

## Fiscal 2025 Third-quarter Consolidated Earnings Report (Japanese GAAP)

These financial statements have been prepared for reference in accordance with accounting principles and practices generally accepted in Japan.

Company name: Star Micronics Co., Ltd. Stock listing: Tokyo Stock Exchange  
Code: 7718 URL <https://www.star-m.jp>  
Representative Director: Mamoru Sato, President and Chief Executive Officer  
Inquiries: Seigo Sato, Director, Managing Executive Officer, Corporate Headquarters  
TEL: 054 -263-1111

Scheduled release of Fiscal 2025 Third-quarter Business Report: November 12, 2025

Scheduled payment of dividends: -

Preparation of supplementary explanatory materials for quarterly earnings report: Yes

Quarterly earnings presentation: Yes

(Figures less than one million are rounded down)

### 1. Results for the Third Quarter of Fiscal 2025 (From January 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results (Percentages represent changes over the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
FY2025 Third Quarter	51,642	7.5	3,759	13.6	3,982	9.3	2,731	74.7
FY2024 Third Quarter	48,047	(20.9)	3,309	(65.7)	3,642	(63.9)	1,563	(77.9)

(Note) Comprehensive income FY 2025 Third Quarter ¥1,804 million [(25.8)%] FY 2024 Third Quarter ¥2,430 million [(79.6)%]

	Net Income Per Share	Diluted Net Income Per Share
	(¥)	(¥)
FY2025 Third Quarter	67.12	66.93
FY2024 Third Quarter	44.56	44.39

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	(¥ million)	(¥ million)	%
As of September 30, 2025	117,287	98,443	83.6
As of December 31, 2024	92,784	74,431	79.8

Reference: Shareholders' Equity

As of September 30, 2025 ¥98,091 million As of December 31, 2024 ¥74,038million

### 2. Dividends

	Dividends Per Share				
	1Q end	2Q end	3Q end	Year-end	Full Year
	(¥)	(¥)	(¥)	(¥)	(¥)
FY 2024	—	30.00	—	30.00	60.00
FY 2025	—	35.00	—		
FY 2025(projected)				0.00	35.00

(Note) Changes to the latest dividend forecast announced: Yes

### 3. Consolidated Outlook for the Fiscal Year Ending December 31, 2025 (From January 1, 2025 to December 31, 2025)

(Percentages represent changes over the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Net Income Per Share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full Year	70,100	7.9	4,200	4.4	4,400	(2.6)	3,100	67.1	72.96

(Note) Changes to the latest consolidated results forecast announced: None

**\*Note**

- (1) Significant changes in subsidiaries during the period under review (changes in certain specified subsidiaries resulting in revised scope of consolidation): None  
New company: — (Company name) , Excluded company: — (Company name)
- (2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, estimates and restatement or corrections
- (i) Changes associated with revised accounting standards: Yes
  - (ii) Changes other than those in (i) above: None
  - (iii) Changes in accounting estimates: None
  - (iv) Retrospective restatement: None

(4) Number of shares issued and outstanding (Common stock)

(i) Number of shares issued and outstanding at period-end (Including treasury stock)

As of September 30, 2025	48,481,334 shares	As of December 31, 2024	41,373,034 shares
--------------------------	-------------------	-------------------------	-------------------

(ii) Number of treasury stock at period-end

As of September 30, 2025	617,362 shares	As of December 31, 2024	9,556,102 shares
--------------------------	----------------	-------------------------	------------------

(iii) Average number of outstanding shares (During the nine months)

As of September 30, 2025	40,695,435 shares	As of September 30, 2024	35,083,291 shares
--------------------------	-------------------	--------------------------	-------------------

\* This quarterly earnings report is not subject to quarterly reviews.

\* Regarding the appropriate use of earnings projections and other noteworthy matters

The above projections 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. For information regarding the assumptions and other matters related to earnings projections in this report, refer to "(3) Explanation of the Consolidated Earnings Projections and Other Forecasts" under "1. Overview of Operating Results and Financial Position " on page 2.

○ (Attached Documents) Index

<b>1. Overview of Operating Results and Financial Position .....</b>	<b>2</b>
<b>(1) Overview of Operating Results for the Third Quarter of the Fiscal Year Ending December 31, 2025 ....</b>	<b>2</b>
<b>(2) Overview of Financial Position for the Third Quarter of the Fiscal Year Ending December 31, 2025 ....</b>	<b>2</b>
<b>(3) Explanation of the Consolidated Earnings Projections and Other Forecasts .....</b>	<b>2</b>
<b>2. Quarterly Consolidated Financial Statements and Major Notes .....</b>	<b>3</b>
<b>(1) Quarterly Consolidated Balance Sheet .....</b>	<b>3</b>
<b>(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income..</b>	<b>5</b>
<b>(3) Notes to Quarterly Consolidated Financial Statements .....</b>	<b>7</b>
<b>(Notes on Changes in Accounting Policies) .....</b>	<b>7</b>
<b>(Notes concerning segment information, etc.) .....</b>	<b>7</b>
<b>(Note on Significant Changes in Shareholders' Equity Accounts) .....</b>	<b>8</b>
<b>(Note on Going Concern Assumption) .....</b>	<b>8</b>
<b>(Notes to Quarterly Consolidated Statements of Cash Flows) .....</b>	<b>8</b>
<b>(Notes concerning Significant Subsequent Events) .....</b>	<b>8</b>

## **1. Overview of Operating Results and Financial Position**

### **(1) Overview of Operating Results for the Third Quarter of the Fiscal Year Ending December 31, 2025**

During the third quarter of fiscal 2025, the fiscal year ending December 31, 2025, the global economy as a whole exhibited a moderate recovery trend on the back of the economic stimulus measures and monetary policies put forward by a number of major countries. Despite the aforementioned, the economic outlook remained uncertain due to a variety of factors, including growing anxiety over the future of trade policies in the U.S. and prolonged geopolitical risks stemming from conditions in Ukraine and the Middle East.

In each of the major markets in which the Star Micronics Group operates, while demand for the Group's mainstay machine tools was weak in the domestic market, trends overseas showed signs of a recovery mainly in the U.S. and China with partial movement also in Europe. In addition, demand for POS printers continued to exhibit a positive turnaround in the mainstay U.S. market.

Under these circumstances, with the Group overall being affected by fluctuations in foreign currency exchange rates, the Star Micronics Group recorded sales of ¥51,642 million in the third quarter of the fiscal year under review, up 7.5% compared with the corresponding period of the previous fiscal year. This was mainly due to the upswing in sales of both machine tools and special products. From a profit perspective, operating income climbed 13.6% year on year, to ¥3,759 million buoyed by such factors as the increase in sales. Ordinary income came in at ¥3,982 million, up 9.3%, and net income attributable to owners of parent totaled ¥2,731 million, up 74.7% compared with the corresponding period of the previous fiscal year.

Performance by segment was as follows:

Please note that the order in which reportable segments are listed has been changed effective from the first quarter of the fiscal year under review.

#### **(Machine Tools)**

Sales of CNC automatic lathes increased compared with the previous period, which experienced generally sluggish market conditions. Amid a firm Chinese market, this was largely due to sales grew in such markets as the U.S. and Japan. Looking at trends by geographical region, orders and sales improved in the U.S. despite the impact of interest rate trends and the new administration's trade policies. In addition, sales in Japan increased even though overall market conditions remained generally sluggish. In Europe, while market conditions remained weak, particularly in Germany, sales were on par with the corresponding period of the previous fiscal year due to a variety of factors, including sales from large-scale project orders. In the Asian market, sales also remained on par with the corresponding period of the previous fiscal year, centered on China, owing to such factors as the government's measures aimed at expanding domestic demand and an upswing in new component processing needs.

Accounting for each of these factors, the Machine Tools segment reported an increase in revenue and earnings. In specific terms, sales climbed 4.3% compared with the corresponding period of the previous fiscal year, to ¥39,994 million. From a profit perspective, operating income increased 6.2% year on year, to ¥4,417 million.

#### **(Special Products)**

Sales of POS printers increased mainly in the U.S. market. By geographical segment, sales in the U.S. market increased substantially as distribution inventories returned to appropriate levels from the second half of the previous fiscal year and demand for mPOS remained firm. Meanwhile, sales declined in the European and domestic markets due to generally weak market conditions.

Based on each of the aforementioned, revenue and earnings in the Special Products segment grew substantially. Sales increased 20.1% compared with the corresponding period of the previous fiscal year, to ¥11,647 million, while operating income jumped to ¥1,252 million, up 103.1% year on year.

### **(2) Overview of Financial Position for the Third Quarter of the Fiscal Year Ending December 31, 2025**

Total assets as of the end of the third quarter of the fiscal year under review stood at ¥117,287 million, an increase of ¥24,503 million compared with the end of the previous fiscal year. This was largely due to the increase in cash and deposits as well as property, plant and equipment. Total liabilities stood at ¥18,844 million, an increase of ¥491 million compared with the previous fiscal year-end. Despite the decrease in short-term borrowings, this upturn was mainly attributable to the increase in trade notes and accounts payable and other current liabilities. Total net assets increased ¥24,011 million compared with the end of the previous fiscal year, to ¥98,443 million, due to a variety of factors, including upswings in capital stock and capital surplus following the issuance of new shares through third-party allotment.

### **(3) Explanation of the Consolidated Earnings Projections and Other Forecasts**

Earnings projections remain unchanged from the projections announced on August 12, 2025. Furthermore, regarding our dividend forecast, the Company revised its dividend forecast for the fiscal year ending December 31, 2025 announced on August 12, 2025. For details, please refer to "Notice Concerning Revision to Year-End Dividend Forecast for the Fiscal Year Ending December 31, 2025 (No Dividend)" announced by the Company today (November 12, 2025).

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

(Unit: Thousands of yen)

	As of December 31, 2024	As of September 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	23,619,570	37,838,525
Trade notes and accounts receivable	20,170,101	22,456,096
Merchandise and finished goods	14,169,299	15,878,735
Work in process	4,714,009	6,035,411
Raw materials and supplies	3,683,213	3,399,662
Other	2,089,074	1,644,446
Allowance for doubtful accounts	(115,494)	(124,496)
Total current assets	68,329,773	87,128,382
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,086,884	7,383,422
Machinery, equipment and vehicles, net	3,420,113	3,251,800
Tools, furniture and fixtures, net	1,488,769	1,319,846
Land	2,491,261	2,749,858
Lease assets, net	53,595	48,098
Construction in progress	3,553,245	8,796,112
Other, net	1,227,754	956,217
Total property, plant and equipment	19,321,624	24,505,356
Intangible assets		
Other	1,257,955	1,231,271
Total intangible assets	1,257,955	1,231,271
Investments and other assets		
Investment securities	903,529	1,323,413
Deferred tax assets	432,566	466,422
Net defined benefit asset	2,053,971	2,169,362
Other	485,216	463,521
Total investments and other assets	3,875,284	4,422,720
Total non-current assets	24,454,865	30,159,348
Total assets	92,784,638	117,287,730

(Unit: Thousands of yen)

	As of December 31, 2024	As of September 30, 2025
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	5,827,719	7,784,917
Electronically recorded obligations-operating	532,489	528,328
Short-term borrowings	2,000,000	—
Current portion of long-term bank loans	8,315	—
Lease obligations	22,495	21,021
Income taxes payable	540,901	519,013
Contract liabilities	534,935	471,686
Provision for bonuses	696,107	800,166
Provision for directors' bonuses	—	54,925
Other	5,648,525	6,434,737
<b>Total current liabilities</b>	<b>15,811,490</b>	<b>16,614,795</b>
Non-current liabilities		
Lease obligations	37,243	32,567
Net defined benefit liability	425,853	402,721
Other	2,078,972	1,794,586
<b>Total non-current liabilities</b>	<b>2,542,070</b>	<b>2,229,875</b>
<b>Total liabilities</b>	<b>18,353,560</b>	<b>18,844,670</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,721,939	25,221,980
Capital surplus	10,171,152	16,435,538
Retained earnings	55,127,327	45,940,544
Treasury stock	(16,481,370)	(1,067,730)
<b>Total shareholders' equity</b>	<b>61,539,049</b>	<b>86,530,332</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	149,641	163,418
Foreign currency translation adjustments	11,248,444	10,390,852
Remeasurements of defined benefit plans	1,101,414	1,006,840
<b>Total accumulated other comprehensive income</b>	<b>12,499,500</b>	<b>11,561,111</b>
Stock acquisition rights	284,436	239,355
Noncontrolling interests	108,091	112,260
<b>Total net assets</b>	<b>74,431,078</b>	<b>98,443,059</b>
<b>Total liabilities and net assets</b>	<b>92,784,638</b>	<b>117,287,730</b>

**(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**

(Quarterly Consolidated Statement of Income)

(Third nine-month period)

(Unit: Thousands of yen)

	Third nine-month period from January 1, 2024 to September 30, 2024, of FY2024	Third nine-month period from January 1, 2025 to September 30, 2025 of FY2025
Net sales	48,047,695	51,642,357
Cost of sales	30,247,438	32,065,103
Gross profit	17,800,256	19,577,253
Selling, general and administrative expenses	14,490,729	15,818,030
Operating income	3,309,527	3,759,223
Non-operating income		
Interest income	255,570	200,194
Foreign exchange gain	—	191,885
Rent income	30,957	31,590
Miscellaneous income	91,446	164,777
Total non-operating income	377,974	588,448
Non-operating expenses		
Interest expense	24,055	30,464
Share issuance costs	—	278,144
Foreign exchange loss	7,069	—
Miscellaneous loss	14,329	56,788
Total non-operating expenses	45,453	365,397
Ordinary income	3,642,048	3,982,275
Extraordinary income		
Gain on sales of non-current assets	8,754	18,685
Total extraordinary income	8,754	18,685
Extraordinary losses		
Loss on disposal of non-current assets	190,219	64,600
Total extraordinary losses	190,219	64,600
Income before income taxes	3,460,584	3,936,359
Income taxes-current	1,039,691	1,300,408
Income taxes-deferred	866,791	(115,670)
Total income taxes	1,906,483	1,184,737
Net income	1,554,100	2,751,621
Net income(loss) attributable to noncontrolling interests	(9,363)	20,242
Net income attributable to owners of parent	1,563,463	2,731,379

(Quarterly Consolidated Statement of Comprehensive Income)  
(Third nine-month period)

(Unit: Thousands of yen)

	Third nine-month period from January 1, 2024 to September 30, 2024, of FY2024	Third nine-month period from January 1, 2025 to September 30, 2025 of FY2025
Net income	1,554,100	2,751,621
Other comprehensive income		
Valuation difference on available-for-sale securities	15,008	13,777
Foreign currency translation adjustments	953,964	(867,447)
Remeasurements of defined benefit plans	(116,027)	(94,574)
Share of other comprehensive income of entities	23,887	1,099
Total other comprehensive income	876,832	(947,145)
Comprehensive income	2,430,933	1,804,476
(Total comprehensive income attributable to:)		
Owners of parent	2,438,275	1,792,990
Noncontrolling interests	(7,341)	11,486



### (3) Notes to Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policies)

Application of the Accounting Standard for Current Income Taxes, etc.

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter the “Revised Accounting Standard of 2022”), etc. since the beginning of the three-month period ended March 31, 2025.

With regard to the revision concerning where to recognize current income taxes (taxes on other comprehensive income), the Company has followed the transitional treatments provided for in the proviso clause of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatments provided for in proviso clause of paragraph 65-2(2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the “Revised Implementation Guidance of 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

As for the revision related to the change in the treatment in consolidated financial statements of tax deferral of gain on sale of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Revised Implementation Guidance of 2022 since the beginning of the three months ended March 31, 2025. This change in accounting policies has been applied retrospectively, and the quarterly consolidated financial statements for the three-month period ended March 31, 2024 and the consolidated financial statements for the fiscal year ended December 31, 2024 have been restated accordingly. This change in accounting policies has no impact on the quarterly consolidated financial statements for the nine-month period ended September 30, 2024 or the consolidated financial statements for the fiscal year ended December 31, 2024.

#### 1. Results for the Third Quarter of Fiscal 2024 (From January 1, 2024 to September 30, 2024)

Information about sales, profit (loss) by reportable segment

(Unit: Thousands of yen)

	Reportable Segment			Adjustments (Note 1)	Quarterly Consolidated Statement of Income Amounts (Note 2)
	Machine Tools	Special Products	Total		
Sales					
Sales to external customers	38,345,632	9,702,063	48,047,695	—	48,047,695
Intersegment sales or transfers	—	—	—	—	—
Total	38,345,632	9,702,063	48,047,695	—	48,047,695
Segment profit	4,160,180	616,793	4,776,974	(1,467,446)	3,309,527

Notes:

1. Adjustments to segment income represent corporate expenses that are not allocated to a particular reporting segment.

Corporate expenses mainly comprise expenses relating to the Company’s head office administration department.

2. Segment income is adjusted in line with operating income in the accompanying quarterly consolidated statement of income.

#### 2. Results for the Third Quarter of Fiscal 2025 (From January 1, 2025 to September 30, 2025)

Information about sales, profit (loss) by reportable segment

(Unit: Thousands of yen)

	Reportable Segment			Adjustments (Note 1)	Quarterly Consolidated Statement of Income Amounts (Note 2)
	Machine Tools	Special Products	Total		
Sales					
Sales to external customers	39,994,722	11,647,635	51,642,357	—	51,642,357
Intersegment sales or transfers	—	—	—	—	—
Total	39,994,722	11,647,635	51,642,357	—	51,642,357
Segment profit	4,417,093	1,252,915	5,670,009	(1,910,785)	3,759,223

Notes:

1. Adjustments to segment income represent corporate expenses that are not allocated to a particular reporting segment.

Corporate expenses mainly comprise expenses relating to the Company’s head office administration department.

2. Segment income is adjusted in line with operating income in the accompanying quarterly consolidated statement of income.

(Note on Significant Changes in Shareholders' Equity Accounts)

In accordance with a resolution passed by the Board of Directors during a meeting held on May 14, 2024, the Company acquired 93,000 shares of its own common stock over the period between January 1, 2025 to January 17, 2025. In addition, the Company cancelled 9,000,000 shares of treasury stock on April 21, 2025 and newly issued 16,108,300 shares of common stock through a third party allotment on May 27, 2025 pursuant to a resolution passed by the Board of Directors during a meeting held on April 7, 2025. Taking into account the negative other capital surplus balance following the aforementioned cancellation of treasury stock, STAR MICRONICS CO., LTD. set its other capital surplus balance at zero by deducting the negative amount from retained earnings. As a result, capital stock increased ¥12,500,040 thousand, capital surplus climbed ¥ 6,254,449 thousand, retained earnings decreased ¥ 9,288,408 thousand, and treasury stock fell ¥15,358,806 thousand during nine-months period of the fiscal year ending December 31, 2025. Taking each of the aforementioned into consideration, the balance of capital stock, capital surplus, retained earnings, and treasury stock stood at ¥25,221,980 thousand, ¥16,435,538 thousand, ¥45,940,544 thousand, and ¥1,067,730 thousand, respectively, as of September 30, 2025

(Note on Going Concern Assumption)

Not applicable

(Notes to Quarterly Consolidated Statements of Cash Flows)

STAR MICRONICS CO., LTD. has not prepared quarterly consolidated statements of cash flows for the third quarter cumulative period of the fiscal year under review. Meanwhile, depreciation and amortization (including amortization of intangible assets other than goodwill) for the third quarter cumulative period of fiscal 2025 is as follows.

(Unit: Thousands of yen)

	FY 2024 Third Quarter (From January 1, 2024 to September 30, 2024)	FY 2025 Third Quarter (From January 1, 2025 to September 30, 2025)
depreciation	1,986,666	2,204,039

(Notes concerning Significant Subsequent Events)

(Regarding the Tender Offer for the Company's common shares and the share options by Solsticia Co., Ltd.)

At the meeting of the Board of Directors held today, the Company resolved to express its opinion in support of the tender offer (hereinafter referred to as the "Tender Offer") for the Company's common shares (hereinafter referred to as the "Company Shares") and the share options (hereinafter referred to as the "Share Options") by Solsticia Co., Ltd. (hereinafter referred to as the "Tender Offeror"), and the Company also resolved to recommend that the shareholders of the Company and the holders of the Share Options relating to the 13th through 17th Ordinary-Type Share Options tender their rights in response to the Tender Offer, and, as for the Share Option Holders relating to the Stock Compensation-Type Share Options and the 18th Ordinary-Type Share Options, to leave the decision as to whether or not to tender in the Tender Offer to the discretion of the Share Option Holders.

The above resolution of the Company's Board of Directors has been made on the assumption that the Tender Offeror intends to make the Company its wholly owned subsidiary through the Tender Offer and a subsequent series of procedures to privatize the Company's shares, and that the Company Shares are scheduled to be delisted.

For details, please refer to "Notice Regarding Expression of Opinion on the Tender Offer for the Company's Share Certificates, etc. by Solsticia Co., Ltd" announced by the Company today.