

Notice regarding Revisions to Business Forecasts.

Based on recent business trend, STAR MICRONICS CO., LTD. has revised its business forecasts announced on April 11, 2018 as follows.

1. Revision of Consolidated Business Forecasts for the Second Quarter of Fiscal 12/2018 (March 1, 2018 to August 31, 2018)

	Net Sales (Millions of yen)	Operating Income (Millions of yen)	Ordinary Income (Millions of yen)	Net Income Attributable to Owners of Parent (Millions of yen)	Net Income Per Share (Yen)
Previous Forecasts: A	35,700	4,500	4,600	3,800	103.40
Revised Forecasts: B	39,100	5,700	5,800	4,500	122.49
Change: B-A	3,400	1,200	1,200	700	
Change: B vs. A (%)	9.5	26.7	26.1	18.4	

2. Revision of Consolidated Business Forecasts for Full-year Fiscal 12/2018 (March 1, 2018 to December 31, 2018)

	Net Sales (Millions of yen)	Operating Income (Millions of yen)	Ordinary Income (Millions of yen)	Net Income Attributable to Owners of Parent (Millions of yen)	Net Income Per Share (Yen)
Previous Forecasts: A	56,000	6,900	7,000	5,400	147.57
Revised Forecasts: B	59,300	8,000	8,100	6,000	164.22
Change: B-A	3,300	1,100	1,100	600	
Change: B vs. A (%)	5.9	15.9	15.7	11.1	

3. Reasons

Regarding earnings for the consolidated second quarter of fiscal 12/2018, the Company expects both sales and profits to exceed its initial forecasts. Despite the Special Products Segment continuing to struggle in the European and U.S. markets, this reflects ongoing brisk demand in the Machine Tools Segment mainly in the European market.

In addition, earnings forecasts for the full fiscal year at present reflect mainly those items expected to increase in initial projections for the second quarter due to numerous future uncertainties that include the impact of trade friction beginning with the US and China as well as demand trends and component procurement conditions forecasts in the mainstay Machine Tools Segment. In the case that further forecast revisions are deemed necessary later on, these will be disclosed in a prompt manner.

*Figures less than one million yen are rounded down. The above forecasts are based on information available to management at the time of release. Investors are warned that a number of uncertainties may cause actual results to differ materially from forecasts.

*As fiscal 12/2018 is a transitional period, forecast for the full consolidated fiscal year are listed for ten months (from March 1, 2018 to December 31, 2018) for consolidated companies whose fiscal year previously ended in February and for twelve months (from January 1, 2018 to December 31, 2018) for consolidated companies whose fiscal year ends in December.

*The business forecast for net income per share takes into account the impact of the purchase and cancellation of treasury stock based on the resolution of the Board of Directors at a meeting held on July 11, 2018.

(Supplemental Information)
 Consolidated Forecasts (By Segment)

(Millions of yen)

		Second Quarter of Fiscal 12/2018				Full-year Fiscal 12/2018			
		Previous Forecasts	Revised Forecasts	Change		Previous Forecasts	Revised Forecasts	Change	
				Amount	(%)			Amount	(%)
Special Products	Net Sales	8,010	7,650	(360)	(4.5)	12,320	11,960	(360)	(2.9)
	Operating Income	1,480	1,260	(220)	(14.9)	1,950	1,690	(260)	(13.3)
	Income Ratio (%)	18.5	16.5			15.8	14.1		
Machine Tools	Net Sales	25,330	28,810	3,480	13.7	40,000	43,380	3,380	8.5
	Operating Income	4,150	5,430	1,280	30.8	6,680	7,900	1,220	18.3
	Income Ratio (%)	16.4	18.8			16.7	18.2		
Precision Products	Net Sales	2,360	2,640	280	11.9	3,680	3,960	280	7.6
	Operating Income	170	240	70	41.2	290	360	70	24.1
	Income Ratio (%)	7.2	9.1			7.9	9.1		
Eliminations or Corporate		(1,300)	(1,230)	70		(2,020)	(1,950)	70	
Consolidated	Net Sales	35,700	39,100	3,400	9.5	56,000	59,300	3,300	5.9
	Operating Income	4,500	5,700	1,200	26.7	6,900	8,000	1,100	15.9
	Income Ratio (%)	12.6	14.6			12.3	13.5		