



Financial Results for Fiscal 2011, the Year Ended February 28, 2011

STAR MICRONICS CO., LTD.

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

2011/04/11

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The Star Micronics Group does not have any plants or offices in the area affected by the devastating earthquake that struck Japan's Tohoku region in March 2011, and has not suffered any direct injury to personnel or damage to production facilities and other equipment.

Nevertheless, the disaster could conceivably cause production adjustments among Star Micronics Group customers and material procurement difficulties for business partners in Japan, as well as delays and certain other problems with respect to international distribution. This has made it difficult for the Company to estimate a fiscal-year outlook at this time.

For these reasons, Star Micronics will continue to make an effort to collect information and announce an outlook for the year ending February 29, 2012, once that information is carefully analyzed, prior to the release of earnings for the first quarter of that year scheduled at the end of June 2011.

Restored profitability across all income levels on improved sales

■ Net Sales	: ¥35.7 billion	↗	22.4% up YoY
■ Operating Income	: ¥1.4 billion	↗	—
■ Ordinary Income	: ¥1.1 billion	↗	—
■ Net Income	: ¥0.1 billion	↗	—

✓ **Operating income in the Machine Tools Segment improved markedly on sharply higher sales, reflecting resurgent orders in the European market, as well as firm demand from the Asian and U.S. markets.**

✓ **The Special Products Segment and Precision Products Segment also saw demand pick up, leading to increased sales and improved operating income markedly.**

Financial Data



(Millions of Yen)

	FY2/09 Actual			FY2/10 Actual			FY2/11 Actual		
	Full-Year			Full-Year			Full-Year		
	Amount	Income Ratio (%)	2008/2009 Change (%)	Amount	Income Ratio (%)	2009/2010 Change (%)	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)	7,782		15.5
Total	11,813		(31.1)	6,739		(42.9)	7,782		15.5
Components	12,351		2.4	7,646		(38.1)	4,400		(42.4)
Machine Tools	28,735		(28.7)	11,464		(60.1)	19,286		68.2
Precision Products	4,052		(7.2)	3,330		(17.8)	4,248		27.6
Total	56,952		(22.9)	29,180		(48.8)	35,717		22.4
Operating Income									
Special Products (Computer printers)	(528)	-	-	-	-	-	-	-	-
(POS printers)	2,129	22.5	(47.8)	279	4.1	(86.9)	740	9.5	165.2
Total	1,601	13.6	(59.8)	279	4.1	(82.6)	740	9.5	165.2
Components	1,238	10.0	425.6	(1,526)	-	-	(558)	-	-
Machine Tools	7,322	25.5	(38.8)	(940)	-	-	2,175	11.3	-
Precision Products	534	13.2	(37.1)	(84)	-	-	724	17.0	-
Eliminations or Corporate	(2,152)			(1,712)			(1,653)		
Total	8,544	15.0	(41.7)	(3,984)	-	-	1,428	4.0	-
Ordinary Income	8,923	15.7	(41.2)	(3,884)	-	-	1,194	3.3	-
Net Income	4,338	7.6	(46.3)	(8,555)	-	-	161	0.5	-

ROE (%)	7.3	-	0.4
Cash Dividends Applicable to the Year	¥45	¥22	¥22
DOE (%)	3.8	2.2	2.5

※ROE (Return on Equity) = Net Income / Shareholders' Equity (average for the beginning and end of the period) x 100(%)

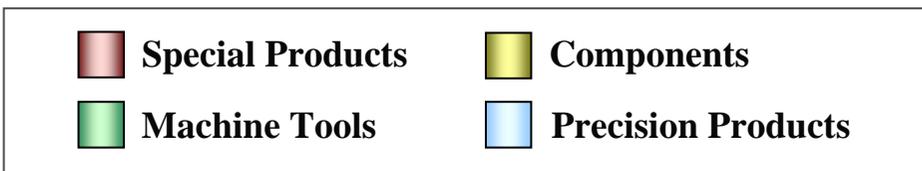
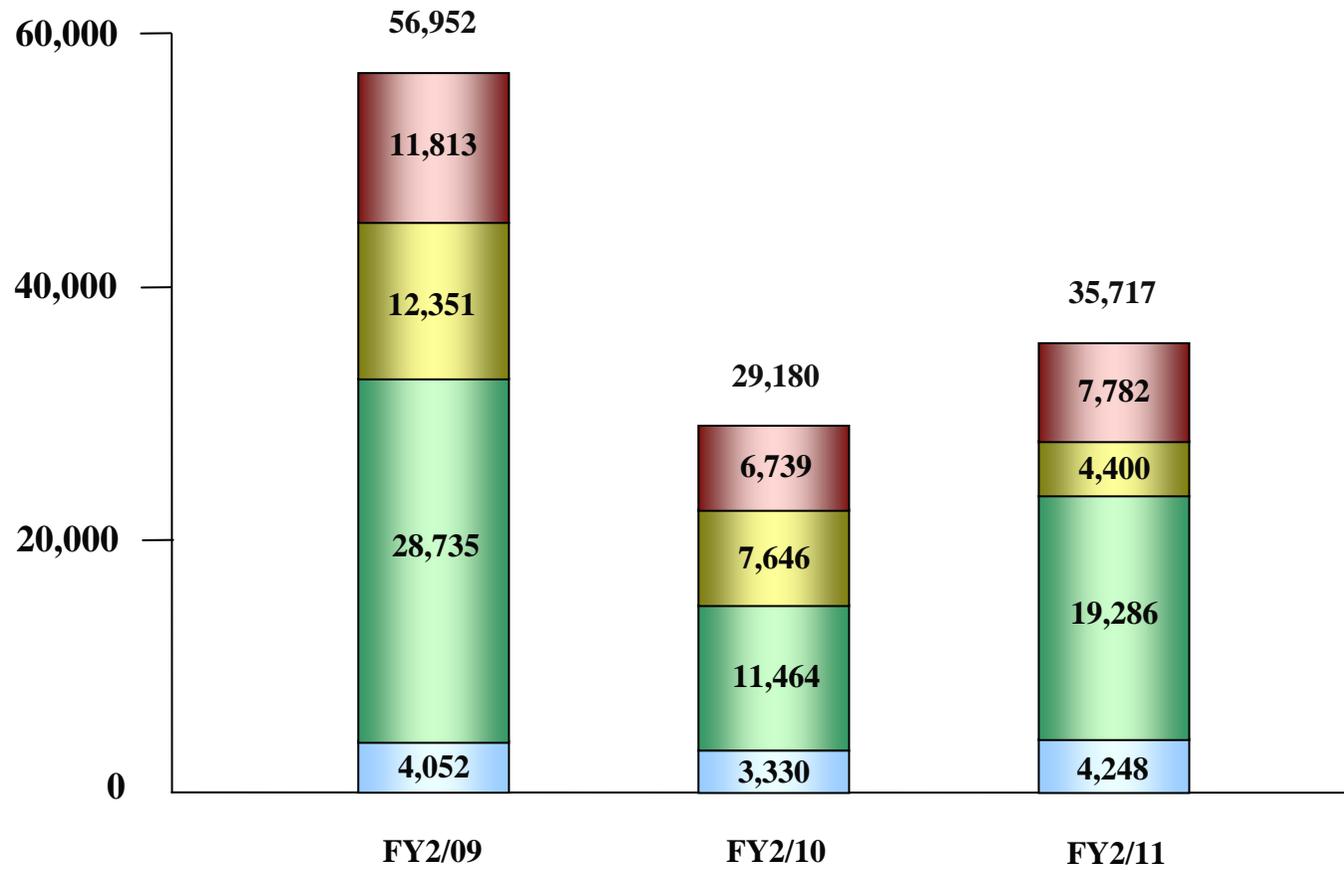
※DOE (Dividend on Equity) = The ratio of the non-consolidated dividend per common share (annual) / consolidated net assets per share (year average) x 100(%)

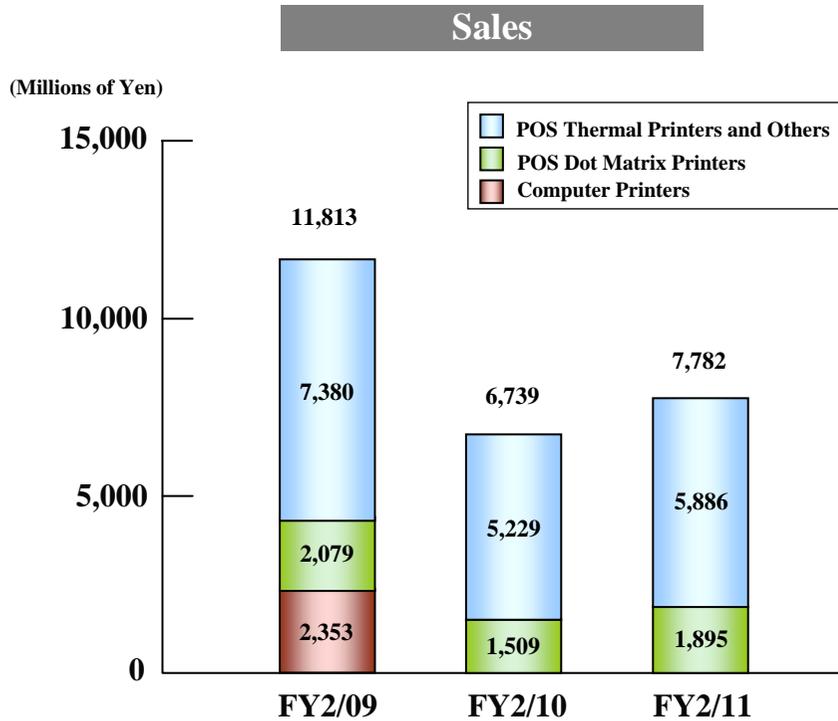
Exchange Rate	US\$	¥103.44	¥93.58	¥87.82
	EUR	¥152.41	¥130.21	¥116.40
	GBP	¥192.47	¥146.36	¥135.61
	CHF	¥95.91	¥86.25	¥84.17

Sales by Segment

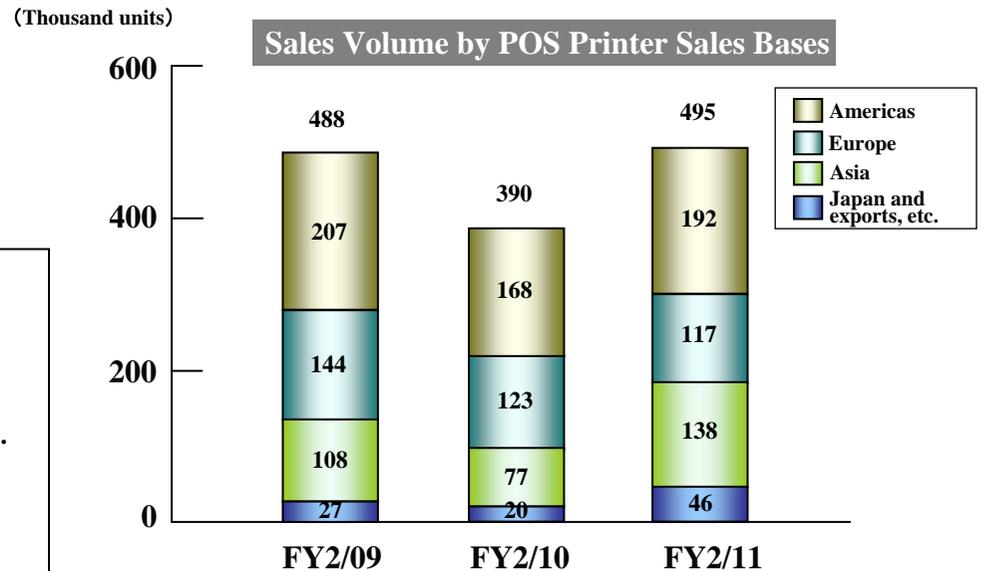
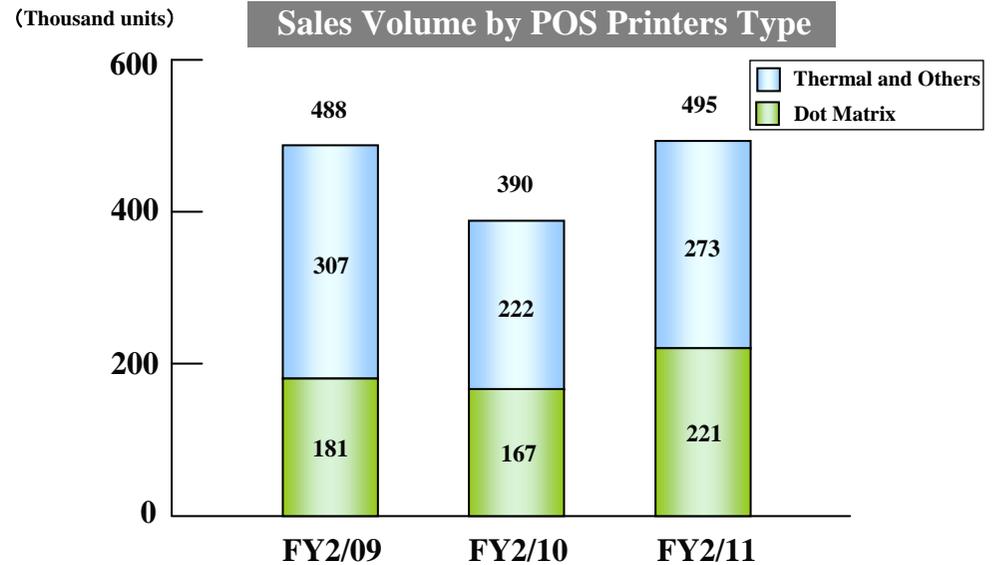


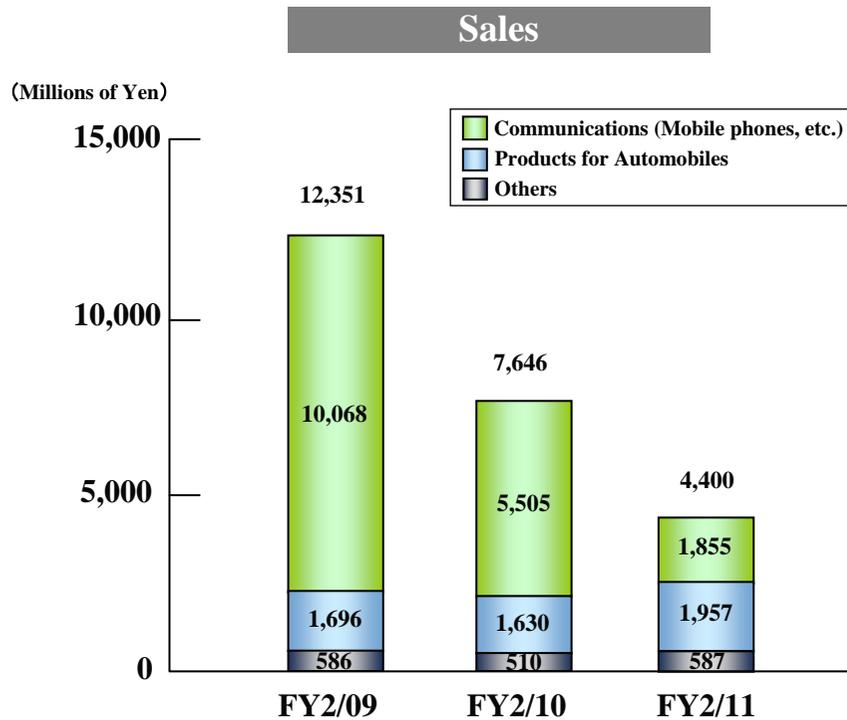
(Millions of Yen)





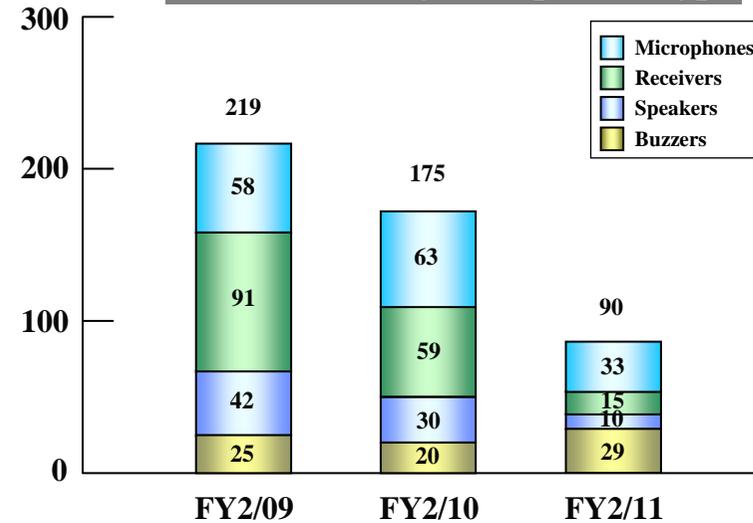
▪ Sales of thermal printer products, primarily for the POS market, increased due to improving demand in the North American market, along with firm growth in the South American market. In China, sales of dot-matrix printers rose principally atop increased demand for products for the POS market.





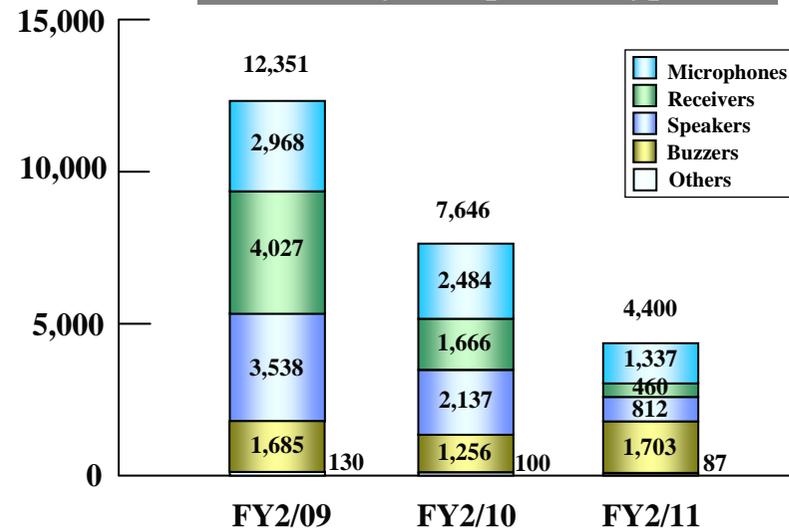
(Millions of Units)

Sales Volume by Component Type

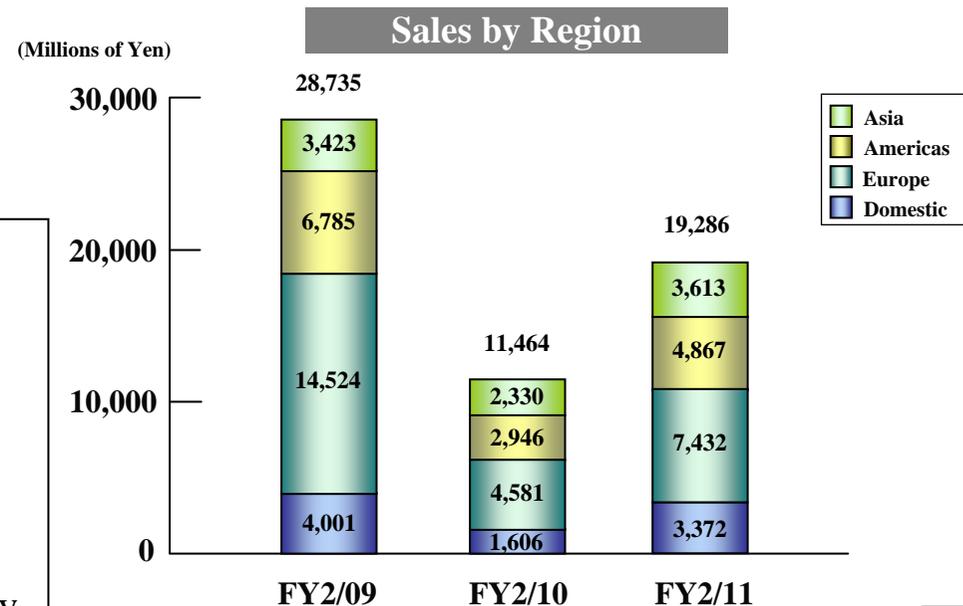
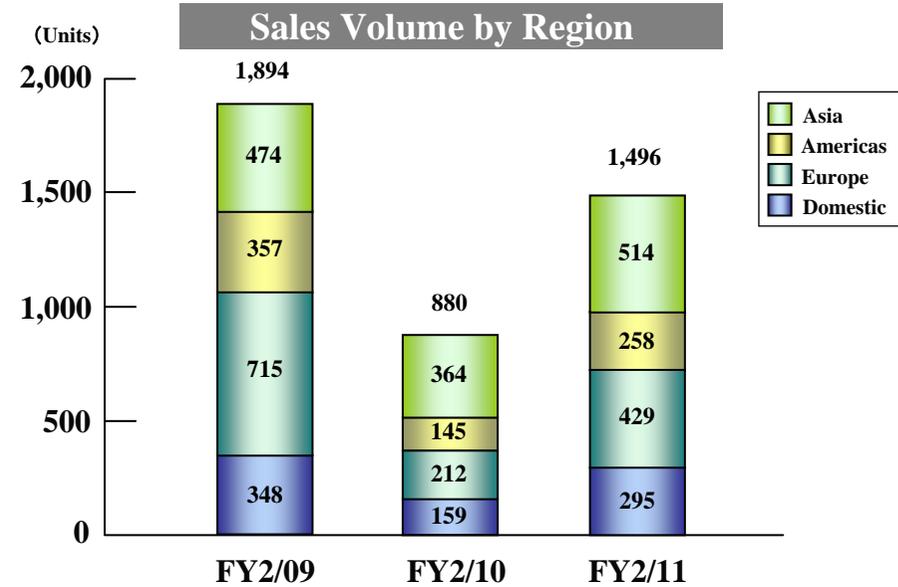
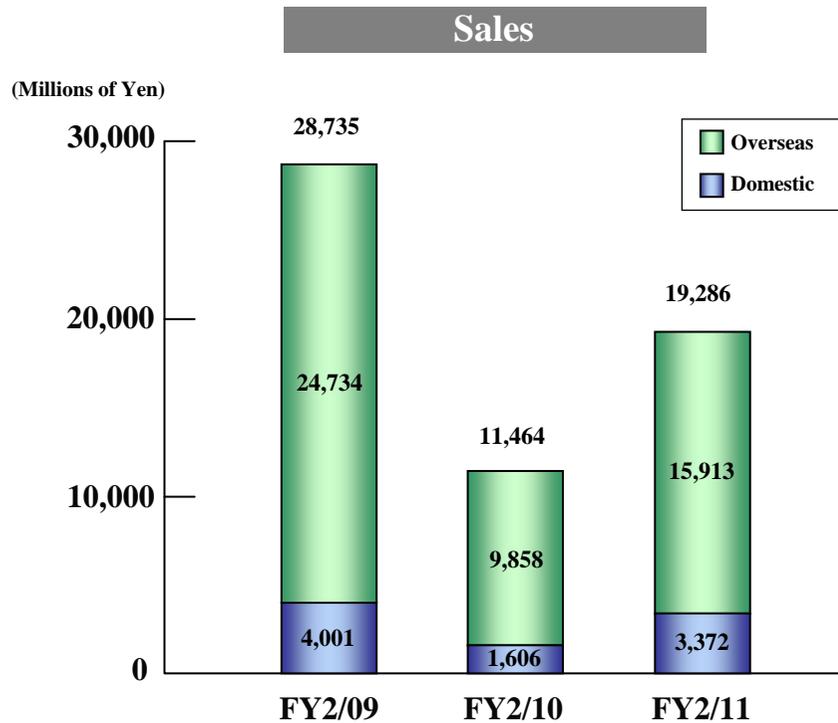


(Millions of Yen)

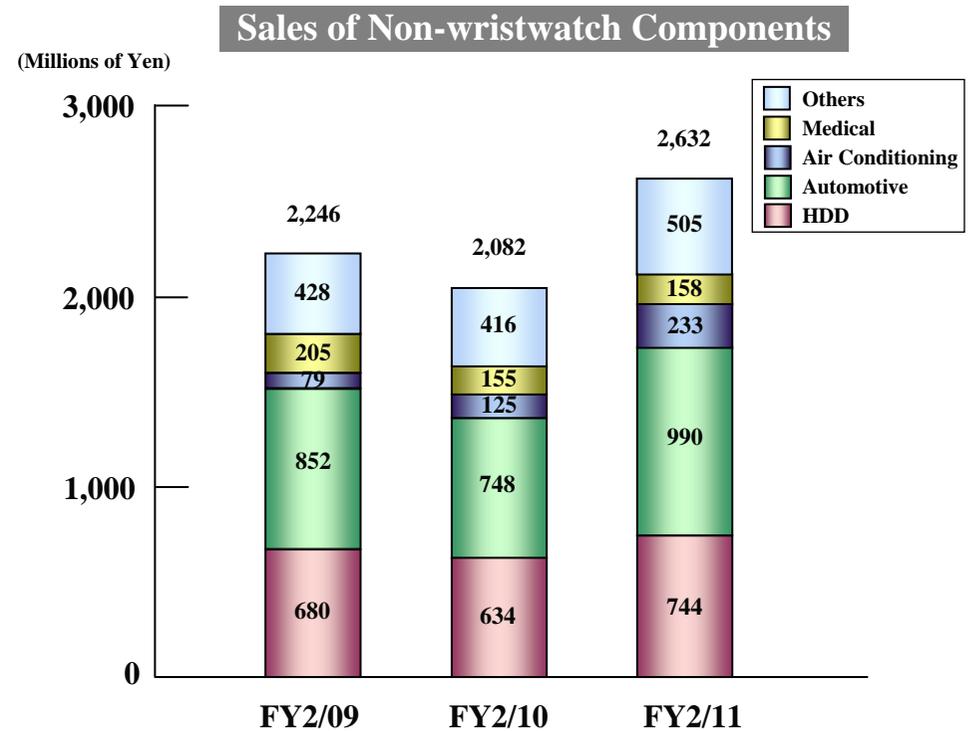
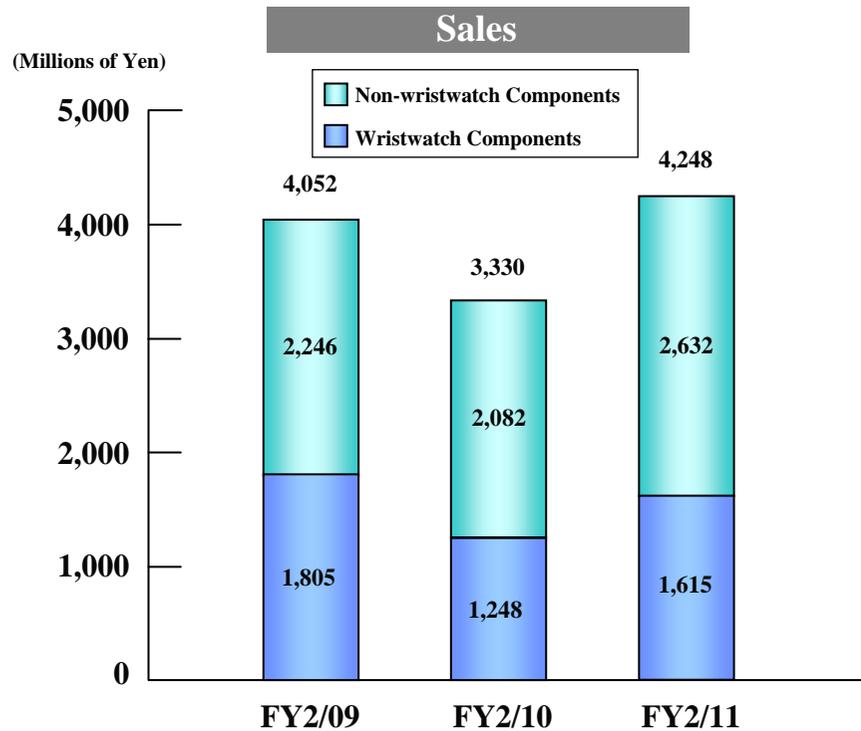
Sales by Component Type



- Sales of products for mobile phones plummeted as the emphasis of business operations shifted from products for the mobile phone market to the automobile and other markets.
- In the automobile market, sales improved overall following market recovery, despite a slowdown in vehicle sales in Japan mainly in the second half of the year.



- Orders from the automobile, motorcycle and other sectors were firm in China and Southeast Asia.
- In the U.S. market, orders from medical-related fields grew steadily.
- Orders in the European market, where the most challenging conditions had persisted, improved particularly among customers in the automobile sector since the start of fiscal 2011, mainly in Germany.

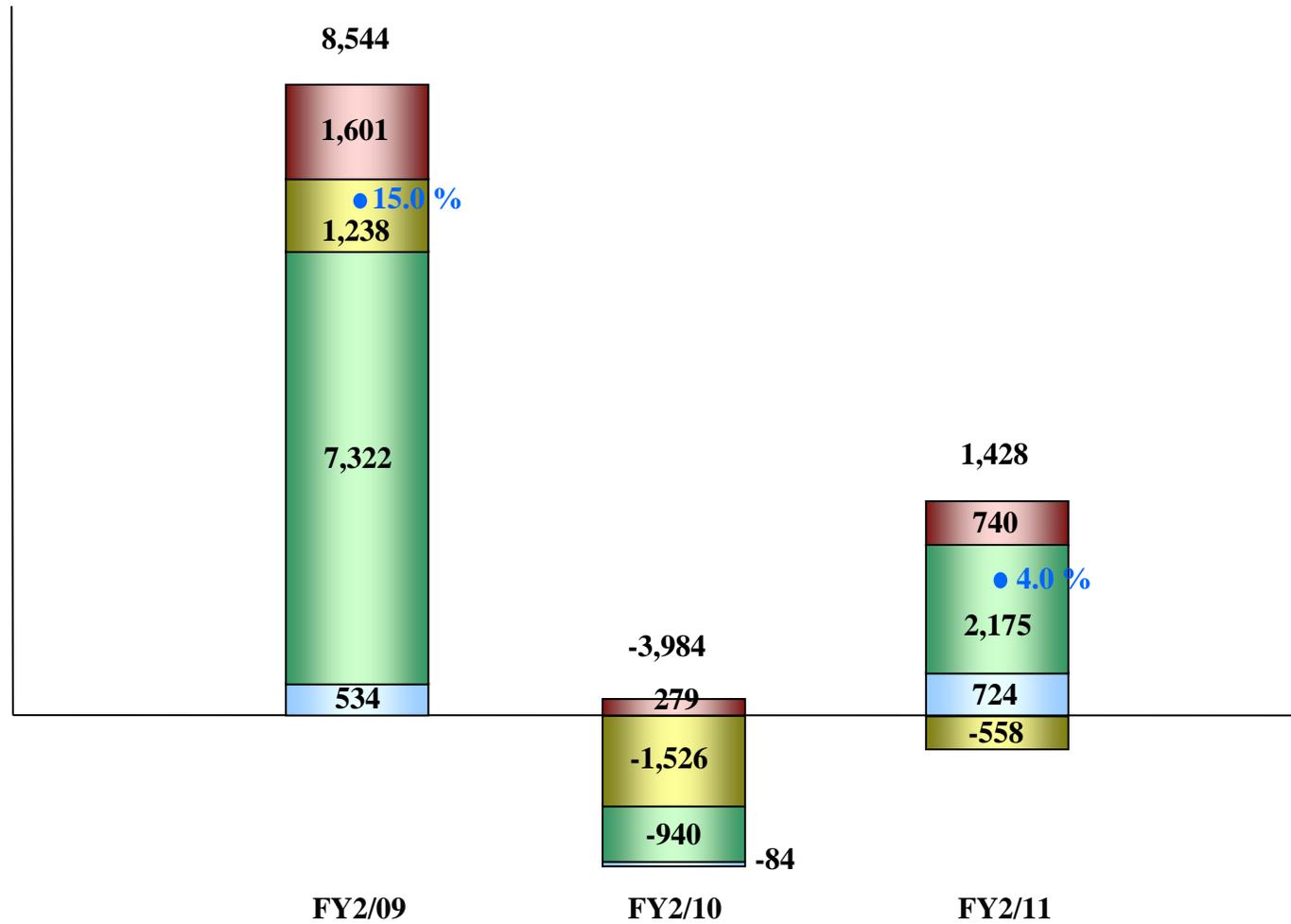


- Wristwatch component sales grew, tracking growth in market share for high-quality products from Japanese manufacturers.
- Sales of non-wristwatch components were higher, reflecting growth in sales of car audio components mainly to China; sales of HDD components were also higher despite being impacted by manufacturer production cutbacks in the second half of the year.

Operating Income by Segment



(Millions of Yen)

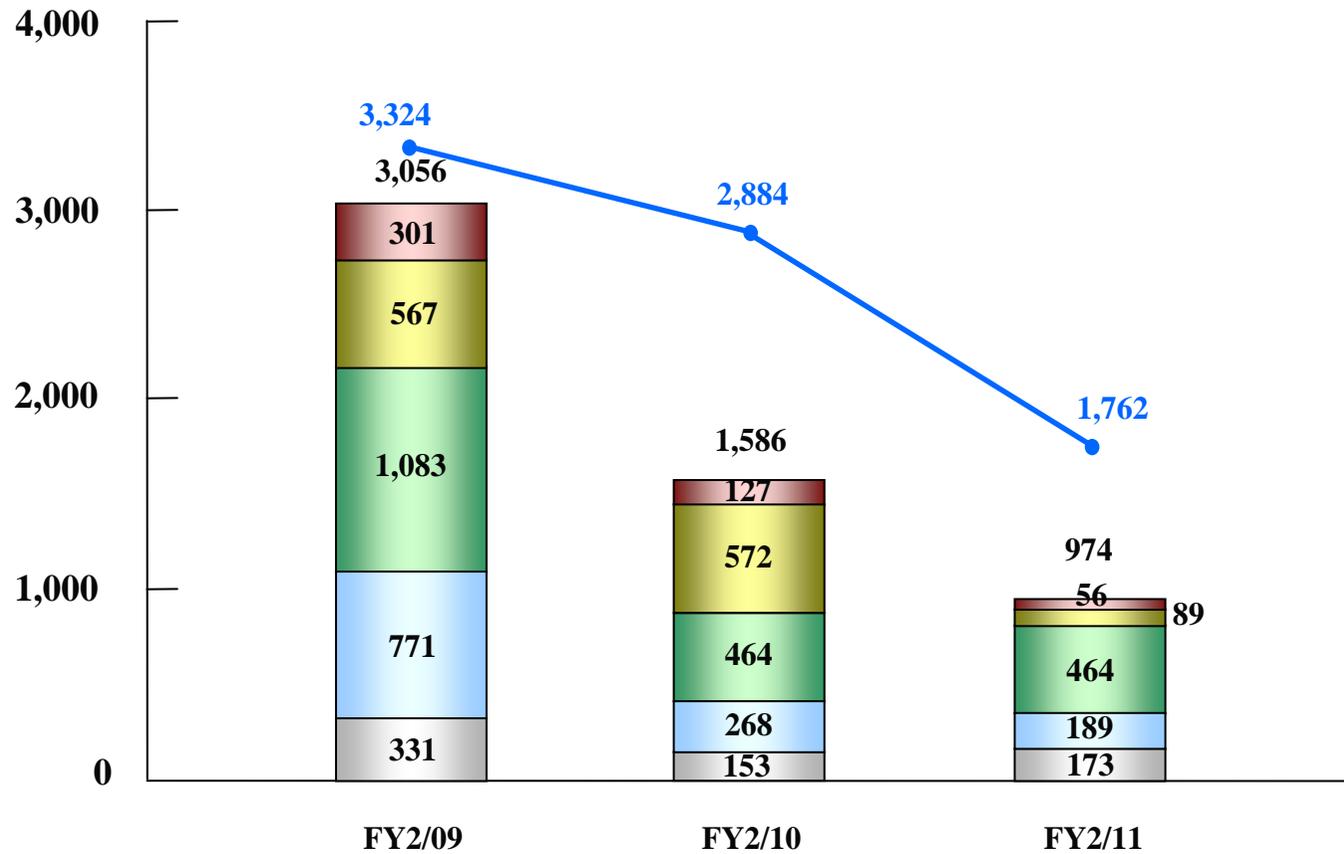


* Operating income totals exclude eliminations and corporate. ※The Operating income ratio for the fiscal year ending February 28, 2010 has not been calculated because an operating loss was incurred.

Capital Investment



(Millions of Yen)



Balance Sheets



(Millions of Yen)

		Feb.2009 Actual		Feb.2010 Actual		Feb.2011 Actual	
		Amount	Component percentages	Amount	Component percentages	Amount	Component percentages
Assets	Cash and deposit	16,007	25%	15,349	30%	14,769	30%
	Trade notes and accounts receivable	10,053	16%	9,114	18%	9,288	19%
	Inventories	15,489	24%	9,019	18%	9,522	19%
	Other current assets	3,212	5%	863	2%	1,256	3%
	Total current assets	44,761	70%	34,345	68%	34,835	71%
	Property, plant and equipment	15,168	23%	11,677	23%	10,549	21%
	Other fixed assets	4,275	7%	4,658	9%	3,866	8%
	Total fixed assets	19,443	30%	16,335	32%	14,415	29%
	Total assets	64,204	100%	50,680	100%	49,250	100%
Liabilities	Trade notes and accounts payable	3,248	5%	2,815	6%	5,862	12%
	Short-term debt	2,000	3%	2,000	4%	2,000	4%
	Other current liabilities	5,511	9%	4,012	8%	3,869	8%
	Total current liabilities	10,759	17%	8,828	18%	11,731	24%
	Total long-term liabilities	458	0%	592	1%	422	1%
	Total liabilities	11,218	17%	9,420	19%	12,154	25%
Net assets	Total net assets	52,986	83%	41,260	81%	37,096	75%
Total liabilities and net assets		64,204	100%	50,680	100%	49,250	100%

Cash Flows

(Millions of Yen)

	Feb.2009 Actual	Feb.2010 Actual	Feb.2011 Actual
Net cash provided by operating activities	6,151	4,768	3,520
Net cash used in investing activities	(1,314)	(1,194)	(1,517)
Free cash flow	4,837	3,574	2,003
Net cash used in financing activities	(9,076)	(3,976)	(1,813)
Cash and cash equivalents at end of year	14,610	14,372	13,217

※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

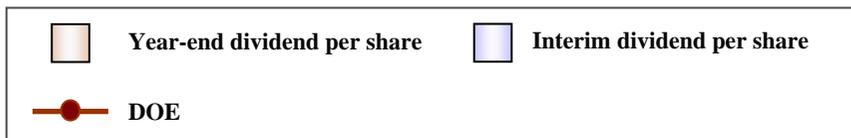
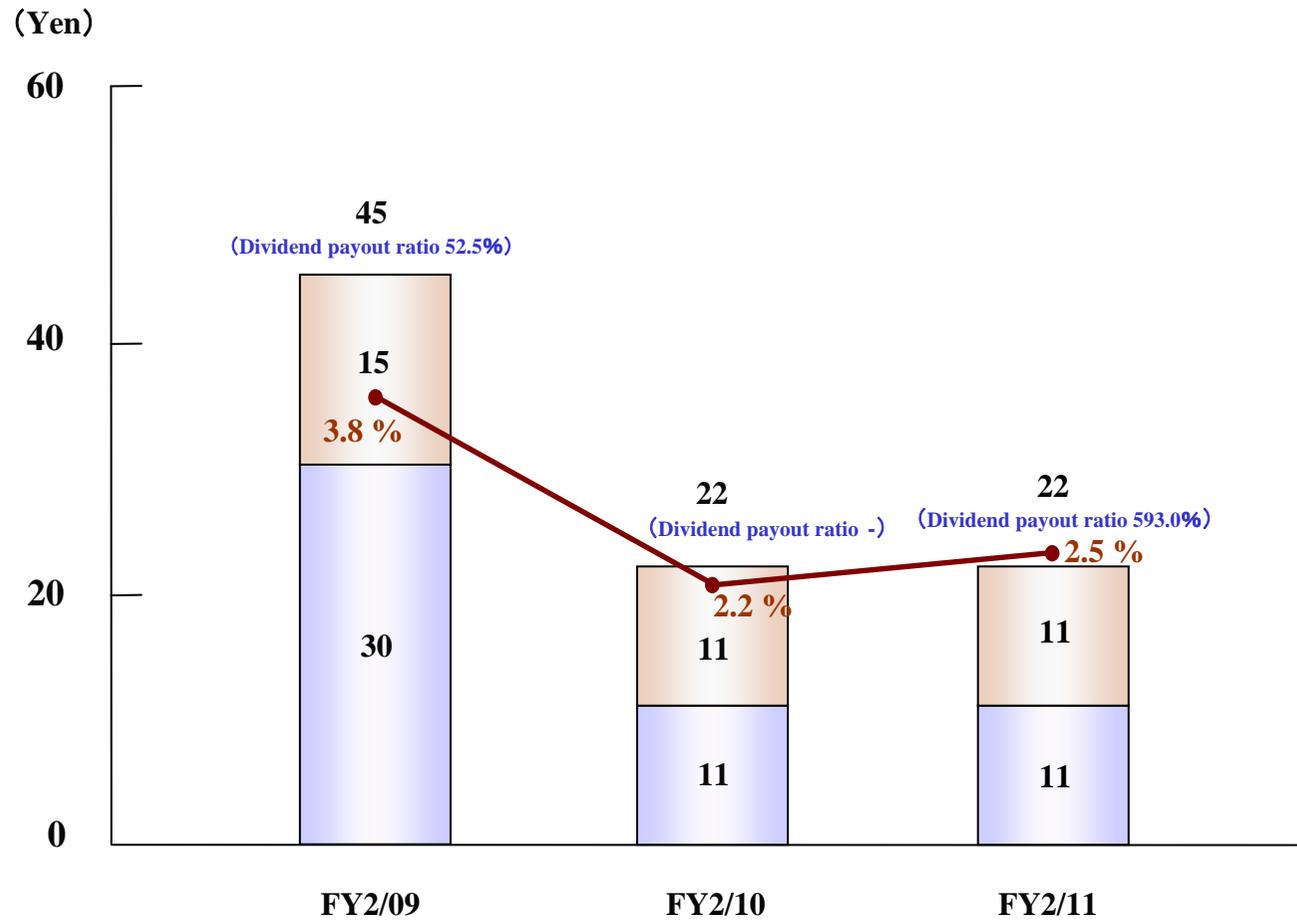
	Feb.2009 Actual	Feb.2010 Actual	Feb.2011 Actual
Total asset turnover	0.8 times	0.5 times	0.7 times
Equity ratio	81.5%	80.1%	73.9%
Return on equity (ROE)	7.3%	-	0.4%
Return on assets (ROA)	11.9%	-	2.4%
Earnings per share (EPS)	¥85.66	(¥187.95)	¥3.71
Book value per share (BPS)	¥1,114.21	¥921.55	¥845.31
Dividend on equity (DOE)	3.8%	2.2%	2.5%

Research and Development Costs

(Millions of Yen)

	Feb.2009 Actual	Feb.2010 Actual	Feb.2011 Actual
R&D costs	2,054	1,950	1,754

Shareholder Returns



* The dividend payout ratio for the fiscal year ended February 28, 2010 has not been calculated because a net loss was incurred.

Performance Indicators (10-Year Data)



	Net Sales (Millions of Yen)	Operating Income (Millions of Yen)	Income Ratio (%)	Ordinary Income (Millions of Yen)	Income Ratio (%)	Net Income (Millions of Yen)	Income Ratio (%)	EPS (Yen)	ROE (%)	DOE (%)	Dividends Per Share (Yen)
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	35,717	1,428	4.0	1,194	3.3	161	0.5	3.71	0.4	2.5	22.0

Segment	Products	
Special Products	POS Printers Card Reader/Writers	 <p>POS Printer TSP100ECO</p>  <p>Card Reader/Writer TCP300 II</p>
Components	Micro Audio Components	 <p>Speaker SAC-30A</p>  <p>BA Receiver RBB-04C-PS</p>
Machine Tools	CNC Automatic Lathes, etc.	 <p>Swiss Type Automatic Lathe ST-38</p>  <p>Turning Center SF-25</p>
Precision Products	Wristwatch Parts, Optical Connector Parts, Automotive Parts, Medical Equipment Parts	 <p>Wristwatch Components</p>  <p>HDD and Other Digital Equipment Components</p>