



Financial Results for Fiscal 2010, the Year Ended February 28, 2010

STAR MICRONICS CO., LTD.
<http://www.star-m.jp>

2010/04/12

* Performance and achievement forecasts in this document were made based on management's judgment drawn from currently available information, and contain risks and uncertainties. Therefore, please note that actual performance may vary significantly from projections due to various factors.

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Net sales and earnings declined significantly year on year

■ Net Sales	: ¥29.1 billion	↘	48.8% down YoY
■ Operating Loss	: ¥3.9 billion	↘	—
■ Ordinary Loss	: ¥3.8 billion	↘	—
■ Net Loss	: ¥8.5 billion	↘	—

✓ **Net sales and earnings of all businesses declined year on year mainly due to impact of ongoing constrained capital investment.**

✓ **Net loss for the year was increased mainly due to posting of impairment loss on property, plant and equipment and cancellation of posting of deferred tax assets.**

(Millions of Yen)

	FY2/09 Actual			FY2/10 Actual			FY2/11 Forecast						
	Full-Year			Full-Year			1st Half		2nd Half		Full-Year		
	Amount	Income Ratio (%)	2008/2009 Change (%)	Amount	Income Ratio (%)	2009/2010 Change (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	2010/2011 Change (%)
Sales													
Special Products (Computer printers)	2,353		(31.2)	-		-	-		-		-		-
(POS printers)	9,459		(31.1)	6,739		(28.8)	3,660		3,960		7,620		13.1
Total	11,813		(31.1)	6,739		(42.9)	3,660		3,960		7,620		13.1
Components	12,351		2.4	7,646		(38.1)	2,000		1,840		3,840		(49.8)
Machine Tools	28,735		(28.7)	11,464		(60.1)	6,390		8,620		15,010		30.9
Precision Products	4,052		(7.2)	3,330		(17.8)	1,750		1,880		3,630		9.0
Total	56,952		(22.9)	29,180		(48.8)	13,800		16,300		30,100		3.1
Operating Income													
Special Products (Computer printers)	(528)		-	-		-	-		-		-		-
(POS printers)	2,129	22.5	(47.8)	279	4.1	(86.9)	350	9.6	500	12.6	850	11.2	204.2
Total	1,601	13.6	(59.8)	279	4.1	(82.6)	350	9.6	500	12.6	850	11.2	204.2
Components	1,238	10.0	425.6	(1,526)	-	-	(460)	-	(290)	-	(750)	-	-
Machine Tools	7,322	25.5	(38.8)	(940)	-	-	(310)	-	720	8.4	410	2.7	-
Precision Products	534	13.2	(37.1)	(84)	-	-	100	5.7	160	8.5	260	7.2	-
Eliminations or Corporate	(2,152)			(1,712)			(930)		(840)		(1,770)		
Total	8,544	15.0	(41.7)	(3,984)	-	-	(1,250)	-	250	1.5	(1,000)	-	-
Ordinary Income	8,923	15.7	(41.2)	(3,884)	-	-	(1,150)	-	300	1.8	(850)	-	-
Net Income	4,338	7.6	(46.3)	(8,555)	-	-	(1,870)	-	70	0.4	(1,800)	-	-

ROE (%)	7.3	-	-
Cash Dividends Applicable to the Year	¥45	¥22	¥22
DOE (%)	3.8	2.2	2.5

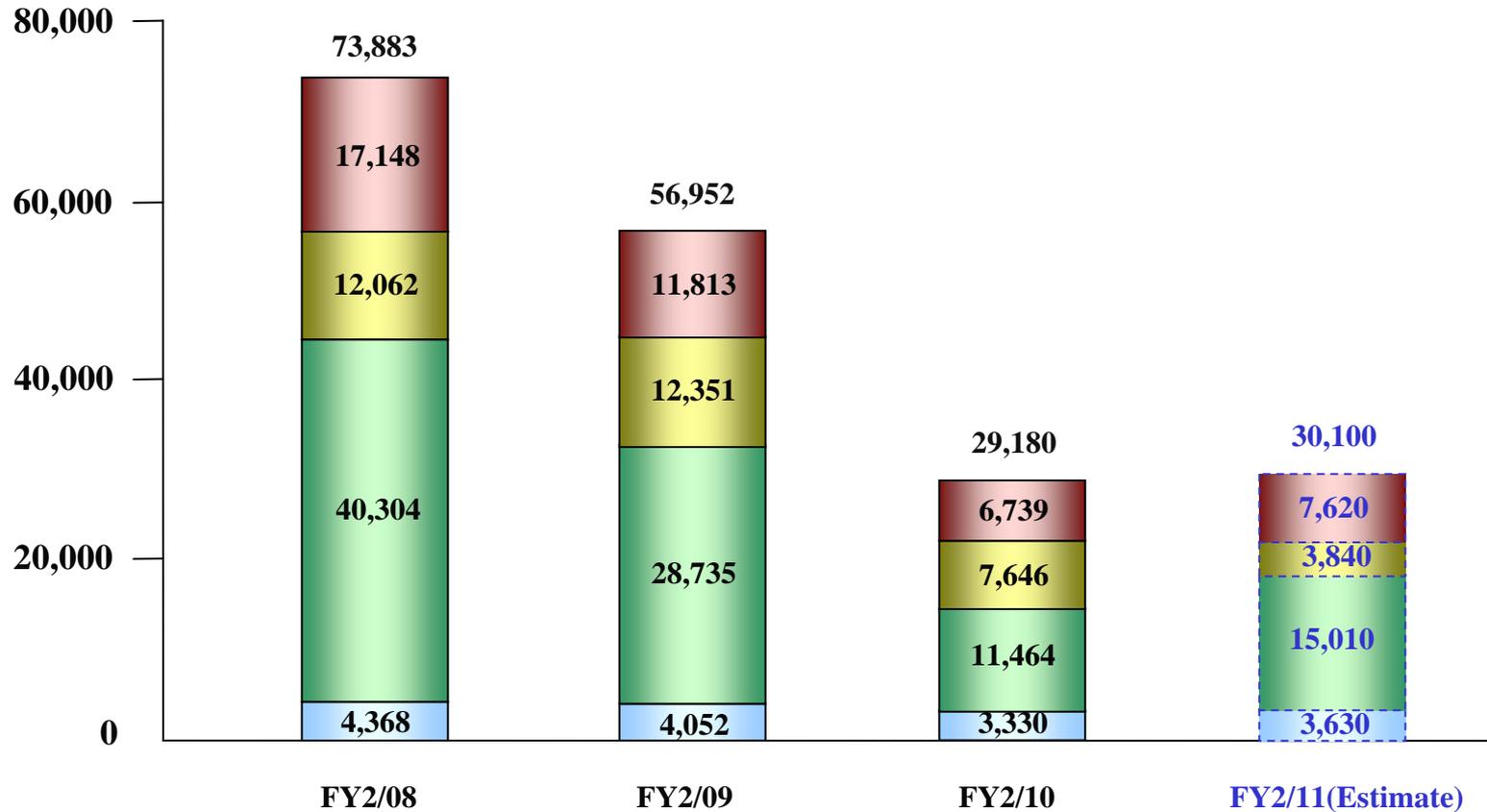
※ROE(Return on Equity) =Net Income/Shareholders' Equity (yearly average) x 100(%)

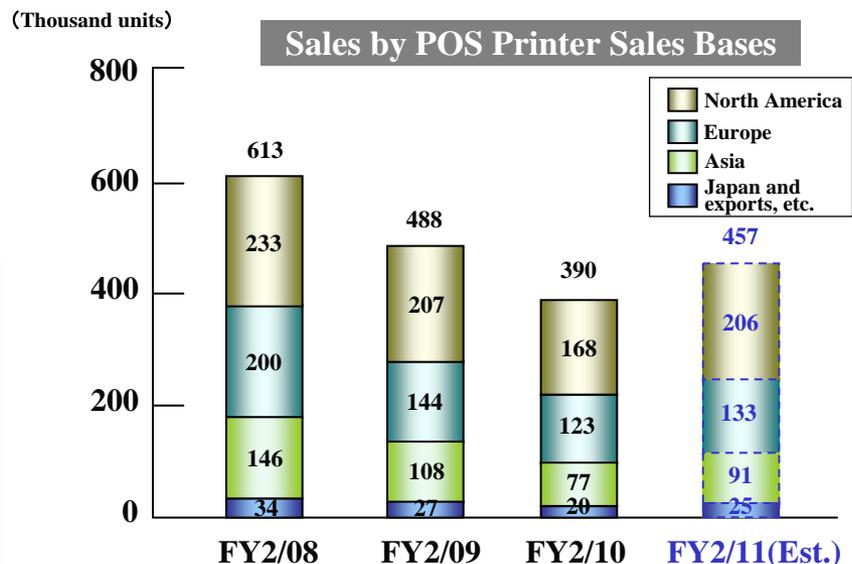
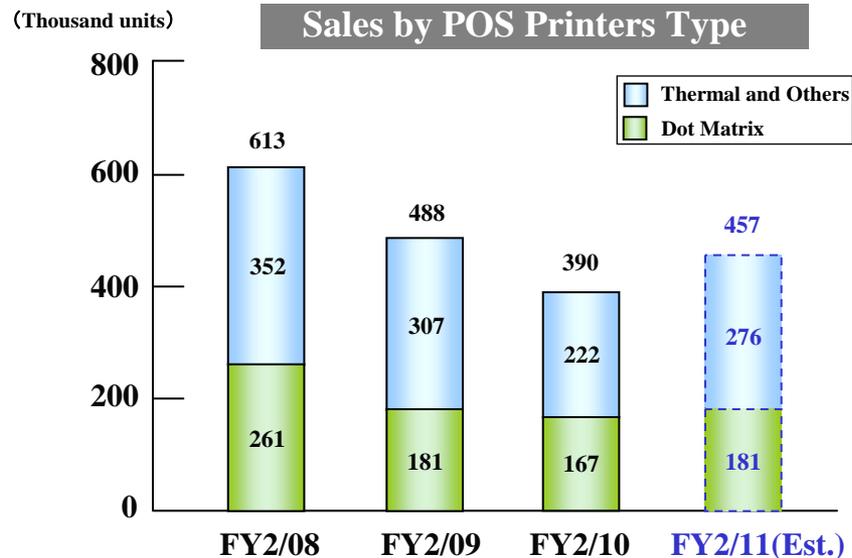
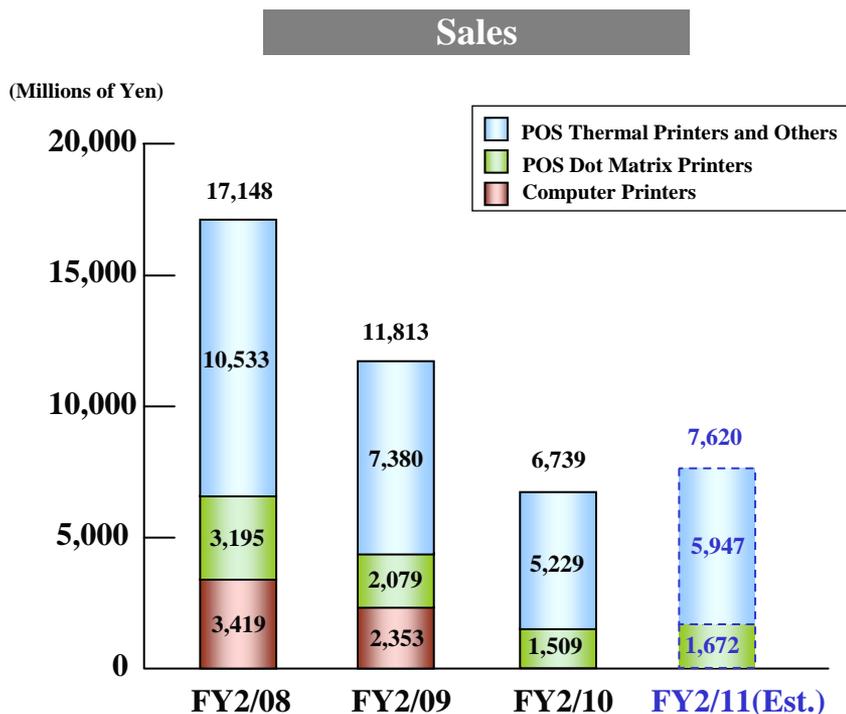
※DOE (Dividend on Equity) =The ratio of the non-consolidated dividend per common share (annual) /consolidated net assets per share(year average)x 100(%)

Exchange Rate	US\$	¥103.44	¥93.58	(assumption) ¥90.00
	EUR	¥152.41	¥130.21	(assumption) ¥125.00

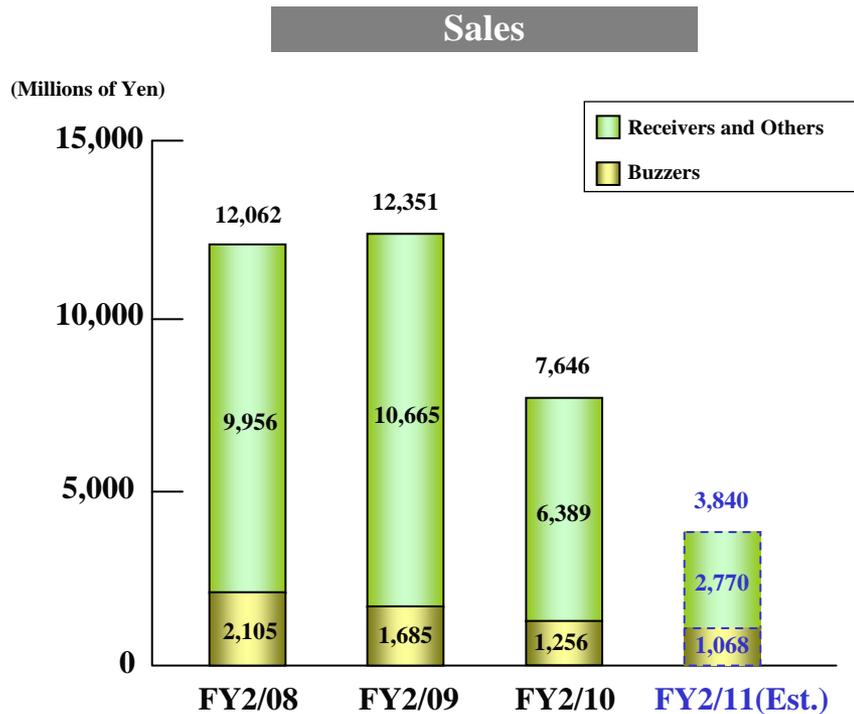
Sales by Segment

(Millions of Yen)



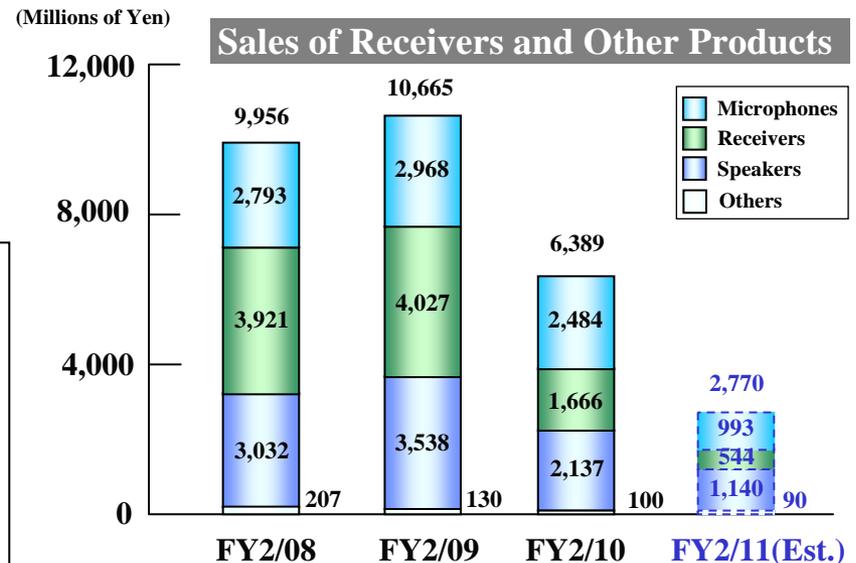
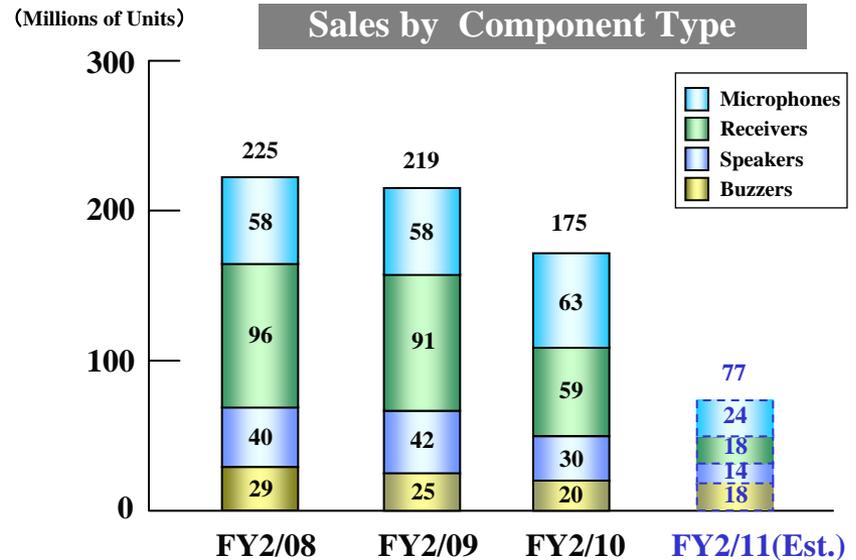


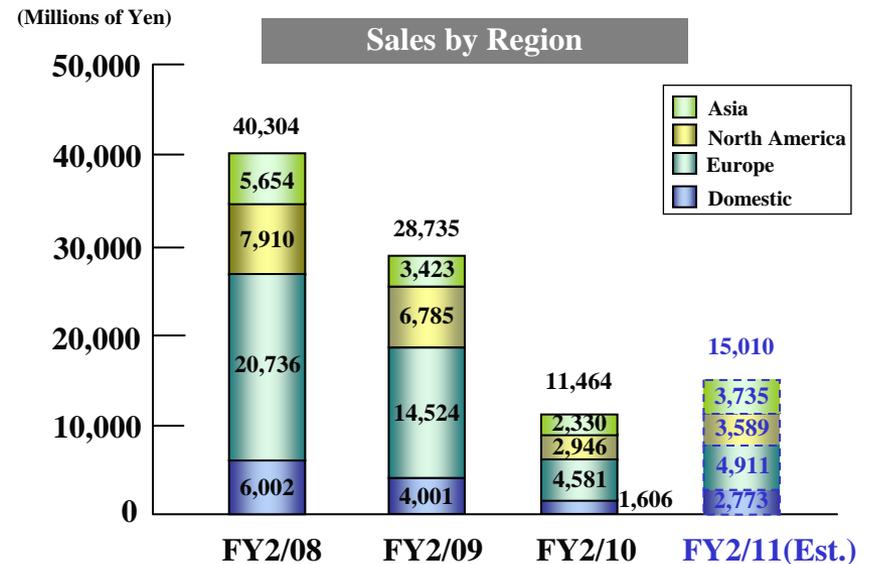
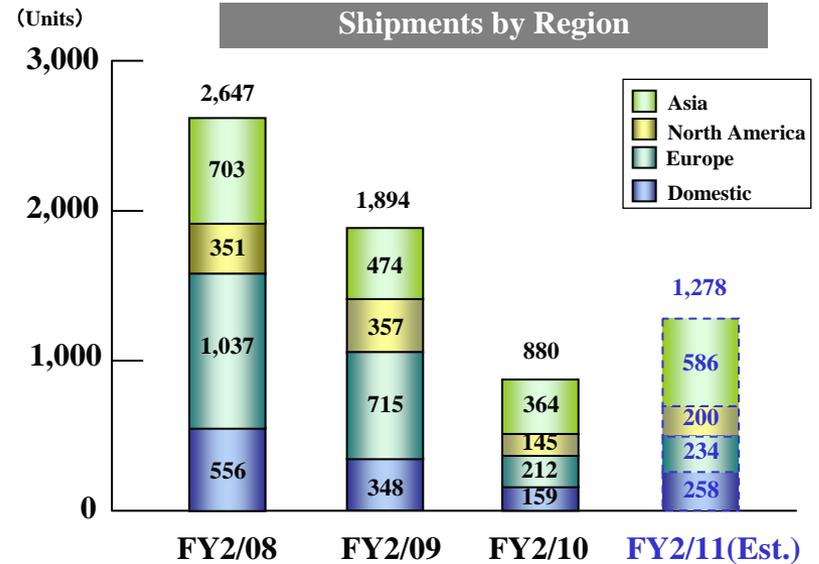
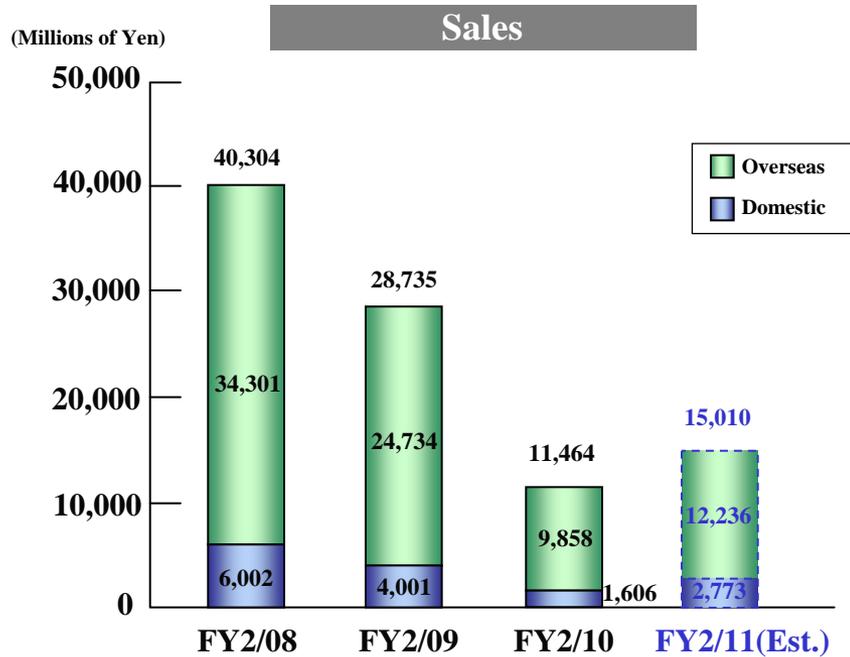
▪ Despite signs of sales recovering in regions such as South America and China, companies continued to show a cautious stance toward new investment. Together with the negative impact of exchange rates, sales fell mainly for thermal printers.



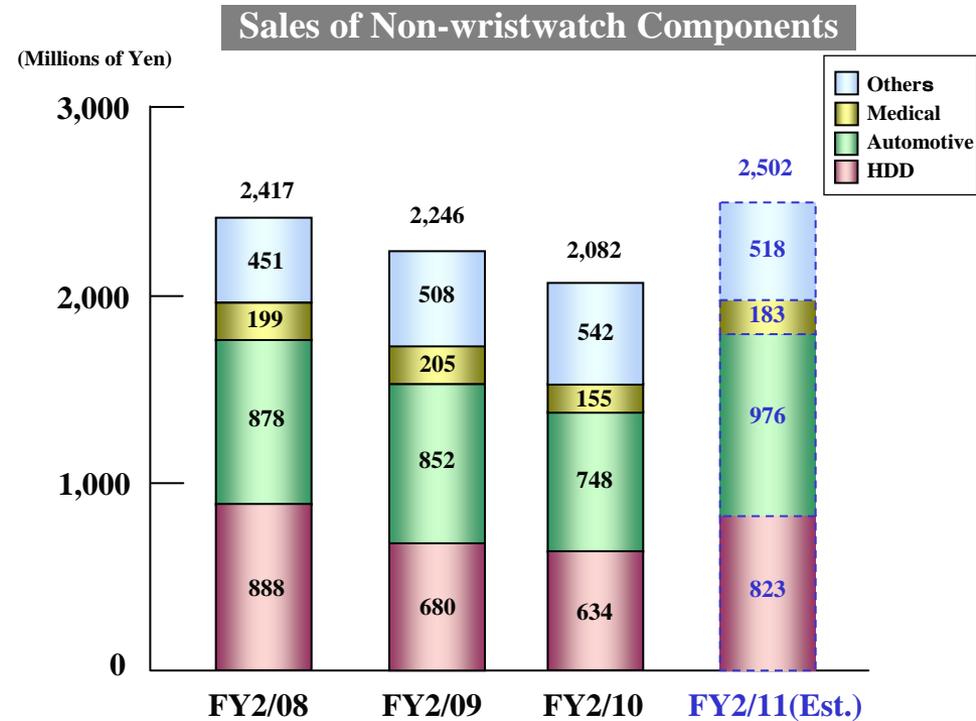
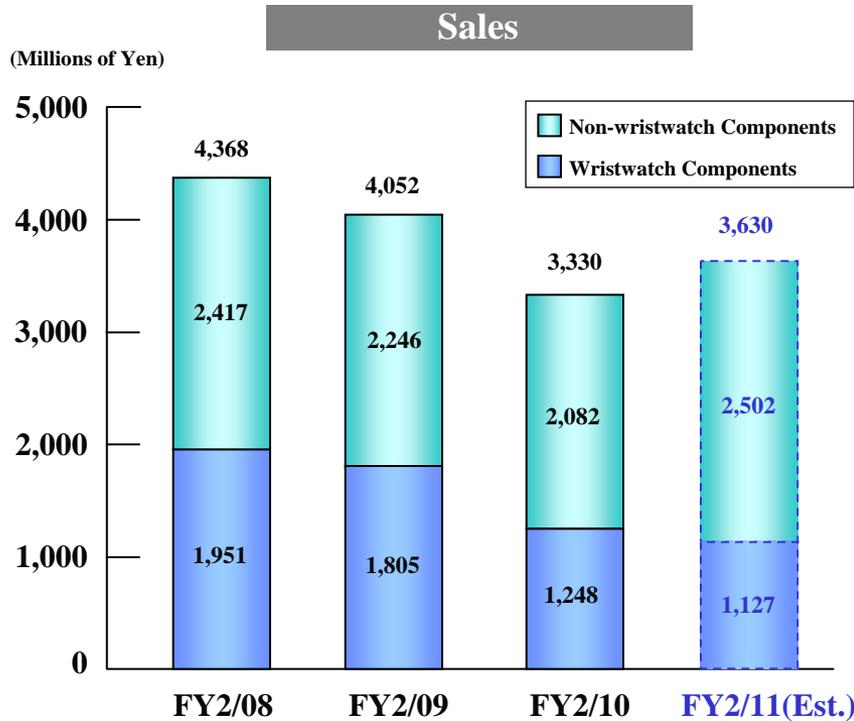
Note: "Receivers and Others" refers to receivers, microphones, speakers and other devices.

- In the mobile phone market, the emergence of rival manufacturers and requests for price reductions made it increasingly difficult to obtain orders, leading to lower sales.
- Although demand for automobile ETC terminals for the automobile industry temporarily increased, sales decreased.





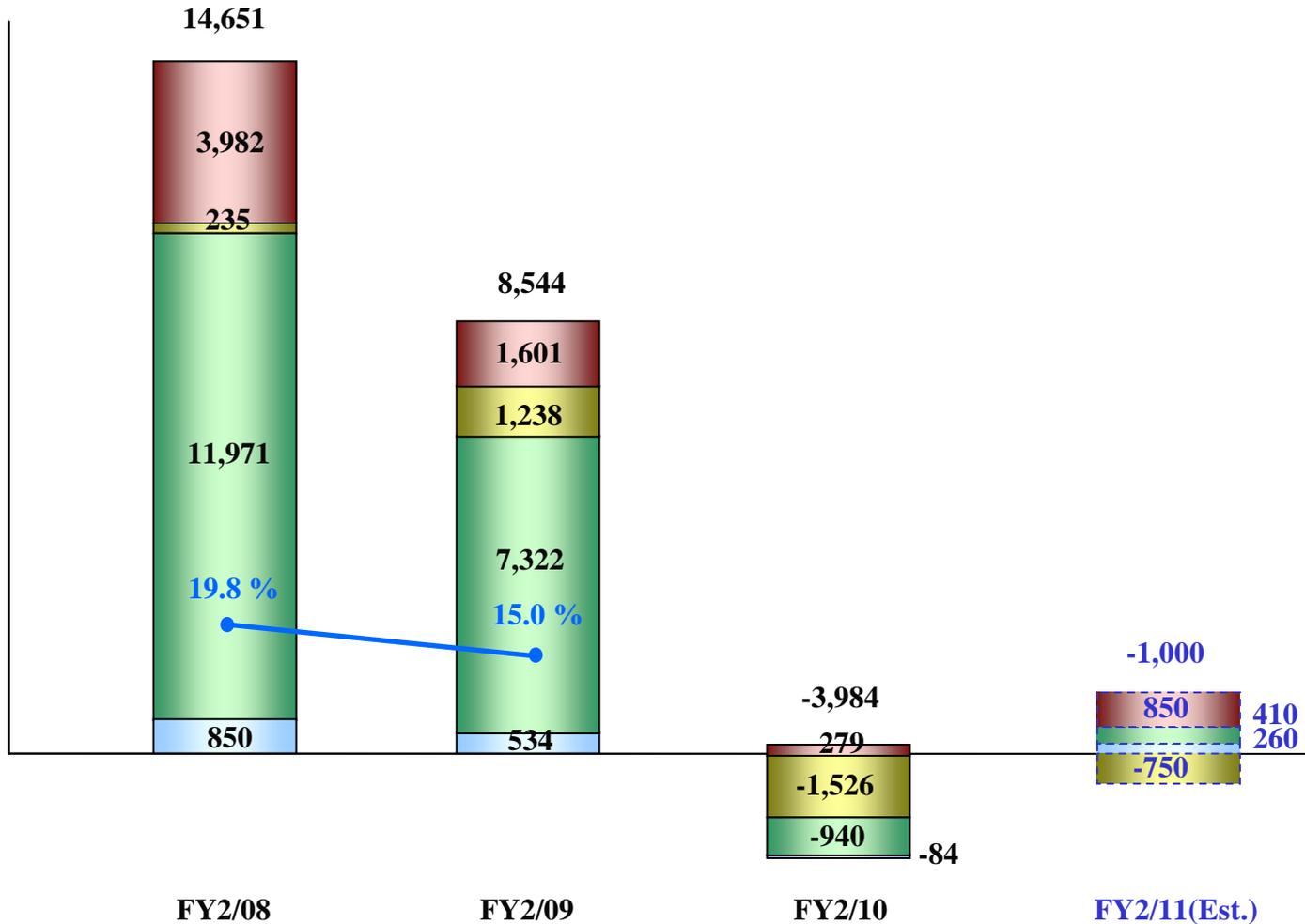
▪ Sales fell because demand remained low both in Japan and overseas as capital investment in the core European market and elsewhere remained restrained overall, although demand centered on automobile-related customers in Asian markets, especially China, has recovered.



- Sales of wristwatch components declined substantially, with demand failing to recover despite customers ending production cutbacks in the second half of year.
- Sales of non-wristwatch components declined despite a recovery in sales of car audio components and HDD components produced in overseas plants. The overall decrease in sales was due to the impact of sales declines at the beginning of the fiscal year.

Operating Income by Segment

(Millions of Yen)



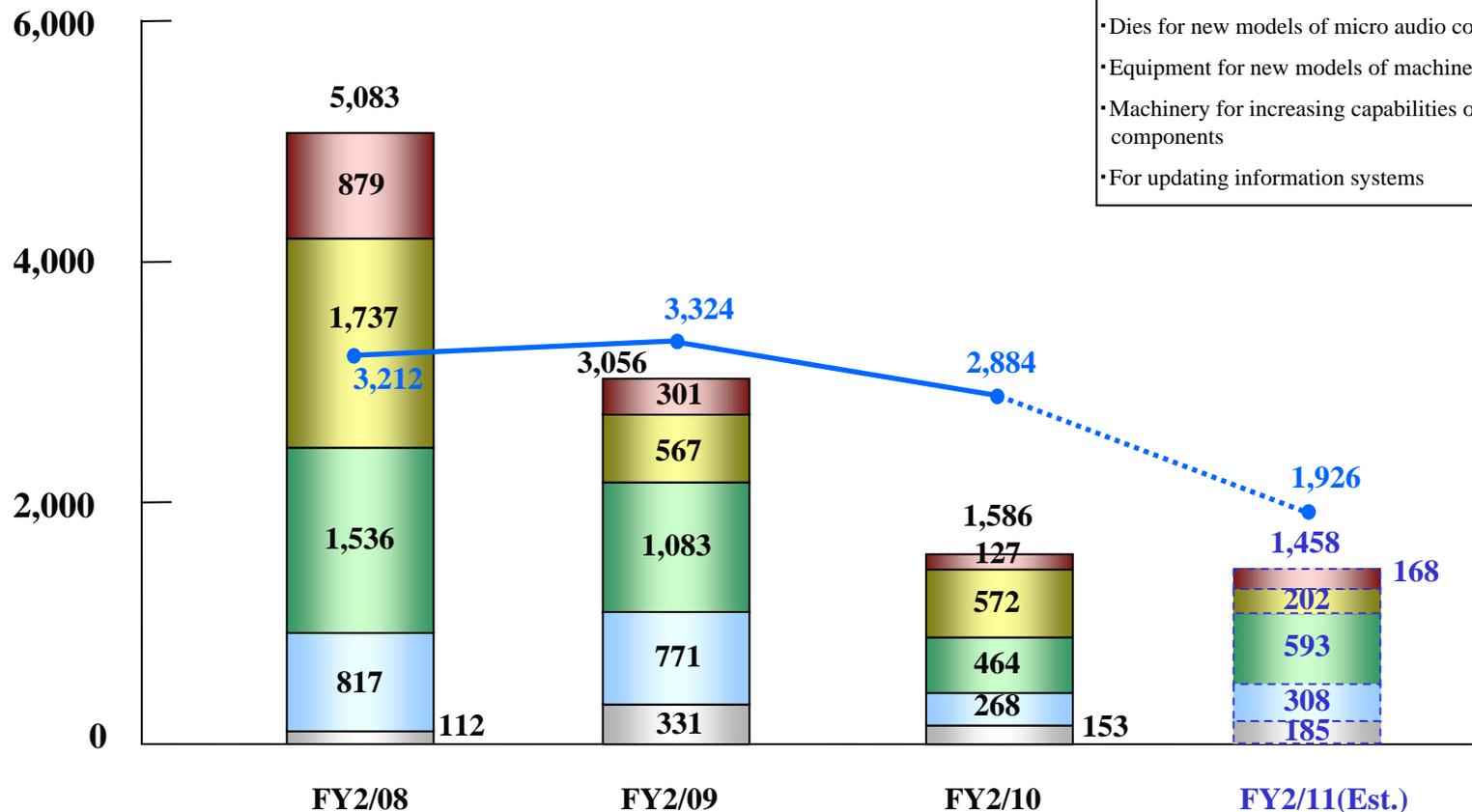
* Operating income totals exclude eliminations and corporate.

* The operating income ratio for the fiscal year ended February 28, 2010 has not been calculated because an operating loss was incurred, nor for the fiscal year ending February 28, 2011 because an operating loss is projected.

Capital Investment

(Millions of Yen)

- 【Scheduled Main Uses of Capital Investment】
- Dies for new models of POS printers
 - Dies for new models of micro audio components
 - Equipment for new models of machine tools
 - Machinery for increasing capabilities of precision components
 - For updating information systems



(Millions of Yen)

		Feb.2008 Actual		Feb.2009 Actual		Feb.2010 Actual		Feb.2011 Forecast	
		Amount	Component percentages	Amount	Component percentages	Amount	Component percentages	Amount	Component percentages
Assets	Cash and deposit	22,421	26%	16,007	25%	15,349	30%	12,700	27%
	Trade notes and accounts receivable	18,307	21%	10,053	16%	9,114	18%	10,100	21%
	Inventories	15,436	18%	15,489	24%	9,019	18%	8,300	17%
	Other current assets	7,071	8%	3,212	5%	863	2%	1,400	3%
	Total current assets	63,235	73%	44,761	70%	34,345	68%	32,500	68%
	Property, plant and equipment	17,727	21%	15,168	23%	11,677	23%	11,400	24%
	Other fixed assets	5,412	6%	4,275	7%	4,658	9%	3,600	8%
	Total fixed assets	23,139	27%	19,443	30%	16,335	32%	15,000	32%
	Total assets	86,375	100%	64,204	100%	50,680	100%	47,500	100%
Liabilities	Trade notes and accounts payable	7,910	9%	3,248	5%	2,815	6%	3,300	7%
	Short-term debt	-	-	2,000	3%	2,000	4%	2,000	4%
	Other current liabilities	11,166	13%	5,511	9%	4,012	8%	3,944	8%
	Total current liabilities	19,077	22%	10,759	17%	8,828	18%	9,244	19%
	Total long-term liabilities	696	1%	458	0%	592	1%	400	1%
	Total liabilities	19,773	23%	11,218	17%	9,420	19%	9,644	20%
Net assets	Total net assets	66,601	77%	52,986	83%	41,260	81%	37,856	80%
Total liabilities and net assets		86,375	100%	64,204	100%	50,680	100%	47,500	100%

Cash Flows

(Millions of Yen)

	Feb.2008 Actual	Feb.2009 Actual	Feb.2010 Actual	Feb.2011 Forecast
Net cash provided by operating activities	10,666	6,151	4,768	(490)
Net cash used in investing activities	(8,072)	(1,314)	(1,194)	(1,600)
Free cash flow	2,593	4,837	3,574	(2,090)
Net cash used in financing activities	(2,151)	(9,076)	(3,976)	(1,000)
Cash and cash equivalents at end of year	21,824	14,610	14,372	11,300

※The year-end balance of cash and cash equivalents shown here differs from the cash and cash equivalents shown in the balance sheets, mainly because it does not include time deposits over 3-month period.

Financial Benchmarks

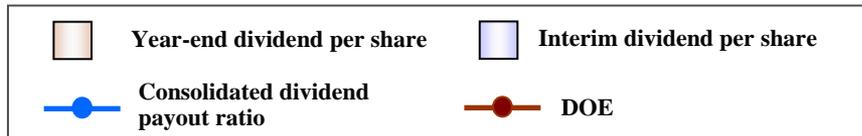
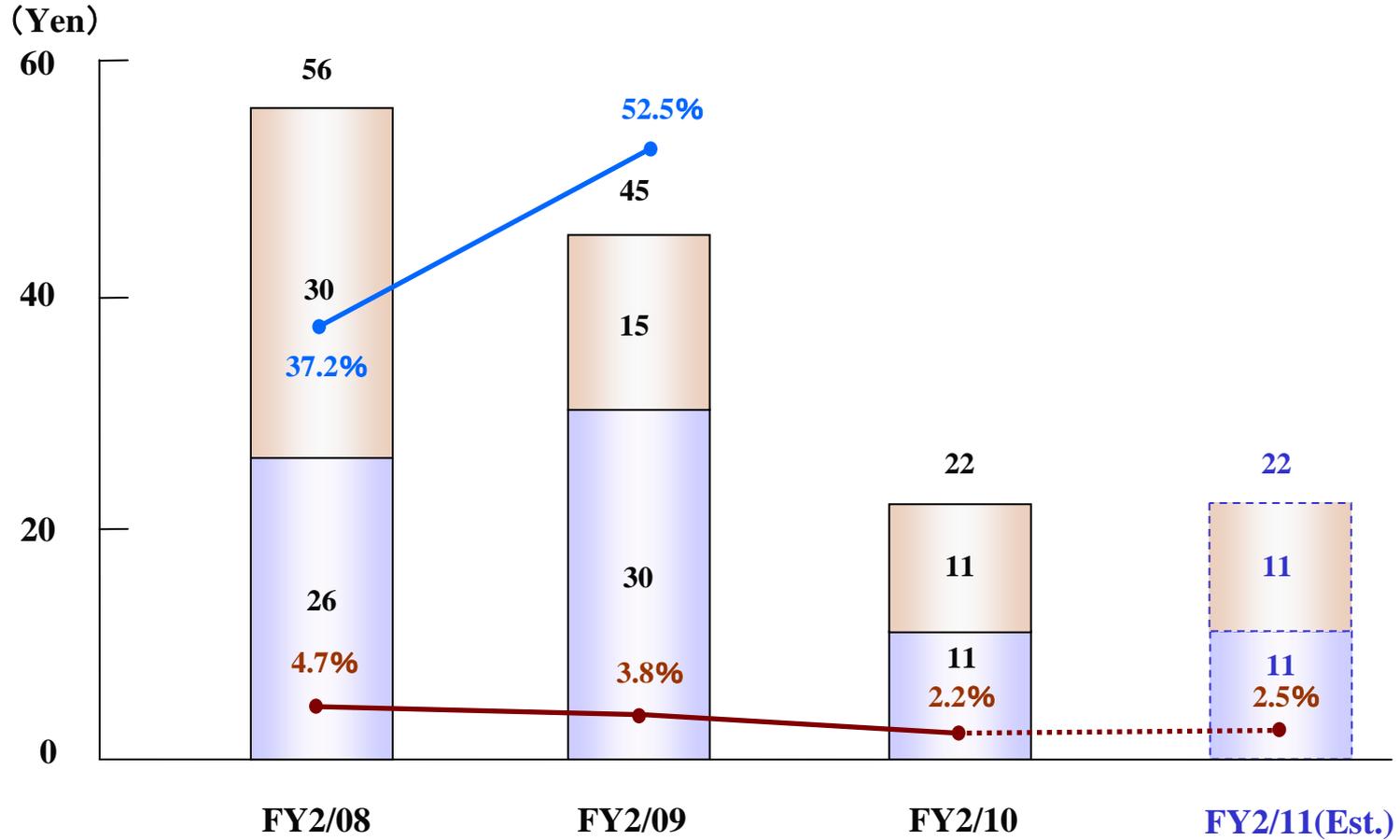
	Feb.2008 Actual	Feb.2009 Actual	Feb.2010 Actual	Feb.2011 Forecast
Total asset turnover	0.9 times	0.8 times	0.5 times	0.6 times
Equity ratio	76.2%	81.5%	80.1%	78.4%
Return on equity (ROE)	12.8%	7.3%	-	-
Return on assets (ROA)	18.7%	11.9%	-	-
Earnings per share (EPS)	¥150.74	¥85.66	(¥187.95)	(¥40.85)
Book value per share (BPS)	¥1,227.59	¥1,114.21	¥921.55	¥845.00
Dividend on equity (DOE)	4.7%	3.8%	2.2%	2.5%

Research and Development Costs

(Millions of Yen)

	Feb.2008 Actual	Feb.2009 Actual	Feb.2010 Actual	Feb.2011 Forecast
R&D costs	2,213	2,054	1,950	1,816

Shareholder Returns



*The consolidated dividend payout ratio for the fiscal year ended February 28, 2010 has not been calculated because a net loss was incurred, nor for the fiscal year ending February 28, 2011 because a net loss is projected.

We aim to raise profitability and maintain our soundness, and steadily make sustained returns to shareholders, by optimizing the allocation of business resources and by restructuring our businesses.

Raise Profitability

- Capture high shares in global niche markets
- Concentrate business resources on highly profitable products and markets
- Create high-value-added products

Preserving growth

- Strengthen our sales organization in emerging markets
- Build an optimal production system by utilizing overseas production bases
- Implement business alliances and M&As to strengthen our core competencies

Maintain Soundness

- Equity ratio :80% or more
- Ratio of net cash (to total assets) :25% or more
- Enhancement of shareholder returns
 - Dividend payout ratio : 40% or more
 - Dividend on equity : 3.5% or more

- Net Sales ¥45 billion
- Operating Income ¥4.5 billion
- Net Income ¥3.5 billion
- Operating Income Ratio 10% or more
- Shareholder Returns Consolidated dividend payout ratio 40% or more
Dividend on equity 3.5% or more

(100 Millions of Yen)

	FY2/10 Actual		FY2/13 Targets		2010/2013 Change (%)
	Amount		Amount		
Sales					
Special Products	67		90		33.5%
Components	76		60		(21.5%)
Machine Tools	114		260		126.8%
Precision Products	33		40		20.1%
Total	291		450		54.2%
		(Income Ratio)		(Income Ratio)	
Operating Income	(39)	-	45	10.0%	-
Ordinary Income	(38)	-	45	10.0%	-
Net Income	(85)	-	35	7.8%	-

Cash Dividends Applicable to the Year	¥22	¥34
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Performance Indicators (10-Year Data)



	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		EPS (Yen)	ROE (%)	DOE (%)	Dividends Per Share (Yen)
		Income Ratio (%)	Income Ratio (%)	Income Ratio (%)	Income Ratio (%)						
FY2/01	52,304	6,352	12.1	6,477	12.4	3,273	6.3	57.91	7.3		10.0
FY2/02	43,265	4,063	9.4	4,213	9.7	577	1.3	10.21	1.2		10.0
FY2/03	38,611	2,407	6.2	1,874	4.9	434	1.1	7.77	0.9	1.2	10.0
FY2/04	43,331	3,549	8.2	3,593	8.3	2,425	5.6	44.12	5.4	1.3	11.0
FY2/05	49,689	6,343	12.8	6,357	12.8	3,775	7.6	70.13	8.2	1.7	15.0
FY2/06	54,788	8,108	14.8	8,386	15.3	5,151	9.4	95.60	10.1	2.2	21.0
FY2/07	62,670	10,444	16.7	10,862	17.3	7,012	11.2	131.09	12.2	3.0	32.0
FY2/08	73,883	14,651	19.8	15,170	20.5	8,080	10.9	150.74	12.8	4.7	56.0
FY2/09	56,952	8,544	15.0	8,923	15.7	4,338	7.6	85.66	7.3	3.8	45.0
FY2/10	29,180	(3,984)	-	(3,884)	-	(8,555)	-	(187.95)	-	2.2	22.0
FY2/11(Est.)	30,100	(1,000)	-	(850)	-	(1,800)	-	(40.85)	-	2.5	22.0

Segment	Products	
Special Products	POS Printers Card Reader/Writers	
Components	Micro Audio Components (Electronic Buzzers, Microphones, Speakers, Receivers)	
Machine Tools	CNC Automatic Lathes, etc.	
Precision Products	Wristwatch Parts, Optical Connector Parts, Automotive Parts, Medical Equipment Parts	