



Financial Results for Fiscal 2012, the Year Ended February 29, 2012





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

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* 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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Profits improved substantially, mainly due to increased sales in the Machine Tools Segment

- Net Sales : ¥41.6 billion  16.6% up YoY
- Operating Income : ¥3.9 billion  176.6% up YoY
- Ordinary Income : ¥4.0 billion  237.1% up YoY
- Net Income : ¥2.4 billion  Net Income of ¥0.1 billion posted in the previous period.

- ✓ **Robust orders in the Machine Tools Segment centered on the main markets in Europe and the U.S.**
- ✓ **Firm sales growth in the Special Products and Precision Products segments.**

Financial Data



(Millions of Yen)

	FY2/11 Actual			FY2/12 Actual			FY2/13 Forecast						
	Full-Year			Full-Year			1st Half		2nd Half		Full-Year		
	Amount	Income Ratio (%)	2010/2011 Change (%)	Amount	Income Ratio (%)	2011/2012 Change (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	2012/2013 Change (%)
Sales													
Special Products	7,782		15.5	7,806		0.3	4,150		4,700		8,850		13.4
Components	4,400		(42.4)	2,944		(33.1)	1,480		1,170		2,650		(10.0)
Machine Tools	19,286		68.2	26,639		38.1	11,230		11,970		23,200		(12.9)
Precision Products	4,248		27.6	4,263		0.3	2,240		2,360		4,600		7.9
Total	35,717		22.4	41,654		16.6	19,100		20,200		39,300		(5.7)
Operating Income													
Special Products	740	9.5	165.2	581	7.4	(21.6)	260	6.3	570	12.1	830	9.4	42.8
Components	(558)	-	-	(955)	-	-	(180)	-	(90)	-	(270)	-	-
Machine Tools	2,175	11.3	-	5,365	20.1	146.7	1,820	16.2	1,710	14.3	3,530	15.2	(34.2)
Precision Products	724	17.0	-	762	17.9	5.3	330	14.7	450	19.1	780	17.0	2.3
Eliminations or Corporate	(1,653)			(1,801)			(1,030)		(1,040)		(2,070)		
Total	1,428	4.0	-	3,952	9.5	176.6	1,200	6.3	1,600	7.9	2,800	7.1	(29.2)
Ordinary Income	1,194	3.3	-	4,025	9.7	237.1	1,300	6.8	1,700	8.4	3,000	7.6	(25.5)
Net Income	161	0.5	-	2,426	5.8	-	2,000	10.5	1,200	5.9	3,200	8.1	31.9

ROE (%)	0.4	6.7	8.5
Cash Dividends Applicable to the Year	¥22	¥26	¥30
DOE (%)	2.5	3.0	3.3

※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(%)

Sensitivity of operating income to a ¥1 change in foreign exchange rates

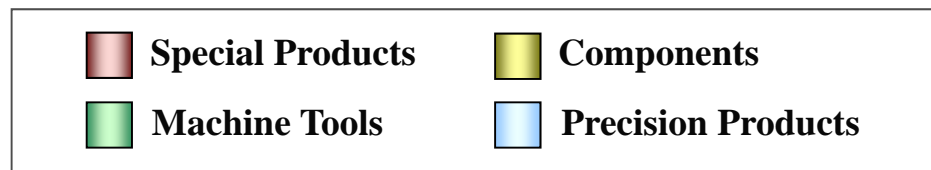
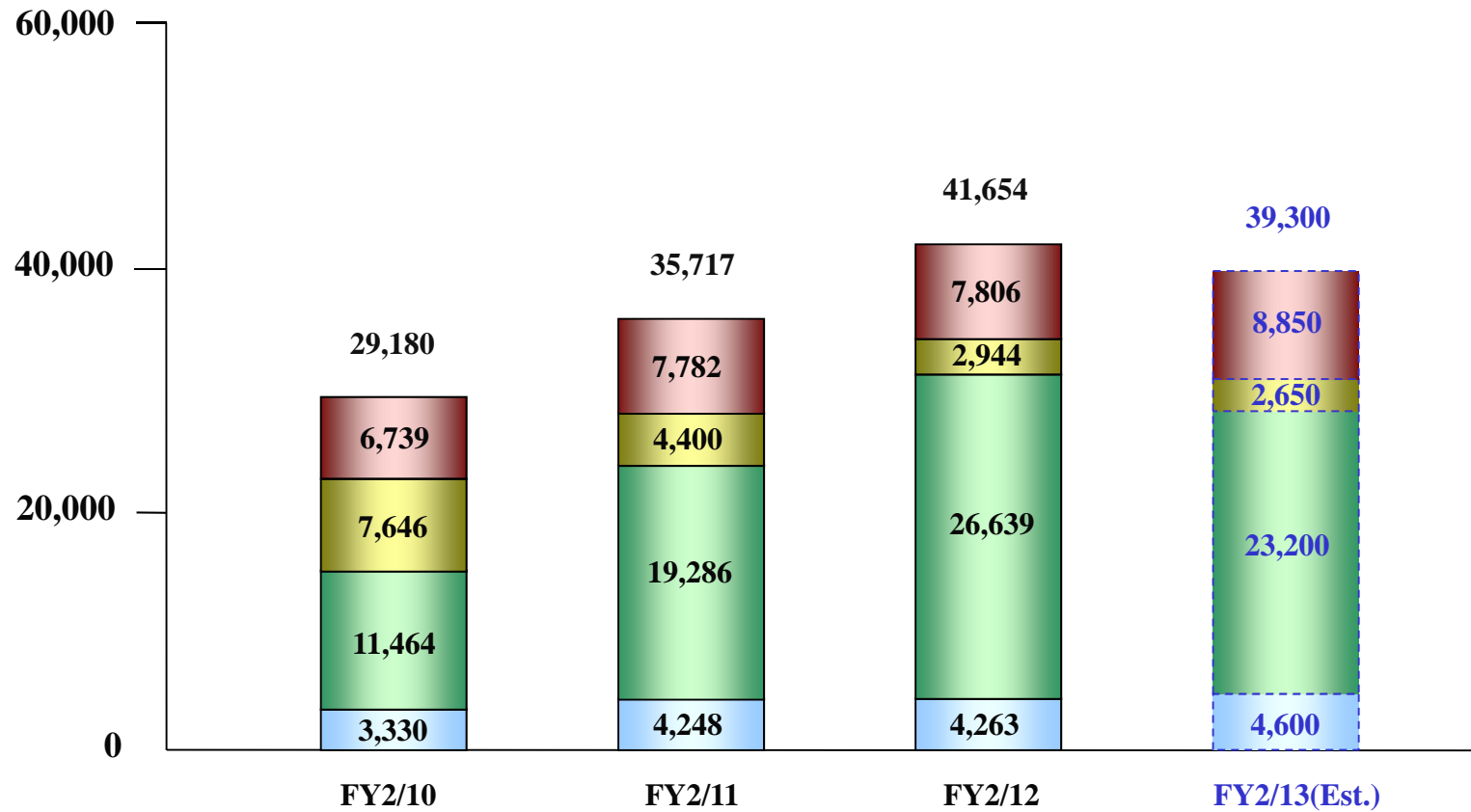
Full-Year assumption

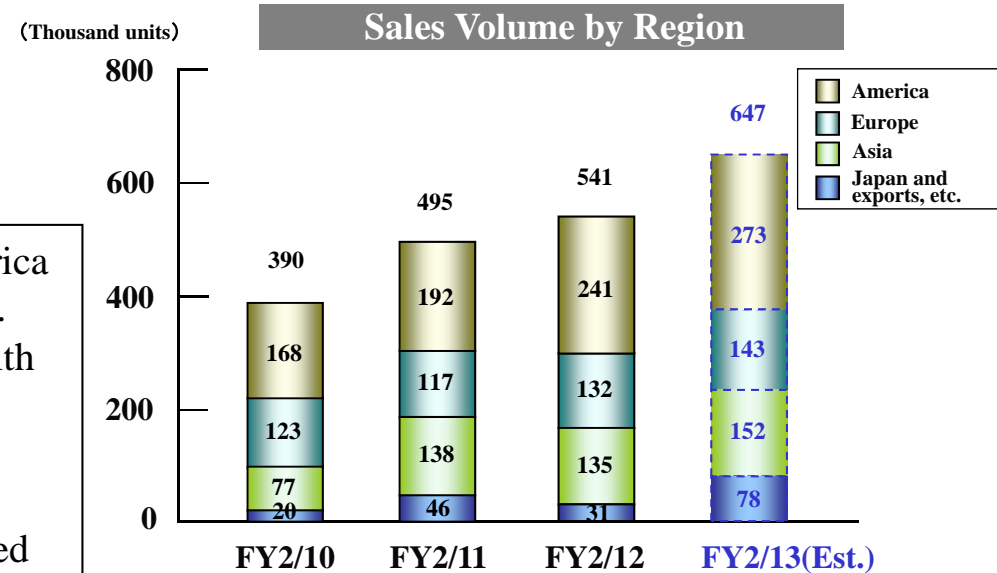
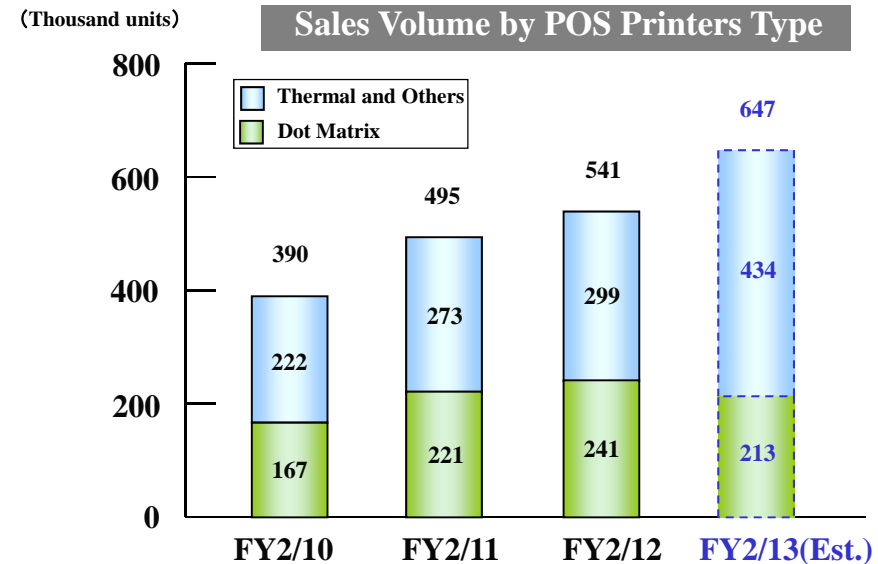
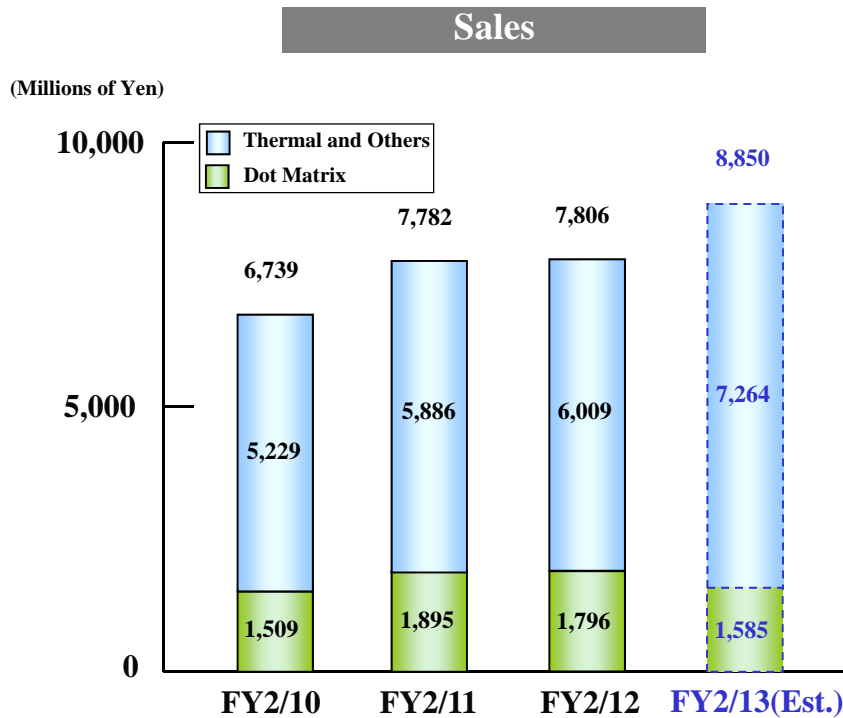
Exchange Rate	US\$	¥87.82	¥79.84	¥80.00	¥67million
	EUR	¥116.40	¥111.11	¥105.00	¥51million
	GBP	¥135.61	¥128.06	¥125.00	¥9million
	CHF	¥84.17	¥90.18	¥87.00	¥29million

Sales by Segment



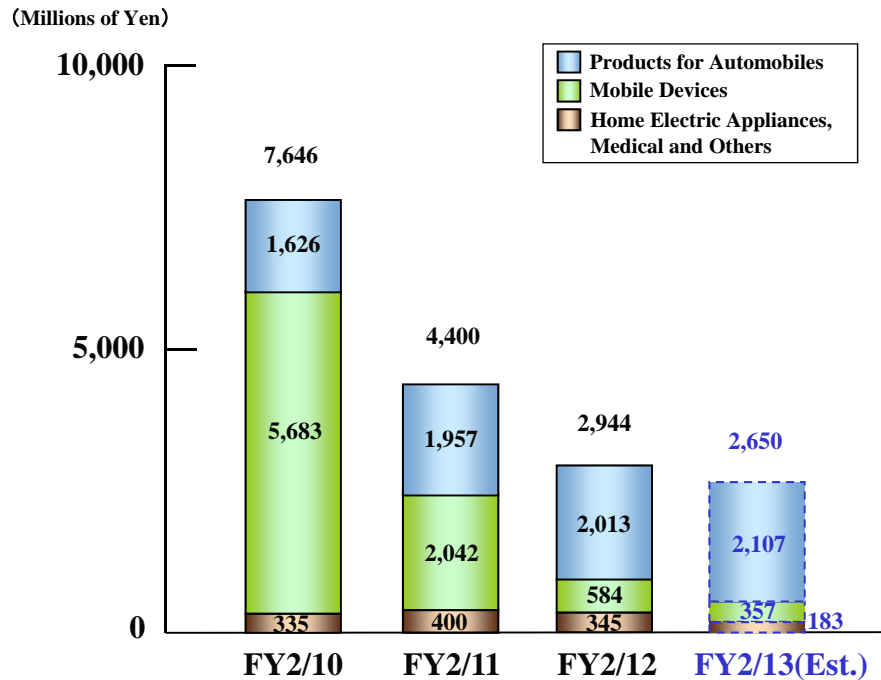
(Millions of Yen)



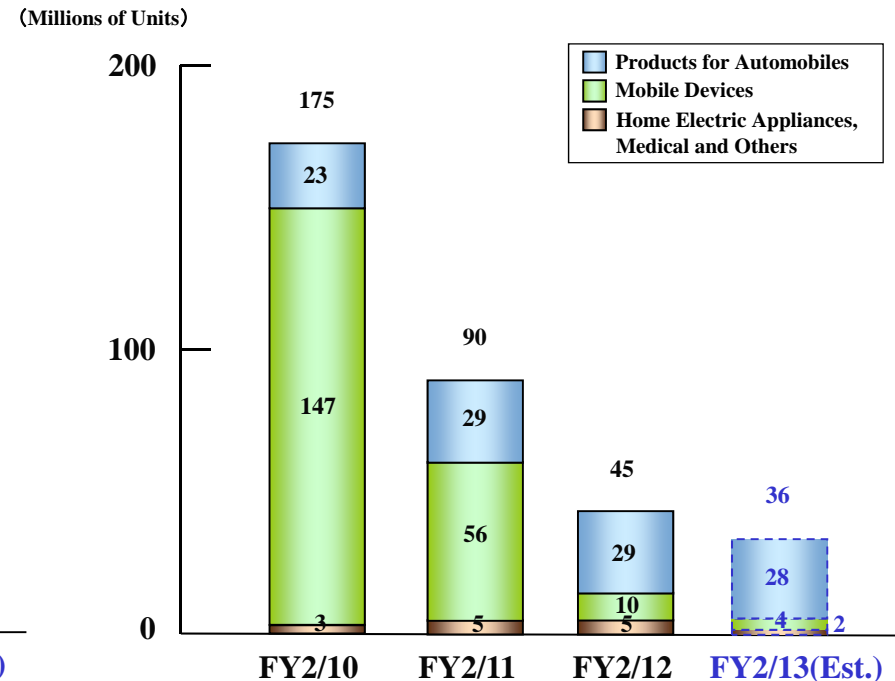


- Sales increased due to strong demand in South America and demand continuing to recover in North America.
- Recovering demand seen in the European market, with sales on par with the previous fiscal year despite financial problems in southern Europe and political turmoil in the Middle East.
- In the Chinese market, sales declined due to decreased demand for dot-matrix printers.

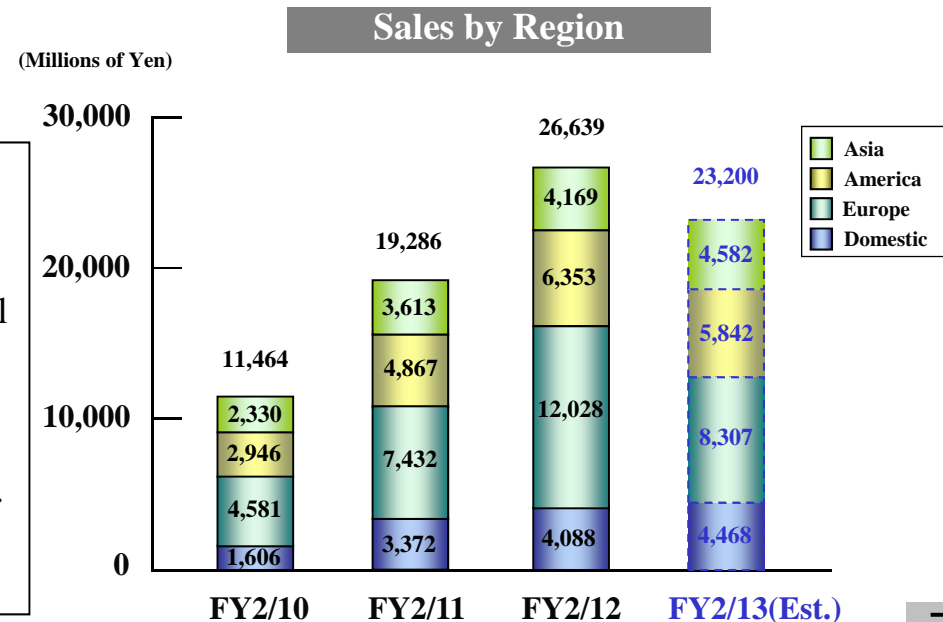
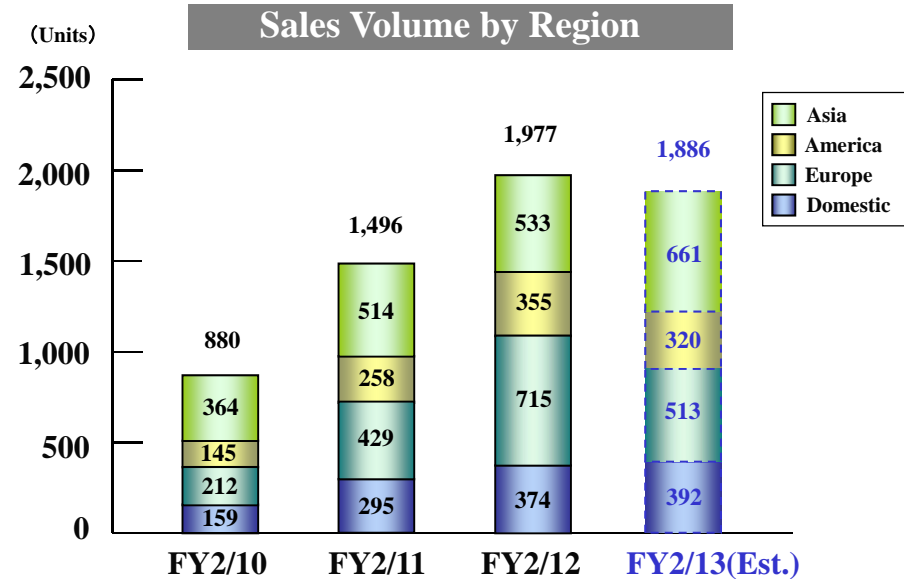
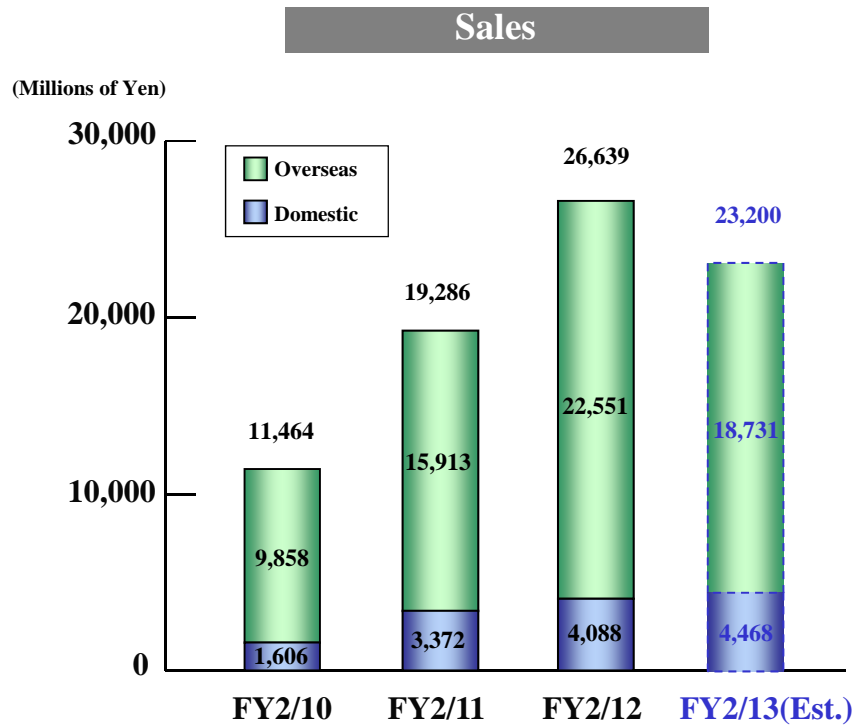
Sales



Sales Volume by Markets



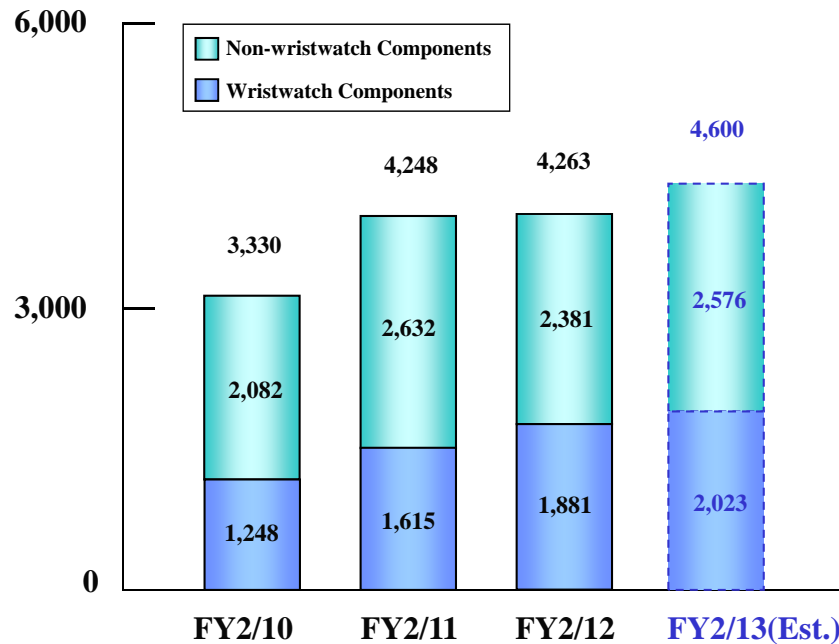
- In products for the automotive market, sales were essentially unchanged from the previous fiscal year, tracking recovery in production among automakers.
- Sales of components for mobile phones and the like contracted sharply, reflecting the handling of fewer low-margin products.



- In the European market, sales rose sharply as capital investment in export-related sectors rebounded in line with a weaker euro.
- Sales in the U.S. market increased from a pickup in capital investment that was seen not only in medical-related sectors, but in the automobile sector as well.
- Firm sales growth in the Asian markets on the back of robust capital investment in automobiles and motorcycles.
- In the Japanese market too, sales grew mainly atop a recovery in products to automakers.

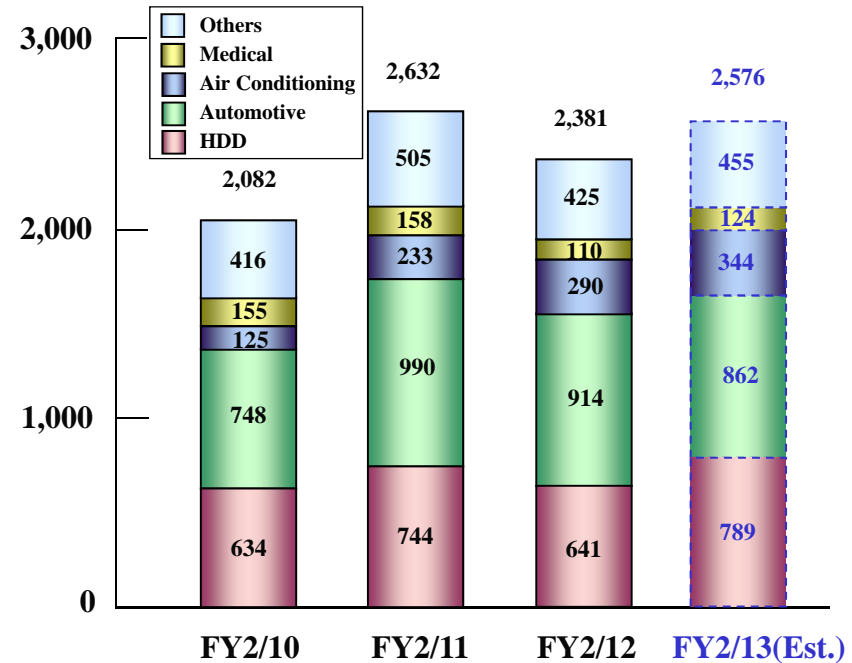
Sales

(Millions of Yen)



Sales of Non-wristwatch Components

(Millions of Yen)

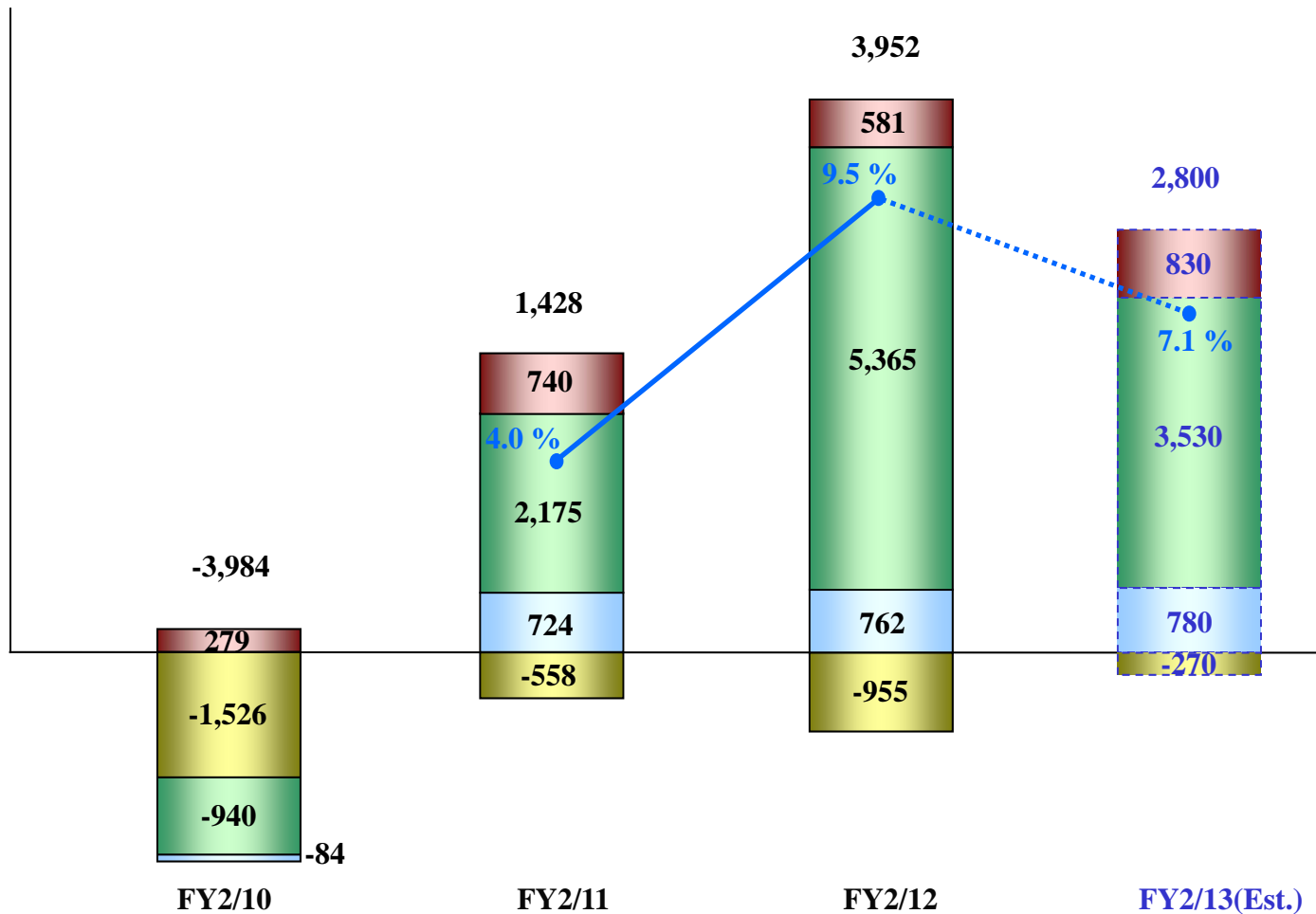


- Sales of wristwatch components increased as sales held firm among Japanese wristwatch makers.
- In non-wristwatch components, sales of HDD components declined primarily due to flood damage in Thailand; sales of automobile components also declined due to model changes among target customers and the impact of the earthquake and tsunami in Japan.

Operating Income by Segment



(Millions of Yen)



Special Products	Components	Operating Income Ratio
Machine Tools	Precision Products	

* 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.

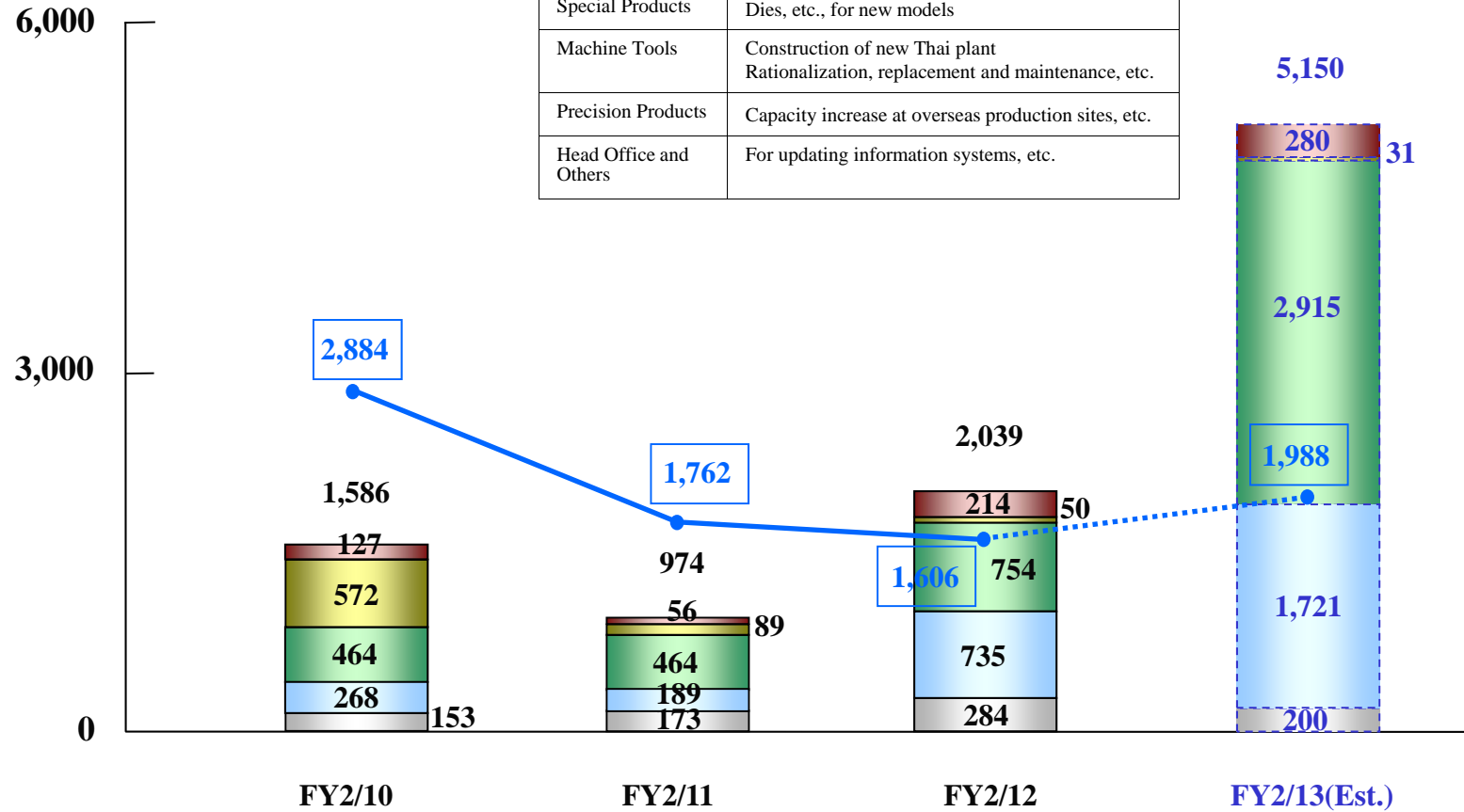
Capital Investment



(Millions of Yen)

【 Scheduled Main Uses of Capital Investment 】

	Breakdown
Special Products	Dies, etc., for new models
Machine Tools	Construction of new Thai plant Rationalization, replacement and maintenance, etc.
Precision Products	Capacity increase at overseas production sites, etc.
Head Office and Others	For updating information systems, etc.



Balance Sheets



(Millions of Yen)

		Feb.2010 Actual		Feb.2011 Actual		Feb.2012 Actual		Feb.2013 Forecast	
		Amount	Component percentages	Amount	Component percentages	Amount	Component percentages	Amount	Component percentages
Assets	Cash and deposit	15,349	30%	14,769	30%	15,640	30%	14,500	27%
	Trade notes and accounts receivable	9,114	18%	9,288	19%	9,849	19%	10,300	20%
	Inventories	9,019	18%	9,522	19%	11,378	22%	10,800	20%
	Other current assets	863	2%	1,256	3%	1,433	3%	1,000	2%
	Total current assets	34,345	68%	34,835	71%	38,302	74%	36,600	69%
	Property, plant and equipment	11,677	23%	10,549	21%	10,289	20%	13,700	26%
	Other fixed assets	4,658	9%	3,866	8%	3,333	6%	2,500	5%
	Total fixed assets	16,335	32%	14,415	29%	13,622	26%	16,200	31%
	Total assets	50,680	100%	49,250	100%	51,924	100%	52,800	100%
Liabilities	Trade notes and accounts payable	2,815	6%	5,862	12%	7,554	14%	5,500	10%
	Short-term debt	2,000	4%	2,000	4%	2,000	4%	2,000	4%
	Other current liabilities	4,012	8%	3,869	8%	4,983	10%	5,411	10%
	Total current liabilities	8,828	18%	11,731	24%	14,538	28%	12,911	24%
	Total long-term liabilities	592	1%	422	1%	406	1%	300	1%
	Total liabilities	9,420	19%	12,154	25%	14,944	29%	13,211	25%
Net assets	Total net assets	41,260	81%	37,096	75%	36,980	71%	39,589	75%
Total liabilities and net assets		50,680	100%	49,250	100%	51,924	100%	52,800	100%

Cash Flows (Millions of Yen)

	Feb.2010 Actual	Feb.2011 Actual	Feb.2012 Actual	Feb.2013 Forecast
Net cash provided by operating activities	4,768	3,520	4,466	4,960
Net cash used in investing activities	(1,194)	(1,517)	(393)	(5,060)
Free cash flow	3,574	2,003	4,073	(100)
Net cash used in financing activities	(3,976)	(1,813)	(2,092)	(1,180)
Cash and cash equivalents at end of year	14,372	13,217	14,735	13,600

※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.

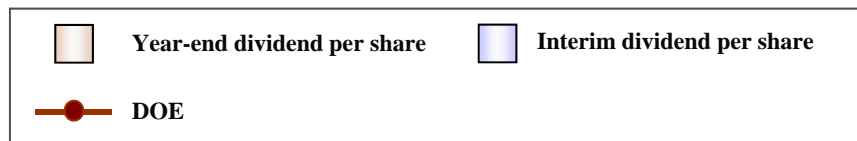
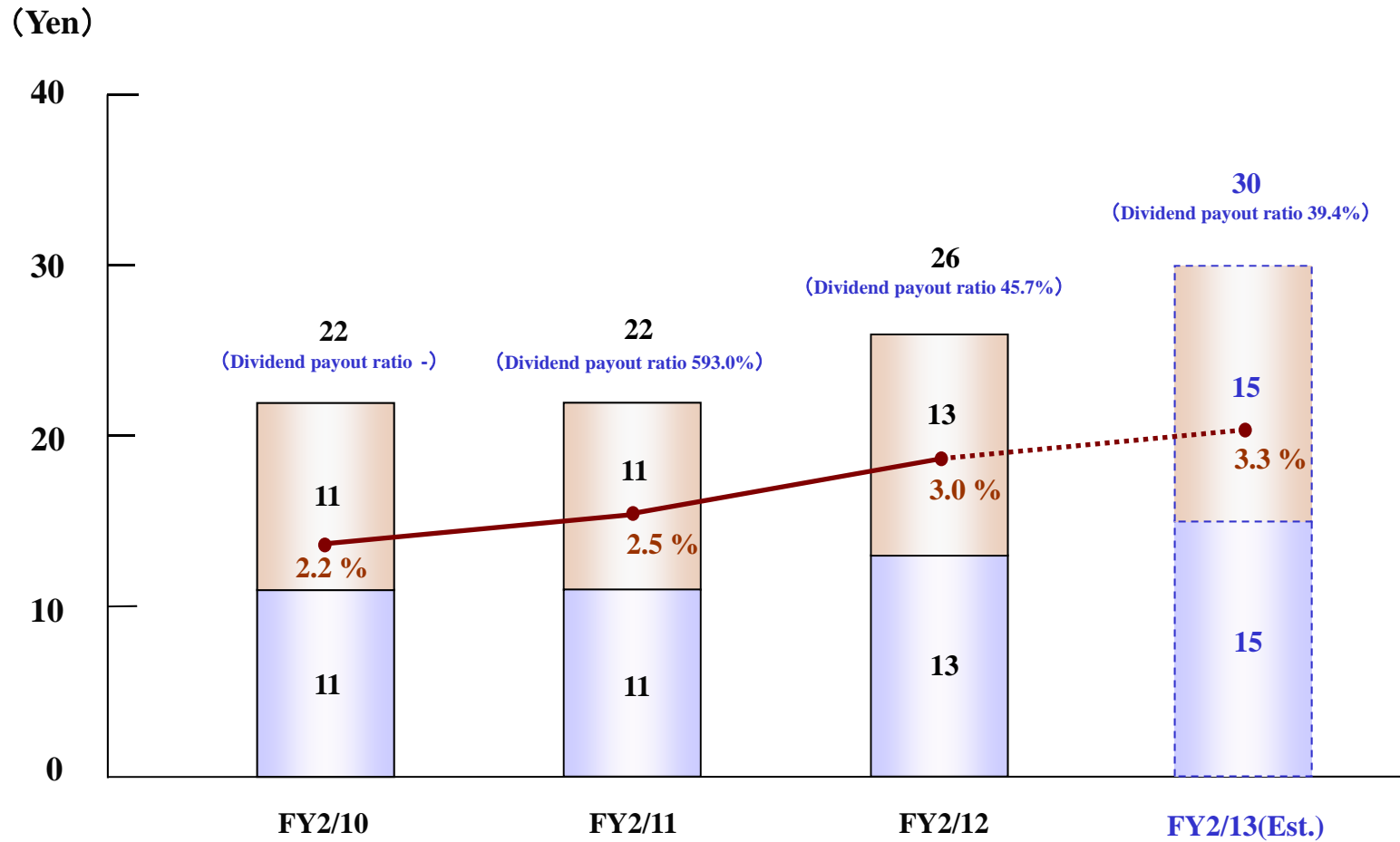
Financial Benchmarks

	Feb.2010 Actual	Feb.2011 Actual	Feb.2012 Actual	Feb.2013 Forecast
Total asset turnover	0.5 times	0.7 times	0.8 times	0.8 times
Equity ratio	80.1%	73.9%	70.2%	73.7%
Return on equity (ROE)	-	0.4%	6.7%	8.5%
Return on assets (ROA)	-	2.4%	8.0%	5.7%
Earnings per share (EPS)	(¥187.95)	¥3.71	¥56.94	¥76.05
Book value per share (BPS)	¥921.55	¥845.31	¥866.94	¥925.35
Dividend on equity (DOE)	2.2%	2.5%	3.0%	3.3%

Research and Development Costs (Millions of Yen)

	Feb.2010 Actual	Feb.2011 Actual	Feb.2012 Actual	Feb.2013 Forecast
R&D costs	1,950	1,754	1,807	1,856

Shareholder Returns



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

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

Ensure Profitability

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

Raise Growth Opportunities

- 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 :75% 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 : 4.5% or more

Medium-term Targets



- Net Sales ¥50 billion
- Operating Income ¥6 billion
- Net Income ¥5 billion
- Operating Income Ratio 12% or more
- Shareholder Returns Consolidated dividend payout ratio 40% or more
Dividend on equity 4.5% or more

(100 Millions of Yen)








	FY2/12 Actual		FY2/15 Targets		2012/2015 Change
	Amount		Amount		
Sales					
Special Products	78		100		28.1%
Components	29		0		-
Machine Tools	266		350		31.3%
Precision Products	42		50		17.2%
Total	416		500		20.0%
		(Income Ratio)		(Income Ratio)	
Operating Income	39	9.5%	60	12.0%	51.8%
Ordinary Income	40	9.7%	60	12.0%	49.0%
Net Income	24	5.8%	50	10.0%	106.1%

Cash Dividends Applicable to the Year	¥26	¥48
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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 (%)						
FY2/03	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
FY2/12	41,654	3,952	9.5	4,025	9.7	2,426	5.8	56.94	6.7	3.0	26.0
FY2/13(Est.)	39,300	2,800	7.1	3,000	7.6	3,200	8.1	76.05	8.5	3.3	30.0

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>Magnetic Sounder TMX-12F</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>