

# CONSOLIDATED STATEMENTS OF OPERATIONS

Star Micronics Co., Ltd. and Consolidated Subsidiaries  
Years ended February 28, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	2010
<b>Net sales</b>	<b>¥29,181</b>	¥56,953	<b>\$327,876</b>
<b>Cost of sales</b> (Note 8)	<b>22,326</b>	33,535	<b>250,854</b>
Gross profit	<b>6,855</b>	23,418	<b>77,022</b>
<b>Selling, general and administrative expenses</b> (Notes 8 and 12)	<b>10,840</b>	14,873	<b>121,797</b>
Operating (loss) income	<b>(3,985)</b>	8,545	<b>(44,775)</b>
<b>Other income (expenses):</b>			
Interest and dividend income	<b>227</b>	540	<b>2,551</b>
Interest expense	<b>(16)</b>	(20)	<b>(180)</b>
Foreign exchange loss – net	<b>(337)</b>	(161)	<b>(3,786)</b>
Grant income	<b>106</b>		<b>1,191</b>
Gain on sales of property, plant and equipment	<b>47</b>	24	<b>528</b>
Loss on disposals of property, plant and equipment	<b>(134)</b>	(409)	<b>(1,506)</b>
Loss on write-downs of investment securities		(344)	
Loss on impairment of long-lived assets (Note 6)	<b>(2,308)</b>	(242)	<b>(25,933)</b>
Loss on cancellation of transfer-of-asset agreement (Note 13)		(527)	
Special severance payments for early retired employees	<b>(371)</b>		<b>(4,169)</b>
Other – net	<b>121</b>	155	<b>1,360</b>
Other expenses – net	<b>(2,665)</b>	(984)	<b>(29,944)</b>
<b>(Loss) income before income taxes and minority interests</b>	<b>(6,650)</b>	7,561	<b>(74,719)</b>
<b>Income taxes</b> (Note 11):			
Current	<b>289</b>	2,210	<b>3,247</b>
Prior		240	
Deferred	<b>1,511</b>	697	<b>16,978</b>
Total	<b>1,800</b>	3,147	<b>20,225</b>
<b>(Loss) income before minority interests</b>	<b>(8,450)</b>	4,414	<b>(94,944)</b>
<b>Minority interests in net income</b>	<b>105</b>	76	<b>1,180</b>
<b>Net (loss) income</b>	<b>¥ (8,555)</b>	¥ 4,338	<b>\$ (96,124)</b>

	Yen	U.S. dollars (Note 1)
<b>Per share of common stock</b> (Notes 2.p, 9 and 17):		
Basic net (loss) income	<b>¥(187.95)</b>	¥85.66 <b>\$(2.11)</b>
Diluted net income		85.63
Cash dividends applicable to the year	<b>22.00</b>	45.00 <b>0.25</b>

See notes to consolidated financial statements.