REAFFIRMING OUR VALUES

Annual Report 2009

For the year ended February 28, 2009

STAR MICRONICS CO., LTD.

PROFILE

Founded in 1950 and based in Shizuoka Prefecture, Star Micronics Co., Ltd. has consistently based its growth on its expertise in precision processing and assembly. The Company's first business was components for wristwatches. This underpinned successful entries into markets for machine tools, printers and electronic buzzers. Today's Star Micronics has four core elements: components, mainly micro audio components; special products, mainly printers; machine tools, mainly CNC automatic lathes; and precision products, mainly wristwatch parts, HDD parts and other components.

A global organization, Star Micronics has manufacturing and sales bases in Europe, North America, Asia and other parts of the world. As of February 2009, there were 6* Japanese and 16 overseas consolidated subsidiaries. The total workforce numbered about 7,700.

Star Micronics constantly aims to be a global-facing business group that targets growth fields and regions, while at the same time seeking to fulfill its corporate social responsibility and increase corporate value.

*On March 1, 2009, the number of Japanese consolidated subsidiaries changed from six to four due to the merging of subsidiaries.

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FORWARD-LOOKING STATEMENTS

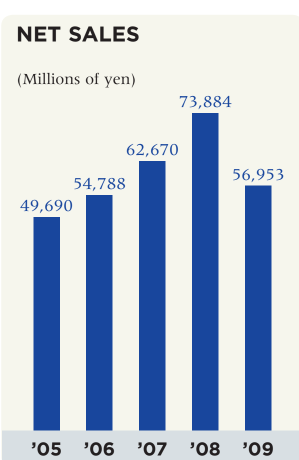
Statements in this annual report with respect to Star Micronics' plans, strategies and beliefs as well as all other statements that are not historical facts are forward-looking statements involving risks and uncertainties. These forward-looking statements rely on a number of assumptions concerning future events. The important factors that could cause actual results to differ materially from such statements include, but are not limited to, general worldwide economic conditions, competitive pressure on sales and pricing, and movements of currency exchange rates.

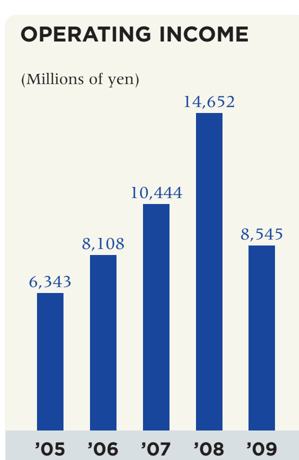
FINANCIAL HIGHLIGHTS

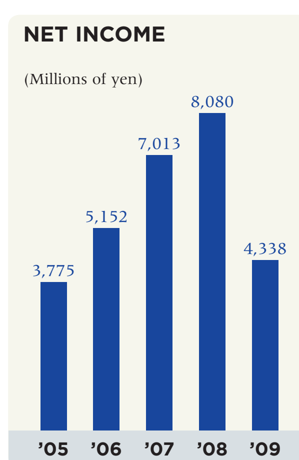
Star Micronics Co., Ltd. and Consolidated Subsidiaries
February 28, 2009 and February 29, 2008

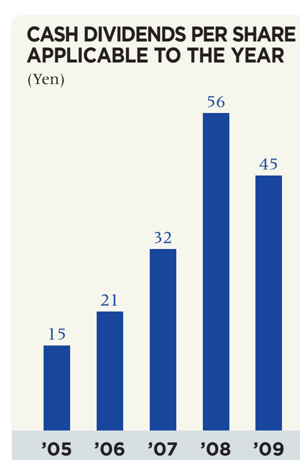
	Millions of yen		Change (%)	Thousands of U.S. dollars
	2009	2008	2009/2008	**2009**
For the year:				
Net sales	**¥56,953**	¥73,884	(22.9)%	**$581,153**
Operating income	**8,545**	14,652	(41.7)	**87,194**
Net income	**4,338**	8,080	(46.3)	**44,265**
Return on sales	**7.6%**	10.9%		
Capital expenditures	**3,056**	5,084	(39.9)	**31,184**
Depreciation and amortization	**3,325**	3,212	3.5	**33,928**
At year-end:				
Total assets	**¥64,205**	¥86,375	(25.7)%	**$655,153**
Total equity	**52,986**	66,602	(20.4)	**540,673**
Equity ratio	**81.5%**	76.2%		
	Yen		**Change (%)**	**U.S. dollars**
Per share:				
Basic net income	**¥85.66**	¥150.74	(43.2)%	**$0.87**
Diluted net income	**85.63**	150.47	(43.1)	**0.87**
Cash dividends applicable to the year	**45.00**	56.00	(19.6)	**0.46**
Stock information:				
Common stock issued	**51,033,234**	54,533,234		
Number of shareholders	**12,480**	10,250		

Note: The rate of ¥98 to US$1, prevailing on February 28, 2009 has been used for translation into U.S. dollar amounts.









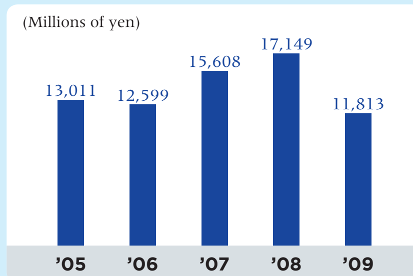
AT A GLANCE BY SEGMENT

SPECIAL PRODUCTS

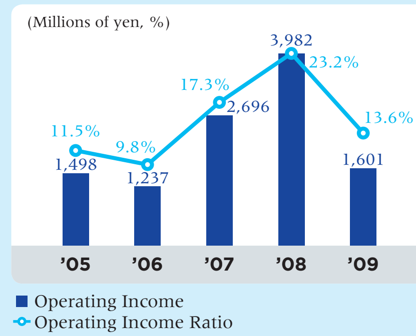
SALES BY SEGMENT

20.7%

NET SALES



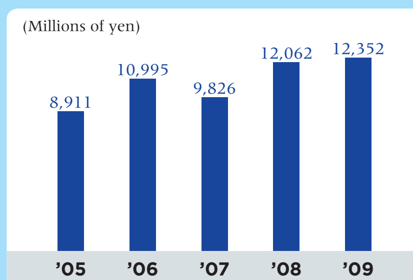
OPERATING INCOME & OPERATING INCOME RATIO

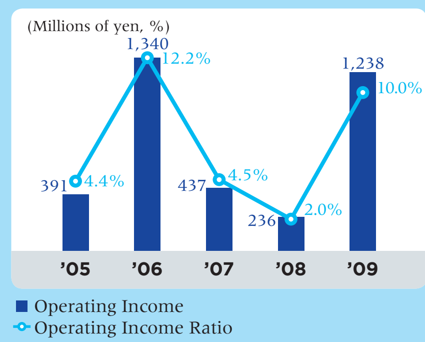


COMPONENTS

SALES BY SEGMENT

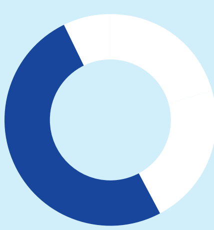
21.7%



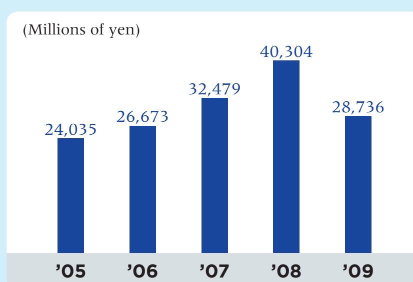


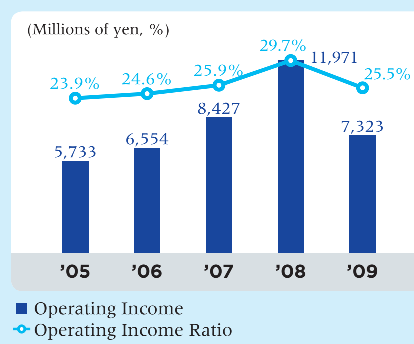
MACHINE TOOLS

SALES BY SEGMENT



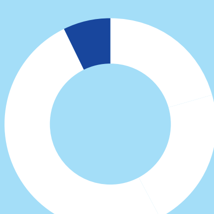
50.5%



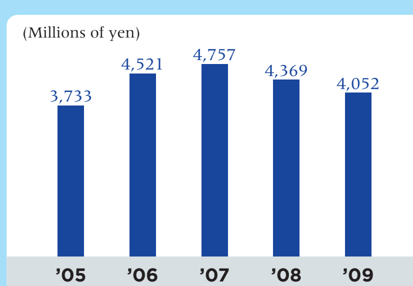


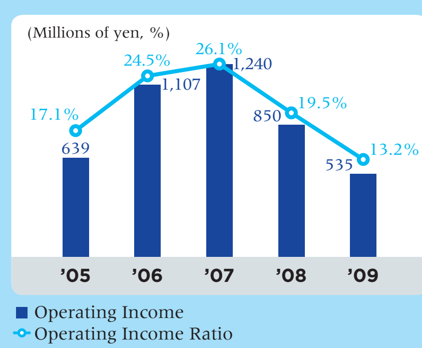
PRECISION PRODUCTS

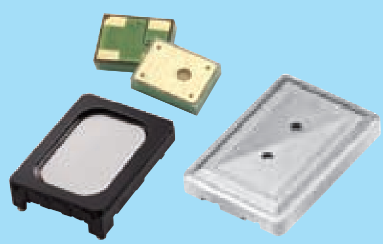
SALES BY SEGMENT



7.1%





MAIN PRODUCTS & SERVICES		MAIN MARKETS
Point-of-sale (POS) printers, including models for POS applications in the U.S. and Europe and for lottery ticket terminals for emerging markets. The segment also supplies card reader/writer devices for shopping point cards and other writable card media.		U.S./Europe: POS applications in the distribution, retailing and other sectors. Emerging markets: Tax collection systems, lottery terminals, kiosk terminals and other applications. Card reader/writer devices: amusement market and other applications.
Micro audio components such as microphones, speakers, receivers and electronic buzzers.		Manufacturers of mobile phones, automobiles, digital equipment and other products.
CNC automatic lathes capable of high-precision, complex geometry machining (high-end, mid-range and single-function models and support software for machine tools, etc.)		Manufacturers of components for automobiles, consumer electronics, industrial machinery, medical equipment, precision devices and other products.
Components for wristwatches, automobiles, medical equipment, fiber optic connectors, hard disk drives (HDDs) and other products.		Finished product manufacturers in related fields.

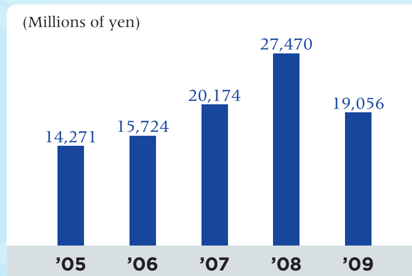
AT A GLANCE BY REGION

EUROPE

SALES BY SEGMENT

33.5%

NET SALES



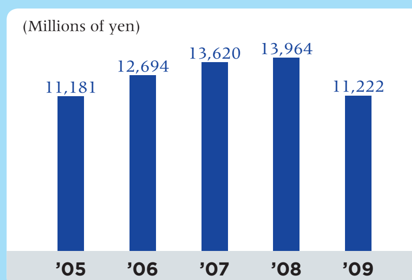
HIGHLIGHTS

- Machine tools faced a harsh business climate due to waning capital investment sentiment in the wake of economic deterioration.
- POS printers were affected significantly by weak capital investment sentiment due to lackluster consumer spending.

NORTH AMERICA

SALES BY SEGMENT

19.7%

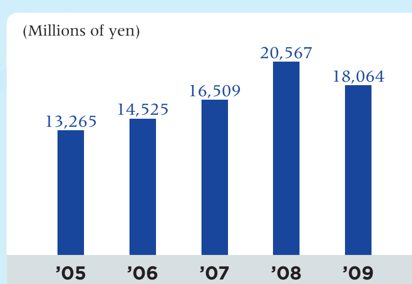


- Machine tools held firm in 2008 mainly due to the benefits of preferential tax treatment of capital investment, but in 2009 faced a challenging business environment defined by economic deterioration.
- Micro audio components for the auto sector did not grow due to the downturn in the auto industry.
- POS printers were affected significantly by weak capital investment sentiment due to lackluster consumer spending.

ASIA

SALES BY SEGMENT

31.7%

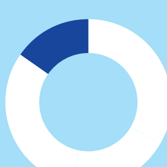


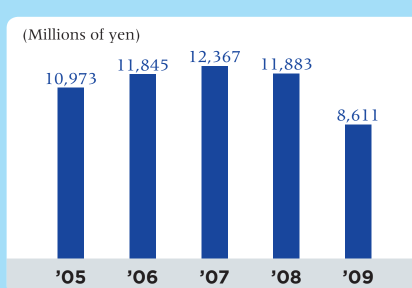
- Demand for machine tools dropped mainly because of cutbacks in capital investment due to the ailing economy.
- Demand for mobile phones held firm in China and India, but micro audio components struggled due to the impact of the economic downturn from toward the end of fiscal 2009.
- Comparatively steady growth in precision components for auto-related parts in China and for HDD components in Thailand.

JAPAN

SALES BY SEGMENT

15.1%





- The auto industry downturn was chiefly responsible for weak demand for machine tools.
- Precision components saw lower demand for wristwatch components following sluggish sales by wristwatch manufacturers.

TO OUR SHAREHOLDERS

Toshihiro Suzuki
Director and Senior Advisor

Hajime Sato
President and CEO

In fiscal 2009, the fiscal year ended February 28, 2009, Star Micronics reported a business performance of lower sales and earnings, reflecting the rapid worsening of our operating environment caused by the global economic slowdown. The deterioration of the real economy triggered slumps in capital investment and consumer spending, which in the second half of the fiscal year had a significant negative impact on demand for our mainstay products.

With regards to returning profits to shareholders, in view of our performance in fiscal 2009, we lowered the annual dividend per share to ¥45 for the year under review, a decrease of ¥11 from fiscal 2008.

We expect the severe operating environment to continue during the year ending February 28, 2010. With the aim of further enhancing and strengthening our management framework, on May 28, 2009, President and CEO Toshihiro Suzuki assumed the new position of Director and Senior Advisor, and Senior Managing Director Hajime Sato became President and CEO. Together with Mr. Suzuki, Mr. Sato has been involved in the management of Star Micronics as a Senior Managing Director for the past three years. Our initiatives to build a high-profit structure and reinforce our business foundation have contributed to the improvement of Star Micronics' corporate value. From the year ending February 28, 2010, under a new management framework centered on Mr. Sato, we will implement a "select and focus" approach from a medium- and long-term perspective with the aim of both improving the competitive edge of our products and also differentiating them more from our competitors' products, thereby further increasing profitability.

We ask for the continued support of our shareholders and other investors in this continuing endeavor.

May 2009

Toshihiro Suzuki
Director and Senior Advisor

Hajime Sato
President and CEO

INTERVIEW WITH PRESIDENT AND CEO HAJIME SATO

REAFFIRMING OUR VALUES

MORE WITH LESS

Since its founding, Star Micronics has continuously developed high added-value products ranking among the world's thinnest and smallest, aiming to realize businesses that "generate the greatest impact from the least materials." We have rigorously kept to our strategy of preserving a high market share and high profit margins in niche markets in which we can make the best use of our own original technology. Moreover, from the initial period after our establishment onwards we have proactively developed business globally as regards both sales and production. For Star Micronics, these points of management policy are the bedrock of our business and the source of our growth—going forward, our policy will not change.

REVIEW OF BUSINESS PERFORMANCE

Lower sales and earnings due to slumps in Machine Tools Segment and Special Products Segment.

QUARTERLY FINANCIAL DATA

(Millions of yen)

	Net Sales	Change 2009/2008	Operating Income	Change 2009/2008	Net Income (Loss)	Change 2009/2008
1Q	15,285	(7.5)%	2,774	(12.9)%	1,902	(12.4)%
2Q	17,024	(6.3)%	2,722	(17.4)%	1,416	(21.0)%
3Q	15,582	(17.9)%	3,020	(27.5)%	2,477	(13.5)%
4Q	9,062	(55.2)%	28	(99.3)%	(1,457)	–
Total	**56,953**	**(22.9)%**	**8,545**	**(41.7)%**	**4,338**	**(46.3)%**

In the year ended February 28, 2009, our operating environment worsened rapidly due to the global economic slowdown triggered by the financial crisis in the U.S. In these circumstances, for the fiscal year under review, Star Micronics posted net sales of ¥56,953 million, down 22.9% year on year, operating income of ¥8,545 million, down 41.7% year on year, and net income of ¥4,338 million, down 46.3%. The reasons were the slumps in the Machine Tools Segment and the Special Products Segment, both of which had boosted our business results in the past. The Components Segment saw favorable results until the third quarter, but towards the end of the fiscal year it was adversely impacted by the drastic production cutbacks on the part of mobile phone manufacturers.

Looking back at past results, in the fiscal year ended February 29, 2008, Star Micronics posted a new record high of earnings for the second consecutive year, and achieved a fifth consecutive year of top- and bottom-line growth. The reasons for these good results were an extremely active demand for capital investment in machine tools and a successful business performance by POS printers mainly due to market growth in emerging economies, particularly in Brazil, Russia, India, and China (BRICs), as well as the mainstay U.S. and Europe markets, and business expansion into new domains such as devices for issuing lottery tickets. Against this backdrop of favorable external factors, we responded to the flourishing demand by enhancing our production system and developing products that matched customer needs.

However, if we look back from the current severe economic conditions, we can see that the Star Micronics management team was so busy looking after the immediate needs of customers with which they were faced that they attached too much importance to the taking of short-term management decisions. We need to reflect upon this fact.

In light of the regional strategies we implemented overseas, we can now see that our focus on developing the machine tools and POS printer businesses in Eastern Europe, South America and Asia comprised the first moves toward the next stage of growth. To be specific, we devoted efforts primarily toward Russia, the Eastern Europe countries of Hungary, Poland and the Czech Republic, the South American countries of Brazil, Chile and Argentina, and India in the Asian region. This is because our management policy calls for developing global niche markets—developing business at an early stage in regions where growth is expected even though the markets are still small-sized. Our strategy up to now has been not to compete with major companies in a market, but rather to obtain 10% or more market share in niche markets worth around ¥100 billion, aiming to become a price leader. Going forward, we do not intend to change this approach.

MANAGEMENT'S THINKING

We will build a strong corporate framework that puts a higher priority on profitability.

CONSOLIDATED FORECASTS FOR FISCAL 2010

(Millions of yen)

	Net sales	Change 2010/2009	Operating income (Loss)	Change 2010/2009	Operating income ratio
Special Products	7,850	(33.5)%	600	(62.5)%	7.6%
Components	8,650	(30.0)%	(800)	–	–
Machine Tools	8,300	(71.1)%	(2,300)	–	–
Precision Products	3,300	(18.6)%	(180)	–	–
Total	**28,100**	**(50.7)%**	**(4,500)**	**–**	**–**

When company managers are formulating corporate strategy for the medium term, they must first determine their views on the manner in which the global economy will recover. According to informed authorities, for the U.S. economy to recover it is crucial for the automobile industry to recover and for the falling housing prices to bottom out. Based on these two factors, I think that the U.S. economy will bottom out in the year 2010. Globally, I believe that first we will see the recovery of the American economy, and this will be followed by that of Europe, and then Japan. In Europe, the subprime loan problem is having a greater adverse impact on the banks than in the U.S., and here in Japan we face the hurdle of a declining population that is causing growth in domestic demand to be sluggish. As a result, the speed of the economic recoveries in Europe and Japan will be slower than in the U.S.

Star Micronics is formulating its corporate strategy for the next few years on the assumption that this overall scenario I have just described is correct. I see the fiscal year ending February 28, 2010 as a period of preparation for what should be a somewhat improved business performance in the fiscal year ending February 28, 2011. We are working to realize a policy of building a strong corporate framework that puts a higher priority on profitability.

The ratio of operating income to net sales is a management indicator upon which I place high importance and I would like to see this ratio raised to 20.0% in the medium term. In other words, I believe that Star Micronics should not pursue greater sales for their own sake—our management strategy can move forward even if net sales decline as long as operating income improves. To this end, we will implement a corporate strategy that gives priority to a "select and focus" approach from the viewpoint of profitability in all domains, including businesses, regions and customers.

TASKS TO ACHIEVE GROWTH

From a medium- and long-term perspective, we will pursue “transformative” initiatives that will lead to growth.

- **We will build a business portfolio not easily adversely impacted by economic trends.**
- **We will increase our corporate presence with products differentiated from our competitors’ products, especially in emerging economies.**
- **We will inculcate a changed “transformative” mindset in employees and others.**

To speak frankly, I did not think that the deterioration of the real economy caused by the current financial crisis would negatively impact our business performance to the extent that it has. Our mainstay businesses—machine tools, small printers for point-of-sale (POS) applications and components for mobile phones—have become strongly affected by economic trends. Although it will not be easy, I believe that we must act to change our business portfolio, even if only a little. I am working to achieve the creation of new core businesses that will rank with our current mainstay businesses. To make this happen, one option I am considering is the use of M&As, and I am putting in place the framework that enables us to act immediately if we see a good opportunity. Furthermore, to increase our presence as a company and grow, it is absolutely necessary to identify new markets, particularly in emerging nations, and to continue to launch products differentiated from our competitors.

To accomplish these management tasks, I believe it is important to raise the level of awareness of Star Micronics personnel. In today’s severe economic environment, the worst kind of mentality is to think that nothing can be changed. Although I myself must take the lead in showing personnel the way forward, employees must also adopt the positive elements of a crisis mentality and raise their consciousness. I really believe this is necessary. Naturally, we will make every use of management’s power, but I want all Star Micronics members to share a common vision of the way forward, thereby energizing the Company.

Next, I would like to describe each of our business segments.

▶ SPECIAL PRODUCTS SEGMENT: In response to decreased sales due to sluggish consumption, we will differentiate our software and take other steps to further expand market share.

In the fiscal year ending February 28, 2009, the Special Products Segment experienced severe conditions with a decline in net sales resulting from a drop in sales volume. However, the underlying reason for the fall in net sales was a slump in consumption, and therefore sales of POS printers are very likely to increase if the global economy recovers and consumption picks up in countries around the world. I should add that the Company’s POS printers are mainly used in supermarkets, convenience stores and department stores. These users have customarily upgraded the POS printers every five or six years, but due to the worsening economy it seems they are currently deciding to extend this period by one or two years. Comparisons with our competitors' POS printers confirm that our current product lineups have sufficient competitive edge, and as regards the regions in which we develop business, we will maintain our focus on Eastern Europe and similar markets.

The global market share of Star Micronics in this segment was around 15% in the fiscal year ended February 28, 2005, and has been steadily approaching 20%. Going forward, we are committed to further increasing this market share.

▶ COMPONENTS SEGMENT: While keeping mobile phones as our mainstay products, going forward we will develop composite products using the Company's audio technology.

The Components Segment obtains the majority of its earnings from components for mobile phones, and the Company works to steadily build a good track record as a supplier to these major mobile phone manufacturers. Sales to these clients account for a high proportion of overall segment sales, and going forward, Star Micronics is committed to maintaining this powerful business foundation.

Components for mobile phones will remain our mainstay products in this segment. However, to further expand this business segment, going forward, we are considering developing headsets and other composite products with high added-value using the Company's proprietary audio technology in fields other than mobile phones.

▶ MACHINE TOOLS SEGMENT: In addition to sliding headstock CNC Swiss-type automatic lathes, we will start marketing other lathes for processing machinery.

In the Machine Tools Segment, we are developing business in the market for sliding headstock CNC Swiss-type automatic lathes. The monetary value of this market is around ¥100 billion, and Japanese manufacturers hold a majority share of the world market. Star Micronics has been expanding its own share, which is currently around 35%.

However, the size of the market for Swiss-type automatic lathes is limited and so we must enter new markets going forward. Leveraging the expertise we have accumulated in small lathes and lathes for composite processing, we will transcend the framework of Swiss-type automatic lathes and expand the business domain by marketing other lathes for processing machinery. In the near future, we will launch a new type of product on the market that is competitive in terms of both functionality and price, aiming to increase profitability and expand the business size.

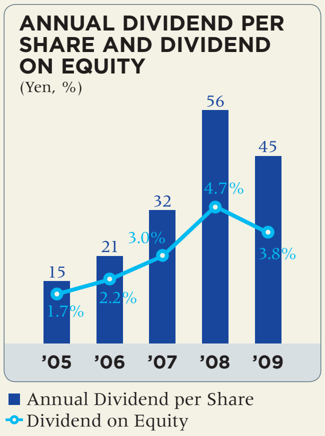
▶ PRECISION PRODUCTS SEGMENT: We are considering reorganizing our plants in Japan and overseas.

There are many actions that need to be taken in the Precision Products Segment. Our current thinking is to reorganize six plants, three in Japan and three overseas, from the viewpoint of increasing profitability and raising efficiency. We are considering integrating plants, primarily overseas, putting in place a framework to generate profits while maintaining the current sales size.

TOGETHER WITH OUR STAKEHOLDERS

We place the utmost importance on DOE, and are not considering the option of eliminating dividend payments despite the harsh business situation.

- **In the fiscal year ended February 28, 2009, we reduced our annual dividend per share by ¥11 from the previous fiscal year to ¥45.**
- **DOE for the fiscal year ended February 28, 2009 was 3.8%.**
- **DOE target of 6.0% or more.**



In the fiscal year ended February 28, 2009, Star Micronics reduced its annual dividend per share by ¥11 to ¥45 in view of a worsening business performance due to the rapid deterioration of our operating environment. In the fiscal year ending February 28, 2010, we expect to face extremely severe business conditions in which our net income shifts to a net loss. We are not, however, considering the option eliminating dividend payments. We intend to maintain dividend on equity (DOE) of 2% despite the harsh business situation, and possess enough cash to do so. Our philosophy is that the fact that we are a listed stock means we are supported by all our shareholders, and this in turn entails compensating them with dividend payments.

Going forward, Star Micronics will place the utmost importance on DOE as a dividend indicator. The DOE for the fiscal year ended February 28, 2009 was 3.8%, and our target is to raise it to around 6.0%, on par with companies in the U.S. and Europe.

I believe that the important point in formulating capital policy is to compensate our shareholders, employees, business partners and all other stakeholders in a well-balanced manner. This will increase the Company's earnings and thereby raise shareholder value. In closing, I would like to ask our investors not to take an overly short-term viewpoint. Rather, I hope they will make their investment decisions after evaluating our strategies from medium- and long-term perspectives. The current severe business conditions may persist for one or two years, but I would like investors to take the long-term view and trust in the future performance of Star Micronics.

I ask for the continued support and understanding of our shareholders and other investors as we work to meet their expectations.

CORPORATE GOVERNANCE

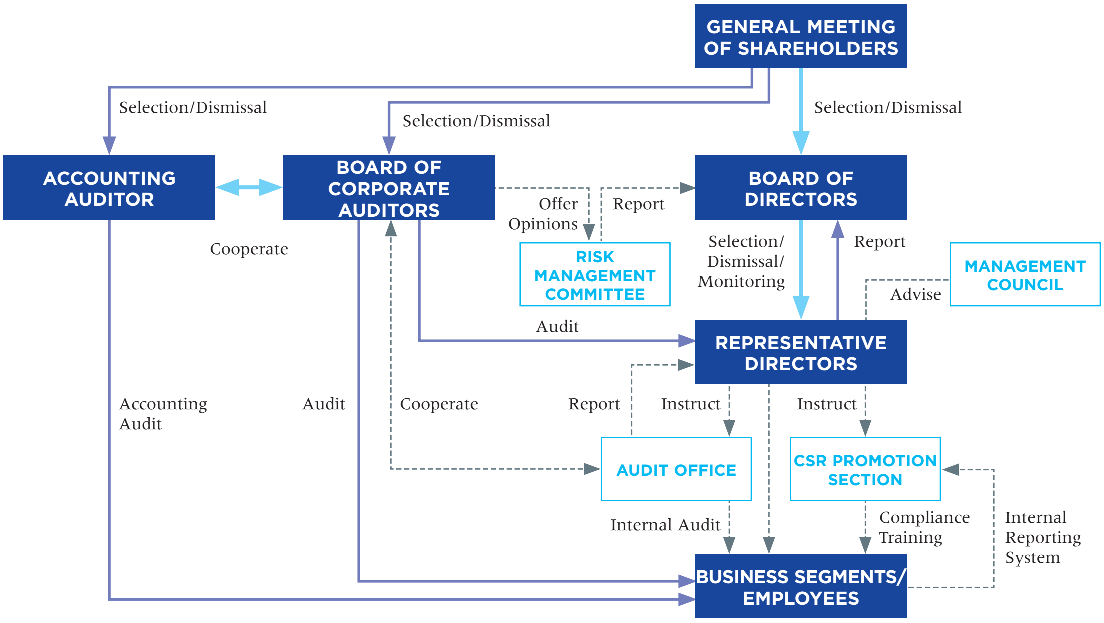
CORPORATE GOVERNANCE INITIATIVES

At Star Micronics, our basic approach to corporate governance is based on fulfilling our responsibilities as a company by working to increase corporate value in a sustained manner through proper and efficient management, and appropriately distributing the resulting profits to shareholders and other stakeholders.

Star Micronics uses the corporate auditor system. Under this system, the Board of Directors is responsible for making rapid and reasoned management decisions and executing strategy in a flexible manner. To ensure proper decision-making and operational execution, we have appointed corporate auditors, including full-time auditors, all of whom are outside appointments. We have also concluded an audit contract with the accounting auditor, Deloitte Touche Tohmatsu. The accounting auditor works with the Board of Corporate Auditors to conduct appropriate audits of the Company.

In order to ensure compliance with all relevant laws and regulations and business ethics, we have established a dedicated internal organization to promote compliance as well as formulated the Star Micronics Charter of Corporate Conduct and a Code of Conduct. In addition, we are taking steps to enhance our internal control system, such as by establishing a Risk Management Committee, to mitigate and respond to risks faced by the Company.

STAR MICRONICS' CORPORATE GOVERNANCE SYSTEM



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)				
	2009	2008	2007	2006	2005
For the year:					
Net sales	**¥56,953**	¥73,884	¥62,670	¥54,788	¥49,690
Cost of sales	**33,535**	42,207	37,004	32,875	30,742
Selling, general and administrative expenses	**14,873**	17,025	15,222	13,805	12,605
Operating income	**8,545**	14,652	10,444	8,108	6,343
Other income (expenses) – net	**(984)**	(271)	410	(68)	(688)
Income before income taxes and minority interests	**7,561**	14,381	10,854	8,040	5,655
Income taxes	**3,147**	6,190	3,719	2,799	1,881
Minority interests in net income (loss)	**76**	111	122	89	(1)
Net income	**4,338**	8,080	7,013	5,152	3,775
Per share:					
Basic net income	**¥85.66**	¥150.74	¥131.09	¥95.60	¥70.13
Diluted net income	**85.63**	150.47	130.73	95.38	70.09
At year-end:					
Current assets	**¥44,762**	¥63,152	¥53,620	¥44,615	¥40,170
Net property, plant and equipment	**15,169**	17,728	16,355	16,210	14,698
Total assets	**64,205**	86,375	76,195	66,826	60,013
Long-term liabilities	**459**	696	920	793	349
Total equity	**52,986**	66,602	61,396	54,295	47,754
	Yen				
Stock exchange price per share of common stock:					
Highest	**¥2,175**	¥3,740	¥2,710	¥2,090	¥1,030
Lowest	**773**	1,506	1,691	941	704

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

Years ended February 28, 2009 and February 29, 2008

Business Environment

For fiscal 2009, the fiscal year ended February 28, 2009, Star Micronics experienced a severe operating environment in which demand from capital expenditures declined due to the impact of the worldwide economic slowdown. Toward the end of the fiscal year in particular, the operating environment rapidly worsened and demand for the Company's products slumped in all business segments and in all regions in which business is being developed, including emerging nations. Moreover, the yen was stronger than in the previous fiscal year, particularly against the U.S. dollar and the euro.

Net Sales

(Millions of yen)

2008	**2009**	Change (%)
¥73,884	**¥56,953**	(22.9)

Net sales decreased year on year due mainly to the sharp drop in orders in all business segments toward the end of the fiscal year.

Operating Income

(Millions of yen)

2008	**2009**	Change (%)
¥14,652	**¥8,545**	(41.7)

Operating income substantially declined because sales of mainstay machine tools and point-of-sale (POS) printers both decreased.

Net Income

(Millions of yen)

2008	**2009**	Change (%)
¥8,080	**¥4,338**	(46.3)

Net income also substantially decreased year on year due to the posting of a loss on cancellation of a transfer-of-asset agreement under other income in addition to the decreased sales in mainstay businesses.

Dividends per Share

(Yen)

2008	**2009**	Change (Yen)
¥56	**¥45**	¥(11)

The Company reduced the fiscal 2009 annual dividend per share by ¥11 from fiscal 2008 to ¥45, reflecting reduced net sales and earnings resulting from the rapid worsening of the business environment.

Total Assets

(Millions of yen)

2008	**2009**	Change (%)
¥86,375	**¥64,205**	(25.7)

Total assets decreased from the end of the previous fiscal year because of reduced cash and cash equivalents in addition to decreases in trade notes and accounts receivable as a result of lower sales.

Free Cash Flows

(Millions of yen)

2008	**2009**	Change (%)
¥2,594	**¥4,838**	86.5

Free cash flow increased from the previous fiscal year because of reduced net cash used in investing activities resulting from redemption of marketable securities and decreased purchases of property, plant and equipment. This was despite reduced income before income taxes and minority interests, reflecting the drop in net sales.

Free cash flows = Operating cash flows + Investing cash flows

Capital Expenditures

(Millions of yen)

2008	**2009**	Change (%)
¥5,084	**¥3,056**	(39.9)

In fiscal 2008 there was a one-time increase in capital expenditures to increase and strengthen production capabilities particularly in the Components Segment and the Machine Tools Segment. Fiscal 2009 capital expenditures were approximately on par with other years.

Overseas Net Sales

(Millions of yen)

	2008	**2009**	Change (%)
Europe	¥27,470	**¥19,056**	(30.6)
North America	13,964	**11,222**	(19.6)
Asia	20,567	**18,064**	(12.2)
Japan	11,883	**8,611**	(27.5)

Overseas net sales declined year on year in all regions due to sudden drops in demand in all regions caused by the worldwide economic slowdown.

SPECIAL PRODUCTS SEGMENT

Decreased sales and earnings

In the Special Products Segment, the main products are point-of-sale (POS) printers and other products. Sales fell 31.1% year on year by ¥5,336 million to ¥11,813 million (US$120,541 thousand).

The Group has been vigorously conducting marketing activities for point-of-sale (POS) printers in the markets of emerging nations as well as in the US and European markets. To this end, the Group has been strengthening collaboration with agents and identifying new demand, based on a product lineup that has been steadily refined. However, this segment faced a severe business environment characterized by waning capital investment sentiment resulting from the worldwide economic slowdown as well as the impact of the strong yen against foreign currencies.

Developing strategies with an awareness of Eastern Europe and other emerging nations

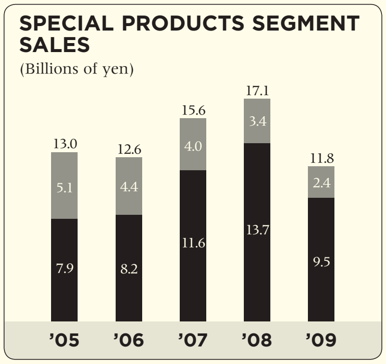
By region, this segment has been significantly impacted by slumps in personal consumption in Europe and Asia. In Europe, the Company will continue to strengthen sales strategies in Eastern Europe and elsewhere. In Asia, we expect business to recover quicker than in other regions, centered on devices for lottery ticket terminals in China and elsewhere. In the Americas, we are receiving business inquiries from Argentina, Venezuela and other South American nations in relation to tax collection systems for governments and public authorities.

Shipments of POS Printers

(Thousands of units)

	2008	**2009**	Change (%)
Europe	200	**144**	(28.0)
Americas	233	**208**	(10.7)
Asia	146	**109**	(25.3)
Japan and elsewhere	34	**28**	(17.6)
Total	614	**488**	(20.5)

Aiming to increase market share with high-value-added products



■ Computer Printers
■ POS Printers and Others

The Company launched the HSP7000 model, a hybrid combination printer that can produce both receipts and checks. Going forward, we will differentiate this product, and leverage the competitive power of our high-value-added products to further increase market share.

Sales of computer printers, a business we decided to halt, thus ceasing activities in the year under review, decreased 31.2% year on year to ¥2,353 million (US$24,010 thousand).

As a result of the above, operating income in the Special Products Segment declined 59.8% year on year by ¥2,381 million to ¥1,601 million (US$16,337 thousand).

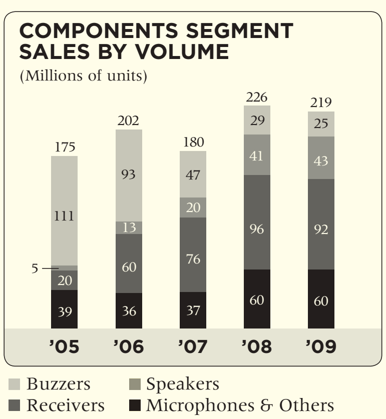
COMPONENTS SEGMENT

Adversely impacted by production cutbacks by mobile phone manufacturers

In this segment, Star Micronics is aiming to become a comprehensive manufacturer of micro audio components, and offers a broad lineup of products including microphones, receivers, speakers and electronic buzzers. The Company has been working to diversify its users beyond mobile phone manufacturers, mainly through the supply of components for automobile ETC terminals, and for use in a variety of digital devices.

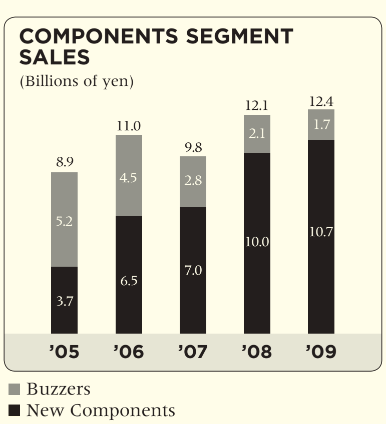
In the mobile phone market, which is the core market of this business segment, sales have climbed steadily amid growth in China, India and other markets where new subscribers are increasing. However, the sales increase was negated by drastic production cutbacks by mobile phone manufacturers toward the end of the fiscal year.

Firm sales of mainstay components of microphones, receivers and speakers



By product, microphones achieved strong unit sales of 59 million units in a severe business environment as a result of new compact, highly functional microphones being taken up for mid- to high-end mobile phones. Sales of receivers amounted to 92 million units, down 4.2% year on year. Furthermore, sales of speakers increased 4.9% year on year on a unit volume basis to 43 million units, reflecting the use of new compact speakers that were mass-produced last fiscal year in mid- to high-end mobile phones, adding to sales of conventional-sized speakers. Meanwhile, although electronic buzzers have won strong support in the automotive sector for being environmentally friendly and meeting required safety standards, unit sales dropped 13.8% year on year to 25 million units, due to a slump in demand in the automotive market.

Increased sales and earnings from significantly improved profitability due mainly to yield improvements of products



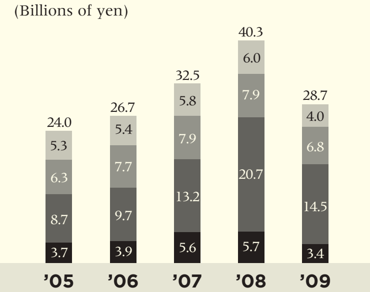
Sales in this segment increased 2.4% year on year by ¥290 million to ¥12,352 million (US$126,041 thousand). As a result of the rise in sales, improved productivity and other factors, operating income soared a significant 424.6% year on year by ¥1,002 million to ¥1,238 million (US$12,633 thousand). The operating income ratio was 10.0%.

In fiscal 2010, in the mobile phone market, which hitherto has been growing steadily, the Group is predicting negative growth. Moreover, mobile phone manufacturers are increasingly making stronger calls for discounts on products. Consequently, going forward we will leverage the audio technologies we have cultivated to develop high added-value products, and implement other new steps.

MACHINE TOOLS SEGMENT

Reduced sales and earnings in the wake of significant adverse impact of worldwide economic slowdown

MACHINE TOOLS SEGMENT SALES BY GEOGRAPHICAL REGION
(Billions of yen)



■ Japan
■ North America
■ Europe
■ Asia

Star Micronics' CNC automatic lathes have earned worldwide acclaim. Key products are the SV series, ideal for the high-precision complex machining required in the manufacture of medical and other components, the top-of-the-range ECAS series, which incorporates a motion control system, and the SB series of machine tools entirely made in China that offer superior cost-performance.

With CNC automatic lathes, the Group worked to identify customers in the mainstay US and European markets as well as the emerging markets. We enhanced the service organization in Europe and focused on training local technical staff in Asia and South America. We also strengthened the network of agents in Japan. Furthermore, the Group established a sales subsidiary in Sweden, which is the largest market in northern Europe, with the aim of strengthening the direct-sales framework.

Orders had been generally decreasing from earlier in the fiscal year, but then fell drastically due to a substantial weakening of capital investment sentiment due to the impact of the worldwide economic slowdown resulting from the financial crisis in the second half of the fiscal year.

Amid this extremely harsh business environment, segment sales declined 28.7% year on year by ¥11,568 million to ¥28,736 million (US$293,224 thousand). Operating income decreased 38.8% year on year by ¥4,648 million to ¥7,323 million (US$74,724 thousand), resulting from substantially reduced sales. Reflecting the decreased sales and other factors, the operating income ratio fell 4.2 percentage points year on year to 25.5%.

Sales decreased significantly in Japan, Asia and Europe, but were firm in North America

Sales substantially fell year on year by region as well, including in Japan, Asia and Europe. The number of units sold decreased 28.4% year on year to 1,894 units. Overseas sales, as a percentage of total segment sales, rose by 1.0 percentage point year on year to 86.1%.

Regarding the market environment in each region in the fiscal year under review, sales volume in the US market was largely on par with the previous year due to continued firm sales to the medical-equipment sector. However, in the European, Asian and Japanese markets, sales to the automobile, electrical machinery and general machinery sectors plummeted towards the end of the fiscal year.

On the production front, the Group is scaling back operations at plants in Japan and overseas to rigorously reduce inventories.

Machine Tools Segment Sales Volume by Geographical Region (Units)

	2008	**2009**	Change (%)
Japan	556	**348**	(37.4)
Asia	703	**474**	(32.6)
Europe	1,037	**715**	(31.1)
North America	351	**357**	1.7
Total	2,647	**1,894**	(28.4)

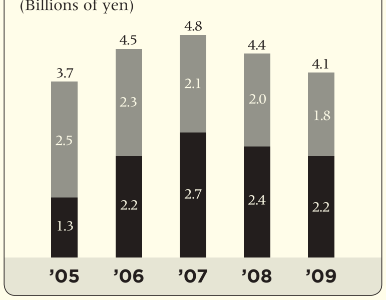
PRECISION PRODUCTS SEGMENT

The products in this segment are divided into two main areas: wristwatch components, a business the Company has been involved in since it was founded, and precision components (also referred to as non-wristwatch components).

As the market for wristwatch components is mature, with little prospect for high growth over the long term, the segment is striving to increase earnings by strategically focusing on markets for non-wristwatch components. More specifically, Star Micronics is applying its precision processing technology to fields where precision components are difficult to manufacture: hard disk drive (HDD) components, medical components, such as dental drills, implant parts and bone screws for bone-setting, car audio components and optical fiber connector parts.

In non-wristwatch components, sales of car audio components were firm, but HDD components struggled

PRECISION PRODUCTS SEGMENT SALES
(Billions of yen)



■ Wristwatch Components
■ Non-wristwatch Components

Sales of wristwatch components declined 7.5% year on year to ¥1,805 million (US$18,418 thousand) due to the impact of production cutbacks implemented by wristwatch manufacturers amid the continuing contraction of the watch market. Regarding non-wristwatch components, sales of components for car audio equipment produced by our subsidiary in China were strong. There were robust orders for mainstay HDD components at our subsidiary established in Thailand in the previous fiscal year, and improved productivity also contributed to a steady business performance. However, sales of components for portable music players were sluggish, causing sales to decline. As a result, sales of non-wristwatch components fell 7.1% year on year to ¥2,246 million (US$22,918 thousand). Non-wristwatch components accounted for 55.4% of segment sales.

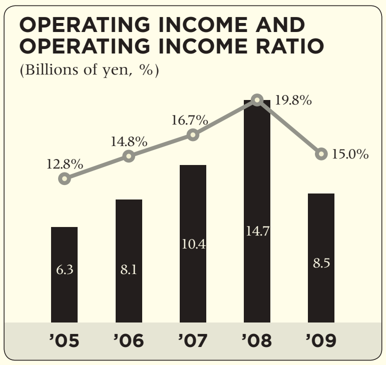
Decreased sales and earnings for the entire segment

As a result of the above, segment sales declined 7.3% year on year by ¥317 million to ¥4,052 million (US$41,347 thousand). Operating income fell 37.1% year on year by ¥315 million to ¥535 million (US$5,459 thousand), mainly due to the decline in sales, while the operating income ratio decreased 6.3 percentage points to 13.2%.

INCOME ANALYSIS

Profitability declined due to reduced sales in core businesses

For fiscal 2009, the fiscal year under review, Star Micronics reported consolidated sales of ¥56,953 million (US$581,153 thousand), down 22.9% year on year by ¥16,931 million. There were increased sales in the Components Segment, but sales significantly decreased in the Machine Tools Segment and the Special Products Segment. The cost of sales fell



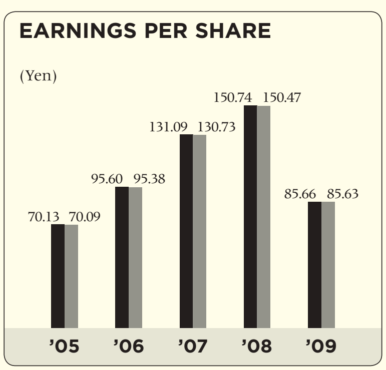
■ Operating Income
-o- Operating Income Ratio

¥8,672 million, or 20.5%, to ¥33,535 million (US$342,194 thousand). As a result, gross profit decreased ¥8,259 million, or 26.1%, year on year to ¥23,418 million (US$238,959 thousand). The gross profit margin declined 1.8 percentage points to 41.1%. This was primarily due to the high-margin Machine Tools Segment accounting for a decreased share of total sales at 50.5%, and a major decrease in sales of POS printers in the Special Products Segment.

Selling, general and administrative (SG&A) expenses decreased ¥2,152 million year on year, or 12.6%, to ¥14,873 million (US$151,765 thousand). This fall was due mainly to lower direct costs, such as sales commissions and other items that fell in line with decreased sales.

As a result of the above, operating income decreased ¥6,107 million, or 41.7%, to ¥8,545 million (US$87,194 thousand), while the operating income ratio fell 4.8 percentage points to 15.0%.

Other expenses—net posted due to a loss on cancellation of transfer-of-asset agreement and other factors



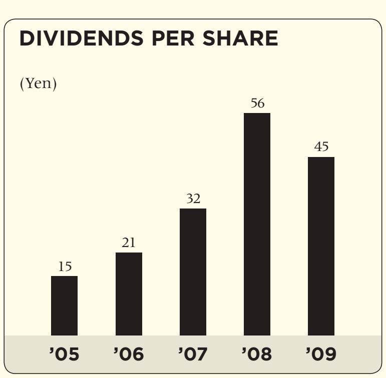
■ Basic Net Income
■ Diluted Net Income

Other expenses–net totaled ¥984 million (US$10,041 thousand) compared to other expenses–net of ¥271 million in the previous fiscal year. This mainly reflected the fact that interest and dividend income decreased 24.1% year on year by ¥171 million to ¥540 million (US$5,510 thousand), as well as a loss on disposals of property, plant and equipment of ¥409 million (US$4,174 thousand), a loss on write-down of investment securities of ¥344 million (US$3,510 thousand), and a loss on cancellation of transfer-of-asset agreement of ¥527 million (US$5,378 thousand). The exchange loss–net improved ¥116 million, or 41.9%, to ¥161 million (US$1,643 thousand).

As a result, income before income taxes and minority interests decreased ¥6,820 million, or 47.4%, to ¥7,561 million (US$77,153 thousand), while total income taxes were ¥3,147 million (US$32,112 thousand). Net income after deducting minority interests decreased ¥3,742 million, or 46.3%, year on year to ¥4,338 million (US$44,265 thousand).

Basic net income per share decreased ¥65.08 to ¥85.66 (US$0.87) and diluted net income per share decreased ¥64.84 to ¥85.63 (US$0.87).

Regarding future dividends, in the medium term we aim to achieve a total shareholder return ratio of 60.0% or more and dividend on equity (DOE) of 6.0% or more



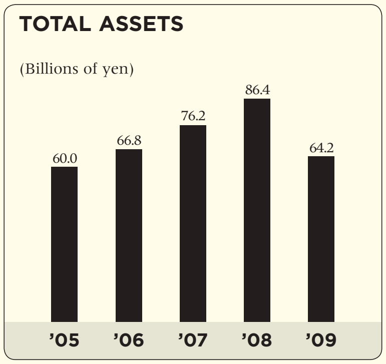
Star Micronics has decided to lower the annual dividend for the year under review by ¥11 to ¥45 (US$0.46) per share, representing a dividend payout ratio of 52.5%, an increase of 15.3 percentage points year on year. Total dividends decreased ¥688 million, or 22.9%, to ¥2,314 million (US$23,612 thousand). For fiscal 2010, the Company plans to lower the annual dividend by ¥23 to ¥22 per share.

Regarding future dividends, the Company, after taking the future operating environment and other factors into account, aims to achieve a total shareholder return ratio* of 60.0% or more over the medium term. Dividend on equity (DOE), which reflects capital efficiency and the dividend payout ratio, will also be considered in setting future dividends.

*The total shareholder return ratio is the ratio of dividends paid and treasury stock acquired to consolidated net income.

FINANCIAL POSITION & LIQUIDITY

Total assets declined due mainly to decreased cash and cash equivalents and trade notes and accounts receivable, as a result of lower sales



Total current assets as of February 28, 2009 were ¥44,762 million (US$456,755 thousand), a decrease of ¥18,390 million, or 29.1%, compared with the previous fiscal year-end. This decrease reflected a fall in cash and cash equivalents of ¥7,213 million, or 33.1%, to ¥14,611 million (US$149,092 thousand), a drop in short-term investments of ¥2,695 million, or 65.4%, to ¥1,427 million (US$14,561 thousand), and a decrease in trade notes and accounts receivable of ¥8,287 million, or 46.0%, to ¥9,717 million (US$99,153 thousand), as a result of lower sales. Inventories increased ¥53 million, up 0.3% year on year, to ¥15,490 million (US$158,061 thousand).

Net property, plant and equipment decreased ¥2,559 million, or 14.4%, to ¥15,169 million (US$154,786 thousand). This was mainly because machinery and equipment declined ¥8,050 million, or 22.8%, to ¥27,278 million (US$278,347 thousand). Total investments and other assets decreased ¥1,221 million, or 22.2%, year on year to ¥4,274 million (US$43,612 thousand).

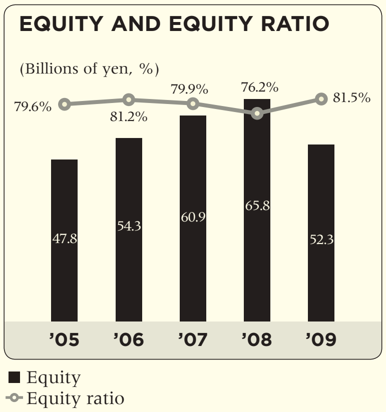
As a result of the above, total assets decreased ¥22,170 million, or 25.7%, year on year to ¥64,205 million (US$655,153 thousand).

Total liabilities decreased due to decreased trade notes and accounts payable as a result of lower sales

On the other side of the balance sheet, current liabilities decreased ¥8,317 million, or 43.6%, to ¥10,760 million (US$109,796 thousand). This fall reflected a decrease in trade notes and accounts payable of ¥4,661 million, or 58.9%, to ¥3,248 million (US$33,143 thousand) as a result of lower sales.

Total long-term liabilities decreased ¥237 million, or 34.1%, to ¥459 million (US$4,684 thousand).

Equity fell due to lower foreign currency translation adjustments



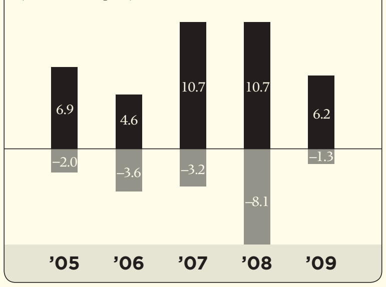
Equity fell ¥13,511 million, or 20.5%, to ¥52,332 million (US$534,000 thousand), mainly as a result of lower foreign currency translation adjustments. Total equity including minority interests was ¥52,986 million (US$540,673 thousand). The equity ratio rose 5.3 percentage points to 81.5%, while equity per share decreased ¥113.38 to ¥1,114.21.

CASH FLOWS

Net cash provided by operating activities exceeded net cash used in investing activities

CASH FLOWS

(Billions of yen)



■ Operating Cash Flows
■ Investing Cash Flows

Net cash provided by operating activities decreased ¥4,514 million to ¥6,152 million (US$62,775 thousand). The main source of cash was income before income taxes and minority interests of ¥7,561 million (US$77,153 thousand), down ¥6,820 million, reflecting substantially worsened operating results. However, this was supplemented by a net cash inflow of ¥675 million (US$6,887 thousand) from changes in trade receivables, trade payables, and inventories, a difference of ¥4,623 million from the net cash outflow in the previous fiscal year.

Net cash used in investing activities was ¥1,314 million (US$13,408 thousand), a decrease of ¥6,758 million year on year. This chiefly reflected an inflow from a decrease of short-term investments of ¥4,473 million to ¥2,196 million (US$22,408 thousand) and a decrease of ¥1,345 million in cash used for purchases of property, plant and equipment to ¥3,081 million (US$31,439 thousand).

Net cash used in financing activities increased mainly due to the purchase of treasury stock.

Net cash used in financing activities was ¥9,077 million (US$92,622 thousand), an increase of ¥6,925 million from the previous fiscal year. This was mainly the result of an increase of ¥861 million in dividends paid to shareholders to ¥3,219 million (US$32,847 thousand), despite an inflow of ¥2,000 million from short-term bank loans.

As a result of the above, after foreign currency translation adjustments on cash and cash equivalents of ¥2,974 million (US$30,347 thousand), cash and cash equivalents as of February 28, 2009 totaled ¥14,611 million (US$149,092 thousand), a net decrease of ¥7,213 million year on year.

CAPITAL EXPENDITURES AND R&D EXPENSES

Capital expenditures declined year on year

Capital expenditures for the year totaled ¥3,056 million (US$31,184 thousand), a decrease of ¥2,028 million, or 39.9%, compared to the previous fiscal year. In fiscal 2010, the Company is forecasting capital expenditures of ¥3,017 million.

Expenditures in the Special Products Segment fell ¥579 million to ¥301 million (US$3,072 thousand). In fiscal 2010, the Company is budgeting expenditures in this segment in the amount of ¥195 million, mainly for dies for new models.

Expenditures in the Components Segment decreased ¥1,169 million to ¥568 million (US$5,796 thousand). In fiscal 2010, we estimate that ¥1,210 million will be spent on investments such as machinery and equipment for streamlining, raising production efficiency and improving quality for micro audio components.

In the Machine Tools Segment, expenditures fell ¥453 million year on year to ¥1,084 million (US$11,061 thousand). In fiscal 2010, we anticipate that ¥879 million will be spent on investments such as machinery and equipment for streamlining and raising production efficiency for machine tools, and new product implements.

In the Precision Products Segment, expenditures decreased ¥47 million to ¥771 million (US$7,867 thousand). ¥486 million is budgeted for fiscal 2010.

R&D expenses also declined year on year

Research and development (R&D) expenses in fiscal 2009 decreased ¥159 million, or 7.2%, to ¥2,055 million (US$20,969 thousand). This represented 3.6% of total sales, an increase from the previous fiscal year.

Star Micronics had been pursuing ongoing R&D activities for micro pumps for gases and liquids, and fluid components and devices for sensors, but these development activities were halted because there seemed to be no commercialization prospects. Subsequently, we newly reorganized our R&D organization to implement integrated and efficient activities in relation to R&D, technology development, the introduction of new technologies, the conducting of technological and market surveys, and quality control. Going forward, we will strengthen coordination in all our businesses, develop our alliances and coordination with external companies and institutions, and improve our technological levels throughout the entire Company.

We will undertake the following initiatives in each business segment.

Special Products

We will introduce and make use of three-dimensional design CAD and various design support tools, establish a full-time team to develop worldwide the software characteristically used in the Company's products, and advance our energy-saving designs, with the overriding aim of refining our framework for developing new products with a competitive edge in a timely manner.

Components

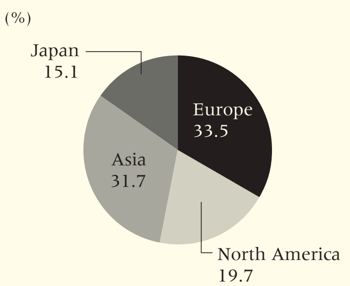
To expand sales of our lineup of highly profitable products, we will vigorously conduct product planning with manufacturers involved with audio accessories such as automotive microphones, insert headphones and hearing aids, and then flexibly develop the products called for by this planning.

Machine Tools

We are continuing to develop Swiss-type automatic lathes capable of high-precision, complex geometry machining targeted at the U.S. and European markets. We will also implement initiatives for non Swiss-type lathes, and develop and continuously improve the operability and functionality of peripheral equipment such as the support software for creating machining programs for new products. Moreover, on the environmental front almost all our products except for NC equipment satisfy the RoHS directives, and we are progressively switching over to powder coatings.

SALES FRAMEWORK AND NET SALES BY REGION

NET SALES BY REGION



A significant proportion of Star Micronics' products are sold in international markets. To provide customer support globally, the Company operates an extensive network of overseas sites. (See table)

	U.K.	Germany	France	Switzerland	Sweden
Special Products	Star Micronics Europe Ltd.				
Machine Tools	Star Micronics GB Ltd.	Star Micronics GmbH	Star Machine Tool France SAS	Star Micronics AG	Star Micronics AB

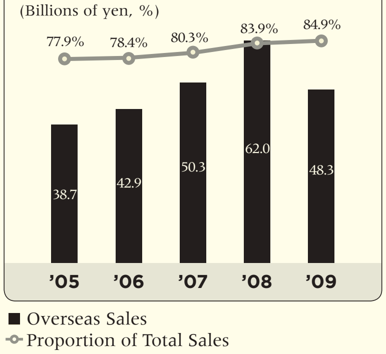
	U.S.	Thailand	Hong Kong	China
Special Products	Star Micronics America, Inc.*		Star Micronics Asia Ltd.	
Machine Tools	Star CNC Machine Tool Corporation	Star Micronics (Thailand) Co., Ltd.		Shanghai Xing-ang Machinery Co., Ltd.

*Star Micronics America, Inc. markets components in addition to special products.

Overseas sales as a proportion of total sales increased 1.0 percentage point to 84.9%. Sales declined in all regions

OVERSEAS SALES AND PROPORTION OF TOTAL SALES

(Billions of yen, %)



In the fiscal year under review, overseas sales as a proportion of total sales increased 1.0 percentage point to reach 84.9%.

By region, in Europe, net sales decreased ¥8,414 million to ¥19,056 million (US$194,449 thousand), representing 33.5% of total sales, a 3.7 percentage point decrease from the previous fiscal year.

In North America, net sales fell ¥2,742 million to ¥11,222 million (US$114,510 thousand). The share of total sales in North America rose 0.8 of a percentage point to 19.7%.

Net sales in Asia decreased ¥2,503 million to ¥18,064 million (US$184,327 thousand). The share of total sales in Asia increased 3.9 percentage points to 31.7%.

In Japan, the main products are machine tools and precision products. Domestic sales decreased ¥3,272 million to ¥8,611 million (US$87,867 thousand), representing 15.1% of total sales, down 1.0 percentage point year on year.

CONSOLIDATED BALANCE SHEETS

Star Micronics Co., Ltd. and Consolidated Subsidiaries
February 28, 2009 and February 29, 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
Assets	**2009**	2008	**2009**
Current assets:			
Cash and cash equivalents	**¥ 14,611**	¥21,824	**$ 149,092**
Marketable securities (Note 3)	**196**		**2,000**
Short-term investments (Note 4)	**1,427**	4,122	**14,561**
Receivables:			
Trade notes and accounts receivable	**9,717**	18,004	**99,153**
Unconsolidated subsidiaries and associated companies	**336**	304	**3,429**
Other	**1,735**	1,013	**17,704**
Allowance for doubtful receivables	**(261)**	(287)	**(2,663)**
Inventories (Note 5)	**15,490**	15,437	**158,061**
Deferred tax assets (Note 11)	**1,138**	2,166	**11,612**
Prepaid expenses and other	**373**	569	**3,806**
Total current assets	**44,762**	63,152	**456,755**
Property, plant and equipment (Notes 7 and 13)**:**			
Land	**2,457**	2,442	**25,071**
Buildings and structures	**13,258**	14,376	**135,286**
Machinery and equipment	**27,278**	35,328	**278,347**
Construction in progress	**33**	74	**337**
Total	**43,026**	52,220	**439,041**
Accumulated depreciation	**(27,857)**	(34,492)	**(284,255)**
Net property, plant and equipment	**15,169**	17,728	**154,786**
Investments and other assets:			
Investment securities (Note 3)	**2,518**	3,626	**25,694**
Investments in and advances to unconsolidated subsidiaries and associated companies	**166**	156	**1,694**
Goodwill (Note 7)	**123**	155	**1,255**
Deferred tax assets (Note 11)	**80**	52	**816**
Other assets	**1,387**	1,506	**14,153**
Total investments and other assets	**4,274**	5,495	**43,612**
Total	**¥ 64,205**	¥86,375	**$ 655,153**

See notes to consolidated financial statements.

Liabilities and equity	Millions of yen 2009	2008	Thousands of U.S. dollars (Note 1) 2009
Current liabilities:			
Payables:			
Trade notes and accounts payable	**¥ 3,248**	¥ 7,909	**$ 33,143**
Other	**1,674**	2,115	**17,082**
Short-term bank loans (Note 6)	**2,000**		**20,408**
Income taxes payable (Note 11)	**500**	3,146	**5,102**
Accrued expenses	**1,780**	2,554	**18,163**
Other	**1,558**	3,353	**15,898**
Total current liabilities	**10,760**	19,077	**109,796**
Long-term liabilities:			
Liability for retirement benefits (Note 8)	**38**	30	**388**
Deferred tax liabilities (Note 11)	**120**	427	**1,225**
Other	**301**	239	**3,071**
Total long-term liabilities	**459**	696	**4,684**
Contingent liabilities (Notes 14 and 16)			
Equity (Notes 9, 10 and 19)**:**			
Common stock, – authorized, 158,000,000 shares; issued, 51,033,234 shares in 2009 and 54,533,234 shares in 2008	**12,722**	12,722	**129,816**
Capital surplus	**13,876**	13,962	**141,592**
Retained earnings	**36,232**	39,327	**369,714**
Unrealized gain (loss) on available-for-sale securities	**(59)**	390	**(602)**
Foreign currency translation adjustments	**(6,185)**	159	**(63,112)**
Treasury stock – at cost 4,065,150 shares in 2009 and 897,383 shares in 2008	**(4,254)**	(717)	**(43,408)**
Total	**52,332**	65,843	**534,000**
Minority interests	**654**	759	**6,673**
Total equity	**52,986**	66,602	**540,673**
Total	**¥64,205**	¥86,375	**$655,153**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Star Micronics Co., Ltd. and Consolidated Subsidiaries
Years ended February 28, 2009 and February 29, 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Net sales	**¥56,953**	¥73,884	**$581,153**
Cost of sales (Note 8)	**33,535**	42,207	**342,194**
Gross profit	**23,418**	31,677	**238,959**
Selling, general and administrative expenses (Notes 8 and 12)	**14,873**	17,025	**151,765**
Operating income	**8,545**	14,652	**87,194**
Other income (expenses):			
Interest and dividend income	**540**	711	**5,510**
Interest expense	**(20)**	(1)	**(204)**
Exchange loss – net	**(161)**	(277)	**(1,643)**
Gain on sales of property, plant and equipment	**24**	159	**245**
Loss on disposals of property, plant and equipment	**(409)**	(199)	**(4,174)**
Loss on write-down of investment securities	**(344)**		**(3,510)**
Loss on impairment of long-lived assets (Note 7)	**(242)**	(721)	**(2,469)**
Loss on cancellation of transfer-of-asset agreement (Note 13)	**(527)**		**(5,378)**
Loss on business restructuring		(127)	
Other – net	**155**	184	**1,582**
Other expenses – net	**(984)**	(271)	**(10,041)**
Income before income taxes and minority interests	**7,561**	14,381	**77,153**
Income taxes (Note 11):			
Current	**2,210**	5,978	**22,551**
Prior	**240**		**2,449**
Deferred	**697**	212	**7,112**
Total	**3,147**	6,190	**32,112**
Income before minority interests	**4,414**	8,191	**45,041**
Minority interests in net income	**76**	111	**776**
Net income	**¥ 4,338**	¥ 8,080	**$ 44,265**

	Yen		U.S. dollars (Note 1)
Per share of common stock (Notes 2.o, 9 and 17):			
Basic net income	**¥85.66**	¥150.74	**$0.87**
Diluted net income	**85.63**	150.47	**0.87**
Cash dividends applicable to the year	**45.00**	56.00	**0.46**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Star Micronics Co., Ltd. and Consolidated Subsidiaries
Years ended February 28, 2009 and February 29, 2008

	Thousands	Millions of yen								
	Outstanding number of shares of common stock	Common stock	Capital surplus	Retained earnings	Unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustments	Treasury stock – at cost	Total	Minority interests	Total equity
Balance, February 28, 2007	53,552	¥12,722	¥13,938	¥33,605	¥ 917	¥ 487	¥ (778)	¥60,891	¥505	¥61,396
Net income				8,080				8,080		8,080
Cash dividends, ¥56.0 per share				(2,358)				(2,358)		(2,358)
Net decrease in unrealized gain on available-for-sale securities					(527)			(527)		(527)
Net increase in foreign currency translation adjustments						(328)		(328)		(328)
Purchase of treasury stock	(3)						(9)	(9)		(9)
Disposal of treasury stock	87		24				70	94		94
Net change in the year									254	254
Balance, February 29, 2008	53,636	¥12,722	¥13,962	¥39,327	¥ 390	¥ 159	¥ (717)	¥65,843	¥759	¥66,602
Net income				**4,338**				**4,338**		**4,338**
Cash dividends, ¥45.0 per share				**(3,219)**				**(3,219)**		**(3,219)**
Net decrease in unrealized gain on available-for-sale securities					**(449)**			**(449)**		**(449)**
Net increase in foreign currency translation adjustments						**(6,344)**		**(6,344)**		**(6,344)**
Purchase of treasury stock	**(6,691)**						**(7,860)**	**(7,860)**		**(7,860)**
Disposal of treasury stock	**23**		**5**				**18**	**23**		**23**
Retirement of treasury stock			**(91)**	**(4,214)**			**4,305**			
Net change in the year									**(105)**	**(105)**
Balance, February 28, 2009	**46,968**	**¥12,722**	**¥13,876**	**¥36,232**	**¥ (59)**	**¥(6,185)**	**¥(4,254)**	**¥52,332**	**¥654**	**¥52,986**

	Thousands of U.S. dollars (Note 1)								
	Common stock	Capital surplus	Retained earnings	Unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustments	Treasury stock – at cost	Total	Minority interests	Total equity
Balance, February 29, 2008	$129,816	$142,469	$401,296	$ 3,980	$ 1,622	$ (7,316)	$671,867	$ 7,745	$679,612
Net income			**44,265**				**44,265**		**44,265**
Cash dividends, $0.46 per share			**(32,847)**				**(32,847)**		**(32,847)**
Net decrease in unrealized gain on available-for-sale securities				**(4,582)**			**(4,582)**		**(4,582)**
Net increase in foreign currency translation adjustments					**(64,734)**		**(64,734)**		**(64,734)**
Purchase of treasury stock						**(80,204)**	**(80,204)**		**(80,204)**
Disposal of treasury stock		**51**				**184**	**235**		**235**
Retirement of treasury stock		**(928)**	**(43,000)**			**43,928**			
Net change in the year								**(1,072)**	**(1,072)**
Balance, February 28, 2009	**$129,816**	**$141,592**	**$369,714**	**$ (602)**	**$(63,112)**	**$(43,408)**	**$534,000**	**$ 6,673**	**$540,673**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Star Micronics Co., Ltd. and Consolidated Subsidiaries
Years ended February 28, 2009 and February 29, 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Operating activities:			
Income before income taxes and minority interests	**¥ 7,561**	¥14,381	**$ 77,153**
Adjustments for:			
Income taxes – paid	**(4,803)**	(5,199)	**(49,010)**
Depreciation and amortization	**3,325**	3,212	**33,928**
Loss on impairment of long-lived assets	**242**	721	**2,469**
Loss on cancellation of transfer-of-asset agreement	**527**		**5,378**
Loss on business restructuring		127	
Provision for (reversal of) doubtful receivables	**35**	(9)	**357**
Provision for retirement benefits	**8**	6	**82**
Loss on sales and disposals of property, plant and equipment	**385**	40	**3,929**
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	**5,554**	(3,232)	**56,673**
Increase in inventories	**(2,431)**	(3,207)	**(24,806)**
(Decrease) increase in trade payables	**(2,448)**	2,491	**(24,980)**
Other – net	**(1,803)**	1,335	**(18,398)**
Total adjustments	**(1,409)**	(3,715)	**(14,378)**
Net cash provided by operating activities	**6,152**	10,666	**62,775**
Investing activities:			
Purchases of property, plant and equipment	**(3,081)**	(4,426)	**(31,439)**
Proceeds from sales of property, plant and equipment	**113**	182	**1,153**
Decrease (increase) of short-term investments	**2,196**	(2,277)	**22,408**
Purchases of investment securities	**(1,225)**	(1,305)	**(12,500)**
Proceeds from sales of investment securities	**997**	300	**10,174**
Other – net	**(314)**	(546)	**(3,204)**
Net cash used in investing activities	**(1,314)**	(8,072)	**(13,408)**
Financing activities:			
Increase in short-term bank loans	**2,000**		**20,408**
Dividends paid to shareholders	**(3,219)**	(2,358)	**(32,847)**
Dividends paid to minority shareholder of consolidated subsidiaries	**(21)**	(5)	**(214)**
Proceeds from minority interest shareholders		126	
Payments for purchase of treasury stock	**(7,860)**	(9)	**(80,204)**
Disposal of treasury stock	**23**	94	**235**
Net cash used in financing activities	**(9,077)**	(2,152)	**(92,622)**
Foreign currency translation adjustments on cash and cash equivalents	**(2,974)**	186	**(30,347)**
Net increase (decrease) of cash and cash equivalents	**(7,213)**	628	**(73,602)**
Cash and cash equivalents at beginning of year	**21,824**	21,196	**222,694**
Cash and cash equivalents at end of year	**¥14,611**	¥21,824	**$149,092**

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Star Micronics Co., Ltd. and Consolidated Subsidiaries
Years ended February 28, 2009 and February 29, 2008

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 Financial Instruments and Exchange Law (formerly, the Securities and Exchange Law) in Japan 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 Financial Reporting Standards.

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

Certain reclassifications have been made in the 2008 consolidated financial statements to conform to the classifications used in 2009.

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 ¥98 to $1, the approximate rate of exchange at February 28, 2009. 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 Unconsolidated Subsidiaries and Associated Companies

The accompanying consolidated financial statements as of February 28, 2009 include the accounts of the Company and its 21 significant (21 in 2008) subsidiaries (together, the "Group").

Under the control or influence concept, a company in which the parent company, directly or indirectly, is able to exercise control over operations is fully consolidated, and a company over which the Group has the ability to exercise significant influence is accounted for by the equity method.

The fiscal periods of consolidated subsidiaries in Japan end at the end of February, and those of consolidated subsidiaries outside of Japan end on December 31. Significant transactions that occur for the period from January 1 to the end of February are reflected in the accompanying consolidated financial statements.

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

All significant intercompany accounts and transactions have been eliminated in consolidation. All material unrealized profits resulting from intercompany transactions were eliminated.

Investments in unconsolidated subsidiaries and associated companies are accounted for on a cost basis. The effect on the consolidated financial statements of not applying the equity method is not material.

b. Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

Cash equivalents include time deposits, certificates of deposits and investment trusts in bonds that represent short-term investments, all of which mature or become due within three months of the date of acquisition.

c. Inventories

Inventories are substantially stated at cost determined by the average method. The inventories held by certain consolidated subsidiaries are generally stated at the lower of cost (first-in, first-out) or market.

d. Marketable and Investment Securities

All investment securities are available-for-sale securities.

Marketable available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined based on the moving-average method.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, non-marketable available-for-sale securities are reduced to net realizable value by a charge to income.

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 15 to 47 years for buildings and structures and from 2 to 15 years for machinery and equipment.

Property, plant and equipment had been depreciated up to 95% of acquisition cost with 5% of residual value carried until previous fiscal years. However, such 5% portion of property, plant and equipment is systematically amortized over 5 years starting in the following year in which the carrying value of property, plant and equipment reaches 5% of the acquisition cost in accordance with the revised corporate tax law, which is effective for fiscal years beginning on and after April 1, 2007.

The effect of this treatment was to decrease income before income taxes and minority interests for the year ended February 28, 2009 by ¥126 million ($1,286 thousand).

f. Long-lived Assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

g. Retirement and Pension Plans

The Company has a non-contributory funded pension plan covering substantially all of its employees. To provide for the payment of retirement benefits and pension plan payment to employees, the Company recorded a reserve equivalent to the amounts recognized as necessary at the end of the period under review based on the projected retirement benefit obligations and the fair value of the pension plan assets at the fiscal year-end.

Actuarial gain and loss is amortized in the years following the year in which the gain or loss is recognized by the straight-line method within a specific period (14 years), which falls within the average remaining years of service of the eligible employees. Unrecognized prior service cost is amortized in the years in which the gain or loss is recognized by the straight-line method within a specific period (14 years), which falls within the average remaining years of service of the eligible employees. Domestic consolidated subsidiaries have lump-sum retirement benefit plans, and certain foreign consolidated subsidiaries have lump-sum retirement benefit plans or defined contribution pension plans.

h. Bonuses to Directors and Corporate Auditors

Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

i. Leases

All leases are accounted for as operating leases. Under 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.

j. Research and Development Costs

Research and development costs are charged to income as incurred.

k. Income Taxes

Deferred income taxes are recorded to reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

l. Foreign Currency Transactions

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates as of the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.

m. Foreign Currency Financial Statements

The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rates as of the balance sheet date except for equity, which is translated at the historical rate.

Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of equity.

Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

n. Derivatives

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange. Foreign exchange forward contracts are utilized by the Group to reduce foreign currency exchange risks. The Group does not enter into derivatives for trading or speculative purposes.

All derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of income.

The foreign exchange forward contracts employed to hedge foreign exchange exposures for export sales are measured at the fair value and the unrealized gains/losses are recognized in income.

o. Per Share Information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised. Diluted net income per share of common stock assumes full conversion of the outstanding stock acquisition rights at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense and net of tax.

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.

p. New Accounting Pronouncements

Measurement of Inventories

Under generally accepted accounting principles in Japan ("Japanese GAAP"), inventories are currently measured either by the cost method, or at the lower of cost or market. On July 5, 2006, the ASBJ issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories", which is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard also requires that inventories held for trading purposes be measured at the market price.

Lease Accounting

Lessee

On March 31, 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions", which revised the existing accounting standard for lease transactions issued on June 17, 1993.

Under the existing accounting standard, finance leases that are deemed to transfer ownership of the leased property to the lessee are to be capitalized, however, other finance leases 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 financial statements.

The revised accounting standard requires that all finance lease transactions should be capitalized. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

Under Japanese GAAP, a company currently can use the financial statements of foreign subsidiaries which are prepared in accordance with generally accepted accounting principles in their respective jurisdictions for its consolidation process unless they are clearly unreasonable. On May 17, 2006, the ASBJ issued ASBJ Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". The new task force prescribes: 1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, 2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used for the consolidation process, 3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material:

(1) Amortization of goodwill
(2) Actuarial gains and losses of defined benefit plans recognized outside profit or loss
(3) Capitalization of intangible assets arising from development phases
(4) Fair value measurement of investment properties, and the revaluation model for property, plant and equipment, and intangible assets
(5) Retrospective application when accounting policies are changed
(6) Accounting for net income attributable to a minority interest

The new task force is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

3. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities at February 28, 2009 and February 29, 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Current:			
Corporate and other bonds	**¥ 196**		**$ 2,000**
Total	**¥ 196**		**$ 2,000**
Non-current:			
Equity securities	**¥1,452**	¥2,357	**$14,816**
Corporate and other bonds	**1,037**	1,138	**10,582**
Trust fund investment and other	**29**	131	**296**
Total	**¥2,518**	¥3,626	**$25,694**

Information regarding the category of securities classified as available-for-sale at February 28, 2009 and February 29, 2008, was as follows:

	Millions of yen			
2009	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale				
Marketable equity securities	**¥1,391**	**¥65**	**¥138**	**¥1,318**
Corporate and other bonds	**1,276**	**3**	**46**	**1,233**
Trust fund investments and other	**29**			**29**

	Millions of yen			
2008	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale				
Marketable equity securities	¥1,573	¥645		¥2,218
Corporate and other bonds	1,133	5		1,138
Trust fund investments and other	50		¥2	48

	Thousand of U.S. dollars (Note 1)			
2009	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Available-for-sale				
Marketable equity securities	**$14,194**	**$663**	**$1,408**	**$13,449**
Corporate and other bonds	**13,020**	**31**	**469**	**12,582**
Trust fund investments and other	**296**			**296**

Available-for–sale securities whose fair value is not readily determinable as of February 28, 2009 and February 29, 2008, were as follows:

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Available-for-sale:			
Equity securities	**¥134**	¥140	**$1,367**
Trust fund investments and other		83	
Total	**¥134**	¥223	**$1,367**

Proceeds from sales of available-for-sale securities for the years ended February 28, 2009 and February 29, 2008, were ¥997 million ($10,173 thousand) and ¥300 million, respectively. Gross realized gains and losses on these sales, computed on the moving-average cost basis, for the year ended February 28, 2009 were ¥9 million ($92 thousand) and ¥3 million ($31 thousand), respectively. For the year ended February 29, 2008, there was a gross realized loss of ¥0 million and no gain was recognized.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at February 28, 2009 and February 29, 2008, were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Due within one year	**¥196**	¥2,196	**$ 2,000**
Due after one year through five years	**800**	1,138	**8,163**
Total	**¥996**	¥3,334	**$10,163**

4. SHORT-TERM INVESTMENTS

Short-term investments at February 28, 2009 and February 29, 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Commercial paper		¥1,596	
Certificate of deposit over 3-month period		600	
Deposits over 3-month period	**¥1,427**	1,127	**$14,561**
Other		799	
Total	**¥1,427**	¥4,122	**$14,561**

5. INVENTORIES

Inventories at February 28, 2009 and February 29, 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Merchandise	**¥ 335**	¥ 281	**$ 3,418**
Finished products	**11,158**	9,975	**113,857**
Work in process	**2,342**	3,032	**23,898**
Raw materials and supplies	**1,655**	2,149	**16,888**
Total	**¥15,490**	¥15,437	**$158,061**

6. SHORT-TERM BANK LOANS

Short-term bank loans at February 28, 2009 consisted of bank overdrafts. The annual interest rate applicable to the short-term bank loans was 0.65% at February 28, 2009.

7. LONG-LIVED ASSETS

The Group reviewed its long-lived assets for impairment as of the years ended February 28, 2009 and February 29, 2008, and recognized impairment losses of ¥242 million ($2,469 thousand) and ¥721 million as other expenses, respectively.

The loss for the year ended February 28, 2009 was for certain unutilized assets due to the planned demolition of decrepit facilities, and the loss for the year ended February 29, 2008 was for certain unutilized assets and goodwill due to a decision to withdraw from the computer printer business.

The recoverable amounts of these assets as of February 28, 2009 were measured at their net selling price determined by their carrying value, and the recoverable amounts of these assets and goodwill as of February 29, 2008 were measured at their net selling prices determined by estimated amounts on the transfer-of-asset agreement between the Company and a counterparty.

8. RETIREMENT AND PENSION PLANS

The Company and certain of its consolidated subsidiaries have severance payment plans for employees. Under the pension plans, employees terminating their employment are, in most circumstances, entitled to pension payments.

The liability for employees' retirement benefits at February 28, 2009 and February 29, 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Projected benefit obligation	**¥(7,790)**	¥(7,789)	**$(79,490)**
Fair value of plan assets	**6,340**	8,277	**64,694**
Unrecognized actuarial loss	**2,311**	382	**23,582**
Unrecognized past service cost	**(205)**	(226)	**(2,092)**
Net amount recognized	**¥ 656**	¥ 644	**$ 6,694**
Amounts recognized in the balance sheets consist of:			
Prepaid pension expense	**¥ 694**	¥ 674	**$ 7,082**
Liability for retirement benefits	**(38)**	(30)	**(388)**
Net amount recognized	**¥ 656**	¥ 644	**$ 6,694**

The components of net periodic benefit costs for the years ended February 28, 2009 and February 29, 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Service cost	**¥ 392**	¥ 401	**$ 4,000**
Interest cost	**155**	157	**1,582**
Expected return on plan assets	**(207)**	(232)	**(2,112)**
Recognized net actuarial loss	**56**	(15)	**571**
Amortization of prior service cost	**(20)**	(20)	**(204)**
Net periodic benefit costs	**¥ 376**	¥ 291	**$ 3,837**

Assumptions used for the years ended February 28, 2009 and February 29, 2008 were set forth as follows:

	2009	2008
Discount rate	**2%**	2%
Expected rate of return on plan assets	**2.5%**	2.5%
Recognition period of actuarial gain/loss	**14 years**	14 years
Amortization period of prior service cost	**14 years**	14 years

9. EQUITY

Since May 1, 2006, Japanese companies are subject to the corporate law of Japan (the "Corporate Law"), which reformed and replaced the Commercial Code of Japan. The significant provisions in the Corporate Law that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Corporate Law, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting, if companies meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation. The Board of Directors of such company may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

The Corporate Law permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Corporate Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and Transfer of Common Stock, Reserve and Surplus

The Corporate Law requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation of such threshold. The Corporate Law also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury Stock and Treasury Stock Acquisition Rights

The Corporate Law also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Under the Corporate Law, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity.

The Corporate Law also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

10. STOCK OPTIONS

The stock options outstanding as of February 28, 2009 were as follows:

Stock Option	Persons Granted	Number of Options Granted	Date of Grant	Exercise Price	Exercise Period
2002 Stock Option	10 directors 19 employees 12 directors of subsidiaries	157,000 shares	June 14, 2002	¥1,020	From May 24, 2004 to May 23, 2008
2003 Stock Option	9 directors 16 employees 13 directors of subsidiaries	146,000 shares	July 1, 2003	¥725	From May 23, 2005 to May 22, 2009
2004 Stock Option	8 directors 18 employees 13 directors of subsidiaries	140,000 shares	July 20, 2004	¥967	From May 28, 2006 to May 27, 2010
2005 Stock Option	8 directors 15 employees 16 directors of subsidiaries	140,000 shares	June 20, 2005	¥1,142	From May 27, 2007 to May 26, 2011

The stock option activity was as follows:

	Shares			
	2002 Stock Option	2003 Stock Option	2004 Stock Option	2005 Stock Option
For the year ended February 29, 2008				
Non-vested				
February 28, 2007 – Outstanding				140,000
Granted				
Canceled				
Vested				140,000
February 29, 2008 – Outstanding				
Vested				
February 28, 2007 – Outstanding	10,000	7,000	51,000	
Vested				
Exercised	4,000	5,000	22,000	56,000
Canceled				
February 29, 2008 – Outstanding	6,000	2,000	29,000	84,000
For the year ended February 28, 2009				
Non-vested				
February 29, 2008 – Outstanding				
Granted				
Canceled				
Vested				
February 28, 2009 – Outstanding				

	Shares			
	2002 Stock Option	2003 Stock Option	2004 Stock Option	2005 Stock Option
Vested				
February 29, 2008 – Outstanding	6,000	2,000	29,000	84,000
Vested				
Exercised	**2,000**		**12,000**	**8,000**
Canceled	**4,000**			
February 28, 2009 – Outstanding		**2,000**	**17,000**	**76,000**
Exercise price	¥1,020	¥ 725	¥ 967	¥ 1,142
Average stock price at exercise	¥1,716		¥ 2,105	¥ 1,952

11. INCOME TAXES

The Company and its consolidated subsidiaries in Japan are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40% for the years ended February 28, 2009 and February 29, 2008, respectively.

Consolidated subsidiaries outside of Japan are subject to income taxes of the countries in which they operate.

The tax effects of significant temporary differences and loss carryforwards which resulted in deferred tax assets and liabilities at February 28, 2009 and February 29, 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Current:			
Deferred tax assets			
Unrealized profit on inventories	**¥ 723**	¥1,426	**$ 7,377**
Accrued bonuses	**282**	450	**2,878**
Inventories	**233**	194	**2,378**
Accrued business taxes		142	
Allowance for doubtful receivables	**34**	20	**347**
Other	**198**	252	**2,020**
Total deferred tax assets	**¥1,470**	¥2,484	**$15,000**
Deferred tax liabilities			
Undistributed earnings of associated companies	**¥ 275**	¥ 295	**$ 2,806**
Tax-deductible inventories losses	**65**	94	**663**
Other	**93**	92	**949**
Total deferred tax liabilities	**¥ 433**	¥ 481	**$ 4,418**
Net deferred tax assets	**¥1,037**	¥2,003	**$10,582**
Non-Current:			
Deferred tax assets			
Write-down of investment securities	**¥ 240**	¥ 158	**$ 2,449**
Depreciation	**183**	140	**1,868**
Other	**432**	352	**4,408**
Less valuation allowance	**(539)**	(425)	**(5,500)**
Total deferred tax assets	**¥ 316**	¥ 225	**$ 3,225**

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Deferred tax liabilities			
Unrealized gain on available-for-sale securities		¥ 257	
Prepaid pension expense	**¥276**	268	**$2,816**
Property, plant and equipment	**27**	28	**276**
Other	**53**	47	**541**
Total deferred tax liabilities	**¥356**	¥ 600	**$3,633**
Net deferred tax liabilities	**¥ (40)**	¥(375)	**$ (408)**

The difference between the normal effective statutory tax rate and the actual effective tax rate of the year ended February 28, 2009 was less than 5% and the explanatory note was omitted.

A reconciliation between the normal effective statutory tax rate for the year ended February 29, 2008 and the actual effective tax rate reflected in the accompanying consolidated statements of income was as follows:

	2008
Normal effective statutory tax rate	39.8%
Effect of foreign tax rate differences	(2.4)
Impairment loss	1.8
Transfer pricing taxation	4.3
Other	(0.5)
Actual effective tax rate	43.0%

12. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥2,055 million ($20,969 thousand) and ¥2,214 million for the years ended February 28, 2009 and February 29, 2008, respectively.

13. LOSS ON CANCELLATION OF TRANSFER-OF-ASSET AGREEMENT

Due to the cancellation of the transfer-of-asset agreement with respect to withdrawal from the computer printer business, the Group recognized a loss of ¥527 million ($5,378 thousand) for disposition of the relevant assets, which were supposed to be transferred to a counterparty, and other costs.

14. LEASES

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

Lease payments under financial leases were ¥47 million ($480 thousand) and ¥45 million for the years ended February 28, 2009 and February 29, 2008, respectively.

Pro forma information of leased property of which ownership was deemed not to be transferred to the lessee on an "as if capitalized" basis at February 28, 2009 and February 29, 2008 was as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Acquisition cost	**¥239**	¥230	**$2,439**
Accumulated depreciation	**128**	107	**1,306**
Net leased property	**¥111**	¥123	**$1,133**

The pro forma depreciation expenses computed by the straight-line method were ¥47 million ($480 thousand) and ¥45 million for the years ended February 28, 2009 and February 29, 2008, respectively.

Obligations under financial leases at February 28, 2009 and February 29, 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Due within one year	**¥ 44**	¥ 44	**$ 449**
Due after one year	**67**	79	**684**
Total	**¥111**	¥123	**$1,133**

The pro forma information above does not exclude the imputed interest portion because the remaining financial lease obligations are not material compared with the book values of property, plant and equipment.

Obligations under non-cancelable operating leases at February 28, 2009 and February 29, 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Due within one year	**¥ 68**	¥ 94	**$ 694**
Due after one year	**146**	333	**1,490**
Total	**¥214**	¥427	**$2,184**

15. DERIVATIVES

The Group enters into derivative financial instruments (“derivatives”), including foreign currency forward contracts, currency swaps and currency options to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies in the normal course of business.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations in market conditions, including foreign exchange rates. Credit risk is the possibility that a loss may result from a counterparty’s failure to perform according to the terms and conditions of the contract. Because the counterparties to those derivatives are limited to major international financial institutions, the Group does not anticipate any losses arising from credit risk.

After discussion with the relevant sections, control of derivatives is primarily the responsibility of the Finance Department. Each derivative transaction is periodically reported to the management.

Fair Value of Derivative Financial Instruments:

The fair values of the Group’s derivative financial instruments at February 28, 2009 and February 29, 2008 were as follows:

	Millions of yen					
	2009			2008		
	Contracted amount	Fair value	Unrealized gain/loss	Contracted amount	Fair value	Unrealized gain/loss
Foreign currency forward contracts:						
Receivables:	**¥1,767**	**¥1,860**	**¥ (93)**	¥4,299	¥4,130	¥169
Payables:	**1,729**	**1,969**	**240**	2,217	2,224	7
Total			**¥147**			¥176

	Thousands of U.S. dollars (Note 1)		
	2009		
	Contracted amount	Fair value	Unrealized gain/loss
Foreign currency forward contracts:			
Receivables:	**$18,031**	**$18,980**	**$ (949)**
Payables:	**17,643**	**20,092**	**2,449**
Total			**$1,500**

16. CONTINGENT LIABILITIES

As of February 28, 2009 and February 29, 2008, the Company and its consolidated subsidiaries had the following contingent liabilities:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Guarantees of bank loans	**¥14**	¥41	**$143**

17. NET INCOME PER SHARE

Reconciliation of the differences between basic and diluted net income per share (EPS) for the years ended February 28, 2009 and February 29, 2008 was as follows:

	Millions of yen	Thousands of shares	Yen	U.S. dollars (Note 1)
	Net income	Weighted average shares	EPS	
For the year ended February 28, 2009				
Basic EPS				
Net income available to common shareholders	**¥4,338**	**50,642**	**¥85.66**	**$0.87**
Effect of dilutive securities				
Stock acquisition rights		**17**		
Diluted EPS				
Net income for computation	**¥4,338**	**50,659**	**¥85.63**	**$0.87**
For the year ended February 29, 2008				
Basic EPS				
Net income available to common shareholders	¥8,080	53,605	¥150.74	$1.44
Effect of dilutive securities				
Stock acquisition rights		94		
Diluted EPS				
Net income for computation	¥8,080	53,699	¥150.47	$1.43

18. SEGMENT INFORMATION

Information regarding industry segments, geographical segments and sales to foreign customers of the Company and its consolidated subsidiaries for the years ended February 28, 2009 and February 29, 2008 was as follows:

(1) Industry Segments

	Millions of yen					
2009	Special Products	Components	Machine Tools	Precision Products	Eliminations or Corporate	Consolidated
Sales to customers	**¥11,813**	**¥12,352**	**¥28,736**	**¥4,052**		**¥56,953**
Intersegment sales						
Total sales	**11,813**	**12,352**	**28,736**	**4,052**		**56,953**
Operating expenses	**10,212**	**11,114**	**21,413**	**3,517**	**¥ 2,152**	**48,408**
Operating income	**¥ 1,601**	**¥ 1,238**	**¥ 7,323**	**¥ 535**	**¥ (2,152)**	**¥ 8,545**
Total assets	**¥ 9,042**	**¥ 8,263**	**¥29,291**	**¥5,748**	**¥11,861**	**¥64,205**
Depreciation and amortization	**498**	**1,271**	**950**	**491**	**115**	**3,325**
Loss on impairment of long-lived assets	**179**				**63**	**242**
Capital expenditures	**301**	**568**	**1,084**	**771**	**332**	**3,056**

	Millions of yen					
2008	Special Products	Components	Machine Tools	Precision Products	Eliminations or Corporate	Consolidated
Sales to customers	¥17,149	¥12,062	¥40,304	¥4,369		¥73,884
Intersegment sales						
Total sales	17,149	12,062	40,304	4,369		73,884
Operating expenses	13,167	11,826	28,333	3,519	¥ 2,387	59,232
Operating income	¥ 3,982	¥ 236	¥11,971	¥ 850	¥ (2,387)	¥14,652
Total assets	¥13,460	¥12,773	¥36,685	¥6,050	¥17,407	¥86,375
Depreciation and amortization	776	1,204	752	374	106	3,212
Loss on impairment of long-lived assets	721					721
Capital expenditures	880	1,737	1,537	818	112	5,084

	Thousands of U.S. dollars (Note 1)					
2009	Special Products	Components	Machine Tools	Precision Products	Eliminations or Corporate	Consolidated
Sales to customers	**$120,541**	**$126,041**	**$293,224**	**$41,347**		**$581,153**
Intersegment sales						
Total sales	**120,541**	**126,041**	**293,224**	**41,347**		**581,153**
Operating expenses	**104,204**	**113,408**	**218,500**	**35,888**	**$ 21,959**	**493,959**
Operating income	**$ 16,337**	**$ 12,633**	**$ 74,724**	**$ 5,459**	**$ (21,959)**	**$ 87,194**
Total assets	**$ 92,265**	**$ 84,316**	**$298,888**	**$58,653**	**$121,031**	**$655,153**
Depreciation and amortization	**5,082**	**12,969**	**9,694**	**5,010**	**1,173**	**33,928**
Loss on impairment of long-lived assets	**1,826**				**643**	**2,469**
Capital expenditures	**3,072**	**5,796**	**11,061**	**7,867**	**3,388**	**31,184**

* The segments consist of the following products:
  Special Products: Computer printers, POS printers, Visual cards, Readers/Writers, etc.
  Components: Electronic buzzers, Microphones, Speakers, Receivers, etc.
  Machine Tools: CNC automatic lathes, etc.
  Precision Products: Wristwatch parts, Optical connector parts, Automotive parts, Medical 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 ¥2,152 million ($21,959 thousand) and ¥2,387 million for the years ended February 28, 2009 and February 29, 2008, 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 amounts were ¥11,861 million ($121,031 thousand) and ¥17,407 million at February 28, 2009 and February 29, 2008, respectively.
* The effect of the change in amortization method of residual value of property, plant and equipment described in Note 2.e was to decrease operating income of Special Products, Components, Machine Tools, Precision Products and Eliminations or Corporate for the year ended February 28, 2009, by ¥44 million ($449 thousand), ¥24 million ($245 thousand), ¥17 million ($173 thousand), ¥37 million ($378 thousand) and ¥4 million ($41 thousand), respectively, from such segments in the prior year.

(2) Geographical Segments

	Millions of yen					
2009	Japan	Europe	North America	Asia	Eliminations or Corporate	Consolidated
Sales:						
Sales to customers	**¥14,597**	**¥17,970**	**¥11,295**	**¥13,091**		**¥56,953**
Inter-area transfers	**24,119**	**19**	**15**	**12,914**	**¥(37,067)**	
Total	**38,716**	**17,989**	**11,310**	**26,005**	**(37,067)**	**56,953**
Operating expenses	**34,358**	**15,368**	**10,686**	**24,676**	**(36,680)**	**48,408**
Operating income	**¥ 4,358**	**¥ 2,621**	**¥ 624**	**¥ 1,329**	**¥ (387)**	**¥ 8,545**
Assets	**¥49,026**	**¥11,839**	**¥ 7,936**	**¥13,661**	**¥(18,257)**	**¥64,205**

	Millions of yen					
2008	Japan	Europe	North America	Asia	Eliminations or Corporate	Consolidated
Sales:						
Sales to customers	¥20,132	¥26,596	¥14,144	¥13,012		¥73,884
Inter-area transfers	36,854	16	20	15,978	¥(52,868)	
Total	56,986	26,612	14,164	28,990	(52,868)	73,884
Operating expenses	46,868	21,641	12,657	28,407	(50,341)	59,232
Operating income	¥10,118	¥ 4,971	¥ 1,507	¥ 583	¥ (2,527)	¥14,652
Assets	¥63,220	¥19,914	¥ 9,843	¥21,469	¥(28,071)	¥86,375

	Thousands of U.S. dollars (Note 1)					
2009	Japan	Europe	North America	Asia	Eliminations or Corporate	Consolidated
Sales:						
Sales to customers	**$148,949**	**$183,367**	**$115,255**	**$133,582**		**$581,153**
Inter-area transfers	**246,112**	**194**	**153**	**131,775**	**$(378,234)**	
Total	**395,061**	**183,561**	**115,408**	**265,357**	**(378,234)**	**581,153**
Operating expenses	**350,591**	**156,816**	**109,041**	**251,796**	**(374,285)**	**493,959**
Operating income	**$ 44,470**	**$ 26,745**	**$ 6,367**	**$ 13,561**	**$ (3,949)**	**$ 87,194**
Assets	**$500,265**	**$120,806**	**$ 80,980**	**$139,398**	**$(186,296)**	**$655,153**

* The segments consist of the following countries:
  Europe: United Kingdom, Germany, France and Switzerland
  North America: United States of America
  Asia: China and Thailand
* Operating expenses in the eliminations or corporate column include general corporate expenses incurred by the Administration Headquarters of the Company. The amounts were ¥2,152 million ($21,959 thousand) and ¥2,387 million for the years ended February 28, 2009 and February 29, 2008, 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 amounts were ¥11,861 million ($121,031 thousand) and ¥17,407 million at February 28, 2009 and February 29 2008, respectively.
* The effect of the change in amortization method of residual value of property, plant and equipment described in Note 2.e was to decrease operating income of Japan for the year ended February 28, 2009, by ¥126 million ($1,286 thousand) from that segment in the prior year.

(3) Sales to Foreign Customers

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Europe	**¥19,056**	¥27,470	**$194,449**
North America	**11,222**	13,964	**114,510**
Asia	**18,064**	20,567	**184,327**
Total	**¥48,342**	¥62,001	**$493,286**

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

19. SUBSEQUENT EVENT

The following appropriation of retained earnings at February 28, 2009 was approved at the Company's shareholders' meeting held on May 28, 2009:

	Millions of yen	Thousands of U.S. dollars (Note 1)
Year-end cash dividends, ¥15 ($0.153) per share	**¥705**	**$7,194**

INDEPENDENT AUDITORS' REPORT

Deloitte.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheets of Star Micronics Co., Ltd. and consolidated subsidiaries as of February 28, 2009 and February 29, 2008, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Star Micronics Co., Ltd. and consolidated subsidiaries as of February 28, 2009 and February 29, 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits 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 in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

May 12, 2009

STOCK INFORMATION

as of February 28, 2009

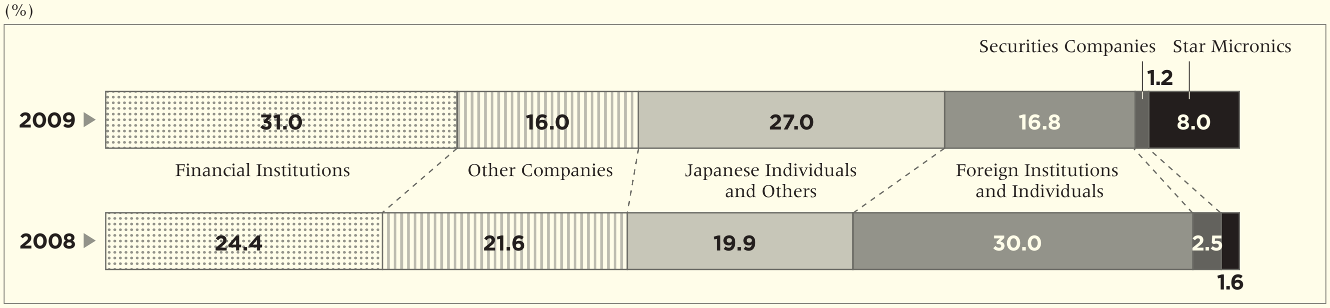
Common Stock	Authorized	158,000,000
	Issued	51,033,234
Paid-in Capital		12,721,939,515 yen
Number of Shareholders		12,480

Stock Listing First Section of the Tokyo Stock Exchange

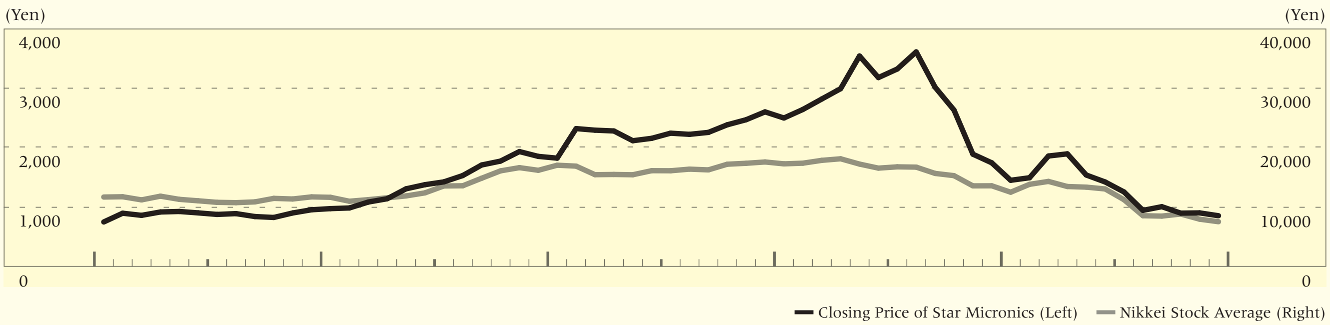
Transfer Agent Tokyo Securities Transfer Agent Co., Ltd.
2-6-2 Otemachi, Chiyoda-ku,
Tokyo 100-0004, Japan

COMPOSITION OF SHAREHOLDERS

(%)

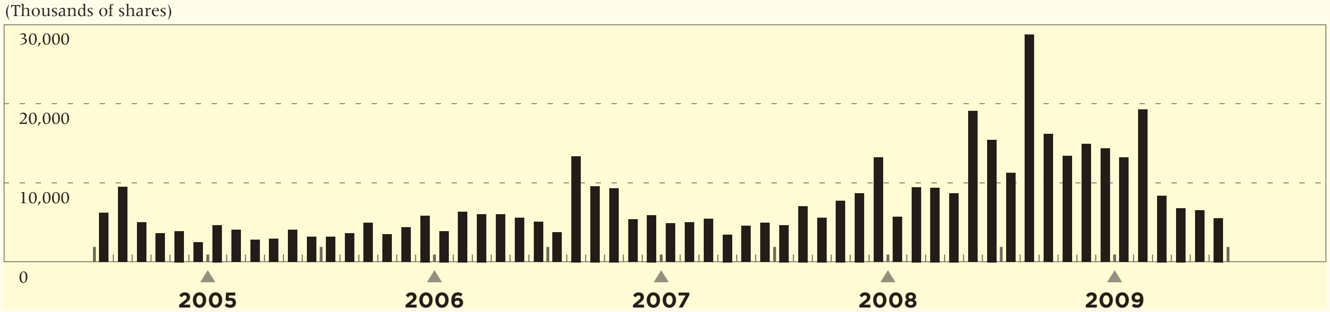


STOCK PRICE RANGE (TOKYO STOCK EXCHANGE)



TRADING VOLUME

(Thousands of shares)



(Fiscal years ended February 28 and 29)

Notes: 1. This trading volume shows the monthly volume of trade on the Tokyo Stock Exchange. Each fiscal year starts in March and ends in February.
2. Stock prices of Star Micronics and the Nikkei Stock Average are based on a simple average of daily closing prices for each day of every month at the Tokyo Stock Exchange.

STOCK PRICE

(Yen)

(Years ended February)

Year	2005	2006	2007	2008	2009
At year-end	981	1,801	2,540	1,701	830
High	1,030	2,090	2,710	3,740	2,175
Low	704	941	1,691	1,506	773

CORPORATE DATA

as of May 28, 2009

DIRECTORS AND AUDITORS

President and CEO	Hajime Sato
Managing Directors	Tomohiko Okitsu
	Chiaki Fushimi
Directors	Satomi Jojima
	Hiroshi Tanaka
	Takashi Kuramae
	Junichi Murakami
	Mamoru Sato
Director and Senior Advisor	Toshihiro Suzuki
Corporate Auditors	Hiroyuki Sawada
	Osamu Yamada
	Hide Doko

CORPORATE DATA

Corporate Name	Star Micronics Co., Ltd.
Head Office	20-10 Nakayoshida, Suruga-ku, Shizuoka 422-8654, Japan Tel. +81-54-263-1111 Fax. +81-54-263-1057
Established	July 6, 1950

GROUP NETWORK

OVERSEAS SUBSIDIARIES

Star Micronics America, Inc.	1150 King Georges Post Road, Edison, NJ 08837, USA	Tel. +1-732-623-5500
Star Micronics Asia Ltd.	19/F., Enterprise Square II, 3 Sheung Yuet Road, Kowloon Bay, Hong Kong	Tel. +852-2796-2727
Star Micronics Europe Ltd.	Star House, Peregrine Business Park, Gomm Road, High Wycombe, Bucks, HP13 7DL, UK	Tel. +44-1494-471111
Star Precisions Ltd.	18/F., Enterprise Square II, 3 Sheung Yuet Road, Kowloon Bay, Hong Kong	Tel. +852-3412-0700
Star Micronics Manufacturing Dalian Co., Ltd.	2, Huang Hai Street, Dalian Economic and Technical Development Zone, Dalian, PRC	Tel. +86-411-87611535
Star Micronics AG	Lauetstrasse 3 CH-8112 Otelfingen, Zurich, Switzerland	Tel. +41-43-411-6060
Star Micronics GB Ltd.	Chapel Street, Melbourne, Derbyshire, DE74 8JF, UK	Tel. +44-1332-864455
Star Micronics GmbH	Untere Reute 44, 75305 Neuenburg, Germany	Tel. +49-7082-7920-0
Star CNC Machine Tool Corporation	123 Powerhouse Road, Roslyn Heights, NY 11577, USA	Tel. +1-516-484-0500
Star America Holding, Inc.	Suite 100, 30 Old Rudnick Lane, Dover, DE 19901, USA	
Shanghai S&E Precision Co., Ltd.	1-39, East Kangqiao Road, Kangqiao Industrial Zone, Pudong, Shanghai, PRC	Tel. +86-21-68130222
Star Machine Tool France SAS	55 Avenue du Mont Blanc, F-74950 Scionzier, France	Tel. +33-450-96-05-97
Shanghai Xingang Machinery Co., Ltd.	229 Fute Road (N), Waigaoqiao Free Trade Zone, Shanghai 200131, PRC	Tel. +86-21-58682100
Star Micronics (Thailand) Co., Ltd.	49/30 Moo 4 Soi Kingkaew 30, Kingkaew Rd., T. Rachathewa A. Bangplee, Samutprakarn 10540, Thailand	Tel. +66-2-750-4083
S&K Precision Technologies (Thailand) Co., Ltd.	42 Moo 4 Rojana Industrial Park, Tambol Banchang, Amphur U-Thai, Ayutthaya 13210, Thailand	Tel. +66-3-574-6569
Star Micronics AB	Skrittvägen 3, S-567 92 Vaggeryd, Sweden	Tel. +46-393-614110

JAPANESE SUBSIDIARIES

Micro Sapporo Company	3-705-2 Shinkouminami, Ishikari, Hokkaido 061-3244	Tel. +81-133-64-3663
Micro Fujimi Company	20-10 Nakayoshida, Suruga-ku, Shizuoka 422-8654	Tel. +81-54-263-1523
Star Metal Company	1500-133 Kitanoya, Misawa, Kikugawa, Shizuoka 439-0023	Tel. +81-537-35-0026
Micro Kikugawa Company	1500-133 Kitanoya, Misawa, Kikugawa, Shizuoka 439-0023	Tel. +81-537-37-2000

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