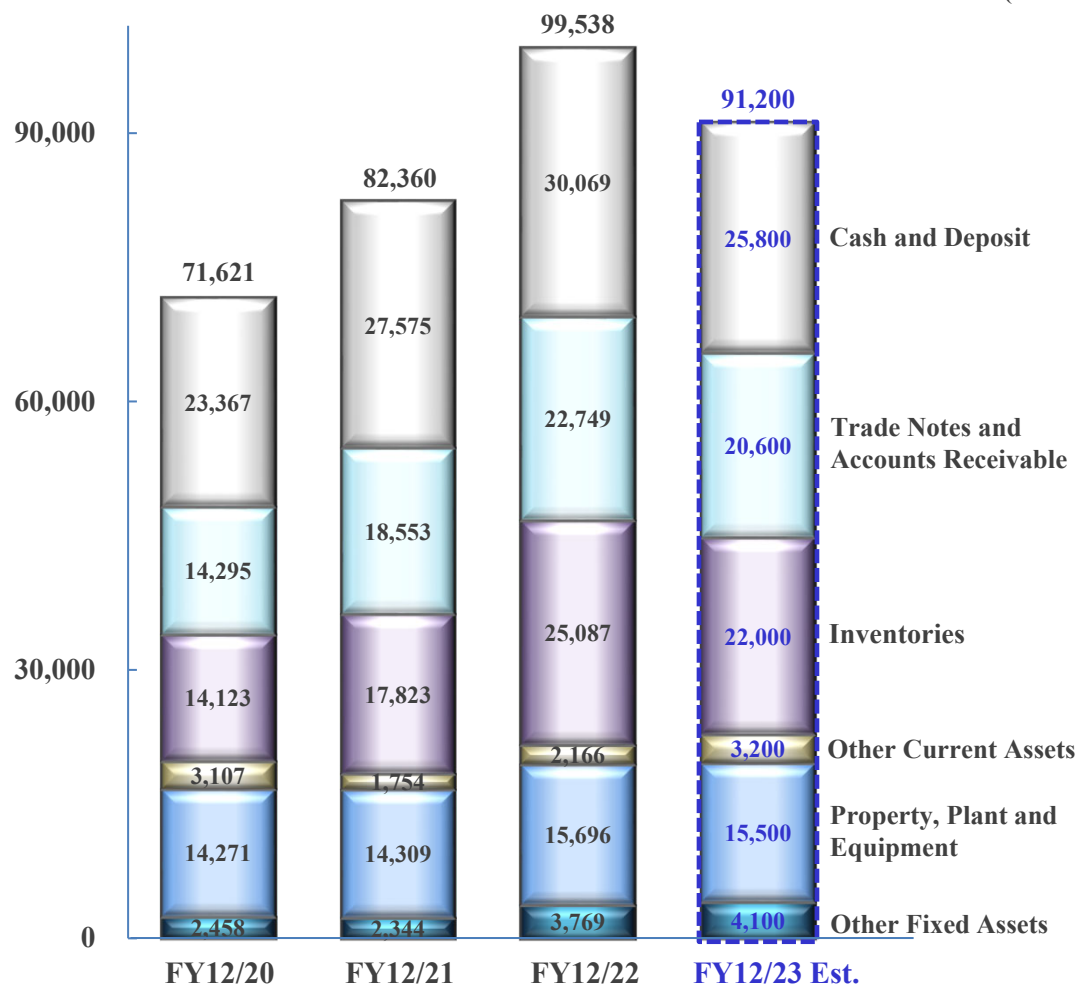


## Assets

Ratio of Net Cash (to Total Assets)

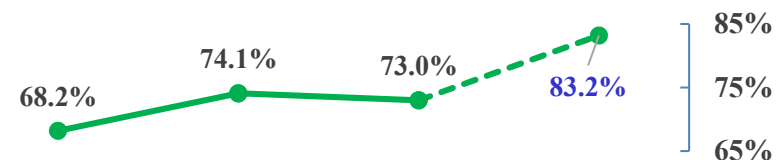


(Millions of Yen)

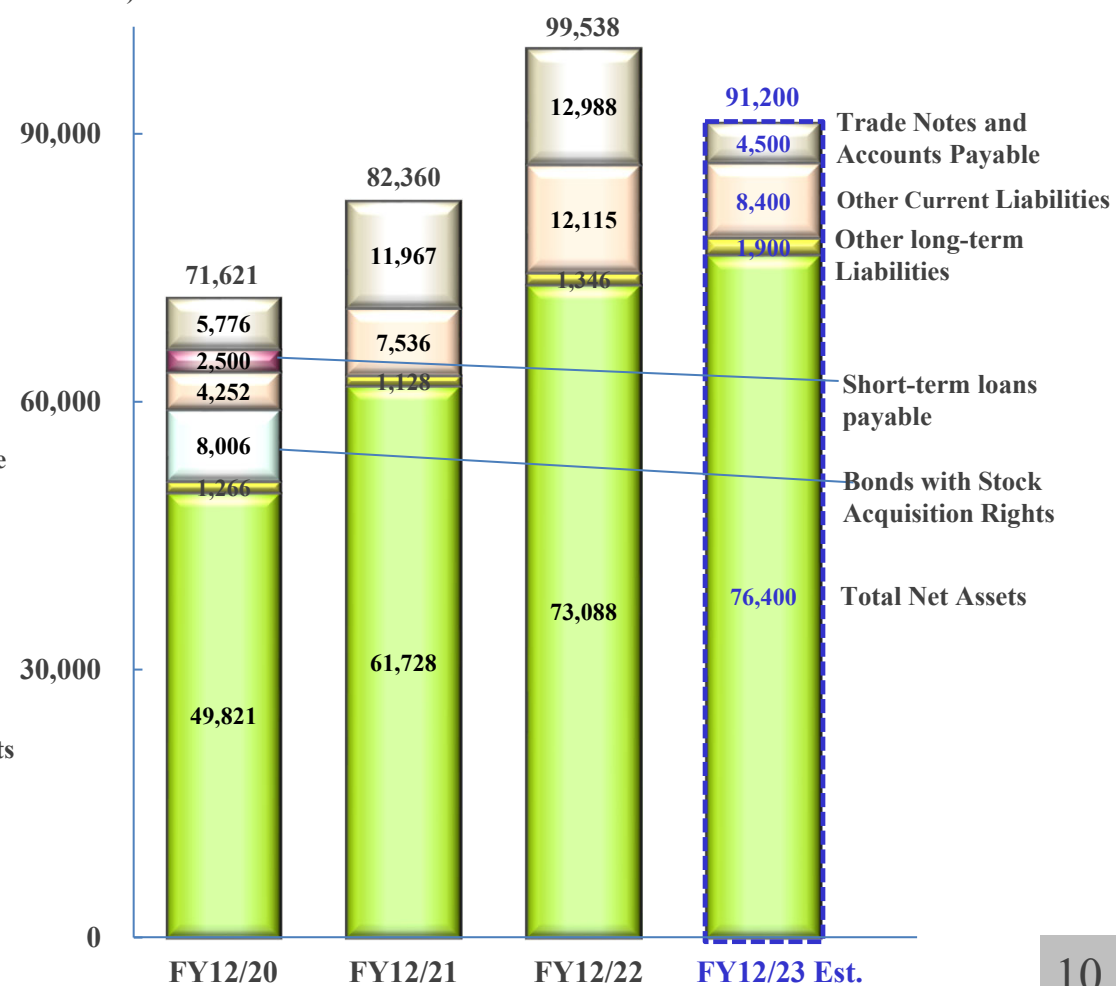


## Liabilities/Net assets

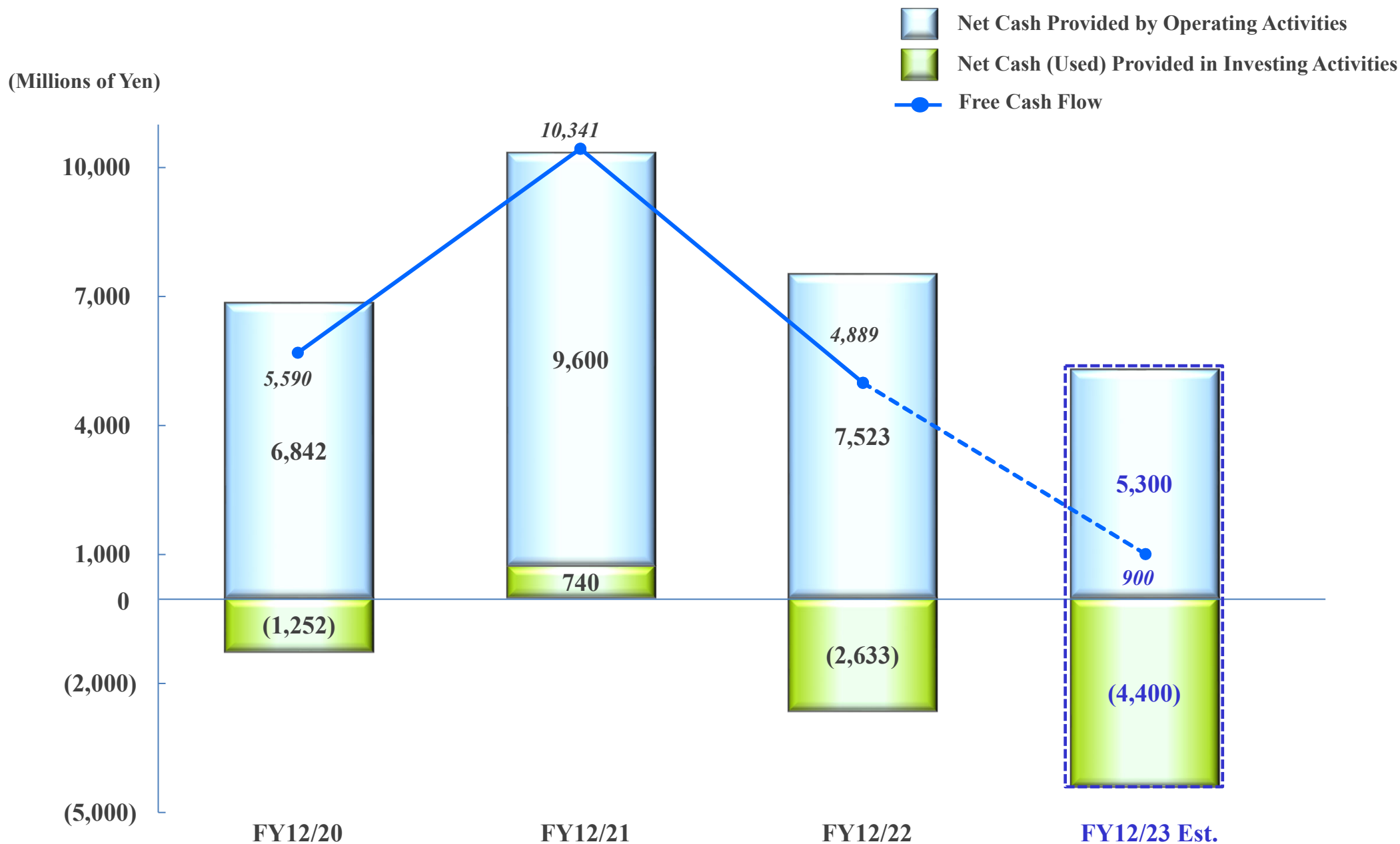
Equity Ratio



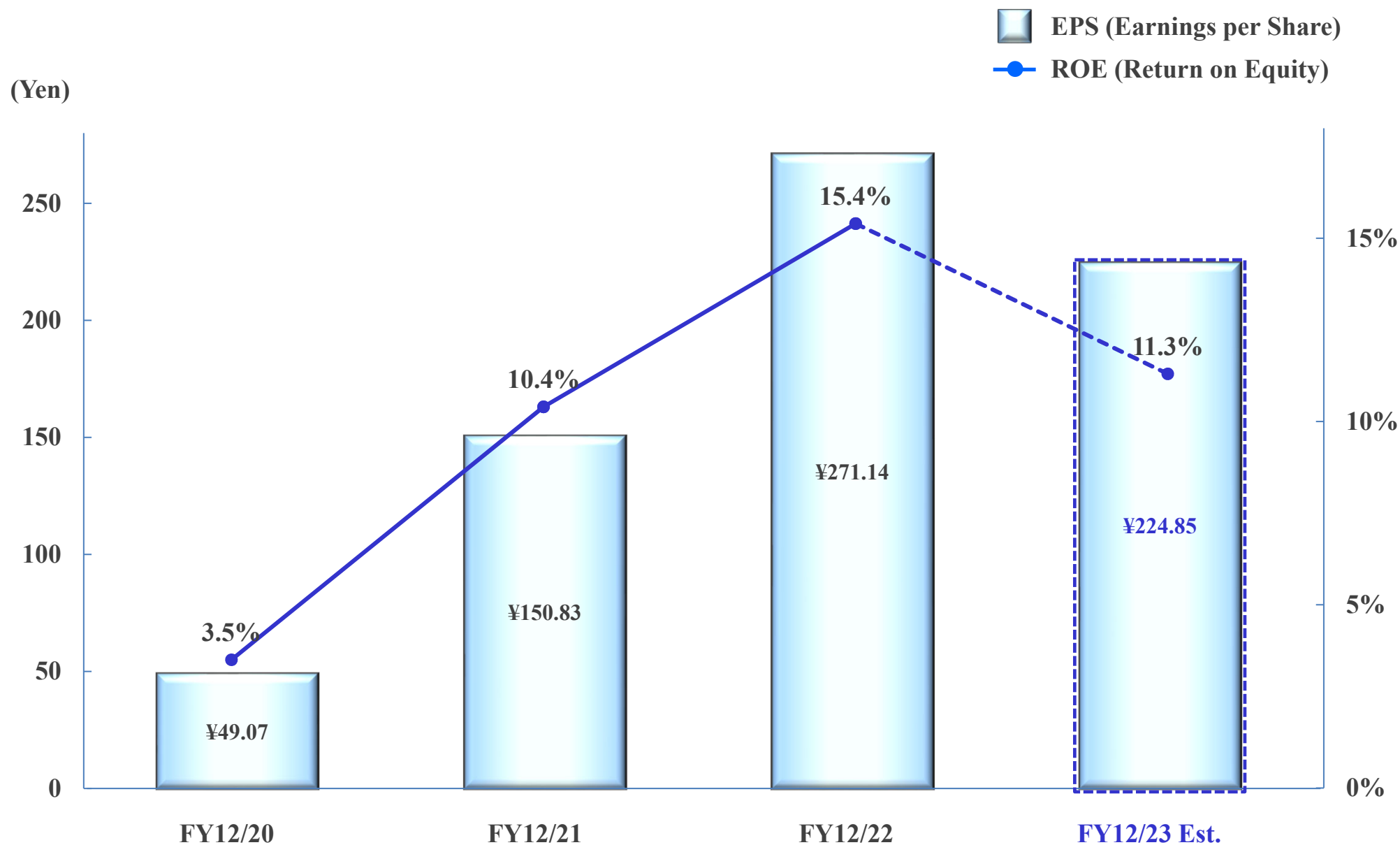
(Millions of Yen)



# Cash Flows



# Key Financial Indicators






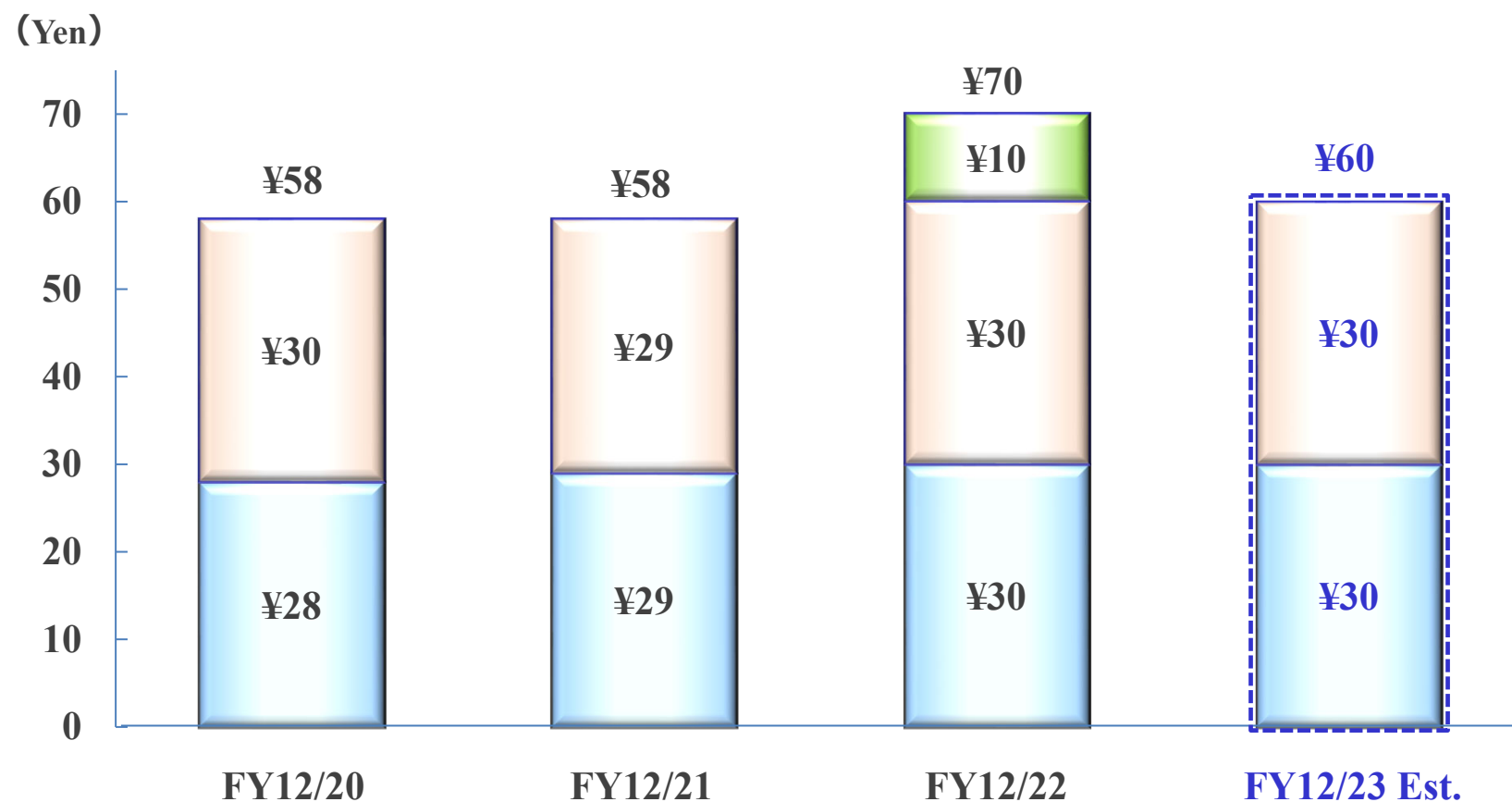
# Returns to Shareholders



## < Shareholder Return Policy >

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

-  Special Dividend per Share
-  Year-end Dividend per Share
-  Interim Dividend per Share



<b>Total Payout Ratio</b>	118.2%	79.3%	44.6%	50% or more
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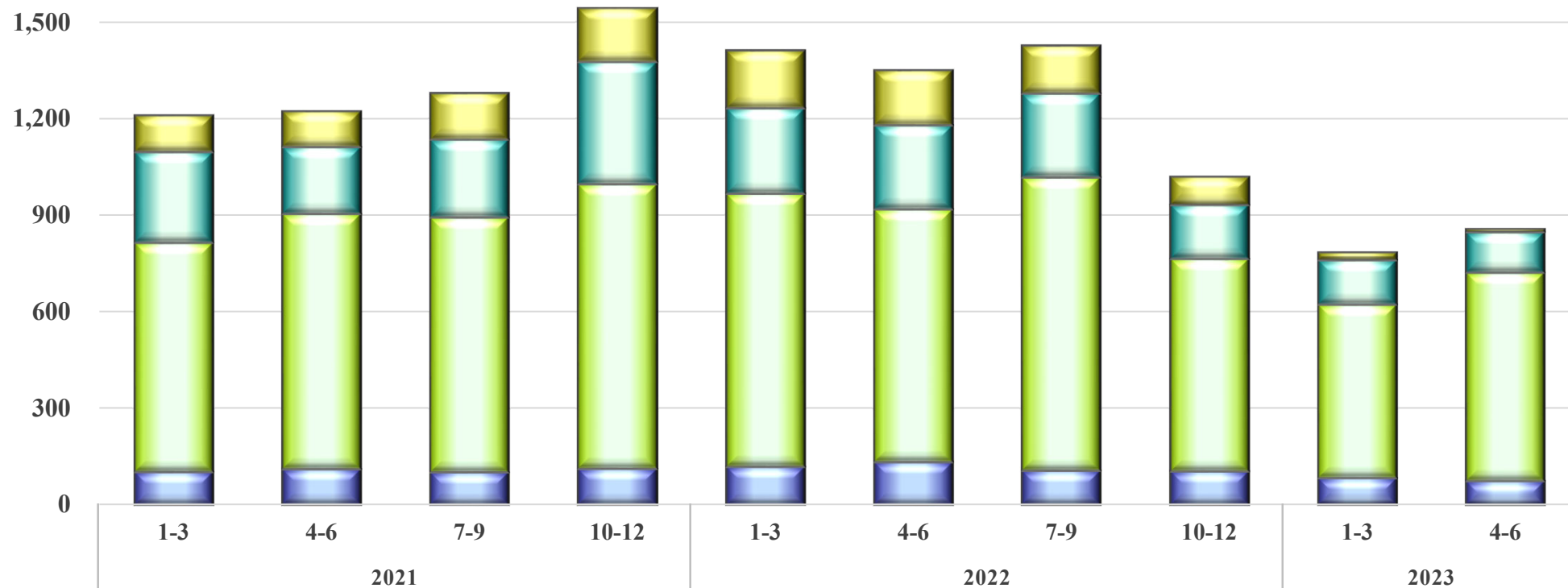
# Reference

# Trends in Quarterly Machine Tool Orders



(Ordered Unit)

(Units)



	2021				2022				2023	
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6
America	114	111	144	167	179	171	149	87	24	10
Europe	282	208	242	380	265	261	260	168	138	125
Asia	712	793	792	884	848	785	911	660	538	646
Domestic	102	111	101	112	118	133	106	104	83	74
<b>Total</b>	<b>1,210</b>	<b>1,223</b>	<b>1,279</b>	<b>1,543</b>	<b>1,410</b>	<b>1,350</b>	<b>1,426</b>	<b>1,019</b>	<b>783</b>	<b>855</b>



# 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)
FY2/2014	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※1	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※2	87,368	13,925	15.9	14,199	16.3	10,298	11.8	271.14	15.4	70.00
<b>FY12/2023(Est.)</b>	<b>79,000</b>	<b>11,000</b>	<b>13.9</b>	<b>11,400</b>	<b>14.4</b>	<b>8,400</b>	<b>10.6</b>	<b>224.85</b>	<b>11.3</b>	<b>60.00</b>

※1 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.

※2 Dividends per share for the fiscal period ended December 31, 2022 includes a special dividend of ¥10 per share.

## Special Products



Cash Drawer and Receipt Printer  
mPOP



POS Printer  
TSP100IV series



Label Printer  
mC-Label series



Peripheral Equipment



Contactless IC card Reader  
PitTouch Pro3 series

## Machine Tools



CNC Swiss Type Automatic Lathe  
SL-10



CNC Swiss Type Automatic Lathe  
SD-26 type S



CNC Swiss Type Automatic Lathe  
SX-38 type B