

Financial Results for the FY12/2018 First Quarter

STAR MICRONICS CO., LTD.

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

Code 7718

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Financial Results for the FY12/2018 First Quarter

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Star Micronics has amended its account settlement date from the end of February to December 31 each year. This aligns the Company's accounting period with those of overseas consolidated subsidiaries. Fiscal Year Ending December 31, 2018 period is a transitional period that covers ten months from March 1, 2018 to December 31, 2018.

FY12/2018

[Domestic] : 10 months [Overseas] : 12 months

The fiscal period ending December 31, 2018 is as follows.

- Star Micronics and Domestic Consolidated Subsidiaries : 10 months (From March 1, 2018 to December 31, 2018)
- Overseas Consolidated Subsidiaries : 12 months (From January 1, 2018 to December 31, 2018)

The fiscal period ending May 31, 2018 is as follows.

- Star Micronics and Domestic Consolidated Subsidiaries : 3 months (From March 1, 2018 to May 31, 2018)
- Overseas Consolidated Subsidiaries : 5 months (From January 1, 2018 to May 31, 2018)

	FY12/2018											
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Star Micronics and Domestic Consolidated Subsidiaries (10 months)			First quarter			Second quarter			Third quarter			
Overseas Consolidated Subsidiaries (12 months)			First quarter					Second quarter			Third quarter	

Consolidated Results for the FY12/2018 First Quarter (Planned difference)



(Millions of Yen)

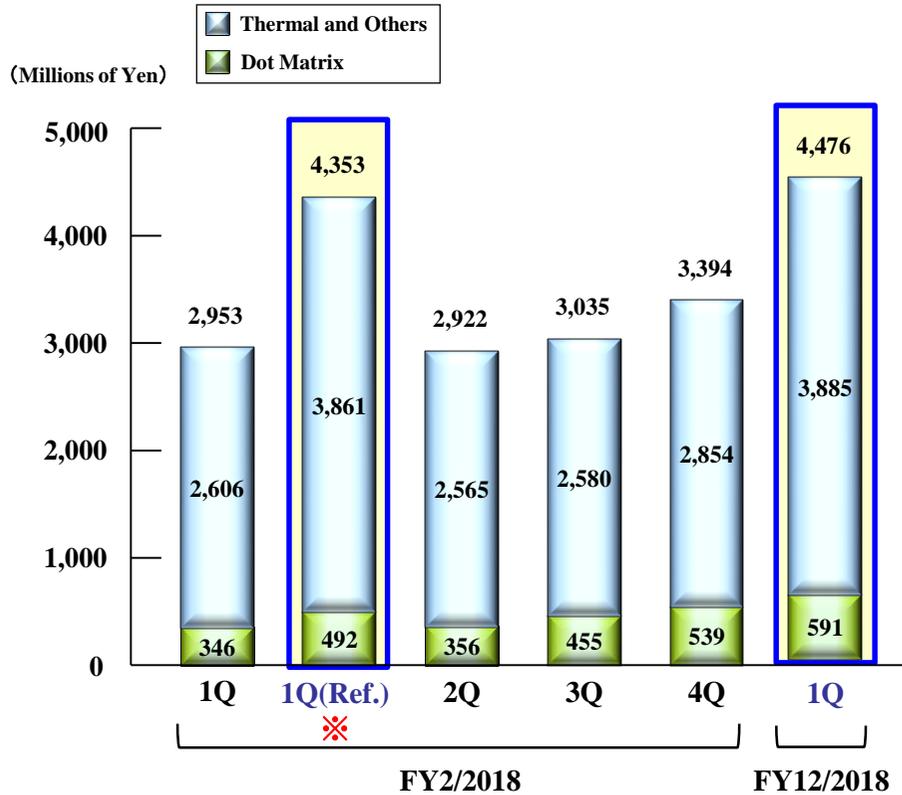
		FY12/2018 1Q Actual※		FY12/2018 1Q Plan		Variation	
		Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Rate of change (%)
Net Sales	Special Products	4,476		4,672		(195)	(4.2)
	Machine Tools	17,908		14,705		3,203	+21.8
	Precision Products	1,498		1,367		131	+9.6
	Total	23,884		20,745		3,138	+15.1
Operating Income	Special Products	817	18.3	892	19.1	(75)	(8.4)
	Machine Tools	3,691	20.6	2,525	17.2	1,165	+46.2
	Precision Products	150	10.0	85	6.2	65	+76.1
	Eliminations or Corporate	(653)		(682)		28	
	Total	4,006	16.8	2,821	13.6	1,184	+42.0
Ordinary Income		4,069	17.0	2,877	13.9	1,191	+41.4
Net Income Attributable to Owners of Parent		3,320	13.9	2,362	11.4	958	+40.6

Exchange Rate	US\$	¥108.42	¥105.00
	EUR	¥132.29	¥130.00
	GBP	¥150.42	¥145.00
	CHF	¥112.87	¥110.00

※The first quarter of the FY12/2018 is a three-month period for the Company and its consolidated domestic subsidiaries and a five-month period for its consolidated overseas subsidiaries.

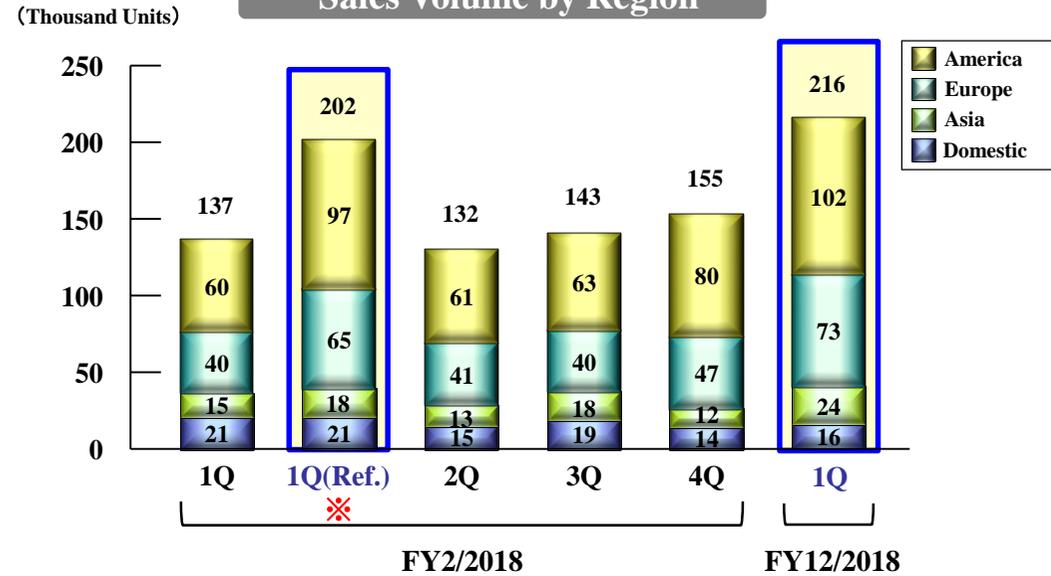


Sales

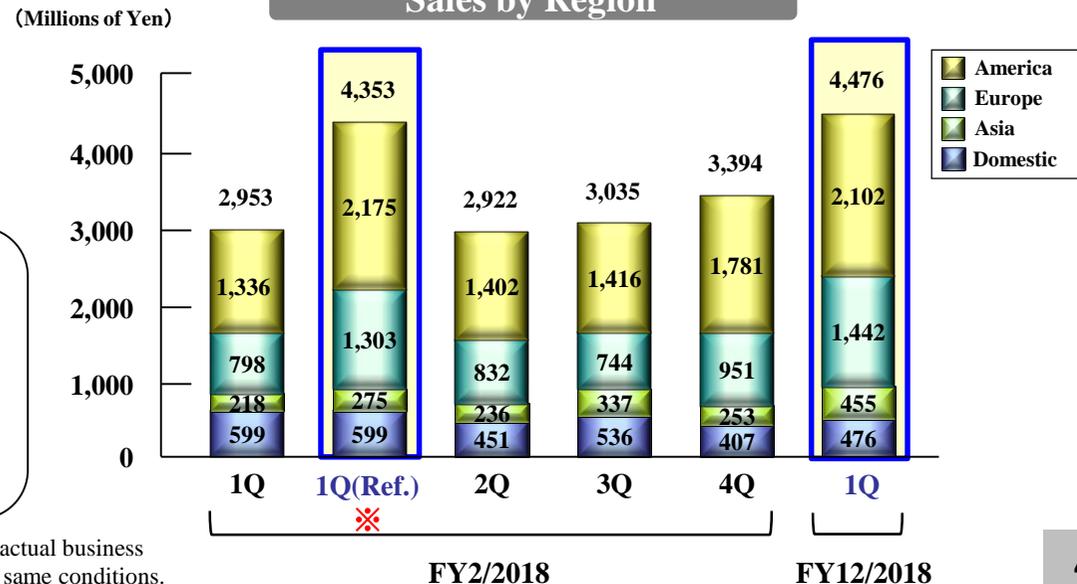


- Sales were solid in the U.S. market as well as the European market, where conditions are continuing to recover.
- Sales in the Asian market, demand in China dropped for certain products that include thermal finished products but was solid in other areas.
- The overall Japanese market remained solid, but large project demand was weak.

Sales Volume by Region



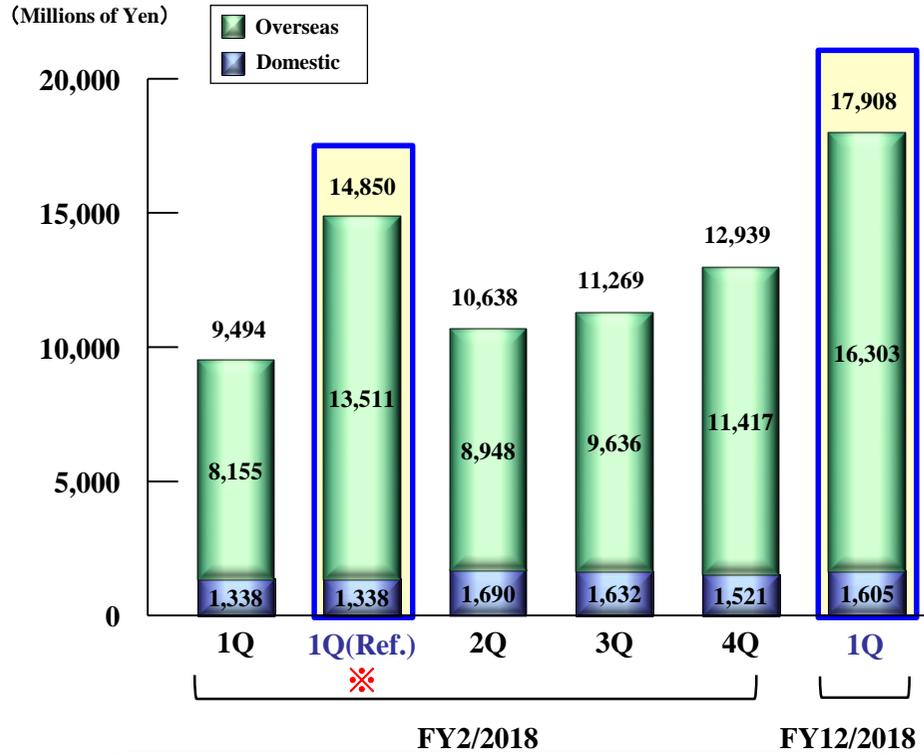
Sales by Region



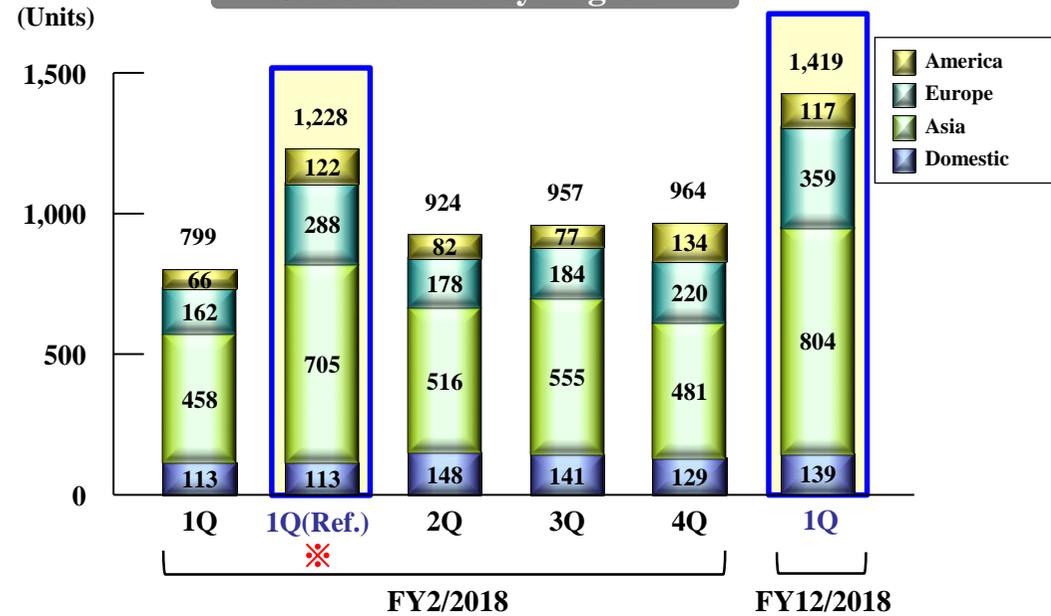
※ Proforma 1Q business results are provided for reference purposes only. Data has been restated from actual business results for the 1Q of the previous fiscal year for comparative purposes with the current 1Q under the same conditions.



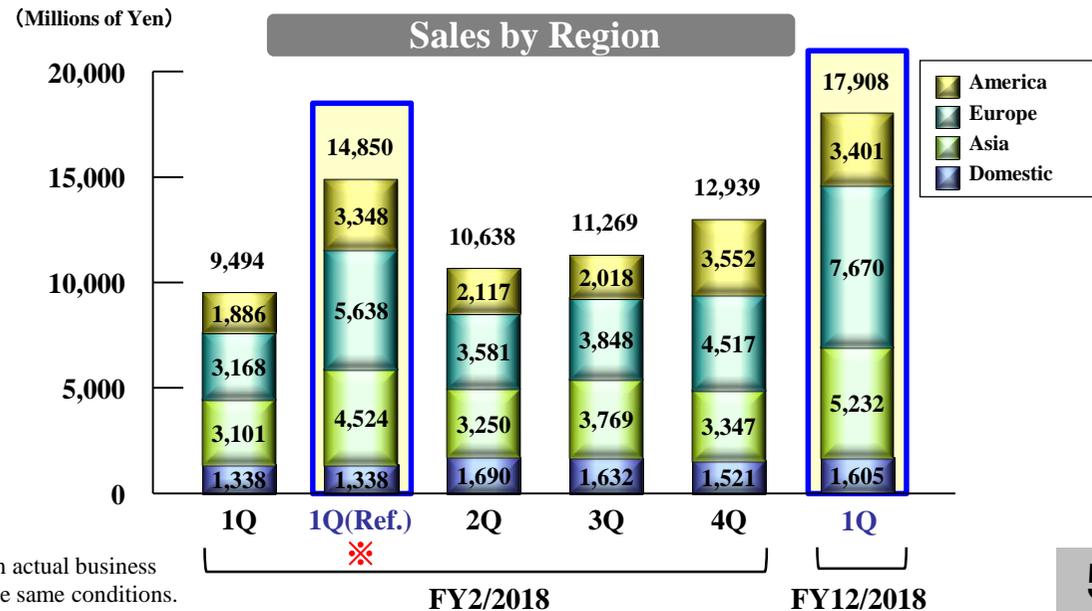
Sales



Sales Volume by Region



Sales by Region

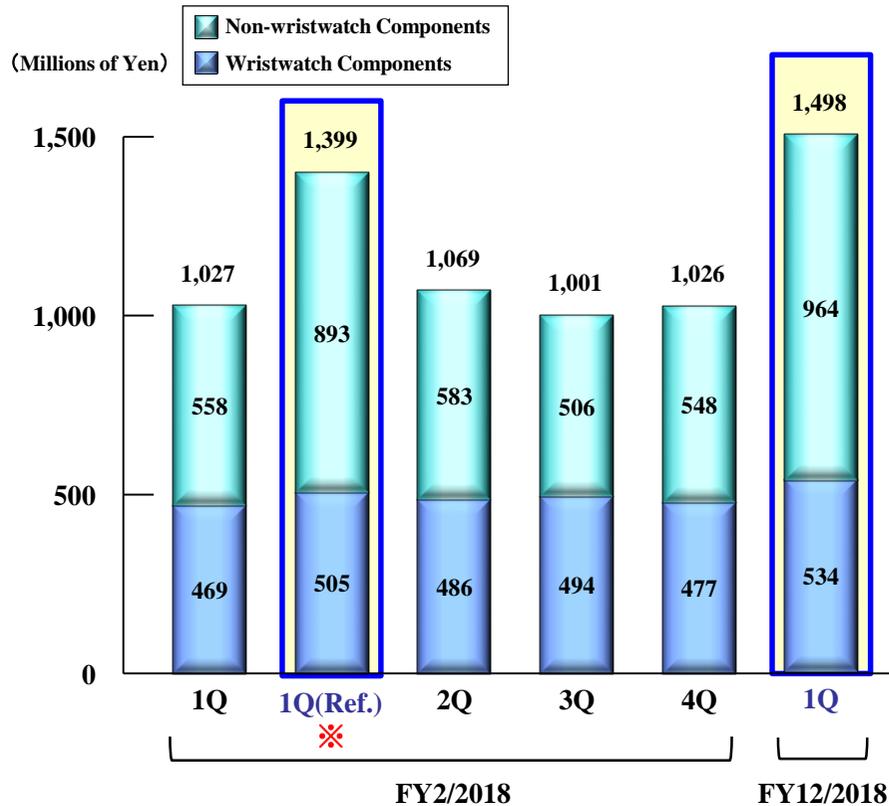


- Sales remained solid in the U.S. market centered on the medical equipment-related sector.
- In the European market, sales were strong centered on the automotive-related sector in major markets such as German and Italy.
- In the Asian market, results were strong in the automotive, communication and medical equipment-related sectors, centered on China.
- In the Japanese market, sales remained strong in a wide array of sectors that include automobiles and semiconductors.

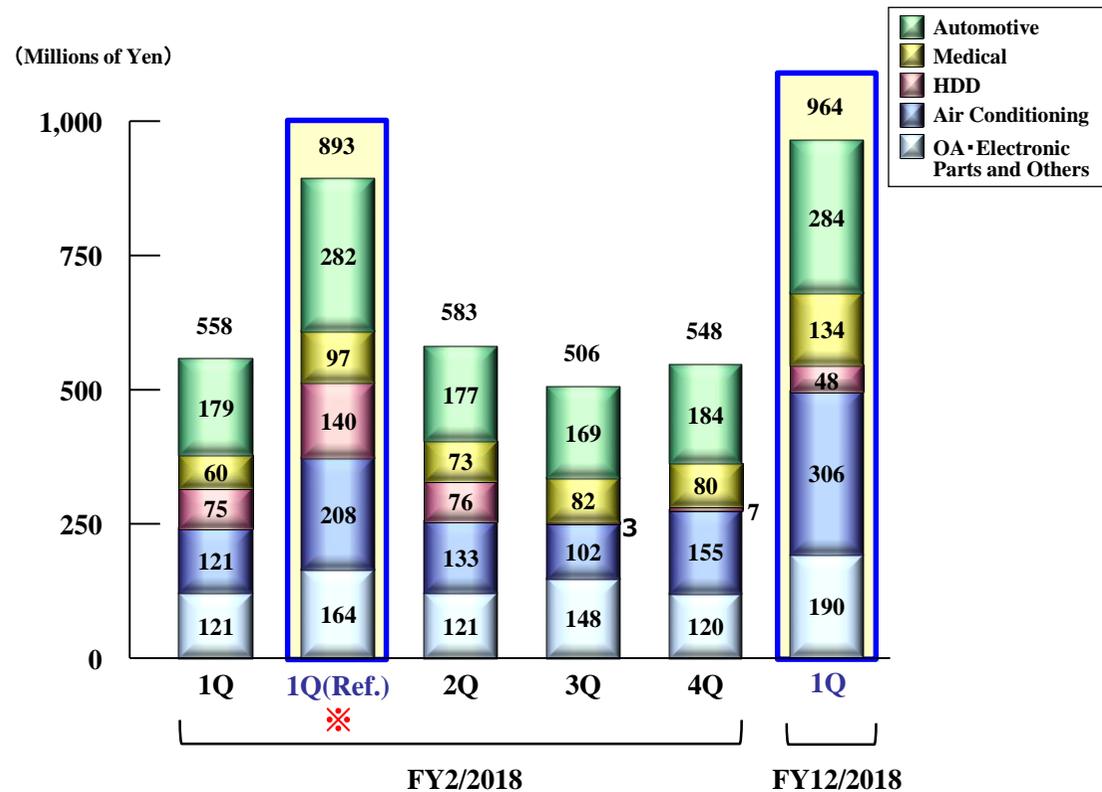
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Sales



Sales of Non-wristwatch Components

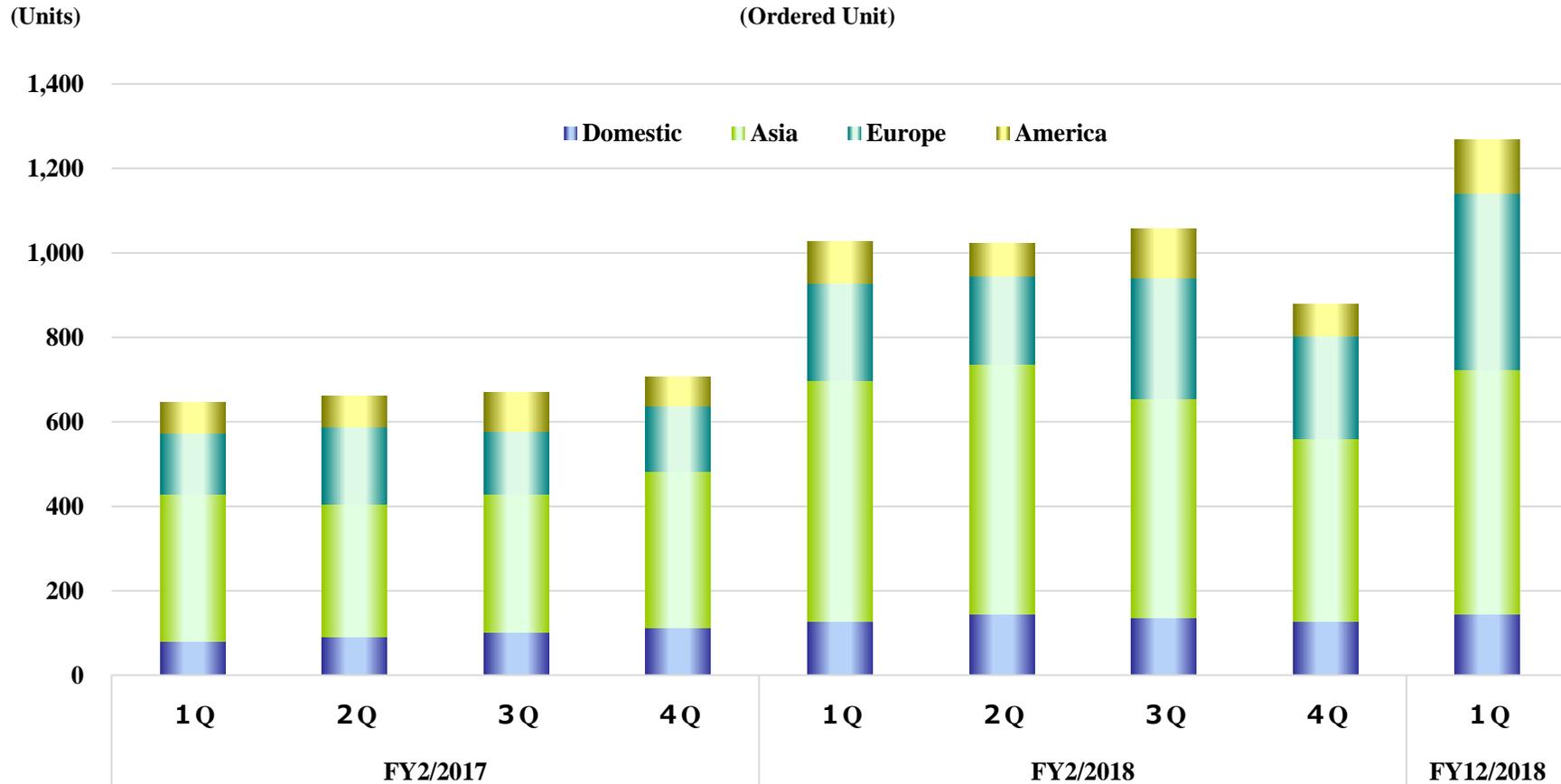


- Sales of wristwatch components remained solid owing to strong sales by wristwatch makers.
- Sales of non-wristwatch components were sluggish amid HDDs component market shrinkage, but sales for medical-related and air conditioning components were solid.

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Reference

Trends in Quarterly Machine Tool Orders



	Mar.-May.	Jun.-Aug.	Sep.-Nov.	Dec.-Feb.	Mar.-May.	Jun.-Aug.	Sep.-Nov.	Dec.-Feb.	Mar.-May.
America	73	72	94	69	99	76	115	75	126
Europe	144	183	148	155	228	209	287	245	418
Asia	347	313	326	371	571	592	517	432	578
Domestic	81	92	102	112	128	145	137	127	145
Total	645	660	670	707	1,026	1,022	1,056	879	1,267

Special Products



Cash Drawer and Receipt Printer
mPOP



POS Printer
TSP100III



Mobile Printer
SM-L200

Machine Tools



CNC Swiss Type Automatic Lathe
SV-20R



CNC Swiss Type Automatic Lathe
SR-38 type B



CNC Swiss Type Automatic Lathe
SR-20JII type B

Precision Products

Wristwatch Components



Non-Wristwatch Components

(Automotive, Air Conditioning, HDD and Medical Components)



(Automotive Components)