

Financial Results for the Fiscal Year 2017 First Quarter

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

Code 7718

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■ Financial Data	P2
■ Quarterly Information (Net Sales and Operating Income)	P3
■ Segment Overview	
▪ Special Products	P4
▪ Machine Tools	P5
▪ Precision Products	P6
■ Reference	
Business Segments and Products	P7

Financial Data



(Millions of Yen)

	FY2/16								FY2/17		Change (%) YoY
	1Q Actual		2Q Actual		3Q Actual		4Q Actual		1Q Actual		
	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	
Sales											
Special Products	2,766		2,630		2,932		3,051		2,770		0.1
Machine Tools	8,289		10,948		8,833		10,078		7,207		(13.1)
Precision Products	1,278		1,259		1,212		1,175		1,058		(17.2)
Cloud Services*	-		-		-		-		-		
Total	12,335		14,838		12,979		14,305		11,036		(10.5)
Operating Income											
Special Products	400	14.5	323	12.3	541	18.5	479	15.7	473	17.1	18.3
Machine Tools	1,207	14.6	1,769	16.2	1,266	14.3	1,600	15.9	926	12.9	(23.2)
Precision Products	194	15.2	165	13.1	169	14.0	64	5.5	77	7.3	(60.2)
Cloud Services*	(30)	-	(56)	-	(45)	-	(70)	-	(84)	-	-
Eliminations or Corporate	(572)		(548)		(609)		(513)		(590)		
Total	1,200	9.7	1,653	11.1	1,322	10.2	1,559	10.9	802	7.3	(33.1)
Ordinary Income	911	7.4	1,560	10.5	1,313	10.1	1,421	9.9	751	6.8	(17.6)
Net income attributable to owners of parent	797	6.5	1,058	7.1	867	6.7	996	7.0	653	5.9	(18.1)

*For the consolidated earnings report and other information disclosure materials, cloud computing services are included in the Special Products Segment.

Exchange Rate	US\$	¥119.10					¥115.45	
	EUR	¥134.18					¥127.18	
	GBP	¥180.48					¥165.24	
	CHF	¥125.55					¥116.07	

Quarterly Information (Net Sales and Operating Income)



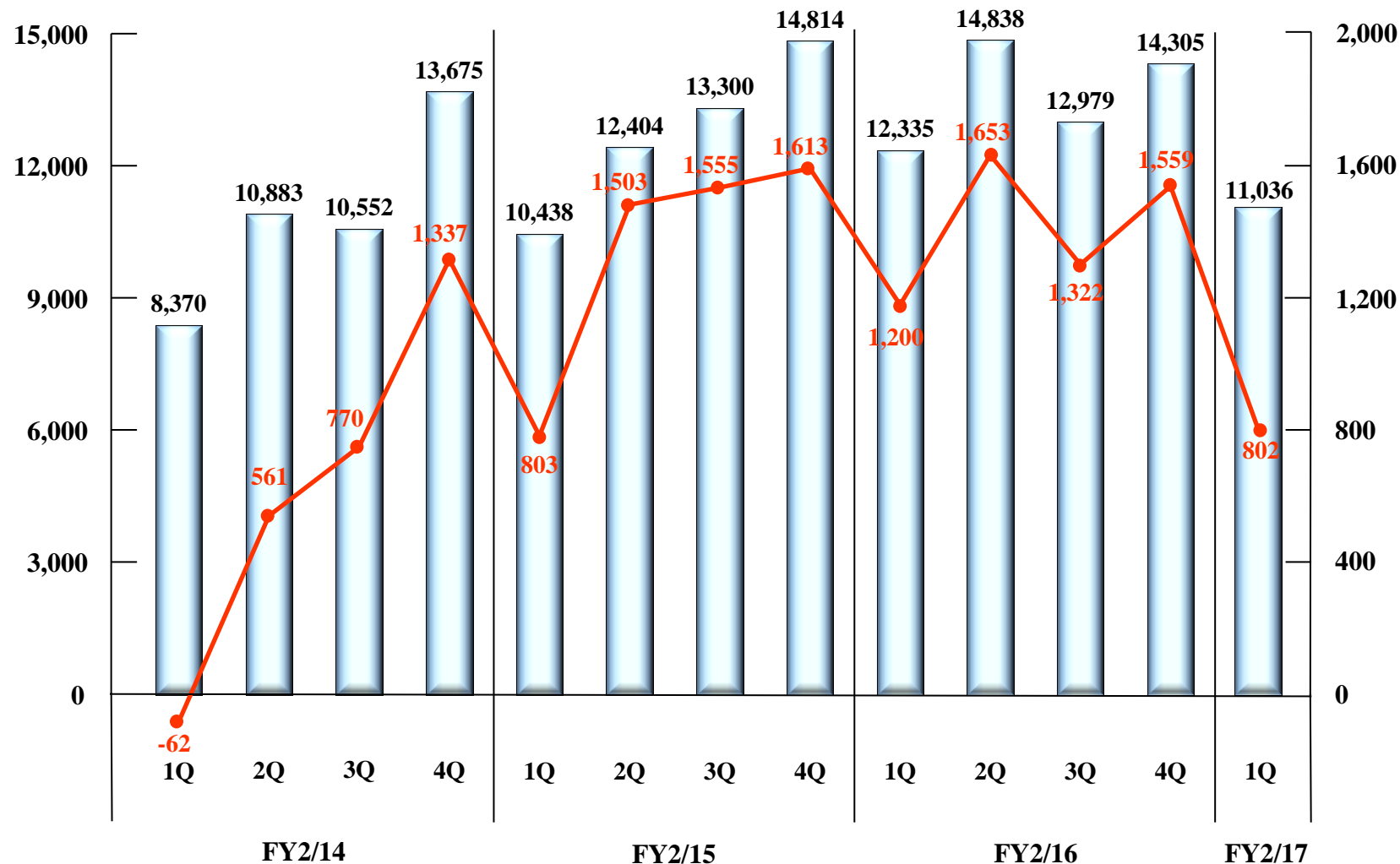
Net Sales

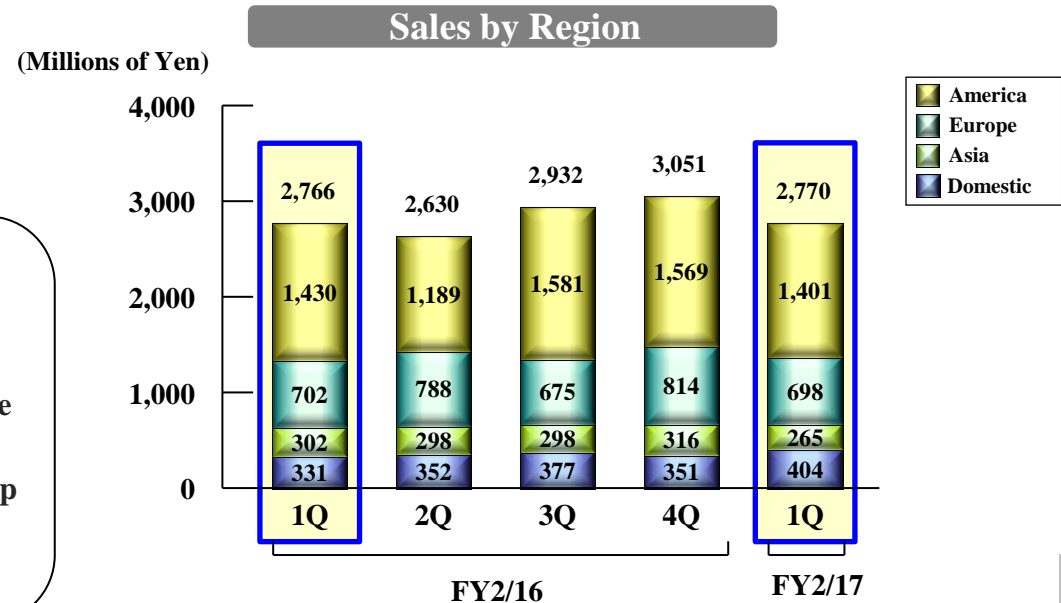
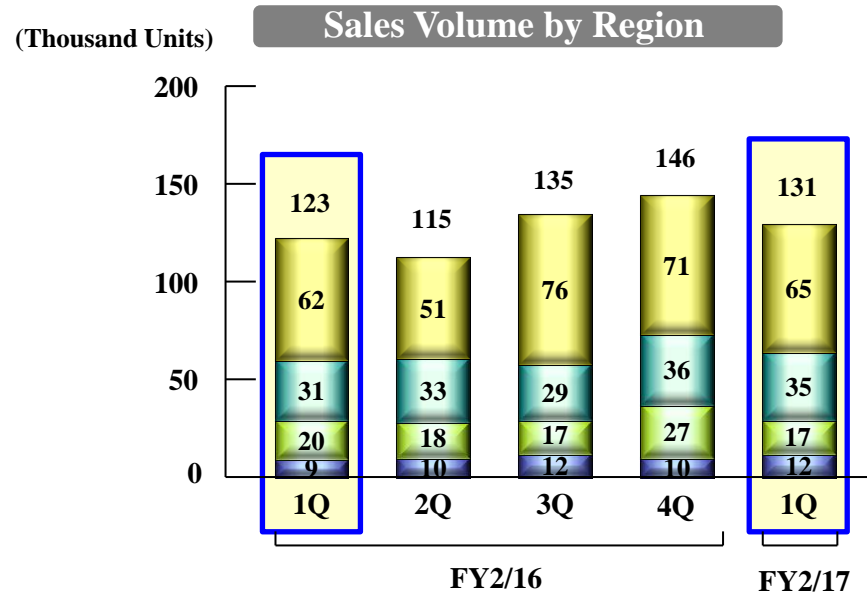
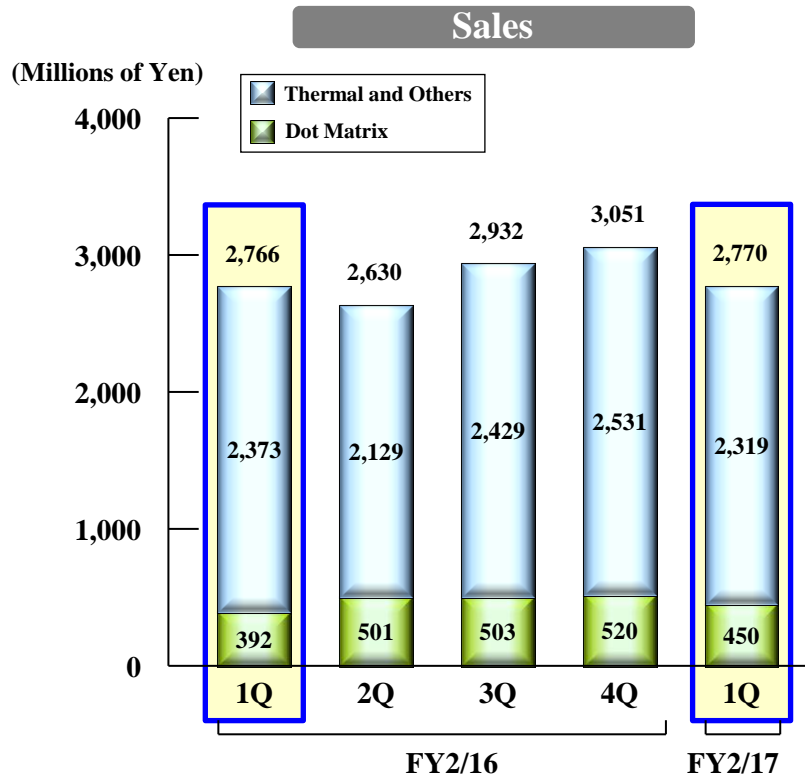
(Millions of Yen)

Net Sales Operating Income

Operating Income

(Millions of Yen)

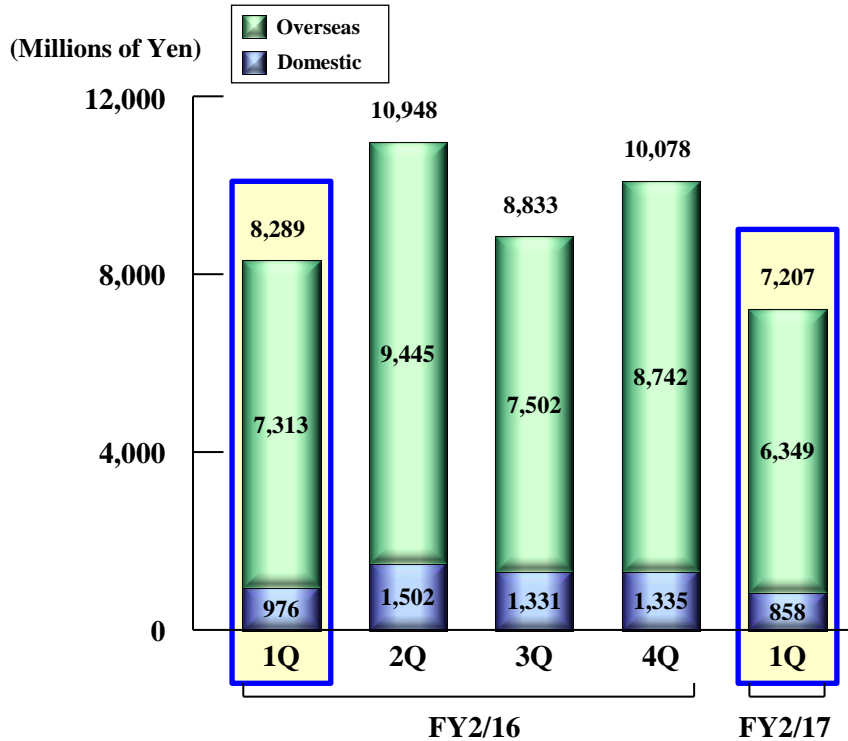




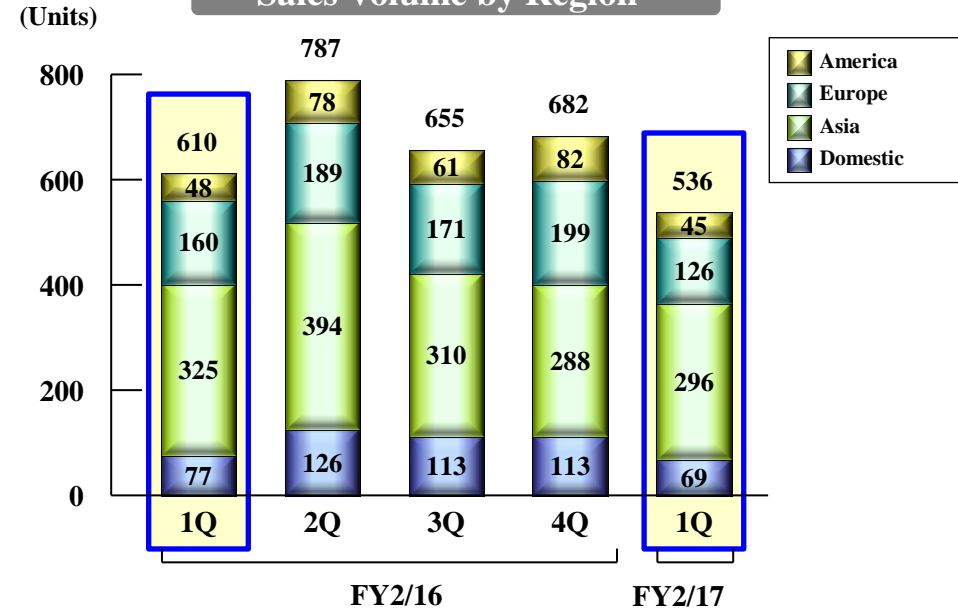
- Sales in the U.S. and European markets were held to roughly the same levels as the corresponding period of the previous fiscal year. The positive effects of the end of a round of inventory adjustments by sales agents in the U.S. market as well as the recovery trend in market conditions in Europe were offset by the negative impact of appreciation in the value of the yen.
- In the Asian market, sales declined owing mainly to the slump in sales in China.
- Sales in Japan increased on the back of robust mPOS related sales.



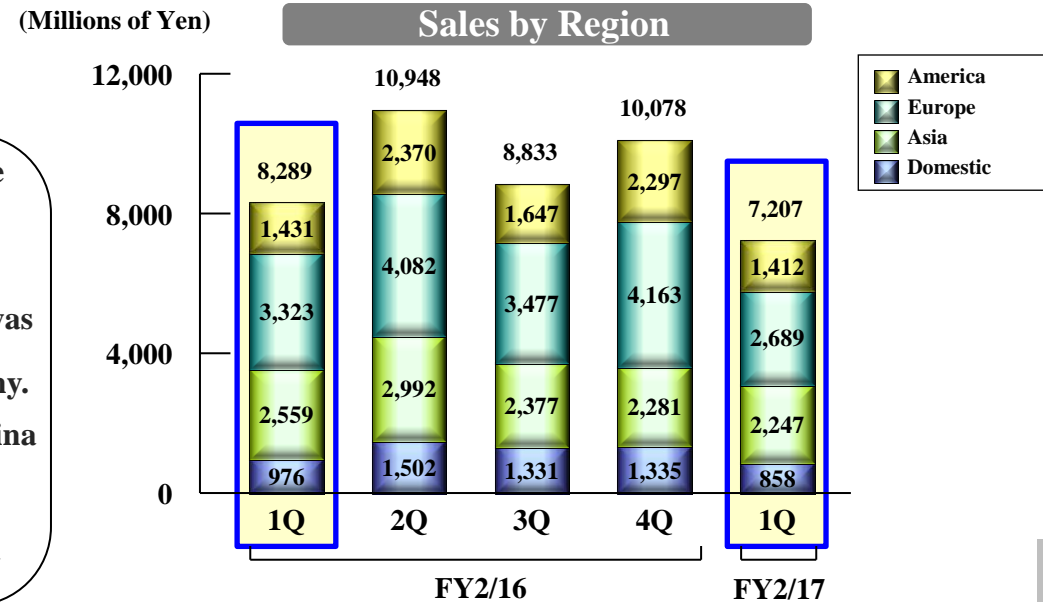
Sales



Sales Volume by Region



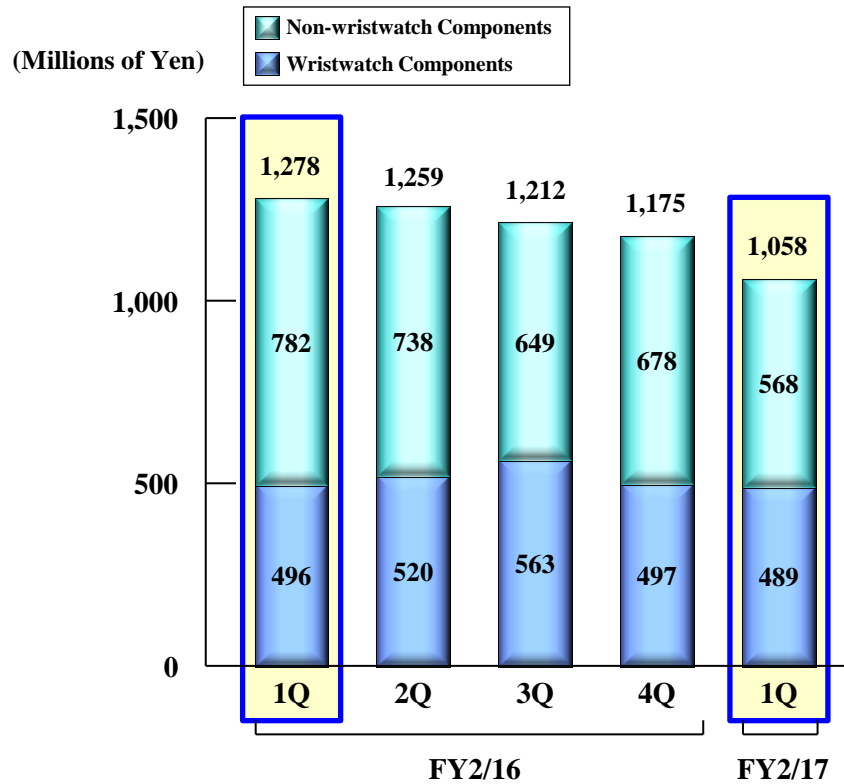
Sales by Region



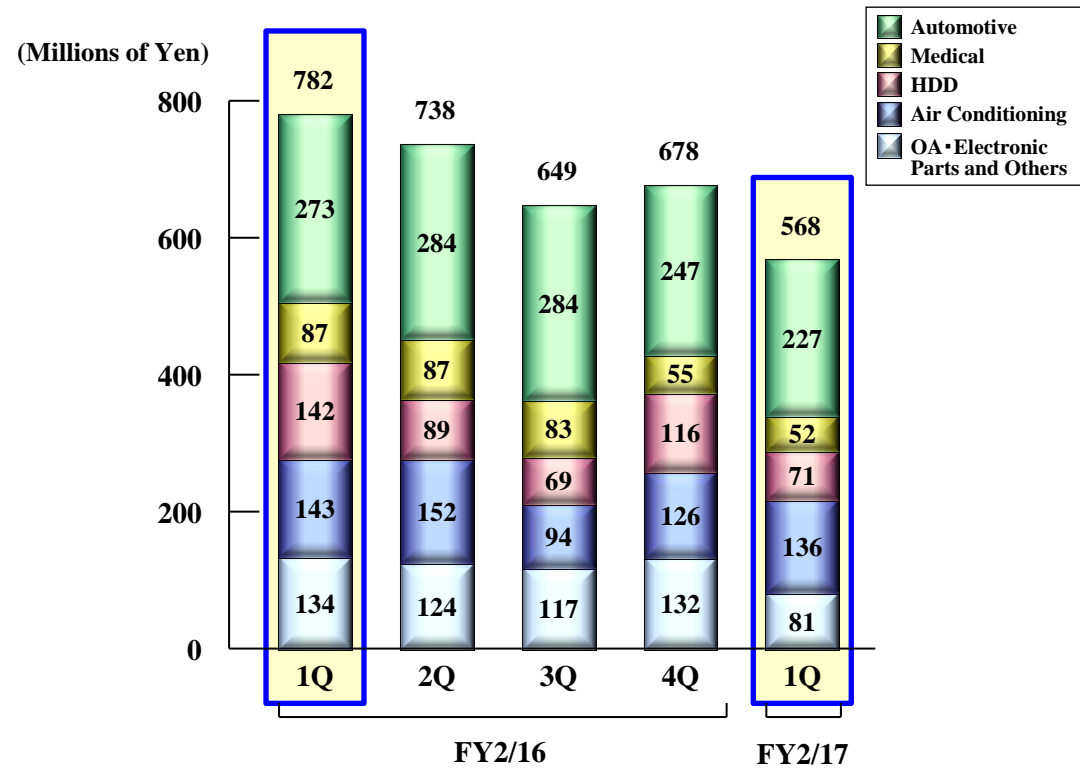
- Trends in the medical equipment-related sector in the U.S. were firm. However, sales were essentially unchanged from the corresponding period of the previous fiscal year owing to the effects of the strong yen.
- Sales in Europe declined in the fiscal year under review. This was largely due to weak sales in such emerging markets as eastern Europe and sluggish sales in major countries including Germany.
- Sales in the Asian market declined with improved results in China unable to offset the downturn in other regions.
- Sales declined in Japan. This reflected a variety of factors including the cautious approach adopted by the market toward capital expenditures.



Sales



Sales of Non-wristwatch Components



- Sales of wristwatch components remained roughly the same year on year due to production adjustments by wristwatch manufacturers.
- Sales of non-wristwatch dropped substantially owing to the downturn in demand for components for hard disk drives, the decline in automotive components, and other factors.

Special Products



POS Printer
TSP100ECO

Mobile Printer
SM-S210i



Cash Drawer and Receipt Printer
mPOP



Machine Tools



CNC Swiss Type Automatic Lathe
SV-20R



CNC Swiss Type Automatic Lathe
SR-38 type B



CNC Swiss Type Automatic Lathe
SW-12RII

Precision Products

Wristwatch Components



Non-Wristwatch Components

(Automotive, Air Conditioning, HDD and Medical Components)



(Automotive Components)