

Notice Concerning the Establishment of a Machine Tools Sales Subsidiary in India

Star Micronics Co., Ltd. (“Star Micronics” or “the Company”) announced that its Board of Directors has resolved to establish a new sales subsidiary in India in its Machine Tools Segment at a meeting held on February 9, 2024. Brief details are presented as follows.

1. Purpose of establishing a subsidiary

The global machine tools market is projected to expand at an average annual rate of 4.1%* through to 2032. Against this backdrop, the Indian market, which is experiencing rapid growth across all industries, including the automotive, aircraft, and medical sectors, is especially promising, with growth expected to exceed this average at 9.4% by 2030. In addition, demand for the Company’s mainstay Swiss-Type CNC Automatic Lathes^(Note 1) is also anticipated to expand across a variety of fields and especially the medical parts-related industry.

Star Micronics goals are to provide prompt technical support and regular operator training to local sales agents while expanding sales of Swiss-Type CNC Automatic Lathes by establishing a wholly-owned sales subsidiary in India, where strong demand is expected. Moreover, we will promote the establishment of an optimal sales and service network that effectively covers the vast market to further expand our market share.

* Source: The International Market Analysis Research and Consulting Group (IMARC)

2. Overview of the subsidiary

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| (1) Company name: | Star Micronics India Private., Ltd. (tentative) |
| (2) Date of establishment: | July 2024 (planned) |
| (3) Location: | Bengaluru, Karnataka, India |
| (4) Capital: | INR 40,000,000 (¥68,400,000 * ¥1.71/INR as of December 31, 2023) |
| (5) Ownership: | 100% |
| (6) Representative: | Fumio Masuda (Senior Executive Officer and General Manager of the Machine Tools Segment at Star Micronics) |
| (7) Business activities: | Sale of the Company’s machine tools products and peripheral equipment |
| (8) Personnel: | 7 (2 dispatched from Japan, 5 local staff) |

3. Impact on the Company’s business results

The impact of establishing this subsidiary on the Company’s consolidated business results for the fiscal year ending December 31, 2024 is expected to be minimal.

Note 1: Swiss-Type CNC Automatic Lathes

The Swiss-Type CNC Automatic Lathe originated as watch component processing machinery in Switzerland in the 1870s. Known as a “sliding head-type automatic lathe“ as well, it has the remarkable characteristics of high-precision cutting of components with longer length compared with the diameter.

In general, if long and narrow parts are processed with a general-purpose lathe, flexure will occur on the workpiece, making the finishing with the correct dimensions impossible.

The Swiss-Type CNC Automatic Lathe utilizes a guide bush to function as a steady rest for the material. The tool, positioned at a certain distance from the guide bush, exerts cutting motion only to the direction of outside diameter. This allows the workpiece to be cut accurately with no flexure. As for axial motion, the headstock, rather than the tailstock, moves while clamping a workpiece.

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