

Financial Results for the FY2021 First Quarter

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

Code 7718

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Financial Results for the FY2021 First Quarter

- Overview of the FY2021 First Quarter** P.2
- Consolidated Operating Results** P.3
- Quarterly Information (Net Sales)** P.4
- Segment Overview**
 - Special Products** P.5
 - Machine Tools** P.6

Reference

- Trends in Quarterly Machine Tool Orders** P.8
- Business Segments and Products** P.9

Substantial Increases in Sales and Profits Year on Year

| | | |
|---|----------------|---------------|
| ■ Net Sales | ¥12.79 billion | 19.5% up YoY |
| ■ Operating Income | ¥1.13 billion | 121.9% up YoY |
| ■ Ordinary Income | ¥1.23 billion | 391.1% up YoY |
| ■ Net Income Attributable to Owners of Parent | ¥0.99 billion | - YoY |

- ✓ **Despite the lingering impact of COVID-19, upside in both the Special Products and Machine Tools segments; upward revision in business forecasts**
- ✓ **Robust sales of special products mainly in the U.S.; recoveries across a wide range of industries in the machine tool-related market**

Consolidated Operating Results



(Millions of Yen)

| | | FY12/2020 | | | | | | | | FY12/2021 | | Change (%) YoY |
|--|---------------------------|---------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|------------------------|----------------------|
| | | 1Q Actual | | 2Q Actual | | 3Q Actual | | 4Q Actual | | 1Q Actual | | |
| | | Amount | Income Ratio (%) | |
| Net Sales | Special Products | 3,123 | | 2,707 | | 2,962 | | 2,927 | | 3,623 | | 16.0 |
| | Machine Tools | 7,583 | | 7,661 | | 7,601 | | 11,102 | | 9,168 | | 20.9 |
| | Total | 10,707 | | 10,368 | | 10,564 | | 14,030 | | 12,791 | | 19.5 |
| Operating Income | Special Products | 424 | 13.6 | 402 | 14.9 | 485 | 16.4 | 232 | 8.0 | 852 | 23.5 | 100.9 |
| | Machine Tools | 628 | 8.3 | 255 | 3.3 | 523 | 6.9 | 1,290 | 11.6 | 709 | 7.7 | 12.9 |
| | Eliminations or Corporate | (540) | | (544) | | (617) | | (368) | | (425) | | |
| | Total | 512 | 4.8 | 114 | 1.1 | 391 | 3.7 | 1,154 | 8.2 | 1,136 | 8.9 | 121.9 |
| Ordinary Income | | 250 | 2.3 | 358 | 3.5 | 628 | 5.9 | 1,534 | 10.9 | 1,230 | 9.6 | 391.1 |
| Net Income (Loss) Attributable to Owners of Parent | | (122) | - | 191 | 1.9 | 537 | 5.1 | 1,124 | 8.0 | 991 | 7.7 | - |

| | | | | | | | | | |
|------------------|------|---------|--|--|--|--|--|---------|--|
| Exchange Rate | US\$ | ¥108.97 | | | | | | ¥105.90 | |
| | EUR | ¥120.16 | | | | | | ¥127.68 | |
| | GBP | ¥139.66 | | | | | | ¥146.01 | |
| | CHF | ¥112.62 | | | | | | ¥117.13 | |

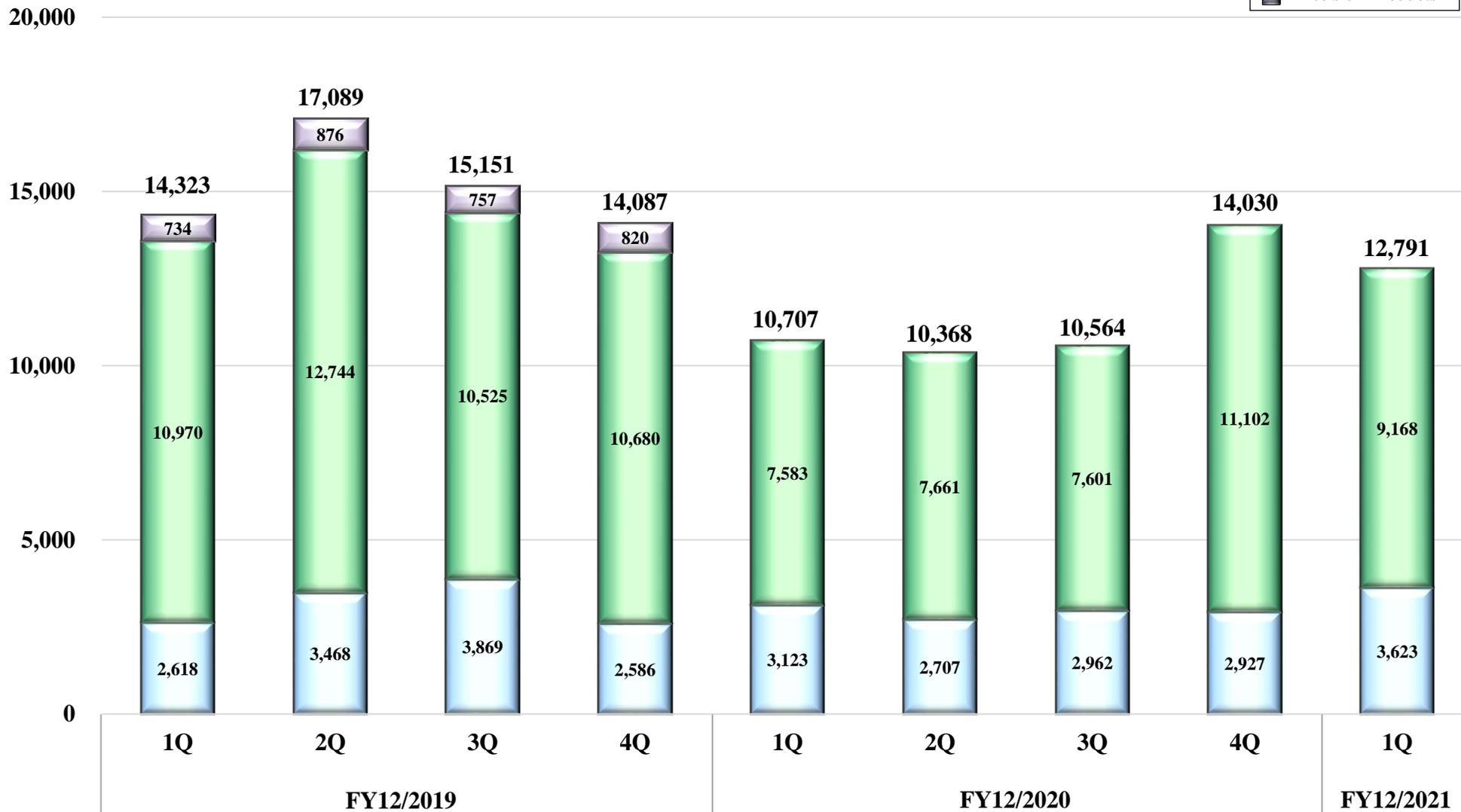
*Following its decision to abolish the Precision Products Segment, Star Micronics undertook a revision of its business activities and reclassified its business segments in the previous fiscal year. Effective from the fiscal year under review, the Company changed and reclassified its reportable segments from the three former Special Products Segment, Machine Tools Segment, and Precision Products Segment into the two Special Products Segment and Machine Tools Segment. Amounts included in the Precision Products Segment in the segment information for the previous fiscal year are now included in the Machine Tools Segment.

Quarterly Information(Net Sales)



Net Sales

(Millions of Yen)

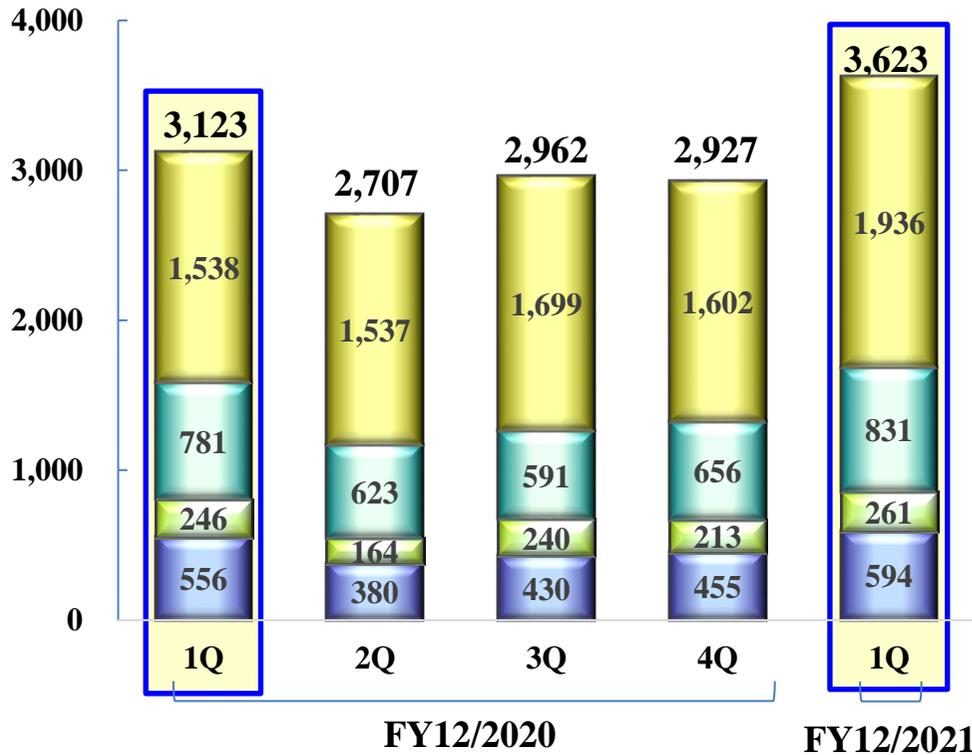


*Effective from the fiscal year ended December 31, 2020, the Precision Products Segment has been included in the Machine Tools Segment.



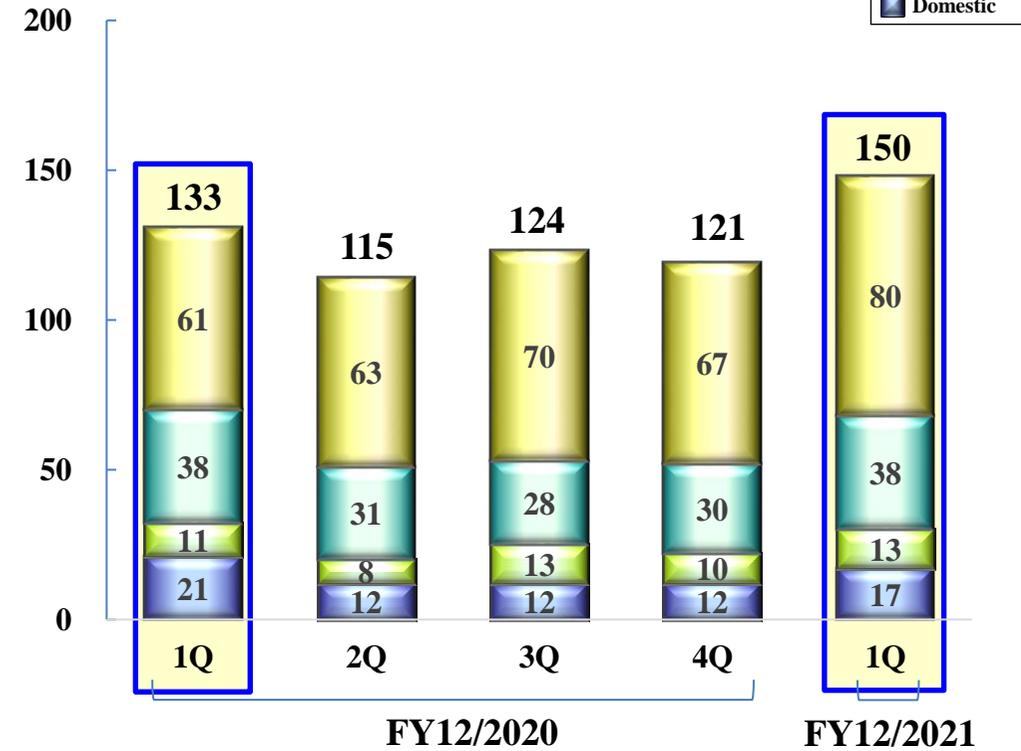
Sales by Region

(Millions of Yen)



Sales Volume by Region

(Thousand Units)

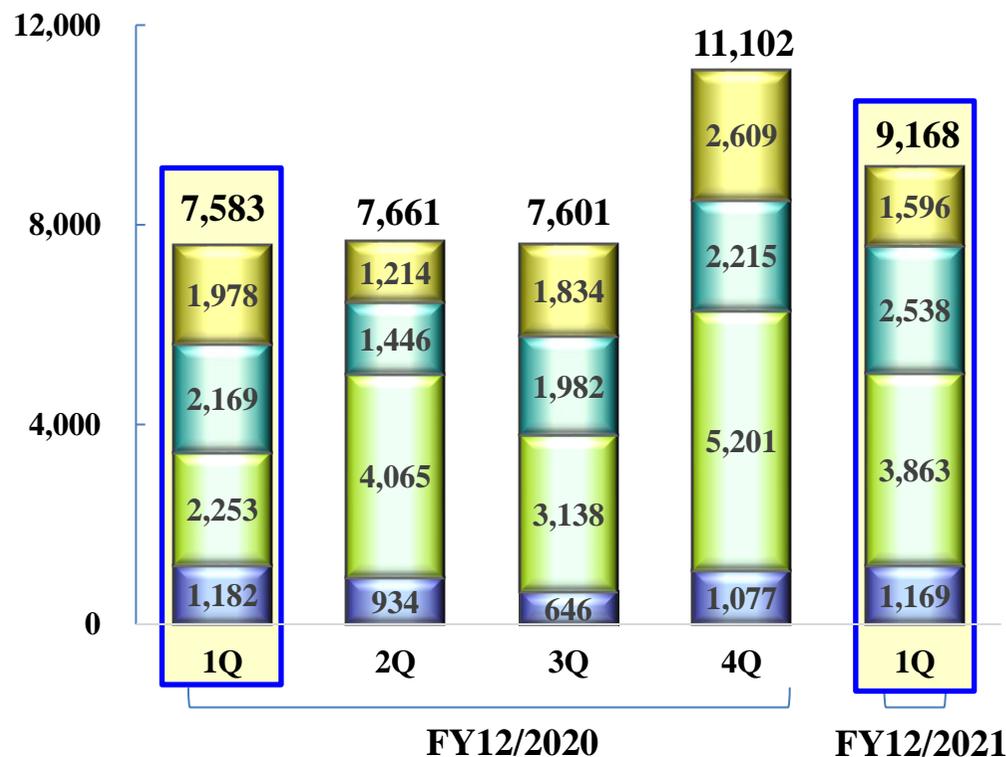


- In the U.S. market, sales increased significantly due to strong sales to the food delivery sector.
- In the European market, sales increased on the back of strong sales centered on large orders.
- In the domestic market, sales increased due to firm mPOS demand.



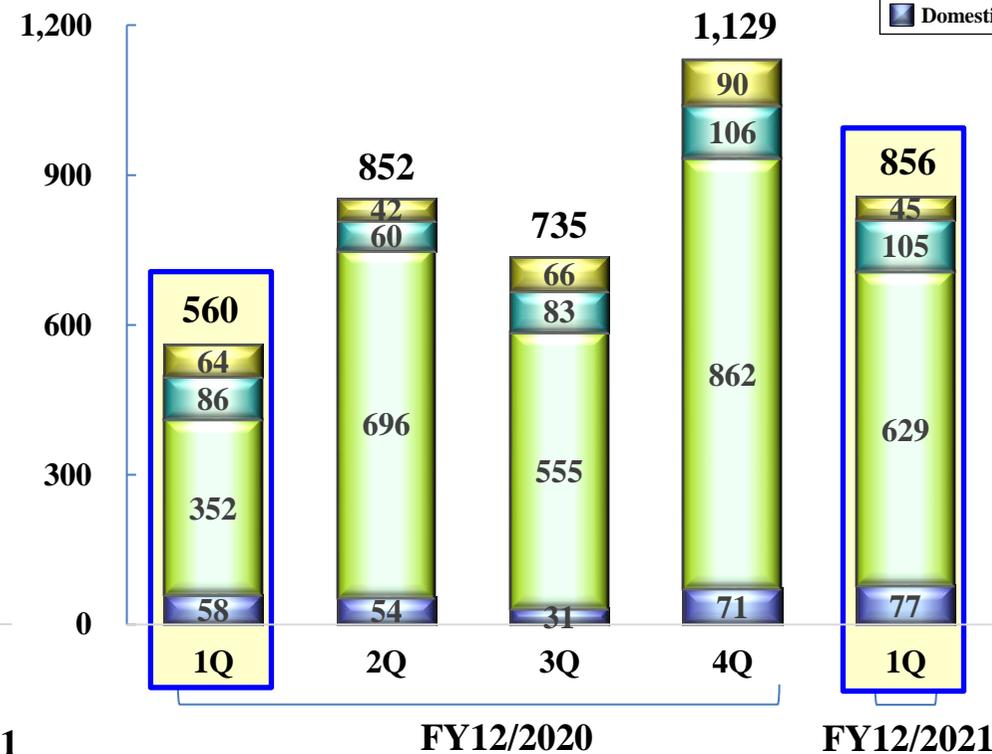
Sales by Region

(Millions of Yen)



Sales Volume by Region

(Units)



- In the U.S. market, despite favorable market conditions across a wide range of industries including the medical, telecommunications, and automotive sectors, sales decreased due to logistics delays and other factors.
- In the European market, sales increased owing to the recovery in automotive-related products and strong sales.
- In the Asian market, conditions recovered substantially compared with the previous fiscal year, when China was significantly affected by COVID-19.

* Effective from the fiscal year ended December 31, 2020, the Precision Products Segment has been included in this Segment (domestic sales).

Reference

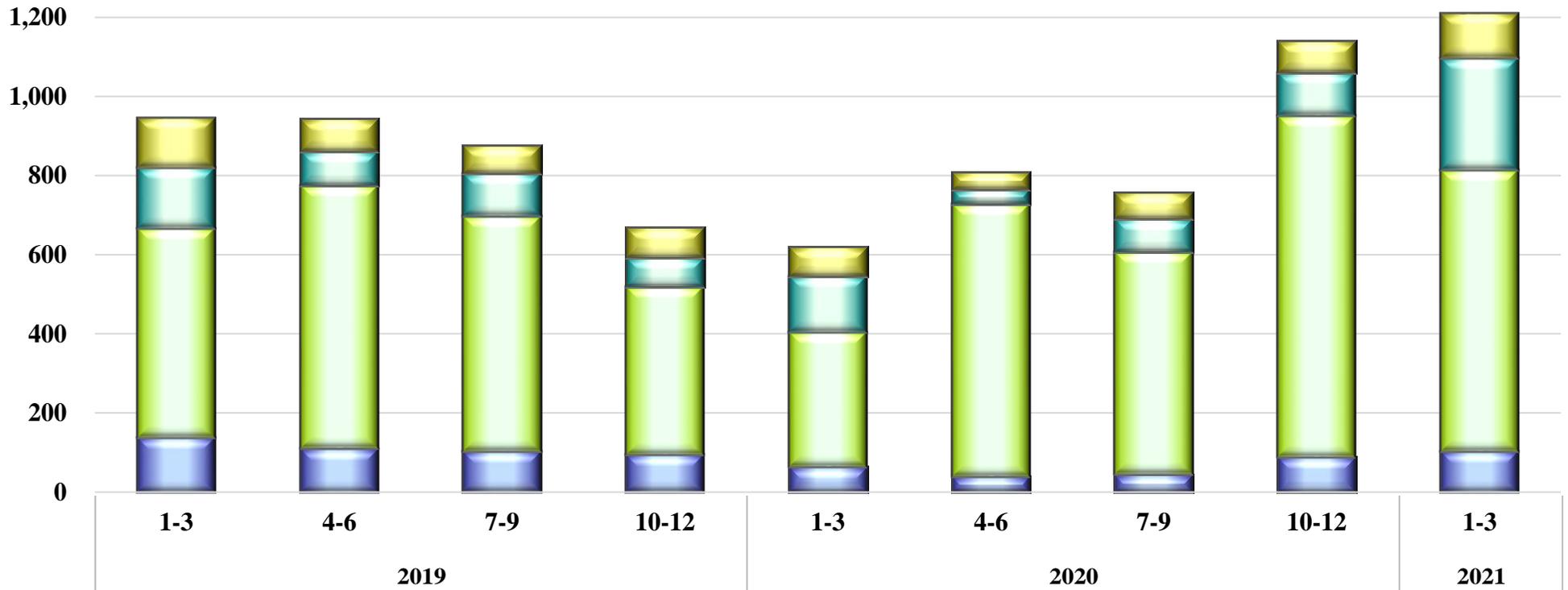
Trends in Quarterly Machine Tool Orders



(Ordered Unit)

■ America
 ■ Europe
 ■ Asia
 ■ Domestic

(Units)



| | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 |
|-----------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
| America | 127 | 82 | 71 | 76 | 74 | 44 | 67 | 80 | 114 |
| Europe | 153 | 87 | 108 | 75 | 142 | 37 | 83 | 110 | 282 |
| Asia | 529 | 666 | 595 | 425 | 340 | 690 | 563 | 863 | 712 |
| Domestic | 137 | 109 | 102 | 93 | 63 | 38 | 44 | 88 | 102 |
| Total | 946 | 944 | 876 | 669 | 619 | 809 | 757 | 1,141 | 1,210 |

Business Segments and Products



Special Products



Cash Drawer and Receipt Printer
mPOP



POS Printer
mC-Print series



Mobile Printer
SM-L200

Machine Tools



CNC Swiss Type Automatic Lathe
SX-38 type B



CNC Swiss Type Automatic Lathe
SR-20JII type B



CNC Swiss Type Automatic Lathe
SB-16III