

# Financial Results for the Fiscal Year 2014 Third Quarter

---

STAR MICRONICS CO., LTD.

<http://www.star-m.jp>

Code 7718

January 8, 2014

■ Financial Data	P2
■ Segment Overview	
▪ Special Products	P3
▪ Micro Audio Components ※	P4
▪ Machine Tools	P5
▪ Precision Products	P6
■ Reference	
Business Segments and Products	P7

※ From the fiscal year ending February 2014, the Components Segment has been renamed the Micro Audio Components Segment.

# Financial Data

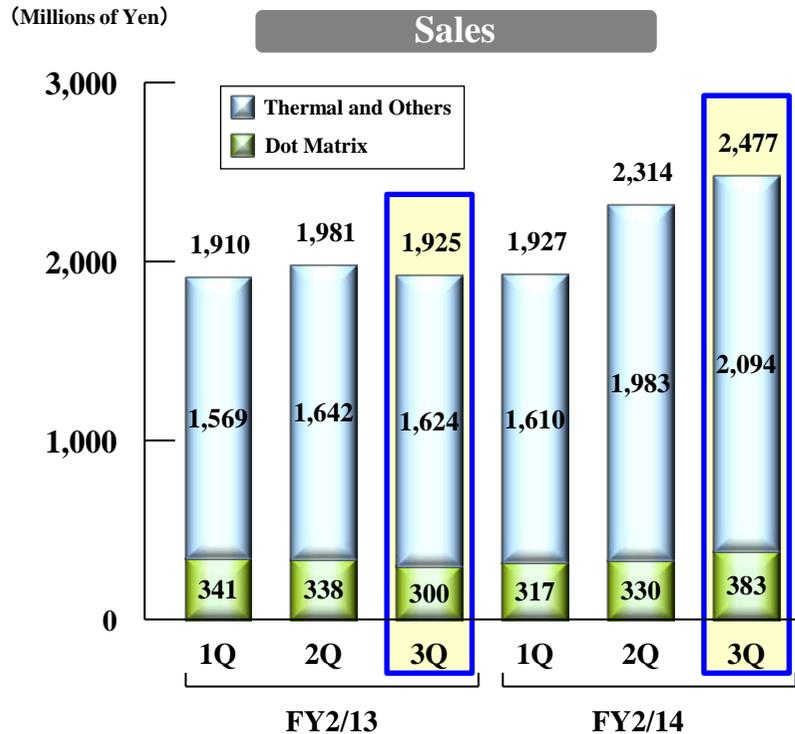


(Millions of Yen)

	FY2/13 Actual								FY2/14 Actual								Y o Y	
	1Q		2Q		3Q		1Q~3Q Total		1Q		2Q		3Q		1Q~3Q Total		1Q~3Q Total	
	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Income Ratio (%)	Amount	Change (%)
<b>Sales</b>																		
Special Products	1,910		1,981		1,925		5,817		1,927		2,314		2,477		6,719		902	15.5
Micro Audio Components	831		850		741		2,423		659		770		817		2,247		(175)	(7.3)
Machine Tools	5,839		5,952		4,842		16,634		4,952		6,821		6,235		18,009		1,375	8.3
Precision Products	1,105		1,124		955		3,184		831		977		1,020		2,829		(355)	(11.2)
<b>Total</b>	9,686		9,908		8,464		28,059		8,370		10,883		10,552		29,806		1,746	6.2
<b>Operating Income</b>																		
Special Products	16	0.8	84	4.3	111	5.8	212	3.6	73	3.8	175	7.6	350	14.2	600	8.9	388	183.0
Micro Audio Components	(122)	-	0	0.1	(47)	-	(169)	-	20	3.1	8	1.1	52	6.4	81	3.6	250	-
Machine Tools	843	14.4	996	16.7	586	12.1	2,426	14.6	401	8.1	902	13.2	878	14.1	2,183	12.1	(243)	(10.0)
Precision Products	169	15.3	159	14.2	106	11.2	435	13.7	(25)	-	56	5.7	104	10.2	134	4.8	(301)	(69.1)
Eliminations or Corporate	(466)		(488)		(496)		(1,451)		(533)		(581)		(615)		(1,730)		(278)	
<b>Total</b>	439	4.5	753	7.6	260	3.1	1,453	5.2	(62)	-	561	5.2	770	7.3	1,268	4.3	(184)	(12.7)
<b>Ordinary Income</b>	514	5.3	764	7.7	429	5.1	1,708	6.1	268	3.2	564	5.2	975	9.2	1,809	6.1	100	5.9
<b>Net Income</b>	523	5.4	1,413	14.3	230	2.7	2,167	7.7	114	1.4	112	1.0	569	5.4	796	2.7	(1,370)	(63.3)

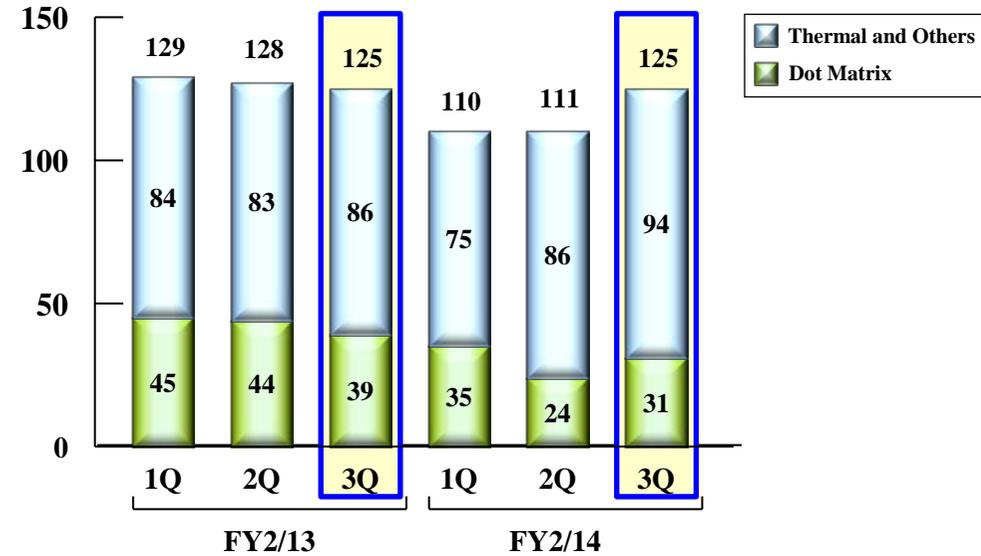
Assumed Exchange Rate  
(Full Year)

Exchange Rate	US\$	¥ 79.38				¥ 96.71	¥ 95.30
	EUR	¥101.76				¥127.36	¥125.25
	GBP	¥125.22				¥149.39	¥146.70
	CHF	¥ 84.50				¥103.41	¥102.00



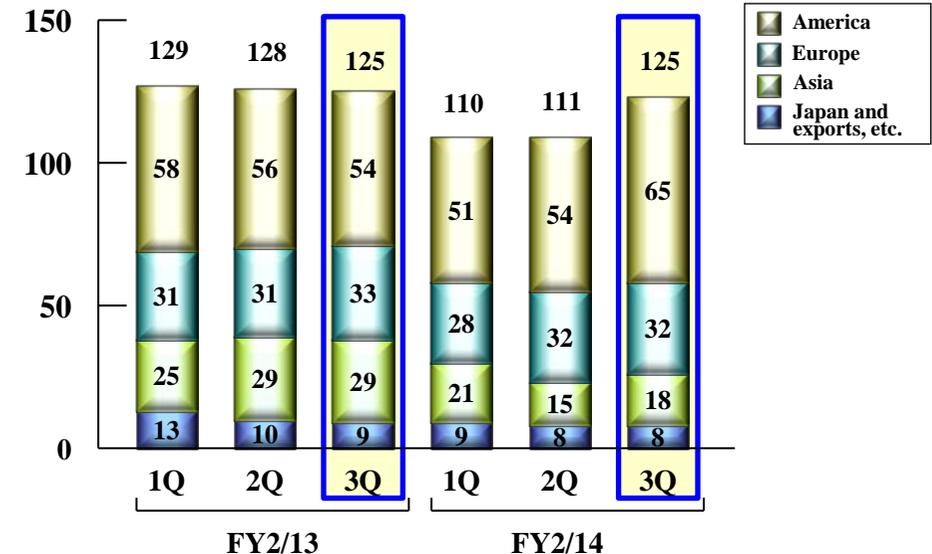
(Thousand Units)

### Sales Volume by POS Printers Type



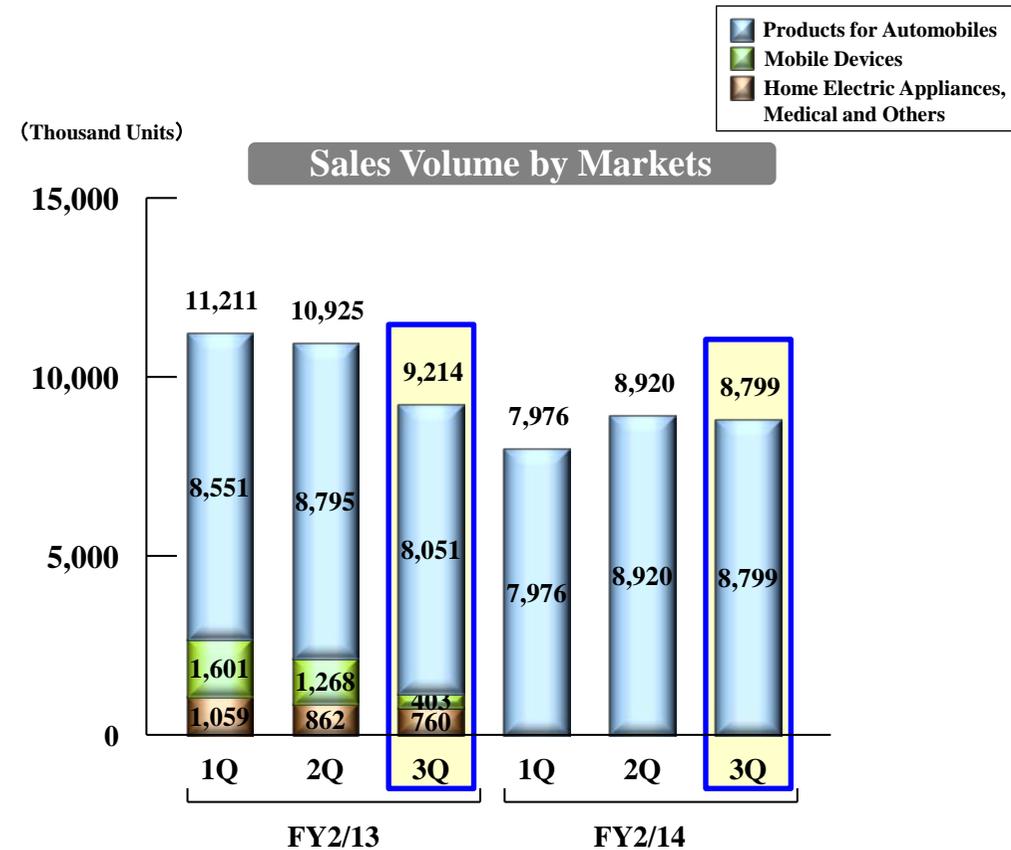
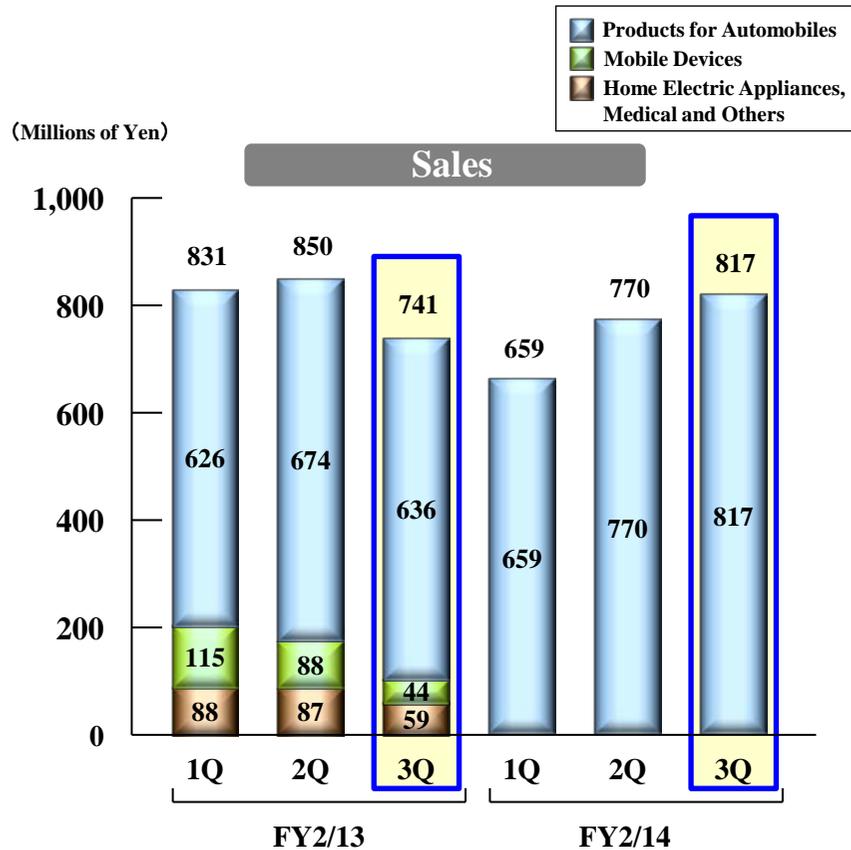
(Thousand Units)

### Sales Volume by Region



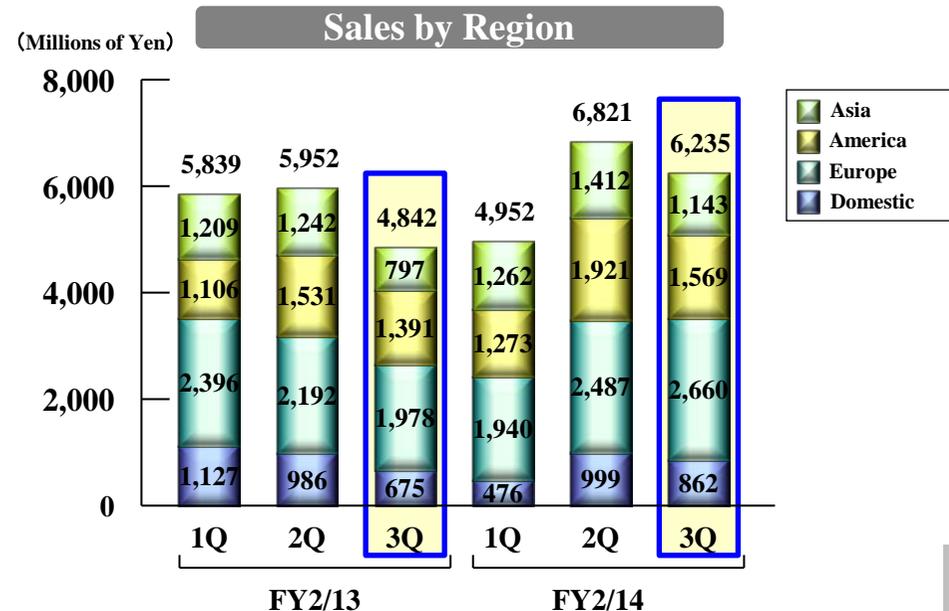
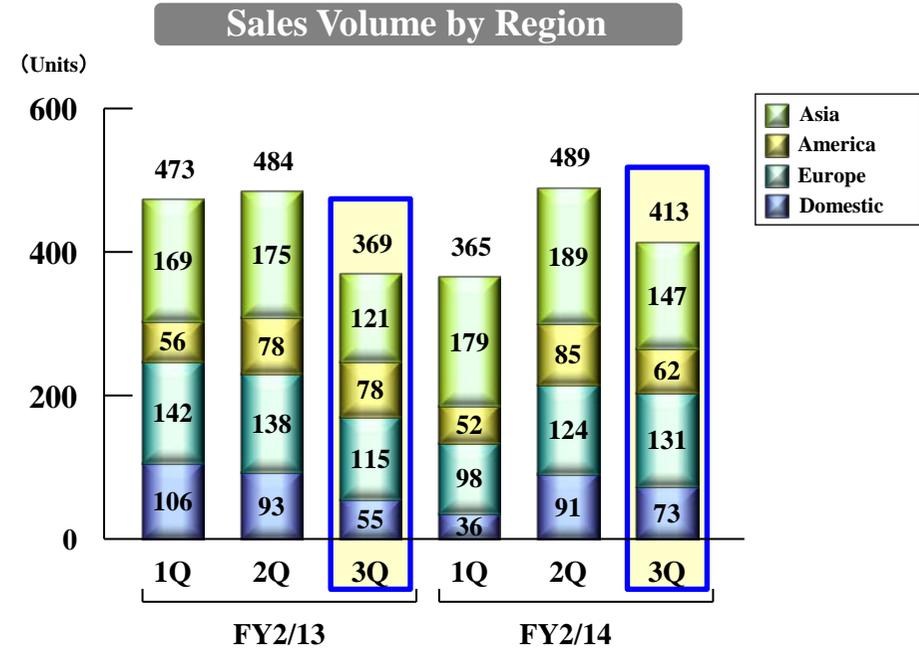
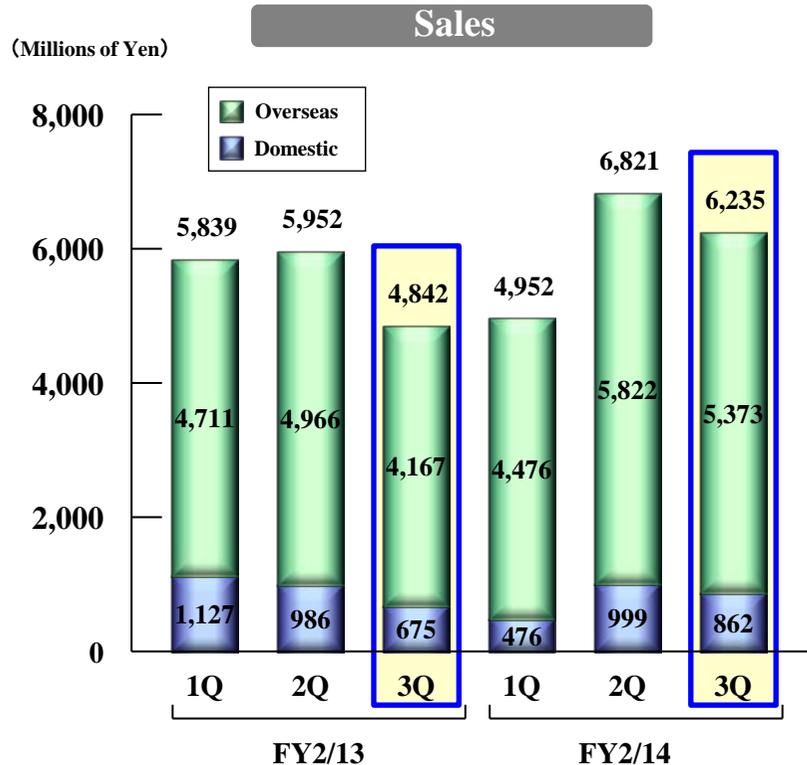
- Sales of thermal printers rose on the back of robust growth in demand from markets in North America and Japan. Other contributing factors included new orders captured in the European market, as well as the yen's depreciation.
- Sales of dot-matrix printers remained mostly unchanged year on year, due partly to the positive impact of currency exchange rates, despite stagnant demand from markets in Europe and Asia.

※The above comments relate to the first three quarters of fiscal 2014



- This segment made preparations for its scheduled termination while ensuring that it continues to fulfill its supply responsibilities to customers.
- Star Micronics completed transferring the Micro Audio Components Segment to Foster Electric Company, Limited on January 1, 2014.

※The above comments relate to the first three quarters of fiscal 2014

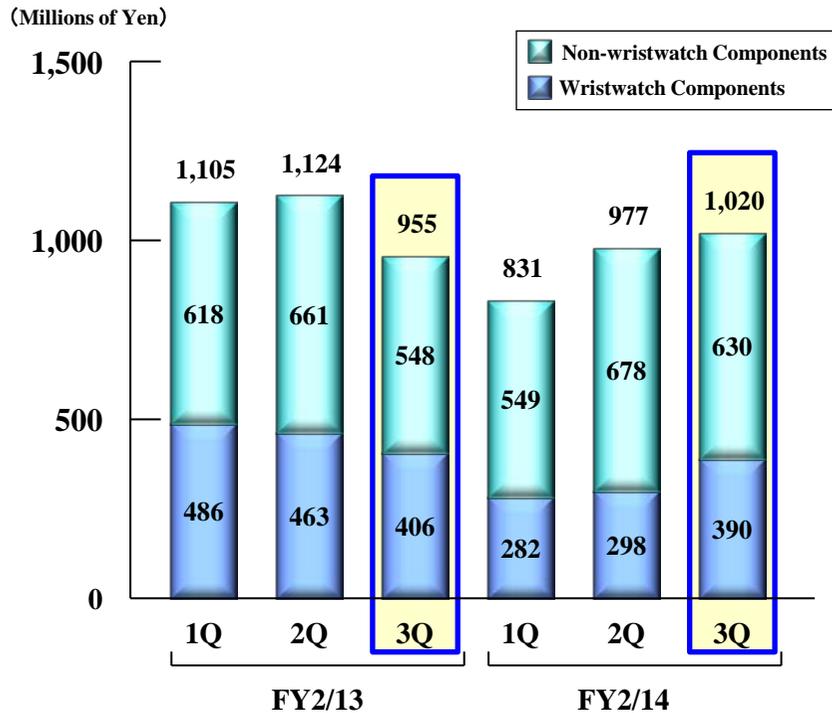


- Sales in the U.S. increased on the back of steady growth in the medical equipment and other sectors, helped partly by the positive impact of currency exchange rates.
- Sales in the Asian market rose atop growth in demand from the mobile device-related, medical equipment and other sectors in East Asia.
- Monetary sales in the mainstay European market increased year on year, partly due to the positive impact of currency exchange rates, despite lower sales volume amid lackluster overall market conditions in the first half.
- The Japanese market saw increased activity in the automobile-related sector. Nevertheless, this was not enough to make up for decreased sales in the first half. Consequently, there was a decrease in sales in Japan.

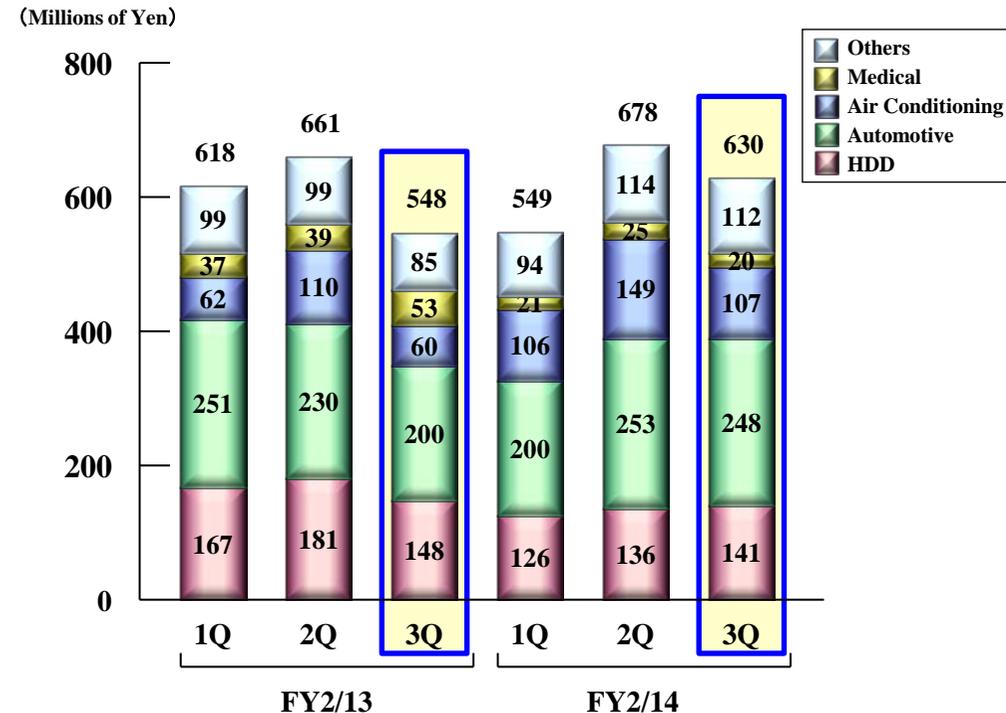
※The above comments relate to the first three quarters of fiscal 2014



## Sales



## Sales of Non-wristwatch Components



- Sales of wristwatch components fell sharply due to the negative impact of lower sales in the first half, despite a rebound in wristwatch component sales as wristwatch makers made progress on inventory adjustments in response to weak sales.
- In non-wristwatch components, sales of air conditioning-related components were brisk, while sales of automobile-related components were mostly on a par with the same period a year earlier, supported by the positive impact of currency exchange rates. However, these gains were offset by a year-on-year decrease in sales of components for HDDs, reflecting the impact of lower PC sales. Consequently, overall sales of non-wristwatch components were mostly unchanged year on year.

※The above comments relate to the first three quarters of fiscal 2014

## Special Products

POS Printer  
TSP100ECO



Mobile Printer  
SM-S200



Card Reader/Writer  
TCP300 II

## Machine Tools



Swiss Type Automatic Lathe  
ST-38



Turning Center  
SF-25



CNC Automatic Lathe  
SG-42

## Precision Products

Wristwatch Components



Non-Wristwatch Components  
(Automotive, Air Conditioning, HDD and Medical Components)



(Automotive Components)