

Financial Results for the FY2020 Third Quarter

STAR MICRONICS CO., LTD.

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

Code 7718

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* The projections in this document 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.

Financial Results for the FY2020 Third Quarter

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Despite a decrease in sales and profits, upward revision in full fiscal year forecasts; dividend increase of 2 yen per share

■ Net Sales	¥31.64 billion	32.1%	down YoY
■ Operating Income	¥1.01 billion	78.8%	down YoY
■ Ordinary Income	¥1.23 billion	75.1%	down YoY
■ Net Income Attributable to Owners of Parent	¥0.60 billion	81.9%	down YoY

- ✓ **Substantial decrease in sales and profits due mainly to the impact of COVID-19**
- ✓ **Upside in both the Special Products and Machine Tools segments; upward revision of full fiscal year forecasts**
- ✓ **Increase in the period-end dividend of 2 yen per share; record high annual dividend of 58 yen per share since the Company's listing (tenth consecutive fiscal year of dividend growth)**

Consolidated Operating Results and Business Forecast



(Millions of Yen)

	Third Quarter					Full-Year							
	FY12/2019 Actual		FY12/2020 Actual			FY12/2019 Actual		FY12/2020 Forecasts					
	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Rate of Change (%)	Amount	Income Ratio (%)	Previous Forecast (Announced on August 11)		Revised Forecast (Announced on November 12)			
								Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)
Net Sales	Special Products	9,956		8,793		(11.7)	12,542		10,330		11,670		13.0
	Machine Tools	34,240		22,071		(35.5)	44,920		29,680		31,960		7.7
	Precision Products	2,368		775		(67.3)	3,188		990		970		(2.0)
	Total	46,564		31,640		(32.1)	60,651		41,000		44,600		8.8
Operating Income	Special Products	1,537	15.4	1,312	14.9	(14.6)	1,614	12.9	1,010	9.8	1,560	13.4	54.5
	Machine Tools	4,914	14.4	1,364	6.2	(72.2)	6,332	14.1	1,600	5.4	2,070	6.5	29.4
	Precision Products	114	4.9	42	5.5	(62.8)	184	5.8	40	4.0	50	5.2	25.0
	Eliminations or Corporate	(1,754)		(1,701)			(2,314)		(2,000)		(2,080)		
	Total	4,812	10.3	1,018	3.2	(78.8)	5,817	9.6	650	1.6	1,600	3.6	146.2
Ordinary Income		4,960	10.7	1,237	3.9	(75.1)	6,161	10.2	700	1.7	1,800	4.0	157.1
Net Income Attributable to Owners of Parent		3,364	7.2	607	1.9	(81.9)	4,053	6.7	100	0.2	1,000	2.2	900.0

Exchange Rate	US\$	¥109.15	¥107.60	¥109.06	¥106.65	¥107.16
	EUR	¥122.66	¥120.91	¥122.08	¥119.66	¥121.73
	GBP	¥139.05	¥136.80	¥139.27	¥135.80	¥136.60
	CHF	¥109.69	¥113.21	¥109.72	¥111.06	¥113.67

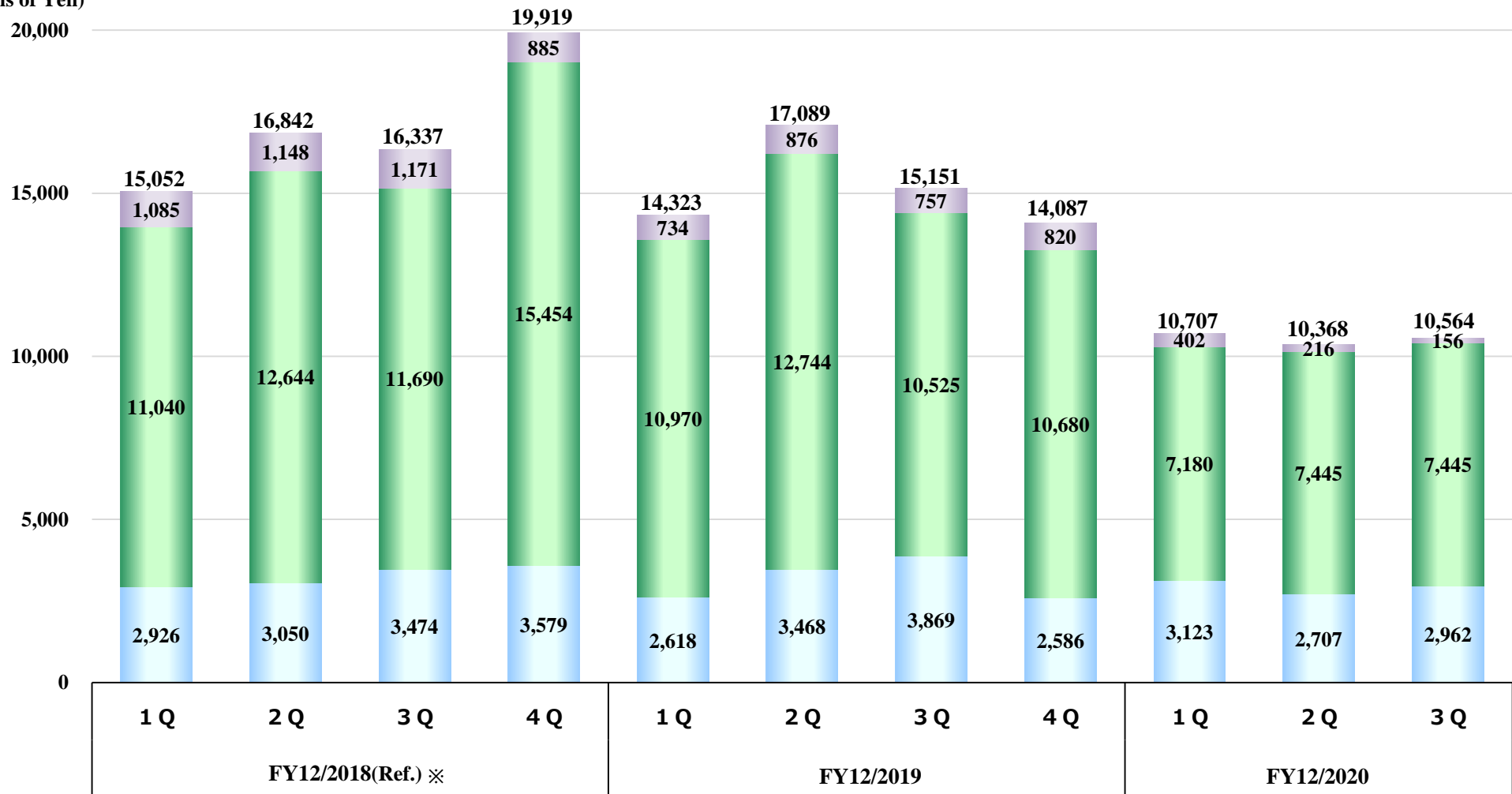
Quarterly Information (Net Sales)



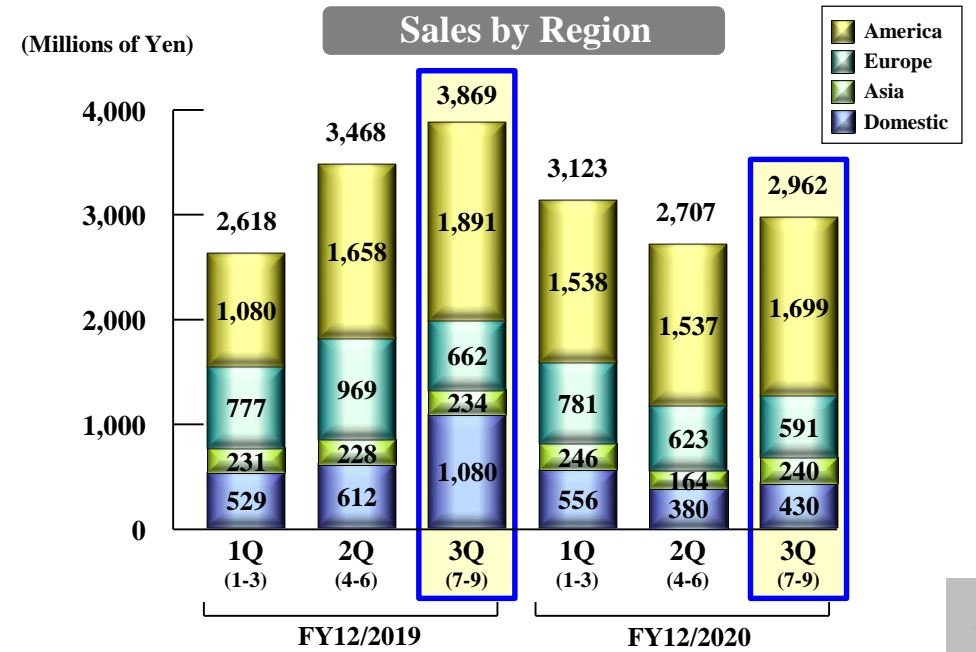
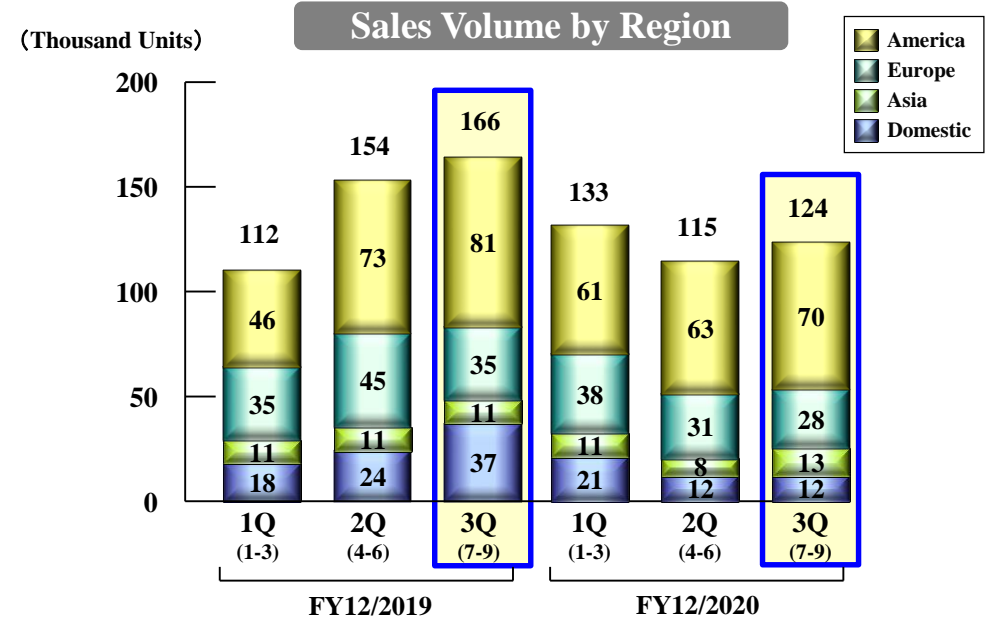
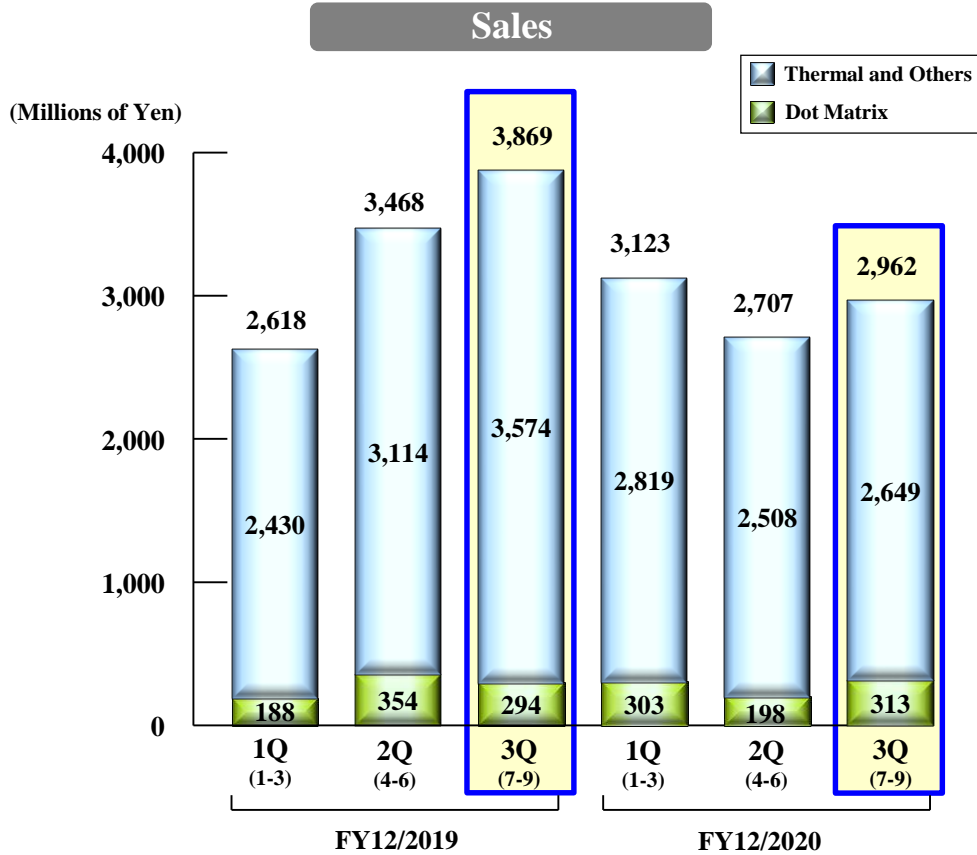
Net Sales

- Special Products
- Machine Tools
- Precision Products

(Millions of Yen)

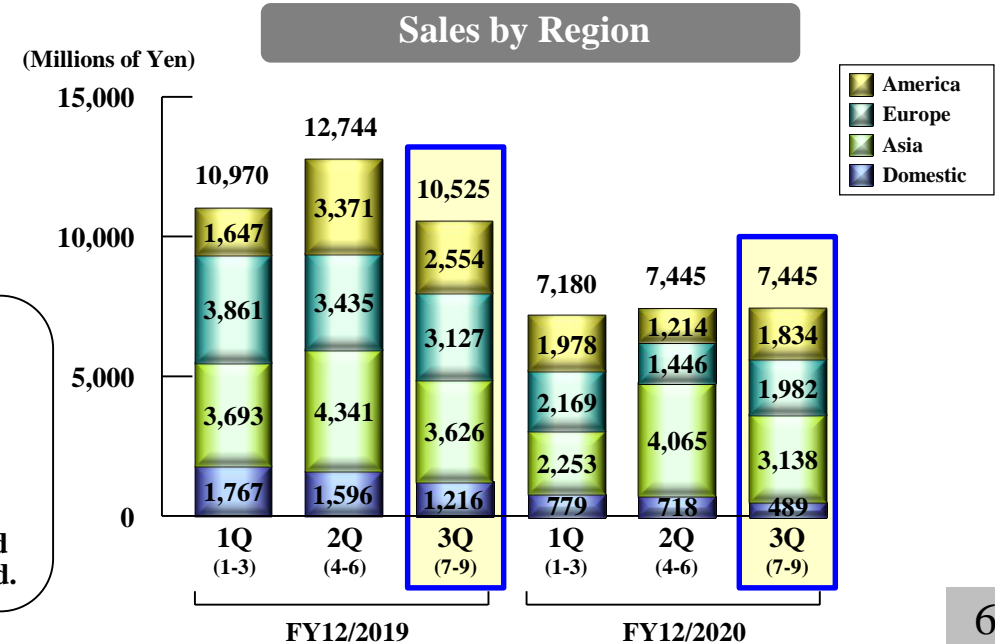
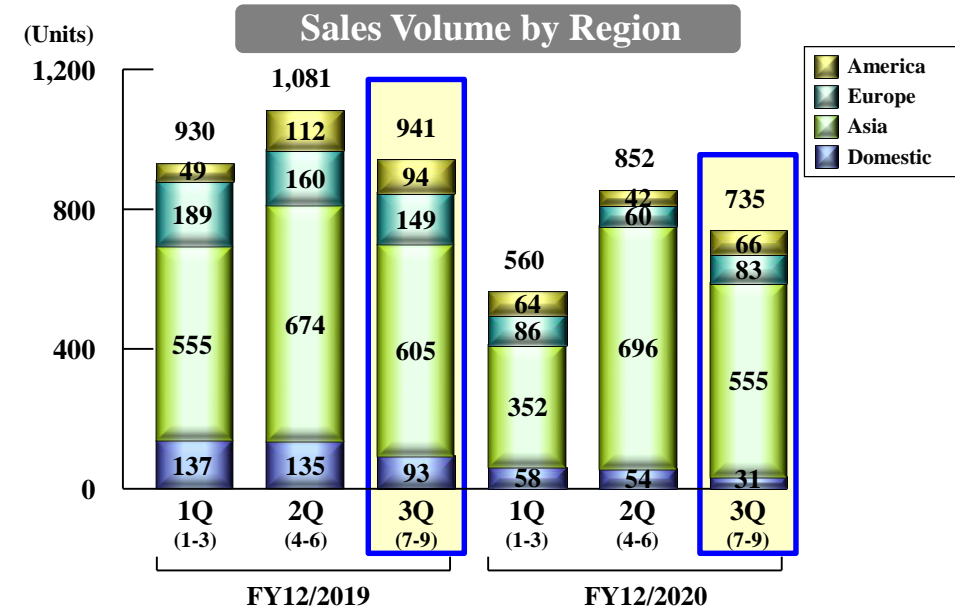
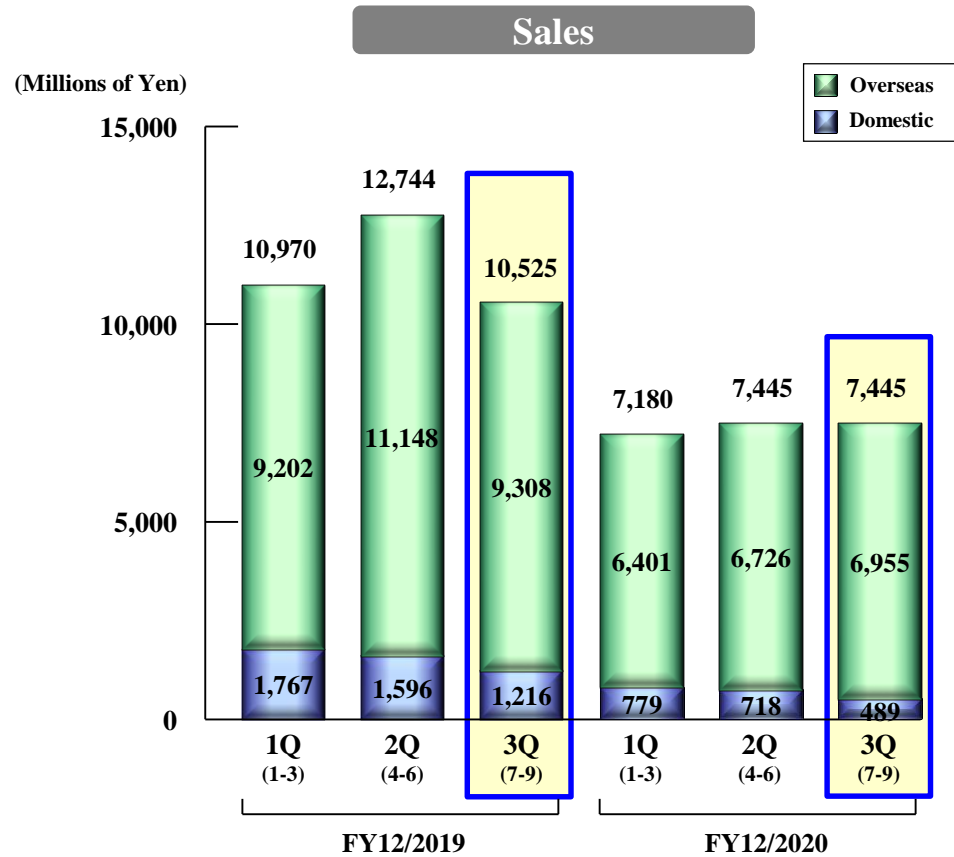


※ The consolidated fiscal period for the fiscal period ended December 31, 2018 is based on and presented for a 10-month period for the Company and consolidated subsidiaries in Japan and a 12-month period for overseas consolidated subsidiaries.
 Figures presented as FY12/2018 (Ref.) have been calculated to facilitate a comparison by replacing the same quarter from FY12/2019.



- Each market was impacted by the COVID-19 pandemic.
- Sales in the U.S. increased due to favorable sales for food deliveries.
- Sales in Europe decreased due to the sluggish market conditions.
- Sales in Japan decreased. This was due to reaction to the last-minute demand in the lead-up to the 2019 consumption tax rate hike.

※The above comments relate to the first three quarters of fiscal 2020



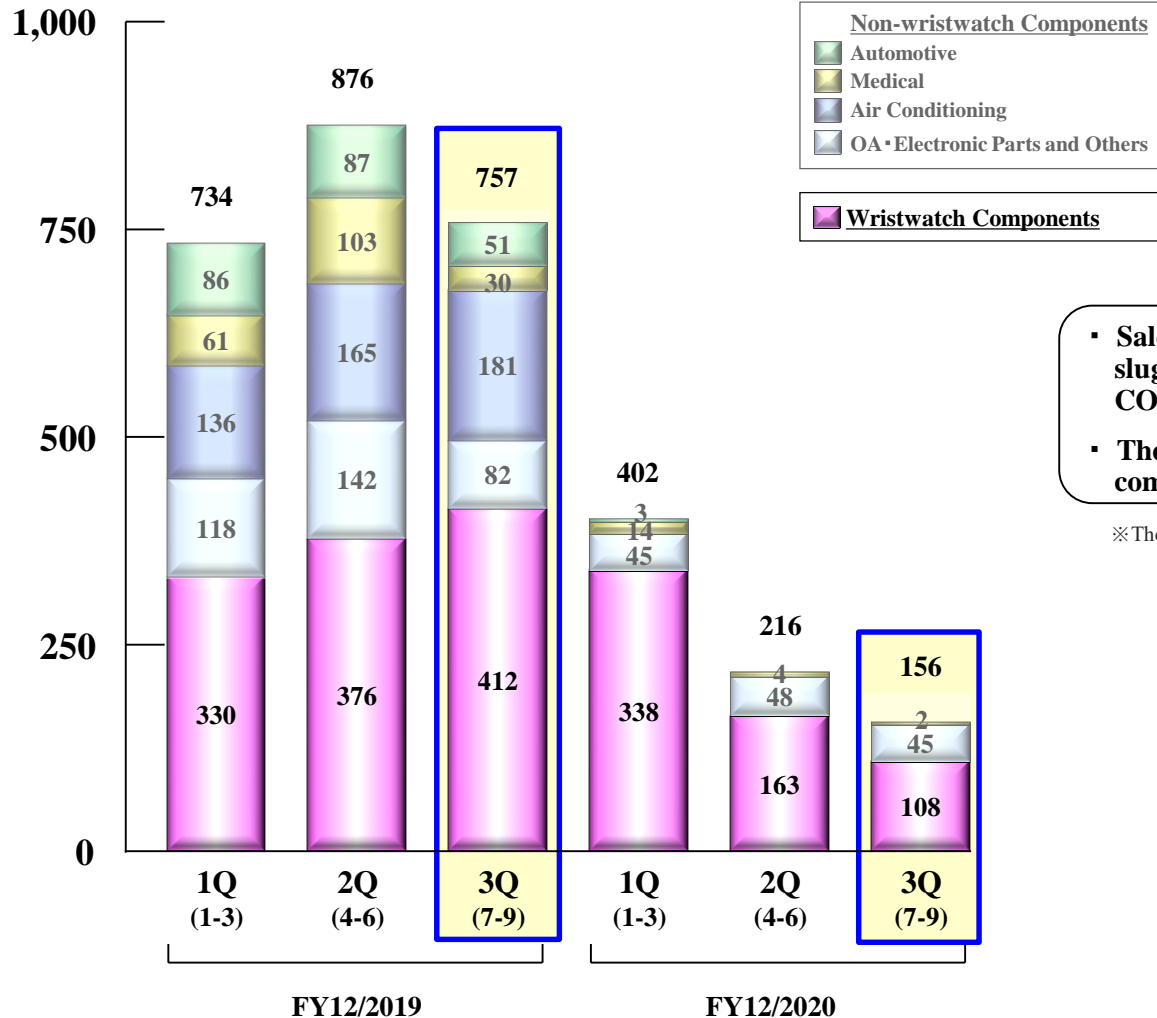
- Each market was impacted by the COVID-19 pandemic.
- Sales in the U.S. market declined substantially due to a variety of factors including restrictions on sales activities.
- Despite initial signs of a recover, results were affected by a downturn in the automobile-related markets of Europe and Japan.
- In the Asian market, although demand was quick to recover in China, this did not make up for the decline at the beginning of the period, and sales decreased.

※ The above comments relate to the first three quarters of fiscal 2020



Sales

(Millions of Yen)



- Sales of wristwatch components declined significantly due to the sluggish sales at wristwatch makers suffering from the effects of the COVID-19 pandemic.
- The Company fundamentally withdrew from non-wristwatch component operations as of the end of March 2020.

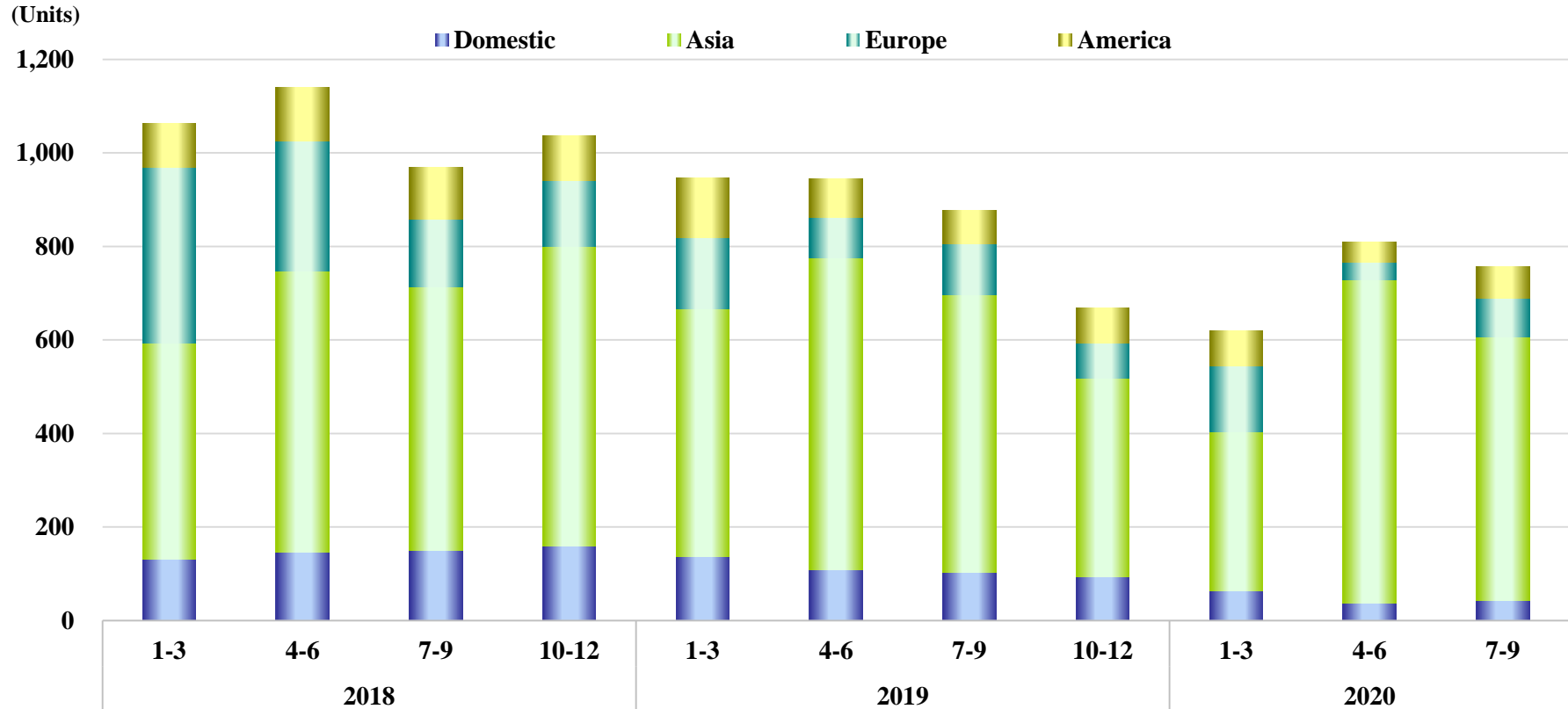
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Reference

Trends in Quarterly Machine Tool Orders



(Ordered Unit)



	2018				2019				2020		
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9
America	94	115	109	96	127	82	71	76	74	44	67
Europe	375	277	145	141	153	87	108	75	142	37	83
Asia	463	602	564	640	529	666	595	425	340	690	563
Domestic	131	146	150	159	137	109	102	93	63	38	44
Total	1,063	1,140	968	1,036	946	944	876	669	619	809	757

Special Products



Cash Drawer and Receipt Printer
mPOP



POS Printer
mC-Print series



Mobile Printer
SM-L200

Machine Tools



CNC Fixed Headstock Automatic Lathe
SK-51 type A



CNC Swiss Type Automatic Lathe
SX-38 type B



CNC Swiss Type Automatic Lathe
SR-20JII type B

Precision Products

Wristwatch Components

