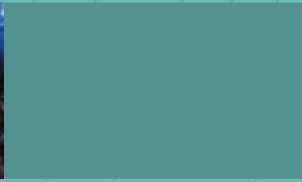
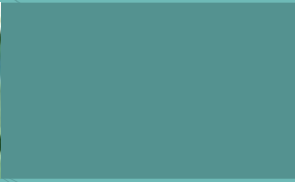




ANNUAL REPORT | 1999

## P r o f i l e

Star Micronics Co.,Ltd. began operations in 1950 as a maker of precision products. It has grown since then into an internationally respected manufacturer of precision electronic equipment and machine tools. Star Micronics is carrying out a long-term plan to increase its global presence by establishing international sales offices and production centers in Europe, North America and Asia. The fact that two third of its sales are generated abroad provides an excellent incentive for accomplishing this goal.In the coming years, Star Micronics will continue to launch innovative programs to meet the needs of customers.



# Annual Report 1999

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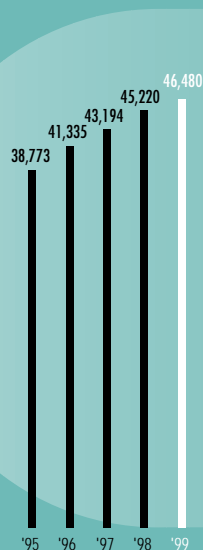
# Consolidated Financial Highlights

Star Micronics Co.,Ltd. and consolidated subsidiaries,  
years ended February 28,1999 and 1998

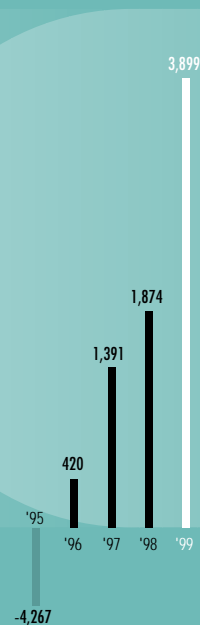
	Millions of Yen		Percent change	Thousands of U.S. dollars(Note)	
	1999	1998		1999	1998
<b>For the year:</b>					
Net sales	¥46,480	¥45,220	2.8%	\$387,333	
Net income	3,899	1,874	108.1	32,492	
Return on sales	8.4%	4.1%			
Capital expenditures	4,382	3,222	36.0	36,517	
Depreciation and amortization	3,065	2,904	5.5	25,542	
<b>At year-end:</b>					
Total assets	¥61,525	¥60,646	1.4%	\$512,708	
Shareholders' equity	40,584	37,024	9.6	338,200	
Equity ratio	66.0%	61.0%			
Interest-bearing debt	4,962	5,844	(15.1)	41,350	
<b>Per share:</b>					
Net income	¥69.02	¥33.17	108.1%	\$0.58	
Fully diluted net income	69.00			0.58	
Cash dividends applicable to the year	7.00	5.00	40.0	0.06	
<b>Stock information:</b>					
Common shares issued	56,494,244	56,494,244			
Number of shareholders	9,018	8,666	4.1		

Note: The rate of ¥120 to US\$1,prevailing on February 28,1999 has been used for translation into U.S.dollar amounts.

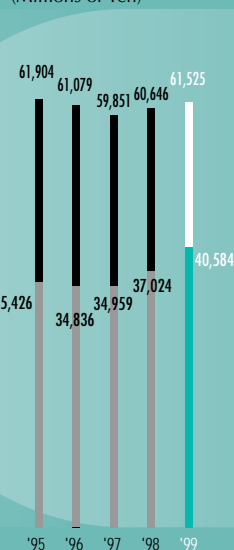
**Net Sales**  
(Millions of Yen)



**Net Income(Loss)**  
(Millions of Yen)



**Total Assets and Shareholders' Equity**  
(Millions of Yen)



**Net Income(Loss) per Share**  
(Yen)



## Message from the President

It gives me great pleasure to have this opportunity to address all our shareholders as we present our business report for the 74th period (from the 1st March 1998 to the 28th February 1999).

With regard to the global economy for this period, the USA economy remained brisk, with private consumption playing a central role; while in the Euro zone and the other countries of Europe economies moved into a generally bullish phase, albeit at a slower pace in the second half. The economies of Asia, on the other hand, are still limping towards recovery from the currency crisis, and have not yet managed to escape from the business slump. In Japan the slowdown in private demand (personal consumption, capital investment, etc.) has grown more acute; the government's economic policies have been lacking in force, and throughout the period business was sluggish.

In this financial climate, our Precision Electronic Equipment and Machine Tools Divisions have worked aggressively to expand sales, through the release into both domestic and international markets of new products conforming to customer needs. The result of this was that, while we were affected by the drop in demand in Japan and the Asian markets, in the American and European markets we were able to achieve a substantial increase in sales, mainly in electronic buzzers and CNC automatic lathes. In our Precision Products Division, although orders in new

spheres increased satisfactorily, orders for wristwatch parts showed a drastic drop, leading to a reduction in sales.

Taken as a whole, net sales for the period came to ¥46,480 million (2.8% up on the previous period). With regard to income, in the face of the harsh business climate we made every effort to rationalise and to cut costs, and were able to achieve operating income of ¥5,888 million (56.8% up on the previous period). We were affected by fluctuations in exchange rates and on the stock market, but net income showed greater improvement, and reached ¥3,899 million (108.1% up on the previous period). In addition, the series of corporate reorganisations we have been assiduously carrying out in keeping with our traditional policy of setting great store by consolidated accounts, the aim being to improve the profitability of the whole group and strengthen our administrative structure, has produced good results. Further, with regard to the distribution of profits in this period, dividends have been set at ¥3.50 per share, which is the same as the interim dividend (¥7 pa with the interim dividend), on the basis of our standard policy of stable, sustained dividends.

With regard to forecasts for the future, the prospects for the global economy, including the Japanese economy, are extremely difficult to read; and it is predicted that the present severe business climate will continue.

We, for our part, intend to build an administrative structure that will enable us to survive as an internationally competitive manufacturer capable of contributing to hi-tech related fields around the world, while maintaining our headquarters in Japan. Markets are becoming increasingly globalised and increasingly advanced, and in order to achieve our aims we will tackle these markets through the consolidation of an R & D structure based on our precision-processing technology and electronic data peripheral technology; the development of new products with a high added-value; and the expansion and improvement of our sales and service structure. We will also aim to restructure the company framework to adapt to the striking changes taking place in the business environment. We will push forward the strengthening of the corporate structure of each member of the group, both at home and abroad. At the same time we expect that the enhanced multiplier effect within the group will lead to greater improvements in business results.

We have looked on the computer Y2K problem as a business management concern. We have set up a plan of action to deal with the matter, scheduled for completion in August 1999, and at the present time the project is proceeding to schedule.

We look forward to enjoying the continued support and encouragement of our shareholders.

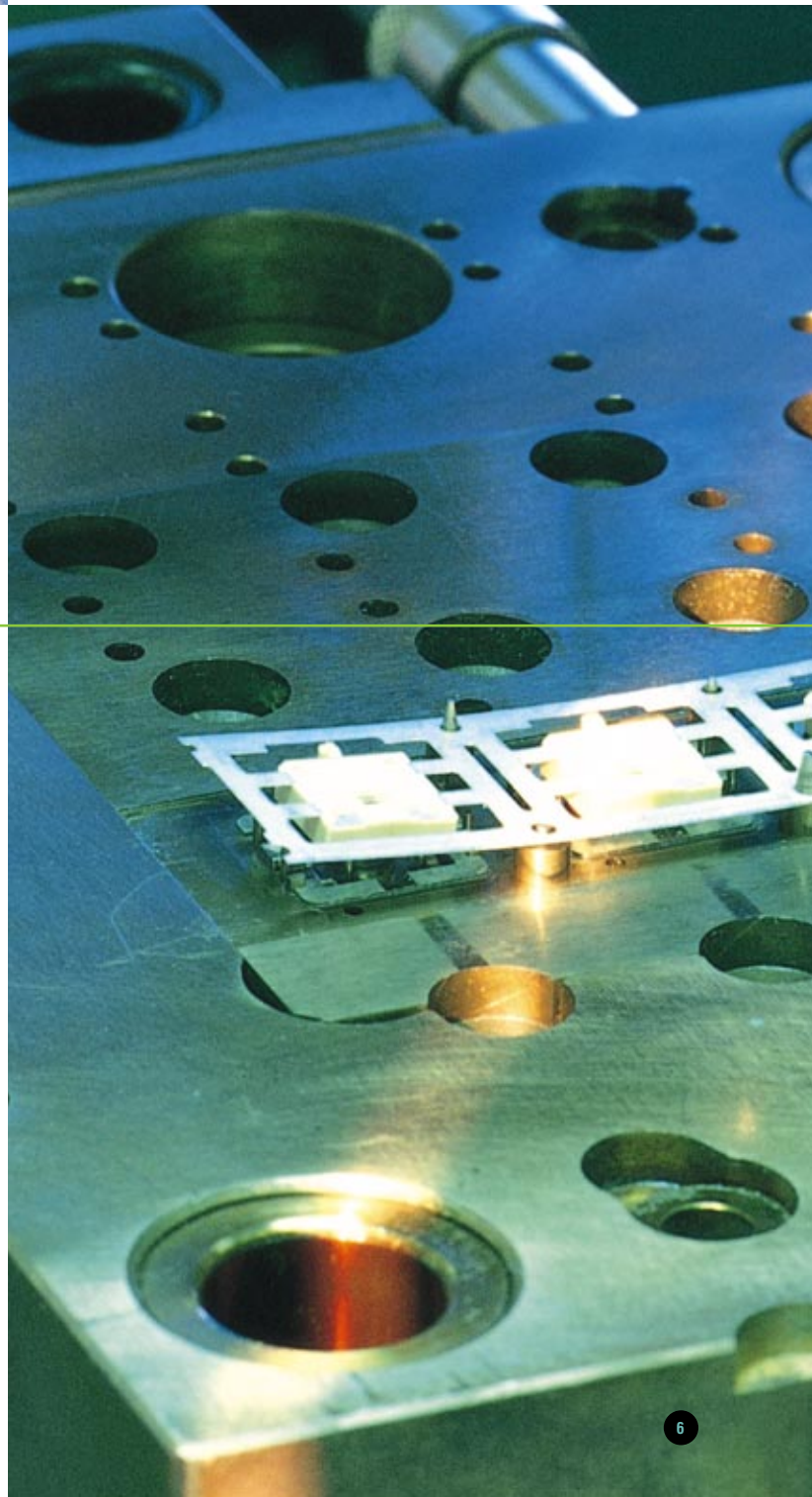


A stylized, handwritten signature in black ink, which appears to read 'Shozo Kasuya'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

May 1999  
*Shozo Kasuya, President*

# Precision Electronic Equipment Division

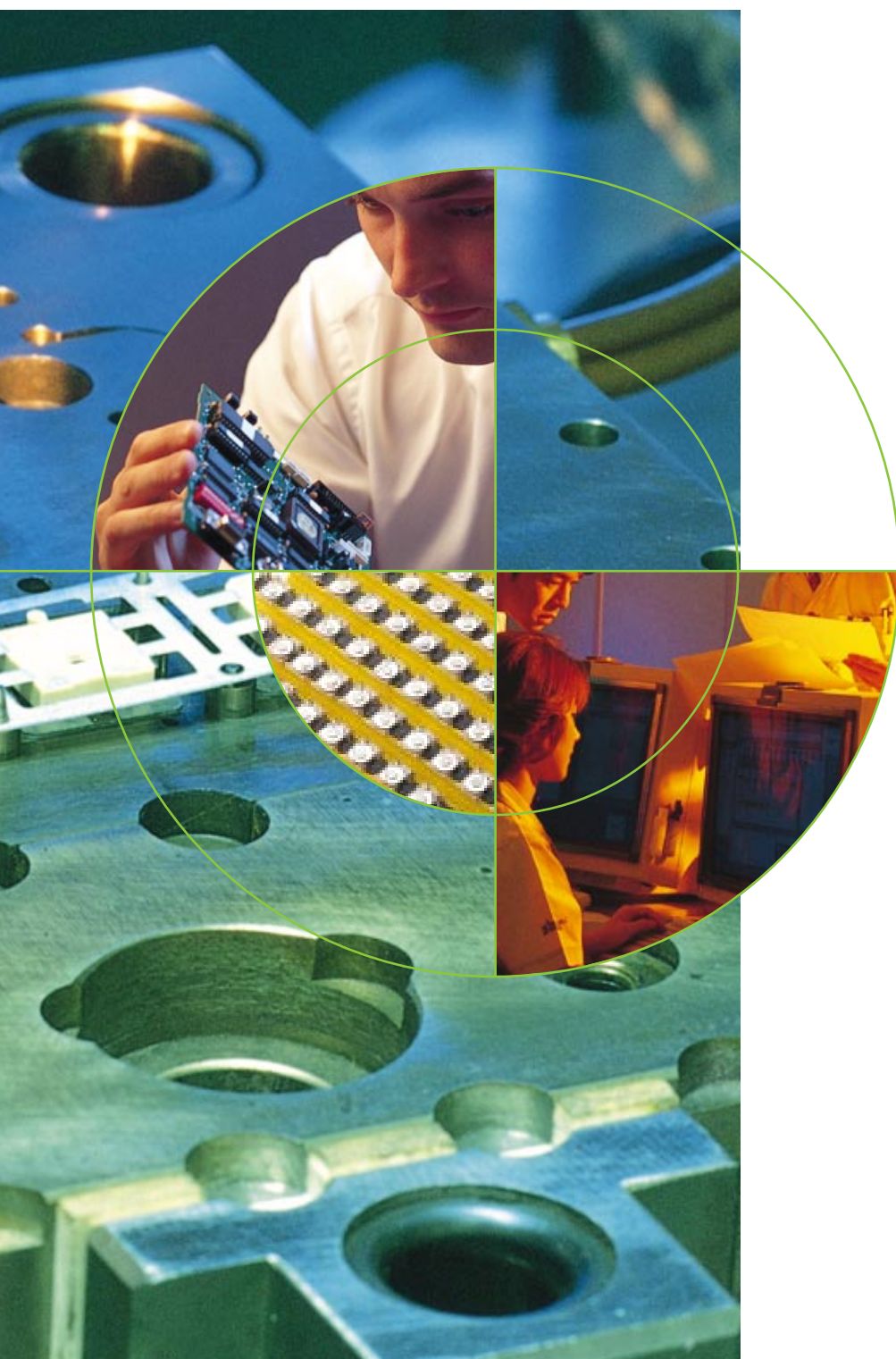
As the worldwide market for mobile communications equipment continues to expand, our new MNT Series of electronic buzzers, which are smaller and lighter and have a wide frequency range, have been well received, and sales have grown substantially. Sales of Point of Sale ("POS") printers have been backed by the continued worldwide bullish expansion of the POS market; the marketing of our new, high-speed, high-performance thermal printer TSP Series was a success, and sales receipts have risen satisfactorily. With regard to computer printers, on the other hand, our business-oriented horizontal printer was being marketed mainly for the Chinese market, but sales receipts dropped under the tightening of economic policy in China. We have also applied ourselves in earnest to the development of new products; and sales, mainly of security-oriented dome cameras, have steadily risen. As a result of all these factors sales receipts for this sector came to ¥24,679 million (0.7% up on the previous period).





**sales**

	Millions of Yen
1995	27,625
1996	26,649
1997	26,010
1998	24,516
1999	24,679



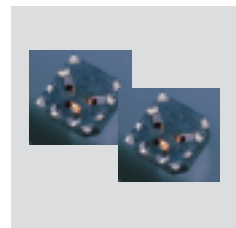
**LC-8521**  
Impact Dot Matrix Printers  
Sales strategies are also being developed for a large multi-function printer with journal and pass-book.



**TSP-200**  
Compact Thermal Receipt Printer  
Extremely quiet and fast printing using the direct line thermal printing method.



**MCP300**  
Card Reader/writer  
The reader/writer for visual IC card, the IC card with re-writable human readable area.



**MQT-03E (MNT Series)**  
Surface Mount Magnetic Sounder  
The surface mountable sounder provides optimized acoustic characteristics with global telecommunication market.

# Machine Tools Division

Our SA/SV Series of CNC automatic lathes, which give high-speed, high-precision, complex machining performance, is rated highly on the market, and our aggressive sales activities have been aimed mainly at manufacturers of computer-, communications-, medical- and motor car-related equipment, with the orientation on components with a high added value. As a result, while sales continued to be strongly affected in the Asian markets by the economic slump, in America and Europe our direct-sales system got under way and with demand expanded by a brisk market, sales receipts rose substantially. In Japan on the other hand, domestic sales were affected by the further decline in the will to invest in equipment, brought about by the long-continuing economic slump; and sales receipts fell drastically. For these reasons, sales receipts were ¥16,833 million (11.9% up on the previous period).

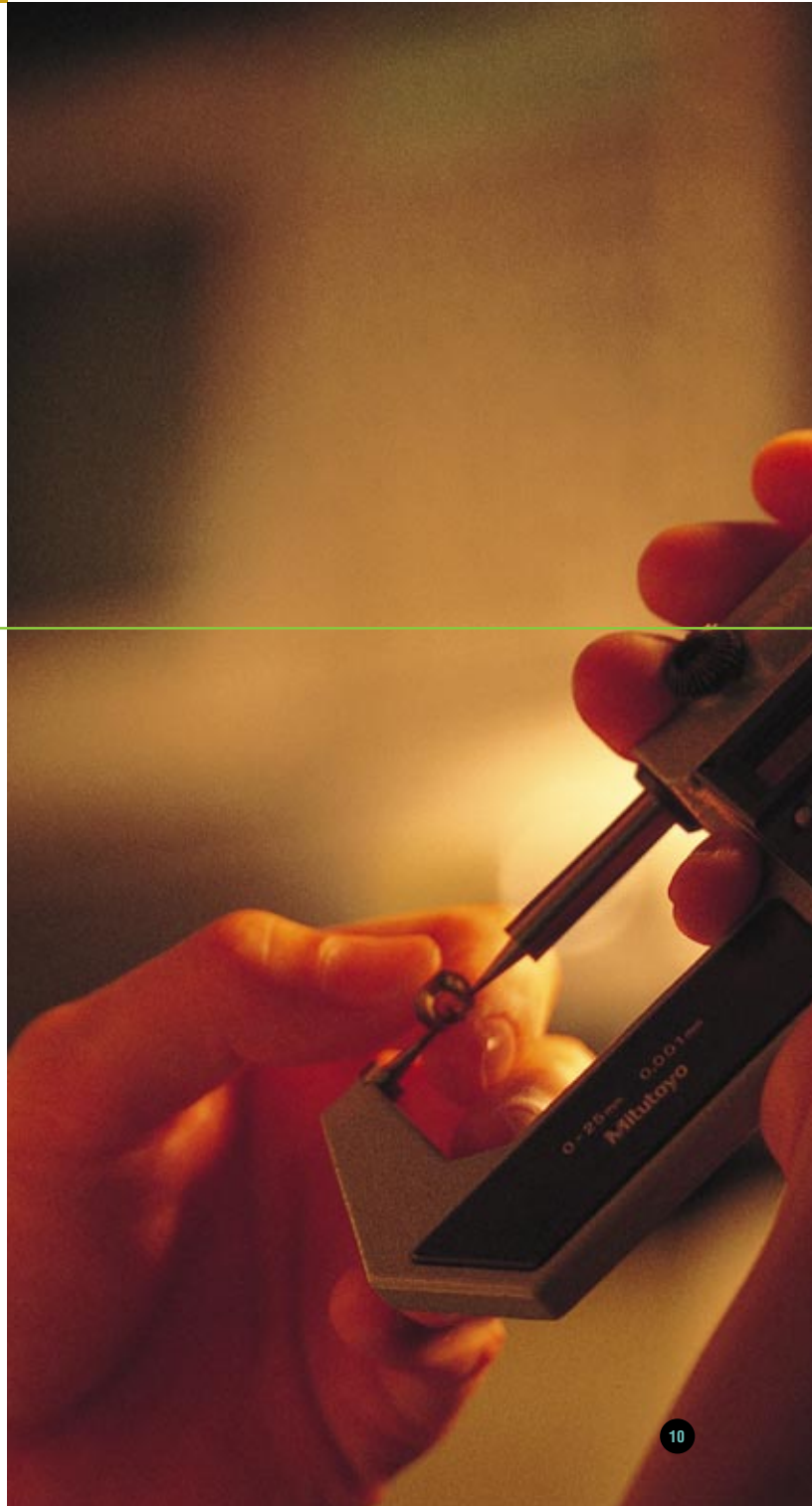




# Precision Products Division

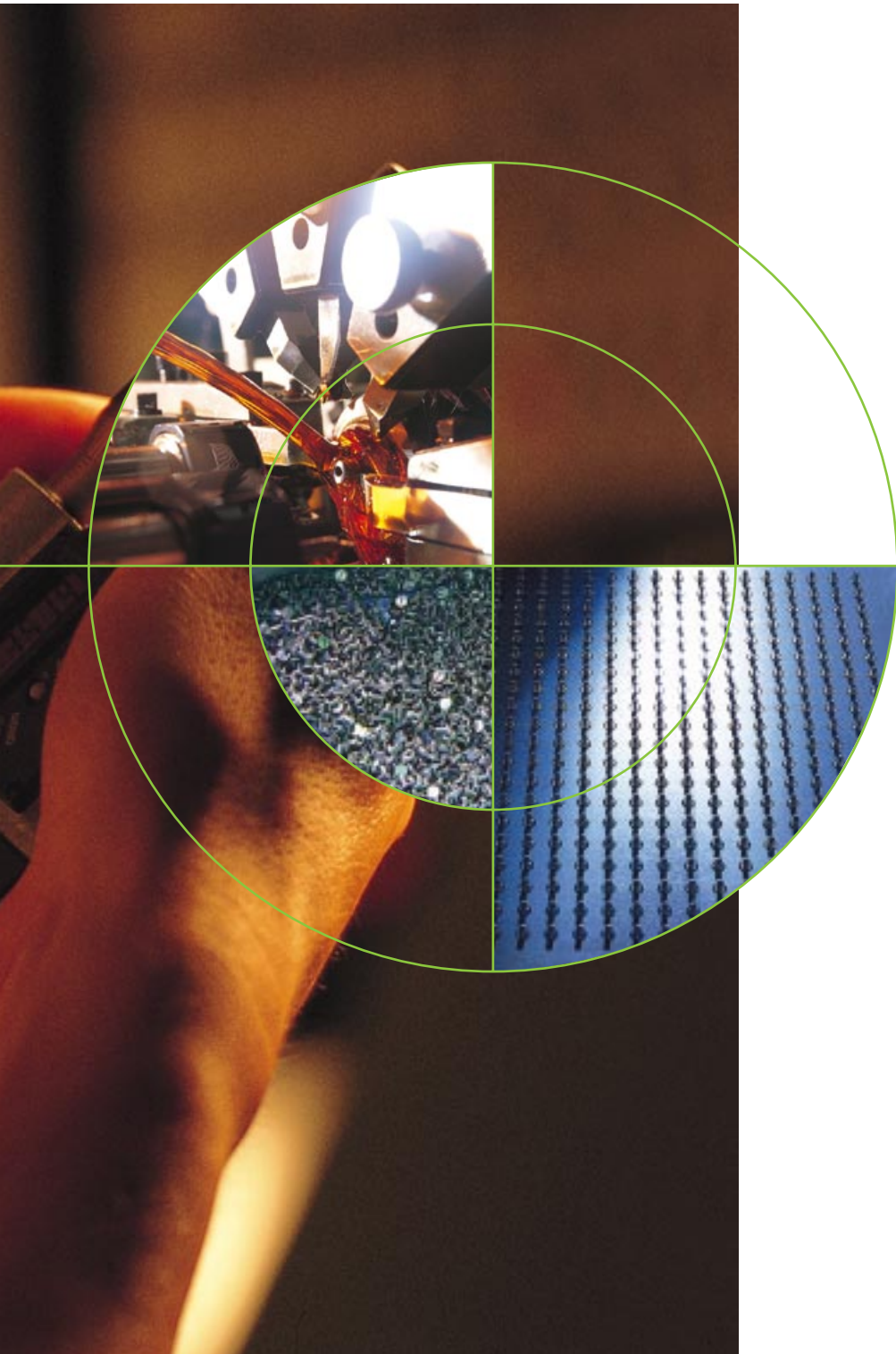
Wristwatch components, which are the mainstay of this sector, found themselves in an extremely harsh environment; watch manufacturers cut back drastically on production because of the fall in demand in Asia and Japan, while at the same time there were repeated demands for discounts. Under these conditions we tried to strengthen our manufacturing structure through such measures as the complete rationalisation of our production facilities, but sales receipts fell due to the substantial drop in orders. Meanwhile, we worked to expand sales by pushing for orders mainly in the field of advanced processing technology such as optical communications, medical appliances and office automation. Sales receipts were ¥4,968 million (12.2% down on the previous period).

The new factory (Fujimi Plant) that had been under construction was completed on schedule at the end of December last year, and went into full-scale operation at the end of February this year.



**sales**

	Millions of Yen
1995	4,564
1996	4,547
1997	4,527
1998	5,656
1999	4,968



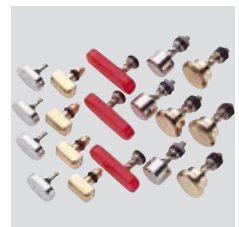
**Winding Stems**

Winding stems that boast a 70% market share in Japan.



**Header screws**

Parts for wristwatch.



**Push buttons**

Parts for wristwatch.



**Optical fiber connector parts**

Parts for optical communication equipments.

# Main Products

## New Business Areas and The Products

### Intelligent Dome Camera MD-2000

MD-2000 packs the world's first 20 times zoom function into its stylish & compact dome-shaped body.

Optical 20 times zoom lens / Auto focus / 360 degrees

Continuous Pan Rotation / 64 Preset Positions, etc.

### Camera Controller CC-2000

System controller for dedicated use of the dome camera MD-200 Series.

### Information Display system

Magnetically Rewritable Information Board / BoardCast

New tool for information transmission by computer, Extremely low running cost, Graphic capability.



## Precision Electronic Equipment

### Electronic Printers

#### Computer Printers Impact Dot Matrix Printers

AR Series/LC Series..... Our best-selling printer series

LC-7211/LC-8211/LC-8521..... Flat-bed type printers

AR-1000/LC-8021..... Pass book printers

#### Small Printers..... High reliable, multifunctional printers ideal for POS system running on a PC base

SP300 Series..... High performance receipt and journal printer

SP200 Series..... Low cost receipt printer

TSP200 Series..... Thermal receipt and bar code printer

### Electronic Buzzers

QMB Series..... Miniature sound transducer

SMB Series..... Low-pitched tone buzzers

HMB Series..... High-pitched tone buzzers

MQT Series..... Surface mount magnetic sounder

Card Reader/Writer..... Device for visual card

## Machine tools

### CNC Automatic Lathes

SE..... Lathes with low manufacturing costs and high productivity

SA, SR-16/20R, SR-32, SV-32J..... Lathes that allow efficient machining of complex components

SW, SV-20/32, KNC..... A variety of versatile and flexible tooling systems

## Precision Products

### Precision Wristwatch Parts

Crown, Wheels, Pinions, Regulators, Screws

Case Pipes, Push Buttons

Optical connector parts

Medical parts

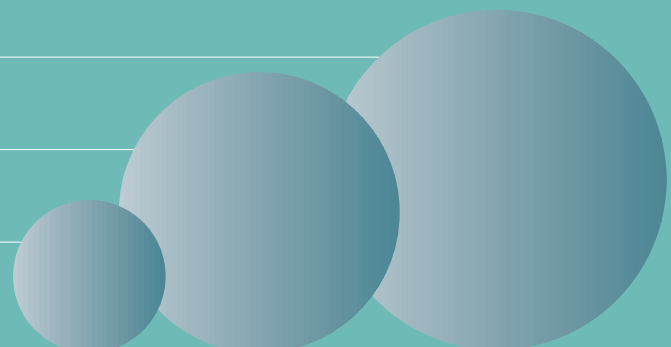
## Sales Analysis by Product Type (Millions of Yen)

*Precision Electronic Equipment 24,679 (53.1%)*

*Machine Tools 16,833 (36.2%)*

*Precision Products 4,968 (10.7%)*

*Total Sales 46,480 (100.0%)*



## Financial Section

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# Financial Review

## Net Sales

In this fiscal period, our administrative structure in consolidated business including each companies in overseas of the group was started along the right lines.

Our group was able to achieve good results.

With regard to the global economy for this period, the American and European economies moved into a bullish phase. The economies of Japan and Asia, on the other hand, remained all sluggish.

In this financial climate, divisions released new products targeting customer needs. The Precision Electronic Equipment Division has progressed with sales of electronic buzzers and small printers as the market for mobile communication and POS continues to expand. Total sales for the year were ¥24,679 million (0.7% increase from the previous period). The Machine Tools Division was able to achieve a substantial increase in orders from American and European markets where the direct sales system got underway with certain high added value models. As a result, recovering the drop of domestic sales, the sales for the year was ¥16,833 (11.9% increase from the previous period). The Precision Products Division was able to expand to gaining orders in new fields such as optical communications. However, sales of wristwatch parts as mainstay products declined substantially and the sales for the year totalled ¥4,968 million (12.2% decrease from the previous period).

In term of geographed sales, the Asia market (including Japan) was ¥26,416 million. Europe and North America markets were ¥20,064 million. The ratio of each sales to consolidated sales were 57% and 43%.

Taken as a whole, net sales for the period totalled ¥46,480 million (2.8% increase from the previous period).

## Cost of Sales and Expenses

All of our group companies made every effort to rationalise and cut costs, and as a result, cost of sales as a percentage of net sales decreased 2.6 points to 60.8%. Also, SGA expenses as a percentage of net sales decreased 1.7 points to 26.5% of net sales.

## Net income

Operating income was ¥5,888 million (up 56.8% from the previous period), while other expenses totalled ¥1,041 million for the year, mainly attributable to an exchange loss. Consequently, income before taxes and minority interest was ¥4,847 million (up 87.3% from the previous period).

Net income was ¥3,899 million (up 108.1% from the previous period).

## Financial Position

Total assets increased 1.4% to ¥61,525 million at the end of the year. Total current assets decreased 4.6% to ¥38,885 million and net investments in property, plant and equipment increased 5.1% to ¥15,289 million. Net investments and other assets increased 37.9% to ¥7,351 million, resulting from an increase in other assets including a translation adjustment.

Current liabilities decreased 10.1% to ¥19,021 million. Long-term liabilities decreased 22.5% to ¥1,864 million as a result of a decrease in long-term bank loans.

Shareholders' equity increased 9.6% to ¥40,584 million.

## Cash Flow

Net cash provided by operating activities was ¥5,567 million. This was primarily attributable to strong consolidated results in addition to depreciation and amortization expenses which are not direct cash out flows.

Net cash used in investing activities was ¥3,741 million, and consisted primarily of purchases of property, plant and equipment.

Net cash used in financing activities was ¥1,004 million, primarily due to repayments of bank loans.

As a result of these activities, cash and cash equivalents increased by ¥551 million during the year to a total of ¥7,195 million at year end.



## Consolidated Five-Year Summary

Star Micronics Co., Ltd. and consolidated subsidiaries,  
Five years ended the last day of February

Millions of Yen (Except for per share data)

	1999	1998	1997	1996	1995
<b>For the year:</b>					
Net sales.....	¥46,480	¥45,220	¥43,194	¥41,335	¥38,773
Cost of sales.....	28,269	28,698	28,748	29,590	32,294
Selling, general and administrative expenses.....	12,323	12,768	11,702	11,191	10,873
Operating income ( loss ).....	5,888	3,754	2,744	554	(4,394)
Other income ( expenses ).....	(1,041)	(1,166)	186	685	263
Income ( loss ) before income taxes and minority interest	4,847	2,588	2,930	1,239	(4,131)
Income taxes.....	912	689	1,513	799	136
Minority interest.....	36	25	26	20	
Net income ( loss ).....	3,899	1,874	1,391	420	(4,267)
<b>Per share:</b>					
Net income ( loss ) .....	¥69.02	¥33.17	¥24.62	¥7.44	¥(75.53)
Fully diluted net income.....	69.00				
<b>At year-end:</b>					
Current assets.....	¥38,885	¥40,764	¥38,930	¥39,697	¥39,039
Property, plant and equipment.....	15,289	14,551	14,013	13,567	13,063
Total assets.....	61,525	60,646	59,851	61,079	61,904
Long-term liabilities.....	1,864	2,405	3,790	2,335	6,624
Shareholders' equity.....	40,584	37,024	34,959	34,836	35,426
<b>Stock exchange price per share of common stock :</b>					
	Yen				
High.....	¥860	¥790	¥1,170	¥1,350	¥1,590
Low.....	413	315	652	508	670

# Consolidated Balance Sheets

Star Micronics Co., Ltd. and consolidated subsidiaries  
February 28, 1999 and 1998

Assets	Millions of Yen		Thousands of U.S. dollars (Note 1)
	1999	1998	1999
<b>Current assets :</b>			
Cash and time deposits.....	¥7,195	¥6,644	\$59,958
Marketable securities ( Note 3 ).....	807	903	6,725
Receivables (Note 5) :			
Trade notes.....	1,953	2,379	16,275
Trade accounts.....	10,761	11,662	89,675
Non-consolidated subsidiaries and an associated company.....	1	47	8
Other.....	1,186	1,279	9,883
Allowance for doubtful receivables.....	(231)	(148)	(1,925)
Inventories ( Notes 4 and 5 ).....	16,650	17,428	138,750
Deferred income taxes.....	69	119	575
Prepaid expenses and other.....	494	451	4,118
Total current assets.....	38,885	40,764	324,042
<b>Property, plant and equipment ( Note 5 ) :</b>			
Land.....	2,377	2,379	19,808
Buildings and structures.....	9,595	8,437	79,958
Machinery and equipment.....	31,916	30,534	265,967
Construction in progress.....	34	39	284
Total.....	43,922	41,389	366,017
Accumulated depreciation.....	(28,633)	(26,838)	(238,609)
Net property, plant and equipment.....	15,289	14,551	127,408
<b>Investments and other assets :</b>			
Investment securities ( Notes 3 and 5 ).....	1,939	2,202	16,158
Investments in non-consolidated subsidiaries and an associated company.....	1,687	1,687	14,058
Other assets.....	3,725	1,442	31,042
Total investments and other assets.....	7,351	5,331	61,258
Total.....	¥61,525	¥60,646	\$512,708

See notes to consolidated financial statements.

**Liabilities and shareholders' equity**

	Millions of Yen		Thousands of U.S. dollars (Note 1)
	1999	1998	1999
<b>Current liabilities :</b>			
Short-term bank loans ( Note 5 ).....	¥1,992	¥2,475	\$16,600
Current portion of long-term debt ( Note 5).....	1,346	1,189	11,217
Payables :			
Trade notes.....	5,978	6,730	49,817
Trade accounts.....	2,199	2,611	18,325
Non-consolidated subsidiaries and an associated company.....	350	462	2,917
Other.....	1,987	1,477	16,558
Income taxes payable ( Note 8 ).....	384	396	3,200
Accrued expenses.....	1,501	1,479	12,508
Other.....	3,284	4,329	27,366
Total current liabilities.....	<u>19,021</u>	<u>21,148</u>	<u>158,508</u>
<b>Long-term liabilities :</b>			
Long-term debt (Note 5).....	1,624	2,180	13,533
Liability for retirement benefits (Note 6).....	168	154	1,400
Other.....	72	71	600
Total long-term liabilities.....	<u>1,864</u>	<u>2,405</u>	<u>15,533</u>
<b>Minority interest</b>	56	69	467
<b>Contingent liabilities (Notes 11 and 13)</b>			
<b>Shareholders' equity (Notes 7 and 15) :</b>			
Common stock, ¥50 par value-authorized, 160,000,000 shares ;			
issued 56,494,244 shares.....	12,685	12,685	105,708
Additional paid-in capital.....	13,840	13,840	115,333
Legal reserve.....	674	621	5,617
Retained earnings.....	13,386	9,879	111,550
Total.....	<u>40,585</u>	<u>37,025</u>	<u>338,208</u>
Less treasury stock - at cost 2,201 shares in 1999 and 1,477 shares in 1998	(1)	(1)	(8)
Total shareholders' equity.....	<u>40,584</u>	<u>37,024</u>	<u>338,200</u>
Total.....	<u>¥61,525</u>	<u>¥60,646</u>	<u>\$512,708</u>

See notes to consolidated financial statements.

# Consolidated Statements of Income

Star Micronics Co.,Ltd. and consolidated subsidiaries  
Years ended February 28,1999 and 1998

	Millions of Yen		Thousands of U.S. dollars(Note 1)
	1999	1998	1999
Net sales.....	¥46,480	¥45,220	\$387,333
Cost of sales (Note 9).....	28,269	28,698	235,575
Gross profit.....	18,211	16,522	151,758
Selling, general and administrative expenses.....	12,323	12,768	102,691
Operating income.....	5,888	3,754	49,067
<b>Other income (expenses) :</b>			
Interest and dividend income.....	141	127	1,175
Interest expense (Note 5).....	(278)	(354)	(2,317)
Exchange loss-net.....	(580)	(623)	(4,833)
Gain on sales of property, plant and equipment.....	56	125	467
Loss on disposals of property, plant and equipment.....	(39)	(108)	(325)
Other-net (Note 12).....	(341)	(333)	(2,842)
Other expenses-net.....	(1,041)	(1,166)	(8,675)
<b>Income before income taxes and minority interest.....</b>	<b>4,847</b>	<b>2,588</b>	<b>40,392</b>
<b>Income taxes (Note 8).....</b>	<b>912</b>	<b>689</b>	<b>7,600</b>
<b>Income before minority interest.....</b>	<b>3,935</b>	<b>1,899</b>	<b>32,792</b>
<b>Minority interest.....</b>	<b>36</b>	<b>25</b>	<b>300</b>
<b>Net income.....</b>	<b>¥3,899</b>	<b>¥1,874</b>	<b>\$32,492</b>

	Yen		U.S.dollars
	1999	1998	1999
<b>Per share of common stock (Notes 2.m and 7) :</b>			
Net income.....	¥69.02	¥33.17	\$0.58
Fully diluted net income.....	69.00		0.58
Cash dividends applicable to the year.....	7.00	5.00	0.06

See notes to consolidated financial statements.

# Consolidated Statements of Shareholders' Equity

Star Micronics Co., Ltd. and consolidated subsidiaries  
Years ended February 28, 1999 and 1998

	Thousands	Millions of Yen				Treasury stock-at cost
	Outstanding number of shares of common stock	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	
<b>Balance, March 1, 1997</b> .....	56,494	¥12,685	¥13,840	¥579	¥7,856	¥(1)
Effect of exclusion of a consolidated subsidiary..					473	
Net income.....					1,874	
Cash dividends, ¥5.0 per share.....					(282)	
Transfer to legal reserve.....				42	(42)	
Treasury stock acquired-net (307 shares).....						
<b>Balance, February 28, 1998</b> .....	56,494	12,685	13,840	621	9,879	(1)
Net income.....					3,899	
Cash dividends, ¥6.0 per share.....					(339)	
Transfer to legal reserve.....				53	(53)	
Treasury stock acquired-net (724 shares).....						
<b>Balance, February 28, 1999</b> .....	56,494	¥12,685	¥13,840	¥674	13,386	¥(1)

	Thousands of U.S.dollars(Note 1)				
	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Treasury stock-at cost
<b>Balance, February 28, 1998</b> .....	\$105,708	\$115,333	\$5,175	\$82,325	\$(8)
Net income.....				32,492	
Cash dividends, \$0.050 per share.....				(2,825)	
Transfer to legal reserve.....			442	(442)	
Treasury stock acquired-net (724 shares).....					
<b>Balance, February 28, 1999</b> .....	\$105,708	\$115,333	\$5,617	\$111,550	\$(8)

See notes to consolidated financial statements.

# Consolidated Statements of Cash Flows

Star Micronics Co., Ltd. and consolidated subsidiaries  
Years ended February 28, 1999 and 1998

	Millions of Yen		Thousands of U.S. dollars (Note 1)
	1999	1998	1999
<b>Operating activities :</b>			
Net income.....	¥3,899	¥1,874	\$32,492
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization.....	3,065	2,904	25,542
Provision for doubtful receivables.....	103	127	858
Loss on devaluation of inventories.....	544	27	4,533
Loss on devaluation of marketable and investment securities.....	524	331	4,367
Gain on sales of investment securities.....	(133)		(1,108)
Gain on sales and disposals of property, plant and equipment.....	(17)	(17)	(142)
Provision for retirement benefits.....	34	42	283
Amortization of excess cost of investments in a consolidated subsidiary.....	42	42	350
Exchange gain.....	(33)	(7)	(275)
Other-net.....	52	(109)	434
Changes in assets and liabilities:			
Decrease (increase) in receivables.....	232	(702)	1,933
Decrease (increase) in inventories.....	(629)	944	(5,242)
Decrease (increase) in deferred income taxes.....	(4)	64	(33)
Decrease (increase) in prepaid expenses and other assets.....	(93)	33	(775)
Increase (decrease) in payables and accrued expenses.....	(1,149)	3,149	(9,575)
Increase in income taxes payable.....	12	9	100
Increase (decrease) in other liabilities.....	(882)	324	(7,350)
Total adjustments.....	1,668	7,161	13,900
Net cash provided by operating activities.....	5,567	9,035	46,392
<b>Investing activities :</b>			
Proceeds from sales of property, plant and equipment.....	169	266	1,408
Purchases of property, plant and equipment.....	(3,577)	(2,940)	(29,808)
Proceeds from sales of securities.....	2,004	138	16,700
Purchase of securities.....	(2,055)	(346)	(17,125)
Cash paid for acquisition, net of cash and cash equivalents.....		(65)	
Proceeds from collection of advances to non-consolidated subsidiaries and an associated company		136	
Other-net.....	(282)	(234)	(2,350)
Net cash used in investing activities.....	(3,741)	(3,045)	(31,175)
<b>Financing activities :</b>			
Decrease in short-term bank loans-net.....	(286)	(2,910)	(2,383)
Proceeds from long-term debt.....	1,050		8,750
Repayments of long-term debt.....	(1,380)	(1,163)	(11,501)
Dividends paid to shareholders.....	(339)	(282)	(2,825)
Dividends paid to minority shareholders of consolidated subsidiaries.....	(49)	(21)	(408)
Net cash used in financing activities.....	(1,004)	(4,376)	(8,367)
Effect of exchange rate changes on cash.....	(271)	144	(2,259)
<b>Net increase in cash and cash equivalents.....</b>	<b>551</b>	<b>1,758</b>	<b>4,591</b>
<b>Cash and cash equivalents of an excluded consolidated subsidiary, end of year...</b>		<b>(103)</b>	
<b>Cash and cash equivalents, beginning of year.....</b>	<b>6,644</b>	<b>4,989</b>	<b>55,367</b>
<b>Cash and cash equivalents, end of year.....</b>	<b>¥7,195</b>	<b>¥6,644</b>	<b>\$59,958</b>
<b>Additional cash flow information :</b>			
Interest paid.....	¥304	¥334	\$2,533
Income taxes paid.....	981	674	8,175

See notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

Star Micronics Co., Ltd. and consolidated subsidiaries  
Years ended February 28, 1999 and 1998

## 1 Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared from the accounts maintained by Star Micronics Co., Ltd. (the "Company") and its consolidated subsidiaries in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards. The consolidated statements of cash flows are not required as a part of the basic consolidated financial statements in Japan but are presented herein as additional information.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the financial statements issued domestically in order to present them in a form which is more familiar to readers outside of Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside of Japan and have been made at the rate of ¥120 to \$1, the approximate rate of exchange at February 28, 1999. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

## 2 Summary of Significant Accounting Policies

### a Consolidation and Investments in Non-consolidated Subsidiaries and Associated Company

The accompanying consolidated financial statements include the accounts of the Company and its fifteen significant subsidiaries.

The fiscal periods of consolidated subsidiaries in Japan end on the last day of February, and those of consolidated subsidiaries outside of Japan end on December 31.

Consolidation of the remaining subsidiaries would not have a material effect on the accompanying consolidated financial statements.

The excess of the cost of the Company's investments in consolidated subsidiaries over its equity in the net assets at the respective dates of acquisition, is being amortized over a period of five years.

All significant inter-company accounts and transactions have been eliminated in consolidation. All material unrealized profits resulting from intercompany transactions is eliminated.

Investments in non-consolidated subsidiaries and a 20% to 50% owned associated company are accounted for on the cost basis. The effect on the consolidated financial statements of not applying the equity method is not material.

### b Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Company considers all time deposits to be cash equivalents. Time deposits have original maturities of one year or less and can be withdrawn on demand with no diminution of principal.

### c Inventories

Inventories are substantially stated at cost determined by the average method, except for inventories held by eight consolidated subsidiaries, which accounted for approximately 36% of the consolidated inventories at February 28, 1999 and are generally stated at the lower of cost (first-in, first-out) or market.

### d Marketable and Investment Securities

Listed securities included in marketable and investment securities are stated at the lower of cost or market. Other securities are stated at cost. Cost is determined by the moving-average method.

**e Property, Plant and Equipment**

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed by the declining-balance method for the Company and its consolidated subsidiaries in Japan and by the straight-line method for substantially all of the consolidated subsidiaries outside of Japan.

Depreciation is based on the estimated useful lives, ranging from 3 to 60 years for buildings and structures and from 2 to 20 years for machinery and equipment.

**f Retirement and Pension Plans**

The Company has a non-contributory funded pension plan covering substantially all of its employees. Benefits under this pension plan are based on the current rate of basic pay and length of service. The amounts contributed to the fund, including prior service costs are charged to income when paid.

The liability for retirement benefits to the Company's directors and corporate auditors is stated at the amount which would be required if they all retired at each balance sheet date.

**g Leases**

All leases are accounted for as operating leases. Under new Japanese accounting standards for leases, finance leases that do not transfer ownership of the leased property to the lessee are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's consolidated financial statements. These new standards are being applied on a step-by-step basis beginning with fiscal years starting on or after April 1, 1996, with full implementation expected for fiscal years starting on or after April 1, 1998.

**h Research and Development Costs**

Research and development costs are charged to income as incurred.

**i Income Taxes**

Income taxes are provided for in amounts currently payable for each year. The tax effect of temporary differences between tax and financial reporting purposes is not recorded, except for deferred income taxes arising from adjustments required for preparing consolidated financial statements such as elimination of unrealized profit (see a. above).

**j Appropriations of Retained Earnings**

Appropriations of retained earnings at each year end are reflected in the consolidated financial statements in the period in which shareholder's approval has been obtained.

**k Foreign Currency Transactions**

Short-term receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates at each balance sheet date except for certain receivables translated using the contract rates set forth in the applicable forward exchange contracts.

Exchange gains and losses are recognized in the fiscal periods in which they occur.

Long-term receivables and payables and investment securities denominated in foreign currencies are translated into Japanese yen at historical exchange rates.

**l Foreign Currency Financial Statements**

The balance sheet accounts of the consolidated subsidiaries outside of Japan are translated into Japanese yen at the current exchange rates at each balance sheet date except for shareholders' equity, which is translated at the historical exchange rates. Differences arising from such translation are included in other assets (1999) and other current liabilities (1998) in the accompanying consolidated balance sheets. Revenue and expense accounts of the consolidated subsidiaries outside of Japan are translated into Japanese yen at the average rates.

**m Per Share Information**

The computation of net income per share is based on the weighted average number of shares of common stock outstanding during each year. The average number of common shares used in the computation was 56,492,660 shares for 1999 and 56,492,606 shares for 1998.

Diluted net income per share of common stock assumes full conversion of the outstanding convertible bonds at the beginning of the year with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.



### 3 Marketable and Investment Securities

Marketable and investment securities at February 28, 1999 and 1998 consisted of the following:

	Millions of Yen		Thousands of U.S.dollars
	1999	1998	1999
<b>Current :</b>			
Marketable equity securities	¥282	¥252	\$2,350
Corporate bonds	31	32	258
Trust fund investments and other	494	619	4,117
<b>Total</b>	<b>¥807</b>	<b>¥903</b>	<b>\$6,725</b>
<b>Non-Current:</b>			
Equity securities	¥1,939	¥2,202	\$16,158
<b>Total</b>	<b>¥1,939</b>	<b>¥2,202</b>	<b>\$16,158</b>

Carrying amounts and aggregate market values of current and non-current marketable securities included in marketable securities and investment securities at February 28, 1999 and 1998 were as follows:

	Millions of Yen		Thousands of U.S.dollars
	1999	1998	1999
<b>Current :</b>			
Carrying amount	¥586	¥284	\$4,883
Aggregate market value	550	324	4,583
Unrealized gain (loss)	¥(36)	¥40	\$(300)
<b>Non-Current:</b>			
Carrying amount	¥1,845	¥2,024	\$15,375
Aggregate market value	1,928	2,348	16,067
Unrealized gain	¥83	¥324	\$692

The difference between the above carrying amounts and the amounts shown in the accompanying balance sheets principally consists of commercial paper and non-marketable securities for which there is no readily-available market from which to obtain or calculate the market value thereof.

### 4 Inventories

Inventories at February 28, 1999 and 1998 consisted of the following:

	Millions of Yen		Thousands of U.S.dollars
	1999	1998	1999
Merchandise	¥443	¥399	\$3,692
Finished products	9,732	10,008	81,100
Work in process	3,609	3,775	30,075
Raw materials and supplies	2,866	3,246	23,883
<b>Total</b>	<b>¥16,650</b>	<b>¥17,428</b>	<b>\$138,750</b>

### 5 Short-term Bank Loans and Long-term Debt

Short-term bank loans at February 28, 1999 and 1998 consisted of notes to banks and bank overdrafts. The annual interest rates applicable to the short-term bank loans ranged from 3.25% to 7.5% and 3.8125% to 8.875% at February 28, 1999 and 1998 respectively.

Long-term debt at February 28, 1999 and 1998 consisted of the following:

	Millions of Yen		Thousands of U.S.dollars
	1999	1998	1999
Unsecured 3.5% U.S. dollar convertible bonds due 2000	¥36	¥74	\$300
Loans from banks due serially to 2004 with interest rate ranging from 1.545% to 7.5% both 1999 and 1998 :			
collateralized	2,923	3,243	24,358
Unsecured	11	52	92
<b>Total</b>	<b>2,970</b>	<b>3,369</b>	<b>24,750</b>
Less current portion	(1,346)	(1,189)	(11,217)
<b>Long-term debt, less current portion</b>	<b>¥1,624</b>	<b>¥2,180</b>	<b>\$13,533</b>

Annual maturities of long-term debt at February 28, 1999 were as follows:

Year ending the last day of February	Millions of Yen	Thousands of U.S.dollars
2000	¥1,346	\$11,217
2001	257	2,142
2002	1,112	9,267
2003	205	1,708
2004	50	416
<b>Total</b>	<b>¥2,970</b>	<b>\$24,750</b>

The carrying amounts of assets pledged as collateral for the above collateralized long-term debt at February 28, 1999 were as follows:

	Millions of Yen	Thousands of U.S.dollars
Receivables	¥495	\$4,125
Inventories	638	5,317
Property, plant and equipment-net of accumulated depreciation	5,463	45,525
Investment securities	229	1,908
<b>Total</b>	<b>¥6,825</b>	<b>\$56,875</b>

The following is a summary of the terms of conversion of the convertible bonds at February 28, 1999.

	3.5% Bonds
Conversion price per share	¥1,860.80

The convertible bonds outstanding at February 28, 1999 were convertible into 38,991 shares of common stock of the Company on the basis of the above conversion prices.

The conversion prices of the convertible bonds are subject to adjustments to reflect stock splits and certain other events.

## 6 Retirement and Pension Plans

The net assets of the fund amounted to ¥4,084 million (\$34,033 thousand) at February 28, 1999.

Amounts contributed to the retirement and pension plans and charged to income were ¥360 million (\$3,000 thousand) and ¥363 million for the years ended February 28, 1999 and 1998, respectively.

## 7 Shareholders' Equity

The Commercial Code of Japan (the "Code" ) requires at least 50% of the issue price of new shares, with a minimum of the par value thereof, to be designated as stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital are credited to additional paid-in capital.

The Code also requires companies to appropriate from retained earnings to a legal reserve an amount equal to at least 10% of all cash payments which are made as an appropriation of retained earnings until such reserve equals 25% of stated capital. This reserve is not available for dividends but may be used to reduce a deficit by resolution of the shareholders.

The Company may transfer portions of additional paid-in capital and legal reserve to stated capital by resolution of the Board of Directors. The Company may also transfer portions of unappropriated retained earnings, available for dividends, to stated capital by resolution of the shareholders.

Under the Code, the Company may issue new common shares to existing shareholders without consideration as a stock split pursuant to resolution of the Board of Directors.

The Company may make such a stock split to the extent the aggregate par value of the shares outstanding after the stock split does not exceed the stated capital. However, the amount calculated by dividing the total amount of shareholders' equity by the number of outstanding shares after the stock split shall not be less than ¥50.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

Under the Code, the amount available for dividends is based on retained earnings as recorded on the Company's books. At February 28, 1999, retained earnings recorded on the Company's books were ¥12,717 million (\$105,975 thousand) which is available for future dividends subject to the approval of the shareholders and legal reserve requirements.

## 8 Income Taxes

The Company and its consolidated subsidiaries in Japan are subject to Japanese national and local taxes based on income which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 51% for both 1999 and 1998. Consolidated subsidiaries outside of Japan are subject to income taxes of the countries in which they operate. The actual effective tax rates in the accompanying consolidated statements of income differed from the normal effective statutory rates due principally to (1) non-recognition of the tax effects of temporary differences between tax and financial reporting, (2) certain expenses that are permanently non-deductible for tax purposes and (3) lower income tax rates applicable to income of certain subsidiaries outside of Japan.

The Company has tax loss carryforwards aggregating approximately ¥351 million (\$2,925 thousand) and ¥3,255 million for the years ended February 28, 1999 and 1998, which are available to be offset against the Company's future taxable income and expire at various dates through fiscal 2002.

## 9 Related Party Transactions

Transactions with non-consolidated subsidiaries and an associated company for the years ended February 28, 1999 and 1998 were as follows:

	Millions of Yen		Thousands of U.S.dollars
	1999	1998	1999
Purchases	¥1,149	¥993	\$9,575

## 10 Research and Development Costs

Research and development costs charged to income were ¥624 million (\$5,200 thousand) and ¥627 million for the years ended February 28, 1999 and 1998, respectively.

## 11 Leases

The Company and its consolidated subsidiaries lease certain machinery, computer equipment, office space and other assets.

Lease payments under finance leases were ¥133 million (\$1,108 thousand) and ¥274 million for the years ended February 28, 1999 and 1998, respectively. Obligations under finance leases at February 28, 1999 were as follows:

	Millions of Yen	Thousands of U.S.dollars
Due within one year	¥78	\$650
Due after one year	109	908
Total	¥187	\$1,558

Obligations under operating leases at February 28, 1999 were as follows:

	Millions of Yen	Thousands of U.S.dollars
Due within one year	¥113	\$942
Due after one year	78	650
Total	¥191	\$1,592

## 12 Other Income (Expenses) - Other - net

Other income (expenses) - Other - net consisted of the following:

	Millions of Yen		Thousands of U.S.dollars
	1999	1998	1999
Loss on devaluation of marketable and investment securities	¥(524)	¥(331)	\$(4,367)
Gain on sales of investment securities	192		1,600
Loss on sales of investment securities	(59)		(492)
Other	50	(2)	417
Other-net	¥(341)	¥(333)	\$(2,842)

## 13 Contingent Liabilities

As of February 28, 1999 the Company and its consolidated subsidiaries had the following contingent liabilities:

	Millions of Yen	Thousands of U.S.dollars
Guarantees of bank loans	¥173	\$1,442

## 14 Segment Information

Information regarding operations in different industry segments, foreign operations and sales to foreign customers of the Company and consolidated subsidiaries for the years ended February 28, 1999 and 1998 were as follows:

The following segment information is presented pursuant to the regulations issued by the Ministry of Finance of Japan under which disclosure requirements are being expanded on a step-by-step basis during the period from 1995 to 1999.

### (1) Operations in Different Industries

Millions of Yen					
1999					
	Precision Electronic Equipment	Machine Tools	Precision Products	Eliminations or Corporate	Consolidated
Sales to customers.....	¥24,679	¥16,833	¥4,968		¥46,480
Intersegment sales.....					
Total sales.....	24,679	16,833	4,968		46,480
Operating expenses.....	21,901	12,973	3,759	¥1,959	40,592
Operating income.....	¥2,778	¥3,860	¥1,209	¥(1,959)	¥5,888
Assets.....	¥29,521	¥13,836	¥5,990	¥12,178	¥61,525
Depreciation expense.....	2,042	310	476	120	2,948
Capital expenditures.....	1,952	396	1,978	56	4,382

Millions of Yen					
1998					
	Precision Electronic Equipment	Machine Tools	Precision Products	Eliminations or Corporate	Consolidated
Sales to customers.....	¥24,516	¥15,048	¥5,656		¥45,220
Intersegment sales.....					
Total sales.....	24,516	15,048	5,656		45,220
Operating expenses.....	23,168	12,470	3,940	¥1,888	41,466
Operating income.....	¥1,348	¥2,578	¥1,716	¥(1,888)	¥3,754
Assets.....	¥33,665	¥13,613	¥4,995	¥8,373	¥60,646
Depreciation expense.....	2,014	263	385	139	2,801
Capital expenditures.....	2,450	230	466	76	3,222

Thousands of U.S. dollars					
1999					
	Precision Electronic Equipment	Machine Tools	Precision Products	Eliminations or Corporate	Consolidated
Sales to customers.....	\$205,658	\$140,275	\$41,400		\$387,333
Intersegment sales.....					
Total sales.....	205,658	140,275	41,400		387,333
Operating expenses.....	182,508	108,108	31,325	\$16,325	338,266
Operating income.....	\$23,150	\$32,167	\$10,075	\$(16,325)	\$49,067
Assets.....	\$246,008	\$115,300	\$49,917	\$101,483	\$512,708
Depreciation expense.....	17,017	2,583	3,967	1,000	24,567
Capital expenditures.....	16,267	3,300	16,483	467	36,517

\* The segments consist of the following products :

Precision Electronic Equipment : Electronic printers, Electronic buzzers etc.

Machine Tools : CNC automatic lathes etc.

Precision Products : Precision wristwatch parts etc.

\* Operating expenses in the eliminations or corporate column include general corporate expenses incurred by the Administration Headquarters of the Company. The amounts were ¥1,959 million (\$16,325 thousand) and ¥1,888 million for the years ended February 28, 1999 and 1998, respectively.

\* Assets in the eliminations or corporate column include assets maintained by the Administration Headquarters of the Company, and consist principally of excess funds under management (cash and marketable securities) and long-term investments (investment securities). The amount were ¥12,178 million (\$101,483 thousand) and ¥8,373 million at February 28, 1999 and 1998, respectively.

## (2) Foreign Operations

Millions of Yen						
1999						
	Japan	Europe	North America	Asia	Eliminations or Corporate	Consolidated
Sales:						
Outside customers	¥20,616	¥9,348	¥10,716	¥5,800		¥46,480
Inter-area transfers	21,292	156	15	9,056	¥(30,519)	
Total	41,908	9,504	10,731	14,856	(30,519)	46,480
Operating expenses	37,271	8,306	9,337	14,601	(28,923)	40,592
Operating income	¥4,637	¥1,198	¥1,394	¥255	¥(1,596)	¥5,888
Assets	¥45,784	¥6,319	¥4,728	¥10,833	¥(6,139)	¥61,525

Millions of Yen				
1998				
	Japan	Outside Japan	Eliminations or Corporate	Consolidated
Sales:				
Outside customers	¥20,832	¥24,388		¥45,220
Inter-area transfers	20,457	9,086	¥(29,543)	
Total	41,289	33,474	(29,543)	45,220
Operating expenses	36,562	32,060	(27,156)	41,466
Operating income	¥4,727	¥1,414	¥(2,387)	¥3,754
Assets	¥45,188	¥24,885	¥(9,427)	¥60,646

Thousands of U.S. dollars						
1999						
	Japan	Europe	North America	Asia	Eliminations or Corporate	Consolidated
Sales:						
Outside customers	\$171,800	\$77,900	\$89,300	\$48,333		\$387,333
Inter-area transfers	177,433	1,300	125	75,467	\$(254,325)	
Total	349,233	79,200	89,425	123,800	(254,325)	387,333
Operating expenses	310,591	69,217	77,808	121,675	(241,025)	338,266
Operating income	\$38,642	\$9,983	\$11,617	\$2,125	\$(13,300)	\$49,067
Assets	\$381,533	\$52,658	\$39,400	\$90,275	\$(51,158)	\$512,708

\* The segments consist of the following countries :  
 Europe : United Kingdom, Germany and Switzerland  
 North America : United States of America  
 Asia : China

\* Operating expenses in the eliminations or corporate column include general corporate expenses incurred by the Administration Headquarters of the Company. The amounts were ¥1,959 million (\$16,325 thousand) and ¥1,888 million for the years ended February 28, 1999 and 1998, respectively.

\* Assets in the eliminations or corporate column include assets maintained by the Administration Headquarters of the Company, and consist principally of excess funds under management (cash and marketable securities) and long-term investments (investment securities). The amount were ¥12,178 million (\$101,483 thousand) and ¥8,373 million at February 28, 1999 and 1998, respectively.

## (3) Sales to Foreign Customers

	Millions of Yen	Thousands of U.S. dollars	
	1999	1998	1999
Europe	¥12,121		\$101,008
North America	13,098		109,150
Asia	9,698		80,817
Total	34,917	¥31,148	290,975

\* The segments consist of the following countries :  
 Europe : United Kingdom, Germany, Switzerland, Sweden, etc.  
 North America : United States of America, Mexico, etc.  
 Asia : China, Republic of Korea, Taiwan, Singapore, Australia, etc.

## 15 Subsequent Event

The following appropriations of retained earnings at February 28, 1999 were approved at the Company's shareholders meeting held on May 27, 1999:

	Millions of Yen	Thousands of U.S. dollars	
Year-end cash dividends, ¥3.5(\$0.029) per share	¥198		\$1,650
Transfer to legal reserve	25		208
Directors' and corporate auditors' bonuses	25		208

# Independent Auditors' Report

**Deloitte Touche  
Tohmatsu**



To the Board of Directors and Shareholders of Star Micronics Co.,Ltd. :

We have examined the consolidated balance sheets of Star Micronics Co., Ltd. and its consolidated subsidiaries as of February 28, 1999 and 1998, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. Our examinations were made in accordance with auditing standards generally accepted in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of Star Micronics Co., Ltd. and its consolidated subsidiaries as of February 28, 1999 and 1998, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan applied on a consistent basis.

Our examinations also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated Note 1. to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside of Japan.

*Deloitte Touche Tohmatsu*

May 28, 1999  
Tokyo, Japan

# Corporate Data

## Company Details (as of February 28, 1999)

Name	Star Micronics Co., Ltd.
Head Office	20-10, Nakayoshida, Shizuoka 422-8654 Japan Tel +81-54-263-1111 Fax +81-54-263-1057
Founded	February 1947
Established	July 6, 1950
President	Akio Suzuki
Paid-in Capital	12,685,107,015 yen
Stock Exchange Listings	First sections of the Tokyo and Nagoya Stock Exchanges and the Frankfurt Stock Exchange.
Number of employees	965

## Company Officers

President and C.E.O.	Akio Suzuki	Directors	Hajime Sato Tadakuni Kaneko
Senior Managing Director	Shozo Kasuya		Hideo Fujiwara
Managing Directors	Toshimune Kozuka Kunio Ishiguro		Noriaki Okamoto
Directors	Tatsuyuki Matsuo Masanobu Takano Toshihiro Suzuki	Corporate Auditors	Isao Imabayashi Masami Oishi Hiroshi Ishii Katsuoki Numata

## Subsidiaries

### Overseas Subsidiaries

Star Micronics America, Inc.	70-D Ethel Road West, Piscataway, NJ08854, USA	Tel.+1-732-572-5550
Star Micronics Asia Ltd.	18/F., Tower 2 Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong	Tel.+852-2796-2727
Star Micronics UK Ltd.	Star House, Peregrine Business Park, Gomm Road, High Wycombe, Bucks, HP13 7DL, UK	Tel.+44-1494-47-1111
Star Precisions Ltd.	18/F., Tower 2 Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong	Tel.+852-2799-9141
Star Micronics Manufacturing Dalian Co.,Ltd.	2,Huang Hai Street, Dalian Economic and Technical Development Zone, PRC	Tel.+86-411-7611-535
Star Micronics AG	Febrikweg 2, 8306 Bruettisellen, Zurich, Switzerland	Tel.+41-1833-4142
A&S Precision Machine Tools Ltd.	Chapel Street, Melbourne,Derbyshire DE73 1EH, UK	Tel.+44-1332-864455
Star Micronics Manufacturing Deutschland GmbH	Otto-Lilienthal Strasse 2, D-55232 Alzey, Germany	Tel.+49-6731-8401
Star Micronics Management Services GmbH	Westerbachstrasse 59, D-60489 Frankfurt, Germany	Tel.+49-6978-9990
Star CNC Machine Tool Corporation	123 Powerhouse Road, Roslyn Heights, NY11577, USA	Tel.+1-516-484-0500
LAGRO Werkzeugmaschinen-Handels GmbH & Co.KG	Untere Reute 44, 75305 Neuenburg, Germany	Tel.+49-7082-7920-0

### Japanese Subsidiaries

Micro Asabata Company	1883-4, Kita, Shizuoka 420-0961	Tel.+81-54-247-5396
Micro Kutsunoya Company	62-1, Kutsunoya 5-chome, Shizuoka 420-0816	Tel.+81-54-261-9396
Micro Takemi Company	13-32, Takemi, Shizuoka 420-0934	Tel.+81-54-247-6533
Star System Development Company	17-25, Nakayoshida, Shizuoka 422-8001	Tel.+81-54-263-6141
Shin Iwata Denshi Company	102 Yanagi-cho, Shizuoka 420-0007	Tel.+81-54-273-2601
Micro Abeguchi Company	63-1, Endo Shinden, Shizuoka 421-2112	Tel.+81-54-296-2396
Toshin Seiki Company	159, Muchiushi, Yaizu, Shizuoka 425-0007	Tel.+81-54-626-4100
Micro Sapporo Company	705-2, Shinkouminami 3-chome, Ishikari, Hokkaido 061-3244	Tel.+81-133-64-3663
Micro Fujimi Company	29-33, Senagawa 2-chome, Shizuoka 420-0913	Tel.+81-54-263-1523
OS Metal Company	1500-133, Misawa, Kikugawa, Ogasa, Shizuoka 439-0023	Tel.+81-537-35-0026
Shinsei Sogyo Company	536, Nanatsushinya, Shimizu, Shizuoka 424-0066	Tel.+81-543-47-2143



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