

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.